

Steel Industry (Nationalisation) Act 2026

CHAPTER 27

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Steel Industry (Nationalisation) Act 2026

CHAPTER 27

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Steel Industry (Nationalisation) Act 2026

2026 CHAPTER 27

An Act to make provision enabling the Secretary of State in certain circumstances to make regulations relating to the transfer of securities issued by, or property, rights and liabilities of, a steel undertaking; and for connected purposes. [15th July 2026]

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

PART 1

TRANSFER POWERS

Introductory

1 Meaning of "steel undertaking"

In this Act, "steel undertaking" means an undertaking that carries on a business consisting of or including—

(a) the manufacture or processing of steel, or

(b) the manufacture or processing of iron to be used solely for the purposes of, or in connection with, the manufacture of steel.

2 Exercise of principal transfer powers in the public interest

(1) The Secretary of State may exercise a principal transfer power in respect of a steel undertaking only if the Secretary of State considers it necessary to do so in the public interest.

(2) The public interest for the purposes of subsection (1) includes (but is not limited to) the public interest in any of the following—

(a) defence and national security;

(b) the construction, maintenance and operation of critical infrastructure in the United Kingdom;

(c) supporting the economy of the United Kingdom or any part of the United Kingdom.

(3) In this Act, "principal transfer power" means a power under—

(a) section 4(1) (share transfer regulations);

(b) section 15(1) (property transfer regulations).

3 Sunset for exercise of principal transfer powers

(1) The Secretary of State may not exercise a principal transfer power after the end of the period of 2 years beginning with the day on which this Act is passed.

(2) Where regulations made under a principal transfer power are in force at the end of the period specified in subsection (1), that subsection does not affect the continued operation of the regulations.

(3) The Secretary of State may, before the end of the period for the time being specified in subsection (1), by regulations substitute a different period for the period so specified.

(4) The power under subsection (3)—

(a) may be exercised more than once, but

(b) may not be exercised so as to substitute a period that ends more than 2 years after the end of the period for the time being specified in subsection (1).

(5) Regulations under subsection (3) are subject to the affirmative procedure.

Transfer of securities into public ownership

4 Share transfer regulations

(1) The Secretary of State may make regulations ("share transfer regulations") which provide for securities issued by a specified steel undertaking to be transferred to—

(a) the Secretary of State,

(b) a nominee of the Secretary of State, or

(c) a company wholly owned by the Secretary of State.

(2) Share transfer regulations may make other provision for the purposes of, or in connection with, the transfer of securities issued by a specified steel undertaking (whether the transfer has been or is to be effected by those regulations, by other share transfer regulations or otherwise).

(3) Share transfer regulations may relate to—

(a) specified securities, or

(b) securities of a specified description.

(4) When deciding whether to make share transfer regulations under this section in respect of a steel undertaking, the Secretary of State must consider the costs that the Secretary of State thinks are likely to be associated with the exercise of the power.

(5) Share transfer regulations are subject to the negative procedure.

5 Meaning of "securities"

(1) In this Part, "securities" includes anything falling within any of the following classes.

(2) Class 1: shares and stock.

(3) Class 2: debentures, including—

(a) debenture stock,

(b) loan stock,

(c) bonds,

(d) certificates of deposit, and

(e) any other instrument creating or acknowledging a debt.

(4) Class 3: warrants or other instruments that entitle the holder to acquire anything in Class 1 or 2.

6 Effect of share transfer

(1) In this section, "transfer" means a transfer provided for by share transfer regulations.

(2) A transfer takes effect by virtue of the regulations (and in accordance with provision in the regulations as to timing or other ancillary matters).

(3) A transfer takes effect despite any restriction arising by virtue of contract or legislation or in any other way.

(4) In subsection (3), "restriction" includes—

(a) any restriction, inability or incapacity affecting what can and cannot be assigned or transferred (whether generally or by a particular person), and

(b) a requirement for consent (by any name).

(5) Share transfer regulations may provide for a transfer to take effect free from any trust, liability or other encumbrance (and may include provision about their extinguishment).

(6) Share transfer regulations may extinguish rights to acquire securities falling within Class 1 or 2 (see section 5).

7 Continuity

(1) Share transfer regulations may provide for a transferee to be treated for any purpose connected with the transfer as the same person as the transferor.

(2) Share transfer regulations may provide for agreements made or other things done by or in relation to a transferor to be treated as made or done by or in relation to the transferee.

(3) Share transfer regulations may provide for anything (including legal proceedings) that relates to anything transferred and is in the process of being done by or in relation to the transferor immediately before the transfer date to be continued by or in relation to the transferee.

(4) Share transfer regulations may modify references (express or implied) in an instrument or document to a transferor.

(5) Share transfer regulations may require or permit—
(a) a transferor to provide a transferee with information and assistance;
(b) a transferee to provide a transferor with information and assistance.

(6) Obligations imposed under subsection (5) are enforceable as if created by contract between the transferor and the transferee.

(7) In this section, "transfer date" means the date or time on or at which share transfer regulations take effect (or the relevant part of those regulations takes effect).

8 Conversion and delisting

(1) Share transfer regulations may provide for securities to be converted from one form or class to another.

(2) Share transfer regulations may provide for the listing of securities under section 74 of the Financial Services and Markets Act 2000 (the official list) to be discontinued or suspended.

(3) Where the listing of securities is suspended in accordance with share transfer regulations, those securities are to be treated as still being listed for the purposes of—
(a) section 96 of the Financial Services and Markets Act 2000 (obligations of issuers of listed securities), and
(b) paragraph 23(6) of Schedule 1ZA to that Act (fees payable in respect of functions of the Financial Conduct Authority).

9 Directors and senior managers

(1) Share transfer regulations may enable the Secretary of State—
(a) to remove a director or senior manager of a specified steel undertaking;
(b) to vary or terminate the service contract of a director or senior manager of a specified steel undertaking;
(c) to appoint a director or senior manager of a specified steel undertaking.

(2) In this section—
"director" has the same meaning as in the Companies Act 2006 (see section 250 of that Act);

"senior manager" means a person who—

(a) exercises executive functions within a specified steel undertaking, and

(b) is responsible, and directly accountable to the directors, for the day-to-day management of that undertaking.

10 Ancillary instruments

(1) Share transfer regulations may permit or require the execution, issue or delivery of an instrument.

(2) Share transfer regulations may provide for a transfer to have effect irrespective of—

(a) whether an instrument has been produced, delivered, transferred or otherwise dealt with;

(b) registration.

(3) Share transfer regulations may provide for the effect of an instrument executed, issued or delivered in accordance with the regulations.

(4) Share transfer regulations may modify or annul the effect of an instrument.

(5) Share transfer regulations may—

(a) entitle a transferee to be registered in respect of transferred securities;

(b) require a person to effect registration.

11 Termination rights

(1) Share transfer regulations may provide—

(a) that share transfer regulations are to be disregarded in determining whether a default event provision applies, or

(b) that share transfer regulations are to be disregarded in determining whether a default event provision applies except in so far as the regulations provide otherwise,

(but need not provide for either).

(2) In this section, "default event provision" means a provision of a contract or other agreement that—

(a) has the effect that, if a specified event occurs or situation arises, any of the consequences referred to in subsection (3) will result, or

(b) has the effect that a provision of the contract or agreement—

(i) takes effect only if a specified event occurs or does not occur,

(ii) takes effect only if a specified situation arises or does not arise,

(iii) has effect only for so long as a specified event does not occur,

(iv) has effect only while a specified situation lasts,

(v) applies differently if a specified event occurs,

(vi) applies differently if a specified situation arises, or

(vii) applies differently while a specified situation lasts.

(3) The consequences referred to in subsection (2)(a) are—

(a) the agreement is terminated, modified or replaced;

(b) rights or duties under the agreement are terminated, modified or replaced;

(c) a right accrues to terminate, modify or replace the agreement;

(d) a right accrues to terminate, modify or replace rights or duties under the agreement;

(e) a sum becomes payable or ceases to be payable;

(f) delivery of anything becomes due or ceases to be due;

(g) a right to claim a payment or delivery accrues, changes or lapses;

(h) any other right accrues, changes or lapses;

(i) an interest is created, changes or lapses.

(4) For the purposes of subsections (2) and (3) it is the effect of a provision that matters, not how it is described (nor, for example, whether it is presented in a positive or a negative form).

(5) In subsection (1)(a) and (b) a reference to share transfer regulations is a reference to—

(a) the making of the regulations,

(b) anything that is done by the regulations or is to be, or may be, done under or by virtue of the regulations, and

(c) any action or decision taken or made under this or another enactment in so far as it resulted in, or was connected to, the making of the regulations.

(6) For the purposes of subsection (5)(b), a thing is not done by virtue of regulations merely by virtue of being done under a contract or other agreement rights or obligations under which have been transferred by the regulations.

