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## Companies Act 2006 c. 46

# s. 900 Powers of court to facilitate reconstruction or amalgamation

Law In Force

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### Subjects

Company law; Criminal law

### Keywords

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## 900 Powers of court to facilitate reconstruction or amalgamation

(1) This section applies where application is made to the court under [section 899](#) to sanction a compromise or arrangement and it is shown that—

(a) the compromise or arrangement is proposed for the purposes of, or in connection with, a scheme for the reconstruction of any company or companies, or the amalgamation of any two or more companies, and

(b) under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (“a transferor company”) is to be transferred to another company (“the transferee company”).

(2) The court may, either by the order sanctioning the compromise or arrangement or by a subsequent order, make provision for all or any of the following matters—

(a) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;

(b) the allotting or appropriation by the transferee company of any shares, debentures, policies or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;

(c) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;

(d) the dissolution, without winding up, of any transferor company;

(e) the provision to be made for any persons who, within such time and in such manner as the court directs, dissent from the compromise or arrangement;

(f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation is fully and effectively carried out.

(3) If an order under this section provides for the transfer of property or liabilities—

(a) the property is by virtue of the order transferred to, and vests in, the transferee company, and

(b) the liabilities are, by virtue of the order, transferred to and become liabilities of that company.

(4) The property (if the order so directs) vests freed from any charge that is by virtue of the compromise or arrangement to cease to have effect.

(5) In this section–

“*property*” includes property, rights and powers of every description; and

“*liabilities*” includes duties.

(6) Every company in relation to which an order is made under this section must cause a copy of the order to be delivered to the registrar within seven days after its making.

(7) If default is made in complying with subsection (6) an offence is committed by–

(a) the company, and

(b) every officer of the company who is in default.

(8) A person guilty of an offence under subsection (7) is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

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*Part 26 ARRANGEMENTS AND RECONSTRUCTIONS: GENERAL > Reconstructions  
and amalgamations > s. 900 Powers of court to facilitate reconstruction or amalgamation*

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