

**EXPLANATORY MEMORANDUM TO
THE COMPANIES ACT 2006 (CONSEQUENTIAL AMENDMENTS) (TAXES AND
NATIONAL INSURANCE) ORDER 2009**

2009 No.

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

2. Purpose of the instrument

2.1 The purpose of the instrument is to consequentially amend tax and national insurance legislation so that, from 1 October 2009, that legislation refers to Companies Act 2006 provisions in place of references to corresponding provisions that will then stand repealed.

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

3.1 None.

4. Legislative Context

4.1 Various provisions of the Companies Act 2006, and regulations made under that Act, come into force on 1 October 2009 in place of corresponding provisions of earlier Companies Acts. The instrument amends tax and national insurance legislation so that it refers to the new companies provisions instead of the old ones, while maintaining continuity of the law.

4.2 The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2008 (SI 2008/954) consequentially amended tax and national insurance legislation for Companies Act 2006 provisions that came into force earlier. The instrument takes the opportunity to make consequential amendments that were not made then.

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

The Financial Secretary to the Treasury, Stephen Timms M.P., 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 2009 are compatible with the Convention rights.”

7. Policy background

- *What is being done and why*

7.1 Tax and national insurance legislation is being amended so that it refers to provisions that will be in force rather than to provisions that will have been repealed.

Article 6 deals with Schedule 11 to the Finance Act 2004 (construction industry scheme) on a provisional basis, since repealed references remain relevant for the “qualifying period” in paragraph 14. The plan is to re-visit the situation once this is no longer so.

- *Consolidation*

7.2 There are no plans to consolidate the legislation that is consequentially amended.

8. Consultation outcome

8.1 No consultation has been undertaken.

9. Guidance

9.1 Her Majesty’s Revenue and Customs is providing no guidance because the instrument does not impose new obligations.

10. Impact

10.1 The impact on business, charities or voluntary bodies is nil.

10.2 The impact on the public sector is nil.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation applies to small business.

11.2 To minimise the impact of the requirements on firms employing up to 20 people, the approach taken is to maintain continuity in the law.

11.3 The basis for the final decision on what action to take to assist small business is as described in paragraph 11.2.

12. Monitoring & review

12.1 No review of this instrument is planned as it only consequentially amends other legislation.

13. Contact

Satnam Singh at Her Majesty's Revenue and Customs (tel: 0207 667 4343 or email: satnam.singh@hmrc.gsi.gov.uk) can answer any queries regarding the instrument.