

SAINT CHRISTOPHER AND NEVIS

STATUTORY RULES AND ORDERS

1997, No. 19

The Companies (Application of Share Premium) Order, 1997.

AN ORDER made by the Minister under sections 3, 39 and 219 of the Companies Act, 1996 - 22.

1. Citation and commencement

- (1) This Order may be cited as the Companies (Application of Share Premium) Order, 1997.
- (2) This Order shall come into force on 3rd of April, 1997.

2. Definitions

- (1) In this Order, "issuing company" means a company which allots shares in terms of section 39 of the Act.
- (2) For the purposes of this Order, the expressions "holding company" and "subsidiary" include any body corporate.

3. Application of share premium

- (1) This Order applies where the issuing company -
 - (a) is a wholly-owned subsidiary of another company ("the holding company"); and
 - (b) allots shares to the holding company or to another wholly-owned subsidiary of the holding company in return for the transfer to the issuing company of assets, other than cash, of the holding company or of another subsidiary (whether wholly-owned or not) of the holding company.
- (2) Where the shares in the issuing company allotted in return for the transfer are allotted at a premium the issuing company shall not be required by section 39 of the Act to transfer any amount in excess of the minimum premium value to the share premium account.
- (3) In sub-clause (2) of this Order, "the minimum premium value" means the amount (if any) by which the base value of that for which the shares are allotted exceeds the aggregate stated value of those shares.
- (4) For the purpose of sub-clause (3) of this Order, the base value of that for which the shares are allotted is the amount by which the base value of the assets transferred exceeds the base value of any liabilities of the holding company or the subsidiary of the holding company transferring them assumed by the issuing company as part of the terms of transfer of the assets.
- (5) For the purposes of sub-clause (4) of this Order -
 - (a) the base value of the assets transferred shall be taken as -
 - (i) the cost of those assets to the holding company or the subsidiary of the holding company transferring them, or
 - (ii) the amount at which those assets are stated in the accounting records of the holding company or of the subsidiary of the holding company immediately before the transfer, whichever is the less; and

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- (b) the base value of the liabilities assumed shall be taken as the amount at which they are stated in the accounting records of the holding company or of the subsidiary of the holding company immediately before the transfer.

Made by the Minister this 3rd of April, 1997.

Denzil L. Douglas
Minister of Finance