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Companies Act 2006 Implementation Timetable

The DBERR have issued details of the final commencement timetable for the Companies Act 2006. A summary of the implementation is as follows. The relevant provisions of the Companies Act 1985 will apply until the Companies Act 2006 provisions are implemented.

The following Parts of the Companies Act 2006 are to be implemented with the relevant provisions:

- Part 36 (1121-1133): Offences under the Companies Acts
- Part 37 (1134-1157): Companies: supplementary provisions
- Part 38 (1158-1174): Companies: interpretation
- Part 45 (1284-1287): Northern Ireland
- Section 1295: Repeals

Implemented on Royal Assent (8 November 2006)

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
43 (1265-1273)	Transparency provisions and related matters re listed companies		
44 (1274-1283)	Miscellaneous provisions (ss1274-1276 <i>re regulation of actuaries etc</i> only)		1281: 6 April 2007 1282: 6 April 2008 1277 -1280: 1 October 2008 1283: 1 October 2009
46 (1288-1295)	General supplementary provisions		
47 (1295-1300)	Final provisions		

Implemented on 1 January 2007

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
35 (1060-1120)	The Registrar of Companies (ss1063 <i>re fees payable to the Registrar</i> , 1077-1080 <i>re public notice of receipt of certain documents</i> , 1085-1092 <i>re inspection of the Register</i> , 1102-1107 <i>re language requirements</i> ,		1060-1062, 1064-1076, 1081-1084, 1093-1101, 1108-1110, and 1112-1120: 1 October 2009

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
	and 1111 <i>re Registrars requirements as to certification or verification only</i>)		

Implemented on 20 January 2007

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
13 (281-361)	Resolutions and Meetings (ss308&309 and 333 <i>re notice of meetings on website and electronic communication with members of listed companies</i>)		281-307, 310-332, and 334-361: 1 October 2007 <i>Ss 327(2)(c) and 330(6)(c) are not being commenced for the time being</i>
15 (380-474)	Accounts and reports (s463 <i>only re liability for misleading statements in annual reports</i>)		417: 1 October 2007 380-416, 418-462, and 463-474: 6 April 2008
22 (791-828)	Information about interests in a company's shares		811(4), 812 and 814 <i>re refusal to allow inspection of register of interests</i> : 6 April 2008

Implemented on 6 April 2007

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
28 (942-992)	Takeovers etc		
33 (1040-1043)	UK companies not formed under the Companies Acts (s1043 <i>re unregistered companies only</i>)		1040-1042: 1 October 2009
39 (1175-1181)	Companies: minor amendments		1175 <i>re removal of special provisions about accounts and audit of charitable companies</i> : 1 April 2008 1180 <i>re repeal of certain provisions about company charges</i> and 1181 <i>re access to constitutional documents of RTE & RTM companies</i> : 1 October 2009
44 (1274-1283)	Miscellaneous provisions (s 1281 <i>re disclosure of information under the Enterprise Act 2002</i> only)	1274-1276	1282: 6 April 2008 1277 -1280: 1 October 2008 1283: 1 October 2009

Implemented on 1 October 2007

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
8 (112-144)	A company's members re <i>register of members etc</i> (ss116-119 only)		121&128: 6 April 2008 112-115 and 120-144 (except 121&128): 1 October 2009
9 (145-153)	Exercise of members rights		
10 (154-259)	A company's directors		155-159 re <i>number and age of directors</i> , 175-177 re <i>duty to avoid conflicts, not to accept benefits from third parties and to declare interests in transactions</i> , 180-181, and 182-187 re <i>declaration of interest in existing transaction or arrangement</i> : 1 October 2008 162-167 re <i>content of register of directors etc</i> , and 240-247 re <i>directors home addresses</i> : 1 October 2009
11 (260-269)	Derivative claims and proceedings by members		
13 (281-361)	Resolutions and meetings	308-309 and 330 re <i>notice of meetings on website and electronic communication with members of listed companies</i> : 20 January 2007	Ss 327(2)(c) and 330(6)(c) are not being commenced for the time being
14 (362-369)	Control of political donations and expenditure		<i>Provisions relating to independent election candidates</i> : 1 October 2008
16 (475-539)	Audit (ss485-488 re <i>appointment of auditors for private companies only</i>)		475-484, and 489-539: 6 April 2008
29 (993)	Fraudulent Trading		
30 (994-999)	Protection of members against unfair trading		
32 (1035-1039)	Company investigations: amendments		

To be implemented on 6 April 2008

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
4 (39-52)	A company's capacity and related matters (s44 re <i>execution of documents only</i>)		39-43 and 45-52: 1 October 2009

