



# Postal Services Act 2011

## 2011 CHAPTER 5

### PART 1

#### RESTRUCTURING OF ROYAL MAIL GROUP

##### *Ownership of the Post Office*

#### **4 Restrictions on issue and transfer of shares and share rights in a Post Office company etc**

- (1) No disposal of the Crown's interest in a Post Office company may be made other than a disposal that—
  - (a) is made pursuant to a direction under subsection (2), or
  - (b) is authorised under subsection (3).
- (2) The Secretary of State may by order—
  - (a) direct a Post Office company (if it is wholly owned by the Crown) to issue shares or share rights to a relevant mutual, or
  - (b) direct a company wholly owned by the Crown to transfer shares or share rights in a Post Office company to a relevant mutual.
- (3) A disposal of the Crown's interest in a Post Office company is authorised under this subsection if—
  - (a) the disposal is by way of an issue or transfer of shares or share rights in a Post Office company to a relevant mutual, and
  - (b) the Secretary of State has by order approved the issue or transfer.
- (4) An order under subsection (2) or (3)(b) is subject to affirmative resolution procedure.
- (5) No disposal of a relevant mutual's interest in a Post Office company may be made other than a disposal to—
  - (a) another relevant mutual,
  - (b) the Secretary of State or the Treasury (or a nominee of either of them), or

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*Changes to legislation: There are currently no known outstanding effects for the Postal Services Act 2011, Cross Heading: Ownership of the Post Office. (See end of Document for details)*

- (c) a company wholly owned by the Crown.
- (6) Any disposal in contravention of subsection (1) or (5) has no effect.
- (7) For the meaning of “Post Office company” and “relevant mutual”, see sections 6 and 7.
- (8) In this section any reference to a disposal of a person's interest in a Post Office company is to—
  - (a) the issue or transfer of shares in a company the effect of which is to reduce the proportion of the Post Office company owned by the person, or
  - (b) the issue or transfer of share rights to a person the effect of which would be, if the shares to which the share rights relate were issued or transferred to the person, to reduce the proportion of the Post Office company owned by the person.

**Commencement Information**

**II** S. 4 in force at 1.10.2011 by [S.I. 2011/2329](#), [art. 3](#)

**5 Report on transfer of interest in a Post Office company to a relevant mutual**

- (1) This section applies where the Secretary of State proposes to make an order under section 4(2) or (3)(b) (order directing or approving issue or transfer of shares or share rights in a Post Office company to a relevant mutual).
- (2) The Secretary of State must lay before Parliament a report on the proposed issue or transfer before making the order.
- (3) The report must—
  - (a) give details of the proposed issue or transfer (including the expected time-scale for the issue or transfer),
  - (b) name the body to whom shares or share rights are proposed to be issued or transferred, and
  - (c) explain how that body meets the conditions set out in section 7.

**Commencement Information**

**I2** S. 5 in force at 1.10.2011 by [S.I. 2011/2329](#), [art. 3](#)

**6 Meaning of “Post Office company”**

- (1) In this Part “Post Office company” means a company that—
  - (a) is engaged in the provision of post offices,
  - (b) is or has at any time been—
    - (i) a subsidiary of the original holding company, or
    - (ii) in the same group as a company that is or (as the case may be) was at that time designated under this section, and
  - (c) is designated for the purposes of this subsection by order made by the Secretary of State.

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- (2) A company may be designated only if, immediately before it is designated, it is wholly owned by the Crown.
- (3) An order under subsection (1) may not be amended or revoked.
- (4) An order under section 93 that appoints a day for the commencement of section 1 (removal of restrictions on ownership of Royal Mail Holdings plc etc) may not be made unless Post Office Limited (registered number 02154540) has been designated under subsection (1).

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**Commencement Information**

**I3** [S. 6](#) in force at 1.10.2011 by [S.I. 2011/2329](#), [art. 3](#)

## **7 Meaning of “relevant mutual”**

- (1) In section 4 “relevant mutual” means a body in respect of which the Secretary of State considers that conditions A to C are (and will continue to be) met.
- (2) Condition A is that the purpose (or main purpose) for which the body exists is to act for the public benefit by promoting the use by the public of services provided by a Post Office company or at its post offices.
- (3) Condition B is that the members of the body are—
  - (a) persons who have an interest in the use by the public of such services (including employees of the Post Office company and other persons engaged in the provision of its post offices), or
  - (b) persons who act on behalf of, or represent, persons within paragraph (a).
- (4) Condition C is that the body has in place arrangements for the prevention of disposals of property or rights by the Post Office company that would be inconsistent with the purpose (or main purpose) for which the body exists.

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**Commencement Information**

**I4** [S. 7](#) in force at 1.10.2011 by [S.I. 2011/2329](#), [art. 3](#)

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