

Provisions to facilitate reconstruction and amalgamation of companies

455. (1) Where—

(a) an application is made to the court for the sanctioning of a compromise or arrangement under section 453 (2)(c), and

(b) it is shown to the court that—

(i) the compromise or arrangement has been proposed for the purposes of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any 2 or more companies, and

(ii) under the scheme the whole or any part of the undertaking, assets or liabilities of any company concerned in the scheme (in this section referred to as an “old company”) is to be transferred to another company (in this section referred to as the “new company”),

the court may, either by the scheme order or by any subsequent order, make provision for all or any of the matters set out in subsection (2).

(2) The matters for which the court may make such provision are:

(a) the transfer to the new company of the whole or any part of the undertaking, assets or liabilities of any old company;

(b) the allotting or appropriation by the new company of any shares, debentures, policies or other like interests in that company which, under the compromise or arrangement, are to be allotted or appropriated by that company to or for any person;

(c) the continuation by or against the new company of any legal proceedings pending by or against any old company;

(d) the dissolution, with or without winding up, of any old company;

(e) the provision to be made for any persons who, within such time and in such manner as the court directs, dissent from the compromise or arrangement;

(f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

(3) Where the scheme order or a subsequent order under this section provides for the transfer of assets or liabilities, those assets shall, by virtue of the order, be transferred to and vest in, and those liabilities shall, by virtue of the order, be transferred to and become the liabilities of the new company, and in the case of any assets, if the order so directs, freed from any charge which is, by virtue of the

compromise or arrangement, to cease to have effect.

(4) Where provision of the kind set out in subsection (2) is made by—

(a) the scheme order — every company in relation to which the order is made (other than the company the compromise or arrangement in relation to which has been sanctioned by the court), or

(b) a subsequent order — every company (without exception) in relation to which the order is made,

shall cause a copy of it to be delivered to the Registrar within 21 days after the date of making of the order.

(5) If default is made by a company in complying with subsection (4), the company and any officer of it who is in default shall be guilty of a category 3 offence.

(6) In this section, “assets” includes property, rights and powers of every description, and “liabilities” includes duties.