



# Companies Act 2006

## 2006 CHAPTER 46

### PART 27

#### MERGERS AND DIVISIONS OF PUBLIC COMPANIES

### CHAPTER 1

#### INTRODUCTORY

#### **902 Application of this Part**

(1) This Part applies where—

- (a) a compromise or arrangement is proposed between a public company and—
  - (i) its creditors or any class of them, or
  - (ii) its members or any class of them,

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,

- (b) the scheme involves—
  - (i) a merger (as defined in section 904), or
  - (ii) a division (as defined in section 919), and
- (c) the consideration for the transfer (or each of the transfers) envisaged is to be shares in the transferee company (or one or more of the transferee companies) receivable by members of the transferor company (or transferor companies), with or without any cash payment to members.

(2) In this Part—

- (a) a “new company” means a company formed for the purposes of, or in connection with, the scheme, and
- (b) an “existing company” means a company other than one formed for the purposes of, or in connection with, the scheme.

- (3) This Part does not apply where the company in respect of which the compromise or arrangement is proposed is being wound up.

### **903 Relationship of this Part to Part 26**

- (1) The court must not sanction the compromise or arrangement under Part 26 (arrangements and reconstructions) unless the relevant requirements of this Part have been complied with.

- (2) The requirements applicable to a merger are specified in sections 905 to 914.

Certain of those requirements, and certain general requirements of Part 26, are modified or excluded by the provisions of sections 915 to 918.

- (3) The requirements applicable to a division are specified in sections 920 to 930.

Certain of those requirements, and certain general requirements of Part 26, are modified or excluded by the provisions of sections 931 to 934.