



# Companies Act 2006

## 2006 CHAPTER 46

### PART 17

#### A COMPANY'S SHARE CAPITAL

### CHAPTER 11

#### MISCELLANEOUS AND SUPPLEMENTARY PROVISIONS

#### **654 Treatment of reserve arising from reduction of capital**

- (1) A reserve arising from the reduction of a company's share capital is not distributable, subject to any provision made by order under this section.
- (2) The Secretary of State may by order specify cases in which—
  - (a) the prohibition in subsection (1) does not apply, and
  - (b) the reserve is to be treated for the purposes of Part 23 (distributions) as a realised profit.
- (3) An order under this section is subject to affirmative resolution procedure.

#### **Commencement Information**

- II** S. 654 wholly in force at 1.10.2008; s. 654 not in force at Royal Assent see s. 1300; s. 654 in force for specified purposes at 20.1.2007 by [S.I. 2006/3428](#), [art. 3\(3\)](#) (subject to [art. 5](#), [Sch. 1](#) and with [arts. 6, 8](#), [Sch. 5](#)); s. 654 in force at 1.10.2008 in so far as not already in force by [S.I. 2008/1886](#), [art. 2](#) (with [arts. 6, 7](#))

**Changes to legislation:**

There are currently no known outstanding effects for the Companies Act 2006, Section 654.