

## Companies Act 2006 – Update to the Implementation Timetable

Clarifications and changes have been made to the implementation timetable for the Companies Act 2006 (CA06).<sup>\*</sup> The Department of Trade and Industry has accordingly clarified some of the proposals set out in its February 2007 consultation, as follows:

- **Directors' Conflict of Interest Duties.** The CA06 provisions relating to directors (Part 10) were said in the consultation to take effect from 1 October 2007, except for the "provisions relating to directors' conflict of interest duties, directors' residential addresses and underage and natural directors," which take effect from 1 October 2008. The DTI's website (see *Frequently Asked Questions Companies Act 2006* at <http://www.dti.gov.uk/bbf/co-act-2006/index.html>) now clarifies that the 'conflicts provisions,' which take effect from October 2008 are, in addition to s175 (duty to avoid conflicts of interest), the duty not to accept benefits from third parties (s176) and the duties to declare proposed and existing interests in transactions or arrangements with the company (s177 and 182 to 187).
- **Corporate Directors.** The provisions requiring companies to have at least one natural director will take effect from 1 October 2008 for *all* companies, even though the February consultation sought views on whether there should be a grace period for existing company boards.
- **Access to register of members.** Implementation of the "proper purpose" sections (Part 8 ss116-119) will be brought forward from 1 October 2008. Once a company has filed an annual return made up to a date after 30 September 2007, it will be subject to the CA06 provisions relating to access to its register of members. As stated by the DTI, this means that, inter alia, a court will allow a company not to comply with a request for access if it is satisfied that the access is not being sought for a proper purpose.
- **Accounts.** The new requirements on accounts/reports set out in Part 15 will generally apply to accounting periods beginning on or after **6 April 2008**. The new business review requirements (s 417) will however, take effect for accounting periods beginning on or after **1 October 2007**.
- **Minimum share capital requirements.** Chapter 2 of Part 20, dealing with the minimum share capital requirement for public companies, will now be brought into force in **October 2008** (instead of April 2008, as originally proposed), along with the other capital provisions.
- **Political donations.** Part 14 extends the regulation of political donations and expenditure to include independent election candidates. To allow companies time to pass appropriate resolutions covering independent election candidates, the provisions affecting this extension will take effect from **1 October 2008**. The rest of Part 14 will apply from **1 October 2007**, as originally proposed.

Further updates on the Companies Act 2006 will follow.

<sup>\*</sup> See commentary on the timetable in our March 2007 Special Alert.

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**Practice group contacts**

For more information, please contact one of the lawyers listed, or the Dechert lawyer with whom you regularly work. Visit us at [www.dechert.com/corporateandsecurities](http://www.dechert.com/corporateandsecurities).

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