
STATUTORY INSTRUMENTS

1986 No. 1032

The Companies (Northern Ireland) Order 1986 (revoked)

PART VI

SHARE CAPITAL, ITS INCREASE, MAINTENANCE AND REDUCTION

CHAPTER III

SHARE PREMIUMS

Relief in respect of group reconstructions

142.—(1) This Article applies where the issuing company—

- (a) is a wholly-owned subsidiary of another company (“the holding company”), and
- (b) allots shares to the holding company or to another wholly-owned subsidiary of the holding company in consideration for the transfer to the issuing company of assets other than cash, being assets of any company (“the transferor company”) which is a member of the group of companies which comprises the holding company and all its wholly-owned subsidiaries.

(2) Where the shares in the issuing company allotted in consideration for the transfer are issued at a premium, the issuing company is not required by Article 140 to transfer any account in excess of the minimum premium value to the share premium account.

(3) In paragraph (2), “the minimum premium value” means the amount (if any) by which the base value of the consideration for the shares allotted exceeds the aggregate nominal value of those shares.

(4) For the purposes of paragraph (3), the base value of the consideration for the shares allotted is the amount by which the base value of the assets transferred exceeds the base value of any liabilities of the transferor company assumed by the issuing company as part of the consideration for the assets transferred.

(5) For the purposes of paragraph (4)—

- (a) the base value of the assets transferred is to be taken as—
 - (i) the cost of those assets to the transferor company, or
 - (ii) the amount at which those assets are stated in the transferor company's accounting records immediately before the transfer,whichever is the less; and

- (b) the base value of the liabilities assumed is to be taken as the amount at which they are stated in the transferor company's accounting records immediately before the transfer.

(6) The relief allowed by this Article does not apply (subject to paragraph (7)) if the issue of shares took place before the date of the coming into operation of this Article.

(7) To the extent that the relief allowed by this Article would have been allowed by Article 39 of the Order of 1982 as originally enacted (the text of which Article is set out in Schedule 24), the relief applies where the issue of shares took place before the date of the coming into operation of this Article, but not if it took place before 4th February 1981.

Status: Point in time view as at 01/01/2006. This version of this provision has been superseded.
Changes to legislation: There are currently no known outstanding effects for the The Companies
(Northern Ireland) Order 1986 (revoked), Section 142. (See end of Document for details)

(8) Article 141 does not apply in a case falling within this Article.

F1 Order repealed (prosp.) by [Companies Act 2006 \(c. 46\), ss. 1284\(2\), 1295, 1300\(2\), Sch. 16](#) and the repeal being partly in force, as to which see individual Articles (with savings (with adaptations) by Companies Act 2006 (Commencement No. 6, Saving and Commencement Nos. 3 and 5 (Amendment)) Order 2008 (S.I. 2008/674), arts. 2(3), {4}, Sch. 2) and subject to amendments (6.4.2008) by [Companies Act 2006 \(Consequential Amendments etc\) Order 2008 \(S.I. 2008/948\), arts. 2\(2\), 3\(1\)\(b\)\(2\), Sch. 1 paras. 135, 147, 148 {Sch. 2 Note 1}](#) (with arts. 6, 11, 12) and subject to amendments (6.4.2008) by [S.R. 2008/133, {regs. 2, 3}](#)

Status:

Point in time view as at 01/01/2006. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the The Companies (Northern Ireland) Order 1986 (revoked), Section 142.