



Department
for Business
Innovation & Skills

**TRANSPARENCY AND TRUST:
ENHANCING THE TRANSPARENCY
OF UK COMPANY OWNERSHIP AND
INCREASING TRUST IN UK
BUSINESS**

Equality Impact Assessments

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Introduction

1. The Department for Business, Innovation and Skills (BIS) has a legal obligation to provide evidence that it has given due regard to the impact of policy or practices on particular communities, or on groups within communities.
2. This document considers the equality impact of measures included in Part 7 ('Companies: Transparency') and Part 9 ('Directors' Disqualification etc.') of the Small Business, Enterprise and Employment (SBEE) Bill ('Companies: Transparency'):
 - Enhanced Transparency of Company Beneficial Ownership¹
 - Prohibiting Bearer Shares in UK Companies
 - Company directors
 - Director disqualification

Background

3. A lack of transparency and of accountability with respect to those controlling a company can facilitate illicit activity, erode trust and damage the business environment. Ultimately this can hold back economic growth.
4. The UK has put corporate transparency on the international agenda. At the Lough Erne G8 Summit in June 2013, the Prime Minister led the G8 countries in agreeing to a number of core Principles to prevent the misuse of companies and legal arrangements.
5. The Department for Business, Innovation and Skills (BIS) subsequently published the Transparency and Trust discussion paper (July 2013). In it we sought views on how to improve corporate transparency and accountability in the UK. This included how best to proceed with the corporate transparency proposals in the UK's 2013 G8 Action Plan, and a range of related measures to improve confidence in the UK's regime for tackling company directors who have engaged in misconduct.
6. On the 21 April 2014 BIS published the Government's response to the views received in relation to the Transparency and Trust discussion paper. The response set out how we intended to take forward reform. Provision has accordingly been made in the SBEE Bill, which was introduced into Parliament on 25 June 2014.

Equality Impact Assessments

7. We have considered the following groups ('protected groups') in carrying out this assessment:
 - Race Equality;

¹ Provision for the central registry of company beneficial ownership information is referred to in the SBEE Bill as 'a register of people with significant control'.

- Gender;
 - Disability;
 - Age;
 - Marriage and Civil Partnership;
 - Religion and Belief;
 - Sexual Orientation;
 - Gender Reassignment; and
 - Pregnancy and Maternity.
8. The screening exercises have been conducted in accordance with Departmental guidance. The screening exercise is intended to determine whether the policy would have any equalities impact, both negative and positive, on those affected. If the initial screening showed that this policy could have an adverse impact, or had the potential to have a positive impact, or both, it would be necessary to conduct an appropriate Equalities Impact Assessment (EqIA).
9. The screening exercises have thoroughly considered the potential impact on equality, with only a minimal potential impact being recognised with regards to bearer shares. The anonymous nature of these shares makes this potential impact difficult to quantify.
10. The documents will be updated in light of any changes made to the policy which may have an impact on equality. The screening exercises below are current as of June 2014.
11. Please contact the Transparency and Trust team at the Department for Business, Innovation and Skills (transparencyandtrust@bis.gsi.gov.uk) if you require more information.

Company Beneficial Ownership: Equality Impact Assessment

The issues and goals of the policy

1. Company records (held by the company and at Companies House) provide information about a company's directors and members ("shareholders"). But companies are not currently required to provide information about the individuals who ultimately own and control the company - the 'beneficial owners' or 'people with significant control'.
2. Companies can be used as a front to facilitate crime, from money laundering and terrorist financing to tax evasion and drug trafficking. Elaborate and opaque ownership structures to obscure the beneficial ownership of a company can play a part in this.
3. Our Final Stage Impact Assessment (published separately) sets out the estimated scale of UK and global illicit financial flows, and the way this links to the misuse of companies generally, and beneficial ownership in particular.
4. This problem was recognised by the G8 during the UK's Presidency in 2013. As a result, G8 members agreed a set of common principles to tackle the misuse of companies and legal arrangements². Each G8 member published an Action Plan setting out how they would implement these principles. In that context the UK committed to implement a **publicly accessible central registry of company beneficial ownership information**³.

What does the policy set out to achieve?

5. The policy intends to ensure that UK companies obtain and hold adequate, accurate and current information on their beneficial ownership; and make this information publicly accessible onshore in a central registry. A beneficial owner, or person with significant control, is defined as any individual who ultimately owns or controls more than 25% of the company's shares or voting rights; or who otherwise exercises control over the company or its management
6. The registry should provide a single source of information to support national and overseas law enforcement and tax authorities' investigations; support financial institutions and other regulated professional bodies as they carry out anti-money laundering due diligence checks on companies; and allow all those who engage with a company (e.g. investors, suppliers, customers) to identify with whom they are really doing business. The overarching policy objectives are to reduce crime and improve the business environment so as to facilitate

² G8 (June 2013): <https://www.gov.uk/government/publications/g8-action-plan-principles-to-prevent-the-misuse-of-companies-and-legal-arrangements/g8-action-plan-principles-to-prevent-the-misuse-of-companies-and-legal-arrangements>

³ G8 (June 2013): <https://www.gov.uk/government/publications/uk-action-plan-to-prevent-misuse-of-companies-and-legal-arrangements/uk-action-plan-to-prevent-misuse-of-companies-and-legal-arrangements>

economic growth. The UK has determined that these policy objectives can be best served through greater transparency (i.e. by making information publicly accessible).

7. The policy should also:

- stimulate global, collective action to tackle the misuse of companies. Investigations into abuses of company structures will often cross borders and so coordinated international action is vital. In leading by example, UK and G7 action should encourage other jurisdictions, including the UK's Overseas Territories and Crown Dependencies, to follow suit. This should deliver better outcomes in terms of reducing crime in the UK as well as elsewhere;
- deliver benefits for developing countries who suffer as a result of tax evasion, corruption and fraud. By allowing them access to information on UK companies, they should be more easily able to identify the individuals really responsible where a UK corporate entity has been used to facilitate the crime; and
- ensure full UK compliance with relevant international standards in advance of the UK's next Financial Action Task Force (FATF) peer review in 2016 to maintain and enhance the UK's reputation as a clean and trusted place to do business and invest.

Who is affected by the policy?

8. This policy will primarily impact UK companies and the beneficial owners of those companies. A wider population may derive benefits from the policy as a result of reduced crime or an improved business environment.

