



Insolvency Act 1986

1986 CHAPTER 45

PART IV

WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

CHAPTER V

PROVISIONS APPLYING TO BOTH KINDS OF VOLUNTARY WINDING UP

110 **Acceptance of shares, etc., as consideration for sale of company property.** E

+W

- (1) This section applies, in the case of a company proposed to be, or being, wound up voluntarily, where the whole or part of the company's business or property is proposed to be transferred or sold
- [^{F1}(a)] to another company ("the transferee company"), whether or not the latter is a [^{F2}company registered under the Companies Act 2006][^{F1}, or
- (b) to a limited liability partnership (the "transferee limited liability partnership").]
- (2) With the requisite sanction, the liquidator of the company being, or proposed to be, wound up ("the transferor company") may receive, in compensation or part compensation for the transfer or [^{F3}sale—
- (a) in the case of the transferee company, shares, policies or other like interests in the transferee company for distribution among the members of the transferor company, or
- (b) in the case of the transferee limited liability partnership, membership in the transferee limited liability partnership for distribution among the members of the transferor company.]
- (3) The sanction requisite under subsection (2) is—

Status: There are multiple versions of this provision on screen. These apply to different geographical extents. Skip to: E+W - England and Wales extent S - Scotland extent

Changes to legislation: Insolvency Act 1986, Section 110 is up to date with all changes known to be in force on or before 09 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- (a) in the case of a members' voluntary winding up, that of a special resolution of the company, conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, and
 - (b) in the case of a creditors' voluntary winding up, that of either the court or the liquidation committee.
- (4) Alternatively to subsection (2), the liquidator may (with that sanction) enter into any other arrangement whereby the members of the transferor [^{F4}company may—
- (a) in the case of the transferee company, in lieu of receiving cash, shares, policies or other like interests (or in addition thereto) participate in the profits of, or receive any other benefit from, the transferee company, or
 - (b) in the case of the transferee limited liability partnership, in lieu of receiving cash or membership (or in addition thereto), participate in some other way in the profits of, or receive any other benefit from, the transferee limited liability partnership.]
- (5) A sale or arrangement in pursuance of this section is binding on members of the transferor company.
- (6) A special resolution is not invalid for purposes of this section by reason that it is passed before or concurrently with a resolution for voluntary winding up or for appointing liquidators; but, if an order is made within a year for winding up the company by the court, the special resolution is not valid unless sanctioned by the court.

Extent Information

- E1** This version of this provision extends to England and Wales only; a separate version has been created for Scotland only

Textual Amendments

- F1** Words in s. 110(1) inserted (6.4.2001) by [S.I. 2001/1090](#), reg. 9, [Sch. 5 para. 15\(2\)](#)
- F2** Words in s. 110(1)(a) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009, ([S.I. 2009/1941](#)) arts. 2(1), 8, {Sch. 1 para. 75(11)} (with art. 10, Sch. 1 para. 84)
- F3** Word in s. 110(2) substituted (6.4.2001) by [S.I. 2001/1090](#), reg. 9, [Sch. 5 para. 15\(3\)](#)
- F4** Words in s. 110(4) substituted (6.4.2001) by [S.I. 2001/1090](#), reg. 9, [Sch. 5 para. 15\(4\)](#)

Modifications etc. (not altering text)

- C14** [Ss. 109-111](#) applied (with modifications) (4.1.2024) by [S.I. 2021/716](#), Sch. 1 para. 3 (as amended by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023](#) ([S.I. 2023/1399](#)), regs. 1(2), **20**)

110 Acceptance of shares, etc., as consideration for sale of company property. **S**

- (1) This section applies, in the case of a company proposed to be, or being, wound up voluntarily, where the whole or part of the company's business or property is proposed to be transferred or sold
- [^{F5}(a)] to another company ("the transferee company"), whether or not the latter is a [^{F6}company registered under the Companies Act 2006][^{F5}, or
 - (b) to a limited liability partnership (the "transferee limited liability partnership").]

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- (2) With the requisite sanction, the liquidator of the company being, or proposed to be, wound up (“the transferor company”) may receive, in compensation or part compensation for the transfer or ^{F7}sale—
- (a) in the case of the transferee company, shares, policies or other like interests in the company for distribution among the members of the transferor company, or
 - (b) in the case of the transferee limited liability partnership, membership in the limited liability partnership for distribution among the members of the transferor company.]
- (3) The sanction requisite under subsection (2) is—
- (a) in the case of a members’ voluntary winding up, that of a special resolution of the company, conferring either a general authority on the liquidator or an authority in respect of any particular arrangement, and
 - (b) in the case of a creditors’ voluntary winding up, that of either the court or the liquidation committee.
- (4) Alternatively to subsection (2), the liquidator ^{F8}may—
- (a) in the case of the transferee company, in lieu of receiving cash, shares, policies or other like interests (or in addition thereto) participate in the profits of, or receive any other benefit from, the company, or
 - (b) in the case of the transferee limited liability partnership, in lieu of receiving cash, or membership (or in addition thereto) participate in some other way in the profits of, or receive any other benefit from, the limited liability partnership.]
- (5) A sale or arrangement in pursuance of this section is binding on members of the transferor company.
- (6) A special resolution is not invalid for purposes of this section by reason that it is passed before or concurrently with a resolution for voluntary winding up or for appointing liquidators; but, if an order is made within a year for winding up the company by the court, the special resolution is not valid unless sanctioned by the court.

Extent Information

- E2** This version of this provision extends to Scotland only; a separate version has been created for England and Wales only

Textual Amendments

- F5** Words in s. 110(1) inserted (6.4.2001) by [S.S.I. 2001/128, reg. 5, Sch. 4 para. 1\(2\)](#)
- F6** Words in s. 110(1)(a) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009, ([S.I. 2009/1941](#)) arts. 2(1), 8, {Sch. 1 para. 75(11)} (with art. 10, Sch. 1 para. 84)
- F7** Words in s. 110(2) substituted (6.4.2001) by [S.S.I. 2001/128, reg. 5, Sch. 4 para. 1\(3\)](#)
- F8** Words in s. 110(4) substituted (6.4.2001) by [S.S.I. 2001/128, reg. 5, Sch. 4 para. 1\(4\)](#)

Modifications etc. (not altering text)

- C14** [Ss. 109-111](#) applied (with modifications) (4.1.2024) by [S.I. 2021/716, Sch. 1 para. 3](#) (as amended by [The Payment and Electronic Money Institution Insolvency \(Amendment\) Regulations 2023 \(S.I. 2023/1399\)](#), [regs. 1\(2\), 20](#))
- C15** [S. 110](#) applied (with modifications) (S.) (6.4.2001) by [S.S.I. 2001/128, reg. 4\(1\), Sch. 2](#)

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S. 110 modified (S.) (6.4.2001) by [S.S.I. 2001/128, reg. 4\(2\)](#), [Sch. 3](#)

Status:

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Skip to:

- E+W - England and Wales extent
- S - Scotland extent

Changes to legislation:

Insolvency Act 1986, Section 110 is up to date with all changes known to be in force on or before 09 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act amendment to earlier affecting provision S.I. 1986/1999, art. 3, Sch. 1 Pt. 2 by [S.I. 2017/1119 Sch. 3 para. 1](#)
- Act savings and transitional provisions for amendments by S.I. 2022/1166 by [S.I. 2022/1172 Regulations](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 41HB(2) words substituted by [2018 c. 14 s. 1\(3\)\(b\)](#)