12 Supplemental share transfer regulations

(1) This section applies where the Secretary of State has made share transfer regulations under section 4 in respect of securities issued by a steel undertaking ("the original regulations").

(2) The Secretary of State may make supplemental share transfer regulations.

(3) Supplemental share transfer regulations are share transfer regulations which—

(a) provide for the transfer of securities which were issued by the steel undertaking before the original regulations and have not been transferred by the original regulations or other supplemental share transfer regulations;

(b) make provision of a kind that share transfer regulations may make under section 4(2), whether in connection with a transfer under the original regulations or in connection with a transfer under those or other supplemental regulations.

(4) Supplemental share transfer regulations are to be treated in the same way as any other share transfer regulations for all other purposes, including for the purposes of the application of a power under this Part.

(5) The possibility of making supplemental share transfer regulations in reliance on subsection (2) is without prejudice to the possibility of making new regulations under section 4(1) (instead of regulations under subsection (2)).

13 Onward share transfer

(1) This section applies where the Secretary of State has made share transfer regulations under section 4 in respect of securities issued by a steel undertaking ("the original regulations").

(2) The Secretary of State may make onward share transfer regulations.

(3) Onward share transfer regulations are share transfer regulations which—

(a) provide for the transfer of—

(i) securities which were issued by the steel undertaking before the original regulations and have been transferred by the original regulations or supplemental share transfer regulations, or

(ii) securities which were issued by the steel undertaking after the original regulations;

(b) make other provision for the purposes of, or in connection with, the transfer of securities issued by the steel undertaking (whether the transfer has been or is to be effected by those regulations, by other share transfer regulations or otherwise).

(4) Onward share transfer regulations may transfer securities to any person other than the transferor under the original regulations.

(5) Subject to subsection (4), onward share transfer regulations are to be treated in the same way as any other share transfer regulations for all other purposes, including for the purposes of the application of a power under this Part.

14 Reverse share transfer

(1) This section applies where the Secretary of State has made share transfer regulations in respect of a steel undertaking under section 4 ("the original regulations").

(2) The Secretary of State may make reverse share transfer regulations in respect of securities held by the transferee under the original regulations (whether or not they were transferred by the original regulations).

(3) If the Secretary of State makes onward share transfer regulations under section 13 ("the relevant onward transfer regulations"), the Secretary of State may make reverse share transfer regulations in respect of securities issued by the steel undertaking and held by the transferee under the relevant onward transfer regulations ("the onward transferee"), whether or not the securities were transferred by the relevant onward transfer regulations.

(4) Reverse share transfer regulations are share transfer regulations which—

(a) in a case within subsection (2), provide for transfer of the securities to the transferor under the original regulations;

(b) in a case within subsection (3), provide for transfer of the securities to the transferor under the relevant onward transfer regulations.

(5) The consent of the onward transferee is required to the making of reverse share transfer regulations within subsection (3), except where the onward transferee is a person specified in section 4(1)(b) or (c).

(6) Reverse share transfer regulations may make other provision for the purposes of, or in connection with, the transfer of securities which are, could be or could have been transferred under subsection (2) or (3) (whether the transfer has been or is to be effected by those regulations or otherwise).

(7) Reverse share transfer regulations are to be treated in the same way as any other share transfer regulations for all other purposes, including for the purposes of the application of a power under this Part.

Transfer of property into public ownership

15 Property transfer regulations

(1) The Secretary of State may make regulations ("property transfer regulations") providing for property, rights or liabilities of a specified steel undertaking to be transferred to—

(a) the Secretary of State,

(b) a nominee of the Secretary of State, or

(c) a company wholly owned by the Secretary of State.

(2) Property transfer regulations may make other provision for the purposes of, or in connection with, the transfer of property, rights or liabilities of a specified steel undertaking (whether the transfer has been or is to be effected by those regulations, by other property transfer regulations or otherwise).

(3) Property transfer regulations may relate to—

(a) all property, rights and liabilities of the specified steel undertaking,

(b) all its property, rights and liabilities subject to specified exceptions,

(c) specified property, rights or liabilities, or

(d) property, rights or liabilities of a specified description.

(4) When deciding whether to make property transfer regulations under this section in respect of a steel undertaking, the Secretary of State must consider the costs that the Secretary of State thinks are likely to be associated with the exercise of the power.

(5) Property transfer regulations are subject to the negative procedure.

16 Effect of property transfer

(1) In this section, "transfer" means a transfer provided for by property transfer regulations.

(2) A transfer takes effect by virtue of the regulations (and in accordance with provision in the regulations as to timing or other ancillary matters).

(3) A transfer takes effect despite any restriction arising by virtue of contract or legislation or in any other way.

(4) In subsection (3), "restriction" includes—

(a) any restriction, inability or incapacity affecting what can and cannot be assigned or transferred (whether generally or by a particular person), and

(b) a requirement for consent (by any name).

(5) Property transfer regulations may provide for a transfer to be conditional upon a specified event or situation—

(a) occurring or arising, or

(b) not occurring or arising.

(6) Property transfer regulations may include provision dealing with the consequences of breach of a condition imposed under subsection (5); and the consequences may include—

(a) automatic vesting in the transferor;

(b) an obligation to effect a transfer back to the transferor, with specified consequences for failure to comply (which may include provision conferring a discretion on a court or tribunal);

(c) provision making a transfer or anything done in connection with a transfer void or voidable.

(7) Where property transfer regulations make provision in respect of property held on trust (however arising) they may also make provision about—

(a) the terms on which the property is to be held after the regulations take effect, and

(b) how any powers, provisions and liabilities in respect of the property are to be exercisable or have effect after the regulations take effect.

(8) Provision under subsection (7)(a) may remove or alter the terms of the trust on which the property is held only to the extent that the Secretary of State thinks it necessary or expedient for the purpose of transferring—

(a) the legal or beneficial interest of the transferor in the property;

(b) any powers, rights or obligations of the transferor in respect of the property.

(9) Property transfer regulations may provide for a transfer to take effect free from any trust, liability or other encumbrance (and may include provision about their extinguishment).

(10) In subsection (8), references to the transferor are references to the transferor under the property transfer regulations.

17 Transferable property

(1) Property transfer regulations may transfer any property, rights or liabilities including, in particular—

(a) property, rights and liabilities acquired or arising between the making of the regulations and the transfer date,

(b) rights and liabilities arising on or after the transfer date in respect of matters occurring before that date,

(c) property outside the United Kingdom,

(d) rights and liabilities under the law of a country or territory outside the United Kingdom (including under legislation of the European Union), and

(e) rights and liabilities under an enactment.

(2) In this section and section 18, "transfer date" means the date or time on or at which property transfer regulations take effect (or the relevant part of those regulations takes effect).

18 Continuity

(1) Property transfer regulations may provide—

(a) for a transfer to be, or to be treated as, a succession;

(b) for a transferee to be treated for any purpose connected with the transfer as the same person as the transferor.

(2) Property transfer regulations may provide for agreements made or other things done by or in relation to a transferor to be treated as made or done by or in relation to the transferee.

(3) Property transfer regulations may provide for anything (including legal proceedings) that relates to anything transferred and is in the process of being done by or in relation to the transferor immediately before the transfer date to be continued by or in relation to the transferee.

(4) Property transfer regulations which transfer or enable the transfer of a contract of employment may include provision about continuity of employment.

(5) Property transfer regulations may modify references (express or implied) in an instrument or document to a transferor.

(6) In so far as rights and liabilities in respect of anything transferred are enforceable after transfer, property transfer regulations may provide for apportionment between transferor and transferee to a specified extent and in specified ways.

(7) Property transfer regulations may enable the transferor and transferee by agreement to modify a provision of the regulations; but a modification—

(a) must achieve a result that could have been achieved by the regulations, and

(b) may not transfer (or arrange for the transfer of) property, rights or liabilities.

(8) Property transfer regulations may require or permit—

(a) a transferor to provide a transferee with information and assistance;

(b) a transferee to provide a transferor with information and assistance.

(9) Obligations imposed under subsection (8) are enforceable as if created by contract between the transferor and the transferee.

19 Directors and senior managers

(1) Property transfer regulations may enable the Secretary of State—

(a) to remove a director or senior manager of a specified steel undertaking;

(b) to vary or terminate the service contract of a director or senior manager of a specified steel undertaking;

(c) to appoint a director or senior manager of a specified steel undertaking.

(2) In this section—

"director" has the same meaning as in the Companies Act 2006 (see section 250 of that Act);

"senior manager" means a person who—

(a) exercises executive functions within a specified steel undertaking, and

(b) is responsible, and directly accountable to the directors, for the day-to-day management of that undertaking.

20 Company names

(1) This section applies where a transferor under property transfer regulations is a company.

