



Companies Act 2006

2006 CHAPTER 46

PART 18

ACQUISITION BY LIMITED COMPANY OF ITS OWN SHARES

CHAPTER 4

PURCHASE OF OWN SHARES

Authority for purchase of own shares

693 Authority for purchase of own shares

- (1) A limited company may only purchase its own shares—
 - (a) by an off-market purchase, in pursuance of a contract approved in advance in accordance with section 694;
 - (b) by a market purchase, authorised in accordance with section 701.
- (2) A purchase is “off-market” if the shares either—
 - (a) are purchased otherwise than on a recognised investment exchange, or
 - (b) are purchased on a recognised investment exchange but are not subject to a marketing arrangement on the exchange.
- (3) For this purpose a company’s shares are subject to a marketing arrangement on a recognised investment exchange if—
 - (a) they are listed under Part 6 of the Financial Services and Markets Act 2000 (c. 8), or
 - (b) the company has been afforded facilities for dealings in the shares to take place on the exchange—
 - (i) without prior permission for individual transactions from the authority governing that investment exchange, and

Status: This is the original version (as it was originally enacted).

- (ii) without limit as to the time during which those facilities are to be available.
- (4) A purchase is a “market purchase” if it is made on a recognised investment exchange and is not an off-market purchase by virtue of subsection (2)(b).
- (5) In this section “recognised investment exchange” means a recognised investment exchange (within the meaning of Part 18 of the Financial Services and Markets Act 2000) other than an overseas exchange (within the meaning of that Part).