



Companies Act 2006

2006 CHAPTER 46

PART 19

DEBENTURES

Modifications etc. (not altering text)

- C1** Pts. 1-39 modified (31.12.2020) by Regulation (EC) No. 2157/2001, Art. AAA1(3) (as inserted by [The European Public Limited-Liability Company \(Amendment etc.\) \(EU Exit\) Regulations 2018](#) (S.I. 2018/1298), regs. 1, **97** (with regs. 140-145) (as amended by S.I. 2020/523, regs. 1(2), 5(a)-(f)); 2020 c. 1, Sch. 5 para. 1(1))
- C2** 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**

General provisions

738 Meaning of “debenture”

In the Companies Acts “debenture” includes debenture stock, bonds and any other securities of a company, whether or not constituting a charge on the assets of the company.

Modifications etc. (not altering text)

- C3** Ss. 738-742 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009](#) (S.I. 2009/1804), regs. 2, **20**

739 Perpetual debentures

- (1) A condition contained in debentures, or in a deed for securing debentures, is not invalid by reason only that the debentures are made—

Status: Point in time view as at 31/12/2020.

Changes to legislation: Companies Act 2006, Part 19 is up to date with all changes known to be in force on or before 23 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)

- (a) irredeemable, or
 - (b) redeemable only—
 - (i) on the happening of a contingency (however remote), or
 - (ii) on the expiration of a period (however long),
- any rule of equity to the contrary notwithstanding.

(2) Subsection (1) applies to debentures whenever issued and to deeds whenever executed.

Modifications etc. (not altering text)

- C4 Ss. 738-742 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 20

740 Enforcement of contract to subscribe for debentures

A contract with a company to take up and pay for debentures of the company may be enforced by an order for specific performance.

Modifications etc. (not altering text)

- C5 Ss. 738-742 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 20

741 Registration of allotment of debentures

- (1) A company must register an allotment of debentures as soon as practicable and in any event within two months after the date of the allotment.
- (2) If a company fails to comply with this section, an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (3) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (4) For the duties of the company as to the issue of the debentures, or certificates of debenture stock, see Part 21 (certification and transfer of securities)

Modifications etc. (not altering text)

- C6 Ss. 738-742 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 20

742 Debentures to bearer (Scotland)

Notwithstanding anything in the statute of the Scots Parliament of 1696, chapter 25, debentures to bearer issued in Scotland are valid and binding according to their terms.

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Modifications etc. (not altering text)

- C7** Ss. 738-742 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, **20**

Register of debenture holders

743 Register of debenture holders

- (1) Any register of debenture holders of a company that is kept by the company must be kept available for inspection—
 - (a) at the company's registered office, or
 - (b) at a place specified in regulations under section 1136.
- (2) A company must give notice to the registrar of the place where any such register is kept available for inspection and of any change in that place.
- (3) No such notice is required if the register has, at all times since it came into existence, been kept available for inspection at the company's registered office.
- (4) If a company makes default for 14 days in complying with subsection (2), an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (5) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (6) References in this section to a register of debenture holders include a duplicate—
 - (a) of a register of debenture holders that is kept outside the United Kingdom, or
 - (b) of any part of such a register.

Modifications etc. (not altering text)

- C8** Ss. 743-748 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, **21**
- C9** S. 743 modified (6.4.2016) by [The Companies \(Address of Registered Office\) Regulations 2016 \(S.I. 2016/423\)](#), regs. 1(1), **11(a)(x)**

744 Register of debenture holders: right to inspect and require copy

- (1) Every register of debenture holders of a company must, except when duly closed, be open to the inspection—
 - (a) of the registered holder of any such debentures, or any holder of shares in the company, without charge, and
 - (b) of any other person on payment of such fee as may be prescribed.
- (2) Any person may require a copy of the register, or any part of it, on payment of such fee as may be prescribed.

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- (3) A person seeking to exercise either of the rights conferred by this section must make a request to the company to that effect.
- (4) The request must contain the following information—
- (a) in the case of an individual, his name and address;
 - (b) in the case of an organisation, the name and address of an individual responsible for making the request on behalf of the organisation;
 - (c) the purpose for which the information is to be used; and
 - (d) whether the information will be disclosed to any other person, and if so—
 - (i) where that person is an individual, his name and address,
 - (ii) where that person is an organisation, the name and address of an individual responsible for receiving the information on its behalf, and
 - (iii) the purpose for which the information is to be used by that person.
- (5) For the purposes of this section a register is “duly closed” if it is closed in accordance with provision contained—
- (a) in the articles or in the debentures,
 - (b) in the case of debenture stock in the stock certificates, or
 - (c) in the trust deed or other document securing the debentures or debenture stock.
- The total period for which a register is closed in any year must not exceed 30 days.
- (6) References in this section to a register of debenture holders include a duplicate—
- (a) of a register of debenture holders that is kept outside the United Kingdom, or
 - (b) of any part of such a register.

