

Director may impose restrictions on shares

768. (1) Where, in connection with an investigation under section 764 or an enquiry under section 767, the Director considers that there is any difficulty in finding out the relevant facts about any shares (whether issued or to be issued), the Director may, by notice in writing, direct that the shares shall, subject to further notice, be subject to the restrictions imposed by this section.

(2) The following restrictions apply to the shares referred to in subsection (1) for as long as the direction in respect of the shares is in force:

(a) any transfer of the shares shall be void or, if the shares are unissued, any transfer of the right to be issued with the shares shall be void and any issue of the shares shall be void;

(b) no voting rights shall be exercisable in respect of the shares;

(c) no further shares shall be issued in right of those shares or in pursuance of any offer made to the holder of the shares; and

(d) no payment shall be made of any sums due from the company on those shares, whether in respect of capital or otherwise.

(3) Where shares are subject to the restrictions imposed by subsection (2)(a), any agreement—

(a) to transfer the shares shall be void, or

(b) in the case of unissued shares, to transfer the right to be issued the shares shall be void.

(4) However, subsection (3) shall not apply to an agreement to sell the shares under section 769 (1)(b) or 771 (2)(c).

(5) Where shares are subject to the restrictions imposed by subsection (2)(c) or (d), any agreement—

(a) to transfer any right to be issued other shares in right of the shares shall be void, and

(b) to receive any payment on those shares shall be void.

(6) However, subsection (5) shall not apply to an agreement to transfer any right to be issued other shares on the sale of the shares under section 771 (2)(c).