



# Companies Act 2006

## 2006 CHAPTER 46

### PART 25

#### COMPANY CHARGES

#### CHAPTER 1

##### COMPANIES REGISTERED IN ENGLAND AND WALES OR IN NORTHERN IRELAND

##### *Requirement to register company charges*

#### **860 Charges created by a company**

- (1) A company that creates a charge to which this section applies must deliver the prescribed particulars of the charge, together with the instrument (if any) by which the charge is created or evidenced, to the registrar for registration before the end of the period allowed for registration.
- (2) Registration of a charge to which this section applies may instead be effected on the application of a person interested in it.
- (3) Where registration is effected on the application of some person other than the company, that person is entitled to recover from the company the amount of any fees properly paid by him to the registrar on registration.
- (4) If a company fails to comply with subsection (1), an offence is committed by—
  - (a) the company, and
  - (b) every officer of it who is in default.
- (5) A person guilty of an offence under this section is liable—
  - (a) on conviction on indictment, to a fine;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

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- (6) Subsection (4) does not apply if registration of the charge has been effected on the application of some other person.
- (7) This section applies to the following charges—
- (a) a charge on land or any interest in land, other than a charge for any rent or other periodical sum issuing out of land,
  - (b) a charge created or evidenced by an instrument which, if executed by an individual, would require registration as a bill of sale,
  - (c) a charge for the purposes of securing any issue of debentures,
  - (d) a charge on uncalled share capital of the company,
  - (e) a charge on calls made but not paid,
  - (f) a charge on book debts of the company,
  - (g) a floating charge on the company’s property or undertaking,
  - (h) a charge on a ship or aircraft, or any share in a ship,
  - (i) a charge on goodwill or on any intellectual property.

### **861 Charges which have to be registered: supplementary**

- (1) The holding of debentures entitling the holder to a charge on land is not, for the purposes of section 860(7)(a), an interest in the land.
- (2) It is immaterial for the purposes of this Chapter where land subject to a charge is situated.
- (3) The deposit by way of security of a negotiable instrument given to secure the payment of book debts is not, for the purposes of section 860(7)(f), a charge on those book debts.
- (4) For the purposes of section 860(7)(i), “intellectual property” means—
  - (a) any patent, trade mark, registered design, copyright or design right;
  - (b) any licence under or in respect of any such right.
- (5) In this Chapter—
  - “charge” includes mortgage, and
  - “company” means a company registered in England and Wales or in Northern Ireland.

### **862 Charges existing on property acquired**

- (1) This section applies where a company acquires property which is subject to a charge of a kind which would, if it had been created by the company after the acquisition of the property, have been required to be registered under this Chapter.
- (2) The company must deliver the prescribed particulars of the charge, together with a certified copy of the instrument (if any) by which the charge is created or evidenced, to the registrar for registration.
- (3) Subsection (2) must be complied with before the end of the period allowed for registration.
- (4) If default is made in complying with this section, an offence is committed by—
  - (a) the company, and
  - (b) every officer of it who is in default.

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- (5) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to a fine;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

*Special rules about debentures*

**863 Charge in series of debentures**

- (1) Where a series of debentures containing, or giving by reference to another instrument, any charge to the benefit of which debenture holders of that series are entitled *pari passu* is created by a company, it is for the purposes of section 860(1) sufficient if the required particulars, together with the deed containing the charge (or, if there is no such deed, one of the debentures of the series), are delivered to the registrar before the end of the period allowed for registration.
- (2) The following are the required particulars—
- (a) the total amount secured by the whole series, and
  - (b) the dates of the resolutions authorising the issue of the series and the date of the covering deed (if any) by which the series is created or defined, and
  - (c) a general description of the property charged, and
  - (d) the names of the trustees (if any) for the debenture holders.
- (3) Particulars of the date and amount of each issue of debentures of a series of the kind mentioned in subsection (1) must be sent to the registrar for entry in the register of charges.
- (4) Failure to comply with subsection (3) does not affect the validity of the debentures issued.
- (5) Subsections (2) to (6) of section 860 apply for the purposes of this section as they apply for the purposes of that section, but as if references to the registration of a charge were references to the registration of a series of debentures.

