

2020 No. 717

COMPANIES

**The Companies (Shareholders' Rights to Voting Confirmations)
Regulations 2020**

<i>Made</i> - - - -	<i>6th July 2020</i>
<i>Laid before Parliament</i>	<i>9th July 2020</i>
<i>Coming into force</i> - -	<i>3rd September 2020</i>

The Secretary of State makes these Regulations in exercise of the powers conferred by section 2(2) of the European Communities Act 1972(a).

The Secretary of State is a Minister designated(b) for the purposes of section 2(2) of that Act in relation to the creation, operation, regulation or dissolution of companies and other forms of business organisation.

Citation and commencement

1.—(1) These Regulations may be cited as the Companies (Shareholders' Rights to Voting Confirmations) Regulations 2020.

(2) These Regulations come into force on 3rd September 2020.

Application

2. The amendment made by regulation 4 has effect in relation to votes cast on or after 3rd September 2020.

3. The amendment made by regulation 5 has effect in relation to votes cast at a general meeting which takes place on or after 3rd September 2020.

Traded companies: confirmation of receipt of electronic voting

4.—(1) In the Companies Act 2006(c), after section 360A (electronic meetings and voting), insert—

(a) 1972 c. 68. The European Communities Act 1972 was repealed by section 1 of the European Union (Withdrawal) Act 2018 (c. 16) with effect from exit day, but saved with modifications until IP completion day by section 1A of that Act (as inserted by section 1 of the European Union (Withdrawal Agreement) Act 2020 (c.1)). Section 2(2) of the European Communities Act 1972 was amended by section 27(1) of the Legislative and Regulatory Reform Act 2006 (c. 51) and by section 3(3) of, and Part 1 of the Schedule to, the European Union (Amendment) Act 2008 (c. 7).

(b) S.I. 2007/193; revoked by S.I. 2018/1011 with effect from exit day. Schedule 5 to the European Union (Withdrawal Agreement) Act 2020 provides that exit day be read as IP completion day.

(c) 2006 c. 46. Sections 360A and 260B were inserted by S.I. 2009/1632 which also amended section 145. The Act has been further amended, but not in a way which is relevant to these Regulations.

“360AA Traded companies: confirmation of receipt of electronic voting

(1) In the case of a traded company, where a vote is cast on a poll by electronic means the company must ensure that, as soon as reasonably practicable after the vote has been received, confirmation of receipt of the vote is sent by electronic means to—

- (a) the member, where that person cast the vote,
- (b) the proxy, where the vote was cast by proxy, or
- (c) the representative, where the vote was cast by a person authorised to act as a representative of a corporation in accordance with section 323(1).

(2) A vote under subsection (1) includes any vote cast—

- (a) at a meeting;
- (b) at an electronic meeting conducted in accordance with section 360A;
- (c) in advance of a meeting or electronic meeting (see section 322A).”.

(2) In section 145(3) (effect of provision of articles as to enjoyment or exercise of members’ rights), after paragraph (ga) insert—

“(gb) 360AA (traded companies: confirmation of receipt of electronic voting);”.

Traded companies: right to confirmation of vote after a general meeting

5.—(1) In the Companies Act 2006, after section 360B (traded companies: requirements for participating in and voting at general meetings), insert—

“360BA Traded companies: right to confirmation of vote after a general meeting

(1) Where the conditions in subsection (2) are met, a traded company must provide information to a member which enables the member to confirm that their vote on a resolution at a general meeting where a poll has been taken has been validly recorded and counted.

(2) The conditions are that—

- (a) the member makes a request for the information, which request is received by the company no later than 30 days from the date of that general meeting, and
- (b) the member does not have any other reasonable means by which to determine that their vote has been validly recorded and counted by the company.

(3) The information under subsection (1) must be provided to the member as soon as reasonably practicable and in any event by the end of the period of 15 days beginning with whichever is the later of the first working day after the day on which—

- (a) the result of the poll is declared for that resolution; or
- (b) the request for information under subsection (2)(a) is received by the company.”.

(2) In section 145(3), after paragraph (gb) insert—

“(gc) 360BA (traded companies: right to confirmation of vote after a general meeting);”.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations implement Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (OJ L 132, 20.5.2017, p. 1) (“the Directive”) so far as it is not already given effect in United Kingdom law. The Directive amends Directive 2007/36/EC of the European Parliament and of the Council of 11 July 2007 on the exercise of certain rights of shareholders in listed companies (OJ L 184, 14.7.2007, p. 17) (“the 2007 Directive”).

These Regulations implement certain provisions contained in article 3c of the 2007 Directive as amended (facilitation of the exercise of shareholder rights). The remaining provisions of the Directive are already given effect in national law by the Companies Act 2006 (c.46) (“the Act”) and the Uncertificated Securities Regulations 2001 (S.I. 2001/3755), which include measures that provide for the transmission of information to shareholders in order to facilitate the exercise of shareholder rights.

These Regulations apply to companies whose shares carry voting rights and are admitted to trading on a regulated market within the EEA, defined as a “traded company” in section 360C of the Act.

Regulation 4 inserts a new section into the Act, 360AA, to impose an obligation on a traded company to provide a confirmation of receipt of those votes which are cast electronically. Section 360A(2) of the Act enables a traded company to impose those requirements which are necessary to ensure the identification of those taking part in a general meeting of the company by electronic means.

Regulation 5 inserts a new section into the Act, 360BA, which provides a shareholder with the right to request information from the company which enables them to determine that their vote has been validly recorded and counted.

A transposition note is attached to the Explanatory Memorandum accompanying this instrument and is published alongside this instrument and the Explanatory Memorandum on www.legislation.gov.uk. A copy is also available from the Department of Business, Energy and Industrial Strategy at 1 Victoria Street, London SW1H 0ET.

A full impact assessment has not been published for this instrument as it has no significant impact on the costs of business, the voluntary sector and the public sector.

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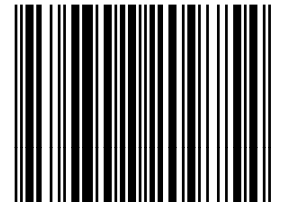
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