



# Electricity Act 1989

## 1989 CHAPTER 29

### PART I

#### ELECTRICITY SUPPLY

*[<sup>F1</sup>Electricity transmission and the operation of electricity interconnectors: independence*

#### **[<sup>F1</sup>10M Prohibition on the exercise of certain shareholder rights and rights of appointment**

- (1) A person must not exercise a shareholder right or a right of appointment if—
  - (a) the right falls within subsection (2), (3), (4) or (5);
  - (b) the relevant date in respect of the certified person mentioned in that subsection has been reached;
  - (c) the exercise of the right would or might lead the certified person to discriminate in favour of the relevant producer or supplier mentioned in that subsection; and
  - (d) the relevant producer or supplier is a person to whom subsection (6) applies.
- (2) A right falls within this subsection if—
  - (a) it is a shareholder right;
  - (b) it is held by a person who controls a person certified on the certification ground in section 10E(3); and
  - (c) it is exercisable in relation to a relevant producer or supplier.
- (3) A right falls within this subsection if—
  - (a) it is a shareholder right;
  - (b) it is exercisable in relation to a person certified on the certification ground in section 10E(3); and
  - (c) it is held by a person who controls a relevant producer or supplier.
- (4) A right falls within this subsection if—
  - (a) it is a shareholder right;

*Status: Point in time view as at 10/11/2011.*

*Changes to legislation: Electricity Act 1989, Section 10M is up to date with all changes known to be in force on or before 31 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- (b) the person who holds it appointed a senior officer of a person certified on the certification ground in section 10E(3);
  - (c) the person appointed continues to hold that office; and
  - (d) the right is exercisable in relation to an electricity undertaking which is a relevant producer or supplier.
- (5) A right falls within this subsection if—
- (a) it is a right to appoint a senior officer of a person certified on the certification ground in section 10E(3); and
  - (b) the person who holds it has, within the immediately preceding period of 3 years, exercised a shareholder right in relation to an electricity undertaking which is a relevant producer or supplier.
- (6) This subsection applies to a person if, in order to carry out of some or all of the activity by virtue of which the person is a relevant producer or supplier, the person—
- (a) requires a licence under section 6 of this Act, section 7A of the Gas Act 1986 (licensing of gas suppliers and gas shippers) or section 3 of the Petroleum Act 1998 (licences to search and bore for and get petroleum); or
  - (b) would require such a licence if carrying out the activity in Great Britain.
- (7) In this section—
- (a) “exercise” means exercise directly or indirectly, and “exercisable” is to be interpreted accordingly; and
  - (b) “relevant date” means the relevant date for the purposes of section 10A(1) or (3).]

#### **Textual Amendments**

**F1** Ss. 10A-10O and cross-heading inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 5

**Status:**

Point in time view as at 10/11/2011.

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