



National Security and Investment Act 2021

2021 CHAPTER 25

PART 1

CALL-IN FOR NATIONAL SECURITY

CHAPTER 2

INTERPRETATION

8 Control of entities

- (1) For the purposes of this Act, a person gains control of a qualifying entity if the person acquires a right or interest in, or in relation to, the entity and as a result one or more of the cases described in this section arises.
- (2) The first case is where the percentage of the shares that the person holds in the entity increases—
 - (a) from 25% or less to more than 25%,
 - (b) from 50% or less to more than 50%, or
 - (c) from less than 75% to 75% or more.
- (3) In subsection (2), the reference to holding a percentage of shares is—
 - (a) in the case of an entity that has a share capital, to holding shares comprised in the issued share capital of the entity of a nominal value (in aggregate) of that percentage of the share capital,
 - (b) in the case of an entity that does not have a share capital, to holding a right to a share of that percentage of the capital or profits of the entity,
 - (c) in the case of a limited liability partnership, to holding a right to a share of that percentage of any surplus assets of the partnership on a winding up.

Status: This is the original version (as it was originally enacted).

- (4) For the purposes of subsection (3)(c), to the extent that rights to share in any surplus assets of the limited liability partnership on a winding up are not expressly provided for, each member of the partnership is to be treated as holding the right to an equal share of such assets.
- (5) The second case is where the percentage of the voting rights that the person holds in the entity increases—
- (a) from 25% or less to more than 25%,
 - (b) from 50% or less to more than 50%, or
 - (c) from less than 75% to 75% or more.
- (6) The third case is where the acquisition is of voting rights in the entity that (whether alone or together with other voting rights held by the person) enable the person to secure or prevent the passage of any class of resolution governing the affairs of the entity.
- (7) In subsections (5) and (6), a reference to the voting rights in an entity is—
- (a) in the case of an entity that has a share capital, to the rights conferred on shareholders in respect of their shares to vote at general meetings of the entity on all or substantially all matters,
 - (b) in the case of an entity that does not have a share capital, to the rights conferred on members to vote at general meetings of the entity on all or substantially all matters,
- and, in the case of an entity that does not have general meetings at which matters are decided by such votes, includes any rights in relation to the entity that are of the equivalent effect.
- (8) The fourth case is (subject to subsection (9)) where the acquisition, whether alone or together with other interests or rights held by the person, enables the person materially to influence the policy of the entity.
- (9) Subsection (8) does not include a case where the person already holds any interest or right that enables the person materially to influence the policy of the entity.