



# Companies Act 2006

## 2006 CHAPTER 46

### PART 17

#### A COMPANY'S SHARE CAPITAL

### CHAPTER 10

#### REDUCTION OF SHARE CAPITAL

##### *Effect of reduction of capital*

#### **652 Liability of members following reduction of capital**

- (1) Where a company's share capital is reduced a member of the company (past or present) is not liable in respect of any share to any call or contribution exceeding in amount the difference (if any) between—
  - (a) the nominal amount of the share as notified to the registrar in the statement of capital delivered under section 644 <sup>F1</sup>, 649, 1028A or 1032A of this Act or paragraph 7 of Schedule 4 to the Small Business, Enterprise and Employment Act 2015], and
  - (b) the amount paid on the share or the reduced amount (if any) which is deemed to have been paid on it, as the case may be.
- (2) This is subject to section 653 (liability to creditor in case of omission from list).
- (3) Nothing in this section affects the rights of the contributories among themselves.

#### **Textual Amendments**

- F1** Words in s. 652(1)(a) substituted (26.5.2015) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(3\)\(g\)\(ii\), Sch. 4 para. 25](#)

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*Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Companies Act 2006. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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**Modifications etc. (not altering text)**

- C1** S. 652 modified (1.10.2008) by [The Companies Act 2006 \(Commencement No. 7, Transitional Provisions and Savings\) Order 2008 \(S.I. 2008/1886\)](#), [art. 5](#) (which article was revoked (1.10.2009) by [S.I. 2008/2860](#), [art. 6](#) (with [arts. 5, 7, 8, Sch. 2](#)))

**Commencement Information**

- II** S. 652 wholly in force at 1.10.2009; s. 652 not in force at Royal Assent see s. 1300; s. 652(1)(3) in force for specified purposes at 1.10.2008 by [S.I. 2008/1886](#), [art. 2](#) (with [arts 6, 7](#)); s. 652 in force at 1.10.2009 in so far as not already in force by [S.I. 2008/2860](#), [art. 3\(k\)](#) (with [arts. 5, 7, 8, Sch. 2](#)) (as amended by [S.I. 2009/1802](#), [art. 18](#))

**653 Liability to creditor in case of omission from list of creditors**

- (1) This section applies where, in the case of a reduction of capital confirmed by the court—
- (a) a creditor entitled to object to the reduction of share capital is by reason of his ignorance—
    - (i) of the proceedings for reduction of share capital, or
    - (ii) of their nature and effect with respect to his debt or claim, not entered on the list of creditors, and
  - (b) after the reduction of capital the company is unable to pay the amount of his debt or claim.
- (2) Every person who was a member of the company at the date on which the resolution for reducing capital took effect under section 649(3) is liable to contribute for the payment of the debt or claim an amount not exceeding that which he would have been liable to contribute if the company had commenced to be wound up on the day before that date.
- (3) If the company is wound up, the court on the application of the creditor in question, and proof of ignorance as mentioned in subsection (1)(a), may if it thinks fit—
- (a) settle accordingly a list of persons liable to contribute under this section, and
  - (b) make and enforce calls and orders on them as if they were ordinary contributories in a winding up.
- (4) The reference in subsection (1)(b) to a company being unable to pay the amount of a debt or claim has the same meaning as in section 123 of the Insolvency Act 1986 (c. 45) or Article 103 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).

**Changes to legislation:**

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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. 1989/638, Sch. 4 by [S.I. 2024/410 Sch. 2 para. 1](#)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 11(1) by [S.I. 2013/1971 reg. 9\(a\)](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 3(4) by [S.I. 2013/1971 reg. 4](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)

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

- s. 156A-156C inserted by [2015 c. 26 s. 87\(4\)](#)
- s. 156B(5) omitted by [2023 c. 56 Sch. 2 para. 26](#)
- s. 156C(2) words substituted by [2023 c. 56 s. 41\(2\)\(a\)](#)
- s. 156C(2A) inserted by [2023 c. 56 s. 41\(2\)\(b\)](#)
- s. 156C(3) substituted for s. 156C(3)-(5) by [2023 c. 56 Sch. 2 para. 27](#)
- s. 479A(2)(c)(zi) inserted by [S.I. 2019/177 reg. 4\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 4 substituted by regs. 4, 4A immediately before IP completion day by S.I. 2019/1392, regs. 1(2), 4)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34 by [S.R. 2024/78 reg. 31\(4\)](#)
- s. 479B(a)(iii) amendment to earlier affecting provision S.I.2008/1991 reg.34A by [S.R. 2024/78 reg. 31\(5\)](#)
- s. 1047(4)(i)(j) inserted by [2023 c. 56 s. 21\(2\)](#)
- s. 1087(da) substituted by [2023 c. 56 s. 52\(2\)](#)
- s. 1087A-1807C applied by S.I. 2009/2436, Sch. 1 para. 20(1)(ca) (as substituted) by [S.I. 2024/410 Sch. 2 para. 5\(d\)\(ii\)](#)
- s. 1110E-110G applied by S.I. 2009/1804, reg. 60 (as amended) by [S.I. 2024/234 reg. 26](#)
- s. 11989A applied (with modifications) by S.I. 2009/1804, reg. 79A (as inserted) by [S.I. 2024/234 reg. 46](#)
- Sch. 10 para. 6(2D) inserted by [S.I. 2019/177 reg. 28\(e\)](#) (This amendment not applied to legislation.gov.uk. Reg. 28(e) omitted immediately before IP completion day by virtue of S.I. 2020/523, regs. 1(2), 14(e)(iv))
- Sch. 10 para. 7(2A) inserted by [S.I. 2019/177 reg. 29\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 29 substituted immediately before IP completion day by S.I. 2020/523, regs. 1(2), 14(f))