

# COMPANIES ACT 2006

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## EXPLANATORY NOTES

### TERRITORIAL EXTENT AND DEVOLUTION

#### *Chapter 3: Similarity to Other Names*

#### *Section 67: Power to direct change of name in case of similarity to existing name*

165. This section replaces section 28(2) of the 1985 Act which provides power for the Secretary of State to direct a company to change its name if the name is the same as or too like a name already on the registrar's index of company names (or one which should have been there). The objective is to prevent the public being confused by the simultaneous appearance on the register of two very similar names when the similarity is such that the later name was not caught by the non-discretionary prohibition of adopting a name effectively the "same as" an existing name (see section 66).
166. The section is intended to cover two circumstances. First, any delay in the entry on the index of company names of new names of entities that are not UK companies. Companies House enter all names immediately but there may be delays outside their control. If the name had already been taken by the other entity before the company adopted it, then the Secretary of State will direct the company to change its name. Second, the visual difference between the new name and an existing name being so small that third parties are likely to be confused by the simultaneous appearance of both names on the index of company names.
167. *Subsections (2) and (3)* provide power to make regulations, corresponding to that provided by section 66, to replace the detailed rules presently contained in section 26(3) of the 1985 Act as to:
- what is to be disregarded; and
  - what words, letters and symbols are to be taken as the same
- when comparing a proposed and an existing name. As in section 67, *subsection (4)* provides for a power to make regulations permitting names that would otherwise be regarded as "too like" in certain circumstances or where consent is given.