WELSH STATUTORY INSTRUMENTS

2011 No. 2680 (W.286)

LANDLORD AND TENANT, WALES

The RTM Companies (Model Articles) (Wales) Regulations 2011

Made - - - -	*5 November 2011*
Laid before the National Assembly for Wales - -	*8 November 2011*
Coming into force - -	*30 November 2011*

The Welsh Ministers make the following Regulations in exercise of the powers conferred by sections 74(2), (4) and (6) and 178(1) of the Commonhold and Leasehold Reform Act 2002(**1**):

Title, commencement and application

1.—(1) The title of these Regulations is the RTM Companies (Model Articles) (Wales) Regulations 2011.

(2) These Regulations come into force on 30 November 2011.

(3) These Regulations apply to RTM companies(**2**) which exercise the right to manage premises(**3**) in Wales.

Form and content of articles of association of RTM companies

2.—(1) Subject to paragraph (3) the articles of association of an RTM company take the form, and include the provisions, set out in Schedule 1 to these Regulations.

(2) Subject to paragraph (3) the provisions referred to in paragraph (1) have effect for an RTM company whether or not they are adopted by the company.

(3) Where an RTM company wishes to have its articles of association in Welsh, its articles of association take the form and include the provisions set out in Schedule 2 to these Regulations.

(**1**) 2002 c. 15. The "appropriate national authority" in respect of Wales, is the Welsh Ministers, and in respect of England, is the Secretary of State. By virtue of paragraph 30(2)(c) of Schedule 11 to the Government of Wales Act 2006 (c. 32) the functions formerly exercised by the National Assembly for Wales as the "appropriate national authority" under section 179(1) of the Commonhold and Leasehold Reform Act 2002 are now vested in the Welsh Ministers.

(**2**) For the definition of "RTM company" *see* sections 71(1) and 73 of the 2002 Act.

(**3**) For the premises relevant to RTM companies, *see* section 72 of, and Schedule 6 to, the 2002 Act.

Revocation of instrument

3. The RTM Companies (Memorandum and Articles of Association) (Wales) Regulations 2004(**4**) are revoked.

Huw Lewis
Minister for Housing, Regeneration and Heritage, one of the Welsh Ministers

5 November 2011

(**4**) S.I. 2004/675 (W.64).

SCHEDULE 1 Regulation 2

ARTICLES OF ASSOCIATION OF AN RTM COMPANY
THE COMPANIES ACT 2006ARTICLES OF ASSOCIATION OF [NAME] RTM COMPANY LIMITEDA COMPANY LIMITED BY GUARANTEE AND NOT HAVING A SHARE CAPITAL

PART 1

INTERPRETATION, NAMES AND OBJECTS OF RTM COMPANY AND LIMITATION OF LIABILITY

Defined terms

1. In the articles, unless the context requires otherwise—

"2002 Act" means the Commonhold and Leasehold Reform Act 2002;

"articles" means the company's articles of association;

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than Wales and England or Northern Ireland which have an effect similar to that of bankruptcy;

"chair" has the meaning given in article 17;

"chair of the meeting" has the meaning given in article 30;

"Companies Acts" means the Companies Acts as defined in section 2 of the Companies Act 2006(**5**), in so far as they apply to the company;

"director" means a director of the company, and includes any person occupying the position of director, by whatever name called;

"document" includes, unless otherwise specified, any document sent or supplied in electronic form;

"electronic form" has the meaning given in section 1168 of the Companies Act 2006 ("the 2006 Act");

"immediate landlord" in relation to a unit in the Premises, means the person who—

(a) if the unit is subject to a lease, is the landlord under the lease; or

(b) if the unit is subject to two or more leases, is the landlord under whichever of the leases is inferior to the others;

"member" has the meaning given in section 112 of the 2006 Act;

"ordinary resolution" has the meaning given in section 282 of the 2006 Act;

"participate", in relation to a directors' meeting, has the meaning given in article 15;

"the Premises" means [name and address];

"proxy notice" has the meaning given in article 36;

"qualifying tenant" has the meaning given in sections 72 and 112 of the 2002 Act;

"residential unit" means a flat or any other separate set of premises which is constructed or adapted for use for the purposes of a dwelling;

"RTM company" (Right to Manage company) has the meaning given in section 73 of the 2002 Act;

"special resolution" has the meaning given in section 283 of the 2006 Act;

(**5**) 2006 (c. 46).

"subsidiary" has the meaning given in section 1159 of the 2006 Act; and

"writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

(2) Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the Companies Act 2006 as in force on the date when the RTM Companies (Model Articles) (Wales) Regulations 2011 are made.

NAME AND OBJECTS OF RTM COMPANY

2. The name of the company is [*name*] RTM Company Limited.

3. The registered office of the company will be situated in [Wales] /[England and Wales].

4. The objects for which the company is established are to acquire and exercise in accordance with the 2002 Act the right to manage the Premises.

