

## Mergers to which Chapter applies — definitions and supplementary provision

463. (1) In this Chapter “merger by acquisition” means an operation in which a company acquires all the assets and liabilities of one or more other companies that is or are dissolved without going into liquidation in exchange for the issue to the members of that company or those companies of shares in the first-mentioned company, with or without any cash payment.

(2) In this Chapter “merger by absorption” means an operation whereby, on being dissolved and without going into liquidation, a company transfers all of its assets and liabilities to a company that is the holder of all the shares representing the capital of the first-mentioned company.

(3) In this Chapter “merger by formation of a new company” means an operation in which one or more companies, on being dissolved without going into liquidation, transfers all its or their assets and liabilities to a company that it or they form — the “other company”— in exchange for the issue to its or their members of shares representing the capital of the other company, with or without any cash payment.

(4) Where a company is being wound up it may become a party to a merger by acquisition, a merger by absorption or a merger by formation of a new company, provided that the distribution of its assets to its shareholders has not begun at the date, under section 466 (5), of the common draft terms of merger.