

*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

Part 2: Company Formation

Section 16: Effect of registration

61. This section replaces section 13(3) to (5) of the 1985 Act. It provides, amongst other things, that the subscribers to the memorandum, together with such other persons as may from time to time become members of a company, are a body corporate by the name stated in the certificate of incorporation and, in the case of a company having a share capital, that the subscribers to the memorandum become holders of the shares specified in the statement of capital and initial shareholdings. This means that on registration a company becomes a legal person in its own right, which is distinct from the people who own it (the members) and the people who manage it (the directors).