



Chartered
Governance
Institute
UK & Ireland

The Chartered Governance Qualifying Programme

Company Compliance and Administration

Syllabus



Company Compliance and Administration

Level 6, Part One Programme

Total hours study time: 200

Introduction

The aim of this module is for students to develop their knowledge and skills to prepare for practice as a company secretary, ensuring that the company operates in accordance with good governance principles and the regulations of the jurisdiction in which it operates

Learning outcomes

After successful completion of this module you should:

- 1 Understand the role of the company secretary and the differing responsibilities of the company secretary, the board, management, shareholders and other stakeholders.
- 2 Understand the nature and principles of the company's regulatory requirements and interpret and practise in the sector to ensure compliance.
- 3 Be able to exercise appropriate judgment to advise the board on the expectations of and compliance with regulatory requirements.
- 4 Be able to understand, apply and advise on statutes, regulation and good practice in respect of share capital.

Module content

Section A: The role of the company secretary, the board and other stakeholders <i>20% – 40 Learning hours</i>	
<i>LO.1: Understand the role of the company secretary and the differing responsibilities of the company secretary, the board, management, shareholders and other stakeholders</i>	
Topic area	Exemplification
The role of the company secretary	<ul style="list-style-type: none"> • Role, functions and duties of the company secretary: <ul style="list-style-type: none"> • background, including Companies Act 1948 • duties: <ul style="list-style-type: none"> – board – company – shareholders • qualifications • prohibited appointees • Appointment and vacation of the office of company secretary: <ul style="list-style-type: none"> • appointment • resignation or removal • Relationship with the chair and directors: <ul style="list-style-type: none"> • reporting to chair • independence • reporting lines for executive duties • Company secretary as adviser to the chair and directors • Dissemination of information and decisions: <ul style="list-style-type: none"> • before the board meeting • during the board meeting • after the board meeting • Communication with shareholders and other stakeholders, including electronic communication: <ul style="list-style-type: none"> • delivery of documents and information to a company • delivery of documents and information by a company
The directors	<ul style="list-style-type: none"> • Types of directors: <ul style="list-style-type: none"> • executive • non-executive • shadow • de facto • alternate • Recruitment, appointment, re-appointment and rotation: <ul style="list-style-type: none"> • qualification • recruitment • regulatory approval • procedure for appointment

Topic area	Exemplification
The directors (<i>cont.</i>)	<ul style="list-style-type: none"> • induction • rotation and reappointment • directors' addresses • number of directors • defective appointment of directors • disputed appointments • contracts of employment • Roles, duties, responsibilities and mandates: <ul style="list-style-type: none"> • executive and non-executive roles • collective responsibility • duties, as per Companies Act 2006 • other statutory duties • common law • contractual • regulatory • authority to exercise company's power • liability for actions or inaction • Retirement, removal and disqualification: <ul style="list-style-type: none"> • vacation of office • retirement by rotation • removal of directors • disqualification • Succession planning: <ul style="list-style-type: none"> • diversity • independence • balance • Directors' and officers' indemnification and liability insurance • Co-option • Legislative and other developments
Effective board practices	<ul style="list-style-type: none"> • Board evaluation: <ul style="list-style-type: none"> • board structure • board and company governance • board monitoring • board processes and interactions • internal • external • the future of board evaluation • Director education and guidance: <ul style="list-style-type: none"> • induction • continuing professional development (CPD)

