

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

# **COMPANIES ACT 2006**

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## **EXPLANATORY NOTES**

### **GENERAL INTRODUCTION TO CHAPTERS 4 AND 5**

#### ***Chapter 4: Transactions With Directors Requiring Approval of Members***

##### **Requirement for Charity Commission consent for charitable companies**

397. Section 66 of the Charities Act 1993 renders prior authorisation by the members for certain transactions invalid unless the Charity Commissioners have given their prior written consent. This reflects concern that, in some cases, the members of a charitable company are not independent of the directors, and that requiring their approval would not provide sufficient protection for the charity. Section 226 inserts two new sections into the Charities Act 1993 in place of section 66 of that Act to reflect the changes made by this Chapter.