**864 Additional registration requirement for commission etc in relation to debentures**

- (1) Where any commission, allowance or discount has been paid or made either directly or indirectly by a company to a person in consideration of his—
- (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, for debentures in a company, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional, for such debentures,
- the particulars required to be sent for registration under section 860 shall include particulars as to the amount or rate per cent. of the commission, discount or allowance so paid or made.
- (2) The deposit of debentures as security for a debt of the company is not, for the purposes of this section, treated as the issue of debentures at a discount.
- (3) Failure to comply with this section does not affect the validity of the debentures issued.

## **865 Endorsement of certificate on debentures**

- (1) The company shall cause a copy of every certificate of registration given under section 869 to be endorsed on every debenture or certificate of debenture stock which is issued by the company, and the payment of which is secured by the charge so registered.
- (2) But this does not require a company to cause a certificate of registration of any charge so given to be endorsed on any debenture or certificate of debenture stock issued by the company before the charge was created.
- (3) If a person knowingly and wilfully authorises or permits the delivery of a debenture or certificate of debenture stock which under this section is required to have endorsed on it a copy of a certificate of registration, without the copy being so endorsed upon it, he commits an offence.
- (4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

### *Charges in other jurisdictions*

## **866 Charges created in, or over property in, jurisdictions outside the United Kingdom**

- (1) Where a charge is created outside the United Kingdom comprising property situated outside the United Kingdom, the delivery to the registrar of a verified copy of the instrument by which the charge is created or evidenced has the same effect for the purposes of this Chapter as the delivery of the instrument itself.
- (2) Where a charge is created in the United Kingdom but comprises property outside the United Kingdom, the instrument creating or purporting to create the charge may be sent for registration under section 860 even if further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated.

## **867 Charges created in, or over property in, another United Kingdom jurisdiction**

- (1) Subsection (2) applies where—
  - (a) a charge comprises property situated in a part of the United Kingdom other than the part in which the company is registered, and
  - (b) registration in that other part is necessary to make the charge valid or effectual under the law of that part of the United Kingdom.
- (2) The delivery to the registrar of a verified copy of the instrument by which the charge is created or evidenced, together with a certificate stating that the charge was presented for registration in that other part of the United Kingdom on the date on which it was so presented has, for the purposes of this Chapter, the same effect as the delivery of the instrument itself.

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*Orders charging land: Northern Ireland*

**868 Northern Ireland: registration of certain charges etc. affecting land**

- (1) Where a charge imposed by an order under Article 46 of the 1981 Order or notice of such a charge is registered in the Land Registry against registered land or any estate in registered land of a company, the Registrar of Titles shall as soon as may be cause two copies of the order made under Article 46 of that Order or of any notice under Article 48 of that Order to be delivered to the registrar.
- (2) Where a charge imposed by an order under Article 46 of the 1981 Order is registered in the Registry of Deeds against any unregistered land or estate in land of a company, the Registrar of Deeds shall as soon as may be cause two copies of the order to be delivered to the registrar.
- (3) On delivery of copies under this section, the registrar shall—
  - (a) register one of them in accordance with section 869, and
  - (b) not later than 7 days from that date of delivery, cause the other copy together with a certificate of registration under section 869(5) to be sent to the company against which judgment was given.
- (4) Where a charge to which subsection (1) or (2) applies is vacated, the Registrar of Titles or, as the case may be, the Registrar of Deeds shall cause a certified copy of the certificate of satisfaction lodged under Article 132(1) of the 1981 Order to be delivered to the registrar for entry of a memorandum of satisfaction in accordance with section 872.
- (5) In this section—
  - “the 1981 Order” means the Judgments Enforcement (Northern Ireland) Order 1981 (S.I. 1981/226 (N.I. 6));
  - “the Registrar of Deeds” means the registrar appointed under the Registration of Deeds Act (Northern Ireland) 1970 (c. 25);
  - “Registry of Deeds” has the same meaning as in the Registration of Deeds Acts;
  - “Registration of Deeds Acts” means the Registration of Deeds Act (Northern Ireland) 1970 and every statutory provision for the time being in force amending that Act or otherwise relating to the registry of deeds, or the registration of deeds, orders or other instruments or documents in such registry;
  - “the Land Registry” and “the Registrar of Titles” are to be construed in accordance with section 1 of the Land Registration Act (Northern Ireland) 1970 (c. 18);
  - “registered land” and “unregistered land” have the same meaning as in Part 3 of the Land Registration Act (Northern Ireland) 1970.

