



Companies Act Update 2006

Changes to trading disclosures for companies

The new trading disclosures regime for companies comes into force on 1 October 2008. From that date, there will be a single set of requirements, set out in the Act and in regulations made pursuant to the Act, applying to all companies, regardless of whether or not the company trades under its registered name or a name other than its registered name (a “business name”). This is intended to simplify the position for companies trading under business names. They are currently subject to two sets of overlapping but not identical requirements in the Companies Act 1985 and the Business Names Act 1985.

Changes under the new regime are as follows:

Signs

- The new provisions make it clearer:
 - that the requirement for signs applies to places where the company’s administrative affairs are carried out (namely, the registered office and any location at which the company keeps any of the records it is required to keep available for public inspection (an “inspection place”)), as well as to any place where the company carries on business; and
 - where a sign must be placed (it must be so positioned so that any visitor to that office, place or location can easily see it)
- Companies are only required to display their registered names on signs: no other information, such as the company’s registered office, is required
- The requirement for signs does not apply if the company has never traded
- The requirement for signs does not apply to domestic premises, provided that the premises are not the company’s registered office or an inspection place.
- Where 6 or more companies share a location (for example, where a firm of lawyers is the registered office for many of its clients), special provision is made to allow the requirement for signs to be satisfied by way of a changing electronic/scrolling notice-board provided that the company name can be read for at least 15 seconds at least once in every three minutes

- It is also intended that with effect from 1 October 2009, the requirement for signs will not apply to:
 - companies whose activities put their directors at serious risk, as regards premises that are not the company's registered office or an inspection place; or
 - the premises of a liquidator, administrator, receiver or manager if the company of which he is liquidator etc moves its registered office, inspection place or place of business to his premises

Disclosure of trading information

- A company is required to disclose its registered name on all company websites and in all forms of business correspondence and documentation (whether in electronic, hard copy or any other form), including applications for licences to carry on a trade or activity
- A company continues to be required to disclose additional information on all company websites and in certain types of business correspondence and documentation (again, whether in electronic, hard copy or any other form). For a summary of what information needs to be disclosed under the new regime and where, please see the table below
- As under the current regime, where a number of companies use the same website (for example, group companies), then the relevant details of every company that has authorised its inclusion on the website must be included on the website. There is no requirement to include the required details on every page of the website but they should be displayed so that they can easily be read

Disclosures following enquiries

- Companies trading under their registered names are for the first time required to provide certain information to any person they deal with in the course of business who asks for that information: currently, this requirement applies only to companies trading under business names
- Information can be requested about where the company keeps its records available for inspection as well as the address of the company's registered office
- Requests for information have to be made in writing
- The company has a longer period to respond to requests for information (5 working days rather than "immediately" as under the current regime)

Finally, companies using or intending to use a business name should note that company law imposes restrictions on the choice of business name. From 1 October 2009, these restrictions will be set out in Part 41 of the Act. We will alert you to any changes in the new Part 41 in due course. In the meantime, the existing restrictions in the Business Names Act 1985 continue to apply.

Where disclosure to be made	Type of disclosure to be made
Business letters Order forms Websites	Registered name Place of registration (e.g. England & Wales) Registered number Registered office If company is exempt from having “limited” as part of its name or is community interest company, disclose it is limited company If company is an investment company, disclose this fact If there is reference to share capital, this must be a reference to paid-up share capital
Notices & official publications Bills of exchange Promissory notes Endorsements Cheques Orders for money, goods or services Bills of parcels Invoices & demands for payment Receipts Letters of credit Applications for licences to carry on a trade or activity All other forms of business correspondence/documentation (but for business letters/order forms, see above)	Registered name

Contact us

For more information on any of the above, please contact:

Sue Lowry

DD 0845 310 7215

E sue.lowry@berryman.co.uk

Roger Harcourt

DD 0845 310 5529

E roger.harcourt@berryman.co.uk

Berryman Park House Friar Lane Nottingham NG1 6DN

DX 10004 Nottm 1 **T** 0115 945 3700 **F** 0115 948 0234

W www.berryman.co.uk

DISCLAIMER OF LIABILITY FOR CONTENT

The above article is intended to provide general information only and is not to be treated or relied upon as specific legal or commercial advice. Specific professional legal advice should be taken before any course of action is pursued in relation to the information contained in the article. We make no representations or warranties of any kind with respect to the accuracy, completeness, or suitability for any purpose of the article and the information contained in it. We expressly exclude all liability for any loss or damage howsoever arising from the information contained in this article to the fullest extent permitted by law. The copyright in the above article is owned by Berryman Shacklock LLP. Any copying or adaptation of the article without prior consent of the copyright owner is prohibited.