

ICSA puts the spotlight on directors' duties

14 January 2008: A new guidance note on directors' duties published by the Institute of Chartered Secretaries and Administrators (ICSA) will be of invaluable help to companies wishing to provide directors guidance on their new general duties resulting from the Companies Act 2006. With effect from October, the onus will be on directors to avoid conflicts of interest, to declare any interest in a proposed transaction or arrangement and to refuse benefits from third parties. These general duties are owed to the company rather than its shareholders and there are civil consequences if they are breached. Companies should pay particular attention to the new rules laid out in section 183 which provide for criminal sanctions if their directors fail to comply with the requirements on declarations of interest.

Catherine Wright, Head of Policy at ICSA comments:

'In relation to directors' duties the Act has generally codified common law and equitable principles which directors should already be aware of. However, some aspects depart from previous law and require new or revised practices and standards to be exercised. This guidance note will assist company secretaries and directors in ensuring compliance with the Act and focus attention on the decision making process.'

For further information please contact Rosie Hamilton on 0207 612 7062 or Catherine Wright on 0207 612 7039

To download the guidance note please click here

<http://www.icsa.org.uk/assets/files/pdfs/080110%20Directors'%20General%20Duties.pdf>

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Editor's Notes

The Institute of Chartered Secretaries and Administrators (ICSA) is the qualifying body for company secretaries and a leading authority on corporate governance. It publishes guidance notes and best practice guides and through its subsidiaries provides events, information and training, boardroom performance evaluation and dedicated software. The ICSA has 47,000 members worldwide and is represented in over 70 countries. For further details see www.icsa.org.uk