*The register of charges*

**869 Register of charges to be kept by registrar**

- (1) The registrar shall keep, with respect to each company, a register of all the charges requiring registration under this Chapter.

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- (2) In the case of a charge to the benefit of which holders of a series of debentures are entitled, the registrar shall enter in the register the required particulars specified in section 863(2).
- (3) In the case of a charge imposed by the Enforcement of Judgments Office under Article 46 of the Judgments Enforcement (Northern Ireland) Order 1981, the registrar shall enter in the register the date on which the charge became effective.
- (4) In the case of any other charge, the registrar shall enter in the register the following particulars—
  - (a) if it is a charge created by a company, the date of its creation and, if it is a charge which was existing on property acquired by the company, the date of the acquisition,
  - (b) the amount secured by the charge,
  - (c) short particulars of the property charged, and
  - (d) the persons entitled to the charge.
- (5) The registrar shall give a certificate of the registration of any charge registered in pursuance of this Chapter, stating the amount secured by the charge.
- (6) The certificate—
  - (a) shall be signed by the registrar or authenticated by the registrar’s official seal, and
  - (b) is conclusive evidence that the requirements of this Chapter as to registration have been satisfied.
- (7) The register kept in pursuance of this section shall be open to inspection by any person.

### **870 The period allowed for registration**

- (1) The period allowed for registration of a charge created by a company is—
  - (a) 21 days beginning with the day after the day on which the charge is created, or
  - (b) if the charge is created outside the United Kingdom, 21 days beginning with the day after the day on which the instrument by which the charge is created or evidenced (or a copy of it) could, in due course of post (and if despatched with due diligence) have been received in the United Kingdom.
- (2) The period allowed for registration of a charge to which property acquired by a company is subject is—
  - (a) 21 days beginning with the day after the day on which the acquisition is completed, or
  - (b) if the property is situated and the charge was created outside the United Kingdom, 21 days beginning with the day after the day on which the instrument by which the charge is created or evidenced (or a copy of it) could, in due course of post (and if despatched with due diligence) have been received in the United Kingdom.
- (3) The period allowed for registration of particulars of a series of debentures as a result of section 863 is—
  - (a) if there is a deed containing the charge mentioned in section 863(1), 21 days beginning with the day after the day on which that deed is executed, or

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- (b) if there is no such deed, 21 days beginning with the day after the day on which the first debenture of the series is executed.

### **871 Registration of enforcement of security**

- (1) If a person obtains an order for the appointment of a receiver or manager of a company's property, or appoints such a receiver or manager under powers contained in an instrument, he shall within 7 days of the order or of the appointment under those powers, give notice of the fact to the registrar.
- (2) Where a person appointed receiver or manager of a company's property under powers contained in an instrument ceases to act as such receiver or manager, he shall, on so ceasing, give the registrar notice to that effect.
- (3) The registrar must enter a fact of which he is given notice under this section in the register of charges.
- (4) A person who makes default in complying with the requirements of this section commits an offence.
- (5) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

### **872 Entries of satisfaction and release**

- (1) Subsection (2) applies if a statement is delivered to the registrar verifying with respect to a registered charge—
  - (a) that the debt for which the charge was given has been paid or satisfied in whole or in part, or
  - (b) that part of the property or undertaking charged has been released from the charge or has ceased to form part of the company's property or undertaking.
- (2) The registrar may enter on the register a memorandum of satisfaction in whole or in part, or of the fact part of the property or undertaking has been released from the charge or has ceased to form part of the company's property or undertaking (as the case may be).
- (3) Where the registrar enters a memorandum of satisfaction in whole, the registrar shall if required send the company a copy of it.

