



Companies Act Update 2006

Further provisions of the Act come into force on 6 April 2008, including abolition of the requirement on private companies to have a company secretary.

Need for company secretary

From 6 April 2008, only public companies will be required to have a company secretary. The current requirement for private companies to have one is, subject to the exception detailed below, being removed. The aim is to give private companies a greater degree of flexibility in relation to their internal administrative arrangements. However, a private company can still appoint or retain a company secretary should it wish to do so and many larger private companies are expected to do so.

Private companies that wish to take advantage of this change need to:

- Check their Articles for specific provisions that require the company to have a secretary. Transitional rules provide that such a company cannot take advantage of the change unless and until it changes its Articles to remove such provisions.

Provisions which merely require or authorise things to be done by or in relation to a secretary or which provide the manner in which, or the terms on which, a secretary is to be appointed or removed can, however, be ignored for this purpose.

- Bear in mind that the directors will need to undertake the compliance role usually undertaken by the company secretary.
- Think about changing bank mandates, etc.

Execution of documents

In order to accommodate the above change, the Act will from 6 April 2008 for the first time enable a company (whether a private or public company) to execute a document by a single director if that signature is witnessed and attested. Companies continue to be able to execute a document either by the affixing of its common seal or by the signature of two authorised signatories, the latter being every director of the company and in the case of a public company, or a private company that has a company secretary, the company secretary.

If you are thinking of taking advantage of the removal of the requirement to have a company secretary and would like us to review your Articles in order to determine whether or not you are able to do so or require any further information on any of the above changes, please contact us.

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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