

Allotment of share not fully paid up by company that has a restricted person

832. (1) This section applies if a company that has a restricted person allots a share that is not fully paid up as required by section 819 (3)(b).

(2) Subject to subsection (3), in any case to which this section applies, the share shall be treated as if its nominal value together with the whole of any premium had been received by the company.

(3) The allottee of the share shall be liable to pay the company—

(a) the full amount that should have been received by the company as required by section 819 (3)(b) less—

(i) the value of any consideration actually applied in payment up (to any extent) of the share, and

(ii) the whole of any premium on the share,

and

(b) interest at the appropriate rate on the amount payable under paragraph (a).

(4) This section does not apply in relation to—

(a) a bonus share that is not fully paid up as required by section 819 (3)(b) unless the allottee knew or ought to have known that the share was so allotted, or

(b) a share allotted under an employees' share scheme.

(5) Where any person becomes a holder of any shares in respect of which—

(a) there has been a failure to comply with section 819 (3)(b), and

(b) by virtue of that failure to comply, another is liable to pay any amount under this section,

the first-mentioned person in this subsection also shall be liable to pay that amount (jointly and severally with any other person so liable) unless either that first-mentioned person is a purchaser for value and, at the time of the purchase, he or she did not have actual notice of that non-compliance or he or she derived title to the shares (directly or indirectly) from a person who became a holder of them after that non-compliance and was not so liable.

(6) In this section—

(a) “employees' share scheme” has the meaning given to it by section 64 (1),

(b) references to a holder, in relation to any shares in a company, include references to any person who has an unconditional right to be included in the company's register of members in respect of those shares or to have an instrument of transfer of the shares executed in his or her favour.