

Certain companies with quoted shares not to be close companies. CTA76 s95 431.—(1) In this section, “share” includes “stock”.

(2) For the purposes of this section—

(a) a person shall be a principal member of a company—

(i) if such person possesses a percentage of the voting power in the company of more than 5 per cent and, where there are more than 5 such persons, if such person is one of the 5 persons who possess the greatest percentages, or

(ii) if (because 2 or more persons possess equal percentages of the voting power in the company) there are no such 5 persons, such person is one of the 6 or more persons (so as to include those 2 or more who possess equal percentages) who possess the greatest percentages,

(b) a principal member's holding shall consist of the shares which carry the voting power possessed by the principal member, and

(c) in determining the voting power which a person possesses, there shall be attributed to such person any voting power which for the purposes of section 432 would be attributed to such person under subsection (5) or (6) of that section.

(3) Subject to this section, a company shall not be treated as being at any time a close company if—

(a) shares in the company carrying not less than 35 per cent of the voting power in the company (not being shares entitled to a fixed rate of dividend, whether with or without a further right to participate in profits) have been allotted unconditionally to, or acquired unconditionally by, and are at that time beneficially held by, the public, and

(b) any such shares have within the preceding 12 months been the subject of dealings on a recognised stock exchange, and the shares have within those 12 months been quoted in the official list of a recognised stock exchange.

(4) Subsection (3) shall not apply to a company at any time when the total percentage of the voting power in the company possessed by all of the company's principal members exceeds 85 per cent.

(5) For the purposes of subsection (3), shares in a company shall be deemed to be beneficially held by the public only if the shares—

(a) are within subsection (6), and

(b) are not within the exceptions in subsection (7),

and the reference to shares which have been allotted unconditionally to, or acquired unconditionally by, the public shall be construed accordingly.

(6) Shares are within this subsection (as being beneficially held by the public) if the shares—

(a) are beneficially held by a company resident in the State which is not a close company, or by a company not so resident which would not be a close company if it were so resident,

(b) are held on trust for an exempt approved scheme of Part 30), or

(c) are not comprised in a principal member's holding.

(7) (a) Shares shall be deemed not to be held by the public if the shares are held—

(i) by any director, or associate of a director, of the company,

(ii) by any company under the control of any such director or associate, or of 2 or more persons each of whom is such a director or associate,

(iii) by an associated company of the company, or

(iv) as part of any fund the capital or income of which is applicable or applied wholly or mainly for the benefit of, or of the dependants of, the employees or directors, or past employees or directors, of the company, or of any company within subparagraph (ii) or (iii).

(b) References in this subsection to shares held by any person include references to any shares the rights or powers attached to which could for the purposes of section 432 be attributed to that person under subsection (5) of that section.