

The table below sets out some of the important changes being brought into force by the Companies Act 2006

ISSUE	RULE UNDER COMPANIES ACT 2006	IN FORCE?
Company secretary	There is no longer a requirement that private companies have a company secretary, although the role of filing documents at Companies House will still need to be done.	Yes
Notice period for general meetings	The notice period for all general meetings of a private company is 14 days (unless the Articles of Association state otherwise).	Yes
Eligibility to be a director	A company must have at least one natural person as a director – there must be at least one non-corporate director. Directors must be at least 16 years old.	Yes
Written resolutions	Written resolutions may be used for any type of resolution (and only the requisite percentage need to approve the resolution) but must be passed within 28 days of being circulated.	Yes
Annual General Meeting	Private companies are no longer required to have a General Meeting (unless their Articles state otherwise), although the directors, or groups of shareholders (holding a certain share percentage) may call a meeting.	Yes
Director's long-term service contracts	Shareholder approval is now required where a director's service contract exceeds 2 years.	Yes
Company loans	Company loans to directors are now no longer prohibited, but shareholder approval for the loans are needed.	Yes
Director's duties	Director's duties have been codified in the Companies Act to supplement the case law rules stating what duties directors owe to the company. Please see our separate practice note on new director's duties for an in-depth look at what these duties entail.	Yes
Memorandum of Association	For new companies formed after the 1st October 2009, the Memorandum will become a single paragraph document comprising only the subscribers provision. The objects of the company will be set out in the Articles of Association instead.	1 st October 2009
Authorised share capital (ASC)	For new companies formed after 1st October 2009, the default position is that there will be no ASC, and therefore no cap on the number of shares, unless the Articles prescribe a limit (it is advisable in some cases for a limit to be placed, for example in flat management companies you will not want the number of shares to exceed the number of flat owners)	1 st October 2009
Allotment of shares	For new companies formed after the date in force, the directors will have the power to allot shares at any stage, subject to the Articles.	1 st October 2009

These are just some of the many alterations that have been made to Company Law in England and Wales with the introduction of the new, 700+ page, Companies Act 2006.

If you would like to discuss the implications any of the above changes, or to get information on other changes introduced by the Act, please do not hesitate to email us at businesssolutions@bishopandsewell.co.uk, or to telephone us on 020 7631 4141 to speak to a member of our business solutions team.