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Companies Act 2006 c. 46

s. 755 Prohibition of public offers by private company

Law In Force

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Subjects

Company law

Keywords

Companies limited by guarantee; Companies limited by shares; Private companies; Public offers; Securities; Share capital

755 Prohibition of public offers by private company

- (1) A private company limited by shares or limited by guarantee and having a share capital must not—
 - (a) offer to the public any securities of the company, or
 - (b) allot or agree to allot any securities of the company with a view to their being offered to the public.
- (2) Unless the contrary is proved, an allotment or agreement to allot securities is presumed to be made with a view to their being offered to the public if an offer of the securities (or any of them) to the public is made—
 - (a) within six months after the allotment or agreement to allot, or
 - (b) before the receipt by the company of the whole of the consideration to be received by it in respect of the securities.
- (3) A company does not contravene this section if—
 - (a) it acts in good faith in pursuance of arrangements under which it is to re-register as a public company before the securities are allotted, or
 - (b) as part of the terms of the offer it undertakes to re-register as a public company within a specified period, and that undertaking is complied with.
- (4) The specified period for the purposes of subsection (3)(b) must be a period ending not later than six months after the day on which the offer is made (or, in the case of an offer made on different days, first made).
- (5) In this Chapter “securities” means shares or debentures.

Part 20 PRIVATE AND PUBLIC COMPANIES > Chapter 1 PROHIBITION OF PUBLIC OFFERS BY PRIVATE COMPANIES > s. 755 Prohibition of public offers by private company

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