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SCHEDULES

SCHEDULE 11

Section 103(6).

OFFERS OF SECURITIES

The general rule

- 1 (1) A person offers securities to the public in the United Kingdom if—
- (a) to the extent that the offer is made to persons in the United Kingdom, it is made to the public; and
 - (b) the offer is not an exempt offer.
- (2) For this purpose, an offer which is made to any section of the public, whether selected—
- (a) as members or debenture holders of a body corporate,
 - (b) as clients of the person making the offer, or
 - (c) in any other manner,
- is to be regarded as made to the public.

Exempt offers

- 2 (1) For the purposes of this Schedule, an offer of securities is an “exempt offer” if, to the extent that the offer is made to persons in the United Kingdom—
- (a) the condition specified in any of paragraphs 3 to 24 is satisfied in relation to the offer; or
 - (b) the condition specified in one relevant paragraph is satisfied in relation to part, but not the whole, of the offer and, in relation to each other part of the offer, the condition specified in a different relevant paragraph is satisfied.
- (2) The relevant paragraphs are 3 to 8, 12 to 18 and 21.

Offers for business purposes

- 3 The securities are offered to persons—
- (a) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, or
 - (b) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,
- or are otherwise offered to persons in the context of their trades, professions or occupations.

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Offers to limited numbers

- 4
- (1) The securities are offered to no more than fifty persons.
 - (2) In determining whether this condition is satisfied, the offer is to be taken together with any other offer of the same securities which was—
 - (a) made by the same person;
 - (b) open at any time within the period of 12 months ending with the date on which the offer is first made; and
 - (c) not an offer to the public in the United Kingdom by virtue of this condition being satisfied.
 - (3) For the purposes of this paragraph—
 - (a) the making of an offer of securities to trustees or members of a partnership in their capacity as such, or
 - (b) the making of such an offer to any other two or more persons jointly,is to be treated as the making of an offer to a single person.

Clubs and associations

- 5
- The securities are offered to the members of a club or association (whether or not incorporated) and the members can reasonably be regarded as having a common interest with each other and with the club or association in the affairs of the club or association and in what is to be done with the proceeds of the offer.

Restricted circles

- 6
- (1) The securities are offered to a restricted circle of persons whom the offeror reasonably believes to be sufficiently knowledgeable to understand the risks involved in accepting the offer.
 - (2) In determining whether a person is sufficiently knowledgeable to understand the risks involved in accepting an offer of securities, any information supplied by the person making the offer is to be disregarded, apart from information about—
 - (a) the issuer of the securities; or
 - (b) if the securities confer the right to acquire other securities, the issuer of those other securities.

Underwriting agreements

- 7
- The securities are offered in connection with a genuine invitation to enter into an underwriting agreement with respect to them.

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Offers to public authorities

- 8 (1) The securities are offered to a public authority.
- (2) “Public authority” means—
- (a) the government of the United Kingdom;
 - (b) the government of any country or territory outside the United Kingdom;
 - (c) a local authority in the United Kingdom or elsewhere;
 - (d) any international organisation the members of which include the United Kingdom or another EEA State; and
 - (e) such other bodies, if any, as may be specified.

Maximum consideration

- 9 (1) The total consideration payable for the securities cannot exceed 40,000 euros (or an equivalent amount).
- (2) In determining whether this condition is satisfied, the offer is to be taken together with any other offer of the same securities which was—
- (a) made by the same person;
 - (b) open at any time within the period of 12 months ending with the date on which the offer is first made; and
 - (c) not an offer to the public in the United Kingdom by virtue of this condition being satisfied.
- (3) An amount (in relation to an amount denominated in euros) is an “equivalent amount” if it is an amount of equal value, calculated at the latest practicable date before (but in any event not more than 3 days before) the date on which the offer is first made, denominated wholly or partly in another currency or unit of account.

Minimum consideration

- 10 (1) The minimum consideration which may be paid by any person for securities acquired by him pursuant to the offer is at least 40,000 euros (or an equivalent amount).
- (2) Paragraph 9(3) also applies for the purposes of this paragraph.

Securities denominated in euros

- 11 (1) The securities are denominated in amounts of at least 40,000 euros (or an equivalent amount).
- (2) Paragraph 9(3) also applies for the purposes of this paragraph.

