



12 May 2006

Submitted by email to companylawreform@dti.gsi.gov.uk

Company Law Reform
Department of Trade & Industry
1 Victoria Street
London SW1H 0ET

16 Park Crescent
London W1B 1AH

Telephone: +44 (0) 20 7580 4741
Facsimile: +44 (0) 20 7323 1132
E-mail: info@icsa.co.uk
Web: www.icsa.org.uk

Dear Sir

Re Consultation on the Company Law Reform Bill: draft liability clauses

After consultation with the ICSA Company Secretaries Forum, The Institute of Chartered Secretaries and Administrators is pleased to submit the following comments on the draft liability clauses that were published by the DTI on 3 May 2006.

Liability of directors for false or misleading statements in reports – new clause to be inserted after clause 447

We recognise that the absence of any statutory provision to limit the liability of directors as regards narrative reporting, particularly in relation to forward-looking statements in narrative reporting, has been an obstacle to meaningful reporting. We believe this clause will provide the necessary comfort to directors and we therefore welcome it.

We do however concur with the Association of Corporate Treasurers that confirmation is needed that the limitation of liability offered by this clause would also extend to statements made in a voluntary OFR.

Liability for false or misleading statements in reports – new clause to be inserted after Clause 859

We understand there is some debate as to whether the Transparency Directive does create a new liability to investors. Providing that the Transparency Directive does create this new liability, we welcome this clause in its current form.

Yours faithfully

Bridget Salaman
Head of Policy - Corporate