5. These objects are not to be restrictively construed but the widest interpretation is to be given to them. In furtherance of the objects, but not otherwise, the company has power to do all such things as may be authorised or required to be done by an RTM company by and under the 2002 Act, and in particular (but without derogation from the generality of the foregoing)—

(a) to prepare, make, pursue or withdraw a claim to acquire the right to manage the Premises;

(b) to exercise management functions under leases of the whole or any part of the Premises in accordance with sections 96 and 97 of the 2002 Act;

(c) to exercise functions in relation to the grant of approvals under long leases of the whole or any part of the Premises in accordance with sections 98 and 99 of the 2002 Act;

(d) in accordance with sections 100 and 101 of the 2002 Act, to monitor, keep under review, report to the landlord, and procure or enforce the performance by any person of the terms of any covenant, undertaking, duty or obligation in any way connected with or affecting the Premises or any of its occupants;

(e) to negotiate for and make applications for the variation of leases pursuant to Part 4 of the Landlord and Tenant Act 1987 ("the 1987 Act");

(f) to do such other things and to perform such other functions in relation to the Premises or any leases of the whole or any part of the Premises as may be agreed from time to time with the landlord or landlords or any other parties to the leases, as the case may be;

(g) to provide and maintain services and amenities of every description in relation to the Premises;

(h) to maintain, redecorate, repair, renew, repaint and clean the Premises; and to cultivate, maintain, landscape and plant any gardens, grounds or land comprised in the Premises;

(i) to enter into contracts with builders, cleaners, contractors, decorators, gardeners, tenants, or any other person;

(j) to consult and retain any professional advisers;

(k) to employ any staff and managing or other agents;

(l) to pay, remunerate or reward in any way any person supplying goods or services to the company;

(m) to make any appropriate or consequential agreements or arrangements for the right to manage the Premises to cease to be exercisable by the company;

(n) to issue and receive any notice, counter-notice, consent or other communication and to enter into any correspondence concerning or in any way affecting the Premises, the

management of the Premises, the occupants of the Premises, the company, any of its activities, or any of its members;

(o) to commence, defend, participate in or pursue any application to, or other proceeding before, any court or tribunal of any description;

(p) to insure the Premises or any other property of the company or in which it has an interest up to and including the full cost of rebuilding and reinstating the Premises, including VAT, architects', engineers', solicitors', surveyors', and all other professional persons' fees, the fees payable on any applications for planning permission or other permits or consents that may be required in relation to rebuilding or reinstating the Premises, the cost of preparation of the site including debris removal, demolition, shoring-up, site clearance and any works that may be required by statute, and incidental expenses, subject to such excesses, exclusions or limitations as are usual in the London insurance market. To insure the company and its directors, officers or auditors against public liability and any other risks which it may consider prudent or desirable to insure against;

(q) to collect in or receive monies from any person on account of administration charges, service charges, or other charges in relation to the Premises and, where required by law to do so, to deal with, hold or invest the monies in accordance with the provisions of the 1987 Act and any orders or regulations made under that Act from time to time;

(r) to establish, undertake and execute any trusts which may lawfully be, or which are required by law to be, established, executed or undertaken by the company;

(s) to establish and maintain capital reserves, management funds and any form of sinking fund in order to pay, or contribute towards, all costs, fees, and other expenses incurred in the implementation of the company's objects;

(t) to invest any money of the company in the United Kingdom by depositing it at interest with any financial institution with which a trust fund of service charge contributions might be held in accordance with the 1987 Act; or to invest it in such other manner (including the purchase of securities and other investments) as the company in general meeting may authorise from time to time; and to hold, sell or otherwise dispose of any such investments;

(u) subject to any conditions or limitations imposed by the company in general meeting from time to time, and subject to the provision of adequate security and the payment of interest, to advance and lend money or give credit to any person; to enter into guarantees, contracts of indemnity and surety; to receive money on deposit or loan; and to secure or guarantee the payment of any sum of money or the performance of any obligation by any person;

(v) subject to any limitations or conditions imposed by the company in general meetings from time to time, to borrow and raise money in any manner and to secure the repayment of any money borrowed, raised or owing by mortgage, charge, standard security, lien or other security upon the whole or part of the company's property or assets (whether present or future);

(w) to operate bank accounts and to draw, make, accept, endorse, discount, negotiate, execute and issue cheques, bills of exchange, debentures, promissory notes, and other negotiable or transferable instruments;

(x) to pay all or any expenses incurred in connection with the promotion, formation and incorporation of the company, or to contract with any person to pay such expenses;

(y) to monitor and determine for the purpose of voting, or for any other purpose, the physical dimensions of the Premises and any part or parts of the Premises and to take or obtain any appropriate measurements;

(z) to enter into any agreements or arrangements with any government, or authority (central, municipal, local, or otherwise) that may seem conducive to the attainment of the company's objects, and to obtain from any such government or authority any charters,