
STATUTORY INSTRUMENTS

2023 No. 1313

**The Resolution of Central Counterparties
(Modified Application of Corporate Law and
Consequential Amendments) Regulations 2023**

PART 2

Modifications of the Companies Act 2006

Interpretation

2.—(1) In this Part—

“the Schedule” means Schedule 11 to the Financial Services and Markets Act 2023;

“the use of CCP resolution tools, powers and mechanisms” means—

- (a) the exercise by the Bank of a stabilisation power within the meaning of paragraph 1(4) of the Schedule; or
- (b) the exercise by the Treasury of its powers as described in paragraph 157 of the Schedule.

(2) Terms which are defined in the Schedule have the same meaning for the purposes of these Regulations.

(3) For the purposes of this Part—

- (a) a company is a company under resolution if it is a UK-registered company in respect of which the Bank has exercised its powers under the Schedule, but
- (b) such a company is not a company under resolution if—
 - (i) it has ceased to be subject to the exercise of a stabilisation power; and
 - (ii) the results which are to be achieved by an instrument made in respect of the company under the Schedule have been achieved.

Modified application of the Companies Act 2006 (disapplication of takeover rules)

3. Part 28 of the Companies Act 2006(1) (Takeovers etc) has effect as if, in section 943 (rules), after subsection (1) there were inserted—

“(1ZA) Rules made in accordance with paragraph 7(1) and (2) of Part 2 of Schedule 1C must provide that they do not apply in relation to any change in interests in shares or other transaction which is effected by the use of CCP resolution tools, powers and mechanisms (within the meaning given in regulation 2 of the Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023.”.

Modified application of the Companies Act 2006 (shareholders' rights)

4.—(1) The provisions of the Companies Act 2006⁽²⁾ concerning the rights of shareholders to call general meetings and to amend the articles of association of the company apply to traded companies to which the Schedule applies with the following modifications.

(2) “Traded company” has the meaning given in section 360C of the Companies Act 2006.

(3) Section 21 (amendment of articles) has effect as if, after subsection (3), there were inserted—

“(3A) A traded company (within the meaning of section 360C) to which Schedule 11 to the Financial Services and Markets Act 2023 applies may also amend its articles in accordance with section 307B.”.

(4) Section 307A (notice required of general meeting: certain meetings of traded companies), has effect as if, at the beginning of subsection (1), there were inserted “Subject to section 307B,”.

(5) Part 13 (resolutions and meetings) has effect as if after section 307A there were inserted—

“307B Notice required of general meeting: traded companies meeting the conditions for early intervention relating to central counterparties

(1) Where the conditions in subsections (2) and (3) are satisfied, the members of a traded company to which Schedule 11 to the Financial Services and Markets Act 2023 (general conditions) applies may, by a resolution passed at a general meeting by a majority of two-thirds of those voting in person or by proxy—

- (a) require the company to call a general meeting to pass a resolution to increase the company’s share capital, provided that the meeting is to be called by notice of at least 10 days;
- (b) amend the company’s articles of association to permit a general meeting to be called to consider a proposal to increase the company’s share capital by notice of at least 10 days.

(2) The condition in this subsection is satisfied if—

- (a) the company has infringed, or is likely in the near future to infringe, a relevant requirement within the meaning of section 312E(3) of the Financial Services and Markets Act 2000; or
- (b) the conditions for appointment of a temporary manager under paragraph 6(1) of Schedule 11 to the Financial Services and Markets Act 2023 (temporary manager) are met in relation to the company.

(3) The condition in this subsection is satisfied if an increase in the share capital of the company is necessary to prevent the conditions in paragraph 17 of Schedule 11 to the Financial Services and Markets Act 2023 for the exercise of the stabilisation powers provided for in that Schedule being met in relation to the company.”.

Modified application of the Companies Act 2006 (application of the Bank Recovery and Resolution (No. 2) Order 2014)

5. For the purposes of the Schedule, the modifications made to the Companies Act 2006 by Schedule 4 to the Bank Recovery and Resolution (No. 2) Order 2014⁽³⁾ apply as if in that Schedule—

- (a) in paragraphs 1, 25, and 35(b), the references to “a company under resolution” had the meaning given in regulation 2(3);
- (b) in the modifications made by paragraph 24—

(2) Sections 307A and 360C were inserted by [S.I. 2009/1632](#).

(3) [S.I. 2014/3348](#).

- (i) the first reference to “a company under resolution” had the meaning given in regulation 2(3);
- (ii) for “Part 17 of the Bank Recovery and Resolution (No. 2) Order 2014” there were substituted “the Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023”;
- (c) in the modifications made by paragraph 26(b), for “Part 17 of the Bank Recovery and Resolution (No. 2) Order 2014” there were substituted “the Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023”;
- (d) in the modifications made by paragraph 27—
 - (i) for “Part 17 of the Bank Recovery and Resolution (No. 2) Order 2014” there were substituted “the Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023”;
 - (ii) for “resolution tools, powers and mechanisms (within the meaning given in article 216 of that Order)” there were substituted “CCP resolution tools, powers and mechanisms (within the meaning given in regulation 2 of those Regulations) (interpretation)”;
- (e) in the modifications made by paragraph 32—
 - (i) for “resolution tools, powers and mechanisms (within the meaning given in article 216 of the Bank Recovery and Resolution (No. 2) Order 2014)” there were substituted “CCP resolution tools, powers and mechanisms (within the meaning given in regulation 2 of the Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023) (interpretation)”;
 - (ii) For “Part 17 of that Order” substitute “those Regulations”;
- (f) in the modifications made by paragraph 33—
 - (i) for “Part 17 of the Bank Recovery and Resolution (No. 2) Order 2014” there were substituted “the Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023”;
 - (ii) for “resolution tools, powers and mechanisms (within the meaning given in article 216 of that Order)” there were substituted “CCP resolution tools, powers and mechanisms (within the meaning given in regulation 2 of those Regulations) (interpretation)”;
- (g) in the modifications made by paragraph 34, for “Part 17 of the Bank Recovery and Resolution (No. 2) Order 2014, by the use of resolution tools, powers and mechanisms (within the meaning given in article 216 of that Order)” there were substituted “the Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023 by the use of CCP resolution tools, powers and mechanisms (with the meaning given in regulation 2 of those Regulations) (interpretation)”;
- (h) in the modifications made by paragraph 36—
 - (i) for “Part 17 of the Bank Recovery and Resolution (No. 2) Order 2014 (“the Order”)” there were substituted “the Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023 (“the Regulations”)”;
 - (ii) for “resolution tools, powers and mechanisms (within the meaning given in article 216 of the Order)” there were substituted “CCP resolution tools, powers

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and mechanisms (within the meaning given in regulation 2 of the Regulations) (interpretation)”.

Modification of the Companies Act 2006 (Commencement No. 8, Transitional Provisions and Savings) Order 2008

6. The Companies Act 2006 (Commencement No. 8, Transitional Provisions and Savings) Order 2008(4) applies as if in Schedule 2 (transitional provisions and savings) after paragraph 43 (power of directors to allot shares etc: private company with only one class of shares (s. 550)) there were inserted—

“43A. Paragraph 43 does not apply in relation to an existing company or a transitional company which is a company under resolution for the purposes of the Resolution of Central Counterparties (Modified Application of Corporate Law and Consequential Amendments) Regulations 2023.”.