



# Companies Act 2006

## 2006 CHAPTER 46

### PART 18 U.K.

#### ACQUISITION BY LIMITED COMPANY OF ITS OWN SHARES

### CHAPTER 5 U.K.

#### REDEMPTION OR PURCHASE BY PRIVATE COMPANY OUT OF CAPITAL

##### *Requirements for payment out of capital*

#### **718 Resolution authorising payment: disclosure of directors' statement and auditor's report U.K.**

- (1) This section applies to a resolution under section 716 (resolution authorising payment out of capital for redemption or purchase of own shares).
- (2) A copy of the directors' statement and auditor's report under section 714 must be made available to members—
  - (a) in the case of a written resolution, by being sent or submitted to every eligible member at or before the time at which the proposed resolution is sent or submitted to him;
  - (b) in the case of a resolution at a meeting, by being made available for inspection by members of the company at the meeting.
- (3) The resolution is ineffective if this requirement is not complied with.

**Changes to legislation:**

Companies Act 2006, Section 718 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.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act amendment to earlier affecting provision S.I. 2008/373 reg. 11(1) by [S.I. 2013/1971 reg. 9\(a\)](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)
- Act amendment to earlier affecting provision S.I. 2008/373 reg. 3(4) by [S.I. 2013/1971 reg. 4](#) (This amendment not applied to legislation.gov.uk. Amending Regulations revoked (1.10.2013) without ever being in force by S.I. 2013/2224, reg. 2)

**Whole provisions yet to be inserted into this Act (including any effects on those provisions):**

- s. 479A(2)(c)(zi) inserted by [S.I. 2019/177 reg. 4\(b\)\(i\)](#) (This amendment not applied to legislation.gov.uk. Reg. 4 substituted by regs. 4, 4A immediately before IP completion day by S.I. 2019/1392, regs. 1(2), 4)
- Sch. 2 Pt. 2 Section (A) para. 25(m) inserted by [2024 c. 13 Sch. 30 para. 30](#)
- Sch. 2 Pt. 2 Section (A) para. 25(j) omitted by [2024 c. 13 Sch. 21 para. 10](#)
- Sch. 2 Pt. 2 Section (A) para. 28 words substituted by [2024 c. 13 Sch. 18 para. 9\(2\)\(a\)\(i\)](#)
- Sch. 2 Pt. 2 Section (A) para. 29 words substituted by [2024 c. 13 Sch. 18 para. 9\(2\)\(a\)\(ii\)](#)
- Sch. 2 Pt. 2 Section (A) para. 36 words substituted by [2024 c. 13 Sch. 18 para. 9\(2\)\(b\)](#)
- Sch. 10 para. 6(2D) inserted by [S.I. 2019/177 reg. 28\(e\)](#) (This amendment not applied to legislation.gov.uk. Reg. 28(e) omitted immediately before IP completion day by virtue of S.I. 2020/523, regs. 1(2), 14(e)(iv))
- Sch. 10 para. 7(2A) inserted by [S.I. 2019/177 reg. 29\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 29 substituted immediately before IP completion day by S.I. 2020/523, regs. 1(2), 14(f))