



Companies Act 1985

1985 CHAPTER 6

PART V

SHARE CAPITAL, ITS INCREASE, MAINTENANCE AND REDUCTION

CHAPTER VI

FINANCIAL ASSISTANCE BY A COMPANY FOR ACQUISITION OF ITS OWN SHARES

Private companies

157 Special resolution under s. 155

- (1) A special resolution required by section 155 to be passed by a company approving the giving of financial assistance must be passed on the date on which the directors of that company make the statutory declaration required by that section in connection with the giving of that assistance, or within the week immediately following that date.
- (2) Where such a resolution has been passed, an application may be made to the court for the cancellation of the resolution—
 - (a) by the holders of not less in the aggregate than 10 per cent, in nominal value of the company's issued share capital or any class of it, or
 - (b) if the company is not limited by shares, by not less than 10 per cent, of the company's members;but the application shall not be made by a person who has consented to or voted in favour of the resolution.
- (3) Subsections (3) to (10) of section 54 (litigation to cancel resolution under section 53) apply to applications under this section as to applications under section 54.
- (4) A special resolution passed by a company is not effective for purposes of section 155—
 - (a) unless the declaration made in compliance with subsection (6) of that section by the directors of the company, together with the auditors' report annexed to

Status: This is the original version (as it was originally enacted).

- it, is available for inspection by members of the company at the meeting at which the resolution is passed,
- (b) if it is cancelled by the court on an application under this section.