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The Summary Approval Procedure
To Allow a Reduction in Company

Capital

Quick Guide

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Company Capital
SAP Quick Guide
Part 2

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Legislation

Sections Covered by Legislation

Section 202 of CA 2014 (Summary Approval Procedure)

Section 204 of CA 2014 (declaration required for reduction of company capital or variation of company capital on reorganisation)

Other Relevant Sections

Section 84 of CA 2014 (reduction in company capital)

Section 92 (Notice to registrar of certain alterations of share capital)

Section 181 (notice of general meetings)

Section 193 (unanimous written resolution)

Section 194 (majority written resolution) of CA 2014

Legislation

Summary Approval Procedure

202(1) In this Act “Summary Approval Procedure” means the procedure whereby the following conditions are satisfied:

(a) authority for the carrying on of the restricted activity has been conferred by—

(i) other than in the case of a merger, a special resolution of the company; or

(ii) in the case of a merger, a resolution of each of the merging companies which every member of the company entitled to vote at a general meeting of it has voted in favour of (a “unanimous resolution”);

being a special resolution or unanimous resolution passed not more than, subject to subsections (2) and (3), 12 months prior to the commencement of the carrying on by the company, or as the case may be, by each of the merging companies of the activity; and

(b) either—

(i) the company or, as the case may be, each of the merging companies has forwarded with each notice of the meeting at which the special resolution or other foregoing resolution is to be considered, or

(ii) if the written means for passing the resolution is used, the company or, as the case may be, each of the merging companies has appended to the proposed text of the resolution,

a copy of a declaration which complies with subsection (6) and the other relevant provisions of this Chapter as regards its contents or the documents to be attached to it.

(2) In computing the period of 12 months referred to in subsection (1)(a) there shall be

disregarded, where an application is made in accordance with section 211 to cancel the special resolution, the period beginning on the date of the making of that application and ending on—

- (a) the date of confirmation of the special resolution by the court on that application; or*
- (b) if such an application so made is withdrawn, the date of that withdrawal.*

(3) If the restricted activity is that referred to in paragraph (d) of the definition of that expression in section 200(1), the reference in subsection (1)(a) to 12 months shall be read as a reference to—

(a) subject to paragraph (b), 60 days; or

(b) if—

(i) one or more members who hold, or together hold, more than 90 per cent in nominal value of each class of issued shares of the company and entitled to vote at general meetings of the company have voted in favour of the special resolution referred to in subsection (1)(a), or

(ii) that resolution has been passed by the means provided under section 193, 30 days,

but subsection (2) applies as regards computing that period of 60 or 30 days as it applies as regards computing the period of 12 months referred to in subsection (2).

(4) Subsection (1) is, in the case of a merger, without prejudice to the procedures set out in Chapter 3 of Part 9 that must be followed before the resolution referred to in paragraph (a)(ii) of that subsection may be passed.

(5) In the case of a merger, on the delivery, in accordance with section 206, to the Registrar of each declaration referred to in that section, the Registrar shall register the dissolution of the transferor company or companies concerned.

(6) The declaration referred to in subsection (1)(b) is a declaration in writing that is made at a meeting of the directors held—

(a) not earlier than 30 days before the date of the meeting referred to in subsection (1)(b), or

(b) if the written means for passing the resolution is used, not earlier than 30 days before the date of the signing of the resolution by the last member to sign,

and that is made by the directors or, in the case of a company having more than 2 directors, by a majority of the directors.

(7) The terms of the resolution referred to in subsection (1)(a)(ii) (which deals with a case of a merger) shall be that the common draft terms of merger are approved.