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Takeovers

- 12 (1) The securities are offered in connection with a takeover offer.
- (2) “Takeover offer” means—
- (a) an offer to acquire shares in a body incorporated in the United Kingdom which is a takeover offer within the meaning of the takeover provisions (or would be such an offer if those provisions applied in relation to any body corporate);
 - (b) an offer to acquire all or substantially all of the shares, or of the shares of a particular class, in a body incorporated outside the United Kingdom; or
 - (c) an offer made to all the holders of shares, or of shares of a particular class, in a body corporate to acquire a specified proportion of those shares.
- (3) “The takeover provisions” means—
- (a) Part XIII A of the ^{M1}Companies Act 1985; or
 - (b) in relation to Northern Ireland, Part XIVA of the ^{M2}Companies (Northern Ireland) Order 1986.
- (4) For the purposes of sub-paragraph (2)(b), any shares which the offeror or any associate of his holds or has contracted to acquire are to be disregarded.
- (5) For the purposes of sub-paragraph (2)(c), the following are not to be regarded as holders of the shares in question—
- (a) the offeror;
 - (b) any associate of the offeror; and
 - (c) any person whose shares the offeror or any associate of the offeror has contracted to acquire.
- (6) “Associate” has the same meaning as in—
- (a) section 430E of the ^{M3}Companies Act 1985; or
 - (b) in relation to Northern Ireland, Article 423E of the ^{M4}Companies (Northern Ireland) Order 1986.

Marginal Citations

- M1** 1985 c. 6.
M2 S.I. 1986/1032 (N.I. 6).
M3 1985 c. 6.
M4 S.I. 1986/1032 (N.I. 6).

Mergers

- 13 The securities are offered in connection with a merger (within the meaning of Council Directive No. [78/855/EEC](#)).

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Free shares

- 14 (1) The securities are shares and are offered free of charge to any or all of the holders of shares in the issuer.
- (2) “Holders of shares” means the persons who at the close of business on a date—
- (a) specified in the offer, and
 - (b) falling within the period of 60 days ending with the date on which the offer is first made,
- were holders of such shares.

Exchange of shares

- 15 The securities—
- (a) are shares, or investments of a specified kind relating to shares, in a body corporate, and
 - (b) are offered in exchange for shares in the same body corporate,
- and the offer cannot result in any increase in the issued share capital of the body corporate.

Qualifying persons

- 16 (1) The securities are issued by a body corporate and are offered—
- (a) by the issuer, by a body corporate connected with the issuer or by a relevant trustee;
 - (b) only to qualifying persons; and
 - (c) on terms that a contract to acquire any such securities may be entered into only by the qualifying person to whom they were offered or, if the terms of the offer so permit, any qualifying person.
- (2) A person is a “qualifying person”, in relation to an issuer, if he is a genuine employee or former employee of the issuer or of another body corporate in the same group or the wife, husband, widow, widower or child or stepchild under the age of eighteen of such an employee or former employee.
- (3) In relation to an issuer of securities, “connected with” has such meaning as may be prescribed.
- (4) “Group” and “relevant trustee” have such meaning as may be prescribed.

Convertible securities

- 17 (1) The securities result from the conversion of convertible securities and listing particulars (or a prospectus) relating to the convertible securities were (or was) published in the United Kingdom under or by virtue of Part VI or such other provisions applying in the United Kingdom as may be specified.

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- (2) “Convertible securities” means securities of a specified kind which can be converted into, or exchanged for, or which confer rights to acquire, other securities.
- (3) “Conversion” means conversion into or exchange for, or the exercise of rights conferred by the securities to acquire, other securities.

Charities

- 18 The securities are issued by—
- (a) a charity within the meaning of—
 - (i) section 96(1) of the ^{M5}Charities Act 1993, or
 - (ii) section 35 of the ^{M6}Charities Act (Northern Ireland) 1964,
 - (b) a recognised body within the meaning of section 1(7) of the ^{M7}Law Reform (Miscellaneous Provisions) (Scotland) Act 1990,
 - (c) a housing association within the meaning of—
 - (i) section 5(1) of the ^{M8}Housing Act 1985,
 - (ii) section 1 of the ^{M9}Housing Associations Act 1985, or
 - (iii) Article 3 of the ^{M10}Housing (Northern Ireland) Order 1992,
 - (d) an industrial or provident society registered in accordance with—
 - (i) section 1(2)(b) of the ^{M11}Industrial and Provident Societies Act 1965, or
 - (ii) section 1(2)(b) of the ^{M12}Industrial and Provident Societies Act 1969, or
 - (e) a non-profit making association or body, recognised by the country or territory in which it is established, with objectives similar to those of a body falling within any of paragraphs (a) to (c),
- and the proceeds of the offer will be used for the purposes of the issuer’s objectives.