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
8 (112-144)	A company's members (ss121&128 <i>re removal of former members from registers only</i>)	116-119 <i>re searching register of members etc:</i> 1 October 2007	112-115, 120, and 129-144: 1 October 2009
12 (270-280)	Company secretaries		275-279 <i>re register of secretaries:</i> 1 October 2009
15 (380-474)	Accounts and reports	417 <i>re Business Reviews:</i> 1 October 2007	
16 (475-539)	Audit	485-488 <i>re appointment of auditors for private companies:</i> 1 October 2007	
19 (738-754)	Debentures		
20 (755-767)	Private and public companies		
21 (768-790)	Certification and transfer of securities		
22 (791-828)	Information about interests in a company's shares (ss 811(4), 812 and 814 <i>re refusal to allow inspection of register of interests only</i>)	791-811, 813, and 815-828: 20 January 2007	
23 (829-853)	Distributions		
26 (895-901)	Arrangements and reconstructions		
27 (902-941)	Mergers and divisions of public companies		
39 (1175-1181)	Companies: minor amendments (s1175 <i>re removal of special provisions about accounts and audit of charitable companies only – from 1 April 2008</i>)	1176-1179: 6 April 2007	1181 <i>re access to constitutional documents of RTE & RTM companies:</i> 1 October 2009
42 (1209-1264)	Statutory auditors		
44 (1274-1283)	Miscellaneous provisions (s 1282 <i>re expenses of winding up only</i>)	1274-1276, and 1281	1277 -1280: 1 October 2008 1283: 1 October 2009

To be implemented on 1 October 2008

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
5 (53-85)	A company's name (ss69-74 <i>re similarity to other name in which person has goodwill only</i>)		53-68 and 75-85: 1 October 2009
10 (154-259)	A company's directors(ss155-159 <i>re number and age of directors</i> , 175-177 <i>re duty to avoid conflicts, not to accept benefits from third parties and to declare interests in transactions</i> , 180-181 (part), and 182-187 <i>re declaration of interest in existing transaction or arrangement only</i>)	154, 160-161, 168-174, 178-182, 188-239, and 248-259 <i>re appointment and duties of directors and directors loans and transactions</i> : 1 October 2007	162-167 and 240-247 <i>re register of directors and directors home addresses</i> : 1 October 2009
14 (362-369)	Control of political donations and expenditure - <i>provisions relating to independent election candidates only</i>	Whole Part except provisions relating to independent election candidates: 1 October 2007	
17 (540-657)	A company's share capital (ss641-643 & 652 <i>re reduction of capital supported by solvency statement by private companies</i> and s654 <i>re Capital Redemption Reserve</i>)		540-640, 644-651, 653, and 655-657: 1 October 2009
18 (658-737)	Acquisition by limited company of its own shares. <i>Repeal of the Companies Act 1985 restrictions on financial assistance for acquisition of shares in private companies (including "whitewash procedure")</i>		658-737
44 (1274-1283)	Miscellaneous provisions (ss1277-1280 <i>re information as to exercise of voting rights of institutional investors only</i>)	1274-1276, 1281, and 1282	1283: 1 October 2009

To be implemented on 1 October 2009

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
1 (1-6)	General introductory provisions	2: 6 April 2007	
2 (7-16)	Company formation		
3 (17-38)	A company's constitution	29-30 <i>re resolutions</i> : 1 October 2007	
4 (39-52)	A company's capacity and related matters	44 <i>re execution of documents</i> : 6 April 2008	
5 (53-85)	A company's name	69-74 <i>re similarity to other name</i> and 82-85 <i>re disclosure of company name</i> : 1 October 2008	
6 (86-88)	A company's registered office		
7 (89-111)	Re-registration as a means of altering a company's status		
8 (112-144)	A company's members	116-119 <i>re inspection of register of members etc</i> : 1 October 2007 121&128 <i>re removal of entries</i> : 6 April 2008	
10 (154-259)	A company's directors (162-167 <i>re content of register of directors etc</i> , and 240-247 <i>re directors home addresses only</i>)	154-161, 168-239 and 247-259: 1 October 2007 & 1 October 2008	
12 (270-280)	Company secretaries (275-279 <i>re Register of Secretaries etc</i>)	270-274, and 280: 6 April 2008	
17 (540-657)	A company's share capital	641-643 & 652 <i>re reduction of capital supported by solvency statement by private companies</i> and s654 <i>re Capital Redemption Reserve</i> : 1 October 2008	
18 (658-737)	Acquisition by limited company of its own shares.	<i>Repeal of the Companies Act 1985 restrictions on financial assistance for acquisition of shares in private companies (including "whitewash procedure")</i> : 1 October 2008	
24 (854-859)	A company's annual return		
25 (860-894)	Company charges		

