HMRC - STSM071070 - Introduction: Issues Of Shares In Public Companies

Shares in private companies cannot be offered for sale to the general public and are generally issued to the founders of the company. For public companies, there are two categories of share issue, primary and secondary.

A primary issue of shares is an issue that takes place when a company is first admitted to a stock exchange. Sometimes this is known as the Initial Public Offering (IPO) or offer for sale (STSM071080).

A secondary issue of shares is an issue of new shares by a company that is already listed on a stock exchange. Common examples are rights issues (STSM072020) and bonus or scrip issues (STSM072010).

Previous page

Next page