9. We do not consider here any potential impact on the perpetrators of crime who may be deterred or sanctioned as a result of the new requirements. There should be no differential impact on such individuals, based on the protected groups, as a result of this policy – the requirements will apply in the same way to all.

10. In considering the equality impact of this policy we have considered data gathered from an IFF Survey⁴ conducted to gather information on this policy. We have also obtained information from the FAME database⁵ and Companies House, and looked at publicly available information.

⁴ BIS commissioned an independent survey in August 2013 to gather evidence on the impact of the *Transparency and Trust* policy proposals. This was carried out by IFF Research. 574 companies in total were interviewed. In this document we consider raw, untrimmed data to offer indicative estimates of the equalities impact.

⁵ Bureau Van Dijk Electronic Publishing

Is it possible that the policy will affect different people or groups in different ways?

Impact on UK companies

11. The persons impacted will be those responsible for ensuring compliance with the new requirements. This might be the company director, company secretary, compliance officer or another employee or individual.
12. Analysis of an IFF Survey conducted to gather information on this policy indicates that companies expected senior managers to be involved in approximately 79% of the total time required to comply with the new requirements. The remainder of compliance time required is expected to fall on middle managers (9% of the total) and administrative staff (12% of the total). We have no further information on the types of people that might be involved in this compliance activity.
13. In summary, we might therefore expect the new requirements to impact on staff at all levels within companies, but primarily on senior managers. Within each level of management, we would expect that individuals within the following categories may be represented to a greater or lesser degree:
 - Race Equality;
 - Gender;
 - Disability;
 - Age;
 - Marriage and Civil Partnership;
 - Religion and Belief;
 - Sexual Orientation;
 - Gender Reassignment; and
 - Pregnancy and Maternity.
14. There is some data available on company directors. This is presented below, and may be used as a proxy for the impact of the policy on UK companies.

Race Equality

15. Company directors are required to provide information on their nationality to Companies House. This data is made available publicly. However, information on race is not collected. We have however no reason to anticipate any positive or adverse direct impact on company directors by virtue of race as a result of this policy specifically.
16. Some people may infer information about a person's race from nationality data. Irrespective of that fact we have no reason to anticipate any positive or adverse indirect impact on company directors by virtue of race as a result of this policy specifically.

Gender

17. Company directors are not required to provide information on gender to Companies House. As a result, gender data collected by Companies House in the context of the annual return is not accurate. However, we might expect there to be more male company directors than female company directors. This is certainly the case in relation to FTSE companies⁶, although we note that those companies are exempt from this policy⁷. Furthermore, of the 5,026,282 directorships recorded on the FAME database 64% are recorded as male and 36% as female. However, there is no reason to anticipate any positive or adverse direct or indirect impact by virtue of gender as a result of this policy specifically.

Age

18. It is a statutory requirement for company directors to provide Companies House with their date of birth. Directors must be at least 16 years old. Table 1 provides figures on the age demographic for company directors and members of Limited Liability Partnerships (LLPs).

⁶ See for example: Women on Boards Report (March 2014):

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/320000/bis-women-on-boards-2014.pdf

⁷ Companies that already comply with stringent ownership disclosure requirements will not be required to maintain a register of beneficial ownership. This exemption will include FTSE listed companies.

Table 1: Company Directors and LLP Members – breakdown by age

Age	Director Appointments	LLP Member Appointments
16- 20	15,552	666
21- 30	373,809	8,074
31- 40	1,049,424	32,394
41- 50	1,657,717	64,916
51- 60	1,433,934	50,316
61- 70	827,538	20,275
71- 80	238,141	4,250
81- 90	55,861	995
91- 100	5,583	173
100+	671	18
TOTAL	5,658,230	182,077

19. This data shows that 73% of company directors are aged between 31-60. 41-50 year olds represent the highest proportion with 29%, 51-60 year olds 25% and 31-40 year olds 19%.

20. Whilst these age groups may be said to be disproportionately affected by any policy impacting company directors generally, we have no reason to suspect that they will be impacted by this particular policy specifically (whether directly or indirectly, adversely or positively). We have no evidence to suggest any impact on equality for any company directors as a direct result of their age being in the public domain.

Disability; Marriage and Civil Partnership; Religion and Belief; Sexual Orientation; Gender Reassignment; and Pregnancy and Maternity

21. We do not have any information related to company directors and these protected groups. We have however no reason to anticipate any direct or indirect impact, whether positive or negative, by virtue of these groups as a result of this policy specifically.

Impact on UK companies - summary

22. In light of the data above, we have no reason to suspect that any person or group would be differently affected (whether adversely or positively) by the policy itself. The processes and requirements would be the same in all cases. **We therefore do not anticipate any direct equalities impact.**

23. We have also considered whether some companies (understood here as the directors and employees of the company) could be adversely or positively impacted indirectly, i.e. as a result of the protected groups into which their beneficial owners fall. However, the information made available publicly will not in most cases allow persons to be identified as falling into one of the protected groups (see below). Where the contrary is true, we do not anticipate any routine adverse or positive impact as a result of, for example, the age profile or (assumed) gender or race of the beneficial owners. **We therefore do not anticipate any indirect equalities impact as a result.**

Impact on beneficial owners of UK companies

24. The register will hold information on the individuals who ultimately own and control UK companies, whether by owning or controlling more than 25% of the company's shares or voting rights, or by exercising control over the company or its management through other means.

25. The following information will need to be obtained on beneficial owners and provided to Companies House:

- full name;
- date of birth;
- nationality;
- country or state of usual residence;
- residential address;
- a service address;
- the date on which the beneficial owner acquired the beneficial interest (and ceased to hold it, where applicable); and
- the nature of the individual's control over the company.

