

## CHANGES TO UK COMPANY LAW



## ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT

The Economic Crime and Corporate Transparency Act came into law on 26 October 2023. It gives Companies House more powers to tackle economic crime and introduces new responsibilities for new and existing company directors, people with significant control (PSCs), and anyone who files on behalf of a company.

This guide sets out what's changing for you and your company, so you can take action at the right time.

### WHO IS AFFECTED BY THE CHANGES

Under the Economic Crime and Corporate Transparency Act, there'll be new responsibilities for:

- all new and existing company directors
- people with significant control of a company (PSCs)
- anyone who files on behalf of a company

#### Company Types and Other Corporate Entities

The new legislation generally applies to all entities registered with Companies House, including:

- private limited companies
- public limited companies (PLCs)
- limited liability partnerships (LLPs)
- limited partnerships (LPs)
- community interest companies (CICs)
- overseas companies

The legislation applies to companies and other entities registered in England and Wales, Scotland, and Northern Ireland.

#### Authorised Agents and New Companies

The legislation will also apply to anyone who files on behalf of clients, such as accountants and company formation agents.

You'll need to register as an authorised agent with Companies House. Authorised agents are also known as Authorised Corporate Service Providers (ACSPs).

If you're planning on starting a new company or another entity type, you'll need to consider the changes and new responsibilities introduced by the act. It's important to understand how these changes will affect you.

## CHANGES AT A GLANCE

The Economic Crime and Corporate Transparency Act will introduce a number of changes over the next few years. This guide summarises everything you need to know about the new measures.

### Improving the Quality of Data in Companies House

From March 2024, greater powers for Companies House to query information, stronger checks on company names, new rules for registered office addresses, and new lawful purpose statements.

#### Registered Office Addresses

From March 2024, there'll be new rules for registered office addresses which mean companies must, at all times, have an 'appropriate address' as their registered office. An appropriate address is:

- any documents sent to the registered office should be expected to come to the attention of a person acting on behalf of the company
- any documents sent to that address can be recorded by an acknowledgement of delivery

These changes mean you will not be able to use a PO Box as your registered office address in the future.

#### Statement of Lawful Purpose

There'll be a new requirement when you register or 'incorporate' a company from March 2024. The subscribers to the company will need to confirm they're forming the company for a lawful purpose. A company will also need to confirm its intended future activities are lawful, on their annual confirmation statement.

#### Enforcement and Sanctions

There'll be serious consequences if a company does not respond to a formal request from Companies House for more information. This could include:

- a financial penalty
- an annotation on the company's record
- prosecution

[Click here to find out more](#)

## IDENTITY VERIFICATION

Anyone setting up, running, owning or controlling a company in the UK will need to verify their identity.



Companies House will put in place a service to verify your identity using ID documents, such as a passport. There will be a range of support and services available to help you complete this process. You can also verify directly with Companies House, or through an authorised agent.

[Click here to find out more](#)

## CHANGES AT A GLANCE

The measures set out in the Economic Crime and Corporate Transparency Act will improve transparency by making more financial information available to the public.

### CHANGES TO ACCOUNTS

#### Filing Accounts by Software Only

The way you file your annual accounts with Companies House is changing. Transitioning towards filing accounts by software only. All companies will need to find a suitable software before web-based and paper filing options are no longer available.

This applies to directors who file accounts themselves, and companies who use third party agents or accountants to file their annual accounts.

The move to filing accounts by software only will be phased over 3 years and Companies House will share a timetable for the roll-out.

[Click to read more about software-only filing](#)

### CHANGES TO SMALL COMPANY FILING

Small and micro-entity companies will need to file their profit and loss accounts. Details of what is needed to be filed will be confirmed in new legislation.

Small companies that do not qualify as micro entities will all need to file a directors' report.

'Abridge' accounts will no longer be able to be filed.

[Click here to find out more](#)

## CONFIRMATION STATEMENT CHANGES

The Economic Crime and Corporate Transparency Act will introduce important changes to the confirmation statement. Every company, including dormant and non trading companies, must file a confirmation statement at least once every year. It confirms the information we hold about the company is up to date.

Companies must file a confirmation statement even if there have not been any changes during the review period.



## Registered Email Address

Under the act, all companies will need to provide a registered email address. New companies will need to give a registered email address when they incorporate, from March 2024. Existing companies will need to give a registered email address when they file their next confirmation statement, with a statement date from March 2024 onwards.

### Statement to Confirm the Company is Lawful.

You'll need to confirm this every year on the confirmation statement. You will not be able to file a confirmation statement without this statement. This will apply to all confirmation statements with a statement date from March 2024 onwards.

[Click here to find out more](#)

## CHANGES AT A GLANCE

The Economic Crime and Corporate Transparency Act has introduced measures to prevent abuse of personal information held on the Companies House register.

### PERSONAL INFORMATION

#### Suppression of Personal Information

Under the act, 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 for documents registered before 10 October 2015 (only the month and year of birth have been publicly displayed since 10 October 2015)
- signatures
- business occupation

#### Protection of Personal Information Because of Risk of Harm

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

The information that can be protected from public view includes:

- name (or previous names)
- sensitive addresses where public disclosure puts its residents at risk (for example, a women's domestic abuse refuge)
- in the most serious cases, all other details, for example, service address and partial date of birth

[Click here to find out more](#)

## IMPROVING TRANSPARENCY



Under measures introduced by the Economic Crime and Corporate Transparency Act, company

ownership will be more transparent.

### **When the measures come into force, companies must:**

- record the full names of shareholders who are 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

### **Companies House will:**

- collect and display more information from companies claiming an exemption from providing person with significant control (PSC) details, including the reason for the exemption
- collect and display the conditions which allow a relevant legal entity (RLE) to be recorded as a PSC

There will also be restrictions on the use of corporate directors. Only UK corporate entities with 'legal personality' can be appointed as corporate directors. These directors must be natural persons and must verify their identity before they're appointed.

## **CHANGES AT A GLANCE**

Under measures introduced by the Economic Crime and Corporate Transparency Act, limited partnership (LP) information will be more accessible and transparent.

### **CHANGES TO LIMITED PARTNERSHIPS**

#### **When the measures come into force Limited Partnerships must:**

- provide partners' names, date of birth and usual residential address
- verify the identity of general partners
- provide a registered office within the UK
- provide a standard industrial classification (SIC) code
- file an annual confirmation statement

#### **There will be new powers to:**

- close and restore limited partnerships
- apply sanctions
- protect partners' information
- operate a statutory compliance process

Limited Partnerships will need to file their information through an authorised agent (also known as an Authorised Corporate Service Provider) that's registered with Companies House.

[\*\*Click here for more help and support from GOV.UK Website\*\*](#)

**To learn more about how the Shropshire Chamber can support your business visit us at [www.Shropshire-chamber.co.uk](http://www.Shropshire-chamber.co.uk) or call us on 01952 208200**

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