
STATUTORY INSTRUMENTS

2013 No. 999

**The Companies Act 2006 (Amendment
of Part 18) Regulations 2013**

Authority for off-market purchase for an employees' share scheme

7. After section 693 of the Act, insert—

“693A Authority for off-market purchase for the purposes of or pursuant to an employees' share scheme

(1) A company may make an off-market purchase of its own shares for the purposes of or pursuant to an employees' share scheme if the purchase has first been authorised by a resolution of the company under this section.

(2) That authority—

- (a) may be general or limited to the purchase of shares of a particular class or description, and
- (b) may be unconditional or subject to conditions.

(3) The authority must—

- (a) specify the maximum number of shares authorised to be acquired, and
- (b) determine both the maximum and minimum prices that may be paid for the shares.

(4) The authority may be varied, revoked or from time to time renewed by a resolution of the company.

(5) A resolution conferring, varying or renewing authority must specify a date on which it is to expire, which must not be later than five years after the date on which the resolution is passed.

(6) A company may make a purchase of its own shares after the expiry of the time limit specified if—

- (a) the contract of purchase was concluded before the authority expired, and
- (b) the terms of the authority permitted the company to make a contract of purchase that would or might be executed wholly or partly after its expiration.

(7) A resolution to confer or vary authority under this section may determine the maximum or minimum price for purchase by—

- (a) specifying a particular sum, or
- (b) providing a basis or formula for calculating the amount of the price (but without reference to any person's discretion or opinion).

(8) Chapter 3 of Part 3 (resolutions affecting a company's constitution) applies to a resolution under this section.”.