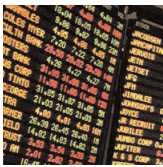


The Companies Act 2006

Implementation Timetable now published

March 2007



Introduction

On 28 February 2007 the Government announced the implementation timetable for the Companies Act 2006 (the new Act). All of the new Act will be in place by October 2008 with many elements being implemented before then. The key implementation dates are 1 October 2007, 6 April 2008 and 1 October 2008. Overleaf is a detailed implementation timetable.

What is happening?

- The implementation has been split between October 2007, April 2008 and October 2008.
- The provisions of the new Act coming into force this October include:
 - the exercise of members' rights (rights of indirect investors) (Part 9);
 - directors' duties and other provisions relating to directors (but not those relating to conflicts of interest) (most of Part 10);
 - the new derivative claims regime (Part 11);
 - section 417 relating to the content of the business review section of the directors' report; and
 - those relating to resolutions and meetings (Part 13).

Interestingly, a number of the de-regulatory provisions which are intended to ease the burden on private companies are not coming into force this year. For example, the removal of the requirement for a company secretary will not come into force until April 2008 and the removal of the financial assistance prohibition and the relaxation of the share capital rules are delayed until October 2008.

What do we need to do before October 2007?

Until the Government publishes its results of its consultation on implementation and issues the

appropriate transitional regulations it is difficult to say with much certainty what needs to be done. However, now we know which provisions are coming into force in October 2007, companies can start to consider the practical implications of the new measures, including:

- briefing directors on the new directors' duties provisions and considering whether any board procedures and standard documents such as terms of reference need changing;
- reviewing the practices, procedures and documentation adopted in general meetings;
- reviewing articles of association and procedures in light of the exercise of members' rights provisions, the fact that private companies need not hold an AGM and the new written resolution procedure;
- quoted companies (*Official List only*) - reviewing procedures to deal with requests relating to information rights; and
- quoted companies (*Official List only*) - considering the information to be included in the expanded business review.

A small number of provisions came into force in January 2007 or are coming into force in April 2007. For further information see our earlier briefings which can be found at: www.burges-salmon.co.uk/our_work/content/Corporate/Corporate_Publications.htm

Further information

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Companies Act 2006

Implementation Timetable for 1 October 2007 - 1 October 2008

1 October 2007

The following parts will be introduced from 1 October 2007:

Part 9 (Exercise of members' rights);
Part 10 (A company's directors), other than provisions relating to directors' conflict of interest duties, directors' residential addresses and underage and natural directors;
Part 11 (Derivative claims and proceedings by members);
Part 13 (Resolutions and meetings), and, related to this, sections 485-488 of Part 16 (Audit);
Part 14 (Control of political donations and expenditure);
Section 417 of Part 15 (Contents of directors' report: business review);
Part 29 (Fraudulent trading);
Part 30 (Protection of members against unfair prejudice);
Part 32 (Company investigations: amendments).

The commencement provisions in respect of Part 9 will be drafted so as to enable nominee investment operators to send indirect investors' requests to companies from 1 October 2007 to entitle indirect investors to enjoy information rights from 31 December 2007.

6 April 2008

The following parts will be introduced from 6 April 2008:

Part 12 (Company secretaries);
Part 15 (Accounts and reports), other than section 417;
Part 16 (Audit), other than sections 485-488;
Part 19 (Debentures);
Part 20 (Private and public companies);
Part 21 (Certification and transfer of securities);
Part 23 (Distributions);
Part 26 (Arrangements and reconstructions);
Part 27 (Mergers and divisions of public companies);
Part 42 (Statutory auditors).

1 October 2008

The following parts will be introduced from 1 October 2008:

Part 1 (General introductory provisions);
Part 2 (Company formation);
Part 3 (A company's constitution);
Part 4 (A company's capacity and related matters);
Part 5 (A company's name);
Part 6 (A company's registered office);
Part 7 (Re-registration as a means of altering a company's status);
Part 8 (A company's members);
Part 10 (A company's directors) - provisions relating to directors' conflict of interest duties, directors' residential addresses and under age and natural directors
Part 17 (A company's share capital);
Part 18 (Acquisition by limited company of its own shares);
Part 24 (A company's annual return);
Part 25 (Company charges);
Part 31 (Dissolution and restoration to the register);
Part 33 (UK companies not formed under the Companies Acts);
Part 34 (Overseas companies);
Part 35 (The registrar of companies);
Part 41 (Business names).

Disclaimer: This briefing gives general information only and is not intended to be an exhaustive statement of the law. Although we have taken care over the information, you should not rely on it as legal advice. We do not accept any liability to anyone who does rely on its content.

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