26. With the exception of residential addresses, this information will be kept available for public inspection by the company. With the exception of residential addresses and full dates of birth⁸, this information will also be publicly accessible via Companies House.
27. As set out in the Final Stage Impact Assessment for this policy (published separately), there is currently no evidence available on the beneficial owners of UK companies (i.e. the total number of beneficial owners or the protected categories into which they might fall).
28. Some beneficial owners will however be company directors or shareholders. The potential equalities impact on company directors is considered above. More limited personal information is held on company shareholders (i.e. their name and address). We do not therefore have any additional information that can be used as a proxy in assessing the potential equalities impact on beneficial owners.
29. However, as above, we might anticipate that individuals within the following categories may be beneficial owners to a greater or lesser degree:
- Race Equality;
 - Gender;
 - Disability;
 - Age;
 - Marriage and Civil Partnership;
 - Religion and Belief;
 - Sexual Orientation;
 - Gender Reassignment; and
 - Pregnancy and Maternity.
30. For example, it may be that individuals of a certain age are more likely to be beneficial owners of a company (whether as a shareholder, director or otherwise) than others. We have no further information on this.
31. However, as above, the policy will apply in the same way to all persons and groups. From this perspective, **we do not anticipate any direct equalities impact, positive or negative.**
32. Some respondents to our discussion paper expressed concern around beneficial ownership information being made publicly accessible. This was not from the perspective of any adverse equalities impact; rather a general concern about the use to which this information might be put and the justification for making such personal information public. To mitigate this concern we intend to allow individuals to apply for an exemption from public disclosure where they consider themselves at serious risk of harm. For example, an individual director of a life science company may feel vulnerable to unwanted attention from animal rights activists and could seek the protection of an exemption from making their details publically available. This element of the policy will be taken forward through secondary legislation.

⁸ Only the month and year of birth will be shown on the public record, unless the company has opted to maintain its register at Companies House (in which case the full date of birth will be publicly available).

33. As a result, even if there were the potential for an adverse indirect impact on individuals in certain protected groups as a result of making information publicly available, the policy should mitigate this.
34. It is also of note that with the exception of age, the register will not hold information which allows an individual to be conclusively identified as belonging to a particular protected group. This should further avoid any potential for an adverse or positive impact on a particular group resulting from implementation of this policy.
35. We do not anticipate people being differently affected by the policy as a result of their age being recorded on a public register, and note that date of birth information is already being collected in respect of company directors. We have considered, for example, whether older or younger people might be more at risk as a result of this information being placed in the public domain. However, we have designed the policy in such a way as to minimise the risk of identity theft and fraud generally (we intend to place only the month and year of birth on the public record at Companies House). Furthermore, research by the National Fraud Authority did not find older or younger people to be routinely more vulnerable to fraud⁹.
36. We have considered whether there might be a particular adverse impact on young people, i.e. children. The general measures in place to protect individuals' personal information will apply also to children and we are therefore satisfied that there will be no adverse impact on children as a result of this policy specifically.

Impact on beneficial owners of UK companies - summary

37. We have no reason to suspect that any person or group would be differently affected (whether adversely or positively) by the policy. **We do not anticipate any direct or indirect equalities impact.**

Impact on the wider population

38. We do not anticipate any positive or adverse direct or indirect impact on any particular group as a result of reduced crime or an improved business environment. Beneficial impacts should be felt by business and society as a whole.

Summary of equalities impact assessment

39. We are satisfied that we have looked at all relevant and available data on the potential equality impact of this policy, as outlined above.
40. We have no reason to suspect that the following groups will be adversely or positively impacted by this policy in different ways:

- Race Equality;

⁹ See Annex 2 to *Fraud typologies and victims of fraud*, National Fraud Authority: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118469/fraud-typologies.pdf

- Gender;
- Disability;
- Age;
- Marriage and Civil Partnership;
- Religion and Belief;
- Sexual Orientation;
- Gender Reassignment; and
- Pregnancy and Maternity.

41. We therefore do not anticipate any direct or indirect equalities impact.

Bearer Shares: Equality Impact Assessment

The issues and goals of the policy

1. At the G8 Summit in 2013, G8 Leaders recognised the problem of corporate opacity and agreed to publish national Action Plans setting out the concrete steps they would take to address this. The UK's Action Plan set out a number of commitments, including commitments in relation to the use of bearer shares. These commitments reinforced other international standards. The commitments have since been developed as part of BIS' *Transparency and Trust* package.
2. Corporate opacity can facilitate illicit activity, and can lead to poor corporate oversight which erodes trust and damages the business environment. Both crime and a lack of trust can impede economic growth.
3. Although bearer shares can be used for legitimate purposes, the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) and Financial Action Task Force (FATF) have both identified bearer shares as high risk and as useful for criminals, facilitating tax evasion and money laundering. A number of jurisdictions have now banned them, and it is important for the reputation of the UK that we act to meet international standards and commitments.
4. Bearer shares certify the bearer of the warrant is entitled to the shares represented by it. This means the legal ownership of the share can be transferred simply by passing the physical share warrant from one person to another - there is no record of ownership, or change of ownership, on the company's register of members. These shares are therefore a means for individuals to avoid any record of their ownership of a stake in a company, so allowing them to conceal or transfer control. There is an inherent lack of transparency.
5. The latest data from Companies House show that just over 1200 UK companies have issued bearer shares¹⁰. Around three quarters of these are small private companies. By the very nature of bearer shares we cannot know how many shareholders own these, but we estimate there might be around 3000¹¹ bearer shareholders of UK companies.

What does the policy set out to achieve?

6. The overarching policy objectives of the *Transparency and Trust* package are to reduce crime and improve the business environment so as to facilitate economic growth. Specifically, the objective of this policy is to ensure that the UK fully meets Global Forum and FATF standards with respect to bearer shares and remove the opacity they introduce.
7. To do this, the policy approach is to:
 - Prohibit the creation of new bearer shares

¹⁰ This figure excludes listed companies.

¹¹ For further discussion please see the related Impact Assessment which covers the costs and benefits of the policy change.

- Provide a nine month period for the conversion of existing bearer shares to registered shares. The nine month period balances the need for swift action with a reasonable period for adjustment.
- Require companies, after the nine month period, to apply to court to cancel any remaining shares.

8. As part of the process of reform, information about the detail of the change and how to comply will be disseminated through Government channels.

Who is affected by the policy?

9. Analysis indicates that just over 1200 UK companies have issued bearer shares. From a total population of 3.19 million companies, this figure represents 0.04% of companies. The use of bearer shares is not therefore widespread – but it is problematic.

10. By the very nature of bearer shares we cannot know how many shareholders own these, but we estimate there might be around 3000¹² bearer shareholders of UK companies.

Is it possible that the policy will affect different people or groups in different ways?

11. We have considered whether the policy might have an adverse or positive impact on equality in relation to the categories set out below.

- Race Equality
- Gender
- Disability
- Age
- Marriage and Civil Partnership
- Religion and Belief
- Sexual Orientation
- Gender Reassignment
- Pregnancy and Maternity

12. We have no reason to consider that people who fall within the above categories should possess a disproportionate holding of bearer shares, nor are they more likely to be otherwise involved with bearer share issuing companies. When we consulted on these measures, through publishing a discussion paper and many meetings with stakeholders, we did not hear any concerns about the equalities impact.