Declaration to be made in the case of a reduction in company capital or variation of company capital on reorganisation

204(1) Where the restricted activity is a reduction in company capital referred to in section 84(1) or a transfer or disposal referred to in section 91(1), the declaration shall state—

- (a) the circumstances in which the transaction or arrangement is to be entered into;
 - (b) the nature of the transaction or arrangement;
 - (c) the person or persons to or for whom the transaction or arrangement is to be made;
 - (d) the total amount of the company's assets and liabilities as at the latest practicable date before the date of making of the declaration and in any event at a date not more than 3 months before the date of that making;
 - (e) the anticipated total amount of the company's assets and liabilities immediately after the restricted activity having taken place;
 - (f) that the declarants have made a full inquiry into the affairs of the company and that, having done so, they have formed the opinion that the company, after the restricted activity has taken place, will be able to pay or discharge its debts and other liabilities (being the debts and liabilities identified for the purposes of paragraph (d) and so far as not already paid or discharged) in full as they fall due during the period of 12 months after the date of that event; and
 - (g) that the declarants do not have actual or constructive notice that the company will incur any material, extraordinary, future liability within the period of 12 months after the date of the making of the declaration.
- (2) A copy of the declaration under this section shall be delivered to the Registrar not later than 21 days after the date on which the carrying on of the restricted activity concerned is commenced; if a failure to comply with this subsection occurs, a like power to that under section 203(4) is available to the court to declare valid for all purposes the carrying on of the activity.

Reduction in company capital

84. (1) Save to the extent that its constitution otherwise provides, a company may, subject to the provisions of this section and sections 85 to 87, reduce its company capital in any way it thinks expedient and, without prejudice to the generality of the foregoing, may thereby—

- (a) extinguish or reduce the liability on any of its shares in respect of share capital not paid up;
 - (b) either with or without extinguishing or reducing liability on any of its shares, cancel any paid up company capital which is lost or unrepresented by available assets; or
 - (c) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up company capital which is in excess of the wants of the company.
- (2) A reduction of company capital under this section shall be effected either by the company—
- (a) employing the Summary Approval Procedure; or

- (b) passing a special resolution that is confirmed by the court.*
- (3) Where the reduction has been approved by the Summary Approval Procedure, the reduction shall take effect—*
 - (a) if no date is specified in that behalf in the special resolution referred to in section 202(1)(a)(i), on the expiry of 12 months after the date of the passing of the special resolution; or*
 - (b) if such a date is so specified, on that date.*
- (4) A company shall not purport to reduce its company capital otherwise than as provided for by this section.*
- (5) Any transaction in contravention of this section shall be voidable at the instance of the company against any person (whether a party to the transaction or not) who had actual notice of the facts which constitute such contravention.*
- (6) If a company contravenes this section, the company and any officer of it who is in default shall be guilty of a category 3 offence.*

Notice to Registrar of certain alterations of share capital

- 92.** *(1) If a company has—*
- (a) consolidated and divided its share capital into shares of larger amount than its existing shares; or*
 - (b) converted any shares into stock; or*
 - (c) reconverted stock into shares; or*
 - (d) subdivided its shares or any of them; or*
 - (e) redeemed any redeemable shares; or*
 - (f) redeemed any preference shares; or*
 - (g) cancelled any shares, otherwise than in connection with a reduction of company capital referred to in section 84,*
- it shall, within 30 days after the date of so doing, give notice thereof to the Registrar specifying, as the case may be, the shares consolidated, divided, converted, subdivided, redeemed or cancelled, or the stock reconverted.*
- (2) If a company contravenes this section, the company and any officer of it who is in default shall be guilty of a category 3 offence.*

Notice of general meetings

- 181.** (1) *Save where the constitution of the company makes provision for the giving of greater notice, a meeting of a company, other than an adjourned meeting, shall be called—*
- (a) in the case of the annual general meeting or an extraordinary general meeting for the passing of a special resolution, by not less than 21 days' notice;*
 - (b) in the case of any other extraordinary general meeting, by not less than 7 days' notice.*
- (2) *A meeting of a company shall, notwithstanding that it is called by shorter notice than that specified in subsection (1), be deemed to have been duly called if it is so agreed by—*
- (a) all the members entitled to attend and vote at the meeting; and*
 - (b) unless no statutory auditors of the company stand appointed in consequence of the company availing itself of the audit exemption under section 360 or 365 (and, where relevant, section 399 has been complied with in that regard), the statutory auditors of the company.*
- (3) *Where notice of a meeting is given by posting it by ordinary prepaid post to the registered address of a member, then, for the purposes of any issue as to whether the correct period of notice for that meeting has been given, the giving of the notice shall be deemed to have been effected on the expiration of 24 hours following posting.*
- (4) *In determining whether the correct period of notice has been given by a notice of a meeting, neither the day on which the notice is served nor the day of the meeting for which it is given shall be counted.*
- (5) *The notice of a meeting shall specify—*
- (a) the place, the date and the time of the meeting;*
 - (b) the general nature of the business to be transacted at the meeting;*
 - (c) in the case of a proposed special resolution, the text or substance of that proposed special resolution; and*
 - (d) with reasonable prominence a statement that—*
 - (i) a member entitled to attend and vote is entitled to appoint a proxy using the form set out in section 184 or, where that is allowed, one or more proxies, to attend, speak and vote instead of him or her;*
 - (ii) a proxy need not be a member; and*
 - (iii) the time by which the proxy must be received at the company's registered office or some other place within the State as is specified in the statement for that purpose.*
- (6) *Save to the extent that the company's constitution provides otherwise, the accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at the meeting.*

