



# Companies Act 2006

## 2006 CHAPTER 46

### PART 5

#### A COMPANY'S NAME

### CHAPTER 2

#### INDICATIONS OF COMPANY TYPE OR LEGAL FORM

##### *Required indications for limited companies*

#### **58 Public limited companies**

- (1) The name of a limited company that is a public company must end with “public limited company” or “p.l.c.”.
- (2) In the case of a Welsh company, its name may instead end with “cwmni cyfyngedig cyhoeddus” or “c.c.c.”.
- (3) This section does not apply to community interest companies (but see section 33(3) and (4) of the Companies (Audit, Investigations and Community Enterprise) Act 2004 (c. 27)).

#### **59 Private limited companies**

- (1) The name of a limited company that is a private company must end with “limited” or “ltd.”.
- (2) In the case of a Welsh company, its name may instead end with “cyfyngedig” or “cyf.”.
- (3) Certain companies are exempt from this requirement (see section 60).

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- (4) This section does not apply to community interest companies (but see section 33(1) and (2) of the Companies (Audit, Investigations and Community Enterprise) Act 2004).

## **60 Exemption from requirement as to use of “limited”**

- (1) A private company is exempt from section 59 (requirement to have name ending with “limited” or permitted alternative) if—
- (a) it is a charity,
  - (b) it is exempted from the requirement of that section by regulations made by the Secretary of State, or
  - (c) it meets the conditions specified in—
    - section 61 (continuation of existing exemption: companies limited by shares), or
    - section 62 (continuation of existing exemption: companies limited by guarantee).
- (2) The registrar may refuse to register a private limited company by a name that does not include the word “limited” (or a permitted alternative) unless a statement has been delivered to him that the company meets the conditions for exemption.
- (3) The registrar may accept the statement as sufficient evidence of the matters stated in it.
- (4) Regulations under this section are subject to negative resolution procedure.

## **61 Continuation of existing exemption: companies limited by shares**

- (1) This section applies to a private company limited by shares—
- (a) that on 25th February 1982—
    - (i) was registered in Great Britain, and
    - (ii) had a name that, by virtue of a licence under section 19 of the Companies Act 1948 (c. 38) (or corresponding earlier legislation), did not include the word “limited” or any of the permitted alternatives, or
  - (b) that on 30th June 1983—
    - (i) was registered in Northern Ireland, and
    - (ii) had a name that, by virtue of a licence under section 19 of the Companies Act (Northern Ireland) 1960 (c. 22 (N.I.)) (or corresponding earlier legislation), did not include the word “limited” or any of the permitted alternatives.
- (2) A company to which this section applies is exempt from section 59 (requirement to have name ending with “limited” or permitted alternative) so long as—
- (a) it continues to meet the following two conditions, and
  - (b) it does not change its name.
- (3) The first condition is that the objects of the company are the promotion of commerce, art, science, education, religion, charity or any profession, and anything incidental or conducive to any of those objects.
- (4) The second condition is that the company’s articles—
- (a) require its income to be applied in promoting its objects,

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- (b) prohibit the payment of dividends, or any return of capital, to its members, and
- (c) require all the assets that would otherwise be available to its members generally to be transferred on its winding up either—
  - (i) to another body with objects similar to its own, or
  - (ii) to another body the objects of which are the promotion of charity and anything incidental or conducive thereto,(whether or not the body is a member of the company).

## **62 Continuation of existing exemption: companies limited by guarantee**

- (1) A private company limited by guarantee that immediately before the commencement of this Part—
  - (a) was exempt by virtue of section 30 of the Companies Act 1985 (c. 6) or Article 40 of the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6)) from the requirement to have a name including the word “limited” or a permitted alternative, and
  - (b) had a name that did not include the word “limited” or any of the permitted alternatives,is exempt from section 59 (requirement to have name ending with “limited” or permitted alternative) so long as it continues to meet the following two conditions and does not change its name.
- (2) The first condition is that the objects of the company are the promotion of commerce, art, science, education, religion, charity or any profession, and anything incidental or conducive to any of those objects.
- (3) The second condition is that the company’s articles—
  - (a) require its income to be applied in promoting its objects,
  - (b) prohibit the payment of dividends to its members, and
  - (c) require all the assets that would otherwise be available to its members generally to be transferred on its winding up either—
    - (i) to another body with objects similar to its own, or
    - (ii) to another body the objects of which are the promotion of charity and anything incidental or conducive thereto,(whether or not the body is a member of the company).