13. On this basis, we do not consider that people falling into the above groups would be disproportionately impacted by the proposal. We are however unable to quantify this owing to the anonymous nature of bearer shares.

14. The anonymity of bearer shares is a challenge to ensuring all bearer share holders are aware of the legislative change. There will however be a formal requirement for companies to take steps to communicate with their bearer share holders, which will legally ensure reasonable action is taken to make bearer share holders aware of the changes.

¹² For further discussion please see the related Impact Assessment which covers the costs and benefits of the policy change.

15. We are aware there could be exceptional circumstances where a vulnerable former bearer share holder could be aware of the change or able to take action. These cases might conceivably relate to age, disability or illness. In exceptional circumstances, there would be provision for the former bearer share holder to be granted by the court access to the nominal value of the share. We are unable to quantify this owing to the anonymous nature of bearer shares.

Summary of equalities impact assessment

16. We do not consider that people who fall within the above categories should be disproportionately impacted by the proposal. However, due to the anonymous nature of bearer shares, we are unable to fully quantify this.

Company Directors: Equality Impact Assessment

The issues and goals of the policy

1. At the G8 Summit in 2013, G8 Leaders recognised the problem of corporate opacity and agreed to publish national Action Plans setting out the concrete steps they would take to address this. The UK's Action Plan set out a number of commitments, including commitments in relation to opacity around company directors. These have since been developed as part of BIS' *Transparency and Trust* package.
2. Corporate opacity can facilitate illicit activity, and can lead to poor corporate oversight which erodes trust and damages the business environment. Both crime and a lack of trust can impede economic growth.
3. Corporate opacity can arise as a result of opaque arrangements involving company directors. This includes the use of corporate directors, external control of single directors or external control of a board of directors.
4. The use of corporate directors, where one company (or other legal person) acts as the director of another, creates corporate opacity with respect to the individual (or natural person) controlling a company. It could also lead to reduced effectiveness of corporate oversight.
5. In total, there are around 67,000¹³ companies with corporate directors in the UK. Despite being limited to 2.1% of all companies, corporate directors feature in cases of financial crime.
6. The use of irresponsible 'front' directors who allow themselves to be controlled by another can similarly introduce opacity of control, and lead to reduced effectiveness of corporate oversight.
7. Since all appointed directors have the same status under the law, there is no means of identifying how many appointed directors are acting irresponsibly as a 'front,' nor how many people are seeking to control them. We do know that international organisations and UK law enforcement consider such arrangements high risk in terms of facilitating crime such as money laundering.
8. As an indication of what the current system does allow, it is worth noting that 1,223 directors currently act as the director of more than 50 companies, while 6,150 directors currently act as the directors of more than 20 companies. Of course, multiple directorships need not reflect illicit activity or external control of the director (and conversely illicit activity or opaque control can be the product of the use of just one 'front' director in one company)¹⁴.

¹³ This figure includes corporate members of LLPs.

¹⁴ For further discussion, please see the related Impact Assessment which covers the costs and benefits of the policy change.

9. Moreover, shadow directors will sometimes control all or the majority of a company's directors. In doing so, they have some duties, but these duties are not currently the same as those that apply to a single director (who might have less influence).
10. The goal of the policy is therefore to tackle the scope for abuse and mistrust in the current legal framework which provides for the appointment of corporate directors and a potential lack of accountability for those who control directors.

What does the policy set out to achieve?

11. The overarching policy objectives of the *Transparency and Trust* package are to reduce crime and improve the business environment so as to facilitate economic growth.
12. To do this, the policy approach is to
- Prohibit the use of corporate directors, with exceptions (potentially applying to companies subject to wider transparency requirements or regulation).
 - Increase the accountability of those who control company directors (while themselves remaining 'off the record') by :
 - Informing directors on appointment of their current statutory duties;
 - Making it possible to disqualify a person who controls a company director and causes misconduct for which they are disqualifiable¹⁵;
 - Updating the duties that apply to shadow directors who control all or the majority of a company's directors.

Who is affected by the policy?

13. The policy will apply to companies in the UK, with respect to their directors. There should be no differential impact on such individuals based on the protected groups as a result of this policy – the requirements will apply in the same way to all.
14. In practice, only a small subset of companies will change their behaviour as a result of this policy. That will include:
- i) companies that currently have a corporate director and need to remove it to comply with the prohibition (ie companies that currently have a corporate director who are also out of scope of the exceptions from the prohibition).
 - ii) companies with a registered director or directors controlled by another person, where that relationship is altered as part of a choice to avoid increased accountability.

¹⁵ Please see the Director Disqualification Equalities Impact Assessment which covers broader measures to update the director disqualification regime.

15. We have considered that individuals involved in or with companies who might experience some change would be :

- Putative company directors who are appointed as company directors as a result of the choices companies make in response to the reforms (eg if a corporate director is removed from a company's board and replaced with a natural person)
- Individual employees of companies that act as corporate directors who need to change their own role in order to maintain a relationship with the directed company
- Company directors who might consider their role and statutory duties more carefully, or reconsider how far they allow themselves to be controlled by another person in exercising their functions
- Company directors who might experience change when other directors on their board change (eg when a corporate director alongside them is removed or replaced with a natural person, or when a controlled director chooses to resign) or change their behaviour (eg when a director alongside them is no longer controlled by another person and operates differently)
- Individual employees of companies who need to handle and register any changes to a company director
- Anyone outside a company who controls a company director or offers them other advice, and might consider their relationship with the director or directors

16. A wider population might derive benefits from the policy as a result of reduced crime or an improved business environment.

17. We do not consider here a potential deterrent effect or consequences for those who might be using opaque arrangements involving company directors in order to facilitate illicit activity.

Is it possible that the policy will affect different people or groups in different ways?

i) Current landscape of company directors

18. Currently, anyone in the UK can be a company director (unless they have been disqualified because of previous misconduct or are subject to bankruptcy restrictions). The only restriction is that a person must be over 16 years of age, but there is no upper age limit.