Topic area	Exemplification
<p>Effective board practices (<i>cont.</i>)</p>	<ul style="list-style-type: none"> • availability of internal and external support • Best practices, policies and procedures: <ul style="list-style-type: none"> • matters reserved to the board <ul style="list-style-type: none"> – authority limits – code of conduct – tenure policy for NEDs – expense policy – independence standards for independent NEDs – committee terms of reference – share dealing policy – whistle-blowing policy – risk management policy
<p>Members</p>	<ul style="list-style-type: none"> • Defining a member: <ul style="list-style-type: none"> • agreement to become a member • entry in the register of members • minimum numbers of members and shares • Restrictions on membership: <ul style="list-style-type: none"> • defining a legal person • restrictions in the articles • minors as members of a company • Shareholders: <ul style="list-style-type: none"> • shareholder specific provisions • Guarantors: <ul style="list-style-type: none"> • transferring membership • guarantor specific provisions • Other types of member • Member activism: <ul style="list-style-type: none"> • investor activism • pressure group activism • Articles of association: <ul style="list-style-type: none"> • members' rights • classes of shares • rights attaching to a class of shares • variation of rights • amending or replacing articles • entrenchment of articles • Unfair prejudice: <ul style="list-style-type: none"> • protection from unfair prejudice • defining unfair prejudice • defining unfair conduct • members' rights must be prejudiced • remedies available

Topic area	Exemplification
Members (<i>cont.</i>)	<ul style="list-style-type: none">• Derivative action claims:<ul style="list-style-type: none">• grounds for bringing a derivative action• application for permission to continue derivative claim• application to continue action brought by another member• grounds for permission to continue• alternative remedy• Membership:<ul style="list-style-type: none">• registered members• beneficial ownership

Section B: Regulatory requirements for companies	
40% – 80 Learning hours	
<i>LO.2: Understand the nature and principles of the company's regulatory requirements and interpret and practise in the sector to ensure compliance</i>	
Topic area	Exemplification
Company compliance	<ul style="list-style-type: none"> • Company formation: <ul style="list-style-type: none"> • matters to consider when incorporating a company • types of companies • how to form a company • registration of companies • additional requirements for the registration of a public company • additional requirements for the registration of a Community Interest Company (CIC) • additional requirements for the registration of a Right to Manage Company • same-day registrations • companies' registered numbers • re-registration – changing the status of a company • Filing of company returns: <ul style="list-style-type: none"> • online filing • WebFiling • software filing • Offences under the relevant corporations or associations legislation • Corporate governance overview: <ul style="list-style-type: none"> • background • UK Corporate Governance Code • UK Stewardship Code • Mergers, divisions, arrangements and reconstructions: <ul style="list-style-type: none"> • mergers • divisions • arrangements and reconstructions • Takeovers and acquisitions: <ul style="list-style-type: none"> • types of takeover • agreements with individual members • purchases in the market • public offers • action following the first closing date of a public offer • transfers to offeror company • Takeover Panel and City Code • Competition and Markets Authority (CMA) • compulsory acquisition • stamp duty exemptions

Topic area	Exemplification
Company compliance (<i>cont.</i>)	<ul style="list-style-type: none"> • Culture and corporate behaviours: <ul style="list-style-type: none"> • setting the tone from the top • policies: <ul style="list-style-type: none"> – diversity & discrimination – whistleblowing – remuneration – employment handbook • Company insolvency, dissolution and restoration: <ul style="list-style-type: none"> • how a company becomes insolvent • members' voluntary winding up • creditors' voluntary winding up • winding up by the court • liquidator • report on conduct of directors • winding up in Scotland • phoenix companies • strike off and dissolution • restoration • Dormant companies
Annual or integrated report	<ul style="list-style-type: none"> • Role and duties of the company secretary in the annual report cycle • Statutory, regulatory and listing requirements: <ul style="list-style-type: none"> • micro companies: <ul style="list-style-type: none"> – eligibility – filing requirements • small companies: <ul style="list-style-type: none"> – eligibility – filing requirements • medium-sized companies: <ul style="list-style-type: none"> – eligibility – filing requirements • full accounts: <ul style="list-style-type: none"> – filing requirements • listed companies • definition of quoted company • filing obligation of quoted companies • annual report and accounts • summary information • additional disclosures • dormant companies • Narrative reporting: <ul style="list-style-type: none"> • strategic report

