
STATUTORY INSTRUMENTS

2001 No. 1228

The Open-Ended Investment Companies Regulations 2001

PART III

CORPORATE CODE

Organs

Restraint and ratification by shareholders

42.—(1) A shareholder of an open-ended investment company may bring proceedings to restrain the doing of an act which but for regulation 38(1) would be beyond the company's capacity.

(2) Paragraph (1) of regulation 39 does not affect any right of a shareholder of an open-ended investment company to bring proceedings to restrain the doing of an act which is beyond any of the powers referred to in that paragraph.

(3) No proceedings may be brought under paragraph (1) in respect of an act to be done in fulfilment of a legal obligation arising from a previous act of the company; and paragraph (2) does not have the effect of enabling proceedings to be brought in respect of any such act.

(4) Any action by the directors of a company—

(a) which, but for regulation 38(1), would be beyond the company's capacity; or

(b) which is within the company's capacity but beyond the powers referred to in regulation 39(1)(a);

may only be ratified by a resolution of the company in general meeting.

(5) A resolution ratifying such action does not affect any liability incurred by the directors or any other person, relief from any such liability requiring agreement by a separate resolution of the company in general meeting.

(6) Nothing in this regulation affects any power or right conferred by or arising under section 150 (actions for damages) or section 380, 382 or 384 of the Act (injunctions and restitution orders).

Status:

Point in time view as at 01/12/2001. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the The Open-Ended Investment Companies Regulations 2001, Section 42.