

EXPLANATORY MEMORANDUM TO
THE COMPANIES (TABLES A TO F) (AMENDMENT) REGULATIONS 2007

2007 No. 2541

1. This explanatory memorandum has been prepared by the Department for Business, Enterprise and Regulatory Reform and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 The Companies (Tables A to F) (Amendment) Regulations 2007 amend the existing regulations made under the Companies Act 1985, which set out the prescribed articles of association for the management of a company limited by shares. The amendments enable new companies formed on or after 1 October 2007 to take advantage of the Parts of the Companies Act 2006 that have already come into effect and the changes are generally in the form of deletions or slight text changes to avoid conflict with those Parts.

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

3.1 None

4. Legislative Background

4.1 The Companies (Tables A to F) (Amendment) Regulations 2007 amend the Companies (Tables A to F) Regulations 1985 (SI 1985/805).

5. Territorial Extent and Application

5.1 This instrument applies only to Great Britain.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 All companies are required to have a memorandum and a set of articles of association setting out the regulations by which a company will be managed. Companies may write and adopt their own articles of association, but by and large are guided by (or adopt by default) a prescribed format of articles as prescribed by Company Law legislation. The first prescribed format of articles was made in The Joint Stock Companies Act 1856. The memorandum was subsequently moved into the body of the Companies Act 1862 and the articles became “Table A” and this naming convention continued through subsequent legislation.

7.2 The objective of the amendment is to update the current Tables A - F to reflect the provisions on resolutions and meetings of the Companies Act 2006 that are being commenced on 1 October, as well as to reflect other provisions already commenced.

7.3 The approach taken has been not to change the numbering of the existing regulations, even where deletions have been made so as to aid end-users who are familiar with the format currently in use. An informal Keeling Schedule has been prepared by the Department to make it clear to the end-user how the amended prescribed articles of association will appear.

7.4 These regulations will apply to companies incorporating on or after 1st October 2007 until the Companies Act 2006 model articles come into effect. It is possible, although unlikely, that there will be a further amendment in April 2008 to reflect other provisions of the Companies Act 2006 brought into force at that point. Unless amended by special resolution, a company's articles of association remain as adopted upon formation.

7.5 The change is not politically important. The changes have been approved by BERR lawyers and commented on by the Law Society's Company Law Committee, Companies House and a small number of company formation agents.

8. Impact

8.1 The BERR Better Regulation team are satisfied that an impact assessment is not required for these amendment regulations. This is because the amendment causes no change in the administration burden for new companies using the regulations – all companies are required to have articles of association and may apply these default articles. The amendment slightly changes the content but not the process of application. Existing companies can choose to amend their own articles of association to reflect the amended regulations by special resolution. They are not however required to do this and no burden is imposed.

9. Contact

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