Unanimous written resolutions

193) (1) *Notwithstanding any provision to the contrary in this Act—*

- (a) a resolution in writing signed by all the members of a company for the time being entitled to attend and vote on such resolution at a general meeting (or being bodies corporate by their duly appointed representatives) shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the company duly convened and held; and*
- (b) if described as a special resolution shall be deemed to be a special resolution within the meaning of this Act.*
- (2) For the avoidance of doubt, the reference in subsection (1) to a provision to the contrary includes a reference to a provision that stipulates that the company in general meeting, or the members of the company in general meeting, must have passed the resolution concerned.*
- (3) A resolution passed in accordance with subsection (1) may consist of several documents in like form each signed by one or more members.*
- (4) A resolution passed in accordance with subsection (1) shall be deemed to have been passed at a meeting held on the date on which it was signed by the last member to sign, and, where the resolution states a date as being the date of his or her signature thereof by any member, the statement shall be prima facie evidence that it was signed by him or her on that date.*
- (5) If a resolution passed in accordance with subsection (1) is not contemporaneously signed, the company shall notify the members, within 21 days after the date of delivery to it of the documents referred to in subsection (6), of the fact that the resolution has been passed.*
- (6) The signatories of a resolution passed in accordance with subsection (1) shall, within 14 days after the date of its passing, procure delivery to the company of the documents constituting the written resolution; without prejudice to the use of the other means of delivery generally permitted by this Act, such delivery may be effected by electronic mail or the use of a facsimile machine.*
- (7) The company shall retain those documents as if they constituted the minutes of the proceedings of a general meeting of the company; without prejudice to the requirement (by virtue of section 199(1)) that the terms of the resolution concerned be entered in books kept for the purpose, the requirement under this subsection that the foregoing documents be retained shall be read as requiring those documents to be kept with the foregoing books.*
- (8) It is immaterial, as regards the resolution's validity, whether subsection (5), (6) or (7) is complied with.*
- (9) If a company fails to comply with subsection (5), the company and any officer of it who is in default shall be guilty of a category 4 offence.*
- (10) If a signatory fails to take all reasonable steps to procure the delivery to the company, in accordance with subsection (6), of the documents referred to in that subsection, the signatory shall be guilty of a category 4 offence.*
- (11) This section does not apply to—*

- (a) a resolution to remove a director;
 - (b) a resolution to effect the removal of a statutory auditor from office, or so as not to continue him or her in office, as mentioned in section 382(2), 383(2)(b) or 394.
- (12) Nothing in this section affects any rule of law as to—
- (a) things done otherwise than by passing a resolution;
 - (b) circumstances in which a resolution is or is not treated as having been passed; or
 - (c) cases in which a person is precluded from alleging that a resolution has not been duly passed.

Majority written resolutions

194. (1) Notwithstanding any provision to the contrary in this Act, a resolution in writing—

- (a) that is—
 - (i) described as being an ordinary resolution, and
 - (ii) signed by the requisite majority of members of the company concerned, and
- (b) in respect of which the condition specified in subsection (7) is satisfied,

shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the company duly convened and held.

