EXPLANATORY MEMORANDUM TO

THE COMPANIES ACT 2006 (CONSEQUENTIAL AMENDMENTS, TRANSITIONAL PROVISIONS AND SAVINGS) ORDER 2009

2009 No.

1. 1.1 This explanatory memorandum has been prepared by the Department for Business, Innovation and Skills and is laid before Parliament by Command of Her Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Purpose of the instrument

2.1 This order makes consequential amendments to UK legislation to take account of the provisions of the Companies Act 2006 ("the 2006 Act") that will come into force on 1 October 2009.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 The Companies Act 2006 received Royal Assent in November 2006 and is being implemented in stages.

4.2 Many provisions of this Act have already come into force and consequential amendments were made on 6 April and 1 October 2008 using the Companies Act 2006 (Consequential Amendments etc) Order 2008 to deal with most of the earlier implementation, although some of the earlier Commencement Orders contained limited consequential amendments. Virtually all the remaining provisions will come into force on 1 October 2009. The main purpose of this Order is to make consequential amendments to legislation which contains references to earlier Companies Acts, and to the definitions and concepts found in those Acts.

4.3 The draft Order has been drafted by Parliamentary Counsel.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom. The Order includes amendments to Acts of the Scottish Parliament and Northern Ireland legislation.

6. European Convention on Human Rights

6.1 Ian Lucas, Minister for Business and Regulatory Reform, has made the following statement regarding Human Rights:

"In my view the provisions of the Companies Act 2006 (Consequential Amendments, Transitional provisions and Savings) Order 2009 are compatible with the Convention rights."

7. Policy background

- ***What is being done and why***

7.1 The implementation of the 2006 Act requires consequential amendments to be made to other legislation which contains references to earlier Companies Acts, and to the definitions and concepts found in those Acts.

7.2 This Order sets out the consequential amendments that are required to that legislation with the aims of ensuring that the legislation which is amended continues to operate in an effective way and is easy for the reader to use.

7.3 This Order does not cover consequential amendments to the legislation for which Her Majesty's Revenue and Customs are responsible. HMRC have prepared a parallel Order to take account of these amendments.

7.4 Along with consequential amendments the Order contains a number of transitional arrangements to ensure a smooth move from the requirements of the Companies Act 1985 and the Companies (Northern Ireland) Order 1986 to the new Companies Act 2006.

7.5 The Secretary of State for Business, Innovation and Skills has primary responsibility for the Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009.

8. Consultation outcome

8.1 The department has consulted with the other departments with responsibility for the legislation being amended and the devolved administrations on the proposed consequential amendments.

9. Guidance

9.1 General guidance on the Companies Act 2006 has been published by both BIS and Companies House. In addition the BIS and Companies House websites contain Frequently Asked Questions.

10. Impact

10.1 The impact on business, charities or voluntary bodies is negligible

10.2 The impact on the public sector is negligible

10.3 An Impact Assessment has not been prepared for this instrument, as the amendments should only preserve the current requirements.

11. Regulating small business

11.1 The legislation applies to small business, but like other business should not affect them as the aim of the order is to preserve the current legislative requirements.

12. Monitoring & review

12.1 12.1 This instrument will be reviewed, from 2011, as part of the Companies Act 2006 evaluation.

13. Contact

Maureen Beresford at the Department of Business, Innovation and Skills Tel: 0207 215 3342 or email: Maureen.beresford@berr.gsi.gov.uk can answer any queries regarding the instrument.