

265D. Transactions at an undervalue voidable in certain circumstances

- (1) This section applies in relation to a company if the company goes into liquidation.
- (2) If the company has at a relevant time (within the meaning of section 266B) entered into a transaction with a person at an undervalue, the liquidator may apply to the court for an order under subsection (3).
- (3) Subject to section 266C, on an application under subsection (2), the court may make an order that it thinks fit for restoring the position to what it would have been if the company had not entered into that transaction.
- (4) The court must not make an order under subsection (3) if it is satisfied that—
 - (a) the company entered into the transaction in good faith and for the purpose of carrying on its business; and
 - (b) at the time the company did so, there were reasonable grounds for believing that the transaction would benefit the company.

(Added 14 of 2016 s. 88)