

# Record breaking reform of company law becomes an Act

**The long awaited reform of company law, and largest ever piece of legislation to go through the UK Parliament, has now become an act. Perhaps it is not the most exciting subject to be a record breaker, but it is an important piece of legislation because of the number of people it will affect. There are also certain steps which companies will need to take by January.**

The Companies Act 2006 will, once it comes into force, affect all companies, whether large or small, quoted or unquoted and their shareholders, directors, secretaries and auditors. They and their advisers will need to start getting to grips with the substantial changes it introduces. Some aspects of the legislation have been controversial and highlighted in the press. However, there is far more change in the legislation than these headline newspaper reports indicate. This bulletin briefly summarises some of the main changes and aims to answer some of the questions you may have. We plan to follow up with more detailed bulletins on specific topics once the final text of the act is published and implementing legislation becomes clearer. We also plan to hold client seminars on specific topics in due course.

## What are the main aims of the reform?

In updating the law, the Government has explained that it wants to reflect modern business practice. Much of existing company law is derived from Victorian principles and case law and is considered to be complex and often inaccessible. This problem is compounded for private companies since the law is based on larger, public companies and some of its provisions are inappropriate for private companies. The act introduces a number of welcome deregulatory measures that will benefit small private companies. The Government has also included measures in the act to improve shareholder rights, particularly those of shareholders who hold through nominees and sought to clarify and increase the accountability of the company and management. It remains to be seen whether these provisions will result in increased costs for companies and more litigation against management (as some fear).

## When will the act come into effect?

A few parts of the act are to come into effect by or in January 2007. These are summarised below (see "[summary of the changes expected to take effect by or in January 2007](#)"). The Government has stated that the remainder of the act will come into effect "by October 2008", although it is possible that there will be a phased implementation, so some provisions could well come into effect before then. There will be a full consultation on the timing of implementation in February next year. October 2008 may seem a long way off, but there is a considerable amount to be done before the act can fully be brought into force, including making delegated legislation under the act (over 70 statutory instruments), modifying Companies House procedures and publication of new Companies House forms and guidance. Even if the act is not brought into effect until October 2008, earlier changes to companies' articles of association may be necessary at company AGMs preceding the final implementation date.

## What legislation will it repeal?

The Companies Act 2006 replaces all existing statutory company law (under the Companies Acts 1985 and 1989 and the Companies (Audit, Investigations and Community Enterprise) Act 2004), except for stand alone provisions on community interest companies and provisions on investigations which go wider than companies. Alistair Darling is reported to have said that the act is "one third purely restatement, one third almost restatement - just putting it in simpler language - and one third genuinely new". However, in a bill of 1300 sections, the latter third is still a considerable amount of new law.

## How will the act affect companies already incorporated?

### Existing companies may need to change their articles to benefit from deregulation

The Companies Act 2006 will apply to companies already incorporated under existing company legislation, not just newly incorporated companies. However, the exact impact on existing companies will depend on "transitional

provisions" to be made under the act. Existing companies will have organised their constitutions and affairs on the basis of the existing law and not taking account of the new law, so provisions are needed to try and protect those arrangements. There has been an outline consultation on transitional provisions to help smooth the way for existing companies and a further consultation is expected "by early 2007". It is not a requirement of the act that companies with articles incorporating Table A to the Companies Act 1985, for example, should change them to include the new model articles to be prescribed under the new act (though they could do so if they wish). However, from the brief consultation so far, it seems companies are likely to have to take some steps to modify their articles or pass shareholder resolutions if they wish to obtain the full benefit of the act's deregulatory provisions. It is also possible that some companies will have to make amendments to preserve the status quo, although we will have to wait and see.

## What, if anything, do I need to do now?

There are certain steps which companies will need to take soon in preparation for the changes to take place by or in January 2007. These are summarised in the next part of this bulletin (see "**Summary of the changes expected to take effect in or by January 2007**" below). The key points to note are as follows:

- ♦ once final implementing regulations are published, and by 31 December this year, all companies and limited liability partnerships should review all forms (including electronic) of their business letters, order forms and their company website to ensure they contain the required information (see further "**Changes to business correspondence/company websites**" below);
- ♦ fully listed and UK incorporated AIM companies will be required to put out a statement by no later than 31 December this year of the total number of voting rights in respect of each class of shares admitted to trading (see further "**Disclosure of major shareholdings**" below);
- ♦ fully listed companies will also need to understand and prepare for the new reporting requirements to be put in place under the FSA's new transparency and disclosure rules which will apply for accounting periods commencing on or after 20 January 2007 - see further "**Fully listed company reporting**" below; and
- ♦ once the final act is published and implementing measures made, companies should consider whether to take the benefit of measures allowing them to make greater use of electronic communications which will come into effect in January 2007 -

see further "**Provisions facilitating electronic communications**" below.

