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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

In accordance with Chapter 1 of Part 2 of the Commonhold and Leasehold Reform Act 2002 (“the 2002 Act”), a company, referred to in that Chapter as an RTM (right to manage) company, may acquire and exercise rights in relation to the management of premises. Section 73(2) of the 2002 Act provides that a company is an RTM company in relation to premises if it is a private company limited by guarantee and its articles of association state that its object, or one of its objects, is the acquisition and exercise of the right to manage those premises. Subsections (3) to (5) of that section describe companies that are not RTM companies and the circumstances in which an RTM company ceases to be a company of that description. Section 74(2) of the 2002 Act provides that “the appropriate national authority” shall make regulations about the content and form of articles of association of RTM companies. Section 179(1) of the 2002 Act provides for the Welsh Ministers to be “the appropriate national authority” as respects Wales.

These Regulations, which apply in relation to Wales, prescribe, by reference to the Schedules to these Regulations, the form and content of the articles of association of RTM companies. Schedule 1 contains model articles in English and Schedule 2 contains model articles in Welsh. These Regulations include provision, authorised by section 74(4) of the 2002 Act, to the effect that the model articles have effect for an RTM company whether or not they are adopted.

These Regulations revoke the RTM Companies (Memorandum and Articles of Association) (Wales) Regulations 2004.