



Companies Act 2006

2006 CHAPTER 46

[^{F1}PART 26A

ARRANGEMENTS AND RECONSTRUCTIONS: COMPANIES IN FINANCIAL DIFFICULTY

Court sanction for compromise or arrangement

[^{F1}901G Sanction for compromise or arrangement where one or more classes dissent

- (1) This section applies if the compromise or arrangement is not agreed by a number representing at least 75% in value of a class of creditors or (as the case may be) of members of the company (“the dissenting class”), present and voting either in person or by proxy at the meeting summoned under section 901C.
- (2) If conditions A and B are met, the fact that the dissenting class has not agreed the compromise or arrangement does not prevent the court from sanctioning it under section 901F.
- (3) Condition A is that the court is satisfied that, if the compromise or arrangement were to be sanctioned under section 901F, none of the members of the dissenting class would be any worse off than they would be in the event of the relevant alternative (see subsection (4)).
- (4) For the purposes of this section “the relevant alternative” is whatever the court considers would be most likely to occur in relation to the company if the compromise or arrangement were not sanctioned under section 901F.
- (5) Condition B is that the compromise or arrangement has been agreed by a number representing 75% in value of a class of creditors or (as the case may be) of members, present and voting either in person or by proxy at the meeting summoned under section 901C, who would receive a payment, or have a genuine economic interest in the company, in the event of the relevant alternative.
- (6) The Secretary of State may by regulations amend this section for the purpose of—
 - (a) adding to the conditions that must be met for the purposes of this section;

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Section 901G. (See end of Document for details)

(b) removing or varying any of those conditions.

(7) Regulations under subsection (6) are subject to affirmative resolution procedure.]

Textual Amendments

F1 Pt. 26A inserted (26.6.2020) by [Corporate Insolvency and Governance Act 2020 \(c. 12\)](#), s. 49(1), [Sch. 9 para. 1](#) (with ss. 2(2), 5(2))

Modifications etc. (not altering text)

- C1** Ss. 901A-901J applied (with modifications) by [S.I. 2009/1804](#), [reg. 45A](#) (as inserted (26.6.2020) by [The Limited Liability Partnerships \(Amendment etc.\) Regulations 2020 \(S.I. 2020/643\)](#), reg. 1(1), [Sch. 3 para. 3](#) (which amending S.I. is revoked (16.2.2021) by [S.I. 2021/60](#), reg. 1(1), 2))
- C2** Ss. 901A-901J applied (with modifications) (16.2.2021) by [S.I. 2009/1804](#), [reg. 45A](#) (as inserted by [The Limited Liability Partnerships \(Amendment etc.\) Regulations 2021 \(S.I. 2021/60\)](#), reg. 1(1), [Sch. 3 para. 3](#) (with reg. 4(2)))

Changes to legislation:

There are currently no known outstanding effects for the Companies Act 2006, Section 901G.