### **873 Rectification of register of charges**

- (1) Subsection (2) applies if the court is satisfied—
  - (a) that the failure to register a charge before the end of the period allowed for registration, or the omission or mis-statement of any particular with respect to any such charge or in a memorandum of satisfaction—
    - (i) was accidental or due to inadvertence or to some other sufficient cause, or
    - (ii) is not of a nature to prejudice the position of creditors or shareholders of the company, or
  - (b) that on other grounds it is just and equitable to grant relief.

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- (2) The court may, on the application of the company or a person interested, and on such terms and conditions as seem to the court just and expedient, order that the period allowed for registration shall be extended or, as the case may be, that the omission or mis-statement shall be rectified.

*Avoidance of certain charges*

**874 Consequence of failure to register charges created by a company**

- (1) If a company creates a charge to which section 860 applies, the charge is void (so far as any security on the company's property or undertaking is conferred by it) against—
- (a) a liquidator of the company,
  - (b) an administrator of the company, and
  - (c) a creditor of the company,
- unless that section is complied with.
- (2) Subsection (1) is subject to the provisions of this Chapter.
- (3) Subsection (1) is without prejudice to any contract or obligation for repayment of the money secured by the charge; and when a charge becomes void under this section, the money secured by it immediately becomes payable.

*Companies' records and registers*

**875 Companies to keep copies of instruments creating charges**

- (1) A company must keep available for inspection a copy of every instrument creating a charge requiring registration under this Chapter, including any document delivered to the company under section 868(3)(b) (Northern Ireland: orders imposing charges affecting land).
- (2) In the case of a series of uniform debentures, a copy of one of the debentures of the series is sufficient.

**876 Company's register of charges**

- (1) Every limited company shall keep available for inspection a register of charges and enter in it—
- (a) all charges specifically affecting property of the company, and
  - (b) all floating charges on the whole or part of the company's property or undertaking.
- (2) The entry shall in each case give a short description of the property charged, the amount of the charge and, except in the cases of securities to bearer, the names of the persons entitled to it.
- (3) If an officer of the company knowingly and wilfully authorises or permits the omission of an entry required to be made in pursuance of this section, he commits an offence.
- (4) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to a fine;



- (b) on summary conviction, to a fine not exceeding the statutory maximum.

**877 Instruments creating charges and register of charges to be available for inspection**

- (1) This section applies to—
- (a) documents required to be kept available for inspection under section 875 (copies of instruments creating charges), and
  - (b) a company’s register of charges kept in pursuance of section 876.
- (2) The documents and register must be kept available for inspection—
- (a) at the company’s registered office, or
  - (b) at a place specified in regulations under section 1136.
- (3) The company must give notice to the registrar—
- (a) of the place at which the documents and register are kept available for inspection, and
  - (b) of any change in that place,
- unless they have at all times been kept at the company’s registered office.
- (4) The documents and register shall be open to the inspection—
- (a) of any creditor or member of the company without charge, and
  - (b) of any other person on payment of such fee as may be prescribed.
- (5) If default is made for 14 days in complying with subsection (3) or an inspection required under subsection (4) is refused, an offence is committed by—
- (a) the company, and
  - (b) every officer of the company who is in default.
- (6) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (7) If an inspection required under subsection (4) is refused the court may by order compel an immediate inspection.

**CHAPTER 2**

COMPANIES REGISTERED IN SCOTLAND

*Charges requiring registration*

**878 Charges created by a company**

- (1) A company that creates a charge to which this section applies must deliver the prescribed particulars of the charge, together with a copy certified as a correct copy of the instrument (if any) by which the charge is created or evidenced, to the registrar for registration before the end of the period allowed for registration.
- (2) Registration of a charge to which this section applies may instead be effected on the application of a person interested in it.

