



Financial Services Act 1986 (Repealed)

1986 CHAPTER 60

PART X

MISCELLANEOUS AND SUPPLEMENTARY

196 Financial assistance for employees' share schemes.

(1) Section 153 of the ^{M1}Companies Act 1985 (transactions not prohibited by section 151) shall be amended as follows.

(2) After subsection (4)(b) there shall be inserted—

“(bb) without prejudice to paragraph (b), the provision of financial assistance by a company or any of its subsidiaries for the purposes of or in connection with anything done by the company (or a company connected with it) for the purpose of enabling or facilitating transactions in shares in the first-mentioned company between, and involving the acquisition of beneficial ownership of those shares by, any of the following persons—

- (i) the bona fide employees or former employees of that company or of another company in the same group; or
- (ii) the wives, husbands, widows, widowers, children or step-children under the age of eighteen of any such employees or former employees.”.

[^{F1}(3) After subsection (4) there shall be inserted—

“(5) For the purposes of subsection (4)(bb) a company is connected with another company if—

- (a) they are in the same group; or
- (b) one is entitled, either alone or with any other company in the same group, to exercise or control the exercise of a majority of the voting rights attributable to the share capital which are exercisable in all circumstances at any general meeting of the other company or of its holding company;

Status: Point in time view as at 01/02/1991. This version of this provision has been superseded.

Changes to legislation: Financial Services Act 1986 (Repealed), Section 196 is up to date with all changes known to be in force on or before 12 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

and in this section “group”, in relation to a company, means that company, any other company which is its holding company or subsidiary and any other company which is a subsidiary of that holding company.”.]

(4) Article 163 of the Companies (Northern Ireland) Order 1986 (transactions not prohibited by Article 161) shall be amended as follows.

(5) After paragraph (4)(b) there shall be inserted—

“(bb) without prejudice to sub-paragraph (b), the provision of financial assistance by a company or any of its subsidiaries for the purposes of or in connection with anything done by the company (or a company connected with it) for the purpose of enabling or facilitating transactions in shares in the first-mentioned company between, and involving the acquisition of beneficial ownership of those shares by, any of the following persons—

- (i) the bona fide employees or former employees of that company or of another company in the same group; or
- (ii) the wives, husbands, widows, widowers, children, step-children or adopted children under the age of eighteen of such employees or former employees.”

[^{F2}(6) After paragraph (4) there shall be inserted—

“(5) For the purposes of paragraph (4)(bb) a company is connected with another company if—

- (a) they are in the same group; or
- (b) one is entitled, either alone or with any other company in the same group, to exercise or control the exercise of a majority of the voting rights attributable to the share capital which are exercisable in all circumstances at any general meeting of the other company or of its holding company;

and in this Article “group”, in relation to a company, means that company, any other company which is its holding company or subsidiary and any other company which is a subsidiary of that holding company.”]

Textual Amendments

F1 S. 196(3) repealed (1.10.1991) by Companies Act 1989 (c. 40, SIF 27), s. 212, **Sch. 24**

F2 S. 196(6) repealed (*prosp.*) by S.I. 1990/1504 (N.I. 10), art. 113, **Sch. 6**

Marginal Citations

M1 1985 c. 6.

Status:

Point in time view as at 01/02/1991. This version of this provision has been superseded.

Changes to legislation:

Financial Services Act 1986 (Repealed), Section 196 is up to date with all changes known to be in force on or before 12 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.