



**SUPPLEMENT No. 2**

TO

THE CYPRUS GAZETTE No. 3073 OF 16TH SEPTEMBER, 1943  
LEGISLATION.

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**THE STATUTE LAWS OF CYPRUS**

**No. 15 OF 1943.**

A LAW TO AMEND THE COMPANIES (LIMITED LIABILITY)  
LAWS, 1922 TO 1940.

C. C. WOOLLEY,  
*Governor.*

[11th September, 1943.]

**BE** it enacted by His Excellency the Governor and  
Commander-in-Chief of the Colony of Cyprus as  
follows:—

1. This Law may be cited as the Companies (Limited Liability) Amendment Law, 1943, and shall be read as one with the Companies (Limited Liability) Laws, 1922 to 1940, (hereinafter referred to as "the principal Law") and the principal Law and this Law may together be cited as the Companies (Limited Liability) Laws, 1922 to 1943.

Short title.  
18 of 1922  
16 of 1931  
4 of 1934  
20 of 1938  
17 of 1940

Repeal of section 80 and heading of the principal Law and substitution of new section and heading.

2. Section 80 of the principal Law and the heading thereto are hereby repealed and the following section and heading substituted therefor:—

Power to compromise with creditors and members.

*“ Arrangements and Reconstructions.*

80.—(1) Where a compromise or arrangement is proposed between a company and its creditors or any class of them, or between the company and its members or any class of them, the Court may, on the application in a summary way of the company or of any creditor or member of the company, or, in the case of a company being wound up, of the liquidator, order a meeting of the creditors or class of creditors, or of the members of the company or class of members, as the case may be, to be summoned in such manner as the Court directs.

(2) If a majority in number representing three-fourths in value of the creditors or class of creditors, or members or class of members, as the case may be, present and voting either in person or by proxy at the meeting, agree to any compromise or arrangement, the compromise or arrangement shall, if sanctioned by the Court, be binding on all the creditors or the class of creditors, or on the members or class of members, as the case may be, and also on the company or, in the case of a company in the course of being wound up, on the liquidator and contributories of the company.

(3) An order made under sub-section (2) of this section shall have no effect until an office copy of the order has been delivered to the Registrar of Companies for registration, and a copy of every such order shall be annexed to every copy of the memorandum of the company issued after the order has been made, or, in the case of a company not having a memorandum, of every copy so issued of the instrument constituting or defining the constitution of the company.

(4) If a company makes default in complying with sub-section (3) of this section, the company and every officer of the company who is in default shall be liable to a fine not exceeding one pound for each copy in respect of which default is made.

(5) In this section the expression 'company' means any company liable to be wound up under this Law, and the expression 'arrangement' includes a reorganization of the share capital of the company by the consolidation of shares of different classes or by the division of shares into shares of different classes or by both those methods."

3. The principal Law is hereby amended by the addition thereto immediately after section 80 of the following sections:—

"Provisions for facilitating reconstruction and amalgamation of companies.

Addition of new sections 80A, 80B in the principal Law.

80A.—(1) Where an application is made to the Court under the provisions of section 80 of this Law for the sanctioning of a compromise or arrangement proposed between a company and any such persons as are mentioned in that section, and it is shown to the Court that the compromise or arrangement has been proposed for the purposes of or in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any two or more companies, and that under the scheme the whole or any part of the undertaking or the property of any company concerned in the scheme (in this section referred to as 'a transferor company') is to be transferred to another company (in this section referred to as 'the transferee company'), the Court may, either by the order sanctioning the compromise or arrangement or by any subsequent order, make provision for all or any of the following matters:—

- (a) the transfer to the transferee company of the whole or any part of the undertaking and of the property or liabilities of any transferor company;
- (b) the allotting or appropriation by the transferee company of any shares, debentures, policies, or other like interests in that company which under the compromise or arrangement are to be allotted or appropriated by that company to or for any person;
- (c) the continuation by or against the transferee company of any legal proceedings pending by or against any transferor company;

- (d) the dissolution, without winding up, of any transferor company;
- (e) the provision to be made for any persons, who within such time and in such manner as the Court direct, dissent from the compromise or arrangement;
- (f) such incidental, consequential and supplemental matters as are necessary to secure that the reconstruction or amalgamation shall be fully and effectively carried out.

(2) Where an order under this section provides for the transfer of property or liabilities, that property shall, by virtue of the order, be transferred to and vest in, and those liabilities shall, by virtue of the order, be transferred to and become the liabilities of, the transferee company, and in the case of any property, if the order so directs, freed from any charge which is by virtue of the compromise or arrangement to cease to have effect.

(3) Where an order is made under this section, every company in relation to which the order is made shall cause an office copy thereof to be delivered to the Registrar of Companies for registration within seven days after the making of the order, and if default is made in complying with this sub-section, the company and every officer of the company who is in default shall be liable to a fine not exceeding one pound for every day during which the default continues.

(4) In this section the expression 'property' includes property, rights and powers of every description, and the expression 'liabilities' includes duties.

(5) Notwithstanding the provisions of sub-section (5) of the last foregoing section the expression 'company' in this section does not include any company other than a company within the meaning of this Law.

80B.—(1) Where a scheme or contract involving the transfer of shares or any class of shares in a company (in this section referred to as 'the transferor company'), to another company, whether a company within the meaning of this Law or not (in this section referred to as 'the transferee company'), has within four months after the making of the offer in that

Power to acquire shares of shareholders dissenting from scheme or contract approved by majority.

is entitled to acquire, and the transferor company shall thereupon register the transferee company as the holder of those shares.

(3) Any sums received by the transferor company under this section shall be paid into a separate bank account, and any such sums and any other consideration so received shall be held by that company on trust for the several persons entitled to the shares in respect of which the said sums or other consideration were respectively received.

(4) In this section the expression 'dissenting shareholder' includes a shareholder who has not assented to the scheme or contract and any shareholder who has failed or refused to transfer his shares to the transferee company in accordance with the scheme or contract."

Amendment  
of section  
145 (1) of the  
principal  
Law.

4. Sub-section (1) of section 145 of the principal Law is hereby amended by the insertion at the end thereof of the following proviso:—

"Provided that where any fee or stamp duty is payable in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any companies the Governor may, if he considers it expedient, exempt the Company affected from the payment of any such fee or duty."

H. G. RICHARDS,

11th September, 1943.

*Acting Colonial Secretary.*