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- (3) Where registration is effected on the application of some person other than the company, that person is entitled to recover from the company the amount of any fees properly paid by him to the registrar on the registration.
- (4) If a company fails to comply with subsection (1), an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.
- (5) A person guilty of an offence under this section is liable—
  - (a) on conviction on indictment, to a fine;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.
- (6) Subsection (4) does not apply if registration of the charge has been effected on the application of some other person.
- (7) This section applies to the following charges—
  - (a) a charge on land or any interest in such land, other than a charge for any rent or other periodical sum payable in respect of the land,
  - (b) a security over incorporeal moveable property of any of the following categories—
    - (i) goodwill,
    - (ii) a patent or a licence under a patent,
    - (iii) a trademark,
    - (iv) a copyright or a licence under a copyright,
    - (v) a registered design or a licence in respect of such a design,
    - (vi) a design right or a licence under a design right,
    - (vii) the book debts (whether book debts of the company or assigned to it), and
    - (viii) uncalled share capital of the company or calls made but not paid,
  - (c) a security over a ship or aircraft or any share in a ship,
  - (d) a floating charge.

### **879 Charges which have to be registered: supplementary**

- (1) A charge on land, for the purposes of section 878(7)(a), includes a charge created by a heritable security within the meaning of section 9(8) of the Conveyancing and Feudal Reform (Scotland) Act 1970 (c. 35).
- (2) The holding of debentures entitling the holder to a charge on land is not, for the purposes of section 878(7)(a), deemed to be an interest in land.
- (3) It is immaterial for the purposes of this Chapter where land subject to a charge is situated.
- (4) The deposit by way of security of a negotiable instrument given to secure the payment of book debts is not, for the purposes of section 878(7)(b)(vii), to be treated as a charge on those book debts.
- (5) References in this Chapter to the date of the creation of a charge are—
  - (a) in the case of a floating charge, the date on which the instrument creating the floating charge was executed by the company creating the charge, and

- (b) in any other case, the date on which the right of the person entitled to the benefit of the charge was constituted as a real right.
- (6) In this Chapter “company” means an incorporated company registered in Scotland.

### **880 Duty to register charges existing on property acquired**

- (1) Subsection (2) applies where a company acquires any property which is subject to a charge of any kind as would, if it had been created by the company after the acquisition of the property, have been required to be registered under this Chapter.
- (2) The company must deliver the prescribed particulars of the charge, together with a copy (certified to be a correct copy) of the instrument (if any) by which the charge was created or is evidenced, to the registrar for registration before the end of the period allowed for registration.
- (3) If default is made in complying with this section, an offence is committed by—
  - (a) the company, and
  - (b) every officer of it who is in default.
- (4) A person guilty of an offence under this section is liable—
  - (a) on conviction on indictment, to a fine;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

### **881 Charge by way of ex facie absolute disposition, etc**

- (1) For the avoidance of doubt, it is hereby declared that, in the case of a charge created by way of an ex facie absolute disposition or assignation qualified by a back letter or other agreement, or by a standard security qualified by an agreement, compliance with section 878(1) does not of itself render the charge unavailable as security for indebtedness incurred after the date of compliance.
- (2) Where the amount secured by a charge so created is purported to be increased by a further back letter or agreement, a further charge is held to have been created by the ex facie absolute disposition or assignation or (as the case may be) by the standard security, as qualified by the further back letter or agreement.
- (3) In that case, the provisions of this Chapter apply to the further charge as if—
  - (a) references in this Chapter (other than in this section) to a charge were references to the further charge, and
  - (b) references to the date of the creation of a charge were references to the date on which the further back letter or agreement was executed.

