

Final changes under the Companies Act 2006

September 2009



The final provisions of the Companies Act 2006 ("the 2006 Act") will come into force on 1 October 2009. The following key changes are effective from 1 October 2009:

Integration of Companies Registry Northern Ireland

- The Companies Registry Northern Ireland will integrate with Companies House, on 1 October 2009.
- Northern Ireland will retain a registry function and an office will remain in Belfast. However, the contact details of the current Companies Registry Northern Ireland will change with new contact centre, numbers, email and website address.

Changes to the Constitution of Companies

- Procedure for incorporating a company will change. In particular, the documents to incorporate a company will be very different. The memorandum of association will ("the memorandum") contains a statement that each subscriber intends to form a company and become a member of the company and if applicable, to take at least one share in the company. From 1 October 2009 it will not be possible to amend or update a company's memorandum.
- For companies incorporated prior to 1 October 2009 any information included in the memorandum that does not need to be included in the memorandum under the 2006 Act will be deemed to form part of the articles of association ("the articles"). Thus companies incorporated prior to 1 October 2009 will be able to amend their memorandum by making changes to their articles.
- A company's objects will be unrestricted unless the articles specifically impose restrictions under the Companies Act 2006. If a company wishes to change its objects or to impose or remove any restrictions on the company's objects it must give notice to Companies House. Changes to the objects do not take effect until registered at Companies House.
- There will be new model articles for different types of companies. The new model articles are less complicated than the model articles prescribed under previous legislation.
- Companies from 1 October 2009 will not be able to absolutely entrench rights in their articles. Instead, conditional entrenchment provisions may be adopted which allow alteration if certain conditions are met. The effect of this conditional entrenchment will not prevent any amendment of the articles by agreement of all the members of a company or as a result of a court order.

Changes to Dealings with Shares

- Changes to how a company allots shares and the removal of the requirement to have authorised share capital will come into effect from 1 October 2009. There will also be changes to the procedure for redenomination of share capital, the procedure to allow a company to purchase its own shares and how pre-emption rights are dealt with in the articles.

Please note: The content of this article is for information purposes only and further advice should be sought from a professional advisor before any action is taken.

Service Address for Directors

- A service address rather than a residential address can be provided for directors of a company. Companies House will hold details of directors residential addresses on a separate protected register.

New Forms

- Forms required by Companies House will be revised and will look very different. In particular, all forms will be renumbered to refer to the appropriate provision of the 2006 Act. Forms filed by Northern Irish companies will accord with those used by all UK companies.

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