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STATUTORY INSTRUMENTS

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**1986 No. 1032**

**The Companies (Northern Ireland) Order 1986**

PART VI

SHARE CAPITAL, ITS INCREASE, MAINTENANCE AND REDUCTION

CHAPTER VI

FINANCIAL ASSISTANCE BY A COMPANY FOR ACQUISITION OF ITS OWN SHARES

*Private companies*

***Relaxation of Article 161 for private companies***

**165.**

**165.**—<sup>F1</sup>(1) Article 161 does not prohibit a private company from giving financial assistance in a case where the acquisition of shares in question is or was an acquisition of shares in the company or, if it is a subsidiary of another private company, in that other company if the following provisions of this Article, and Articles 166 to 168, are complied with as respects the giving of that assistance.

(2) The financial assistance may only be given if the company has net assets which are not thereby reduced or, to the extent that they are reduced, if the assistance is provided out of distributable profits. Article 164(2) applies for the interpretation of this paragraph.

(3) This Article does not permit financial assistance to be given by a subsidiary in a case where the acquisition of shares in question is or was an acquisition of shares in its holding company, if it is also a subsidiary of a public company which is itself a subsidiary of that holding company.

(4) Unless the company proposing to give the financial assistance is a wholly-owned subsidiary, the giving of assistance under this Article must be approved by special resolution of the company in general meeting.

(5) Where the financial assistance is to be given by the company in a case where the acquisition of shares in question is or was an acquisition of shares in its holding company, that holding company and any other company which is both the company's holding company and a subsidiary of that other holding company (except, in any case, a company which is a wholly-owned subsidiary) shall also approve by special resolution in general meeting the giving of the financial assistance.

(6) The directors of the company proposing to give the financial assistance and, where the shares acquired or to be acquired are shares in its holding company, the directors of that company and of any other company which is both the company's holding company and a subsidiary of that other holding company shall before the financial assistance is given make a statutory declaration in the prescribed form complying with Article 166.]

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**Changes to legislation:** *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Companies (Northern Ireland) Order 1986. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)*

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**Annotations:**

**F1** [Art. 165](#) repealed (1.10.2008 with application as mentioned in art. 5(2) of the commencing S.I.) by [Companies Act 2006 \(c. 46\)](#), ss. 1284(2), 1295, 1300(2), [Sch. 16](#); S.I. 2007/3495, arts. 5(2), [8\(b\)](#), [Sch. 3 Pt. 2](#) (with arts. 7, 12, [Sch. 4 paras. 51, 52](#))

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

- Order applied (with modifications) by [S.I. 2011/245 Sch. 6 Pt. 1](#)
- Order modified by [S.I. 2009/317 art. 3 Sch.](#)
- Order savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2009/1801 Sch. 8](#)
- Order savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2009/1804 Sch. 1 2](#)

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

- s. 172D(3) words substituted by [S.I. 2007/1093 Sch. 3 para. 2](#)
- Sch. 4 para. 89 savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2008/948 art. 9\(1\)](#)
- Sch. 4 para. 88 savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2008/948 art. 9\(1\)\(2\)](#)
- Sch. 4 para. 87 savings for effects of 2006 c. 46 Sch. 16 by [S.I. 2008/948 art. 9\(2\)](#)
- Sch. 6 para. 15(a)(b) words repealed by [S.I. 2008/948 Sch. 1 para. 147\(1\)\(a\)](#) Sch. 2
- Sch. 6 para. 16(a)(b) words repealed by [S.I. 2008/948 Sch. 1 para. 147\(1\)\(b\)](#) Sch. 2
- Sch. 15D para. 16(j)(k) inserted by [S.I. 2008/1277 Sch. 2 para. 79\(b\)](#)
- Sch. 15D para. 16(h) revoked by [S.I. 2008/1277 Sch. 2 para. 79\(a\)](#) Sch. 4 Pt. 2
- Sch. 15D para. 36 words substituted by [S.I. 2007/1093 Sch. 4 para. 54\(a\)](#)
- Sch. 15D para. 36 words substituted by [S.I. 2007/1093 Sch. 4 para. 54\(b\)](#)
- Sch. 15D para. 1 words substituted by [S.I. 2008/948 Sch. 1 para. 149](#)
- art. 21(2)(ba)(bb) substituted for art. 21(2)(b) by [S.I. 2008/948 Sch. 1 para. 113](#)
- art. 250A(2A) inserted by [S.R. 2008/133 reg. 2\(2\)](#)
- art. 372(1)(j) added by [S.R. 2008/379 reg. 2\(2\)](#)
- art. 372A heading text amended by [S.R. 2008/379 reg. 3\(a\)](#)
- art. 372B-372D inserted by [S.R. 2008/379 reg. 4](#)
- art. 446D and cross-heading inserted by [S.I. 2008/948 Sch. 1 para. 141](#)

### **Commencement Orders yet to be applied to the The Companies (Northern Ireland) Order 1986**

#### **Commencement Orders bringing legislation that affects this Order into force:**

- [S.I. 2007/1093 art. 2 5 Sch. 2](#) commences (2006 c. 46)
- [S.I. 2007/2194 art. 2-5 8 Sch. 2](#) commences (2006 c. 46)
- [S.I. 2007/2607 art. 2](#) commences (2006 c. 46)
- [S.I. 2007/3495 art. 3-5 8 Sch. 2 3](#) commences (2006 c. 46)
- [S.I. 2008/674 art. 2](#) commences (2006 c. 46)
- [S.I. 2008/1886 art. 2](#) commences (2006 c. 46)
- [S.I. 2008/2860 art. 3 4 Sch. 1](#) commences (2006 c. 46)
- [S.I. 2009/296 art. 2 3 Sch.](#) commences (2009 c. 1)
- [S.I. 2009/1604 art. 2](#) commences (2005 c. 4)
- [S.R. 2007/95 art. 2](#) commences (S.I. 1986/1032 (N.I.))
- [S.R. 2007/194 art. 2 Sch.](#) commences (S.I. 2006/3336 (N.I.))
- [S.R. 2013/145 art. 2 Sch.](#) commences (2008 c. 12 (N.I.))