#### *Special rules about debentures*

### **882 Charge in series of debentures**

- (1) Where a series of debentures containing, or giving by reference to any other instrument, any charge to the benefit of which the debenture-holders of that series are entitled *pari passu*, is created by a company, it is sufficient for purposes of section 878 if the required particulars, together with a copy of the deed containing the charge (or, if there is no such deed, of one of the debentures of the series) are delivered to the registrar before the end of the period allowed for registration.

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- (2) The following are the required particulars—
- (a) the total amount secured by the whole series,
  - (b) the dates of the resolutions authorising the issue of the series and the date of the covering deed (if any) by which the security is created or defined,
  - (c) a general description of the property charged,
  - (d) the names of the trustees (if any) for the debenture-holders, and
  - (e) in the case of a floating charge, a statement of any provisions of the charge and of any instrument relating to it which prohibit or restrict or regulate the power of the company to grant further securities ranking in priority to, or *pari passu* with, the floating charge, or which vary or otherwise regulate the order of ranking of the floating charge in relation to subsisting securities.
- (3) Where more than one issue is made of debentures in the series, particulars of the date and amount of each issue of debentures of the series must be sent to the registrar for entry in the register of charges.
- (4) Failure to comply with subsection (3) does not affect the validity of any of those debentures.
- (5) Subsections (2) to (6) of section 878 apply for the purposes of this section as they apply for the purposes of that section but as if for the reference to the registration of the charge there was substituted a reference to the registration of the series of debentures.

### **883 Additional registration requirement for commission etc in relation to debentures**

- (1) Where any commission, allowance or discount has been paid or made either directly or indirectly by a company to a person in consideration of his—
- (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, for debentures in a company, or
  - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional, for such debentures,
- the particulars required to be sent for registration under section 878 shall include particulars as to the amount or rate per cent. of the commission, discount or allowance so paid or made.
- (2) The deposit of debentures as security for a debt of the company is not, for the purposes of this section, treated as the issue of debentures at a discount.
- (3) Failure to comply with this section does not affect the validity of the debentures issued.

#### *Charges on property outside the United Kingdom*

### **884 Charges on property outside United Kingdom**

Where a charge is created in the United Kingdom but comprises property outside the United Kingdom, the copy of the instrument creating or purporting to create the charge may be sent for registration under section 878 even if further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated.

### *The register of charges*

#### **885 Register of charges to be kept by registrar**

- (1) The registrar shall keep, with respect to each company, a register of all the charges requiring registration under this Chapter.
- (2) In the case of a charge to the benefit of which holders of a series of debentures are entitled, the registrar shall enter in the register the required particulars specified in section 882(2).
- (3) In the case of any other charge, the registrar shall enter in the register the following particulars—
  - (a) if it is a charge created by a company, the date of its creation and, if it is a charge which was existing on property acquired by the company, the date of the acquisition,
  - (b) the amount secured by the charge,
  - (c) short particulars of the property charged,
  - (d) the persons entitled to the charge, and
  - (e) in the case of a floating charge, a statement of any of the provisions of the charge and of any instrument relating to it which prohibit or restrict or regulate the company's power to grant further securities ranking in priority to, or *pari passu* with, the floating charge, or which vary or otherwise regulate the order of ranking of the floating charge in relation to subsisting securities.
- (4) The registrar shall give a certificate of the registration of any charge registered in pursuance of this Chapter, stating—
  - (a) the name of the company and the person first-named in the charge among those entitled to the benefit of the charge (or, in the case of a series of debentures, the name of the holder of the first such debenture issued), and
  - (b) the amount secured by the charge.
- (5) The certificate—
  - (a) shall be signed by the registrar or authenticated by the registrar's official seal, and
  - (b) is conclusive evidence that the requirements of this Chapter as to registration have been satisfied.
- (6) The register kept in pursuance of this section shall be open to inspection by any person.