As regards the remainder of the act, the most important step at this stage is to start to form an initial assessment of:

- ♦ what the implications might be for you - for example, do any of the companies for which you are responsible only have corporate directors or do they all, as the new act will require, have at least one director who is a natural person?
- ♦ whether you or a company for which you are responsible may wish to benefit from some of the deregulatory aspects of the act.

A summary of some of the key changes is set out in the remaining parts of this bulletin (see further "**Examples of the main changes affecting both public and private companies**"; "**Examples of the deregulatory changes which will apply to private companies only**"; and "**Examples of changes specific to public and quoted companies only**" below).

Olswang will be able to give you further advice on what, if anything, you need to do, once the transitional arrangements and other delegated legislation become clearer.

# Summary of the changes expected to take effect in or by January 2007

## Changes to business correspondence/company websites - 31 December 2006

**All companies should by the end of December review rubric on business correspondence and their company website**

Companies and limited liability partnerships are currently required to disclose certain company registration details on business letters and order forms. For example, the registration details to be given include the company or

LLP's name, number, place of registration, and registered office address. It is expected that delegated legislation will soon be passed under the new act that will make it clear that these requirements apply regardless of whether such communications are in electronic or hard copy form and also require the information to be included on the company's website. Once final implementing regulations are published, all companies and limited liability partnerships should by 31 December this year review all forms (including electronic) of their business letters, order forms and their company website to ensure they contain the required information.

## Provisions facilitating electronic communications - January 2007

Once relevant provisions of the new act come into effect (expected to be in January 2007), there will be a new regime to allow companies to make greater use of electronic communications. The provisions will apply to communications by a company with its shareholders and holders of debt securities. There will, for example, be new provisions allowing companies to make greater use of their website for shareholder communications. However, this is likely to require a shareholder resolution or changes to the company's articles. The provisions will also make it easier for shareholders to make electronic communications to the company about shareholder meetings. We will be issuing a further update about this once we have the final text of the act and implementing legislation.

## Disclosure of major shareholdings in fully listed and AIM companies - by 20 January 2007 (but note that companies need to take action by 31 December 2006)

The existing Companies Act 1985 provisions relating to the notification of major shareholdings will be repealed and replaced by new rules to be made by the Financial Services Authority under new powers given by the Companies Act 2006 (which will amend Part VI of the Financial Services and Markets Act 2000). This is being done to implement a European directive. Unlike the existing rules, which apply to all UK incorporated public companies, the new rules will only apply in respect of certain quoted companies including companies admitted to the main market of the London Stock Exchange and UK public compa-

nies admitted to AIM or PLUS markets. The revised rules will be contained in "Transparency and Disclosure Rules" which will replace the FSA's existing Disclosure Rules. Shareholders in a UK incorporated company will continue to be required, as now, to notify (to the company) holdings that cross a 3% threshold and every whole percentage figure above 3%. The company, in turn, will have to notify the information to the market. However, in order to comply with the European directive, the disclosure thresholds will be at every 5% (i.e. 5%, 10% etc.) for non-UK incorporated companies to whom the rules apply. There are a number of technical differences between the current regime and the old regime which are beyond the scope of this bulletin. Companies should note that they will be required to put out a statement by no later than 31 December 2006 of the total number of voting rights in respect of each class of shares admitted to trading (and a statement of any changes which take effect before 20 January 2007). This is to enable shareholders to work out their relative holdings in preparation for 20 January 2007 when the new regime takes effect. The UKLA has published "near final" Transparency and Disclosure Rules, but we await final rules. Note that we do not expect there to be any material change to the provisions allowing public companies to investigate who is interested in their shares (currently at section 212 Companies Act 1985) which will be carried into the new act.

