

Allotment of share not fully paid for in cash by company that has a restricted person

833. (1) This section applies if a company that has a restricted person allots a share that is not fully paid for in cash as required by section 819 (3)(c).

(2) In any case to which this section applies, the allottee of the share shall be liable to pay the company in cash—

(a) an amount equal to the nominal value of the share, together with the whole of any premium, and

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

(3) 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)(c), 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.

(4) In this section 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.