(2) Property transfer regulations may specify—

(a) a new name for the transferor company, and

(b) the time from which the new name has effect.

(3) Where a transferee in a case within subsection (1) is a company wholly owned by the Secretary of State, property transfer regulations may specify—

(a) a name for the transferee company (including a name which is the same as the transferor company's former name), and

(b) the time from which the name specified by virtue of paragraph (a) has effect.

(4) Where property transfer regulations make provision within subsection (2) or (3)—

(a) the Secretary of State must notify the registrar of companies of the name specified by virtue of subsection (2)(a) or (3)(a) (as the case may be),

(b) section 80(2) and (3) of the Companies Act 2006 (registration and issue of new certificate of incorporation) applies to the registrar, and

(c) section 81(1) of that Act (date from which change of name has effect) applies as if the reference to the date on which the new certificate of

incorporation is issued were a reference to the time specified by virtue of subsection (2)(b) or (3)(b) (as the case may be).

(5) In this section, "the registrar of companies" has the meaning given by section 1060(3) of the Companies Act 2006.

21 Licences

(1) A licence in respect of anything transferred by property transfer regulations continues to have effect despite the transfer.

(2) Property transfer regulations may disapply subsection (1) to a specified extent.

(3) Where a licence imposes rights or obligations, property transfer regulations may apportion responsibility for exercise or compliance between transferor and transferee.

(4) In this section, "licence" includes permission and approval and any other permissive document in respect of anything transferred.

22 Termination rights

(1) Property transfer regulations may provide—

(a) that property transfer regulations are to be disregarded in determining whether a default event provision applies, or

(b) that property transfer regulations are to be disregarded in determining whether a default event provision applies except in so far as the regulations provide otherwise,

(but need not provide for either).

(2) In this section, "default event provision" means a provision of a contract or other agreement that—

(a) has the effect that, if a specified event occurs or situation arises, any of the consequences referred to in subsection (3) result, or

(b) has the effect that a provision of the contract or agreement—

(i) takes effect only if a specified event occurs or does not occur,

(ii) takes effect only if a specified situation arises or does not arise,

(iii) has effect only for so long as a specified event does not occur,

(iv) has effect only while a specified situation lasts,

(v) applies differently if a specified event occurs,

(vi) applies differently if a specified situation arises, or

(vii) applies differently while a specified situation lasts.

(3) The consequences referred to in subsection (2)(a) are—

(a) the agreement is terminated, modified or replaced;

(b) rights or duties under the agreement are terminated, modified or replaced;

(c) a right accrues to terminate, modify or replace the agreement;

(d) a right accrues to terminate, modify or replace rights or duties under the agreement;
(e) a sum becomes payable or ceases to be payable;
(f) delivery of anything becomes due or ceases to be due;
(g) a right to claim a payment or delivery accrues, changes or lapses;
(h) any other right accrues, changes or lapses;
(i) an interest is created, changes or lapses.

(4) For the purposes of subsections (2) and (3) it is the effect of a provision that matters, not how it is described (nor, for example, whether it is presented in a positive or a negative form).

(5) In subsection (1)(a) and (b) a reference to property transfer regulations is a reference to—
(a) the making of the regulations,
(b) anything that is done by the regulations or is to be, or may be, done under or by virtue of the regulations, and
(c) any action or decision taken or made under this or another enactment in so far as it resulted in, or was connected to, the making of the regulations.

(6) For the purposes of subsection (5)(b), a thing is not done by virtue of regulations merely by virtue of being done under a contract or other agreement rights or obligations under which have been transferred by the regulations.

23 Foreign property

(1) This section applies where property transfer regulations transfer foreign property.

(2) In subsection (1), "foreign property" means—
(a) property outside the United Kingdom, and
(b) rights and liabilities under foreign law.

(3) The transferor and the transferee must each take any necessary steps to ensure that the transfer is effective as a matter of foreign law (if it is not wholly effective by virtue of the property transfer regulations).

(4) Until the transfer is effective as a matter of foreign law, the transferor must—
(a) hold the property or right for the benefit of the transferee (together with any additional property or right accruing by virtue of the original property or right), or
(b) discharge the liability on behalf of the transferee.

(5) If the Secretary of State determines that, in spite of any action taken by the transferee or the transferor, it is not possible for the transfer of certain property to be effective under the law of the jurisdiction where the property is located or (where the property consists of rights or liabilities) the law under which it arises—
(a) subsection (4) ceases to apply, and

(b) the provisions of the property transfer regulations relating to that property are void.

(6) The Secretary of State must give notice of any determination under subsection (5) to the transferor and the transferee.

(7) The transferor must meet any expenses of the transferee in complying with this section.

(8) An obligation imposed by this section is enforceable as if created by contract between the transferor and transferee.

(9) The transferor must comply with any directions of the Secretary of State in respect of the obligations under subsections (3) and (4); and—

(a) a direction may disapply subsections (3) and (4) to a specified extent, and

(b) obligations imposed by direction are enforceable as if created by contract between the transferor and the Secretary of State.

(10) In this section, "foreign law" means the law of a country or territory outside the United Kingdom.

24 Property transfer regulations: delisting

(1) Property transfer regulations may provide for the listing of securities, under section 74 of the Financial Services and Markets Act 2000 (the official list), to be discontinued or suspended.

(2) Where the listing of securities is suspended in accordance with property transfer regulations, those securities are to be treated as still being listed for the purposes of—

(a) section 96 of the Financial Services and Markets Act 2000 (obligations of issuers of listed securities), and

(b) paragraph 23(6) of Schedule 1ZA to that Act (fees payable in respect of functions of the Financial Conduct Authority).

25 Supplemental property transfer regulations

(1) This section applies where the Secretary of State has made property transfer regulations under section 15 in respect of property, rights or liabilities of a steel undertaking (the "original regulations").

(2) The Secretary of State may make supplemental property transfer regulations.

(3) Supplemental property transfer regulations are property transfer regulations which—

(a) provide for property, rights or liabilities to be transferred from the transferor under the original regulations (whether accruing or arising before or after the original regulations);

(b) make other provision of a kind that the original property transfer regulations may make under section 15(3) (whether in connection with

a transfer under the original regulations or in connection with a transfer under those or other supplemental regulations).

(4) Supplemental property transfer regulations are to be treated in the same way as any other property transfer regulations for all other purposes, including for the purposes of the application of a power under this Part.

(5) The possibility of making supplemental property transfer regulations in reliance on subsection (2) is without prejudice to the possibility of making of new regulations in accordance with section 15 (and not in reliance on subsection (2) above).

26 Onward property transfer

(1) This section applies where the Secretary of State has made property transfer regulations in respect of a steel undertaking under section 15 ("the original regulations").

(2) The Secretary of State may make onward property transfer regulations.

(3) Onward property transfer regulations are property transfer regulations which—

(a) provide for property, rights or liabilities of the transferee under the original regulations to be transferred (whether accruing or arising before or after the original regulations);

(b) make other provision for the purposes of, or in connection with, the transfer of property, rights or liabilities of the transferee (whether the transfer has been or is to be effected by those regulations, by other property transfer regulations or otherwise).

(4) Onward property transfer regulations may relate to property, rights or liabilities of the transferee under the original regulations whether or not they were transferred under the original regulations.

(5) Onward property transfer regulations may transfer property, rights or liabilities to any person other than the transferor under the original regulations.

(6) Subject to subsection (5), onward property transfer regulations are to be treated in the same way as any other property transfer regulations for all other purposes, including for the purposes of the application of a power under this Part.

27 Reverse property transfer

(1) This section applies where the Secretary of State has made property transfer regulations in respect of a steel undertaking under section 15 ("the original regulations").

(2) The Secretary of State may make reverse property transfer regulations in respect of property, rights or liabilities of the transferee under the original regulations (whether or not they were transferred by the original regulations).

(3) If the Secretary of State makes onward property transfer regulations under section 26 ("the relevant onward transfer regulations"), the Secretary of State

may make reverse property transfer regulations in respect of property, rights or liabilities of the transferee under the relevant onward transfer regulations ("the onward transferee") whether or not the property, rights or liabilities were transferred by the relevant onward transfer regulations.

(4) Reverse property transfer regulations are property transfer regulations which—

(a) in a case within subsection (2), provide for transfer to the transferor under the original regulations;

(b) in a case within subsection (3), provide for transfer to the transferor under the relevant onward transfer regulations.

(5) The written consent of the onward transferee is required to the making of reverse property transfer regulations within subsection (3), except where the onward transferee is a person within section 15(1)(b) or (c).

(6) Reverse property transfer regulations may make other provision for the purposes of, or in connection with, the transfer of property, rights or liabilities that are, could be or could have been transferred by virtue of subsection (2) or (3) (whether the transfer has been or is to be effected by those regulations or otherwise).

