

Over the past years, the LSB has not made much progress on Regulatory Objective (g) – increasing public understanding of the citizen’s legal rights and duties. It does not seem to feature either in the Business Plan Consultation, so, as a start, the Board may like to consider the following.

The Board should lobby Government to introduce regulation requiring any natural person who is appointed a Director of a business that takes advantage of limited liability, should have an appropriate level of training on their legal obligations. “Appropriate” remains to be defined, but in concept, there may be a de minimis level and the training requirement for a company with (say) £100k turnover would not be as stringent as for one with a £100m turnover.

The institute of Directors already provides courses, and a statutory requirement would undoubtedly encourage other providers.

This will not be an all-embracing answer to the regulatory objective, but educating directors would be a start. Directors are also citizens and encouraging their awareness of, particularly, their personal liabilities should raise their curiosity, and then awareness, of other rights and obligations. If it reduces some of the worst excesses of abuse of limitations on corporate liabilities, so much the better.

Peter Adams