19. All company directors must put certain information on the public record; it will be held on the company's own register and provided to the Registrar at Companies House¹⁶. This is a

¹⁶ Please see the Company Filing Requirement Equalities Impact Assessment which covers measures which allow companies to opt out of the requirement to keep company registers and instead keep the information on the public register.

longstanding requirement of all company directors, and part of the European First Company Law Directive. The details that must be provided cover –

- a) name and former name
- b) a service address
- c) country of residence
- d) nationality
- e) business occupation (if any)
- f) date of birth¹⁷

20. There are currently around 5.7 million company director appointments in UK companies. As will be apparent from the above, Companies House, under the Companies Act 2006, do not currently collect information on company directors as directly relates to any of the key groups of concern for equalities purposes:

- Race Equality;
- Gender;
- Disability;
- Age;
- Marriage and civil partnership;
- Religion and Belief;
- Sexual Orientation;
- Gender Reassignment; and
- Pregnancy and Maternity.

21. There are, however, some other sources of information we can consider to examine the current landscape of company directors with respect to key groups of interest.

22. One pronounced and well known inequality with respect to company directors is the low number of females. Lord Davies' 2011 recommendation¹⁸ was that FTSE 350 boards should aim for a minimum of 25 per cent female representation by 2015. As of the 8th March 2013, women accounted for only 17.3% of all FTSE 100 directorships¹⁹.

23. In the remainder of the UK's 3.19 million companies, data on female directors is less clear. A 2008 study²⁰ found that "women represented one in four directors in UK firms" but "most companies remain male dominated." The study also noted that because gender is not normally reported at Companies House "considerable work was required to build the database," which was a "limitation for others trying to assess female board membership."

24. There is also widespread acknowledgement that ethnic minorities are under-represented among company directors. This is longstanding; back in 2003, the Higgs report set out that only

¹⁷ Please see the Company Filing Requirement Equalities Impact Assessment which covers measures altering the requirements with respect to date of birth information.

¹⁸ "Women on Boards" Lord Mervyn Davies, February 2011

¹⁹ "The Female FTSE Board Report 2013" Sealy and Vinnicombe (Cranfield School of Management) 2013

²⁰ "Boards of directors and gender diversity in UK companies" Martin et al 2008

one per cent of non-executive directors interviewed as part of the study were from ethnic minority groups²¹.

25. Data are accessible from Companies House with respect to the nationality of company directors. This allows some users of Companies House data to make assumptions about race or ethnicity. There are recent media reports that the most frequent non-British nationality reported for company directors is Irish, followed by Indian then American²².
26. The UK operates a director disqualification regime to enable the Secretary of State to take action to disqualify persons who by virtue their previous conduct are not fit to act in the management of companies. Around 1200 people are disqualified per annum. The vast majority of these actions are taken by The Insolvency Service, acting on behalf of the Secretary of State. The Insolvency Service does not hold data with respect to its impact on any or all of the groups of interest.

ii) General points relating to the policy and its impact

There are several general points to be made with regard to the overall consideration of the policy's impact on different groups. In the next section we consider each of the groups in turn.

- Since the processes and requirements would be the same in all cases, we do not anticipate any particular equalities impact.
- When we consulted on these measures, through publishing a discussion paper and many meetings with interested and expert parties, we did not hear any concerns about the equalities impact.
- We have only very limited information concerning the representation of different groups in those categories of individuals identified as being affected by the policy change. There is no reason to consider there will be an impact (adverse or positive) on inequality with respect to the range of individuals who might be affected.
- Where company directors put information on the public record and provide information to Companies House, that information does not generally make the person identifiable in terms of their status with respect to any of the groups of interest. Age would be ascertainable, as might gender (indirectly), but we do not anticipate any adverse impact from the provision of this information or from the requirement to provide it. The information required of directors under company law is provided by 5.6 million directors in the UK currently, and for any new directors would be provided as a result of appointment they have chosen and reflecting decisions of the company.
- Companies are able to file required information, including information relating to their directors, at Companies House either electronically or on paper. The present policy will not change that approach, which ensures those who find it less easy to use technology as a

²¹ "Review of the role and effectiveness of non executive directors" Higgs D 2003

²² <http://www.rte.ie/news/business/2014/0314/602207-irish-directors-in-uk/>

result of, for instance, age or disability, will not be required to use it (and conversely those who prefer to use technology can do so).

- We should note there is small scope for a positive impact on inequality from the present policy change. This is highly speculative given the lack of evidence, but it is worth considering that any behaviour change in companies which could, indirectly, result in the appointment of new directors might result in positions becoming increasingly available to those from the groups of interest. Since diversity of company directors is a high profile issue and the limited evidence we have suggests it could be increasing, it is at least theoretically possible this policy change could build positively on underlying trends.

iii) Specific consideration of the policy in relation to groups of interest

In this section we consider each of the groups in turn.

Race Equality

There is currently limited evidence about the racial diversity of company directors across the UK economy. There is also no reason to consider that the change in policy would have any impact on race equality. Anyone will remain able to become a company director.

Gender

There is evidence that gender diversity of company directors across the UK is lacking currently. This evidence applies most directly to large listed companies. It should be noted that large listed companies are likely to be in scope of exceptions from the prohibition on corporate directors²³ and therefore not required to change in order to comply with the current reforms to the use of corporate directors. There is no reason to consider that the change in policy would have any impact on gender equality. Anyone will remain able to become a company director.

Disability

There is no information relating to disability and diversity of UK company directors currently. There is limited evidence which suggests disabled people are under-represented in business and that the greatest barriers to accessing work are a lack of opportunities and the attitudes of employers²⁴. There is no reason to consider that the change in policy would have any impact on equality for disabled people. Anyone will remain able to become a company director.

Age

There is no information relating to age and diversity of UK company directors currently. We might consider that older people, including those of retirement age, are less likely to be company directors, but have no information to underpin this. The policy change will not affect the current age restrictions on directors (and it will remain the case that those under 16 cannot be company

²³ This position is set out in the *Transparency and Trust: Government Response* paper published April 2014, with a request for views there on. The final position will be subject to views received and necessary legal process.

²⁴ *A survey of disabled working age benefit claimants DWP* July 2013

directors but there is no upper age limit). We had considered whether elderly people were more at risk of fraud, perhaps arising from information they provide to Companies House where they act as directors. However, a study by the National Fraud Authority did not find older people to be routinely more vulnerable to fraud²⁵. Therefore there is no reason to consider that the change in policy would have any impact on age-related equality. Anyone will remain able to become a company director.

