

## PART 3 SHARE CAPITAL, SHARES AND CERTAIN OTHER INSTRUMENTS

### CHAPTER 1 Preliminary and interpretation

#### Interpretation (Part 3)

#### 64. (1) In this Part—

“capital conversion reserve fund”, in relation to a company, means the amount equivalent to the aggregate diminution in share capital consequential upon renominatisation of share capital under section 26 of the Economic and Monetary Union Act 1998 ;

“cash” includes funds in any currency or currencies;

“company capital”, in relation to a company, means—

(a) the aggregate value, expressed as a currency amount, of the consideration received by the company in respect of the allotment of shares of the company; and

(b) that part of the company's undenominated capital constituted by the transfer of sums referred to in sections 106 (4) and 108 (3),

and subsection (2) supplements this definition;

“employees' share scheme” means any scheme, for the time being in force, in accordance with which a company encourages or facilitates the holding of shares in, or debentures of, the company or its holding company by or for the benefit of employees or former employees of the company or of any subsidiary of the company including any person who is or was a director holding a salaried employment or office in the company or any subsidiary of the company;

“nominal value”, in relation to a share, means a monetary amount, expressed as an amount, multiple, fraction or percentage of any currency or currencies or combination thereof;

“parent public company” means a public limited company which has one or more private limited subsidiaries;

“private limited subsidiary” means a subsidiary that is a private company limited by shares but, for the purposes of this definition, a company shall not be regarded as a subsidiary if it is such only by virtue of section 7 (2)(a)(ii) or (e);

“redeemable shares” includes shares which are liable at the option of the company or the shareholder to be redeemed;

“securities” means—

(a) shares in a company;

(b) debentures of a company, including debenture stock, bonds and any other debt instruments of a company whether constituting a charge on the assets of the company or not;

(c) those classes of securities which are negotiable on the capital market, such as:

(i) shares in bodies corporate and other securities equivalent to shares in bodies corporate, partnerships or other entities, and depositary receipts in respect of shares;

(ii) bonds or other forms of securitised debt, including depositary receipts in respect of such securities;

(iii) any other securities giving the right to acquire or sell any such transferable securities or giving rise to a cash settlement determined by reference to transferable securities, currencies, interest rates or yields, commodities or other indices or measures with the exception of instruments of payment;

“share capital”, in relation to a company, means the aggregate amount or value of the nominal value of shares of the company;

“undenominated capital”, in relation to a company, means the amount of the company capital from time to time which is in excess of the nominal value of its issued shares and shall be deemed to include any sum transferred as referred to in sections 106 (4) and 108 (3).

(2) There is included in the definition of “company capital” in subsection (1) any amounts standing, immediately before the commencement of this section, to the credit of—

(a) the company's share premium account (within the meaning of the prior Companies Acts);

(b) its capital redemption reserve fund (within the meaning of those Acts); and

(c) its capital conversion reserve fund.

(3) For the purposes of this Part a share in a company shall be taken to have been paid up (as to its nominal value or any premium on it) in cash or allotted for cash if the consideration for the allotment or the payment up is—

(a) cash received by the company; or

(b) a cheque received by the company in good faith which the directors have no reason for suspecting will not be paid; or

(c) the release of a liability of the company for a liquidated sum; or

(d) an undertaking to pay cash to the company on demand or at an identified or identifiable future date which the directors have no reason for suspecting will not be complied with.

(4) In relation to the allotment or payment up of any shares in a company, references in this Act, other than in section 69 (12)(c), to consideration other than cash and to the payment up of shares and premiums on shares otherwise than in cash include references to the payment of, or an undertaking to pay, cash to any person other than the company.