

**EXPLANATORY MEMORANDUM TO
THE COMPANIES ACT 2006 (CONSEQUENTIAL AMENDMENTS) (TAXES AND
NATIONAL INSURANCE) ORDER 2008**

2008 No. DRAFT

1. This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Description**

- 2.1 This Order makes consequential amendments to the legislation for which Her Majesty's Revenue and Customs are responsible to take account of the provisions of the Companies Act 2006 (c. 46) that come into force on 6 April 2008.

- 2.2 The opportunity has also been taken to make consequential amendments to the legislation for which Her Majesty's Revenue and Customs are responsible where provisions of the Companies Act 2006 have been brought into force but consequential amendments have not been made in earlier statutory instruments.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

None

4. **Legislative Background**

- 4.1 The Companies Act 2006 is being implemented in stages.

- 4.2 Some provisions of the Companies Act 2006 come into force on 6 April 2008. The principal purpose of this Order is to make consequential amendments to the legislation for which Her Majesty's Revenue and Customs are responsible to take account of the provisions that come into force on that date.

- 4.3 Part 1 of this Order contains general provisions; Part 2 makes consequential amendments to primary legislation; and Part 3 makes consequential amendments to secondary legislation.

- 4.4 As mentioned earlier, the opportunity has also been taken to make consequential amendments to the legislation for which Her Majesty's Revenue and Customs are responsible, where provisions of the Companies Act 2006 have been brought into force, but consequential amendments have not been made in earlier statutory instruments. Articles 11 and 32(3) of this Order include provisions falling within this category. (The

provisions consist (respectively) of the definition of the term “director” and the substituted paragraph (c.)

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

Jane Kennedy, the Financial Secretary to the Treasury, has made the following statement regarding Human Rights:

“In my view the provisions of the Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2008 are compatible with the Convention rights.”

7. Policy Background

7.1 The implementation of the Companies Act 2006 requires consequential amendments to be made to other legislation which contains references to earlier Companies Acts, and to the definitions and concepts found in those Acts.

7.2 In line with previous changes to the former Inland Revenue’s legislation flowing from the enactment of the Financial Services and Markets Act 2000 (c. 8) and the Civil Partnership Act 2004 (c. 33), separate provision is being made for amendments to the legislation for which Her Majesty’s Revenue and Customs is now responsible.

7.3 This Order sets out the consequential amendments that are required to that legislation with the aim of ensuring that the legislation continues to act in the intended way.

8. Impact

An impact assessment has not been produced for this instrument because no impact on the private or voluntary sector is foreseen.

9. Contact

Jackie Riley at HM Revenue & Customs (tel: 020-7147-2638) or e-mail jackie.riley@hmrc.gsi.gov.uk) can answer any queries regarding the instrument.