

COMPANIES REGULATIONS (REDUCTION OF SHARE CAPITAL) RULES 2017

Date of Adoption: 26 June 2017

The Board of Directors of Abu Dhabi Global Market, in exercise of the powers conferred by sections 595(2) of the Companies Regulations 2015, hereby makes the following Rules:-

1. Citation commencement and interpretation

- (1) These Rules may be cited as the Companies Regulations (Reduction of Share Capital) Rule 2017.
- (2) These Rules shall come into force on the date of their publication.
- (3) In these Rules, “the Regulations” means the Companies Regulations 2015.
- (4) Terms used in these Rules which are defined in the Companies Regulations shall have the meanings given to them in the Regulations.
- (5) Unless the context otherwise requires-
 - (a) references to sections are to sections of the Companies Regulations,
 - (b) a reference to a “Rule” or “Rules” is a reference to these rules and a reference to a numbered rule, Part or Schedule is to the rule, Part or Schedule, and
 - (c) words in the singular include the plural and vice versa and a reference to a gender includes a reference to all genders.

2. Solvency Statement

- (1) A solvency statement under section 584 must-
 - (a) be in writing;
 - (b) indicate that it is a solvency statement for the purpose of section 583; and
 - (c) be signed by each of the directors.

3. Unlimited company

- (1) If an unlimited company reduces its share capital -
 - (a) the prohibition in section 595(1) does not apply; and
 - (b) a reserve arising from the reduction is to be treated for the purposes of Part 22 as a realised profit.

4. Private company limited by shares

- (1) If a private company limited by shares reduces its share capital and the reduction is supported by a solvency statement but has not been the subject of an application to the court for an order confirming it -
- (a) the prohibition in section 595(1) does not apply; and
 - (b) a reserve arising from the reduction is to be treated for the purposes of Part 22 as a realised profit.

5. Limited company having a share capital

- (1) If a limited company having a share capital reduces its share capital and the reduction is confirmed by order of the court -
- (a) the prohibition in section 595(1) does not apply; and
 - (b) a reserve arising from the reduction is to be treated for the purposes of Part 22 as a realised profit unless the court orders otherwise under section 589(1).

6. Miscellaneous provisions

- (1) This rule is without prejudice to any contrary provisions of -
- (a) An order or, or undertaking given to, the court;
 - (b) The resolution for, or any other resolution to, the reduction of share capital, or
 - (c) The company's articles of association.