

Module	<b>CORPORATIONS</b>
Jurisdictions	<b>UK</b>
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## Module Application

Is your organisation a company registered in the UK?

Does your organisation have a structure in place that is comprised of members and directors and an allocation of share capital?

Does your organisation know and understand the requirements and obligations imposed on companies by the Companies Acts?

Does your organisation have systems and processes in place to manage and monitor its governance and compliance arrangements?

## Module Scope

A company is an association of individuals created by law, or under the authority of law, that has a legal existence and obligations independent of the existence of its individual members, and powers and liabilities distinct from those of its individual members.

There are broad obligations and regulations that apply to companies generally. There are also specific obligations and regulations that apply to particular types of companies or companies that are engaged in particular activities.

All UK companies are governed by the provisions of the Companies Acts of 1985 and 2006.

The CORPORATIONS module informs the directors and officers of companies of their legislative obligations and best practice processes to be implemented and maintained within all levels of the organisation and throughout the life cycle of the company.

The module is relevant to directors and officers of companies that are:

- › Ensuring compliance with the personal legal obligations of their role or position;
- › Establishing a company structure and culture that is compliant with legal obligations;
- › Operating a company that is compliant with legal obligations; and/ or
- › Not complying with legislated obligations and require assistance, direction or advice to achieve compliance throughout the company.

The CORPORATIONS module covers all legislated obligations of companies from company formation and record keeping to winding up. The module provides the practical assistance and guidance to ensure these obligations are complied with by establishing and maintaining.

best practice processes. The module also covers possible exemptions to the obligations, where applicable, and how they may or may not apply to the company.

The legislative and regulatory framework for obligations of companies is made up of:

Companies Act 1985	European Union (Withdrawal Agreement) Act 2020
Companies Act 2006	
Company Directors' Disqualification Act 1986	The Companies (Cross-Border Mergers) Regulations 2007
Partnership Act 1890	Partnership Act 1890
Limited Liability Partnerships Act 2000	Limited Partnership Act 1907
Companies (Audit, Investigations and Community Enterprise) Act 2004	Companies (Fees for Inspection of Company Records) Regulations 2008
The Companies (Registration) Regulations 2008	Financial Services and Markets Act 2000
Small Business, Enterprise and Employment Act 2015	Insolvency Act 1986
Corporate Insolvency and Governance Act 2020	Companies (Tables A to F) Regulations 1985
National Security and Investment Act 2021	Enterprise Act 2002
The Unregistered Companies Regulations 2009	Building Societies Act 1986
	National Security and Investment Act 2021
	Small Business, Enterprise and Employment Act 2015

The specific topic areas comprehensively covered by the module are:

- › The obligations of an individual or body corporate forming a company, registration and share capital;
- › Formation methods and types of company; and
- › Structural requirements for members and directors.

The exercise of option of re-registering to alter accompany status that a company:

- › Re-register a private company to a public one;
- › Re-register a public company to a private limited one;
- › Re-register a private limited company to an unlimited one;
- › Re-register an unlimited company to a private limited one; and

- Re-register a public company to a private unlimited one.
- The obligation that a company must comply with post-incorporation:
- Board management;
- Directors' remuneration and benefits;
- Calling of meetings;
- Process of decision making - resolutions;
- Establishment and storage of minute books; and
- Required time periods.

The processes and procedures that a company must have in place to assist directors and officers to fulfil their role and duties including with respect to:

- Being cognizant of their duties and responsibilities;
- Their duty to act in good faith and not misuse their position or information;
- Conflicts of interest;
- Insolvent trading;
- Restrictions on indemnity;
- Related party transactions; and
- Responsibilities, appointment and role of secretaries.

The processes and procedures that a company must have in place to create, manage and maintain accounts, reports and audit:

- Accounting and reporting regimes;
- Accounting records;
- Preparation of annual accounts: individual company accounts;
- Preparation of annual accounts: group accounts;
- Supplementary reports;
- Publication of accounts and reports;
- Filing accounts and reports;
- Requirement to audit and exemption;
- Appointment of auditors;
- Functions and liability of auditors;
- Removal of auditors.

The financial hardship rescue opportunities and cessation processes and procedures by the company or creditors:

- Moratorium and recovery of a company;
- Voluntary arrangements, dissolution and restoration to register;
- Administration and business rescue;
- Compulsory liquidation and paying off debts;
- Debt relief;
- Receivership; and
- Winding up.

The control of political donations and expenditure:

- Authorisation for donations and expenditure; and
- Authorising resolution.

An addition to expanding on these specific obligations of companies and the legislative basis for their obligations the CORPORATIONS module also provides comprehensive practical

guidance and directions for companies to have policies, procedures, systems and processes in place to assist the company to maintain compliance within all levels and operational systems of the organisation. Remedial advice and direction are also provided to the company limited by guarantees that is not meeting obligation requirements to assist in solving any problems.

In the event of the company breaching their obligations there are significant consequences which can apply, depending on the nature and extent of the breach. The CORPORATIONS module covers these consequences in detail which can include monetary penalties, deregistration and even terms of imprisonment for individuals committing serious offences.

The coverage of CORPORATIONS module is limited to obligations and regulations broadly applicable to companies operating in the UK.

The module does not cover the specific obligations of publicly listed companies.

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