



Companies Act 1985

1985 CHAPTER 6

[F1] PART III

CAPITAL ISSUES

CHAPTER I

ISSUES BY COMPANIES REGISTERED, OR TO BE REGISTERED, IN GREAT BRITAIN

The prospectus]

60 Exceptions from rule in s. 59.

- (1) Section 59 does not require an offer or invitation to be treated as made to the public if it can properly be regarded, in all the circumstances, as not being calculated to result, directly or indirectly, in the shares or debentures becoming available for subscription or purchase by persons other than those receiving the offer or invitation, or otherwise as being a domestic concern of the persons receiving and making it.
- (2) In particular, a provision in a company's articles prohibiting invitations to the public to subscribe for shares or debentures is not to be taken as prohibiting the making to members or debenture holders of an invitation which can properly be regarded as falling within the preceding subsection.
- (3) For purposes of that subsection, an offer of shares in or debentures of a private company, or an invitation to subscribe for such shares or debentures, is to be regarded (unless the contrary is proved) as being a domestic concern of the persons making and receiving the offer or invitation if it falls within any of the following descriptions.
- (4) It is to be so regarded if it is made to—
 - (a) an existing member of the company making the offer or invitation,
 - (b) an existing employee of that company,
 - (c) a member of the family of such a member or employee, or

Status: Point in time view as at 06/01/1997. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Companies Act 1985, Section 60. (See end of Document for details)

- (d) an existing debenture holder.
- (5) For purposes of subsection (4)(c), the members of a person's family are—
 - (a) the person's husband or wife, widow or widower and children (including stepchildren) and their descendants, and
 - (b) any trustee (acting in his capacity as such) of a trust the principal beneficiary of which is the person him or herself, or any of those relatives.
- (6) The offer or invitation is also to be so regarded if it is to subscribe for shares or debentures to be held under an employees' share scheme.
- (7) The offer or invitation is also to be so regarded if it falls within subsection (4) or (6) and it is made on terms which permit the person to whom it is made to renounce his right to the allotment of shares or issue of debentures, but only in favour—
 - (a) of such a person as is mentioned in any of the paragraphs of subsection (4), or
 - (b) where there is an employees' share scheme, of a person entitled to hold shares or debentures under the scheme.
- (8) Where application has been made to the Council of The Stock Exchange for admission of any securities to the Official List of the Stock Exchange, then an offer of those securities for subscription or sale to a person whose ordinary business it is to buy or sell shares or debentures (whether as principal or agent) is not deemed an offer to the public for purposes of this Part.

Modifications etc. (not altering text)

C1 S. 60(8) amended (2.10.1991) by **S.I. 1991/2000, reg. 5(1)**.

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