Marriage and civil partnership

There is no information relating to marital status or civil partnerships and diversity of UK company directors currently. There is no reason to consider that the change in policy would have any impact. Anyone will remain able to become a company director.

Religion and Belief

There is no information relating to religion and belief and diversity of UK company directors currently. There is no reason to consider that the change in policy would have any impact. Anyone will remain able to become a company director.

Sexual Orientation

There is no information relating to sexual orientation and diversity of UK company directors currently. There is no reason to consider that the change in policy would have any impact. Anyone will remain able to become a company director.

Gender Reassignment

There is no information relating to gender reassignment and diversity of UK company directors currently. There is no reason to consider that the change in policy would have any impact. Anyone will remain able to become a company director.

Pregnancy and Maternity

There is no information relating to pregnancy and maternity and diversity of UK company directors currently, though the issue is linked to gender (discussed above); analysis of the role of women on boards of the UK's FTSE companies reveals that a barrier to female representation on boards is "a lack of flexibility around work/life balance particularly around maternity leave and young families²⁶." There is no reason to consider that the present change in policy would have any impact. Anyone will remain able to become a company director.

²⁵ See Annex 2 to *Fraud typologies and victims of fraud*, National Fraud Authority:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/118469/fraud-typologies.pdf

²⁶ "Women on Boards" Lord Mervyn Davies, February 2011

Summary of equalities impact assessment screening

In light of the initial screening exercise presented here, we do not consider there will be an equalities impact (either positive or negative) of the proposed reforms to company directors.

Director Disqualification: Equality Impact Assessment

PROPOSED AMENDMENTS TO:

1. Amending Schedule 1 of the CDDA
2. Increasing the Time Limit for the Institution of Disqualification Proceedings Following the Insolvency of a Company
3. Enhancing the Ability to use Third Party Information as a basis of Disqualification Action
4. & 5. Financial Redress measures (Compensation Awards and Assigning Officeholder actions)
6. Protecting the Market from Individuals who have been Convicted Overseas
7. Aligning Bankruptcy Restrictions and Debt Relief Restrictions Across the UK

The issues and goals of the overall policy

Overview of Disqualification

The Company Directors Disqualification Act 1986 (CDDA) aims to maintain the integrity of the business environment. Those who become directors of limited companies should:

- Carry out their duties with responsibility; and
- Exercise adequate skill and care with proper regard to the interests of the company's creditors and employees.

The majority of directors do this effectively, but the CDDA is a powerful tool against those who abuse the privilege of limited liability. The CDDA applies not just to persons who are formally appointed as directors but to those who carry out the functions of directors.

If there is any unfit conduct in an insolvent company, then the liquidator, administrative receiver, administrator or official receiver has a duty to send the Secretary of State for Business, Innovation & Skills a report on the conduct of all directors who were in office in the last 3 years of the company's trading.

The Insolvency Service, on behalf of the Secretary of State has to decide whether it is in the public interest to seek a disqualification order against a director.

The proceedings are brought by The Insolvency Service on behalf of the Secretary of State for Business, Innovation & Skills or, usually in compulsory winding-up cases, by the official receiver at the direction of the Secretary of State. The matter is heard, and decided by the court, unless the Secretary of State accepts a disqualification undertaking from a director. An undertaking has the same legal effect as a court order, but negates the need to go to court.

The minimum period of disqualification is 2 years and the maximum 15 years.

If a company director is disqualified (by court order or by giving an undertaking), unless they have court permission, that person is disqualified for the period stated in the order or undertaking from:

- Being a director of a company;
- Acting as receiver of a company's property;
- Directly or indirectly being concerned or taking part in the promotion, formation or management of a company; or
- Being a member of or being concerned or taking part in the promotion, formation or management of a limited liability partnership.
- Acting as an insolvency practitioner (IP).

Current landscape of company directors

Currently, anyone in the UK can be a company director (unless they have been disqualified because of previous misconduct or are subject to bankruptcy restrictions). The only restriction is that a person must be over 16 years of age, but there is no upper age limit.

All company directors must put certain information on the public record; it will be held on the company's own register and provided to the Registrar at Companies House. This is a longstanding requirement of all company directors, and part of the European First Company Law Directive. The details that must be provided cover –

- a) name and former name
- b) a service address
- c) country of residence
- d) nationality
- e) business occupation (if any)
- f) date of birth²⁷

There are currently around 5.6 million company director appointments in UK companies. As will be apparent from the above, Companies House, under the Companies Act 2006, do not currently collect information on company directors as directly relates to any of the key groups of concern for equalities purposes:

- Race Equality;
- Gender;
- Disability;
- Age;
- Marriage and civil partnership;
- Religion and Belief;
- Sexual Orientation;
- Gender Reassignment; and
- Pregnancy and Maternity.

²⁷ Elsewhere in these policy package we are considering changes to the format of the date of birth information provided, but date of birth will remain in some form.

There are, however, some other sources of information we can consider to examine the current landscape of company directors with respect to key groups of interest.

One pronounced and well known inequality with respect to company directors is the low number of females. Lord Davies' 2011 recommendation²⁸ was that FTSE 350 boards should aim for a minimum of 25 per cent female representation by 2015. As of the 8th March 2013, women accounted for only 17.3% of all FTSE 100 directorships²⁹.

In the remainder of the UK's 3.19 million companies, data on female directors is less clear. A 2008 study³⁰ found that "women represented one in four directors in UK firms" but "most companies remain male dominated." The study also noted that because gender is not normally reported at Companies House "considerable work was required to build the database," which was a "limitation for others trying to assess female board membership." There is also some evidence that board diversity improves board performance.

There is also widespread acknowledgement that ethnic minorities are under-represented among company directors. This is also longstanding; back in 2003, the Higgs report set out that only one per cent of non-executive directors interviewed as part of the study were from ethnic minority groups³¹.

Data are accessible from Companies House with respect to the nationality of company directors. This could allow some users of Companies House data to make assumptions about race or ethnicity. There are recent media reports that the most frequent non-British nationality reported for company directors is Irish, followed by Indian then American³².

The UK also operates a director disqualification to enable the Secretary of State to take action to disqualify persons who by virtue their previous conduct are not fit to act in the management of companies. Around 1200 people are disqualified per annum. The vast majority of these actions are taken by The Insolvency Service, acting on behalf of the Secretary of State. The Insolvency Service does not hold data with respect to its impact on any or all of the groups of interest.

