

Payment for allotted shares

1026. (1) Subject to subsection (4), a PLC shall not allot a share except as paid up at least as to one-quarter of the nominal value of the share and the whole of any premium on it.

(2) Where a PLC allots a share in contravention of subsection (1), the share shall be treated as if one-quarter of its nominal value together with the whole of any premium had been received, but the allottee shall be liable to pay the PLC the minimum amount which should have been received in respect of the share under that subsection less the value of any consideration actually applied in payment up (to any extent) of the share and any premium on it, and interest at the appropriate rate on the amount payable under this subsection.

(3) Subsection (2) shall not apply in relation to the allotment of a bonus share in contravention of subsection (1) unless the allottee knew or ought to have known the share was so allotted.

(4) Subsections (1) to (3) shall not apply to shares allotted in pursuance of an employees' share scheme.

(5) Subsection (3) of section 1025 shall apply for the purposes of this section as it applies for the purposes of section 1025.

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