**Quoted companies should note that they must put out a statement of share capital by the end of December**

## Fully listed company reporting - by 20 January 2007

The FSA's new "Transparency and Disclosure Rules" will also introduce a new periodic reporting regime applicable to companies with their registered office in the UK and admitted to a UK regulated market (which includes the main market of the London Stock Exchange) and certain other overseas fully listed companies. The rules do not apply to AIM companies. The new Transparency and Disclosure Rules will contain content and timing rules for annual and half-yearly financial reports. They will also require companies who do not produce quarterly financial reports to release "interim management statements". These interim statements, which are not expected to be as onerous as full quarterly reporting, must be released in the first and second six month periods of any financial year. The interim statement must explain material events and transactions that have taken place during the relevant period, their impact on the financial position of the issuer and its controlled undertakings and describe the issuer and controlled undertakings' financial position and performance during that time. The new reporting requirements are expected to apply for financial periods commencing on or after 20 January 2007 (so companies with 31 December year ends will not have to issue their first statements until early 2008). Modifications will be made to the Listing

Rules to minimise overlap in reporting obligations, but there will continue to be rules relating to company reporting in the Listing Rules which should be taken into account.

The annual and half-yearly financial reports will also be required to contain a responsibility statement for the first time. There is a new statutory liability regime in the act by which the company may be liable to third parties for the periodic financial reports if they have subscribed for the shares and suffered loss as a result of an untrue or misleading statement or omission from the reports or any preliminary statement. The company will not be liable unless there has been knowledge or recklessness by a director (and in limited circumstances) a senior manager at the company. The director himself is not directly liable to third parties under these new provisions, although he could be liable to the company.

### **Part of the act relating to public takeovers - probably some time in January 2007**

It is expected that the part of the new act dealing with public takeovers will be brought into effect by implementing legislation, probably by the end of January 2007. Once in force, the provisions will replace regulations which brought the European directive on Takeovers into effect on 20 May this year (the Takeovers Directive (Interim Implementation Regulations) 2006) and extend their scope. Under the existing regulations, the Takeover Panel was given statutory backing and new powers, for example, to obtain information. Technical changes were also made to the Companies Act 1985 compulsory acquisition procedure. However, the Panel's new powers only apply to transactions covered by the directive and not to other Code regulated transactions (such as an offer for a UK AIM quoted target). The changes to the compulsory acquisition procedure were also limited in scope so did not affect AIM quoted targets. Once the Takeovers provisions in the act come into effect, the Panel's statutory backing and new powers will affect all Code regulated transactions (not just those covered by the directive). The revised compulsory acquisition procedure will be extended in scope and further technical improvements will also be made to it. It is not expected that these changes will result in a significant change to practice on takeovers.

# Examples of the main changes affecting both private and public companies

- it is not yet clear when these measures will come into effect

## What will the new age company look like?

*Articles of association:* New model articles will be prescribed under the act including, for the first time, for public companies. The new model articles will apply in default of any articles being registered at Companies House for companies formed under the act and any other company that chooses to adopt them (whether wholly or in part).

*Entrenching rights in articles:* There are new statutory provisions allowing a company to provide that certain articles may not be amended unless procedures which are more onerous than passing a special resolution (the normal procedure required to amend a company's articles) are complied with. These could, for example, be used to protect a minority investor director appointment in place of existing mechanisms, which rely on case law.

*Memorandum and objects:* The memorandum of a company formed under the new act will be a far simpler document of purely historical significance and will no longer contain lengthy objects clauses setting out the types of business the company is authorised to conduct. The new age company will have "unrestricted" objects unless it chooses voluntarily to impose restrictions. It is not yet clear how this will affect existing companies (whose objects clauses will be carried into their articles under a deeming provision in the new act).

*Directors:* A company will be required to have at least one director who is a natural person, a change aimed at ensuring that at least one human being is accountable. A new minimum age requirement will require a director to be at least 16 (subject to exceptions which may be made by delegated legislation). However, the maximum age threshold of 70 years that applies to public companies and their subsidiaries (unless varied by the company's articles) is expected to be repealed.

## Directors' duties: how will the act change the position?

**The new duty to promote the success of the company raises questions for directors**

There will be significant changes in the legal structure of directors' duties, in the way the duties can be enforced and, in some cases, in the duties themselves.

*New statutory basis:* The act sets out a new statement of seven general duties which are based on existing case law. This statutory statement will take effect in place of the existing rules and principles and is to be interpreted in the same way. The codification exercise has not been exhaustive and directors will still be bound by remaining duties in common law and equity. For example, the duty to take into account the interests of creditors when faced with the threat of insolvency has not been included in the act.

