

*These notes refer to the Companies Act 2006 (c.46)
which received Royal Assent on 8 November 2006*

COMPANIES ACT 2006

EXPLANATORY NOTES

TERRITORIAL EXTENT AND DEVOLUTION

Chapter 2: Indications of Company Type Or Legal Form

Sections 60 to 62: Exemption from requirement as to use of “limited”

154. These sections replace section 30 of the 1985 Act. Section 30 exempts certain companies from the requirement for their names to conclude with “limited”. Exempt companies are also exempt under the 1985 Act from some of the requirements regarding publication of their name but they still have to disclose their limited status in correspondence. Those currently exempt are those with a licence granted under section 19 of the Companies Act 1948 which have delivered a statutory declaration to the Registrar that the company complies with the requirements for the exemption. These requirements are, in effect, that the company is non-profit-making and its objects are the promotion of commerce, art, science, education, religion, charity or any profession.
155. [Section 60](#) continues the exemption for companies already exempt so long as they continue to meet the conditions and until they change their registered name. It also provides an exemption for charities and allows the Secretary of State to make regulations exempting other companies. Only private companies may be exempt
156. [Sections 61](#) and [62](#), which replace section 30(2) and (3), specify the conditions that must be met for a company currently exempt to continue to qualify for the exemption: its objects must continue to satisfy the criteria for their exemption and its articles must both preclude distributions of dividends to its members and also, in the event of it being wound up, require its assets to be passed to a body with similar objects. For companies limited by shares benefiting from an exemption under the 1948 Act (or its Northern Irish equivalent), there is a new requirement that the articles prevent a distribution of capital. This is linked to the change in section 63(4) (see below).