

# Editorial

## Legislation 'On The Run'

The Companies Bill, about to complete its passage through Parliament, is a good illustration of the recent pressures upon Government, in the area of company-related law, to legislate on the run.

This is true in two senses. First, it may seem rather odd to find yet another Bill on this subject being introduced at all, so soon after its predecessors. After all, it is only four years since the Companies Act 1985 made its appearance on the scene; and that Act in its turn was soon radically amended by other major measures – notably by the Financial Services and Insolvency Acts. Now we are confronted by yet another massive addition to the statute book, comprising a miscellany of more or less important provisions in relation to companies, mergers, competition, insolvency, financial services, etc. True,

the Bill is in part a required response to the external impetus of EC Directives (the 7th, of 1983, relating to consolidated accounts, and the 8th, on audit) – but in this respect it can only be regarded as an interim measure, given the continuing commitment of EC member countries to the harmonisation of European company law.

Business practice is changing so rapidly – partly in response to Europe, partly in response to the new market philosophies so vigorously promoted by the present Government – that it is increasingly difficult for ministers and their long-suffering draftsmen (not to mention the long-suffering readers of this *Review*) to keep up. It would be interesting to assess the odds on when the *next* Companies Bill will make its appearance. Perhaps it is already being drafted?

And the present Bill is legislation “on

the run” in a second, though related, sense, given the extent to which it has changed before our very eyes as it has passed through its successive parliamentary stages. Introduced in the House of Lords last December with 148 clauses and 17 schedules, by the time it had completed its Commons committee stage, towards the end of June, it had swollen to 202 clauses and 22 schedules – with yet more Government amendments promised. This may be regarded, in part, as indicative of a healthy responsiveness on the part of ministers, willing to listen to constructive suggestions, and anxious to get things right – but it is also symptomatic of the sheer impossibility of “getting things right”, in such a complex and unsettled area of law. A worrying, but not easily soluble, problem for both authors and users of company law legislation.