Modifications etc. (not altering text)

C10 Ss. 743-748 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 21

Commencement Information

II S. 744 wholly in force at 6.4.2008; s. 744 not in force at Royal Assent, see s. 1300; s. 744 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 744 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(g\)](#) (with savings in [arts. 7, 12](#), subject to transitional adaptations in [Sch. 1 para. 12](#) and with savings in [Sch. 4 paras. 20-23](#))

745 Register of debenture holders: response to request for inspection or copy

- (1) Where a company receives a request under section 744 (register of debenture holders: right to inspect and require copy), it must within five working days either—
- (a) comply with the request, or
 - (b) apply to the court.
- (2) If it applies to the court it must notify the person making the request.
- (3) If on an application under this section the court is satisfied that the inspection or copy is not sought for a proper purpose—
- (a) it shall direct the company not to comply with the request, and

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- (b) it may further order that the company's costs (in Scotland, expenses) on the application be paid in whole or in part by the person who made the request, even if he is not a party to the application.
- (4) If the court makes such a direction and it appears to the court that the company is or may be subject to other requests made for a similar purpose (whether made by the same person or different persons), it may direct that the company is not to comply with any such request.

The order must contain such provision as appears to the court appropriate to identify the requests to which it applies.

- (5) If on an application under this section the court does not direct the company not to comply with the request, the company must comply with the request immediately upon the court giving its decision or, as the case may be, the proceedings being discontinued.

Modifications etc. (not altering text)

C11 Ss. 743-748 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 21

746 Register of debenture holders: refusal of inspection or default in providing copy

- (1) If an inspection required under section 744 (register of debenture holders: right to inspect and require copy) is refused or default is made in providing a copy required under that section, otherwise than in accordance with an order of the court, an offence is committed by—
- (a) the company, and
- (b) every officer of the company who is in default.
- (2) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (3) In the case of any such refusal or default the court may by order compel an immediate inspection or, as the case may be, direct that the copy required be sent to the person requesting it.

Modifications etc. (not altering text)

C12 Ss. 743-748 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 21

747 Register of debenture holders: offences in connection with request for or disclosure of information

- (1) It is an offence for a person knowingly or recklessly to make in a request under section 744 (register of debenture holders: right to inspect and require copy) a statement that is misleading, false or deceptive in a material particular.
- (2) It is an offence for a person in possession of information obtained by exercise of either of the rights conferred by that section—

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- (a) to do anything that results in the information being disclosed to another person, or
 - (b) to fail to do anything with the result that the information is disclosed to another person,
- knowing, or having reason to suspect, that person may use the information for a purpose that is not a proper purpose.
- (3) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
 - (ii) in Scotland or Northern Ireland, to imprisonment for a term not exceeding six months, or to a fine not exceeding the statutory maximum (or both).

Modifications etc. (not altering text)

C13 Ss. 743-748 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 21

748 Time limit for claims arising from entry in register

- (1) Liability incurred by a company—
- (a) from the making or deletion of an entry in the register of debenture holders, or
 - (b) from a failure to make or delete any such entry,
- is not enforceable more than ten years after the date on which the entry was made or deleted or, as the case may be, the failure first occurred.
- (2) This is without prejudice to any lesser period of limitation (and, in Scotland, to any rule that the obligation giving rise to the liability prescribes before the expiry of that period).

Modifications etc. (not altering text)

C14 Ss. 743-748 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 21

Supplementary provisions

749 Right of debenture holder to copy of deed

- (1) Any holder of debentures of a company is entitled, on request and on payment of such fee as may be prescribed, to be provided with a copy of any trust deed for securing the debentures.

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- (2) If default is made in complying with this section, an offence is committed by every officer of the company who is in default.
- (3) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (4) In the case of any such default the court may direct that the copy required be sent to the person requiring it.

Modifications etc. (not altering text)

C15 S. 749 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009](#) (S.I. 2009/1804), regs. 2, 22

Commencement Information

I2 S. 749 wholly in force at 6.4.2008; s. 749 not in force at Royal Assent, see s. 1300; s. 749 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 749 in force at 6.4.2008 by [S.I. 2007/3495](#), [art. 3\(1\)\(g\)](#) (with savings in [arts. 7, 12](#), subject to transitional adaptations in [Sch. 1 para. 12](#) and with savings in [Sch. 4 paras. 20-23](#))

750 Liability of trustees of debentures

- (1) Any provision contained in—
 - (a) a trust deed for securing an issue of debentures, or
 - (b) any contract with the holders of debentures secured by a trust deed,is void in so far as it would have the effect of exempting a trustee of the deed from, or indemnifying him against, liability for breach of trust where he fails to show the degree of care and diligence required of him as trustee, having regard to the provisions of the trust deed conferring on him any powers, authorities or discretions.
- (2) Subsection (1) does not invalidate—
 - (a) a release otherwise validly given in respect of anything done or omitted to be done by a trustee before the giving of the release;
 - (b) any provision enabling such a release to be given—
 - (i) on being agreed to by a majority of not less than 75% in value of the debenture holders present and voting in person or, where proxies are permitted, by proxy at a meeting summoned for the purpose, and
 - (ii) either with respect to specific acts or omissions or on the trustee dying or ceasing to act.
- (3) This section is subject to section 751 (saving for certain older provisions).

