

INTERESTS OF MEMBERS OF THE SCOTTISH PARLIAMENT ACT 2006

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Section 21: Short title and commencement

The Schedule: Registrable financial interests

Interest in shares

94. [Paragraph 9](#) provides that a member has a registrable interest when a member has or had an interest in shares if it meets the criteria in subparagraph (2), irrespective of whether the interest is held by the member or by a relevant person. A relevant person is, in terms of subparagraph (7) (b), a person subject to the member's direction and control. That could include a third party or a member's spouse, civil partner or cohabitant, where, for example, shares are held nominally in their name but with an arrangement in place that allows the member to dictate when they are to be sold or for dividends to be remitted back to the member
95. [Paragraph 9\(2\)](#) provides for two thresholds. The first is that the nominal value of the shares at the relevant date is, or was, greater than 1% of the total nominal value of the issued share capital of the company or other body. The second is that the market value of the shares at the relevant date exceeds, or exceeded, 50 per cent of a member's salary on that date (rounded down to the nearest £10). Based on a member's salary for 2005/06 the threshold would be £25,850.
96. [Paragraph 9\(3\)](#) clarifies that holding or owning an interest in shares covers sole ownership, holding shares jointly and holding shares in a trust where you have an interest as a beneficiary in that trust. [Paragraph 9\(4\)](#) clarifies that an interest in shares forming part of the assets of a partnership does not require to be separately registered where any income from that partnership is registered as remuneration.
97. As in the case of heritable property, [paragraph 9](#) also makes provision as to what is the relevant date to calculate the interest in shares. That date is the date the member was returned or if later, the date the shares were acquired and, where the interest is retained, each succeeding 5th April. Where shares were disposed of before the member was returned, the relevant date is the date when the interest ceased. Similar considerations apply to shares as they apply to heritable property. Accordingly, where an interest in shares is retained on 5th April in each succeeding year, a member should reassess the value of that interest at that time to determine whether it has become, or remains, or ceases to be a registrable interest.