(3) *For the avoidance of doubt, the reference in subsection (1) to a provision to the contrary includes a reference to a provision that stipulates that the company in general meeting, or the members of the company in general meeting, must have passed the resolution concerned.*

(4) *In subsection (1) “requisite majority of members” means a member or members who alone or together, at the time of the signing of the resolution concerned, represent more than 50 per cent of the total voting rights of all the members who, at that time, would have the right to attend and vote at a general meeting of the company (or being bodies corporate by their duly appointed representatives).*

(5) Notwithstanding any provision to the contrary in this Act, a resolution in writing—

- (a) that is—
 - (i) described as being a special resolution, and
 - (ii) signed by the requisite majority of members, and
- (b) in respect of which the condition specified in subsection (7) is satisfied,

shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the company duly convened and held.

(6) *For the avoidance of doubt, the reference in subsection (4) to a provision to the contrary includes a reference to a provision that stipulates that the company in general meeting, or the members of the company in general meeting, must have passed the resolution concerned.*

- (7) *In subsection (4) “requisite majority of members” means a member or members who alone or together, at the time of the signing of the resolution concerned, represent at least 75 per cent of the total voting rights of all the members who, at that time, would have the right to attend and vote at a general meeting of the company (or being bodies corporate by their duly appointed representatives).*
- (8) *The condition referred to in subsections (1)(b) and (4)(b) is that all members of the company concerned entitled to attend and vote on the resolution referred to in subsection (1) or (4), as the case may be, have been circulated, by the directors or the other person proposing it, with the proposed text of the resolution and an explanation of its main purpose.*
- (9) *A resolution passed in accordance with subsection (1) or (4) may consist of several documents in like form each signed by one or more members.*
- (10) *Without prejudice to section 195(5), a resolution passed—*
- (a) in accordance with subsection (1), shall be deemed to have been passed, subject to subsection (10), at a meeting held 7 days after the date on which it was signed by the last member to sign, or*
 - (b) in accordance with subsection (4), shall be deemed to have been passed, subject to subsection (10), at a meeting held 21 days after the date on which it was signed by the last member to sign,*
- and where the resolution states a date as being the date of his or her signature thereof by any member the statement shall be prima facie evidence that it was signed by him or her on that date.*
- (11) *Without prejudice to section 195(5), if—*
- (a) a date earlier than that referred to in subsection (9)(a) or (b) (not being earlier than the date on which the resolution was signed by the last member to sign) is specified in the resolution referred to in subsection (1) or (4) as the date on which it shall have been deemed to have been passed,*
 - (b) all members of the company concerned entitled to attend and vote on that resolution state, in a written waiver signed by each of them, that the application of subsection (9) is waived, and*
 - (c) there accompanies the delivery to the company under subsection (3) of section 195 of the documents referred to in that subsection that written waiver (which may be so delivered to the company by any of the means referred to in that subsection),*
- then the resolution shall be deemed to have been passed on the date specified in it.*
- (12) *A written waiver under subsection (10) may consist of several documents in like form each signed by one or more members.*

OmniPro Commentary

Requirements	Transaction/arrangement	
	Share Capital reduction (S204)	Capital Variation on reorganisation (S204)
Circumstances in which the transaction is to be entered into.	Yes	Yes
Nature of the transaction or arrangement	Yes	Yes
Person(s) to or for whom the transaction or arrangement is to be made	Yes	Yes
Declarants to the state that they have made full enquiry into the affairs of the company and have formed an opinion that the company can pay its debts as they fall due for the following 12-month period	Yes	Yes
Anticipated assets/liabilities statement of the company after the restricted activity is carried out	Yes	Yes
Total amount of assets/liabilities at the latest date not more than 3 months before the declaration	Yes	Yes
State the declarants do not have actual or constructive knowledge of any material liability occurring in 12 months after swearing declaration	Yes	Yes
Report of independent person (person qualified to be a statutory auditor)	Yes	Yes

Application and opportunities

Section 204 allows companies to reduce its share capital. This was only permitted under the old Companies Act where an application had been brought to the high court (and is still currently available under CA 2014). This procedure can be utilised to provide companies with more distributable reserves once the SAP procedure has been followed. Section 117(9) specifically states that where a reduction occurs the amount by which the capital is reduced should be treated as a realised profit. It is important to remember just because it is considered to be realised it does not result in a corporation tax impact. This can be very beneficial where a reorganisation is required but the company does not have the distributable reserves to allow it or where the company has a significant amount of unpaid share capital. Other examples of where this is beneficial are: 1) where the company has surplus capital in excess of its needs which it proposes to return to its shareholders; 2) where a company wishes to convert a non-distributable reserve to a distributable reserve (e.g. share premium) 3) where the company wishes to release a liability to pay up capital where the company had issued but unpaid share capital.