## **63 Exempt company: restriction on amendment of articles**

- (1) A private company—
  - (a) that is exempt under section 61 or 62 from the requirement to use “limited” (or a permitted alternative) as part of its name, and
  - (b) whose name does not include “limited” or any of the permitted alternatives,must not amend its articles so that it ceases to comply with the conditions for exemption under that section.
- (2) If subsection (1) above is contravened an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.

For this purpose a shadow director is treated as an officer of the company.

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- (3) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.
- (4) Where immediately before the commencement of this section—
- (a) a company was exempt by virtue of section 30 of the Companies Act 1985 (c. 6) or Article 40 of the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6)) from the requirement to have a name including the word “limited” (or a permitted alternative), and
  - (b) the company’s memorandum or articles contained provision preventing an alteration of them without the approval of—
    - (i) the Board of Trade or a Northern Ireland department (or any other department or Minister), or
    - (ii) the Charity Commission,
 that provision, and any condition of any such licence as is mentioned in section 61(1) (a)(ii) or (b)(ii) requiring such provision, shall cease to have effect.
- This does not apply if, or to the extent that, the provision is required by or under any other enactment.
- (5) It is hereby declared that any such provision as is mentioned in subsection (4)(b) formerly contained in a company’s memorandum was at all material times capable, with the appropriate approval, of being altered or removed under section 17 of the Companies Act 1985 or Article 28 of the Companies (Northern Ireland) Order 1986 (S.I. 1986/1032 (N.I. 6)) (or corresponding earlier enactments).

#### **64 Power to direct change of name in case of company ceasing to be entitled to exemption**

- (1) If it appears to the Secretary of State that a company whose name does not include “limited” or any of the permitted alternatives—
- (a) has ceased to be entitled to exemption under section 60(1)(a) or (b), or
  - (b) in the case of a company within section 61 or 62 (which impose conditions as to the objects and articles of the company)—
    - (i) has carried on any business other than the promotion of any of the objects mentioned in subsection (3) of section 61 or, as the case may be, subsection (2) of section 62, or
    - (ii) has acted inconsistently with the provision required by subsection (4) (a) or (b) of section 61 or, as the case may be, subsection (3)(a) or (b) of section 62,
 the Secretary of State may direct the company to change its name so that it ends with “limited” or one of the permitted alternatives.
- (2) The direction must be in writing and must specify the period within which the company is to change its name.
- (3) A change of name in order to comply with a direction under this section may be made by resolution of the directors.

This is without prejudice to any other method of changing the company’s name.

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- (4) Where a resolution of the directors is passed in accordance with subsection (3), the company must give notice to the registrar of the change.

Sections 80 and 81 apply as regards the registration and effect of the change.

- (5) If the company fails to comply with a direction under this section an offence is committed by—
- (a) the company, and
  - (b) every officer of the company who is in default.
- (6) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.
- (7) A company that has been directed to change its name under this section may not, without the approval of the Secretary of State, subsequently change its name so that it does not include “limited” or one of the permitted alternatives.

This does not apply to a change of name on re-registration or on conversion to a community interest company.

*Inappropriate use of indications of company type or legal form*

**65 Inappropriate use of indications of company type or legal form**

- (1) The Secretary of State may make provision by regulations prohibiting the use in a company name of specified words, expressions or other indications —
- (a) that are associated with a particular type of company or form of organisation, or
  - (b) that are similar to words, expressions or other indications associated with a particular type of company or form of organisation.
- (2) The regulations may prohibit the use of words, expressions or other indications—
- (a) in a specified part, or otherwise than in a specified part, of a company's name;
  - (b) in conjunction with, or otherwise than in conjunction with, such other words, expressions or indications as may be specified.
- (3) A company must not be registered under this Act by a name that consists of or includes anything prohibited by regulations under this section.
- (4) In this section “specified” means specified in the regulations.
- (5) Regulations under this section are subject to negative resolution procedure.