*Duty to promote the success of the company:* This is one of the most controversial provisions in the act. Directors will have a duty to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to a number of listed factors which include factors they have not previously had to consider in this way. This duty enshrines the principle of "enlightened shareholder value" - the concept that, in the modern business world, the basic goal for directors should be the success of the company for the benefit of the members as a whole, but that to reach this goal directors will need to take a properly balanced view of the implications of decisions over time and foster effective relationships with employees, customers, suppliers, the environment and the wider community. The introduction of this duty is likely to give rise to a number of questions for directors. For example, how should directors deal with the situation where two or more of the factors conflict? How will directors show that they have complied with their obligations? It seems likely that business practice will move towards more comprehensive board minutes, recording the directors' consideration of the relevant issues (although the Government has warned that paying lip service to the factors will not be sufficient). Directors may also feel a greater need to protect their position by requisitioning independent reports on valuations, environmental issues and other specialist areas.

*Conflicts of interest:* The act will also address circumstances where there is, or could be, a conflict between the interests of the company and a director's personal interests or duties to others. These new provisions will need careful consideration, particularly where non-executive directors have multiple directorships, where conflicts may be an issue. Changes may be needed to some companies' articles of association and the Government is planning to introduce further regulations setting out how the new provisions will apply to existing companies.

*Enforcement:* In the main, directors' duties are owed (and will continue to be owed) to the company. The general rule is that it is for the company itself to bring proceedings. However, in certain circumstances common law allows one or more members to bring an action on behalf of the company through a derivative claim where the directors fail to do so. These claims are rare. The act puts derivative claims on a statutory footing. It expands the conduct for which a claim can be brought and sets out a new statutory procedure under which the claimant must show a prima facie case at the outset. The act will also continue to allow shareholders to apply for a court order where the company's affairs are being conducted in a manner that is unfairly prejudicial to some or all of the members (reflecting the current position under the Companies Act 1985).

## What other changes will apply to directors?

*Directors' home addresses:* Directors will be allowed to file a service address, rather than a home address, on the registers open to public inspection maintained by the company and at Companies House. However, existing records are not expected to be removed from the Companies House register and the directors' home addresses must still be kept in separate, non-public registers for use in limited circumstances.

*Transactions with directors:* Directors' dealings with the company (including long-term service contracts, substantial property transactions with the company, loans to directors and payments for loss of office) will continue to be regulated under the act with some changes. For example, the current prohibition on loans to directors (subject to certain exceptions) will be abolished and replaced by a requirement for member approval.

*Companies Act 1985 duty for directors to disclose shareholdings in their company:* We are expecting these provisions to be repealed. However, directors and companies of fully listed and AIM companies will still need to comply with the notification obligations in the FSA's Disclosure Rules, which will be retained in the FSA's new Transparency and Disclosure Rules (see "**Disclosure of major shareholdings in fully listed and AIM companies**" above), and in the AIM Rules, as appropriate.

## What changes relate to shareholders?

In addition to the derivative claims procedures and the electronic communications provisions:

*Shareholders' addresses:* Measures will introduce some protection of shareholders' addresses, by a combination of a new procedure for applications to inspect the company's register of members; a procedure allowing the company to be able to apply to court for permission to refuse; and reducing the information required to be filed with Companies House on the annual return.

*Indirect shareholders (shareholders holding through nominees):* New statutory provisions will facilitate voting by indirect shareholders through the appointment of multiple proxies and corporate representatives. There will also be provisions allowing registered holders to give certain information and other rights to indirect shareholders if the company's articles allow. For fully listed (not AIM) companies, the registered holder may also nominate someone on whose behalf he is holding shares to receive certain information without there needing to be any enabling provision in the company's articles.

## Protecting the company's name

A company will be able to apply to a new "business names adjudicator" if another company adopts a name which it considers infringes its goodwill - this is to protect against opportunistic name registrations by third parties. The business names adjudicator will have powers to direct the third party to change the name and, if it fails, to change the name itself.

## Resolutions and meetings

*Notice of meetings:* The standard notice period for all general meetings (other than, in the case of a public company, an AGM), is to be 14 days. Currently, the EGM may require 21

days' notice, for example, if a special resolution is proposed at the meeting. The standard notice periods will not apply where there is consent to short notice. See "**Examples of the deregulatory changes which will apply to private companies only**" and "**Examples of changes specific to public and quoted companies only**" below.

