



Companies Act 2006

2006 CHAPTER 46

PART 18

ACQUISITION BY LIMITED COMPANY OF ITS OWN SHARES

CHAPTER 1

GENERAL PROVISIONS

Shares held by or for public company

669 Transfer to reserve on acquisition of shares by public company or nominee

(1) Where—

(a) a public company, or a nominee of a public company, acquires shares in the company, and

(b) those shares are shown in a balance sheet of the company as an asset, an amount equal to the value of the shares must be transferred out of profits available for dividend to a reserve fund and is not then available for distribution.

(2) Subsection (1) applies to an interest in shares as it applies to shares.

As it so applies the reference to the value of the shares shall be read as a reference to the value to the company of its interest in the shares.