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STATUTORY INSTRUMENTS

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**2017 No. 1212**

**The Risk Transformation Regulations 2017**

**PART 4**

Protected Cell Companies

CHAPTER 9

Shares and shareholders

*SECTION 1*

*Shares*

**Restraint and ratification by shareholders**

**98.**—(1) A person holding voting shares issued on behalf of the core of a protected cell company may bring proceedings to restrain the protected cell company from doing an act which would, but for regulation 81(1), be beyond the protected cell company's capacity.

(2) But 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 protected cell company.

(3) The following action by the directors of a protected cell company may only be ratified by a resolution of persons holding voting shares issued on behalf of the core of the protected cell company—

- (a) action which would, but for regulation 81(1), be beyond the protected cell company's capacity;
- (b) action which is within the protected cell company's capacity but is beyond the powers of the directors to bind the protected cell company or authorise others to do so.

(4) A resolution ratifying such action does not affect any liability incurred by the directors or any other person, and relief from any such liability requires agreement by a separate resolution of the persons holding voting shares issued on behalf of the core of the protected cell company.

**Changes to legislation:**

The Risk Transformation Regulations 2017, Section 98 is up to date with all changes known to be in force on or before 06 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.

[View outstanding changes](#)

**Changes and effects yet to be applied to :**

- Regulations revoked by [2023 c. 29 Sch. 1 Pt. 2](#)