

Calling all company secretaries and directors of UK incorporated London Stock Exchange listed companies undertaking share buybacks – are you filing the correct forms with Companies House by the relevant deadlines?

A significant number of London Stock Exchange companies, especially closed ended investment companies, are buying back shares, via the market, as a method of discount control. For those which are UK incorporated, not all appear to be aware of what forms they need to file with Companies House and the applicable deadlines.

Forms to be used

- If shares have been bought back to be held in treasury – SH03 (return of purchase of own shares).
- If shares have been bought back to be cancelled – SH03 (return of purchase of own shares) AND SH06 (notice of cancellation of shares).

Some companies erroneously file SH07's instead of SH06's, potentially due to the title of the form (notice of cancellation of shares held by or for a public company).

SH06 forms should be used for shares purchased under Chapter 4 (purchase of own shares), of Part 18, Companies Act 2006.

SH07 forms should only be filed if the circumstances in s662 of the Companies Act 2006 apply, this does not include the market purchase of own shares.

Deadlines

The Companies Act 2006 has always stated deadlines to file the above forms with Companies House, however historically there have been no apparent consequences for late filing. This will likely change due to the Economic Crime and Corporate Transparency Act 2023 and the greater gatekeeper and enforcement role that Companies House will undertake in the future.

- SH03 – must be filed within 28 days of the shares being delivered to the company (s707(1) Companies Act 2006)
- SH06 – must be filed within 28 days of the shares being delivered to the company (s708(1) Companies Act 2006)

Next steps for company secretaries and directors:

- Are the correct forms for share buybacks being filed at Companies House?
- Are the forms filed within the applicable deadline?
- How are Companies House filings monitored and reported to the Board?

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