Topic area	Exemplification
Annual or integrated report (<i>cont.</i>)	<ul style="list-style-type: none"> • directors' report • directors' remuneration report: <ul style="list-style-type: none"> – Companies Act requirements – Listing Rule and governance code requirements – best practice • auditor's report • report to the audit committee • committee reports • Disclosure of financial statements: <ul style="list-style-type: none"> • availability of annual accounts and reports • filing requirements: <ul style="list-style-type: none"> – registrar – FCA – half-yearly financial reports • Legislative and other developments: <ul style="list-style-type: none"> • integrated reporting: <ul style="list-style-type: none"> – overview – purpose – implementation • Department for Business, Energy and Industrial Strategy (BEIS): <ul style="list-style-type: none"> – insolvency measures – corporate governance measures • environmental, social and governance (ESG) reporting
External audit	<ul style="list-style-type: none"> • Role and responsibilities of the company secretary in the external audit process: <ul style="list-style-type: none"> • access to documents • report to members • Independence of external auditors: <ul style="list-style-type: none"> • non-audit services: <ul style="list-style-type: none"> – non-audit fees • Appointment of auditors: <ul style="list-style-type: none"> • private company that is not a public interest entity (PIE): • public company that is not a PIE • audits of a PIE • appointments of auditors by a PIE • audit tender and maximum engagement period for auditors: <ul style="list-style-type: none"> – transitional provisions relating to mandatory audit firm rotation requirements • appointment of a partnership as auditor • exempt companies

Topic area	Exemplification
External audit (<i>cont.</i>)	<ul style="list-style-type: none"> • auditor remuneration • auditor liability • UK's competent authority • Rotation of auditors: <ul style="list-style-type: none"> • audit partner • audit firm • Termination of auditor's appointment: <ul style="list-style-type: none"> • resignation of auditors • rights of auditors who are removed or not reappointed • company's obligations on cessation of auditor's appointment • auditor notification to Companies House and appropriate audit authority • company notification to appropriate audit authority • Role of external auditors: <ul style="list-style-type: none"> • duties of auditor • auditor's right to information and access • auditor's report to members • report to PIE audit committees • signing of audit report • Legislative and other developments: <ul style="list-style-type: none"> • audit and corporate governance reforms
Securities exchange listing regime	<ul style="list-style-type: none"> • Listing requirements: <ul style="list-style-type: none"> • listing and the FCA: <ul style="list-style-type: none"> – listing principles • regulatory regime: <ul style="list-style-type: none"> – regulated activity – authorised persons – premium standard listing • eligibility • listing process • types of public issue • role of the advisers: <ul style="list-style-type: none"> – sponsor – corporate broker – financial public relations consultants – lawyers – reporting accountant – share registrars – other advisers • UK prospectus regulation: <ul style="list-style-type: none"> – offer to the public – exemptions

Topic area	Exemplification
<p>Securities exchange listing regime (<i>cont.</i>)</p>	<ul style="list-style-type: none"> - prospectus contents - prospectus approval • LSE as secondary market: <ul style="list-style-type: none"> - equity trading systems • admission and disclosure standards: <ul style="list-style-type: none"> - eligibility criteria - settlement - communication • UK disclosure and transparency rules (DTR) • Ongoing reporting, filings and compliance: <ul style="list-style-type: none"> • financial • issues of securities • constitutional changes • disclosure of inside information • person discharging managerial responsibilities (PDMR) /person closely associated (PCA) dealings • major shareholders' dealing disclosure requirements • UK Corporate Governance Code • UK Stewardship Code • Insider dealing: <ul style="list-style-type: none"> • Criminal Justice Act 1993 • Proceeds of Crime Act 2002 • Legislation and other developments: <ul style="list-style-type: none"> • dematerialisation of transferable securities • UK Listing Review
<p>Maintenance of records</p>	<ul style="list-style-type: none"> • Statutory registers: <ul style="list-style-type: none"> • which statutory registers must be kept: <ul style="list-style-type: none"> - directors - directors' residential addresses - secretaries - members • CREST (securities depository): <ul style="list-style-type: none"> - charges - debentures - interests in voting shares of a public company - format of registers • Location of records and registers: <ul style="list-style-type: none"> • registered office • Single Alternative Inspection Location (SAIL) address • central register • Access to records and registers: <ul style="list-style-type: none"> • location