Under the old Companies Act there was always a certain degree of doubt with legal professionals as to whether the transfer of an undertaking by one company in return for shares issued to the shareholders of that company in the receiving company resulted in a variation in capital. Companies Act 2014 has eliminated this confusion as Section 204 specifically requires a summary approval procedure to be implemented where such a transaction occurs whereby the members resolve for the reduction to be applied to the distributable reserves of the company. As a result of applying the SAP there should be no tax consequences.

Pitfalls

Not performing the SAP procedure until after the restricted activity has commenced in which case the SAP is deemed to be invalid. This exposes the directors and company to penalties as they are deemed to be guilty of a category 3 offence.

Not filing the directors' declaration with the CRO within 21 days of the restricted activity occurring/commencing and as a result the SAP is considered invalid and the transaction is deemed to be in breach of company law. This exposes the directors and company to penalties as they are deemed to be guilty of a category 3 offence.

Following all the steps in the summary approval procedure but not obtaining a report from an expert confirming the directors' declaration is not unreasonable as required for the procedures outlined in Section 204, 205 and 207.

Not meeting all the requirements of the summary approval procedure as outline in the relevant sections thereby resulting in the restricted activity being deemed to be in breach of company law.

Incorrectly applying the summary approval procedures under Section 205 in relation to the variation of capital (in a three way share for undertaking swap) but not recognising that the company had no distributable reserves to effect the transfer itself.

Making a declaration where there was not reasonable grounds for doing so.

Step plan/action help sheet

Name of procedure: Summary approval procedure to allow a reduction in company capital

Sectional references: Section 84 of CA 2014 (reduction in company capital); Section 202 of CA 2014 (Summary Approval Procedure) & Section 204 of CA 2014 (declaration required for reduction of company capital or variation of company capital on reorganisation); Section 92 (Notice to registrar of certain alterations of share capital), Section 181 (notice of general meetings), Section 193 (unanimous written resolution) & Section 194 (majority written resolution) of CA 2014

Date:

Steps:

Step	Commentary	Legislative Reference	Done
1	Assess whether the transaction comes within the remit for the reduction of the company's capital. If the answer to this question is yes, move to step 2.	S84 CA 2014	
1A	Assess whether there are tax implications as a result of the proposed reduction in the company's share capital. Section 117(9) CA 2014 makes it clear that the reduction should be treated as a realised profit. Regardless of this fact the reduction in capital would usually not result in any tax consequences for the company as the journals would just be a transfer between share capital and profit and loss reserves.	S117(9) CA 2014	
1B	Draft of a schedule of: <ul style="list-style-type: none"> - the anticipated total amount of the company's assets and liabilities immediately after the restricted activity taking place. - the total amount of the company's assets and liabilities of the company at the latest date not more than 3 months before the date of the declaration (management accounts or financial statements). 	S204 ca 2014	
2	Arrange to hold a board meeting no longer than 12 months from the carrying out of act of reducing the capital of the company. At this meeting:	S202(1) CA 2014	
2a	- approve the reduction of share capital and the summary approval procedure	S202(1) CA 2014	
2b	- the majority of directors or all of the directors agree to recommend to the members to allow the company to reduce the company capital and a special resolution be passed to permit this activity.	S201 & S202(1) CA 2014	
2c	At this meeting or a meeting held not earlier than 30 days before the approval of the members by special resolution (where an initial meeting discussed in step 2 has been held after this 30 day period), the directors should make a declaration in writing declaring that having made full enquiry, the company will be able to pay its debts as they fall due for the 12 months period following	S202(6) CA 2014	

