



Companies Act Update 2006

Company names

We have already circulated bulletins regarding the changes to the trading disclosures regime for companies and the new procedure to prevent the opportunistic registration of company names (the practice of registering a name that the opportunist realises is about to be used by someone else) that were introduced on 1 October 2008.

However, the remaining provisions in the Act regarding company names came into force on 1 October 2009. Key changes made on that date are as follows:-

Change of name

A company continues to be able to change its name by special resolution. Importantly, however, a company is now able to change its name by any method laid down in its Articles of Association (for example, by board resolution). Companies wanting to take advantage of this change will need to amend their Articles to include such provision. Newly incorporated companies should note that there is no alternative procedure specified in the default model Articles for private companies.

Trading disclosures

As indicated in our previous bulletin on the new trading disclosures regime, two new exceptions came into force on 1 October 2009 regarding the requirement placed on every company to display a sign showing its registered name at all its premises:-

- **Insolvency**
Insolvency Practitioners will be pleased to learn that if they are or have been appointed as liquidator, administrator or administrative receiver in respect of a company and have changed the company's registered office to their own offices, they no longer need to display a sign showing the company's registered name at their offices. The Government takes the view that the requirement placed on Insolvency Practitioners to disclose various particulars, including the company's registered office, on all company documentation following their appointment, means that there is minimal benefit of a sign in these circumstances, which does not justify the cost involved.

Insolvency Practitioners should note that the exception does not apply where they have been appointed as an ordinary receiver. The Government takes the view that because the company continues to trade under the control of its directors in these circumstances, the normal rules for signs should apply.

- Sensitive locations

There is also a new exception in force that is intended to protect those working at premises where the company's activities are such to put them at serious risk of violence or intimidation. The new exception applies where every director of the company has a confidentiality order in force or its equivalent under the Act (please see our previous bulletin on home addresses). If the exception applies, the company need only comply with the requirement for signs at its company's registered office and any single alternative inspection place ("SAIL") it has notified to Companies House as being a place where some or all of its records are kept available for inspection (for further details, please see our last bulletin on company records). It does not, however, need to comply with the requirement for signs at any other premises where the company carries on business.

A confidentiality order or its equivalent under the Act can only be made if the director concerned is able to demonstrate that he is at serious risk of violence or intimidation (although an order can now be made under the Act in other circumstances – for example, if the director is or was a member of the security/intelligence agencies). The Government takes the view that the grant of such an order is therefore a pretty good indication that the company's employees might similarly be at risk. However, since a director may hold several directorships and can get a Court order if any one of those companies' activities put him at serious risk of violence or intimidation, the exception is only available where all the directors of the company have such an order in force.

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