

The following offers a brief guide but does not set out to fully explain the responsibilities of the company officers. This guide does, however, aim to give some basic information to assist in the important decisions concerning the appointment of company officers and other matters when setting up a company for the first time.

Key Points:

- A private company must have at least one director
- There is no limit to the number of directors allowed
- There must be at least one “real person” listed as a director, therefore it is not permissible for a company to have a sole corporate director
- Directors can be individuals or corporate bodies (subject to the above)
- The directors are responsible for the management and day to day operation of the company and have a duty to be aware at all times of the company's financial situation
- Any or all of the company's directors can be resident anywhere in the world and can be of any nationality

The Role of the Director

The Companies Act lays down strict rules regarding the duties and conduct of directors, and it is worthwhile investigating such rules upon taking any such appointment. Acting as a director is a serious issue, and you should not consider doing so unless you will be fully aware of the company's activities. The Companies Act 2006 officially codifies Directors' Duties for the first time and care should be taken to comply with these regulations. Details can be provided free of charge from ourselves when forming a new company, or direct from Companies House.

Directors have a personal responsibility to ensure that matters of Company Law are adhered to at all times and can be held personally liable for non-filing of Companies House returns and other infringements of law conducted by a company.

Under current law, UK companies are permitted to have a corporate director on their board of directors as long as the company also has a natural person on the board.

As part of the Government's plan to encourage transparency and accountability, the Government set out legislation originally intended to come into force in October 2016 to restrict the use of corporate directors. However, it is not known exactly when the provisions will come into force as the Government is currently analysing feedback to its consultation. The Government reported in April 2018 that the ban on corporate directors will be reviewed as part of its three year transformation program at Companies House.