

Divisions to which this Chapter applies — definitions and supplementary provisions

1151. (1) In this Chapter “division by acquisition” means an operation consisting of the following:

(a) 2 or more companies (each of which is referred to in this Chapter as a “successor company”), of which one or more but not all may be a new company, acquire between them all the assets and liabilities of another company that is dissolved without going into liquidation (referred to in this Chapter as the “transferor company”); and

(b) such acquisition is—

(i) in exchange for the issue to the shareholders of the transferor company of shares in one or more of the successor companies, with or without any cash payment; and

(ii) with a view to the dissolution of the transferor company.

(2) In this Chapter “division by formation of new companies” means an operation consisting of the same elements as a division by acquisition (as defined in subsection (1)) consists of save that the successor companies have been formed for the purposes of the acquisition of the assets and liabilities referred to in that subsection.

(3) Where a company is being wound up it may—

(a) become a party to a division by acquisition or a division by formation of new companies, provided that the distribution of its assets to its shareholders has not begun at the date, under section 1153 (8), of the common draft terms of division; or

(b) opt to avail itself of the provisions of Chapters 1 and 2 of Part 9 or section 601.

(4) Subject to subsection (3), the provisions of Chapters 1 and 2 of Part 9 and section 601 shall not apply to a division by acquisition or a division by formation of new companies.