Part and Section Numbers	Subject Matter	Section Nos. previously implemented	Section Nos. to be implemented later
31 (1000-1034)	Dissolution and restoration to the register		
33 (1040-1043)	UK companies not formed under the Companies Acts	1043 <i>re unregistered companies</i> : 6 April 2007	
34 (1044-1059)	Overseas companies		
39 (1175-1181)	Companies: minor amendments (s1180 <i>re repeal of certain provisions about company charges</i> and 1181 <i>re access to constitutional documents of RTE & RTM companies only</i>)	1175: 1 April 2008 1176-1179: 6 April 2007	
40 (1182-1191)	Company directors: foreign disqualifications etc		
41 (1192-1208)	Business names		
44 (1274-1283)	Miscellaneous provisions (s1283 <i>re commonhold associations only</i>)	1274-1276, 1281, 1282, and 1277-1280	

APB Bulletin 2008/01 “Audit Issues When Financial Market Conditions Are Difficult And Credit Facilities May Be Restricted”

The APB have issued Bulletin 2008/01 which provides guidance for auditors on audit issues that may arise as a result of the ‘credit crunch’. The Bulletin applies to all types of business (and not just financial institutions) and focuses on the possible risks of misstatement arising from:

- the possibility of the reduced availability of finance; and
- difficulties with valuing some assets for balance sheet purposes, especially those that are to be measured at “fair value”.

The Bulletin draws on existing material within the APB’s standards and guidance. Additional guidance for the audit of Investment Businesses can be found in Practice Note 21 (Revised).

The risks associated with this area were considered in Technical Fact Sheet 18 and more detailed guidance is given in the Appendix to the Bulletin, which covers:

- Going concern issues arising from:
 - obtaining external financing
 - management plans to overcome financing difficulties including disposal of assets.
 - entity providing significant loans or guarantees
 - entity dependent on guarantees provided by another party
 - uncertain future cash flows
 - dependence on key suppliers or customers
- Fair value issues arising from the effect of current market conditions.

- Other risk factors arising from:
 - Impairments of assets other than those held at fair value (e.g. need for increased doubtful debts provisions).
 - Impairment of the carrying value of purchased goodwill.
 - Pension obligations of an entity increased by reduction in values of assets in a related defined benefits pension scheme.
 - Hedging arrangements no longer effective.
 - Effects on accounting for Special Purpose Entities and other off balance sheet arrangements.

The Guidance makes the point that the additional risks will require greater partner involvement, use of more experienced audit teams and more consultation on difficult and contentious matters.

In addition, greater disclosure may be required in a Business Review, and in the accounts and auditors report where going concern could be an issue.

The Bulletin gives good guidance on issues relating to the fair value of financial instruments.

Practice Note 21 “The Audit of Investment Businesses in the UK (Revised)”

The APB have recently issued a revised Practice Note 21 which takes account of:

- the Markets in Financial Instruments Directive (“MIFID”) and the consequential changes to the FSA Rulebook.
- International Standards on Auditing (UK & Ireland).

Practice Note 21 is comprehensive and gives clear guidance on:

- The Prudential Sourcebook relevant to different categories of business.
- Reporting requirements (including pro-forma reports in Appendix 1 and requirements in Appendix 7).
- Client Assets (Appendix 2).
- Reporting to FSA (Appendix 6 gives examples of reportable items).

There are no example engagement letters included in the Practice Note, although there is guidance on what they should cover.

Under the revised FSA Rulebook, the only report to FSA required is a Client Assets Report under SUP 3.10 for certain categories. Notwithstanding this, we still need to check that the client complies with the relevant capital adequacy Rules since any breach in these Rules needs to be reported to FSA and there could be going concern issues.

Summary of Changes to Money Laundering Regulations

The ICAEW have issued a very useful Technical Release, TECH 08/07 "Summary of Changes since the Second Interim Guidance", summarising changes to the anti-money laundering requirements to firms since the issue of the second interim guidance (Tech 12/04) issued in March 2004.

It covers inter-alia:

- Privilege reporting
- Overseas offences
- Whereabouts of property and persons is unknown
- General client ID under Money Laundering Regulations 2007
- Risk approach to client ID
- Compliance Monitoring
- Anticipated changes

Narrative Reporting Guidance for UK Quoted Companies

The ASB has issued a table linking the legislative requirements of the enhanced business review reporting under Section 417 of the Companies Act 2006 (effective for accounting periods beginning on or after 1 October 2007) to the guidance in ASB's Reporting Statement on Operating & Financial Review issued in January 2006.

ASB believes that its OFR Reporting Statement still provides guidance on applicable best practice and has issued the table to assist preparers of business reviews.

How to contact HMRC

HMRC has published a new guide for agents about how to contact HMRC. The guide is a useful summary of contact channels to help us find the right information or right person at HMRC. It also covers things like what can or cannot be done over the phone.

The guide is available via the Tax Agents and Advisers section of the HMRC website.

Disappearing TIPs

HMRC has removed its Tactical & Information Packages ("TIPs") from its website. TIPs are the successors to the Business Economic Notes and are designed to provide HMRC staff with information about a particular trade or profession, together with tactical information and risk reviews for use in compliance work.

TIPs are a useful source of reference in dealing with tax investigations, and the full text of them is available from both the Taxation and Accounting Web websites.

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