
STATUTORY INSTRUMENTS

2008 No. 1915

The Companies (Reduction of Share Capital) Order 2008

- 3.—(1) If an unlimited company reduces its share capital—
- (a) the prohibition in section 654(1) of the Act does not apply, and
 - (b) a reserve arising from the reduction is to be treated for the purposes of Part 23 of the Act as a realised profit.
- (2) If a private company limited by shares reduces its share capital and the reduction is supported by a solvency statement but has not been the subject of an application to the court for an order confirming it—
- (a) the prohibition in section 654(1) of the Act does not apply, and
 - (b) a reserve arising from the reduction is to be treated for the purposes of Part 23 of the Act as a realised profit.
- (3) If a limited company having a share capital reduces its share capital and the reduction is confirmed by order of the court—
- (a) the prohibition in section 654(1) of the Act does not apply, and
 - (b) a reserve arising from the reduction is to be treated for the purposes of Part 23 of the Act as a realised profit unless the court orders otherwise under section 648(1) of the Act.
- (4) This article is without prejudice to any contrary provision of—
- (a) an order of, or undertaking given to, the court,
 - (b) the resolution for, or any other resolution relevant to, the reduction of share capital, or
 - (c) the company's memorandum or articles of association.