(7) Reverse property transfer regulations are to be treated in the same way as any other property transfer regulations for all other purposes, including for the purposes of the application of a power under this Part.

28 Property transfer connected with share transfer

(1) This section applies where the Secretary of State has made share transfer regulations under section 4 in respect of securities issued by a steel undertaking.

(2) The Secretary of State may make connected property transfer regulations.

(3) Connected property transfer regulations are property transfer regulations which—

(a) provide for property, rights or liabilities of the steel undertaking to be transferred (whether accruing or arising before or after the share transfer regulations referred to in subsection (1));

(b) make other provision for the purposes of, or in connection with, the transfer of property, rights or liabilities of the steel undertaking (whether the transfer has been or is to be effected by those regulations, by other property transfer regulations or otherwise).

(4) Connected property transfer regulations are to be treated in the same way as any other property transfer regulations for all other purposes, including for the purposes of the application of a power under this Part.

(5) Section 25 (power to make supplemental property transfer regulations) applies to connected property transfer regulations as it applies to property transfer regulations made under section 15.

29 Connected reverse property transfer regulations

(1) This section applies where the Secretary of State has made connected property transfer regulations under section 28(2) ("the original regulations").

(2) The Secretary of State may make connected reverse property transfer regulations in respect of property, rights or liabilities of the transferee under the original regulations (whether or not they were transferred by the original regulations).

(3) Connected reverse property transfer regulations are property transfer regulations which—

(a) provide for transfer to the transferor under the original regulations;

(b) make other provision for the purposes of, or in connection with, the transfer of property, rights or liabilities which are, could be or could have been transferred (whether the transfer has been or is to be effected by those regulations or otherwise).

(4) The written consent of the transferee is required to the making of connected reverse property transfer regulations under this section, except where the transferee is—

(a) a nominee of the Secretary of State, or

(b) a company wholly owned by the Secretary of State.

(5) Connected reverse property transfer regulations are to be treated in the same way as any other property transfer regulations for all other purposes, including for the purposes of the application of a power under this Part.

(6) Section 25 (power to make supplemental property transfer regulations) applies to connected reverse property transfer regulations as it applies to property transfer regulations made under section 15.

30 Creation of liabilities

(1) The provision that may be made by property transfer regulations includes provision for the creation of liabilities.

(2) The provision may be framed by reference to an agreement which has been or is to be entered into, or anything else which has been or is to be done, by any person (including a person other than the person making the regulations).

Connected persons

31 Exercise of transfer powers in respect of connected persons

(1) The Secretary of State may exercise a principal transfer power in respect of a person who is connected with a steel undertaking (a "connected person").

(2) A principal transfer power may (in reliance on subsection (1)) be exercised in respect of a connected person only if—

(a) the power is exercised at the same time as or after the exercise of a principal transfer power in respect of the steel undertaking, and

(b) the Secretary of State considers it necessary in the public interest to exercise the power in respect of the connected person.

(3) Where a principal transfer power has been exercised in reliance on subsection (1), the Secretary of State may exercise any other transfer power in respect of the connected person.

(4) A person is connected with a steel undertaking if the person is, or at any time during the period of 6 months ending with the date of the exercise of the principal transfer power was—

(a) a responsible person in relation to the steel undertaking,

(b) an associate of a responsible person in relation to the steel undertaking, or

(c) an associate of the steel undertaking.

(For the meaning of "responsible person" and "associate" see section 32).

(5) Section 2 (exercise of transfer powers in the public interest) does not apply to the exercise of a principal transfer power in reliance on subsection (1).

(6) Subject to subsection (5), any provision of this Act which refers to a power conferred by this Part or to regulations made in the exercise of such a power has effect, in its application for the purposes of this section in respect of a connected person, as if any reference in that provision to a steel undertaking were a reference to the connected person.

32 Meaning of "responsible person" and "associate" in section 31

(1) This section applies for the purposes of section 31.

(2) The following persons are responsible persons in relation to an undertaking—

(a) where the undertaking is a body corporate other than one whose affairs are managed by its members, a director or shadow director of the body;

(b) where the undertaking is a limited liability partnership or other body corporate whose affairs are managed by its members, a member who exercises functions of management with respect to it;

(c) where the undertaking is a limited partnership, a general partner (within the meaning given by section 3 of the Limited Partnerships Act 1907);

(d) where the undertaking is any other partnership, a partner;

(e) where the undertaking is any other kind of body, a person who exercises functions of management with respect to it.

(3) "Associate" has the meaning given by section 435 of the Insolvency Act 1986, which has effect as if—

(a) for subsection (5) there were substituted—

"(5) A person in their capacity as trustee of a trust other than an excluded trust is an associate of another person ("P") if—

(a) the beneficiaries of the trust include, or the terms of the trust confer a power that may be exercised for the benefit of, P or an associate of P,

(b) the settlor of the trust is an associate of P, or

(c) a person who is involved with the establishment or administration of the trust is an associate of P.

(5A) For the purposes of subsection (5), "excluded trust" means—

(a) a trust arising under any of the second Group of Parts of the Bankruptcy (Scotland) Act 2016, or

(b) a pension scheme or an employees' share scheme.";

(b) in subsection (6), before paragraph (a) there were inserted—

"(za) if the same person is a director of both,";

(c) for subsection (7) there were substituted—

"(7) A company ("C") is an associate of another person ("P") if—

(a) P has control of C,

(b) P and persons who are associates of P together have control of C, or

(c) P is a director of another company and the same person has control of that company and of C.";

(d) after subsection (7) there were inserted—

"(7A) A partnership other than a limited liability partnership is an associate of another partnership that is not a limited liability partnership if—

(a) the same person is a partner of each partnership,

(b) a person ("P") is a partner of one of the partnerships and a person who is an associate of P is a partner of the other partnership,

(c) the same person has control of each partnership,

(d) a person ("P") has control of one partnership and P's associates or P and P's associates have control of the other partnership, or

(e) a group of two or more persons have control of each partnership, and the groups either consist of the same persons or could be regarded as consisting of the same persons by treating (in one or more cases) a member of each group ("M") as replaced by an associate of M.

(7B) A partnership other than a limited liability partnership is an associate of another person ("P") if—

(a) P has control of the partnership, or

(b) P and persons who are associates of P together have control of the partnership.

(7C) An undertaking that is not a body corporate or partnership is an associate of another person ("P") if—

(a) P has control of the undertaking, or

(b) P and persons who are associates of P together have control of the undertaking.";

(e) after subsection (11) there were inserted—

"(12) For the purposes of subsections (7A) and (7B), a person ("P") is to be taken as having control of a partnership if the partners are accustomed to act in accordance with P's directions or instructions.

(13) For the purposes of subsection (7C), a person ("P") is to be taken as having control of an undertaking that is not a body corporate or partnership if the person or persons who exercise management functions in relation to it are accustomed to act in accordance with P's directions or instructions.

(14) Where two or more persons together satisfy the condition in subsection (12) or (13), they are to be taken as having control of the partnership or undertaking (as the case may be)."

Continuity obligations

33 General continuity obligations: property transfers

(1) This section applies where all or part of the business of a steel undertaking (the "residual steel undertaking") has been transferred in accordance with property transfer regulations.

(2) The residual steel undertaking and each group company must provide such services and facilities as are required to enable a transferee to operate the transferred business, or part of it, effectively.

(3) The duty under subsection (2) ("the continuity obligation") may be enforced as if created by contract between the residual steel undertaking or group company and the transferee.

(4) The continuity obligation continues to apply despite the residual steel undertaking or group company entering insolvency, and may not be disclaimed by a liquidator under section 178(2) of the Insolvency Act 1986 or Article 152(1) of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).

(5) The duty to provide services and facilities in pursuance of the continuity obligation is subject to a right to receive reasonable consideration.

(6) But if the services and facilities provided in pursuance of the continuity obligation were provided to the steel undertaking whose business has been transferred, under an agreement with that undertaking, before the property transfer regulations providing for the transfer were made, they are to continue for the duration of that agreement to be provided on the terms set out in that agreement (and subsection (5) does not apply).

(7) The continuity obligation is not limited to the provision of services or facilities directly to a transferee.

(8) The Secretary of State may by notice to the residual steel undertaking or a group company state that in the Secretary of State's opinion—

(a) specified activities are required to be undertaken in accordance with the continuity obligation;

(b) activities are required be undertaken in accordance with the continuity obligation on specified terms.

(9) A notice under subsection (8) is determinative of the nature and extent of the continuity obligation as from the time when the notice is given.

(10) In this section and section 34—

"group company" means anything which is, or was immediately before the transfer, a group undertaking in relation to a residual steel undertaking;

"group undertaking" has the meaning given by section 1161(5) of the Companies Act 2006;

"residual steel undertaking" has the meaning given by subsection (1);

"transferee" means the person to whom all or part of the transferred business has been transferred;

"the transferred business" means the part of the steel undertaking's business that has been transferred.

