



Changes to UK Company Law

Companies House have announced upcoming changes that will impact the information held on the public register. We have outlined below the key points and the implications for companies, directors and shareholders.

1. Data Quality on Companies House Registers

In a digital age, where reliable data is crucial for making informed business decisions, the quality of the information on Companies House is paramount. Therefore, the Registrar of Companies are being provided with new and enhanced powers to assist in maintaining a more accurate and reliable database, which will provide enhanced transparency and trust in the register.

Please note, these changes are pending secondary legislation and will **not come into force earlier than 4th March 2024**.

What's changing:

Registered Office Addresses

Companies must have an appropriate address as their registered office – this means that any documents sent to this address should:

- Be expected to come to the attention of the person acting on behalf of the company.
- Be able to have a recorded acknowledgement of delivery.

Therefore, you will be unable to use a PO Box as your registered office address.

Statement of Lawful Purpose

- When incorporating a new company, the subscribers of the company will need to confirm that they're forming a company for a lawful purpose.
- Companies will be required to confirm that its future activities will be lawful on their annual confirmation statement.

Registrar's Powers

The registrar will have greater powers to verify and challenge information that appears to be incorrect or inconsistent with information held. This means:

- Information that is inaccurate, incomplete, false, or fraudulent can be removed quickly.
- Stronger checks on company names which may give a false or misleading impressions.
- Annotations will be used on the register to highlight potential issues with the information.
- Steps will be taken to clean up the register by identifying and removing inaccurate data through using data matching processes.

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Enforcements

There will be serious consequences if a company does not respond to a formal request from Companies House for more information. This could lead to a penalty, an annotation on the company's record and prosecution.

There could also be serious consequences for a company if their registered office is not an appropriate address. Companies House will change it to a default address and if the address is not changed or appropriate evidence of proprietary ownership is not received within 28 days of this, the company risks being struck off.

2. Identity Verification Process

Over the coming months, changes will come into effect to ensure that your identity is verified.

Who does this affect:

- All directors and people with significant control (PSCs) for newly incorporated companies. For existing companies, the directors and PSCs will have a transition period.
- Anyone acting on behalf of a company before they can file information with Companies House.

How to verify your identity:

- Directly with Companies House: a service to verify your identity using ID documents (e.g. Passport) will be in place, with a range of support & services to help you complete this; or
- Through an authorised agent – E.g. Bridge, Chartered Accountants



We already have a duty to carry out due diligence checks on all their clients and the Companies House identity verification process will build on these existing checks. We are therefore updating all our anti-money laundering information for all clients to ensure we will comply with these requirements on your behalf.

3. Confirmation Statements

There will be a new requirement for companies to provide a registered email address so that Companies House can communicate with you. This will be a requirement when incorporating new companies, and for existing companies and must be declared on your next confirmation statement. Your registered email address will not be made available to the public and is only for communications with Companies House. Therefore, we will be in touch at the next confirmation statement date for your company confirming the email address to be registered.

In addition to this, companies will be required to confirm that the intended future activities of the company will be lawful, as discussed above.

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4. Companies House Fees

Companies House have announced that they intend to increase their fees from 01 May 2024. We have detailed the changes we feel are most relevant to our clients below.

- Annual Confirmation statements submission - £34
- Name change - £20
- Same day name change - £83
- Voluntary strike off - £33

5. Changes to Accounts

Reporting requirements are changing to accounts filed with Companies House. The aim of these changes is to make filing obligations for micro-entities and smaller companies clearer. The following changes are **not final** and are **tentatively planned for 2026**:

Small Company	Micro-Entity
Filing Changes: <ul style="list-style-type: none"> • Requirement to file a profit and loss account. * • Requirement to file a directors' report. • Removed the option to file abridged accounts. 	Filing Changes: <ul style="list-style-type: none"> • Requirement to file a profit and loss account. * • Removed the option to file abridged accounts.
Audit Exemptions	
Filing Changes: <ul style="list-style-type: none"> • A statement will be required when a company seeks to rely on an audit exemption. • This statement will require the directors to identify the exemption being relied on and confirm that the company qualifies for this exemption. 	

* It is not clear if small companies and micro-entities will be required to file a full profit & loss account or if a condensed version will be acceptable. Further information will be made available after secondary legislation and the finalisation of the implementation programme.

If these changes proceed as described above, these companies will have to disclose sensitive information which will be readily available for anyone to scrutinise. We are currently researching different types of entities and will be in touch to discuss on a company by company basis on the best options depending on your circumstances.

Further Planned Changes:

The timeframe for these future changes is still being finalised, but they are intended to be phased in over the next 2-3 years:

- Mandating digital filing and full tagging of financial information in iXBRL format.
- Removal of paper filing options for most companies.
- Reducing the number of times a company can shorten its Accounting Reference Period.

6. Data Protection

Companies House are aiming to balance the need for corporate transparency with the understanding that personal information should only be published when it's necessary and proportionate to do so.

These changes will be phased in over the **next two years**.

Suppression of Personal Data

Individuals will be able to apply to suppress the following information from historical documents:

- Residential addresses in most instances when shown elsewhere on the register (for example, when used as a registered office address).
- Day of birth.
- Signatures.
- Business occupation.

Protection of Personal Information

Individuals who are at personal risk of physical harm or violence due to their personal information being on a Companies House register (for example, domestic abuse survivors) will be able to apply to have their information protected from public view, such as:

- Name (or previous names).
- Sensitive address, where public disclosure puts its residents at risk.
- In serious cases, all other details, including service address and partial date of birth.

7. Improving Transparency

When these measures come into force, companies must:

- Record the full names of shareholders (for individuals) or the full names of corporate members and firms in their registers.
- Provide a one-off full shareholder list so Companies House can display shareholder information in a more user-friendly way.

8. Investigation, Enforcement and Data Sharing

More effective investigation and enforcement powers will be given to Companies House and new powers to share data with law enforcement agencies and other government departments.

Conclusion

The above changes have been included within the 'Economic Crime and Corporate Transparency Act' and represent a significant shift towards modernisation, transparency and accountability for companies. The aim is to deter those wishing to use companies for illegal activities and support economic growth.

At Bridge, we can ensure that you maintain compliant and help you to navigate these changes with confidence. If you have any questions or concerns regarding these changes, please contact Olivia Dawson on the details below.

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