



# Companies Act 2006

## 2006 CHAPTER 46

### PART 18

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

### CHAPTER 5

#### REDEMPTION OR PURCHASE BY PRIVATE COMPANY OUT OF CAPITAL

##### *Requirements for payment out of capital*

#### **716 Payment to be approved by special resolution**

- (1) The payment out of capital must be approved by a special resolution of the company.
- (2) The resolution must be passed on, or within the week immediately following, the date on which the directors make the statement required by section 714.
- (3) A resolution under this section is subject to—  
section 717 (exercise of voting rights), and  
section 718 (disclosure of directors' statement and auditors' report).

**Changes to legislation:**

There are currently no known outstanding effects for the Companies Act 2006, Section 716.