

These notes refer to the Commonhold and Leasehold Reform Act 2002 (c.15) which received Royal Assent on 1st May 2002

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

EXPLANATORY NOTES

SCHEDULES

Schedule 3: Commonhold association (section 34)

Memorandum and articles of association

312. *Paragraph 1* defines ‘memorandum’ and ‘articles’ for the purpose of the

Schedule. *Paragraph 2* requires regulations to be made providing for the form and content of the memorandum and articles of association of the commonhold association and further requires that the memorandums and articles of association must comply with those regulations. *Paragraph 3* provides for the alteration of the memorandum and articles of association and *paragraph 4* provides for the disapplication of parts of the Companies Act 1985 relating to the memorandum and articles of association. *Paragraph 5* provides for the membership of the company prior to the coming into effect of the commonhold and *paragraph 6* provides for membership during the period of transition, if there should be one. *Paragraph 7* defines who should be entitled to be entered into the register of members. *Paragraph 8* defines how joint unit-holders will be entered onto the company register. *Paragraph 9* specifies that a commonhold association may not be a member of itself. This covers the position where an association owns a unit, and in effect prevents the association from using the votes associated with the unit. *Paragraph 10* provides that no one may be a member of an association on any terms other than those in the Schedule; in effect, this means unit-holders or, in the early days, company subscribers. *Paragraph 11* provides that membership of the commonhold association begins only with registration in the company register and *paragraph 12* provides for termination of association membership on ceasing to be a unit-holder or joint unit-holder. *Paragraph 13* makes provisions in relation to the register of members and *paragraph 14* makes certain provisions in relation to the Companies Act.