

Conversion of existing private companies to designated activity companies: duties and powers in that regard

56. (1) An existing private company may re-register as a designated activity company by passing an ordinary resolution, not later than 3 months before the expiry of the transition period, resolving that the company be so registered; if it so re-registers, pursuant to such a resolution, before the expiry of the transition period, Part 16 shall, as provided in section 63 (9), apply to it.

(2) An existing private company shall re-register as a designated activity company before the expiry of the transition period if, not later than 3 months before the expiry of that period, a notice in writing requiring it to do so is served on it by a member or members holding shares in the company that confer, in aggregate, more than 25 per cent of the total voting rights in the company; on its so re-registering, in compliance with that notice, Part 16 shall, as provided in section 63 (9), apply to it.

(3) Without prejudice to subsections (1) and (2) but subject to subsection (4), where anything is done by an existing private company, being a thing which and 3 to 15 apply) would not be in compliance with section 68, then the company shall re-register as a designated activity company before the expiry of the transition period and upon its so doing Part 16 shall, as provided in section 63 (9), apply to it.

(4) Instead of re-registering as a designated activity company as mentioned in subsection (3), an existing private company referred to in that subsection may, by passing a special resolution and otherwise complying with the requirements of Part 20, re-register as a type of company that is not a designated activity company before the expiry of the transition period.

(5) The reference in subsection (2) to a voting right in a company shall be read as a reference to a right exercisable for the time being to cast a vote at general meetings of members of the company, not being such a right that is exercisable only in special circumstances.