



Companies Act Update 2006

1 October 2007 changes

At our breakfast briefing on the Companies Act 2006 earlier this year, we promised to keep you updated on developments regarding implementation of the Act.

We have already circulated a briefing note on various provisions of the Act, which came into force on 20 January 2007. These included new rules setting out how communications to and from all companies should be dealt with. If, for any reason, you did not receive a copy of that briefing note, please let us know. Other provisions of the Act also came into force on 6 April 2007. These provisions do not, however, affect private companies.

Following consultation with the business community, the Government has announced that the remaining provisions of the Act will be phased in on 1 October 2007, 6 April 2008 and 1 October 2008 respectively.

Key changes coming into force on 1 October 2007 include as follows:

- Codification of directors' duties in statute for the first time
- A new statutory right for shareholders to sue directors on behalf of the company for negligence, default, breach of duty or breach of trust
- New rules governing transactions involving directors, including a new provision allowing all companies to make loans to directors with shareholder approval
- The abolition of the requirement for private companies to hold AGMs
- Changes to better facilitate the use by private companies of written resolutions to pass shareholder decisions

Contact us

Briefing notes on these changes will follow. In the meantime, for more information on any of the above changes, please contact:

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