Marginal Citations

M5	1993 c. 10.
M6	1964 c. 33 (N.I.)
M7	1990 c. 40.
M8	1985 c. 68.
M9	1985 c. 69.
M10	S.I. 1992/1725 (N.I. 10).
M11	1965 c. 12.
M12	1969 c. 24 (N.I.).

Building societies etc.

- 19 The securities offered are shares which are issued by, or ownership of which entitles the holder to membership of or to obtain the benefit of services provided by—
- (a) a building society incorporated under the law of, or of any part of, the United Kingdom;

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- (b) any body incorporated under the law of, or of any part of, the United Kingdom relating to industrial and provident societies or credit unions; or
- (c) a body of a similar nature established in another EEA State.

Euro-securities

- 20 (1) The securities offered are Euro-securities and no advertisement relating to the offer is issued in the United Kingdom, or is caused to be so issued—
- (a) by the issuer of the Euro-securities;
 - (b) by any credit institution or other financial institution through which the Euro-securities may be acquired pursuant to the offer; or
 - (c) by any body corporate which is a member of the same group as the issuer or any of those institutions.
- (2) But sub-paragraph (1) does not apply to an advertisement of a prescribed kind.
- (3) “Euro-securities” means investments which—
- (a) are to be underwritten and distributed by a syndicate at least two of the members of which have their registered offices in different countries or territories;
 - (b) are to be offered on a significant scale in one or more countries or territories, other than the country or territory in which the issuer has its registered office; and
 - (c) may be acquired pursuant to the offer only through a credit institution or other financial institution.
- (4) “Credit institution” means a credit institution as defined in Article 1 of [F1the banking consolidation directive].
- (5) “Financial institution” means a financial institution as defined in Article 1 of [F1the banking consolidation directive].
- (6) “Underwritten” means underwritten by whatever means, including by acquisition or subscription, with a view to resale.

Textual Amendments

F1 Words in Sch. 11 para. 20(4)(5) substituted (22.11.2000) by S.I. 2000/2952, reg. 8(6)(a)(b)

Same class securities

- 21 The securities are of the same class, and were issued at the same time, as securities in respect of which a prospectus has been published under or by virtue of—
- (a) Part VI;
 - (b) Part III of the ^{M13}Companies Act 1985; or
 - (c) such other provisions applying in the United Kingdom as may be specified.

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Marginal Citations

M13 1985 c. 6.

Short date securities

- 22 The securities are investments of a specified kind with a maturity of less than one year from their date of issue.

Government and public securities

- 23 (1) The securities are investments of a specified kind creating or acknowledging indebtedness issued by or on behalf of a public authority.
- (2) “Public authority” means—
- (a) the government of the United Kingdom;
 - (b) the government of any country or territory outside the United Kingdom;
 - (c) a local authority in the United Kingdom or elsewhere;
 - (d) any international organisation the members of which include the United Kingdom or another EEA State; and
 - (e) such other bodies, if any, as may be specified.

Modifications etc. (not altering text)

C1 Sch. 11 para. 23 extended (24.6.2003) by The Uncertificated Securities (Amendment) (Eligible Debt Securities) Regulations 2003 (S.I. 2003/1633), regs. 1(1), 15, Sch. 2 para. 8(2)(h)

Non-transferable securities

- 24 The securities are not transferable.

VALID FROM 14/09/2001

Units in a collective investment scheme

[^{F2}24A The securities are units (as defined by section 237(2)) in a collective investment scheme.]

Textual Amendments

F2 Sch. 11 para. 24A and cross-heading inserted (14.9.2001) by S.I. 2001/2955, regs. 1, 2(b)

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General definitions

- 25 For the purposes of this Schedule—
“shares” has such meaning as may be specified; and
“specified” means specified in an order made by the Treasury.

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