Topic area	Exemplification
Maintenance of records (<i>cont.</i>)	<ul style="list-style-type: none"> • inspection: <ul style="list-style-type: none"> – in person – right to request copies – fees • Minute books: <ul style="list-style-type: none"> • where kept • security • directors • members • access rights • Meeting materials/board papers: <ul style="list-style-type: none"> • directors • board papers • members: <ul style="list-style-type: none"> – members communications – access rights • Financial records: <ul style="list-style-type: none"> • maintaining accounting information • where kept • retention periods • inspection • Corporate records: <ul style="list-style-type: none"> • directors' service contracts • directors indemnities • minutes • accounting records • contracts for purchase of own shares • documents for purchases out of capital • report to members of investigation by public company into interests in shares • Retention periods for documents and registers
Company secretarial applications	<ul style="list-style-type: none"> • Evaluation of needs for company secretarial applications • Implementation of appropriate applications • Security issues • Potential uses and benefits of company secretarial applications • Ongoing maintenance and updates
Minutes and minute books	<ul style="list-style-type: none"> • Required information in minutes: <ul style="list-style-type: none"> • static data • variable data • The six 'Cs': <ul style="list-style-type: none"> • clarity

Topic area	Exemplification
Minutes and minute books (<i>cont.</i>)	<ul style="list-style-type: none"> • coherence • conciseness • consistency • completeness • correctness • Proof of existence of an organisation and its historical development • Record of decisions made and actions taken • Demonstration of due diligence on part of decision-makers • Legal evidence in support of actions taken • Records retention: <ul style="list-style-type: none"> • security of documents • Risk management – protecting the organisation
Oversight by regulators	<ul style="list-style-type: none"> • Governance practices – processes and procedures • Assessment of performance in carrying out governance responsibilities: <ul style="list-style-type: none"> • board performance and evaluation • Protection of stakeholders • Investigation powers of regulators: <ul style="list-style-type: none"> • BEIS • HM Revenue and Customs • Financial Conduct Authority and Prudential Regulation Authority • Competition and Markets Authority (CMA) • The Panel on Takeovers and Mergers
Regulation and disclosure	<ul style="list-style-type: none"> • Disclosure requirements for listed companies: <ul style="list-style-type: none"> • Companies Act obligations • listing rules and disclosure and transparency obligations • National Storage Mechanism (NSM) • market abuse regulations (MAR) and disclosure and transparency rules (DTR) • Link between disclosure, accountability, transparency and trust: <ul style="list-style-type: none"> • clear and concise annual reporting • Data protection: <ul style="list-style-type: none"> • overview DPA1998: • UK General Data Protection Regulation (GDPR) • Public access to corporate information: <ul style="list-style-type: none"> • right to request details of data held by an employer or company • freedom of information

Section C: Meetings	
<i>20% – 40 Learning hours</i>	
<i>LO.3: Be able to exercise appropriate judgment to advise the board on the expectations of and compliance with regulatory requirements</i>	
Topic area	Exemplification
Meetings of shareholders and members	<ul style="list-style-type: none"> • Member meeting or written resolution: <ul style="list-style-type: none"> • resolutions in writing • General meetings: <ul style="list-style-type: none"> • annual general meetings (AGMs) • business at AGMs • members' right to propose directors at an AGM • class meetings • Regulations governing general meetings • Role of the company secretary before, during and after the annual meeting • Notice of meetings: <ul style="list-style-type: none"> • clear days • agreement to short notice of meeting • entitlement to notice of general meetings • content of notices • special notice • Quorum, agenda, meeting materials • Resolutions: <ul style="list-style-type: none"> • ordinary • special • amending or withdrawing resolutions • Role of the Chair • Rules of order, standing orders: <ul style="list-style-type: none"> • procedural motions • speaking • adjournment of general meetings • Proxies: <ul style="list-style-type: none"> • at the meeting • three-way proxies • form and dispatch of proxy forms • appointment of a proxy • evaluation of proxies • confirmation of voting • Polls: <ul style="list-style-type: none"> • demand for a poll • when a poll is demanded

