

Reduction of company capital

1252. (1) Save to the extent that its constitution otherwise provides, an ULC or PUC may, by special resolution, reduce its company capital in any way it thinks expedient and, without prejudice to the generality of the foregoing, may thereby—

- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up,
- (b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid up company capital which is lost or unrepresented by available assets, or
- (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up company capital which is in excess of the wants of the company.

(2) A resolution shall not be valid for the purposes of subsection (1) if it would have the effect that the ULC or PUC no longer has any members.

(3) Without prejudice to any contrary provision of—

- (a) the resolution for, or any other resolution relevant to, the reduction of company capital, or
- (b) the ULC's or PUC's constitution,

a reserve arising from the reduction of an ULC's or PUC's company capital is to be treated for all purposes as a realised profit.