#### **886 The period allowed for registration**

- (1) The period allowed for registration of a charge created by a company is—
  - (a) 21 days beginning with the day after the day on which the charge is created, or
  - (b) if the charge is created outside the United Kingdom, 21 days beginning with the day after the day on which a copy of the instrument by which the charge is created or evidenced could, in due course of post (and if despatched with due diligence) have been received in the United Kingdom.
- (2) The period allowed for registration of a charge to which property acquired by a company is subject is—

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- (a) 21 days beginning with the day after the day on which the transaction is settled, or
  - (b) if the property is situated and the charge was created outside the United Kingdom, 21 days beginning with the day after the day on which a copy of the instrument by which the charge is created or evidenced could, in due course of post (and if despatched with due diligence) have been received in the United Kingdom.
- (3) The period allowed for registration of particulars of a series of debentures as a result of section 882 is—
- (a) if there is a deed containing the charge mentioned in section 882(1), 21 days beginning with the day after the day on which that deed is executed, or
  - (b) if there is no such deed, 21 days beginning with the day after the day on which the first debenture of the series is executed.

### **887 Entries of satisfaction and relief**

- (1) Subsection (2) applies if a statement is delivered to the registrar verifying with respect to any registered charge—
- (a) that the debt for which the charge was given has been paid or satisfied in whole or in part, or
  - (b) that part of the property charged has been released from the charge or has ceased to form part of the company's property.
- (2) If the charge is a floating charge, the statement must be accompanied by either—
- (a) a statement by the creditor entitled to the benefit of the charge, or a person authorised by him for the purpose, verifying that the statement mentioned in subsection (1) is correct, or
  - (b) a direction obtained from the court, on the ground that the statement by the creditor mentioned in paragraph (a) could not be readily obtained, dispensing with the need for that statement.
- (3) The registrar may enter on the register a memorandum of satisfaction (in whole or in part) regarding the fact contained in the statement mentioned in subsection (1).
- (4) Where the registrar enters a memorandum of satisfaction in whole, he shall, if required, furnish the company with a copy of the memorandum.
- (5) Nothing in this section requires the company to submit particulars with respect to the entry in the register of a memorandum of satisfaction where the company, having created a floating charge over all or any part of its property, disposes of part of the property subject to the floating charge.

### **888 Rectification of register of charges**

- (1) Subsection (2) applies if the court is satisfied—
- (a) that the failure to register a charge before the end of the period allowed for registration, or the omission or mis-statement of any particular with respect to any such charge or in a memorandum of satisfaction—
    - (i) was accidental or due to inadvertence or to some other sufficient cause, or

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- (ii) is not of a nature to prejudice the position of creditors or shareholders of the company, or
  - (b) that on other grounds it is just and equitable to grant relief.
- (2) The court may, on the application of the company or a person interested, and on such terms and conditions as seem to the court just and expedient, order that the period allowed for registration shall be extended or, as the case may be, that the omission or mis-statement shall be rectified.

#### *Avoidance of certain charges*

### **889 Charges void unless registered**

- (1) If a company creates a charge to which section 878 applies, the charge is void (so far as any security on the company's property or any part of it is conferred by the charge) against—
- (a) the liquidator of the company,
  - (b) an administrator of the company, and
  - (c) any creditor of the company
- unless that section is complied with.
- (2) Subsection (1) is without prejudice to any contract or obligation for repayment of the money secured by the charge; and when a charge becomes void under this section the money secured by it immediately becomes payable.

#### *Companies' records and registers*

### **890 Copies of instruments creating charges to be kept by company**

- (1) Every company shall cause a copy of every instrument creating a charge requiring registration under this Chapter to be kept available for inspection.
- (2) In the case of a series of uniform debentures, a copy of one debenture of the series is sufficient.

### **891 Company's register of charges**

- (1) Every company shall keep available for inspection a register of charges and enter in it all charges specifically affecting property of the company, and all floating charges on any property of the company.
- (2) There shall be given in each case a short description of the property charged, the amount of the charge and, except in the case of securities to bearer, the names of the persons entitled to it.
- (3) If an officer of the company knowingly and wilfully authorises or permits the omission of an entry required to be made in pursuance of this section, he commits an offence.
- (4) A person guilty of an offence under this section is liable—
- (a) on conviction on indictment, to a fine;
  - (b) on summary conviction, to a fine not exceeding the statutory maximum.

