

Companies Act 2006 - Implementation Timetable

Please note this table is intended to provide guidance on the commencement dates for key provisions of the Companies Act 2006, it is not a definitive guide and it is not a substitute for legal advice.

Key provisions commencing on 1 October 2007	
Part 9	<p>Exercise of members' rights</p> <p>This part introduces new rights for indirect investors. People who hold shares in listed companies on behalf of indirect investors will be able to nominate the indirect investor to receive shareholder information.</p>
Part 10	<p>A company's directors</p> <p>This part includes various provisions in relation to directors including the following:</p> <ul style="list-style-type: none"> • the new statement of directors' duties is set out in the Act. (please note that those duties relating to directors' conflicts and duty to declare interests will not be effective until 1 October 2008) • the rules governing transactions with directors have been relaxed and made more consistent • directors will be able to provide a service address to Companies House, meaning their residential addresses can be kept from the public register (although this part will not be effective until 1 October 2008) • the minimum age for a director will be 16, and all companies will need at least one "natural" director (as opposed to corporate directors)
Part 11	<p>Derivative claims and proceedings by members</p> <p>This part implements the new court procedure under which shareholders of companies can bring an action against directors on behalf of the company in respect of negligence, breach of duty, default or a breach of trust.</p>
Part 13	<p>Resolutions and meetings</p> <p>This part contains new, simpler provisions for private companies in respect of shareholder meetings including the</p>

	<p>following:</p> <ul style="list-style-type: none"> • it will no longer be necessary for private companies to hold an AGM although they can do if they wish • the written resolution procedure will be simplified (written resolutions will no longer require unanimous consent) • notice periods will be standardised to 14 days <p>The provisions in this part relating to electronic communications were implemented in January this year.</p>
Part 15	<p>Contents of the directors' report - the business review</p> <p>Section 417 will come into force, requiring the directors' report of all companies (other than those subject to the small companies regime) to contain a business review. This must contain a review of the company's business and a description of the principal risks and uncertainties facing the company. The rest of the provisions on accounts and reports will be implemented on 6 April 2008.</p>
Part 29	<p>Fraudulent trading</p> <p>The current offence of fraudulent trading is re-enacted, largely unchanged, except for an increase in the maximum penalties for the offence, from six to twelve months on summary conviction and from seven to ten years on indictment.</p>
Part 30	<p>Protection of members against unfair prejudice</p> <p>This part re-enacts the current provisions on protection of members against unfair prejudice</p>

Key provisions commencing on 6 April 2008

Part 12	<p>Company secretaries</p> <p>Under these new provisions, it will not be necessary for a private company to have a company secretary although they can do so if they wish and should be aware that the duties performed by the company secretary will still need to be undertaken.</p>
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Part 15	<p>Accounts and reports</p> <p>Other than the business review provision, the new provisions on accounts and reports will be implemented, including a separate and comprehensive code of accounting and reporting requirements for small companies. The time period for filing accounts of a private company will be reduced from 10 months to 9 months. As there is no longer a requirement for private companies to hold an AGM, the 9 month period is now linked to the end of the relevant accounting period. For public companies the period will be reduced from 7 to 6 months.</p>
Part 16	<p>Audit</p> <p>The provisions on audit are to be re-enacted; one of the key changes is that auditors will be able to limit their liability.</p>

Key provisions commencing on 1 October 2008

Parts 1 - 6	<p>General introductory provisions, company formation, a company's constitution, a company's capacity and related matters, a company's name and a company's registered office.</p> <p>Under the new provisions various aspects of setting up a company will be simpler, including the following:</p> <ul style="list-style-type: none"> • forming a company will be easier - one person will be able to form any type of company • the memorandum of association of companies will be reduced to a simple form • there will be no need to have "objects" clauses • new, simpler model articles of association will be available for use.
Part 7	Re-registration as a means of altering a company's status
Part 8	A company's members, including provisions on the register of members
Part 10	A company's directors

	The remainder of the provisions on directors (i.e. the provisions on directors' duties to avoid conflicts, directors' residential addresses and underage and natural directors) will be implemented.
Part 17	A company's share capital Pursuant to this part, it will be possible for a private company to reduce its share capital without the need for a court order
Part 18	Acquisition by limited company of its own shares This part will bring into effect the welcome abolition of the prohibition on private companies giving financial assistance in respect of the acquisition of its own shares.
Part 24	A company's annual return
Part 25	Company charges