



Companies Act 1985

1985 CHAPTER 6

PART V

SHARE CAPITAL, ITS INCREASE, MAINTENANCE AND REDUCTION

CHAPTER VII

REDEEMABLE SHARES; PURCHASE BY A COMPANY OF ITS OWN SHARES

Redemption and purchase generally

168 Payments apart from purchase price to be made out of distributable profits.

- (1) A payment made by a company in consideration of—
- (a) acquiring any right with respect to the purchase of its own shares in pursuance of a contract approved under section 165, or
 - (b) the variation of a contract approved under section 164 or 165, or
 - (c) the release of any of the company's obligations with respect to the purchase of any of its own shares under a contract approved under section 164 or 165 or under a contract for a purchase authorised under section 166,
- must be made out of the company's distributable profits.
- (2) If the requirements of subsection (1) are not satisfied in relation to a contract—
- (a) in a case within paragraph (a) of the subsection, no purchase by the company of its own shares in pursuance of that contract is lawful under this Chapter,
 - (b) in a case within paragraph (b), no such purchase following the variation is lawful under this Chapter, and
 - (c) in a case within paragraph (c), the purported release is void.

Status:

Point in time view as at 01/12/2001. This version of this provision has been superseded.

Changes to legislation:

Companies Act 1985, Section 168 is up to date with all changes known to be in force on or before 19 July 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.