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UPDATE – DIS WORDING AND C

CHF – SH03Return of Purchase

A purchase of own shares is when a company purchases its own shares from an existing shareholder and the shares purchased are then cancelled. Please see “[Own Share Purchase out of Capital – Guidance](#)” for more information.

There are several conditions that a company must fulfil in order to be able to purchase its own shares.

The purchase of own shares is subject to stamp duty. If stamp duty is to be paid, a company should send an electronic version of the return to the Revenue & Customs Stamp Office and pay the appropriate stamp duty. The company must also send a letter confirming payment of stamp duty, which the company should send to Companies House together with form SH03 within 28 days of the purchase of own shares. Failure to do so is an offence under the Companies Act 2006. Failure to do so in default is liable to a fine if found guilty.

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