Policy 1: Amending Schedule 1 of the CDDA

The issues and goals of the policy

When determining whether a director is unfit, the court must take account of matters set out in Schedule 1 to the CDDA. The Secretary of State must have regard to the same matters when deciding whether to accept an offer of an undertaking.

Although both legislation and case law have moved on since the enactment of the CDDA, there have been no substantive amendments to Schedule 1; giving rise to the question as to whether it is now fit for purpose and, in particular, is transparent about the breadth of misconduct that might lead to disqualification proceedings.

²⁸ *Women on Boards* Lord Mervyn Davies, February 2011

²⁹ *The Female FTSE Board Report 2013* Sealy and Vinnicombe (Cranfield School of Management) 2013

³⁰ *Boards of directors and gender diversity in UK companies* Martin et al 2008

³¹ *Review of the role and effectiveness of non executive directors* Higgs D 2003

³² <http://www.rte.ie/news/business/2014/0314/602207-irish-directors-in-uk/>

It is proposed to revise or rewrite Schedule 1 to render it fit for purpose for the present day, to make it clear to directors the wide range of misconduct that may lead to disqualification and to address perceptions that not all relevant matters of public interest are taken into account.

What does the policy set out to achieve?

The proposed amendments to Schedule 1 are intended to deliver greater certainty and transparency as to the conduct that may result in disqualification action by setting out comprehensively and in broader, more generic, terms the matters that the court or the Secretary of State must (as opposed to may) take into account in determining unfitness and also to mandate the civil court to consider the matters concerning unfitness in deciding whether and for how long to disqualify an individual, even when a determination of unfitness is not a requirement for a disqualification order.

A greater level of certainty of what factors must be taken into account by the court or the Secretary of State would also assist a director who is facing disqualification proceedings to make the decision as to whether to resist such proceedings or to settle them by means of undertaking.

Who is affected by the policy?

- All directors of companies, including, in particular, directors of companies facing financial difficulties, who will have clearer advice as to what conduct might render them vulnerable to disqualification proceedings under the CDDA;
- All directors who are facing disqualification proceedings (some 1,200 per annum);
- All Insolvency Practitioners who both advise and must report upon the conduct of directors of companies which enter insolvency proceedings; and
- Legal professionals who provide advice to directors of companies facing financial difficulties and possible insolvency and to those directors who are facing disqualification proceedings.

Is it possible that the policy will affect different people or groups in different ways?

We have considered whether the proposed legislative change will have an impact, either positively or negatively upon equality in relation to:

- Race Equality
- Gender
- Disability
- Age
- Marriage and Civil Partnership
- Religion and Belief
- Sexual Orientation
- Gender Reassignment
- Pregnancy and Maternity

and have concluded that it will be **equality neutral**. Whilst the Insolvency Service does not hold any data with respect to the impact of the disqualification regime upon any or all of the protected

groups, there is no reason to consider that the change in policy would have any impact on any of the groups outlined above.

Any measures that are currently in place to ensure that the Insolvency and CDDA legislation impacts equally or, more importantly, is understood equally by those affected by it (such as the use of appropriate methods of communication to address any difficulties) would continue to apply.

We have legal advice to the effect that the proposed changes to Schedule 1 CDDA do not pose any Human Rights Issues.

The function will have to, as it does at present, apply to the Welsh Language Act.

Summary of equalities impact assessment

There is no reason to consider that the change in policy would have any impact on any of the groups outlined above.

Policy 2: Increasing the Time Limit for the Institution of Disqualification Proceedings Following the Insolvency of a Company

The issues and goals of the policy

Current law requires The Insolvency Service to commence (issue) company director disqualification proceedings within two years of the date of the insolvency. In the majority of cases the current time limit is sufficient. However because investigations cannot begin until the insolvency practitioner (IP) has reported, more time may be required in a large or complex case, or one where the IP has discovered evidence late in the day. The Insolvency Service can apply to the Court for leave to commence proceedings out of time, to gain additional investigation time, but it is only granted in exceptional circumstances.

Further, if investigations have concluded and pre-issue negotiations with a defendant are protracted, proceedings must be issued 'protectively' in order not to breach the statutory time limit – thereby incurring otherwise unnecessary legal costs and increasing pressure on the director involved.

It is therefore proposed to increase the time limit for issuing the proceedings to three years from the date of the insolvency. The overarching policy objective is to ensure that The Insolvency Service on behalf of the Secretary of State has sufficient opportunity to bring disqualification proceedings in circumstances where it is in the public interest to do so. The intention is to allow additional time for investigation in large or complex cases, to allow greater scope to consider 'late' evidence and to reduce the need for The Insolvency Service to issue proceedings protectively, which imposes some costs.

What does the policy set out to achieve?

Although it is envisaged that the vast majority of cases would continue to be brought within two years, expanding the limitation period to three years would allow deserving cases where the evidence is provided very late or the failure is so large or complex that the investigation itself takes longer than the norm. It might also remove the barrier to notifying late recovered information to The Insolvency Service by an IP who may have the perception that it is too late to report new evidence at a late stage.

In 2012/13 the average length of time from insolvency date to post-issue undertaking was just over two and a half years. This means that with additional year in which to bring proceedings, most directors who want to give an undertaking rather than going to court would be able to do so. There may still be some cases issued and brought to court where negotiations take longer than three years (e.g. a case is defended and representations from both sides extend the time needed). This is the same process as exists at the moment and would be under the jurisdiction of the court to ensure proceedings were not unfairly delayed (that the director under investigation is left in an uncertain situation for an unreasonable amount of time).

Who is affected by the policy?

- All directors of companies which have entered insolvency proceedings. In theory, such directors will have the threat of possible insolvency proceedings hanging over them for one more year from the date of insolvency;
- All directors who are facing disqualification proceedings (some 1,200 per annum). The Insolvency Service;
- All Insolvency Practitioners who must report upon the conduct of directors of companies which enter insolvency proceedings; and
- Legal professionals who provide advice to directors of companies facing financial difficulties and possible insolvency and to those directors who are facing disqualification proceedings.

Is it possible that the policy will affect different people or groups in different ways?

We have considered whether the proposed legislative change will have an impact, either positively or negatively upon equality in relation to:

- Race Equality
- Gender
- Disability
- Age
- Marriage and Civil Partnership
- Religion and Belief
- Sexual Orientation
- Gender Reassignment
- Pregnancy and Maternity

and have concluded that it will be **equality neutral**. Whilst the Insolvency Service does not hold any data with respect to the impact of the disqualification regime upon any or all of the protected groups, there is no reason to consider that the change in policy would have any impact on any of the groups outlined above.

