



# Companies Act 2006

## 2006 CHAPTER 46

### PART 1

#### GENERAL INTRODUCTORY PROVISIONS

##### **Modifications etc. (not altering text)**

- C1** Pts. 1-39 (except for Pt. 7 and ss. 662-669), 45-47 extended (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), art. 5(1), [Sch. 1 para. 2](#)

#### *Companies and Companies Acts*

## **1 Companies**

- (1) In the Companies Acts, unless the context otherwise requires—

“company” means a company formed and registered under this Act, that is—

- (a) a company so formed and registered after the commencement of this Part, or
- (b) a company that immediately before the commencement of this Part—
  - (i) was formed and registered under the Companies Act 1985 (c. 6) or the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6)), or
  - (ii) was an existing company for the purposes of that Act or that Order,

(which is to be treated on commencement as if formed and registered under this Act).

- (2) Certain provisions of the Companies Acts apply to—

- (a) companies registered, but not formed, under this Act (see Chapter 1 of Part 33), and
- (b) bodies incorporated in the United Kingdom but not registered under this Act (see Chapter 2 of that Part).

*Status: Point in time view as at 03/07/2017.*

*Changes to legislation: Companies Act 2006, Part 1 is up to date with all changes known to be in force on or before 26 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)*

- (3) For provisions applying to companies incorporated outside the United Kingdom, see Part 34 (overseas companies).

## 2 The Companies Acts

- (1) In this Act “the Companies Acts” means—
- (a) the company law provisions of this Act,
  - (b) Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27) (community interest companies), and
  - (c) the provisions of the Companies Act 1985 (c. 6) and the Companies Consolidation (Consequential Provisions) Act 1985 (c. 9) that remain in force.
- (2) The company law provisions of this Act are—
- (a) the provisions of Parts 1 to 39 of this Act, and
  - (b) the provisions of Parts 45 to 47 of this Act so far as they apply for the purposes of those Parts.

### Commencement Information

- II** S. 2 wholly in force at 6.4.2007; s. 2 not in force at Royal Assent, see s. 1300; s. 2 in force for specified purposes at 1.1.2007 and 20.1.2007 by [S.I. 2006/3428](#), [arts. 2\(2\)\(a\), 3\(2\)\(a\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 2 wholly in force at 6.4.2007 by [S.I. 2007/1093](#) {art. 2(1)(a)} (subject to transitional adaptations in Sch. 1 para. 1)

### *Types of company*

## 3 Limited and unlimited companies

- (1) A company is a “limited company” if the liability of its members is limited by its constitution.
- It may be limited by shares or limited by guarantee.
- (2) If their liability is limited to the amount, if any, unpaid on the shares held by them, the company is “limited by shares”.
- (3) If their liability is limited to such amount as the members undertake to contribute to the assets of the company in the event of its being wound up, the company is “limited by guarantee”.
- (4) If there is no limit on the liability of its members, the company is an “unlimited company”.

## 4 Private and public companies

- (1) A “private company” is any company that is not a public company.
- (2) A “public company” is a company limited by shares or limited by guarantee and having a share capital—
- (a) whose certificate of incorporation states that it is a public company, and

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- (b) in relation to which the requirements of this Act, or the former Companies Acts, as to registration or re-registration as a public company have been complied with on or after the relevant date.
- (3) For the purposes of subsection (2)(b) the relevant date is—
  - (a) in relation to registration or re-registration in Great Britain, 22nd December 1980;
  - (b) in relation to registration or re-registration in Northern Ireland, 1st July 1983.
- (4) For the two major differences between private and public companies, see Part 20.

## **5 Companies limited by guarantee and having share capital**

- (1) A company cannot be formed as, or become, a company limited by guarantee with a share capital.
- (2) Provision to this effect has been in force—
  - (a) in Great Britain since 22nd December 1980, and
  - (b) in Northern Ireland since 1st July 1983.
- (3) Any provision in the constitution of a company limited by guarantee that purports to divide the company's undertaking into shares or interests is a provision for a share capital.

This applies whether or not the nominal value or number of the shares or interests is specified by the provision.

## **6 Community interest companies**

- (1) In accordance with Part 2 of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27)—
  - (a) a company limited by shares or a company limited by guarantee and not having a share capital may be formed as or become a community interest company, and
  - (b) a company limited by guarantee and having a share capital may become a community interest company.
- (2) The other provisions of the Companies Acts have effect subject to that Part.

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