

Stanley Davis

An update from Stanley Davis Group Limited

Company formations, company searches, property searches, Home Information Packs, Energy Performance Certificates, offshore companies, company support services

More Company Law changes on the way?

With the Companies Act 2006 still not fully implemented, it looks as though further changes are on their way despite this act being the largest piece of legislation ever.

The Department for Business, Enterprise and Regulatory Reform (BERR) has published a consultation document on shareholders' rights in listed companies. The purpose of the directive is to harmonise shareholder rights across the EU. UK law already incorporates most of the requirements but one significant change is that all meetings for listed companies will require at least 21 days notice thus reversing changes just made by the Companies Act! The consultation paper is available from <http://www.berr.gov.uk/consultations/page48666.html> and the closing date for comments is 30/01/2009.

Trading Disclosures

We are often asked about what needs to be disclosed on letterheads and at a company's place of business. The law has been slightly updated by the Companies (Trading Disclosures) Regulations 2008 which came into force on 1 October 2008.

Regarding display of a company name, there is an obligation to show it at the registered office, any place of business and at any location where records are kept, but this does not apply to companies which have been dormant since incorporation and does not apply to primarily residential accommodation. The name must be displayed so it is easily visible and may now be on an electronic board if the office is shared by six or more companies as long as the name is displayed for at least 15 seconds every 3 minutes.

A company must display its name on

- (a) its business letters, notices and other official publications;
- (b) its bills of exchange, promissory notes, endorsements and order forms;
- (c) cheques purporting to be signed by or on behalf of the company;
- (d) orders for money, goods or services purporting to be signed by or on behalf of the company;
- (e) its bills of parcels, invoices and other demands for payment, receipts and letters of credit;
- (f) its applications for licences to carry on a trade or activity; and
- (g) all other forms of its business correspondence and documentation.
- (h) its websites.

Business letters; order forms; and websites must show:

- (a) the part of the United Kingdom in which the company is registered;
- (b) the company's registered number;
- (c) the address of the company's registered office;
- (d) in the case of a limited company exempt from the obligation to use the word "limited" as part of its registered name under section 30 of the Companies Act 1985 or article 40 of the Companies (Northern) Ireland Order 1986 the fact that it is a limited company;
- (e) in the case of a community interest company which is not a public company, the fact that it is a limited company; and
- (f) in the case of an investment company within the meaning of section 833 of the Act, the fact that it is such a company.

If, in the case of a company having a share capital, there is a disclosure as to the amount of share capital that disclosure must be to paid up share capital.

Where a company's business letter includes the name of any director of that company, other than in the text or as a signatory, the letter must disclose the name of every director of that company.

Did you know?

Failure to comply with the trading disclosure requirements is an offence punishable on summary conviction to a fine of up to £1000 and a daily default fine of £100.

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