*Resolutions to change a company's name:* A company will be allowed to make provision in its articles for a procedure to be adopted to change its name. Such procedure will apply in addition to existing procedures to change the company's name (e.g. by special resolution).

## What changes apply to a company's share capital?

*Authorised share capital:* There will be no requirement for a company formed under the act to have authorised share capital, although the shares will still be required to have a nominal value. Therefore, one of the checks that has to be done when a company allots shares will no longer be required for such companies. It is not yet known how this will affect existing companies.

*New procedure for redenomination of share capital:* There is currently no easy way for a company to redenominate its share capital from one currency to another. The act will address this by introducing a new procedure to allow redenomination of share capital by shareholders' resolution.

*Reduction of share capital:* A new procedure will be introduced to enable private companies limited by shares to reduce their share capital without court approval. The new procedure will involve a solvency statement made by the directors and a shareholders' resolution. The existing court-approved procedure for a share capital reduction and the existing procedures for private companies to redeem or purchase their own shares out of capital will be retained, with some changes.

*Maintenance of share capital - intra-group transfers:* New statutory provisions will clarify the position on the validity of asset sales to shareholders at less than market value, where the transferring company has distributable profits. The changes should provide greater certainty to groups planning transactions at book value (an area surrounded with difficulty under existing law).

## Changes to the company's audit and accounts

*Limits on auditor liability:* For the first time, companies and their auditors will be permitted to enter into an agreement limiting the auditor's liability for the audit. Under the Companies Act 1985, provisions protecting a company's auditors from liability are (with limited exceptions) void. The new "liability limitation agreement" must only apply to a single year's audit and is subject to shareholder approval. In the case of a private company, the shareholders can resolve to waive the need for approval each year. The agreement will also only be effective to the extent "fair and reasonable". It is therefore probable that when the relevant provisions of the act come into effect, companies will be faced with annual negotiations with auditors of these agreements (which may impose a cap on liability).

*New audit offence:* A new offence will be committed under the act if an auditor knowingly or recklessly causes an audit report to include information that is misleading, false or deceptive in a material particular or to omit certain specified statements.

*Clarification of liability for the director's report:* We also understand that the liability of directors is to be clarified in the act in relation to misleading statements in, or omissions from, the director's report; any directors' remuneration report and summary financial statements. We expect the provision to clarify that the director may be liable only to the company and that there must be knowledge or recklessness. This is a provision which has not appeared in earlier drafts of the bill and we await the final text of the act.

*Filing deadlines:* The deadlines for filing the company's annual report will be changed to 9 months (reduced from 10 months) after the year end for private companies and 6 months (reduced from 7) in the case of public companies.

## **Restoration of companies to the register**

There will be a new out-of-court administrative procedure for restoring companies to the register which is likely to be useful, for example, where they have been struck off in error. In addition, a new court procedure will replace the two existing court restoration procedures.

## **What changes can overseas companies expect?**

Under current legislation, there are two parallel registration regimes for overseas companies with a presence in the UK. One regime relates to "branches" (and implements EU law requirements) and the other regime relates to places of business which are not branches. The Government will be given powers to make new regulations, which (together with the act) will replace the existing regimes. The new regulations are expected to include registration, reporting and disclosure requirements for overseas companies.

# Examples of the deregulatory changes which will apply to private companies only

- it is not yet clear when these measures will come into effect

## How will the administration of private companies be made easier?

### The deregulatory changes in the act will reduce administration for private companies

*Company secretaries:* Private companies will no longer be required to have a company secretary. However, private companies may choose to appoint one. If they do, it is expected the act will provide for the secretary's

details to be registered and for the secretary to have signing power, as now.

*Written resolutions:* There will be a new statutory written resolution procedure that will make it easier for private companies to take decisions without holding a formal shareholders' meeting. For example, whereas the current statutory written resolution procedure requires all shareholders to consent to a resolution in writing, under the new procedure the written resolution will require a 75% majority of eligible votes (in the case of a special resolution) and a simple majority of eligible votes (in the case of an ordinary resolution).

*AGMs:* Private companies will not have to hold an AGM unless they choose to do so. Transitional provisions to be made under the act are expected to clarify how this will affect existing companies with provisions in their articles relating to holding AGMs.

