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**Changes to legislation:** There are currently no known outstanding effects for the Corporate Insolvency and Governance Act 2020, Paragraph 33. (See end of Document for details)

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## SCHEDULES

### SCHEDULE 9

#### ARRANGEMENTS AND RECONSTRUCTIONS FOR COMPANIES IN FINANCIAL DIFFICULTY

#### PART 2

##### CONSEQUENTIAL AMENDMENTS

###### *Companies Act 2006*

- 33 (1) Part 17 (a company's share capital) is amended as follows.
- (2) In section 549 (exercise by directors of powers to allot shares etc), after subsection (3) insert—
- “(3A) Subsection (1) does not apply to anything done for the purposes of a compromise or arrangement sanctioned in accordance with Part 26A (arrangements and reconstructions: companies in financial difficulty).”
- (3) In Chapter 3 (allotment of equity securities: existing shareholders' right of pre-emption)—
- (a) in section 561 (existing shareholders' right of pre-emption), in subsection (5) (a), for “566” substitute “ 566A ”;
- (b) after section 566 insert—
- “566A Exception to pre-emption right: companies in financial difficulty**
- Section 561(1) (existing shareholders' right of pre-emption) does not apply to an allotment of equity securities that is carried out as part of a compromise or arrangement sanctioned in accordance with Part 26A (arrangements and reconstructions: companies in financial difficulty).”
- (4) In section 594 (exception to valuation requirement: arrangement with another company), in subsection (6)(a)(i), after “Part 26” insert “ or 26A ”.
- (5) In section 616(1) (interpretation of Chapter 7), in paragraph (a) of the definition of “arrangement”, after “Part 26” insert “ or 26A ”.
- (6) In section 617 (alteration of share capital of limited company), in subsection (5)(e) (i), after “Part 26” insert “ or 26A ”.
- (7) In section 632 (variation of class rights: saving for court's powers under other provisions)—
- (a) in the entry for Part 26, after “reconstructions” insert “ : general ”;

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- (b) after that entry (but before the “or”) insert— “ Part 26A (arrangements and reconstructions: companies in financial difficulty), ”.
- (8) In section 641 (circumstances in which a company may reduce its share capital)—
- (a) in subsection (2C), in the definition of “scheme”, after “Part 26” insert “ or 26A ”;
  - (b) in subsection (7), for the words from “the phrase” to “Part 26” substitute “the phrases “sanctioned by the court under Part 26” and “sanctioned by the court under Part 26A””.
- (9) In section 649 (registration of order and statement of capital), in subsection (3)—
- (a) in paragraph (a), after “reconstructions” insert “ : general ”;
  - (b) after that paragraph insert—
    - “(aa) in the case of a reduction of share capital that forms part of a compromise or arrangement sanctioned by the court under Part 26A (arrangements and reconstructions: companies in financial difficulty)—
      - (i) in the case of any company other than one to which sub-paragraph (ii) applies, on delivery of the order and statement of capital to the registrar;
      - (ii) in the case of an overseas company that is not required to register particulars under section 1046, on publication of the order and statement of capital in the Gazette;
      - (iii) in either case, if the court so orders, on the registration of the order and statement of capital;”;
  - (c) in paragraph (b), for “any other case” substitute “ any case not falling within paragraph (a) or (aa) ”.

**Changes to legislation:**

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