

Review

Corporate Strategy and Finance



Companies Act 2006

REMINDER FOR COMPANIES WITH EXCLUSIVELY CORPORATE DIRECTORS: GRACE PERIOD EXPIRES ON 1 OCTOBER 2010

The Companies Act 2006 ('the Act') has introduced a new rule to the effect that at least one director of every company must be a natural person – in other words, a human being, as opposed to a non-human director such as a company or other legal person (a 'corporate director'). This requirement is contained in section 155 of the Act and came into force on 1 October 2008.

However, under the transitional provisions, any company which, as at 8 November 2006¹, had only corporate directors was given a period of grace until 1 October this year to comply with the new rule (provided that the company had the requisite number of directors at that time).

Any company still relying on the transitional provisions should ensure that it appoints at least one new director who is a natural person by the deadline of 1 October.

Our Company Secretarial Unit would be pleased to help with the necessary formalities.

Any company with solely corporate directors should ensure that it appoints at least one new director who is a natural person by the deadline of 1 October.

FURTHER INFORMATION

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1. The date on which the Act received Royal Assent

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