Any measures that are currently in place to ensure that the Insolvency and CDDA legislation impacts equally or, more importantly, is understood equally by those affected by it (such as the use of appropriate methods of communication to address any difficulties) would continue to apply.

We have legal advice to the effect that the proposed changes to Schedule 1 CDDA do not pose any Human Rights Issues.

The function will have to, as it does at present, apply to the Welsh Language Act.

Summary of equalities impact assessment

There is no reason to consider that the change in policy would have any impact on any of the groups outlined above.

Policy 3: Enhancing the Ability to use Third Party Information as a basis of Disqualification Action

The issues and goals of the policy

Other than in certain narrow circumstances, only The Insolvency Service, acting on behalf of the Secretary of State, has the power to institute company director disqualification proceedings across the wider market. Other regulators, including government departments and sectoral regulators, who consider that disqualification action is merited will, often at the conclusion of their own enquiries, need to refer the matter to The Insolvency Service, which may take disqualification action on the basis of 'investigative material'. However, as currently drafted, the legal definition of 'investigative material' for this purpose is so restrictive as to often require The Insolvency Service to undertake a separate investigation, duplicating some enquiries already made in order to be able to take disqualification action and unnecessarily incurring additional cost.

It is proposed to amend s8 of the CDDA to widen the definition of 'investigatory material', on which The Insolvency Service could rely to bring disqualification proceedings against an individual, following referral from another regulator.

What does the policy set out to achieve?

The amendment to the legislation is intended to ensure that unacceptable conduct by company directors across the UK economy and particularly in key sectors is tackled expeditiously and using the best possible information.

The change proposed to the CDDA is aimed at ensuring that, where directors commit serious breaches of sectoral-specific rules and regulations, which are considered sufficient to warrant a directorial disqualification, they can where appropriate be removed and held to account for their actions within the wider market in the quickest, most cost-effective and efficient way possible.

The Insolvency Service to utilise a far broader range of material provided by regulators, to bring potential disqualification actions and could eliminate the need to conduct a separate and potentially duplicate Companies Act enquiry or, indeed, wait for a report from an Insolvency Practitioner before taking action where the misconduct relates to a company is insolvent, in such cases, as at present. Where the individual regulator has already found there to be a serious breach of sectoral regulation, The Insolvency Service can use that finding to form the basis of any disqualification action.

Who is affected by the policy?

- All directors of companies, including, in particular, directors who or whose companies have been the focus of enquiries by bodies other than The Insolvency Service, whether or not such enquiries have led to sanctions against them, which bodies consider that the conduct of such directors may be deserving of a wider market ban. The proposed changes will render it more efficient and cost effective to take disqualification proceedings on the basis of such referrals and, thus, there will be potentially more disqualification proceedings instituted;
- All directors who are facing disqualification proceedings (some 1,200 per annum);
- Legal and other professionals who provide advice to directors;
- All directors who are facing disqualification proceedings (some 1,200 per annum). The Insolvency Service;
- All Insolvency Practitioners who must report upon the conduct of directors of companies which enter insolvency proceedings; and
- Legal professionals who provide advice to directors of companies facing financial difficulties and possible insolvency and to those directors who are facing disqualification proceedings.

Is it possible that the policy will affect different people or groups in different ways?

We have considered whether the proposed legislative change will have an impact, either positively or negatively upon equality in relation to:

- Race Equality
- Gender
- Disability
- Age
- Marriage and Civil Partnership
- Religion and Belief
- Sexual Orientation
- Gender Reassignment
- Pregnancy and Maternity

and have concluded that it will be **equality neutral**. Whilst the Insolvency Service does not hold any data with respect to the impact of the disqualification regime upon any or all of the protected groups, there is no reason to consider that the change in policy would have any impact on any of the groups outlined above.

Any measures that are currently in place to ensure that the Insolvency and CDDA legislation impacts equally or, more importantly, is understood equally by those affected by it (such as the use of appropriate methods of communication to address any difficulties) would continue to apply.

We have legal advice to the effect that the proposed changes to Schedule 1 CDDA do not pose any Human Rights Issues.

The function will have to, as it does at present, apply to the Welsh Language Act.

Policies 4 & 5: Financial Redress measures (Compensation Awards and Assigning Officeholder actions)

We have considered whether the policy might have an adverse or positive impact on equality in relation to the categories set out below.

- Race Equality
- Gender
- Disability
- Age
- Marriage and Civil Partnership
- Religion and Belief
- Sexual Orientation
- Gender Reassignment
- Pregnancy and Maternity

Proposals to strengthen financial redress mechanisms are aimed at increasing confidence in the enforcement regime and fair markets. Those affected are miscreant directors (approximately 1200 disqualified each year) or those who have committed wrongdoing/misfeasance who may not be disqualified for some reason. Insolvency practitioners and legal advisors will also be affected by the proposals. However the proposals should be equality neutral with regard to the above groups and all those within those groups would be affected equally.

Policy 6: Protecting the market from individuals who have been convicted overseas

The aim of the policy is to protect the market from those who have been convicted overseas of an offence in relation to a company by allowing the SoS to seek their disqualification from acting in the management of a company in the UK. This is a preventative measure to stop the individual from causing harm in the first place. Those affected will mainly be those individual with serious corporate convictions overseas. We have no data on these individuals, but one would assume they would have no different equality characteristics to UK directors. Therefore we would expect this proposal to be equality neutral with regard to the above groups all those within those groups would be affected equally.

Policy 7: Aligning bankruptcy and debt relief restrictions across the UK

In Scotland and Northern Ireland, personal insolvency is devolved while some parts of corporate insolvency law are reserved to Westminster. As a result, there is sufficient uncertainty within the United Kingdom (UK) as to the extent of the application of insolvency law across jurisdictions. The aim of this measure is to provide clarity and consistency in the application of bankruptcy and debt relief restrictions across the UK. In particular, the measure prohibits those who are subject to bankruptcy restrictions in GB from acting as company directors and insolvency practitioners in Northern Ireland and vice versa. We have no data on the individuals who would be affected by these changes, but one would assume they would have no different equality characteristics to UK directors. Therefore we would expect this proposal to be equality neutral with regard to the above groups and all those within those groups would be affected equally.

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