*Share issues:* In the case of a private company with only one class of share, unless its articles provide otherwise, there will no longer be a requirement for the directors to be given authority by shareholders to allot shares. Together with the removal of authorised share capital, this will simplify the share issue process for many companies with only one class of share. However, before issuing shares, directors of such companies will still need to ensure they have the necessary waiver of statutory pre-emption rights in place (either in their articles or by obtaining a shareholder resolution) and they may, of course, have other restrictions in their articles, such as bespoke pre-emption rights.

*Other miscellaneous changes:* Other changes have been made to the procedures for meetings including: a reduction in the default percentage required for consent to short notice (reduced from 95 to 90%); for member requisitions of meetings the percentage is reduced from 10% to 5% in certain circumstances; and measures to simplify record keeping requirements.

## Will the financial assistance provisions still apply to share transactions?

The act will introduce significant changes to the provisions which prohibit a company (or its subsidiaries) from giving financial assistance directly or indirectly for the purpose of an acquisition of the company's shares. After many years of debate, this

prohibition (and the whitewash procedure which provides an exemption for private companies) has finally been removed for most private companies. However, concerns have been expressed that the repeal of the statutory prohibition for private companies could resurrect the old common law restrictions in this area, with the result that companies might not in future be able to enter into transactions which are currently permitted through the whitewash exemption. The Government has indicated that a saving provision will be introduced which it is hoped will clarify the position. The prohibition will remain in place, largely unchanged, for public companies and any private company assisting an acquisition of shares in its public company parent. Restrictive EU requirements have prevented the abolition of the restrictions for public companies, although recent changes mean that we are likely to see further reform in the UK in the near future.

# Examples of changes specific to public and quoted companies only

- it is not yet clear when these measures will come into effect

## Changes to reporting requirements for "quoted" companies

In the new act (and this part of the bulletin) "quoted company" includes a company which is fully listed in the EEA (i.e. does not include AIM companies) and also includes companies traded on NASDAQ or the New York Stock Exchange.

**Quoted companies may have to disclose significant supplier and customer relationships**

*Business review:* Quoted companies will be subject to additional requirements in relation to the business review which all companies other than small companies must already include in their directors' reports. They

must include: information about factors likely to affect the future development, performance and position of the company's business; information about environmental matters, employees, social and community issues; and (to the extent they are essential to the company's business) suppliers and other persons with whom the company has arrangements. The inclusion of suppliers and other persons has in particular been highly controversial. The Government has made various statements clarifying its intentions including that disclosure is not required unless the arrangement is with a major supplier or key customer critical to the business and likely to influence directly or indirectly the performance of the business or its value. The Accounting Standards Board will be updating its reporting statement on the business review.

*Website publication:* Quoted companies will also be obliged to publish their annual report and accounts and preliminary results on their websites.

*Audit concerns:* There is expected to be a new right for a certain percentage of members of quoted companies to require the company to publish on its website questions about the accounts or the departure of an auditor which the member proposes to raise at a shareholder meeting.

**Changes to AGM requirements for all PLCs:** Unlike private companies, public companies will still be required to hold an AGM and will be required to do so within 6 months of the end of the financial year (they have currently to hold it at least annually and within 15 months of the previous AGM). The notice period will continue to be 21 days (notwithstanding that notice for EGMs will be reduced to 14 days). There will be requirements to disclose the results of a poll on the company's website and requiring the company to obtain an independent report on a poll, in certain circumstances, on member requisition.

## Other example administrative changes for all PLCs

*Conversion to unlimited:* There are expected to be provisions which will allow a public company to convert to unlimited.

*Dissolution and restoration of PLCs to the register:* The voluntary procedure for applying to strike a company off the register will be extended to PLCs, and PLCs will also be capable of being restored to the register as described above.

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## Kate Higgins

[kate.higgins@olswang.com](mailto:kate.higgins@olswang.com)



## Angela Johnston

[angela.johnston@olswang.com](mailto:angela.johnston@olswang.com)



If you would like to discuss any of the topics covered by this bulletin, please get in touch with your usual Olswang contact.

This bulletin has been produced based on our understanding of the act drawn from drafts of the bill, Government statements and reports in Parliament. The final text of the act has not yet been published and is not expected until the end of November 2006.

The information contained in this update is intended as a general review of the subjects featured and detailed specialist advice should always be taken before taking or refraining from taking any action.