**United Kingdom. Amendments to the Companies Act 2006.**

Amendments were adopted to the Companies Act 2006 for tightening of existing requirements for the director of LTD company.

Starting from October 2016 only natural person can be appointed as a director of LTD company (this rule applies to the LTD company registered under the Companies Act 2006 or the Companies Act 1985). The ban is being implemented by way of amendment to the Companies Act 2006 by the Small Business, Enterprise and Employment Act 2015.

The law provides a 12-month transition period; during this period existing corporate directors should be replaced with individuals. At the end of the transitional period legal persons who are directors of the LTD Company will be removed on a mandatory basis.

Under the current law a company is required to have at least one director who is a natural person (s155(1) of the Act). Provided at least one natural person is acting as director, one or more legal persons may also be appointed, which, for example, permits a company to be appointed as a corporate director.

Department for Business, Innovation and Skills (BIS) has proposed to analyze the influence of corporate directors for the companies oversight and necessity to make company’s management more transparent. The use of corporate directors is being restricted principally because of their opacity and the risk of facilitating illicit activity. Corporate directors might reduce the sense and effect of accountability of individuals, who ultimately take the decisions. The resulting change to the Act is that "a person may not be appointed a director of a company unless the person is a natural person" (new s156A of the Act), thereby preventing the appointment of a legal entity as a director.

Some countries, like Germany and Australia, do not allow corporate directors at all. But other countries do allow them, without restriction. The UK tries to strike the right balance and the Secretary of State will have power to allow exceptions from the general prohibition on non-natural person directors. Such exceptions can be given to UK companies whose shares are admitted to trading on a regulated market, or a prescribed market such as the Alternative Investment Market, AIM.

The Department BIS also discussed the possibility of a ban to corporate members of English law limited liability partnerships (LLP), but as for now, there is not currently considered to introduce a similar rule.