

*These notes refer to the Companies Act 2006 (c.46)
which received Royal Assent on 8 November 2006*

COMPANIES ACT 2006

EXPLANATORY NOTES

TERRITORIAL EXTENT AND DEVOLUTION

Chapter 4: Miscellaneous and Supplementary Provisions

Section 33: Effect of company's constitution

108. *Subsection (1)* of this section replaces section 14(1) of the 1985 Act. Its effect is that the provisions of a company's constitution constitute a special kind of contract, whose terms bind the company and its members from time to time. Like section 14(1), the provisions of this section are excepted from the general principle set out in section 1 of the Contracts (Rights of Third Parties) Act 1999, so that provisions of a company's constitution will not confer any rights on persons other than the company and its members. Unlike section 14(1), section 34 refers to "*a company's constitution*", rather than its "*memorandum and articles*". This reflects the new division of formation and constitutional information between the memorandum, articles and other constitutional documents noted above.
109. The language in *subsection (1)* has been updated but there is no change to the law (the provision continues to reflect what the law has always been: in particular a company's constitution binds both the company and its members).
110. *Subsection (2)* replaces section 14(2) of the 1985 Act. It provides that amounts which a member of a company is obliged to pay to it under its constitution are debts due to the company. In England and Wales and Northern Ireland, such debts are ordinary contract debts.