
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are concerned with the information which must be included in a company's annual return under Part 24 of the Companies Act 2006 (c.46) ("the Act").

Regulation 2 amends section 855 of the Act. It removes the requirement for an annual return to state whether the company was a traded company at any time during the return period (see now new section 856(2A) and (2B), inserted by regulation 3). Regulation 2 also adds definitions of the expressions "DTR5 issuer" and "relevant market", which are used in Part 24 of the Act as amended by these Regulations. The definition of "traded company" and "non-traded company" is repealed because these expressions are no longer used.

Regulation 3 amends section 856 of the Act so that it requires a company with a share capital to provide particular information about the trading of its shares during the return period.

Regulation 4 amends section 856A of the Act and replaces section 856B. These sections require a company's annual return to provide information about its shareholders and their shareholdings. There is no change to the information required by section 856A. But that section is amended so that it does not apply to a company which, at any time during the return period, had shares admitted to trading on any "relevant market" (defined in amended section 855) or on any other market outside the United Kingdom.

New section 856B requires less information about shareholders and shareholdings than was required by old section 856B. It applies to the companies excluded from section 856A, except that it does not apply to a company which, throughout the return period, had shares admitted to trading on a "relevant market" and was a company of the kind covered by the obligations imposed on issuers by Chapter 5 of the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Services Authority. The sourcebook is available at www.fsahandbook.info/FSA/html/handbook/DTR.

Regulation 5 makes consequential amendments to Schedule 8 to the Act.

Regulation 6 amends the Companies Act 2006 (Annual Return and Service Addresses) Regulations 2008 (S.I. 2008/3000) ("the 2008 Regulations"). Section 855(1)(b) of the Act requires a company's annual return to state its principal business activities, and section 855(3) permits the company to give this information by reference to one or more categories of any prescribed classification system. The 2008 Regulations prescribe a classification system for this purpose. They are amended so that they now prescribe the 2007 edition of the UK Standard Industrial Classification of Economic Activities, together with three additional codes. Copies of the UK Standard Industrial Classification of Economic Activities are available from Palgrave MacMillan Ltd, Houndmills, Basingstoke, Hampshire, RG21 6XS or at www.palgrave.com/ons, or from the Office for National Statistics at www.statistics.gov.uk.

Sections 854 to 858 of the Act have been applied with modifications to unregistered companies: see paragraph 13 of Schedule 1 to the Unregistered Companies Regulations 2009 (S.I. 2009/2436). They have also been applied to companies registered (or treated as having registered) under section 1040 of the Act: see regulation 18 of the Companies (Companies Authorised to Register) Regulations 2009 (S.I. 2009/2437) and section 1297 of the 2006 Act. By virtue of sections 20(2) and 23 of the Interpretation Act 1978 (c.30), sections 855 to 856B of the Act are amended by these Regulations as they apply to both those kinds of company, and therefore those sections will apply as

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amended by these Regulations, with (in the case of unregistered companies) the modifications made to section 855 by the Unregistered Companies Regulations 2009.

A full regulatory impact assessment of the effect that these Regulations will have on the costs of business and the voluntary sector is available from the Business Environment Directorate, Department for Business, Innovation and Skills, 1 Victoria Street, London SW1H 0ET or from www.bis.gov.uk and is annexed to the Explanatory Memorandum which is available alongside these Regulations on www.legislation.gov.uk.