	<p>the date the restricted activity was carried out (Section 201 & 202 CA 2014). See step 4 for further items to be included in the directors' declaration.</p> <p>The special resolution can be in writing under Section 193 (unanimous resolution)/ Section 194 (majority resolution) or passed at an extraordinary general meeting.</p> <p>Where the resolution is passed in writing then the directors' declaration must be attached to the written resolution.</p>		
3	Prepare a statement of assets and liabilities of the company up to a period not exceeding 3 months from the date of making the directors declaration.	S204(1)(d)	
3a	Prepare a statement of the expected assets and liabilities of the company after the proposed transaction has taken place	S204(1)€	
3b	Obtain a report prepared by a person who is qualified to be the independent auditor of the company stating in that experts opinion, the declaration (as detailed in step 4) made by the directors is not unreasonable	S208 CA 2014	
4	The minutes of the board meeting in step 2 should detail:	Section 201, 202 & 204 of CA 2014	
4a	the name of the company and the company number		
4b	the date, location and time of the meeting and the members present at the meeting		
4c	details of who was appointed chairman of the meeting		
4d	that the directors have disclosed their interest in the decisions been taken under Section 231 of CA 2014; Note that notwithstanding the disclosures, was pursuant to the companies Constitution, entitled to vote and be counted in the quorum in relation to any matter in which he/she has an interest. It should also state whether a quorum was present.	S231, 228 & 229 of CA 2014	
4e	Ensure and state the fact that at least one director is a resident in the European Economic Area as required by Section 137 CA 2014 and that no director present holds more than 25 directorships for the purposes of and in accordance with Sections 228 and 229 CA 2014.	S137 CA 2014	
4f	Ensure that it records (and ensure it is a fact) the fact that no director is restricted from acting as a directors as detailed in Section 819, 839, 840 841, 842 and 828 of CA 2014.	Section 819, 839, 840 841, 842 and 828 of CA 2014.	
4g	Include a paragraph for 'Background' providing details of the proposed capital reduction to be entered into by the company giving details of the reasons why it is proposed.		
4h	Include a paragraph for 'Purpose of meeting' providing exact details for the reason why the meeting was held e.g. to consider and if thought fit to approve the reduction of the Company's	S202 & 204 CA 2014	

	<p>capital and provide a declaration of directors as required by Section 202 & 204 of CA 2014 in order to allow the capital reduction to proceed and to recommend to the shareholders to pass a special resolution to effect the transaction.</p> <p>Detail the fact that such a transaction is not permitted under Section 84 unless Section 204 of CA 2014, SAP approval procedure is applied.</p>		
4i	<p>Provide details of the requirements of the summary approval procedure (requirement for a special resolution) with reference to Section 84 and what is to be included in the directors declaration under Section 204 in the minutes (Note the directors declaration is filed with the CRO on the form SAP-204). That being:</p> <p>1) The majority of directors must make a declaration stating:</p> <ul style="list-style-type: none"> - the circumstances in which the transaction or arrangement is to be entered into; - the nature of the transaction or arrangement; - the person or persons to or for whom the transaction or arrangement is to be made; - that the declarants have made full inquiry into the affairs of the Company and that, having done so, they have formed the opinion that the Company, after having carried out the transaction to reduce the capital of the company, will be able to pay its debts in full as they become due during the period of 12 months after the date of the relevant act; - that the declarants do not have actual or constructive notice that the company will incur any material, extraordinary, future liability within the period of 12 months after the date of making of the declaration. - the anticipated total amount of the company's assets and liabilities immediately after the restricted activity having taken place. - the total amount of the company's assets and liabilities of the company at the latest date not more than 3 months before the date of the declaration <p>2) that a special resolution is required to be passed by the shareholders approving the reduction in capital.</p> <p>3) that the declaration of the directors is accompanied by a report prepared by a person who is qualified to be the independent</p>	S204(1) & 208 CA 2014	

