



Companies Act 2006

2006 CHAPTER 46

PART 17

A COMPANY'S SHARE CAPITAL

CHAPTER 2

ALLOTMENT OF SHARES: GENERAL PROVISIONS

Prohibition of commissions, discounts and allowances

553 Permitted commission

- (1) A company may, if the following conditions are satisfied, pay a commission to a person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for shares in the company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for shares in the company.
- (2) The conditions are that—
 - (a) the payment of the commission is authorised by the company's articles; and
 - (b) the commission paid or agreed to be paid does not exceed—
 - (i) 10% of the price at which the shares are issued, or
 - (ii) the amount or rate authorised by the articles,whichever is the less.
- (3) A vendor to, or promoter of, or other person who receives payment in money or shares from, a company may apply any part of the money or shares so received in payment of any commission the payment of which directly by the company would be permitted by this section.