

# UPDATE

## TRADING DISCLOSURE REGULATIONS 2008

### Display of Company Names

The Companies Act 2006 introduces new provisions governing the way in which companies display their name and other associated details. The new provisions came into force on 1<sup>st</sup> October 2008. The new regulations affect limited companies, public limited companies (PLCs) and limited liability partnerships (LLPs).

#### 1. KEY POINTS

##### 1.1 Information to be Disclosed

Subject to section 1.3 below, the following information is required:

- the company's registered name;
- company number;
- registered address together with the part of the UK it is registered in (e.g. England and Wales).

Investment companies (under s.833 of the Act) must disclose their status and companies exempt from using the word 'limited' as part of their name must disclose their status as a limited company. Any reference to share capital made by a company must be a reference to paid up share capital.

If a company's letterhead, etc., includes the name of any director (except where this appears in the text, or as a signatory), then the name of every other director must appear as well.

##### 1.2 Place(s) of Business Covered

From 1<sup>st</sup> October 2008, companies are now required to display their full registered name in the following locations:

- at the registered office (unless the company has been dormant since its incorporation);
- at any "inspection place" (that is, where it keeps its company records available for inspection);
- at any place where it does business.

Companies no longer have to display their names on the outside of premises where they do business, but the company's name must be displayed on signs inside so that it is easily visible, to the naked eye, to any visitor to the premises. It must, however, be able to be seen at any time, i.e. not only during business hours, and therefore careful consideration of location is required if there is an internal display only.

There are regulations governing the length of time that a firm must display its name on, for example, electronic display boards, if six or more companies share the same offices.

##### 1.3 Documents Included

The company details must also appear on all correspondence and company documents. Hard copy documents that should be checked include:

**Table 1: Full Disclosure Required**

Documents	Required Disclosure Information
<ul style="list-style-type: none"> <li>• letter headings;</li> <li>• fax header sheets (when used as business letters);</li> <li>• order forms;</li> </ul>	Full information see section 1.1

**Table 2: Limited Disclosure Required**

Documents	Required Disclosure Information
<ul style="list-style-type: none"> <li>• notices and official publications;</li> <li>• bills of exchange;</li> <li>• promissory notes;</li> <li>• endorsements;</li> <li>• cheques;</li> <li>• orders for money, goods or services;</li> <li>• bills of parcels;</li> <li>• invoices and other demands for payment;</li> <li>• receipts;</li> <li>• letters of credit;</li> <li>• applications for licences to carry on a trade or activity; and</li> <li>• all other forms of business correspondence and documentation not already mentioned.</li> </ul>	Registered name

Documents not specifically mentioned in either Table 1 or Table 2 must be reviewed to establish if they are used as business letters, in which case full disclosure information is required, or if they are merely other forms of business correspondence or documentation, where just disclosure of the registered name is needed.

For example, business cards and compliment slips are likely to be classified as other forms of business stationery (limited disclosure needed), whereas emails are likely to be used as business letters and require full disclosure. Careful consideration of the use of such items is therefore required.

#### 1.4 Websites and Emails

Firms should note that the regulations cover any websites that the company has. The regulations also cover company e-mails, so all e-mails, including those sent from hand-held devices such as Blackberrys or i-phones, must have appropriate wordings set as defaults.

#### 1.5 Other Points

Companies should note that there are new time limits to be met if it receives a written request for information on the address of the company's registered office or "inspection place", or the type of records which are kept at that office or place. A company must respond to such requests within five working days.

This officially applies to any person with whom it has a business relationship, but it would be good practice to comply with the deadline for all requests.

## 2. NEXT STEPS

These provisions came into force on 1<sup>st</sup> October 2008. Failure to comply with any of these provisions may result in the company being fined. Directors, the company secretary and any other person acting on the company's behalf who is responsible for or authorises a trading disclosure which does not comply may be liable to personal fines. The fine would be up to £1,000 for firms found in breach without a "reasonable excuse" and there would also be the possibility of daily fines of £100 thereafter.

## 3. FURTHER INFORMATION

The statutory instrument introducing the changes can be found at the following link:

[http://www.opsi.gov.uk/si/si2008/uksi\\_20080495\\_en\\_1](http://www.opsi.gov.uk/si/si2008/uksi_20080495_en_1)

Reference: RCUK/PTG/KG

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