Modifications etc. (not altering text)

C16 S. 750 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009](#) (S.I. 2009/1804), regs. 2, 22

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751 Liability of trustees of debentures: saving for certain older provisions

- (1) Section 750 (liability of trustees of debentures) does not operate—
- (a) to invalidate any provision in force on the relevant date so long as any person—
 - (i) then entitled to the benefit of the provision, or
 - (ii) afterwards given the benefit of the provision under subsection (3) below,
 remains a trustee of the deed in question, or
 - (b) to deprive any person of any exemption or right to be indemnified in respect of anything done or omitted to be done by him while any such provision was in force.
- (2) The relevant date for this purpose is—
- (a) 1st July 1948 in a case where section 192 of the Companies Act 1985 (c. 6) applied immediately before the commencement of this section;
 - (b) 1st July 1961 in a case where Article 201 of the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6)) then applied.
- (3) While any trustee of a trust deed remains entitled to the benefit of a provision saved by subsection (1) above the benefit of that provision may be given either—
- (a) to all trustees of the deed, present and future, or
 - (b) to any named trustees or proposed trustees of it,
- by a resolution passed by a majority of not less than 75% in value of the debenture holders present in person or, where proxies are permitted, by proxy at a meeting summoned for the purpose.
- (4) A meeting for that purpose must be summoned in accordance with the provisions of the deed or, if the deed makes no provision for summoning meetings, in a manner approved by the court.

752 Power to re-issue redeemed debentures

- (1) Where a company has redeemed debentures previously issued, then unless—
- (a) provision to the contrary (express or implied) is contained in the company's articles or in any contract made by the company, or
 - (b) the company has, by passing a resolution to that effect or by some other act, manifested its intention that the debentures shall be cancelled,
- the company may re-issue the debentures, either by re-issuing the same debentures or by issuing new debentures in their place.
- This subsection is deemed always to have had effect.
- (2) On a re-issue of redeemed debentures the person entitled to the debentures has (and is deemed always to have had) the same priorities as if the debentures had never been redeemed.
- (3) The re-issue of a debenture or the issue of another debenture in its place under this section is treated as the issue of a new debenture for the purposes of stamp duty.

It is not so treated for the purposes of any provision limiting the amount or number of debentures to be issued.

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- (4) A person lending money on the security of a debenture re-issued under this section which appears to be duly stamped may give the debenture in evidence in any proceedings for enforcing his security without payment of the stamp duty or any penalty in respect of it, unless he had notice (or, but for his negligence, might have discovered) that the debenture was not duly stamped.

In that case the company is liable to pay the proper stamp duty and penalty.

Modifications etc. (not altering text)

C17 Ss. 752-754 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 23

753 Deposit of debentures to secure advances

Where a company has deposited any of its debentures to secure advances from time to time on current account or otherwise, the debentures are not treated as redeemed by reason only of the company's account having ceased to be in debit while the debentures remained so deposited.

Modifications etc. (not altering text)

C18 Ss. 752-754 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, 23

754 Priorities where debentures secured by floating charge

- (1) This section applies where debentures of a company registered in England and Wales or Northern Ireland are secured by a charge that, as created, was a floating charge.
- (2) If possession is taken, by or on behalf of the holders of the debentures, of any property comprised in or subject to the charge, and the company is not at that time in the course of being wound up, the company's preferential debts shall be paid out of assets coming to the hands of the persons taking possession in priority to any claims for principal or interest in respect of the debentures.
- (3) “Preferential debts” means the categories of debts listed in Schedule 6 to the Insolvency Act 1986 (c. 45) or Schedule 4 to the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).

For the purposes of those Schedules “the relevant date” is the date of possession being taken as mentioned in subsection (2).

- (4) Payments under this section shall be recouped, as far as may be, out of the assets of the company available for payment of general creditors.

Modifications etc. (not altering text)

C19 S. 754 restricted (6.3.2008) by [The Regulated Covered Bonds Regulations 2008 \(S.I. 2008/346\)](#), reg. 46, [Sch. para. 6](#)

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- C20** Ss. 752-754 applied (with modifications) (1.10.2009) by [The Limited Liability Partnerships \(Application of Companies Act 2006\) Regulations 2009 \(S.I. 2009/1804\)](#), regs. 2, **23**
- C21** S. 754 applied by [The Financial Markets and Insolvency \(Settlement Finality\) Regulations 1999 \(S.I. 1999/2979\)](#), reg. 14(5)(a)(v) (as substituted (1.10.2009) by [The Financial Markets and Insolvency \(Settlement Finality\) \(Amendment\) Regulations 2009 \(S.I. 2009/1972\)](#), **reg. 4(d)(iii)**)

Status:

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