Part 17

A company’s share capital

Chapter 8

Alteration of share capital

How share capital may be altered

617 Alteration of share capital of limited company

(1) A limited company having a share capital may not alter its share capital except in the following ways.

(2) The company may—

(a) increase its share capital by allotting new shares in accordance with this Part, or

(b) reduce its share capital in accordance with Chapter 10.

(3) The company may—

(a) sub-divide or consolidate all or any of its share capital in accordance with section 618, or

(b) reconvert stock into shares in accordance with section 620.

(4) The company may redenominate all or any of its shares in accordance with section 622, and may reduce its share capital in accordance with section 626 in connection with such a redenomination.

(5) Nothing in this section affects—

(a) the power of a company to purchase its own shares, or to redeem shares, in accordance with Part 18;
(b) the power of a company to purchase its own shares in pursuance of an order of the court under—
   (i) section 98 (application to court to cancel resolution for re-registration as a private company),
   (ii) section 721(6) (powers of court on objection to redemption or purchase of shares out of capital),
   (iii) section 759 (remedial order in case of breach of prohibition of public offers by private company), or
   (iv) Part 30 (protection of members against unfair prejudice);
(c) the forfeiture of shares, or the acceptance of shares surrendered in lieu, in pursuance of the company's articles, for failure to pay any sum payable in respect of the shares;
(d) the cancellation of shares under section 662 (duty to cancel shares held by or for a public company);
(e) the power of a company—
   (i) to enter into a compromise or arrangement in accordance with Part 26 (arrangements and reconstructions), or
   (ii) to do anything required to comply with an order of the court on an application under that Part.

[f1] the cancellation of a share warrant issued by the company and of the shares specified in it by a cancellation order or suspended cancellation order made under paragraph 6 of Schedule 4 to the Small Business, Enterprise and Employment Act 2015 (cancellation where share warrants not surrendered in accordance with that Schedule);

(g) the cancellation of a share warrant issued by the company and of the shares specified in it pursuant to section 1028A(2) or 1032A(2) (cancellation of share warrants on restoration of a company).]

Textual Amendments

f1 S. 617(5)(f)(g) inserted (26.5.2015) by Small Business, Enterprise and Employment Act 2015 (c. 26), s. 164(3)(g)(ii), Sch. 4 para. 24
Changes to legislation:
Companies Act 2006, Cross Heading: How share capital may be altered is up to date with all changes known to be in force on or before 15 April 2020. 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.
View outstanding changes

Changes and effects yet to be applied to:

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:
- 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):
- Ch. 1 Pt. 28 extended (Isle of Man) (with modifications) by S.I. 2019/567 Sch.
- s. 156A-156C inserted by 2015 c. 26 s. 87(4)
- 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. 494ZA(5)(a)(iii)(iv) substituted for s. 494ZA(5)(a)(iii) by S.I. 2019/177 reg. 5(b)
- s. 835E(6) words substituted by S.I. 2019/348 Sch. 1 para. 13
- s. 943(1A) inserted by S.I. 2019/217 reg. 3(b)
- s. 966(3)-(3G) substituted for s. 966(3) by S.I. 2019/217 reg. 7(4)
- s. 1047(4)(ba) inserted by S.I. 2019/348 Sch. 1 para. 14(b)(ii)
- s. 1099(3)(c)(ca) substituted for s. 1099(3)(c) by S.I. 2018/1299 reg. 62(2)
- s. 1253B(1A) inserted by S.I. 2019/177 reg. 18(c)
- s. 1286(1)(c) inserted by S.I. 2018/1299 reg. 62(3)(c)
- Sch 1C applied by 2009/2436 Sch. 1 para 14(A1) (as inserted) by S.I. 2019/217 reg. 20
- Sch. 2 Pt. 2 s. Epara. 5 omitted by S.I. 2019/217 reg. 15
- Sch. 10 para. 20A(1) Sch. 10 para. 20A renumbered as Sch. 10 para. 20A(1) by S.I. 2019/177 reg. 32(a)
- Sch. 10 para. 6(2D) inserted by S.I. 2019/177 reg. 28(e)
- Sch. 10 para. 7(2A) inserted by S.I. 2019/177 reg. 29(b)
- Sch. 10 para. 20A(2) inserted by S.I. 2019/177 reg. 32(h)
- Sch. 10 para. 13(5)(b)(ii)(iii) substituted for Sch. 10 para. 13(5)(b)(ii) by S.I. 2019/177 reg. 30(b)
- Sch. 10 para. 20A(1) words inserted by S.I. 2019/177 reg. 32(b)
- Sch. 10 para. 20A(1) words inserted by S.I. 2019/177 reg. 32(c)
- Sch. 10 para. 20A(1) words omitted by S.I. 2019/177 reg. 32(c)
- Sch. 10 para. 20A(1) words omitted by S.I. 2019/177 reg. 32(g)
- Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(d)(i)
- Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(d)(ii)
- Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(d)(iii)
- Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(f)(i)
- Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(f)(ii)
- Sch. 10 para. 20A(1) words substituted by S.I. 2019/177 reg. 32(f)(iii)
– Sch. 11 para. 9(5) inserted by S.I. 2019/177 reg. 34(b)