Topic area	Exemplification
<p>Meetings of shareholders and members (<i>cont.</i>)</p>	<ul style="list-style-type: none"> • submission of poll votes electronically • publication of results of a poll • Attendance: <ul style="list-style-type: none"> • by a corporate member • by a member that is a natural person • disruption • Voting: <ul style="list-style-type: none"> • abstaining • significant voting against resolutions • Meeting technology: <ul style="list-style-type: none"> • electronic voting • online proxy submission • audio-visual conferencing • the electronic or hybrid meeting • Share registrar and role of scrutineer: <ul style="list-style-type: none"> • independent proxy report • Communication with members and other stakeholders • Other developments
<p>Meetings of the board and its committees</p>	<ul style="list-style-type: none"> • Board meetings: <ul style="list-style-type: none"> • types of meeting: <ul style="list-style-type: none"> – management meetings – board meetings • convening directors' meetings • quorum • minutes of directors' meetings • chair • Role of the company secretary before, during and after board meetings: <ul style="list-style-type: none"> • preparation for a board meeting • at the board meeting • after the board meeting • Delegation of authority and responsibility • Reliance on management and advisers • Committees – types, purpose and composition • Matters reserved for the board • Executive discretion • Motions and written/circular resolutions • Conflicts of interest: <ul style="list-style-type: none"> • duty to avoid conflicts of interest • interests in contracts • substantial property transactions • loans to directors

Section D: Shares	
<i>20% – 40 Learning hours</i>	
<i>LO.4: Be able to understand, apply and advise on statutes, regulation and good practice in respect of share capital</i>	
Topic area	Exemplification
Shares, share capital, share register and debt capital	<ul style="list-style-type: none"> • Regulation of the securities industry: <ul style="list-style-type: none"> • regulated investment activity • authorised firms • Senior Managers and Certification Regime (SM&CR) • Types of share and debt capital: <ul style="list-style-type: none"> • authorised capital • allotted capital • issued capital • paid-up capital • called-up capital • equity capital • changes to capital • debt capital • types of debenture • loan stock • convertible loan stock • Share capital: <ul style="list-style-type: none"> • authority for allotment • pre-emption rights • disapplication of pre-emption rights • pre-emption group guidance • allotment procedure • issue price • part payment • payment for shares • shares allotted for non-cash consideration • financial assistance • share premium • calls on shares • forfeiture • purchase of own shares • Company share registrar function: <ul style="list-style-type: none"> • role of the share registrar • dematerialisation • Share transfers: <ul style="list-style-type: none"> • overview • stock transfer form • stamp duty • CREST

Topic area	Exemplification
<p>Shares, share capital, share register and debt capital (<i>cont.</i>)</p>	<ul style="list-style-type: none"> • Transmission of shares • Death of shareholder • Registration of documents affecting title: <ul style="list-style-type: none"> • differences between English and Scottish law • documents issued by other jurisdictions • documents received for registration • Share certificates: <ul style="list-style-type: none"> • issue on allotment or transfer • lost share certificates • certification • Distributions: <ul style="list-style-type: none"> • by public companies • by investment companies • cash dividend • mandates • unclaimed dividends • scrip dividends • dividend reinvestment schemes (DRIP) • dividend timetable • Rights and warrants, debentures and bonds: <ul style="list-style-type: none"> • warrants • subscriptions rights • debentures, loan stocks and corporate bonds • Capital events and role of share registrar: <ul style="list-style-type: none"> • share offer • rights issue • consolidation/subdivision • takeover • scheme of arrangement • Key features and establishment of employee share schemes and their ongoing administration: <ul style="list-style-type: none"> • Enterprise Management Incentive (EMI) • Company Share Option Plan (CSOP) • Save As You Earn (SAYE) • Share Incentive Plan (SIP) • unapproved share options • growth shares • employee share scheme administration



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