(11) In this section and section 34, a reference to insolvency includes a reference to—

(a) liquidation;

(b) administration;

(c) receivership;

(d) composition with creditors;

(e) a scheme of arrangement.

34 Special continuity obligations: property transfers

(1) The Secretary of State may—

(a) cancel a contract or other arrangement between the residual steel undertaking and a third party (whether or not rights or obligations under it have been transferred to a transferee);

(b) modify the terms of a contract or other arrangement between the residual steel undertaking and a third party (whether or not rights or obligations under it have been transferred to a transferee);

(c) add or substitute a transferee as a party to a contract or other arrangement between the residual steel undertaking and a third party;

(d) confer and impose rights and obligations on a group company and a transferee, which are to have effect as if created by contract between them;

(e) confer and impose rights and obligations on the residual steel undertaking and a transferee which are to have effect as if created by contract between them.

(2) In modifying or setting terms under subsection (1) the Secretary of State must aim, so far as is reasonably practicable, to preserve or include—

(a) provision for reasonable consideration, and

(b) any other provision that would be expected in arrangements concluded between parties dealing at arm's length.

(3) The power under subsection (1) must be exercised by way of provision in property transfer regulations (or supplemental property transfer regulations).

(4) The power in subsection (1)(d) and (e) may be exercised only in so far as the Secretary of State thinks it necessary to do so to ensure the provision of such services and facilities as are required to enable the transferee to operate the transferred business, or part of it, effectively.

(5) An obligation imposed on the residual steel undertaking or a group company under subsection (1)(d) or (e) continues to apply despite the residual steel undertaking or group company entering insolvency, and may not be disclaimed by a liquidator under section 178(2) of the Insolvency Act 1986 or Article 152(1) of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).

(6) For the purposes of subsection (1), "third party" includes a group company.

35 Continuity obligations: onward property transfers

(1) In this section—

(a) "onward transfer" means a transfer of property, rights or liabilities (whether or not under a power in this Part) from—

(i) a person who is a transferee under property transfer regulations under section 15 (an "original transferee"), or

(ii) a steel undertaking, securities issued by which were earlier transferred by share transfer regulations under section 4, and

(b) the person to whom the onward transfer is made is referred to as an "onward transferee".

(2) The Secretary of State may—

(a) provide for an obligation under section 33 to apply in respect of an onward transferee;

(b) extend section 34 so as to permit action to be taken under section 34(1)) for the purpose of enabling an onward transferee to operate transferred business, or part of it, effectively.

(3) Subsection (2) may be relied on to impose obligations on one or more of the following—

(a) an original transferee (where the original transfer was a property transfer),

(b) a residual steel undertaking within the meaning of section 33 (where the original transfer was a property transfer),

(c) the steel undertaking (where the original transfer was a share transfer),

(d) anything which is or was a group undertaking (within the meaning of section 1161(5) of the Companies Act 2006) of anything within paragraphs (a) to (c).

(4) Subsection (2) may be used to impose obligations—

(a) in addition to obligations under or by virtue of section 33 or 34, or

(b) replacing obligations under or by virtue of either of those sections to a specified extent.

(5) A power under subsection (2) is exercisable by giving a notice to each person—

(a) on whom an obligation is to be imposed under the power, or

(b) who is expected to benefit from an obligation under the power.

(6) Sections 33(4) to (9) and 34(2) and (3) apply to an obligation as applied under subsection (2)—

(a) reading any reference to transferred business as if it were a reference to the business transferred by means of the onward transfer, and

(b) with any other necessary modification.

36 General continuity obligation: share transfers

(1) This section applies where all or part of the ownership of a steel undertaking (the "transferred steel undertaking") has been transferred in accordance with share transfer regulations.

(2) Each former group company must provide such services and facilities as are required to enable the transferred steel undertaking to operate effectively.

(3) The duty under subsection (2) ("the continuity obligation") may be enforced as if created by contract between the transferred steel undertaking and the former group company.

(4) The continuity obligation continues to apply despite the former group company entering insolvency, and may not be disclaimed by a liquidator under section 178(2) of the Insolvency Act 1986 or Article 152(1) of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).

(5) The duty to provide services and facilities in pursuance of the continuity obligation is subject to a right to receive reasonable consideration.

(6) But if the services and facilities provided in pursuance of the continuity obligation were provided to the transferred steel undertaking, under an agreement with that undertaking, before the share transfer regulations providing for the transfer were made, they are to continue for the duration of that agreement to be provided on the terms set out in that agreement (and subsection (5) does not apply).

(7) The continuity obligation is not limited to the provision of services or facilities directly to the transferred steel undertaking.

(8) The Secretary of State may by notice to a former group company state that in the Secretary of State's opinion—

(a) specified activities are required to be undertaken in accordance with the continuity obligation;

(b) activities are required be undertaken in accordance with the continuity obligation on specified terms.

(9) A notice under subsection (8) is determinative of the nature and extent of the continuity obligation as from the time when the notice is given.

(10) In this section and section 37—

"former group company" means anything which was a group undertaking in relation to the transferred steel undertaking immediately before the transfer (whether or not it is also a group undertaking in relation to the transferred steel undertaking immediately after the transfer);

"group undertaking" has the meaning given by section 1161(5) of the Companies Act 2006 (interpretation);

"transferred steel undertaking" has the meaning given by subsection (1).

(11) In this section and section 37, a reference to insolvency includes a reference to—

(a) liquidation;

(b) administration;

(c) receivership;

(d) composition with creditors;

(e) a scheme of arrangement.

37 Special continuity obligations: share transfers

(1) The Secretary of State may—

(a) cancel a contract or other arrangement between the transferred steel undertaking and a third party;

(b) modify the terms of a contract or other arrangement between the transferred steel undertaking and a third party;

(c) confer and impose rights and obligations on a former group company and the transferred steel undertaking, which are to have effect as if created by contract between them.

(2) In modifying or setting terms under subsection (1) the Secretary of State must aim, so far as is reasonably practicable, to preserve or include—

(a) provision for reasonable consideration, and

(b) any other provision that would be expected in arrangements concluded between parties dealing at arm's length.

(3) The power under subsection (1) must be exercised by way of provision in share transfer regulations (or supplemental share transfer regulations).

(4) The power in subsection (1)(c) may be exercised only in so far as the Secretary of State thinks it necessary to do so to ensure the provision of such services

and facilities as are required to enable the transferred steel undertaking to operate effectively.

(5) An obligation imposed on the transferred steel undertaking or a former group company under subsection (1)(b) or (c) continues to apply despite the transferred steel undertaking or former group company entering insolvency, and may not be disclaimed by a liquidator under section 178(2) of the Insolvency Act 1986 or Article 152(1) of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).

(6) For the purposes of subsection (1), "third party" includes a former group company.

38 Continuity obligations: onward share transfers

(1) In this section, "onward transfer" means a transfer (whether or not under a power in this Part) of securities issued by a steel undertaking where—

(a) securities issued by the steel undertaking were earlier transferred by share transfer regulations under section 4, or

(b) the steel undertaking was the transferee under property transfer regulations under section 15.

(2) The Secretary of State may—

(a) provide for an obligation under section 36 to apply in respect of the steel undertaking after the onward transfer;

(b) extend section 37 so as to permit action to be taken under section 37(1) to enable the steel undertaking to operate effectively after the onward transfer.

(3) Subsection (2) may be relied on to impose obligations on—

(a) the steel undertaking,

(b) anything which is or was a group undertaking (within the meaning of section 1161(5) of the Companies Act 2006) of the steel undertaking,

(c) anything which is or was a group undertaking of the residual steel undertaking (in a case to which subsection (1)(b) applies), or

(d) any combination.

(4) Subsection (2) may be used to impose obligations—

(a) in addition to obligations under or by virtue of section 36 or 37, or

(b) replacing obligations under or by virtue of either of those sections to a specified extent.

(5) A power under subsection (2) is exercisable by giving a notice to each person—

(a) on whom an obligation is to be imposed under the power, or

(b) who is expected to benefit from an obligation under the power.

(6) Sections 36(4) to (9) and 37(2) and (3) apply to an obligation as applied under subsection (2) with any necessary modification.

39 Continuity obligations: consideration and terms

(1) The Secretary of State may by regulations specify matters which are to be or not to be considered in determining—

(a) what amounts to reasonable consideration for the purposes of sections 33 to 38;

(b) what provisions to include in accordance with section 34(2)(b) or 37(2)(b).

(2) The Secretary of State may give guarantees or indemnities in respect of consideration for services or facilities provided or to be provided in pursuance of a continuity obligation.

(3) Regulations under this section are subject to—

(a) the affirmative procedure, or

(b) if the Secretary of State thinks it necessary to make regulations without using the affirmative procedure, the made affirmative procedure.

