

Connected persons

220. (1) For the purposes of this Part (and without prejudice to subsection (3)), a person is connected with a director of a company if, but only if, the person (not being himself or herself a director of the company) is—

(a) that director's spouse, civil partner, parent, brother, sister or child;

(b) a person acting in his or her capacity as the trustee of any trust, the principal beneficiaries of which are that director, the spouse (or civil partner) or any children of that director or any body corporate which that director controls; or

(c) in partnership with that director.

(2) In subsection (1)(a) and (b) “child”, in relation to a director, shall be deemed to include a child of the director's civil partner who is ordinarily resident with the director and the civil partner.

(3) A body corporate shall also be, for the purposes of this Part, connected with a director of a company if it is controlled by that director or by another body corporate that is controlled by that director.

(4) For the avoidance of doubt, subsection (3) is without prejudice to the application of section 18 (c) of the Interpretation Act 2005 (“person” to include body corporate, etc.) to subsection (1)(b).

(5) For the purposes of this section, a director of a company controls a body corporate if, but only if, he or she is, alone or together with any other director or directors of the company or any person connected with the director or such other director or directors—

(a) interested in one-half or more of the equity share capital of that body; or

(b) entitled to exercise or control the exercise of one-half or more of the voting power at any general meeting of that body.

(6) In subsection (5)—

(a) “equity share capital” has the same meaning as it has in section 7; and

(b) references to voting power exercised by a director shall be read as including references to voting power exercised by another body corporate which that director controls.

(7) For the purpose of subsections (5)(b) and (6)(b) “voting power” does not include any power to vote which arises only in specified circumstances.

(8) It shall be presumed, for the purposes of this Part, until the contrary is shown, that the sole member of a single-member company is a person connected with a director of that company.