

Reduction in company capital

84. (1) Save to the extent that its constitution otherwise provides, a company may, subject to the provisions of this section and sections 85 to 87, 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 reduction of company capital under this section shall be effected either by the company—

(a) employing the Summary Approval Procedure; or

(b) passing a special resolution that is confirmed by the court.

(3) Where the reduction has been approved by the Summary Approval Procedure, the reduction shall take effect—

(a) if no date is specified in that behalf in the special resolution referred to in section 202 (1)(a)(i), on the expiry of 12 months after the date of the passing of the special resolution; or

(b) if such a date is so specified, on that date.

(4) A company shall not purport to reduce its company capital otherwise than as provided for by this section.

(5) Any transaction in contravention of this section shall be voidable at the instance of the company against any person (whether a party to the transaction or not) who had actual notice of the facts which constitute such contravention.

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