



# Companies Act 2006

## 2006 CHAPTER 46

### PART 27

#### MERGERS AND DIVISIONS OF PUBLIC COMPANIES

### CHAPTER 2

#### MERGER

*Exceptions where shares of transferor company held by transferee company*

#### **915 Circumstances in which certain particulars and reports not required (merger)**

- (1) This section applies in the case of a merger by absorption where all of the relevant securities of the transferor company (or, if there is more than one transferor company, of each of them) are held by or on behalf of the transferee company.
- (2) The draft terms of the scheme need not give the particulars mentioned in section 905(2) (b), (c) or (d) (particulars relating to allotment of shares to members of transferor company).
- (3) Section 897 (explanatory statement to be circulated or made available) does not apply.
- (4) The requirements of the following sections do not apply—  
section 908 (directors' explanatory report),  
section 909 (expert's report).
- (5) The requirements of section 911 (inspection of documents) so far as relating to any document required to be drawn up under the provisions mentioned in [F1 subsection (4)] above do not apply.
- (6) In this section “relevant securities”, in relation to a company, means shares or other securities carrying the right to vote at general meetings of the company.

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*Changes to legislation: Companies Act 2006, Cross Heading: Exceptions where shares of transferor company held by transferee company is up to date with all changes known to be in force on or before 07 July 2018. 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. (See end of Document for details)*

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**Annotations:**

**Amendments (Textual)**

- F1** Word in s. 915(5) substituted (12.5.2011) by [The Companies Act 2006 \(Consequential Amendments and Transitional Provisions\) Order 2011 \(S.I. 2011/1265\)](#), **art. 28(4)**

**[<sup>F2</sup>915A Other circumstances in which reports and inspection not required (merger)**

- (1) #This section applies in the case of a merger by absorption where 90% or more (but not all) of the relevant securities of the transferor company (or, if there is more than one transferor company, of each of them) are held by or on behalf of the transferee company.
- (2) If the conditions in subsections (3) and (4) are met, the requirements of the following sections do not apply—
  - (a) section 908 (directors' explanatory report),
  - (b) section 909 (expert's report),
  - (c) section 910 (supplementary accounting statement),
  - (d) section 911 (inspection of documents), and
  - (e) section 911B (report on material changes of assets of merging company).
- (3) The first condition is that the scheme provides that every other holder of relevant securities has the right to require the transferee company to acquire those securities.
- (4) The second condition is that, if a holder of securities exercises that right, the consideration to be given for those securities is fair and reasonable.
- (5) The powers of the court under section 900(2) (power to facilitate reconstruction or amalgamation) include the power to determine, or make provision for the determination of, the consideration to be given for securities acquired under this section.
- (6) In this section—
 

“ other holder ” means a person who holds securities of the transferor company otherwise than on behalf of the transferee company (and does not include the transferee company itself);

“ relevant securities ”, in relation to a company, means shares or other securities carrying the right to vote at general meetings of the company. ]

**Annotations:**

**Amendments (Textual)**

- F2** S. 915A inserted (1.8.2011 with application in accordance with reg. 1(2)) by [The Companies \(Reporting Requirements in Mergers and Divisions\) Regulations 2011 \(S.I. 2011/1606\)](#), **reg. 14**

**916 Circumstances in which meeting of members of transferee company not required (merger)**

- (1) This section applies in the case of a merger by absorption where 90% or more (but not all) of the relevant securities of the transferor company (or, if there is more than

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one transferor company, of each of them) are held by or on behalf of the transferee company.

(2) It is not necessary for the scheme to be approved at a meeting of the members, or any class of members, of the transferee company if the court is satisfied that the following conditions have been complied with.

[<sup>F3</sup>(3) The first condition is that either subsection (3A) or subsection (3B) is satisfied.

(3A) This subsection is satisfied if publication of notice of receipt of the draft terms by the registrar took place in respect of the transferee company at least one month before the date of the first meeting of members, or any class of members, of the transferor company summoned for the purpose of agreeing to the scheme.

(3B) This subsection is satisfied if—

- (a) the conditions in section 906A(2) to (4) are met in respect of the transferee company,
- (b) the registrar published the notice mentioned in subsection (4) of that section in the Gazette at least one month before the date of the first meeting of members, or any class of members, of the transferor company summoned for the purpose of agreeing to the scheme, and
- (c) the draft terms remained available on the website throughout the period beginning one month before, and ending on, that date.]

[<sup>F4</sup>(4) The second condition is that subsection (4A) or (4B) is satisfied for each of the documents listed in the applicable paragraphs of section 911(3)(a) to (f) relating to the transferee company and the transferor company (or, if there is more than one transferor company, each of them).

(4A) This subsection is satisfied for a document if the members of the transferee company were able during the period beginning one month before, and ending on, the date mentioned in subsection (3A) to inspect that document at the registered office of that company.

(4B) This subsection is satisfied for a document if—

- (a) the document is made available on a website which is maintained by or on behalf of the transferee company and identifies the company,
- (b) access to the document on the website is not conditional on the payment of a fee or otherwise restricted, and
- (c) the document remains available on the website throughout the period beginning one month before, and ending on, the date mentioned in subsection (3A).

(4C) The third condition is that the members of the transferee company were able to obtain copies of the documents mentioned in subsection (4), or any part of those documents, on request and free of charge, throughout the period beginning one month before, and ending on, the date mentioned in subsection (3A).

