

BULLETIN February 2008

Company Law

All incorporated businesses (or 'limited companies'), along with their directors, secretaries and members fall somewhere within the Companies Acts, and in case you weren't aware, there is now a great big new version called the Companies Act 2006.

At 1,300 sections, it is apparently the largest Act ever to get through Parliament, and is being phased into force, mostly between now and October 2009.

Broadly, much remains the same as before but there are some key changes, including:

- No need for a company secretary, from April 2008
- Some of the director's fiduciary duties are now codified, namely to act within powers and to promote the success of the company, by:
 - considering long-term consequences
 - considering the interests of employees
 - considering relationships with all 3rd parties (customers, suppliers, etc.)
 - considering the impact on the community and the environment
 - maintain high standards of business conduct
 - acting fairly between members...from October 2008. All that must be considered *every* time the Board makes a decision
- the time allowed to submit annual accounts has been shortened to nine months (instead of 10), from April 2008

Please contact us if you'd like to discuss anything about these; it is clear how some of the changes may concern some existing incorporated business proprietors.

If we work out that there may be a situation that needs addressing, professional legal advice may be needed.

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