



Companies Act 2006

2006 CHAPTER 46

PART 17

A COMPANY'S SHARE CAPITAL

CHAPTER 7

SHARE PREMIUMS

Relief from requirements as to share premiums

613 Merger relief: meaning of 90% equity holding

- (1) The following provisions have effect to determine for the purposes of section 612 (merger relief) whether a company ("company A") has secured at least a 90% equity holding in another company ("company B") in pursuance of such an arrangement as is mentioned in subsection (1) of that section.
- (2) Company A has secured at least a 90% equity holding in company B if in consequence of an acquisition or cancellation of equity shares in company B (in pursuance of that arrangement) it holds equity shares in company B of an aggregate amount equal to 90% or more of the nominal value of that company's equity share capital.
- (3) For this purpose—
 - (a) it is immaterial whether any of those shares were acquired in pursuance of the arrangement; and
 - (b) shares in company B held by the company as treasury shares are excluded in determining the nominal value of company B's share capital.
- (4) Where the equity share capital of company B is divided into different classes of shares, company A is not regarded as having secured at least a 90% equity holding in company B unless the requirements of subsection (2) are met in relation to each of those classes of shares taken separately.

Status: This is the original version (as it was originally enacted).

- (5) For the purposes of this section shares held by—
- (a) a company that is company A's holding company or subsidiary, or
 - (b) a subsidiary of company A's holding company, or
 - (c) its or their nominees,
- are treated as held by company A.