40 Continuity obligations: termination

(1) The Secretary of State may by notice terminate an obligation arising under section 33 or 36.

(2) The power under subsection (1) is exercisable by giving a notice to each person—

(a) on whom the obligation is imposed, or

(b) who has benefited or might have expected to benefit from the obligation.

(3) A reference in subsection (1) to obligations under a section includes a reference to obligations under that section as applied under section 35 or 38.

Further provision relating to transfers

41 Suspension of obligations

(1) The Secretary of State may suspend obligations to make a payment, or delivery, under a contract where one of the parties to the contract is a steel undertaking in respect of which the Secretary of State is exercising a transfer power.

(2) A suspension imposed under subsection (1)—

(a) begins immediately after the regulations providing for the suspension are laid before Parliament,

(b) must end no later than midnight at the end of the 7th business day following the day on which the regulations are laid before Parliament, and

(c) suspends all obligations to make a payment or delivery under the contract in question, whether the obligation concerned is that of the

steel undertaking in respect of which regulations made under a transfer power have effect or of any other party to the contract.

(3) Where a payment or delivery under the contract concerned first fell due within the period of the suspension, that payment or delivery is treated as being due immediately on the expiry of the suspension.

(4) The power under subsection (1) must be exercised by way of provision in share transfer regulations or property transfer regulations.

(5) In this section and sections 42 and 43, "business day" means any day other than a Saturday, a Sunday, or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the United Kingdom.

42 Restriction of security interests

(1) Where the Secretary of State is exercising a transfer power in respect of a steel undertaking, the Secretary of State may suspend the rights of a secured creditor of the steel undertaking to enforce any security interest the creditor has in relation to any assets of the steel undertaking.

(2) A suspension under subsection (1)—

(a) begins immediately after the regulations providing for the suspension are laid before Parliament, and

(b) must end no later than midnight at the end of the 7th business day following the day on which the regulations are laid before Parliament.

(3) The power under subsection (1) must be exercised by way of provision in share transfer regulations or property transfer regulations.

(4) For the purposes of this section, "security interest" means an interest or right held for the purpose of securing the payment of money or the performance of any other obligation.

43 Suspension of termination rights

(1) The Secretary of State may suspend the termination right of any party to a qualifying contract.

(2) For the purposes of this section, a contract is a "qualifying contract" if—

(a) one of the parties to the contract is a steel undertaking in respect of which the Secretary of State is exercising a transfer power, and

(b) all the obligations under the contract to make a payment or make delivery continue to be performed.

(3) The power under subsection (1) must be exercised by way of provision in share transfer regulations or property transfer regulations.

(4) A suspension imposed under subsection (1)—

(a) begins immediately after the regulations providing for the suspension are laid before Parliament, and

(b) must end no later than midnight at the end of the 7th business day following the day on which the regulations are laid before Parliament.

(5) A person may exercise a termination right under a qualifying contract before the expiry of the suspension if that person is given notice by the Secretary of State that the rights and liabilities of the steel undertaking covered by the contract are not to be transferred to another undertaking through the exercise of a transfer power.

(6) If—

(a) no notice has been given by the Secretary of State under subsection (5), and

(b) a termination right has been triggered otherwise than through the exercise of a transfer power or the imposition of a suspension under subsection (1) (or the occurrence of an event directly linked to the exercise of a transfer power),

a person may, on the expiry of the suspension, exercise the termination right in accordance with the terms of the contract.

(7) But, where the rights and liabilities of the steel undertaking under the qualifying contract have been transferred to another undertaking, subsection (6) applies only if the event giving rise to the termination right has been triggered by that other undertaking.

(8) For the purposes of this section, "termination right" means—

(a) a right to terminate a qualifying contract,

(b) a right to accelerate obligations, or any similar provision that suspends, modifies or extinguishes an obligation of a party to the contract, or

(c) a provision that prevents an obligation from arising under the contract.

44 Pensions

(1) Share transfer regulations or property transfer regulations may make provision—

(a) about the consequences of a transfer for a pension scheme;

(b) about property, rights and liabilities of any pension scheme of the steel undertaking to which the regulations relate.

(2) In particular, such regulations may—

(a) modify any rights and liabilities;

(b) apportion rights and liabilities;

(c) transfer property of, or accrued rights in, one pension scheme to another (with or without consent).

(3) Provision by virtue of this section may (but need not) amend the terms of a pension scheme.

(4) In this section—

(a) "pension scheme" includes any arrangement for the payment of pensions, allowances and gratuities, and

(b) a reference to a pension scheme of a steel undertaking is a reference to a scheme in respect of which the steel undertaking, or a group company of the steel undertaking, is or was an employer.

(5) In subsection (4)(b), the reference to a group company of a steel undertaking is a reference to anything that is or was a group undertaking in relation to the steel undertaking within the meaning given by section 1161(5) of the Companies Act 2006.

45 Enforcement

(1) The Secretary of State may by regulations make provision for the enforcement of obligations imposed by or under share transfer regulations or property transfer regulations.

(2) Regulations—

(a) may confer jurisdiction on a court or tribunal;

(b) may not impose a penalty or create a criminal offence;

(c) may make provision which has effect in respect of share transfer regulations or property transfer regulations only if applied by those regulations.

(3) Regulations under this section are subject to the made affirmative procedure.

46 Detrimental transactions

(1) The court may, on an application by the Secretary of State, make an order under this section if—

(a) the Secretary of State has exercised a transfer power in respect of a steel undertaking, and

(b) the court considers that a transaction entered into at any time during the relevant period by the steel undertaking, or by a qualifying person in relation to the steel undertaking, is a detrimental transaction.

(2) A transaction is "detrimental" if—

(a) the effect of the transaction is that securities issued by, or property, rights or liabilities of, the undertaking that could otherwise have been transferred by the Secretary of State under a transfer power cannot be so transferred on the relevant date, or

(b) the transferee under the regulations made in exercise of the transfer power is, or is likely to be, in a worse position on the relevant date than would have been the case if the transaction had not been entered into.

(3) An order under this section is an order that does either or both of the following—

(a) provides that the detrimental transaction is void;

(b) makes such other provision as the court thinks fit for restoring the position to what it would have been if the detrimental transaction had not been entered into.

(4) The court may not make an order under this section in relation to a transaction if the court considers that the transaction was entered into in good faith and in the ordinary course of the business of the steel undertaking in question.

(5) Where a transaction is entered into with a person or undertaking connected with the steel undertaking in question then, unless the contrary is shown, the court must presume for the purposes of subsection (4) that the transaction was not entered into in good faith.

(6) For the purposes of subsection (5)—

(a) a person is connected with a steel undertaking if the person is a qualifying person in relation to the steel undertaking;

(b) an undertaking is connected with a steel undertaking if a person who is a qualifying person in relation to the undertaking is also a qualifying person in relation to the steel undertaking.

(7) For the purposes of this section, the following persons are qualifying persons in relation to an undertaking—

(a) where the undertaking is a body corporate other than one whose affairs are managed by its members, a director, shadow director or shareholder of the body;

(b) where the undertaking is a limited liability partnership or other body corporate whose affairs are managed by its members, a member who exercises functions of management with respect to it;

(c) where the undertaking is a limited partnership, a general partner (within the meaning given by section 3 of the Limited Partnerships Act 1907);

(d) where the undertaking is any other partnership, a partner;

(e) where the undertaking is any other kind of body, a person who exercises functions of management with respect to it.

(8) In this section—

"the court" means—

(a) in relation to England and Wales, the High Court;

(b) in relation to Scotland, the Court of Session;

(c) in relation to Northern Ireland, the High Court in Northern Ireland;

"director" and "shadow director" have the same meaning as in the Companies Act 2006 (see sections 250 and 251 respectively of that Act);

"relevant date" means the date on which the regulations made in exercise of the transfer power in question come into force;

"relevant period" means the period of 6 months ending with the relevant date (and that period may include a period falling before the day on which this Act is passed).

47 Disputes

(1) Share transfer regulations or property transfer regulations may include provision for disputes to be determined in a specified manner.

(2) Provision by virtue of subsection (1) may, in particular—

(a) confer jurisdiction on a court or tribunal;

(b) confer discretion on a specified person.

48 Tax

(1) The Treasury may by regulations make provision about the fiscal consequences of the exercise of a transfer power.

(2) Regulations may relate to—

(a) capital gains tax;

(b) corporation tax;

(c) income tax;

(d) inheritance tax;

(e) stamp duty;

(f) stamp duty reserve tax;

(g) stamp duty land tax;

(h) land and buildings transaction tax;

(i) land transaction tax;

(j) landfill tax;

(k) Scottish landfill tax;

(l) landfill disposals tax.

