



Companies Act 2006

2006 CHAPTER 46

PART 18

ACQUISITION BY LIMITED COMPANY OF ITS OWN SHARES

CHAPTER 5

REDEMPTION OR PURCHASE BY PRIVATE COMPANY OUT OF CAPITAL

[^{F1}Requirements for payment out of capital: employees' share schemes

[^{F1}720B Registration of resolution and supporting documents for purchase of own shares for the purposes of or pursuant to an employees' share scheme

- (1) Within 15 days after the passing of the resolution for a payment out of capital by a private company for the purchase of its own shares for the purposes of or pursuant to an employees' share scheme the company must deliver to the registrar—
 - (a) a copy of the solvency statement,
 - (b) a copy of the resolution, and
 - (c) a statement of capital.
- (2) The statement of capital must state with respect to the company's share capital as reduced by the resolution—
 - (a) the total number of shares of the company,
 - (b) the aggregate nominal value of those shares,
 - [the aggregate amount (if any) unpaid on those shares (whether on account of
 - ^{F2}(ba) their nominal value or by way of premium), and]
 - (c) for each class of shares—
 - (i) prescribed particulars of the rights attached to the shares,
 - (ii) the total number of shares of that class, and
 - (iii) the aggregate nominal value of shares of that class, ^{F3}...

Changes to legislation: There are currently no known outstanding effects for the Companies Act 2006, Section 720B. (See end of Document for details)

^{F3}(d)

- (3) The registrar must register the documents delivered to him under subsection (1) on receipt.
- (4) The resolution does not take effect until those documents are registered.
- (5) The company must also deliver to the registrar, within 15 days after the resolution is passed, a statement by the directors confirming that the solvency statement was—
 - (a) made not more than 15 days before the date on which the resolution was passed, and
 - (b) provided to members in accordance with section 720A(3) or (4).
- (6) The validity of a resolution is not affected by—
 - (a) a failure to deliver the documents required to be delivered to the registrar under subsection (1) within the time specified in that subsection, or
 - (b) a failure to comply with subsection (5).
- (7) If the company delivers to the registrar a solvency statement that was not provided to members in accordance with section 720A(3) or (4), an offence is committed by every officer of the company who is in default.
- (8) If default is made in complying with this section, an offence is committed by—
 - (a) the company, and
 - (b) every officer of the company who is in default.
- (9) A person guilty of an offence under subsection (7) or (8) is liable—
 - (a) on conviction on indictment, to a fine;
 - (b) on summary conviction, to a fine not exceeding the statutory maximum.]

Textual Amendments

- F1** Ss. 720A, 720B and cross-heading inserted (30.4.2013) by [The Companies Act 2006 \(Amendment of Part 18\) Regulations 2013 \(S.I. 2013/999\)](#), **reg. 12**
- F2** S. 720B(2)(ba) inserted (30.6.2016) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 6 para. 15(a)**; S.I. 2016/321, reg. 6(e)
- F3** S. 720B(2)(d) and word omitted (30.6.2016) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\)](#), s. 164(1), **Sch. 6 para. 15(b)**; S.I. 2016/321, reg. 6(e)

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