



# Companies Act 2006

## 2006 CHAPTER 46

### PART 18

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

### CHAPTER 2

#### FINANCIAL ASSISTANCE FOR PURCHASE OF OWN SHARES

#### *Supplementary*

#### **683 Definitions for this Chapter**

(1) In this Chapter—

“distributable profits”, in relation to the giving of any financial assistance—

- (a) means those profits out of which the company could lawfully make a distribution equal in value to that assistance, and
- (b) includes, in a case where the financial assistance consists of or includes, or is treated as arising in consequence of, the sale, transfer or other disposition of a non-cash asset, any profit that, if the company were to make a distribution of that character would be available for that purpose (see section 846); and

“distribution” has the same meaning as in Part 23 (distributions) (see section 829).

(2) In this Chapter—

- (a) a reference to a person incurring a liability includes his changing his financial position by making an agreement or arrangement (whether enforceable or unenforceable, and whether made on his own account or with any other person) or by any other means, and
- (b) a reference to a company giving financial assistance for the purposes of reducing or discharging a liability incurred by a person for the purpose of

**Status:** *This is the original version (as it was originally enacted).*

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the acquisition of shares includes its giving such assistance for the purpose of wholly or partly restoring his financial position to what it was before the acquisition took place.