	auditor of the company stating in that experts opinion, the declaration made by the directors is not unreasonable		
4j	Detail the fact that the directors were advised of the serious nature of the Section 84 declaration and the penalties that the directors were liable for if the directors make the declaration without unreasonable grounds for doing so (i.e. they may be liable for all liabilities that arise within the 12 month period).	S210 CA 2014	
4k	Detail the fact that the directors took account of the financial position and liabilities of the company (including prospective and contingent) and have assessed the financial position of the company before the transaction takes place and the expected financial position after the transaction takes place. Include the fact that the directors were presented with the balance sheet (as prepared in step 3) above before and the expected balance sheet after during the meeting as part of this process.	S204(1) CA 2014	
4l	Draft up the directors declaration to be signed by all or a majority of directors which addresses (note the directors declaration is included in the Form SAP-204 which must be signed by all directors making the declaration):	S204(1) CA 2014	
	- the circumstances in which the transaction or arrangement is to be entered into;	S204(1)(a) CA 2014	
	- the nature of the transaction or arrangement;	S204(1)(b) CA 2014	
	- the person or persons to or for whom the transaction or arrangement is to be made;	S204(1)(c) CA 2014	
	- that the declarants have made full inquiry into the affairs of the Company and that, having done so, they have formed the opinion that the Company, after having carried out the transaction to reduce the capital of the company, will be able to pay its debts in full as they become due during the period of 12 months after the date of the relevant act;	S204(1)(f) CA 2014	
	- that the declarants do not have actual or constructive notice that the company will incur any material, extraordinary, future liability within the period of 12 months after the date of making of the declaration.	S204(1)(g) CA 2014	
	- the anticipated total amount of the company's assets and liabilities immediately after the restricted activity having taken place.	S204(1)(e) CA 2014	
	- the total amount of the company's assets and liabilities of the company at the latest date not more than 3 months before the date of the declaration	S204(1)(d) CA 2014	
4m	Detail the acknowledgement of the directors of the obligations imposed under Section 204 and they acknowledge that the draft declaration was true and correct.	S204 CA 2014	
4n	Detail the fact that the directors' declaration was produced to the directors for their review and after consideration it was signed by all or a majority of directors on the basis that all the conditions required by Section 204 as detailed above had been met, they were happy to proceed to deem the Section 204 Declaration	S204(1) CA 2014	

	executed. Get all directors who have made the declaration to also sign the form SAP-204 which is what should be filed with the CRO.		
4o	Detail the wording of the special resolution to allow the reduction of the company's capital which will be provided to the shareholders for approval. This should include details of number, class and nominal value per share, the total amount by which the capital is reduced and the owners of those shares and the fact that the liability on the shares is reduced as a result and refer to the directors' declaration.	S202 2014	CA
4p	Recommend that the directors' declaration and the special resolution when passed be filed by using a form SAP-204 with the CRO within 21 days of reducing the share capital.	S204(4) 2014	CA
4q	Detail the fact that it was resolved that an extraordinary general meeting be held to allow the shareholders to vote on the special resolution and that the required notice be given to all members together with a copy of the signed directors' declaration which includes the independent persons report. THIS STEP IS ONLY PERFORMED WHERE A WRITTEN RESOLUTION IS NOT BEING PASSED I.E. WHERE A MEETING IS HELD.	S181 2014	CA
4r	Unanimously agree that the directors be given authority to signed the loan agreement on the company's behalf		
4s	Declare the meeting closed		
4t	Request the secretary or director to obtain the independent persons report to confirm the declaration which was just passed was 'not considered unreasonable' in order to satisfy the requirements of Section 208	S208 2014	CA
4u	Have the chairperson sign and date the board minute and insert it into the minute book of the company.		
5	Draft the written special resolution based on the resolutions detailed in the board meeting above and reference the fact that the directors resolution is attached to the written resolution itself (which includes the independent persons report) and have this resolution signed by all members entitled to vote where a unanimous resolution has been passed in accordance with Section 193(1) CA 2014. Ensure the company name and number is included at the top of this resolution and the narrative at the top specifically states that they are special resolutions and pursuant to S193(1) of CA 2014 for all purposes be as valid and effective as if a general meeting had been convened. Where a written majority resolution has been passed ensure this resolution is signed by the required majority of members and it refers to S194 with wording similar to the aforementioned. Ensure where a majority written resolution is to be passed that the required notice mentioned in step 5a below is dealt with.	S193 2014 S194 2014	CA CA
5a	Where a written resolution is not utilised there is no need for the resolution to be signed. In addition it should not refer to Section 193/194 in any way and the wording in relation to it being valid and effective as if a general meeting had been convened because effectively an extraordinary meeting has to be convened for a resolution that is not written.	S181 2014	CA