(3) Regulations may apply to—

(a) anything done in connection with share transfer regulations or property transfer regulations;

(b) things transferred or otherwise affected by virtue of share transfer regulations or property transfer regulations;

(c) a transferor or transferee under share transfer regulations or property transfer regulations;

(d) persons otherwise affected by share transfer regulations or property transfer regulations.

(4) Regulations may—

(a) modify or disapply an enactment;

(b) provide for an action to have or not have specified consequences;

(c) provide for specified classes of property (including securities), rights or liabilities to be treated, or not treated, in a specified way;

(d) withdraw or restrict a relief;

(e) extend, restrict or otherwise modify a charge to tax;

(f) provide for matters to be determined by the Treasury in accordance with provision made by or in accordance with the regulations.

(5) Regulations may make provision for the fiscal consequences of the exercise of a transfer power in respect of things done—

(a) during the period of three months before the date on which the transfer power is exercised, or

(b) on or after that date.

(6) In relation to the exercise of supplemental or onward transfer regulations under section 12, 13, 25 or 26, "the transfer power" means the first transfer power in connection with which the supplemental or onward transfer regulations are made.

(7) The Treasury may by regulations amend subsection (2) so as to add or remove an entry.

(8) Regulations under this section may not be made unless a draft has been laid before and approved by resolution of the House of Commons.

49 Recognition and enforcement of foreign judgments

(1) A trust, liability or other encumbrance that is extinguished by share transfer regulations or property transfer regulations cannot be recognised or enforced in the United Kingdom under a relevant rule of law.

(2) In this section, "relevant rule of law" means a rule of law that—

(a) is not set out in legislation, and

(b) provides for the recognition or enforcement of a judgment given by a court or tribunal outside the United Kingdom.

50 Power to modify law in connection with share or property transfers

(1) The Secretary of State may, by regulations, modify the law for the purpose of enabling the powers conferred on the Secretary of State by this Part to be used effectively.

(2) "Modify the law" means—

(a) disapply or modify any provision of regulations made in the exercise of a power conferred by this Part;

(b) disapply or modify the effect of a provision of any other enactment, other than a provision made by or under this Act;

(c) apply, with or without modifications, an enactment that would not otherwise apply;

(d) disapply or modify the effect of a rule of law not set out in an enactment.

(3) Regulations under this section may make provision which has retrospective effect.

(4) Regulations under this section are subject to—

(a) the affirmative procedure, or

(b) if the Secretary of State thinks it necessary to make regulations without complying with paragraph (a), the made affirmative procedure.

Interpretation

51 Interpretation of Part 1

In this Part—

"company" means a company as defined by section 1(1) of the Companies Act 2006;

"connected property transfer regulations" has the meaning given by section 28;

"connected reverse property transfer regulations" has the meaning given by section 29;

"enactment" includes—

(a) an enactment comprised in subordinate legislation (as defined in section 21 of the Interpretation Act 1978);

(b) an enactment comprised in, or in an instrument made under, a Measure or Act of Senedd Cymru;

(c) an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament;

(d) an enactment comprised in, or in an instrument made under, Northern Ireland legislation;

(e) assimilated direct legislation;

"onward property transfer regulations" has the meaning given by section 26;

"onward share transfer regulations" has the meaning given by section 13;

"principal transfer power" has the meaning given by section 2(3);

"property transfer regulations" has the meaning given by section 15;

"reverse property transfer regulations" has the meaning given by section 27;

"reverse share transfer regulations" has the meaning given by section 14;

"securities" has the meaning given by section 5;

"service contract" has the meaning given by section 227 of the Companies Act 2006;

"share transfer regulations" has the meaning given by section 4;

"specified", in relation to regulations under this Part, means specified in the regulations;

"supplemental property transfer regulations" has the meaning given by section 25;

"supplemental share transfer regulations" has the meaning given by section 12;

"transfer power" means a power conferred by this Part to make any of the following—

(a) share transfer regulations;

(b) supplemental share transfer regulations;

(c) onward share transfer regulations;

(d) reverse share transfer regulations;
(e) property transfer regulations;
(f) supplemental property transfer regulations;
(g) onward property transfer regulations;
(h) reverse property transfer regulations;
(i) connected property transfer regulations;
(j) connected reverse property transfer regulations;

"undertaking" has the meaning given by section 1161(1) of the Companies Act 2006.

PART 2

COMPENSATION

52 Compensation scheme regulations

(1) The Secretary of State—

(a) must by regulations make provision for or in connection with the payment of compensation in connection with the exercise of a principal transfer power;

(b) may by regulations make provision for or in connection with the payment of compensation in connection with the exercise of any transfer power other than a principal transfer power.

(2) In this Part—

"compensation scheme regulations" means regulations under this section;

"transfer power" has the same meaning as in Part 1 (see section 51).

(3) Compensation scheme regulations—

(a) must include provision for determining whether a transferor should be paid compensation;

(b) may include provision for determining whether a person other than a transferor should be paid compensation.

(4) Compensation scheme regulations may include provision for or in connection with the payment of compensation where a direction under section 2 of the Steel Industry (Special Measures) Act 2025 (use of assets) has at any time been given to a steel undertaking.

(5) Compensation scheme regulations must include provision requiring the Secretary of State to pay compensation to a person in respect of whom it is determined that compensation should be paid by virtue of the regulations.

(6) Compensation scheme regulations may include provision about the way in which, and time by which, a claim for compensation under the regulations is to be made.

(7) In this section—

"principal transfer power" has the same meaning as in Part 1 (see section 2(3));

"transferor" means a person from whom securities or (as the case may be) property, rights or liabilities have been transferred by regulations made in the exercise of a transfer power.

53 Independent valuation of compensation

(1) Compensation scheme regulations must provide for any valuation for the purposes of the regulations to be carried out by a person appointed in accordance with the regulations.

(2) A person appointed by virtue of subsection (1) is referred to in this Part as an "independent valuer".

(3) Compensation scheme regulations must provide for an independent valuer to be appointed by a person designated by the Secretary of State for the purposes of this subsection (the "appointing person").

(4) Compensation scheme regulations may either—

(a) require the Secretary of State to make arrangements to identify a number of possible independent valuers, one of whom is to be selected by the appointing person, or

(b) require the appointing person to make arrangements to select an independent valuer, having regard to any criteria specified in the regulations.

(5) An independent valuer may be removed only—

(a) on the grounds of incapacity or serious misconduct, and

(b) by a person designated by the Secretary of State for the purposes of this subsection.

(6) Compensation scheme regulations must include provision for resignation and replacement of an independent valuer (and subsections (3) and (4) apply to replacement as to the first appointment).

54 Further provision about independent valuation

(1) Compensation scheme regulations may—

(a) confer functions (including discretions) on an independent valuer in connection with the carrying out of a valuation;

(b) make other provision about the carrying out of a valuation by an independent valuer.

(2) Without prejudice to the generality of subsection (1), compensation scheme regulations made in reliance on that subsection may in particular include provision about any of the matters dealt with in subsections (3), (4)(b) to (10) and (13) (or any combination of those matters).

(3) The regulations may—

(a) require an independent valuer to apply, or not to apply, specified methods of valuation;

(b) require an independent valuer to assess values or average values at specified dates or over specified periods;

(c) require an independent valuer to take account, or not to take account, of specified matters;

(d) provide for how specified matters must or may be taken into account.

(4) The regulations—

(a) must require an independent valuer, in carrying out a valuation in relation to a relevant steel undertaking, to take into account liabilities in connection with—

(i) compliance with environmental or health and safety obligations, or

(ii) other environmental or health and safety matters,

so far as relating to the undertaking;

(b) may make provision about the approach to be taken by an independent valuer in taking liabilities within paragraph (a) into account.

(5) Provision made in reliance on subsection (4)(b) may include, for example, provision requiring an independent valuer to determine—

(a) which liabilities within subsection (4)(a) are relevant in a particular case, and

(b) the relative weight to be given to each liability determined by the valuer to be relevant.

(6) The regulations may require or permit an independent valuer, in carrying out a valuation in respect of the exercise of a transfer power in relation to a relevant steel undertaking, to do so in accordance with either or both of the following—

(a) by reference to what the position would have been but for any financial assistance that has been provided to or in respect of the undertaking;

(b) on the assumption that no financial assistance will in future be provided to or in respect of the undertaking.

(7) The regulations may require or permit an independent valuer, in carrying out a valuation in respect of the exercise of a SISMA power in relation to a relevant steel undertaking, to do so in accordance with either or both of the following—

(a) by reference to what the position would have been but for any financial assistance that has been provided to or in respect of the undertaking;

(b) on the assumption that no financial assistance will in future be provided to or in respect of the undertaking.

(8) The regulations may require or permit an independent valuer to carry out a valuation in relation to a relevant steel undertaking on the basis of whatever the valuer considers would have been most likely to occur in relation to the undertaking in all the circumstances.

