

Associated persons. FA91 s71 185.—(1) Any question whether a person is an associate of another person in relation to a company shall be determined for the purposes of sections 176 to 183 and section 186 in accordance with the following provisions:

(a) a husband and wife living together shall be associates of one another, a person under the age of 18 shall be an associate of his or her parents, and his or her parents shall be the person's associates;

(b) a person who has control of a company shall be an associate of the company and the company shall be the person's associate;

(c) where a person who has control of one company has control of another company, the second company shall be an associate of the first company;

(d) where shares in a company are held by trustees other than bare trustees, then, in relation to that company but subject to subsection (2), the trustees shall be associates of—

(i) any person who directly or indirectly provided property to the trustees or has made a reciprocal arrangement for another person to do so,

(ii) any person who is by virtue of paragraph (a) an associate of a person within subparagraph (i), and

(iii) any person who is or may become beneficially entitled to a material interest in the shares,

and any such person shall be an associate of the trustees;

(e) where shares in a company are comprised in the estate of a deceased person, then, in relation to that company, the deceased's personal representatives shall be associates of any person who is or may become beneficially entitled to a material interest in the shares, and any such person shall be an associate of the personal representatives;

(f) where one person is accustomed to act on the directions of another person in relation to the affairs of a company, then, in relation to that company, the 2 persons shall be associates of one another.

(2) Subsection (1)(d) shall not apply to shares held on trusts which—

(a) relate exclusively to an exempt approved scheme within the meaning of Chapter 1 of Part 30, or

(b) are exclusively for the benefit of the employees, or the employees and directors, of the company referred to in subsection (1)(d) or of companies in a group to which that company belongs, or their dependants, and are not wholly or mainly for the benefit of directors or their relatives,

and for the purposes of this subsection “group” means a company which has one or more 51 per cent subsidiaries, together with those subsidiaries.

(3) For the purposes of paragraphs (d) and (e) of subsection (1), a person's interest shall be a material interest if its value exceeds 5 per cent of the value of all the property held on the trusts or, as the case may be, comprised in the estate concerned, excluding any property in which the person is not and cannot become beneficially entitled to an interest.