Draft Regulations laid before Parliament under sections 82(5), 1290 and 1294(6) of the Companies Act 2006 for approval by resolution of each House of Parliament.

DRAFT STATUTORY INSTRUMENTS

2008 No. 0000

COMPANIES

The Companies (Trading Disclosures) Regulations 2008

Made - - - -	*2008*
Coming into force - -	*1st October 2008*

The Secretary of State makes the following Regulations in exercise of the powers conferred by sections 82, 84, 1292(1)(a) and 1294 of the Companies Act 2006(**a**).

In accordance with sections 82(5), 1290 and 1294(6) of the Companies Act 2006, a draft of this instrument was laid before Parliament and approved by a resolution of each House of Parliament.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Companies (Trading Disclosures) Regulations 2008 and come into force on 1st October 2008.

(2) In these Regulations—

(a) "the Act" means the Companies Act 2006;

(b) "company record" means—

(i) any register, index, accounting records, agreement, memorandum, minutes or other document required by the Companies Acts to be kept by a company; and

(ii) any register kept by a company of its debenture holders(**b**);

(c) "inspection place" means any location, other than a company's registered office, at which a company keeps available for inspection any company record which it is required under the Companies Acts to keep available for inspection;

(d) a reference to any type of document is a reference to a document of that type in hard copy, electronic or any other form; and

(e) in relation to a company, a reference to "its websites" includes a reference to any part of a website relating to that company which that company has caused or authorised to appear.

(**a**) 2006 (c.46).

(**b**) This is the definition of "company records" used in Part 37 of the Act. The definition of "the Companies Acts" is contained in section 2 of the Act but is subject to a transitional adaptation contained in paragraph 1 of Schedule 1 to the Companies Act 2006 (Commencement No. 2, Consequential Amendments, Transitional Provisions and Savings) Order 2007 (S.I. 2007/1093 (C. 49)).

Legibility of displays and disclosures

2. Any display or disclosure of information required by these Regulations must be in characters that can be read with the naked eye.

Requirement to display registered name at registered office and inspection place

3.—(1) A company shall display its registered name at—

(a) its registered office; and

(b) any inspection place.

(2) But paragraph (1) does not apply to any company which has at all times since its incorporation been dormant.

Requirement to display registered name at other business locations

4.—(1) This regulation applies to a location other than a company's registered office or any inspection place.

(2) A company shall display its registered name at any such location at which it carries on business.

(3) But paragraph (2) shall not apply to a location which is primarily used for living accommodation.

Manner of display of registered name

5.—(1) This regulation applies where a company is required to display its registered name at any office, place or location.

(2) The registered name shall be so positioned that it may be easily seen by any visitor to that office, place or location.

(3) The registered name shall be displayed continuously but where any such office, place or location is shared by six or more companies, each such company is only required to display its registered name for at least fifteen continuous seconds at least once in every three minutes.

Registered name to appear in communications

6.—(1) Every company shall disclose its registered 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.

(2) Every company shall disclose its registered name on its websites.

Further particulars to appear in business letters, order forms and websites

7.—(1) Every company shall disclose the particulars set out in paragraph (2) on—

(a) its business letters;

(b) its order forms; and

(c) its websites.

(2) The particulars are—

(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(**a**) or article 40 of the Companies (Northern) Ireland Order 1986(**b**), 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.

(3) If, in the case of a company having a share capital, there is a disclosure as to the amount of share capital on—

(a) its business letters;

(b) its order forms; or

(c) its websites,

that disclosure must be to paid up share capital.

Disclosure of names of directors

8.—(1) 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.

(2) In paragraph (1), "name" has the following meanings—

(a) in the case of a director who is an individual, "name" has the meaning given in section 163(2) of the Act; and

(b) in the case of a director who is a body corporate or a firm that is a legal person under the law by which it is governed, "name" means corporate name or firm name.

Disclosures relating to registered office and inspection place

9.—(1) A company shall disclose—

(a) the address of its registered office;

(b) any inspection place; and

(c) the type of company records which are kept at that office or place,

to any person it deals with in the course of business who makes a written request to the company for that information.

(2) The company shall send a written response to that person within five working days of the receipt of that request.

Offence

10.—(1) Where a company fails, without reasonable excuse, to comply with any requirement in regulations 2 to 9, an offence is committed by—

(a) the company; and

(b) every officer of the company who is in default.

(2) A person guilty of an offence under paragraph (1) is liable on summary conviction to—

(**a**) 1985 (c.6).
(**b**) S.I. 1986/1032 (N.I. 6).

(a) a fine not exceeding level 3 on the standard scale; and

(b) for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.

(3) For the purposes of this regulation a shadow director is to be treated as an officer of the company.

Revocation

11.—(1) The Companies (Registrar, Languages and Trading Disclosures) Regulations 2006(**a**) are amended as follows.

(2) Revoke regulation 6 and Schedules 1 and 2.

Name
Minister for Competitiveness,
Department for Business, Enterprise and Regulatory Reform

Date

(**a**) S.I. 2006/3429.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations deal with trading disclosures to be made by a company. All displays and disclosures required by these Regulations are to be in characters which can be read with the naked eye (regulation 2).

Regulation 3 specifies that a company's registered name must be displayed at the registered office and other places at which records are kept for inspection. This regulation does not apply to any company which is "dormant" as defined in section 1169 of the Companies Act 2006 (c.46) ("the Act").

Regulation 4 applies to locations other than those referred to in regulation 3. Regulation 4 specifies that a company's registered name must also be displayed at any location at which it carries on business. This regulation does not apply to a location which is primarily used for living accommodation.

Regulation 5 sets out the manner in which a company is required to display its registered name. The name must be positioned so that it can easily be seen by any visitor to the premises (regulation 5(2)). The name must also be displayed continuously unless the multiple occupation exception set out in regulation 5(3) applies. Regulation 6(1) specifies the documentation on which a company's registered name should appear. A company must also display its registered name on its websites (regulation 6(2)).

Regulation 7 sets out the particulars, in addition to the registered name, which should appear on a company's business letters, order forms and websites. The reference to registration in a particular part of the United Kingdom is to registration by the Registrar of Companies for that part of the United Kingdom (section 1060 of the Act).

Regulation 7 implements Article 4 (apart from references to a company being wound up) of Directive 2003/58/EC of the European Parliament and the Council of 15th July 2003, amending Council Directive 68/151/EEC, as regards disclosure requirements in respect of certain types of companies (O.J. L221, 4.9.2003, p.13). These requirements in Article 4 were previously implemented by regulation 6 and the Schedules to the Companies (Registrar, Languages and Trading Disclosures) Regulations 2006 (S.I. 2006/3429) which amended provisions of the Companies Act 1985 (c.6) ("the 1985 Act") and the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6.)) ("the 1986 Order"). Those provisions of the 1985 Act and 1986 Order are repealed on 1st October 2008.

Where a company's business letter includes the name of a 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 (regulation 8).

Regulation 9 deals with disclosures relating to the registered office and any other place at which the company keeps records available for inspection under the Companies Acts. "Working day" is defined in section 1173(1) of the Act.

It is an offence to fail to comply with a requirement of these Regulations and for these purposes a shadow director is to be treated as an officer of the company (regulation 10).

Regulation 11 revokes regulation 6 of and the Schedules to S.I. 2006/3429.

An Impact Assessment in respect of these Regulations has been produced and copies are available from the Company Law and Governance Directorate, Department for Business, Enterprise and Regulatory Reform, 1 Victoria Street, London, SW1H 0ET or on www.berr.gov.uk/bbf/co-act-2006.

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