

TAX BREAKS ARTICLE JULY 2008



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Recent Company Law Changes

Including Requirement to Publish Dates of Shareholder Meetings

There are a number of changes to company law requirements as from 1 July which in the main will help companies and cut down bureaucracy, although there is one baffling change in the opposite direction.

The most highlighted change is the requirement for only 3 shareholders now in a company set up (down from 7). For many entities it will reduce the number of people that end up holding one share. It is probably not worth doing anything about for your company unless one finds the need to make other shareholder changes.

There are many other changes which reduce the time it takes to set up a company or pass resolutions making it less necessary to do backdated paper meetings.

There are also provisions to convert partnerships into companies but in practice Clients do not generally set up partnerships so it is of little relevance.

The baffling change is that from now on notices to call shareholder meetings will now require publication in a newspaper. This sounds like very good news for the newspaper industry, although one wonders how many smaller companies will actually do this in practice.

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