

ACT No. 47/2008

respecting Amendment of Acts on Public Limited Companies and Private Limited Companies (Simplification of Rules on the Payment of Share Capital by Other Means than Cash et al.)

THE PRESIDENT OF ICELAND

makes known:- The Althingi (Legislative Assembly) has passed the present Act and I have ratified it by means of my approval:-

Act respecting Public Limited Companies, No. 2/1995, with Subsequent Amendments

Art. 1

Following upon Art. 6 of the Act there come three new Articles, Art. 6 a – Art. 6 c, worded as follows:-

a. (Art. 6 a)

The founders or the Board of Directors may decide that a specialized report shall not be prepared according to clauses 1 – 3, para. 1, Art. 6 or para. 1, Art. 37 on account of the payment of share capital by means of a security or a

money-market instrument which has been admitted to trading on a regulated securities market, provided that the price of the security or the instrument be based on the weighted average price at that market during the immediate past six months prior to the payment of the share capital.

In case the value of a security or a money-market instrument has for special reasons changed to a considerable extent at the time when it is to be used for the payment of share capital the founders or the Board of Directors shall reassess the value of the payment and then a specialized report shall be prepared in accordance with clauses 1 – 3, para. 1, Art. 6 or para. 1 of Art. 37.

b. (Art. 6 b)

The founders or the Board of Directors may decide that a specialized report shall not be prepared according to clauses 1 – 3, para. 1, Art. 6 or para. 1 of Art. 37 on account of the payment of share capital in valuables other than cash if the value of the payment is directly revealed in an audited, legally prescribed annual account for the latest fiscal year

and the entry of assets is undertaken in accordance with the Act on Annual Accounts.

In case new circumstances result in the fact that the value of payment as per para. 1 has changed to a considerable extent within the time payment shall be effected to the Company the founders or the Board of Directors shall reassess the value of the payment and then a specialized report shall be prepared in accordance with clauses 1 – 3, para. 1, Art. 6 or para. 1 of Art. 37.

In case no assessment is undertaken upon the increase of share capital in accordance with para. 2 shareholders controlling a minimum of 5% of the share capital at the time the increase of share capital is decided upon may require of the founders or the Board of Directors that the value of payment be reassessed and that a specialized report be prepared in accordance with para. 1, Art. 37.

Such requirement may be made until the payment has been effected to the Company.

c. (Art. 6 c)

In case a specialized report has not been prepared in

accordance with Art. 6 a or Art. 6 b the founders or the Board of Directors of the Company shall instead prepare a statement which shall specify the following:-

1. Description of payment.
2. The value of the payment, the basis of the assessment of the value and the method of assessment.
3. A declaration to the effect that the value of the payment be at least equivalent to the nominal value of the shares to be issued plus a conceivable surcharge on account of excessive price.
4. A declaration to the effect that no new circumstances of importance have arisen concerning the original assessment of value.

Upon establishment a statement shall attach to the Memorandum of Association. Upon the increase of the share capital the statement shall be contained in the call to the shareholders' meeting or be attached thereto. The statement shall be sent to the Register of Limited Companies within a month as of the time payment was effected to the Company and published in accordance with

Art. 151.

In case a Board of Directors decide upon the increase of the share capital in accordance with authority from a shareholders' meeting the payment will not be considered payment of share capital until the Register of Limited Companies has been sent notification of when a decision of the increase of the share capital was made as well as information in accordance with clauses 1 – 4 of para. 1. The notification shall be published in accordance with Art. 151. A statement in accordance with para. 1 may in such an instance be limited to a notification that no new circumstances of importance concerning the assessment of value have arisen.

Art. 2

A new sentence worded as follows is added to para. 2, Art. 8 of the Act:- The provisions of Art. 6 a – Art. 6 c shall be heeded as applicable.

Art. 3

Clause 2, para. 2, Art. 9 of the Act shall be worded as follows:- In which Municipality in this Country the