(4D) For the purposes of subsection (4C)—

- (a) section 911A(5) applies as it applies for the purposes of section 911(1)(b), and
- (b) Part 4 of Schedule 5 (communications by means of a website) does not apply.]

(5) The [<sup>F5</sup>fourth] condition is that—

- (a) one or more members of the transferee company, who together held not less than 5% of the paid-up capital of the company which carried the right to vote

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at general meetings of the company (excluding any shares in the company held as treasury shares) would have been able, during that period, to require a meeting of each class of members to be called for the purpose of deciding whether or not to agree to the scheme, and

(b) no such requirement was made.

(6) In this section “relevant securities”, in relation to a company, means shares or other securities carrying the right to vote at general meetings of the company.

**Annotations:**

**Amendments (Textual)**

- F3** S. 916(3)(3A)(3B) substituted (1.8.2011 with application in accordance with reg. 1(2)) for s. 916(3) by [The Companies \(Reporting Requirements in Mergers and Divisions\) Regulations 2011 \(S.I. 2011/1606\)](#), [reg. 15\(2\)](#)
- F4** S. 916(4A)-(4D) substituted (1.8.2011 with application in accordance with reg. 1(2)) for s. 916(4) by [The Companies \(Reporting Requirements in Mergers and Divisions\) Regulations 2011 \(S.I. 2011/1606\)](#), [reg. 15\(3\)](#)
- F5** Word in s. 916(5) substituted (1.8.2011 with application in accordance with reg. 1(2)) by [The Companies \(Reporting Requirements in Mergers and Divisions\) Regulations 2011 \(S.I. 2011/1606\)](#), [reg. 15\(4\)](#)

**917 Circumstances in which no meetings required (merger)**

(1) This section applies in the case of a merger by absorption where all of the relevant securities of the transferor company (or, if there is more than one transferor company, of each of them) are held by or on behalf of the transferee company.

(2) It is not necessary for the scheme to be approved at a meeting of the members, or any class of members, of any of the merging companies if the court is satisfied that the following conditions have been complied with.

[<sup>F6</sup>(3) The first condition is that either subsection (3A) or subsection (3B) is satisfied.

(3A) This subsection is satisfied if publication of notice of receipt of the draft terms by the registrar took place in respect of all the merging companies at least one month before the date of the court's order.

(3B) This subsection is satisfied if—

- (a) the conditions in section 906A(2) to (4) are met in respect of each of the merging companies,
- (b) in each case, the registrar published the notice mentioned in subsection (4) of that section in the Gazette at least one month before the date of the court's order, and
- (c) the draft terms remained available on the website throughout the period beginning one month before, and ending on, that date.]

[<sup>F7</sup>(4) The second condition is that subsection (4A) or (4B) is satisfied for each of the documents listed in the applicable paragraphs of section 911(3)(a) to (f) relating to the transferee company and the transferor company (or, if there is more than one transferor company, each of them).

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- (4A) This subsection is satisfied for a document if the members of the transferee company were able during the period beginning one month before, and ending on, the date mentioned in subsection (3A) to inspect that document at the registered office of that company.
- (4B) This subsection is satisfied for a document if—
- (a) the document is made available on a website which is maintained by or on behalf of the transferee company and identifies the company,
  - (b) access to the document on the website is not conditional on the payment of a fee or otherwise restricted, and
  - (c) the document remains available on the website throughout the period beginning one month before, and ending on, the date mentioned in subsection (3A).
- (4C) The third condition is that the members of the transferee company were able to obtain copies of the documents mentioned in subsection (4), or any part of those documents, on request and free of charge, throughout the period beginning one month before, and ending on, the date mentioned in subsection (3A).
- (4D) For the purposes of subsection (4C)—
- (a) section 911A(5) applies as it applies for the purposes of section 911(1)(b), and
  - (b) Part 4 of Schedule 5 (communications by means of a website) does not apply.]
- (5) The [<sup>F8</sup>fourth] condition is that—
- (a) one or more members of the transferee company, who together held not less than 5% of the paid-up capital of the company which carried the right to vote at general meetings of the company (excluding any shares in the company held as treasury shares) would have been able, during that period, to require a meeting of each class of members to be called for the purpose of deciding whether or not to agree to the scheme, and
  - (b) no such requirement was made.
- (6) In this section “relevant securities”, in relation to a company, means shares or other securities carrying the right to vote at general meetings of the company.

**Annotations:**

**Amendments (Textual)**

- F6** S. 917(3)-(3B) substituted (1.8.2011 with application in accordance with reg. 1(2)) for s. 917(3) by [The Companies \(Reporting Requirements in Mergers and Divisions\) Regulations 2011 \(S.I. 2011/1606\)](#), [reg. 16\(2\)](#)
- F7** S. 917(4)-(4D) substituted (1.8.2011 with application in accordance with reg. 1(2)) for s. 917(4) by [The Companies \(Reporting Requirements in Mergers and Divisions\) Regulations 2011 \(S.I. 2011/1606\)](#), [reg. 16\(3\)](#)
- F8** Word in s. 917(5) substituted (1.8.2011 with application in accordance with reg. 1(2)) by [The Companies \(Reporting Requirements in Mergers and Divisions\) Regulations 2011 \(S.I. 2011/1606\)](#), [reg. 16\(4\)](#)

**Changes to legislation:**

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**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. 156A-156C inserted by [2015 c. 26 s. 87\(4\)](#)