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**892 Instruments creating charges and register of charges to be available for inspection**

- (1) This section applies to—
  - (a) documents required to be kept available for inspection under section 890 (copies of instruments creating charges), and
  - (b) a company’s register of charges kept in pursuance of section 891.
- (2) The documents and register must be kept available for inspection—
  - (a) at the company’s registered office, or
  - (b) at a place specified in regulations under section 1136.
- (3) The company must give notice to the registrar—
  - (a) of the place at which the documents and register are kept available for inspection, and
  - (b) of any change in that place,
 unless they have at all times been kept at the company’s registered office.
- (4) The documents and register shall be open to the inspection—
  - (a) of any creditor or member of the company without charge, and
  - (b) of any other person on payment of such fee as may be prescribed.
- (5) If default is made for 14 days in complying with subsection (3) or an inspection required under subsection (4) is refused, an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.
- (6) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (7) If an inspection required under subsection (4) is refused the court may by order compel an immediate inspection.

### CHAPTER 3

#### POWERS OF THE SECRETARY OF STATE

**893 Power to make provision for effect of registration in special register**

- (1) In this section a “special register” means a register, other than the register of charges kept under this Part, in which a charge to which Chapter 1 or Chapter 2 applies is required or authorised to be registered.
- (2) The Secretary of State may by order make provision for facilitating the making of information-sharing arrangements between the person responsible for maintaining a special register (“the responsible person”) and the registrar that meet the requirement in subsection (4).
 

“Information-sharing arrangements” are arrangements to share and make use of information held by the registrar or by the responsible person.
- (3) If the Secretary of State is satisfied that appropriate information-sharing arrangements have been made, he may by order provide that—



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- (a) the registrar is authorised not to register a charge of a specified description under Chapter 1 or Chapter 2,
  - (b) a charge of a specified description that is registered in the special register within a specified period is to be treated as if it had been registered (and certified by the registrar as registered) in accordance with the requirements of Chapter 1 or, as the case may be, Chapter 2, and
  - (c) the other provisions of Chapter 1 or, as the case may be, Chapter 2 apply to a charge so treated with specified modifications.
- (4) The information-sharing arrangements must ensure that persons inspecting the register of charges—
- (a) are made aware, in a manner appropriate to the inspection, of the existence of charges in the special register which are treated in accordance with provision so made, and
  - (b) are able to obtain information from the special register about any such charge.
- (5) An order under this section may—
- (a) modify any enactment or rule of law which would otherwise restrict or prevent the responsible person from entering into or giving effect to information-sharing arrangements,
  - (b) authorise the responsible person to require information to be provided to him for the purposes of the arrangements,
  - (c) make provision about—
    - (i) the charging by the responsible person of fees in connection with the arrangements and the destination of such fees (including provision modifying any enactment which would otherwise apply in relation to fees payable to the responsible person), and
    - (ii) the making of payments under the arrangements by the registrar to the responsible person,
  - (d) require the registrar to make copies of the arrangements available to the public (in hard copy or electronic form).
- (6) In this section “specified” means specified in an order under this section.
- (7) A description of charge may be specified, in particular, by reference to one or more of the following—
- (a) the type of company by which it is created,
  - (b) the form of charge which it is,
  - (c) the description of assets over which it is granted,
  - (d) the length of the period between the date of its registration in the special register and the date of its creation.
- (8) Provision may be made under this section relating to registers maintained under the law of a country or territory outside the United Kingdom.
- (9) An order under this section is subject to negative resolution procedure.

#### **894 General power to make amendments to this Part**

- (1) The Secretary of State may by regulations under this section—
- (a) amend this Part by altering, adding or repealing provisions,

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- (b) make consequential amendments or repeals in this Act or any other enactment (whether passed or made before or after this Act).
- (2) Regulations under this section are subject to affirmative resolution procedure.