(9) The regulations may require or permit an independent valuer, in carrying out a valuation in relation to a relevant steel undertaking, to do so in accordance with any or all of the following—

(a) by reference to what the position would have been but for the exercise of any SISMA power in respect of the undertaking;

(b) on the basis that any SISMA power that has been exercised in respect of the undertaking ceased to have effect from the specified time;

(c) on the assumption that no SISMA power will in future be exercised in respect of the undertaking;

(d) by reference to what the position would have been but for the exercise of a transfer power in respect of the undertaking;

(e) on the assumption that no transfer power will in future be exercised in respect of the undertaking.

(10) The regulations may require or permit an independent valuer to make assumptions in relation to a relevant steel undertaking; such as, for example—

(a) an assumption that the undertaking is unable to continue as a going concern;

(b) an assumption that the undertaking is in administration;

(c) an assumption that the undertaking is being wound up.

(11) There is nothing to prevent compensation scheme regulations from having the effect that no compensation is payable to a person.

(12) In this section—

"financial assistance" means (subject to subsection (13))—

(a) financial assistance under section 58,

(b) loans or any other financial assistance provided in the exercise of the power conferred by section 3(2) of SISMA 2025 (power to secure continued and safe use of assets of steel undertaking), or

(c) any other kind of financial assistance (actual or contingent) provided by the Secretary of State;

"relevant steel undertaking" means a steel undertaking in respect of which a transfer power has been exercised;

"SISMA 2025" means the Steel Industry (Special Measures) Act 2025;

"SISMA power" means a power conferred on the Secretary of State by or under SISMA 2025;

"specified" means specified in compensation scheme regulations.

(13) Compensation scheme regulations may provide—

(a) that a specified activity or transaction, or an activity or transaction of a specified description, is or is not to be treated as financial assistance for the purposes of any provision of the regulations;

(b) that a reference in any provision of the regulations to financial assistance does not include a reference to financial assistance provided before a specified date.

55 Independent valuer: supplementary

(1) An independent valuer may do anything necessary or desirable for the purposes of or in connection with the performance of the functions of the office.

(2) An independent valuer may appoint staff.

(3) Compensation scheme regulations may confer functions on an independent valuer (in addition to functions conferred in reliance on section 54(1)(a)), and may in particular enable an independent valuer—

(a) to apply to a court or tribunal for an order requiring the provision of information or the giving of oral or written evidence;

(b) to publish, disclose or withhold information.

(4) Provision made in reliance on subsection (3) may—

(a) confer a discretion on an independent valuer;

(b) confer jurisdiction on a court or tribunal;

(c) make provision about oaths, expenses and other procedural matters relating to the giving of evidence or the provision of information.

(5) Compensation scheme regulations may make provision—

(a) about the procedure to be followed by an independent valuer;

(b) for reconsideration of a decision of an independent valuer;

(c) for appeal to a court or tribunal against a decision of an independent valuer.

(6) An independent valuer (and their staff) are neither servants nor agents of the Crown (and, in particular, are not civil servants).

(7) Records of an independent valuer are public records for the purposes of the Public Records Act 1958.

56 Independent valuer etc: remuneration

(1) Compensation scheme regulations may provide for the payment by the Secretary of State of remuneration and allowances to—

(a) an independent valuer and their staff,

(b) a person designated by virtue of section 53(3) to appoint an independent valuer, and

(c) persons appointed by virtue of subsection (2)(a).

(2) Compensation scheme regulations may—

(a) provide for the appointment by the Secretary of State of a person to monitor the operation of the arrangements for remuneration and allowances for an independent valuer;

(b) require the approval of a person appointed by virtue of paragraph (a) before things specified in the regulations may be done in the course of those arrangements.

(3) The reference in subsection (1) to the payment of allowances to a person includes a reference to the payment to or in respect of the person of sums by way of or in respect of pension.

(4) Regulations made in reliance on subsection (1) may include provision—
  (a) about records and accounts;
  (b) about numbers of staff and the terms and conditions of their appointment (which may include provision requiring the approval of the Secretary of State).

(5) An independent valuer (and its staff) is not liable for damages in respect of anything done in good faith for the purposes of or in connection with the functions of the appointment (subject to section 8 of the Human Rights Act 1998).

57 Procedure for compensation scheme regulations

Compensation scheme regulations are subject to the affirmative procedure.

PART 3

MISCELLANEOUS

Financial assistance

58 Financial assistance

(1) The Secretary of State may provide financial assistance to any person in connection with, or in consequence of, the exercise of a power conferred by Part 1 in relation to a steel undertaking.

(2) Financial assistance under this section may be provided in any form and in particular may be provided—
  (a) by way of grant, loan, guarantee or indemnity,
  (b) by the acquisition of shares or any other interest in, or securities of, a body corporate,
  (c) by the acquisition of any undertaking or of any assets,
  (d) pursuant to a contract, or
  (e) by incurring expenditure for the benefit of the person assisted.

(3) Financial assistance under this section may be provided subject to such conditions as the Secretary of State considers appropriate, which may include—
  (a) conditions about repayment with or without interest or other return;
  (b) conditions about reimbursement in respect of indemnities or guarantees;
  (c) conditions with which the person to whom the assistance is given must comply.

(4) The power to provide financial assistance under this section is in addition to (and does not limit or replace) any other power of a Minister of the Crown to provide financial assistance.

(5) "Minister of the Crown" has the same meaning as in the Ministers of the Crown Act 1975 (see section 8(1) of that Act).

59 Reporting

(1) The Secretary of State must prepare reports about financial assistance provided under section 58.

(2) A report must be prepared in respect of—

(a) the period of 12 months beginning with the day on which this Act is passed, and

(b) each successive period of 12 months,

but no report is required for a period in respect of which there is nothing to record.

(3) The Secretary of State must lay each report under this section before the House of Commons.

(4) A report must not—

(a) specify individual arrangements, or

(b) identify, or enable the identification of, individual beneficiaries.

Repeal of SISMA 2025

60 Repeal of SISMA 2025

The Steel Industry (Special Measures) Act 2025 is repealed.

PART 4

GENERAL

61 Regulations

(1) Regulations under this Act are to be made by statutory instrument.

(2) Regulations under this Act may make—

(a) different provision for different purposes;

(b) supplementary, incidental, consequential, transitional or saving provision.

(3) Where regulations under this Act are subject to the affirmative procedure, they may not be made unless a draft of the statutory instrument containing them has been laid before and approved by a resolution of each House of Parliament.

(4) Where regulations under this Act are subject to the negative procedure, the statutory instrument containing them is subject to annulment in pursuance of a resolution of either House of Parliament.

(5) Where regulations under this Act are subject to the made affirmative procedure, the statutory instrument containing them must be laid before Parliament after being made.

(6) Regulations under this Act contained in a statutory instrument laid before Parliament under subsection (5) cease to have effect at the end of the period of 28 days beginning with the day on which the instrument is made unless, during that period, the instrument is approved by a resolution of each House of Parliament.

(7) In calculating the period of 28 days, no account is to be taken of any whole days that fall within a period during which—

(a) Parliament is dissolved or prorogued, or

(b) either House of Parliament is adjourned for more than four days.

(8) If regulations cease to have effect as a result of subsection (6), that does not—

(a) affect the validity of anything previously done under the regulations, or

(b) prevent the making of new regulations.

(9) Any provision that may be included in regulations under this Act subject to the negative procedure may be made by regulations subject to the affirmative procedure or the made affirmative procedure.

(10) Any provision that may be included in regulations under this Act subject to the made affirmative procedure may be made by regulations subject to the affirmative procedure.

(11) If a draft of a statutory instrument containing regulations under this Act would, apart from this subsection, be treated for the purposes of the standing orders of either House of Parliament as a hybrid instrument, it is to proceed in that House as if it were not a hybrid instrument.

62 Extent

This Act extends to England and Wales, Scotland and Northern Ireland.

63 Commencement

(1) Except as provided by subsection (2), this Act comes into force on the day on which it is passed.

(2) Section 60 (repeal of Steel Industry (Special Measures) Act 2025) comes into force on such day as the Secretary of State may appoint by regulations.

(3) Regulations under subsection (2) may appoint different days for different purposes.

(4) The Secretary of State may, by regulations, make transitional, transitory or saving provision in connection with the coming into force of any provision of this Act.

64 Short title

This Act may be cited as the Steel Industry (Nationalisation) Act 2026.

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An RRD Company

Published by TSO (The Stationery Office), part of Williams Lea, and available from:

Online
www.tsoshop.co.uk

Mail, Telephone & E-mail
TSO
PO Box 29, Norwich, NR3 1GN
Telephone orders/General enquiries: 0333 202 5070
E-mail: customer.services@tso.co.uk
Textphone: 0333 202 5077

ISBN 978-0-10-570329-7

9 780105 703297