	<p>Ensure all members entitled to attend and vote at the meeting/on the written resolution have been informed of the meeting within the required notice period (this is also applicable for a majority written resolution). The required notice period of not less than 21 clear days' notice should be given unless a consent to short notice is obtained from all its members and auditor where applicable in which case a shorter period can be given as dictated by Section 181 of CA 2014.</p> <p>This notice should include: the date, time, location of the meeting, give details of the special resolutions to be considered for approval, the fact that a proxy can be utilised which does not have to be a member and the date by which the member must notify the company of a proxy being used. A consent to short notice should be signed by all members including the auditor (if applicable) where less than the statutory notice is provided which is a signed confirmation from all parties that they consent to the short notice. A copy of the directors' declaration should be attached to the notice of the meeting.</p>	S181(5) 183 CA 2014	
6	<p>Where an extraordinary meeting is held (as opposed to a written resolution), draft the minutes of the extraordinary general meeting with the usual requirements (as per step 4(a) to 4(c)) and detail the approval of the special resolution to approve the reduction of the company's capital and the fact the all members consented to the short notice for the meeting where this is the case.</p> <p>Ensure the minutes are signed by the chairperson.</p>	S202 CA 2014	
7	<p>Hold a board meeting to advise that the shareholders had passed the resolutions at the extraordinary general meeting held earlier in the day and to instruct the secretary to file the Form G1 together with the directors' declaration within 21 days to the CRO in addition to filing the form B7.</p> <p>Document in the board minutes the aforementioned facts in addition to the standard confirmations detailed in step 4(a) to 4(f) above.</p>	Section 201(3) & 204(2) of CA 2014	
8	<p>Ensure a copy of the declaration/Form SAP-204 is delivered to the CRO not later than 21 days after the date on which the restricted activity commenced. If it is not submitted within this period it will invalidate the summary approval process</p>	Section 201(3) of CA 2014	
9	<p>File the Form G1 with the CRO ensuring that the directors declaration is attached to the G1 (ideally within 15 days of passing the special resolution).</p>	S191 CA 2014	
9a	<p>in the effective date on the G1, date this the date the special resolution was dated. Include the company number and Company name on page one of Form G1</p>		
9b	<p>In the resolution details section of the Form G1, type the resolutions passed into the resolution text area on the form G1 which is an exact replicate of the resolution prepared at step 6 or</p>		

	7 above or alternatively attach a copy of the resolution prepared and state 'see resolution attached'. Also attach the directors declaration (which includes the independent persons report)		
9c	In the resolution passed section of the Form G1, insert 'In writing' if done by a written resolution as opposed to by a formal meeting. If by meeting select the extraordinary general meeting option.		
9d	In the writing type section of the Form G1, insert 'Pursuant to section 193(1) (unanimous written resolution) if it is done by written resolution under S193 CA 2014. If it is passed by meeting then no further options are required.		
9e	In the section 'particulars of persons verifying the contents of the form', under revenue online section include 'No' where it is being filed on core		
9f	Complete the information of the person/director that will sign the signature page at 'particulars of persons verifying the contents of the form' of the Form G1 on CORE or if done hard copy in the certification section of the form		
9g	Include details of the agent presenting/filing the Form G1 in the detail of presenter section of the Form G1		
9k	File the Form G1 on CORE or send to the CRO together with the directors' declaration where a hard copy is filed out		
9l	Arrange for a director to sign the electronic G1 signature page once filed on core (where core is used) and send this to the CRO with the directors' declaration.		
10a	File form B7 – variation of company capital, informing the CRO of the redemption and cancellation of the redeemable shares. In the form B7:	S92	CA 2014
10b	Include the company number on the top right of the form in the space provided		
10c	Include the company name in the space provided		
10d	In the 'description of change' include a narrative within the space provided or include an attachment and instead include the wording 'See attached'. The wording should detail the number of shares, nominal value per share, the class of shares, the holder of the shares and the date they were cancelled.		
10e	Include the effective date in the space provided, which should be the date the shares were redeemed		
10f	In the certification section, tick the secretary or director as appropriate		
10g	In the 'Presenter details' section include the agent that filed the return.		
<p>In my professional opinion in my capacity as the professional advisor, the summary approval procedure and related company secretarial documentation comply with the Company Law requirements.</p> <p>Signed: _____ Date: _____</p>			

Forms

Form G1

Form B7

Form SAP-204