



Companies Act 2006

2006 CHAPTER 46

PART 22

INFORMATION ABOUT INTERESTS IN A COMPANY'S SHARES

Orders imposing restrictions on shares

797 Consequences of order imposing restrictions

- (1) The effect of an order under section 794 that shares are subject to restrictions is as follows—
- any transfer of the shares is void;
 - no voting rights are exercisable in respect of the shares;
 - no further shares may be issued in right of the shares or in pursuance of an offer made to their holder;
 - except in a liquidation, no payment may be made of sums due from the company on the shares, whether in respect of capital or otherwise.

- (2) Where shares are subject to the restriction in subsection (1)(a), an agreement to transfer the shares is void.

This does not apply to an agreement to transfer the shares on the making of an order under section 800 made by virtue of subsection (3)(b) (removal of restrictions in case of court-approved transfer).

- (3) Where shares are subject to the restriction in subsection (1)(c) or (d), an agreement to transfer any right to be issued with other shares in right of those shares, or to receive any payment on them (otherwise than in a liquidation), is void.

This does not apply to an agreement to transfer any such right on the making of an order under section 800 made by virtue of subsection (3)(b) (removal of restrictions in case of court-approved transfer).

- (4) The provisions of this section are subject—

Status: Point in time view as at 20/01/2007.

Changes to legislation: Companies Act 2006, Section 797 is up to date with all changes known to be in force on or before 17 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) to any directions under section 794(2) or section 799(3) (directions for protection of third parties), and
- (b) in the case of an interim order under section 794(3), to the terms of the order.

Commencement Information

- II** S. 797 wholly in force at 20.1.2007, see s. 1300 and S.I. 2006/3428, art. 3(1)(d) (subject to art. 5, Sch. 1 and with arts. 6, 8, Sch. 5)

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