

## Payment of shares

71. (1) Shares may be paid up in money or money's worth (including goodwill and expertise).

(2) Shares of a company shall not be allotted at a discount to their nominal value.

(3) Where shares are allotted in contravention of subsection (2), the allottee shall be liable to pay the company concerned an amount equal to the amount of the discount and interest thereon at the appropriate rate.

(4) Subsections (1) and (2) shall not prevent a company from allotting bonus shares as provided by this Part.

(5) Subject to sections 72, 73 and 75, any value received in respect of the allotment of a share in excess of its nominal value shall be credited to and form part of undenominated capital of the company and, for that purpose, shall be transferred to an account which shall be known, and in this Act is referred to, as the "share premium account".

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

(a) there has been a contravention of this section; and

(b) by virtue of that contravention, 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 the contravention or he or she derived title to the shares (directly or indirectly) from a person who became a holder of them after the contravention and was not so liable.

(7) Where a company contravenes any of the provisions of this section, the company and any officer of it who is in default shall be guilty of a category 3 offence.