

# PAYNE HICKS BEACH

## CHANGES AT COMPANIES HOUSE

### A. CHANGES ALREADY IN PLACE

New rules were introduced earlier this year as follows.

#### 1. Registered office address

- New rules have been introduced regarding what constitutes an **'appropriate address'** for companies to use as their registered office address.
- An appropriate address is one where:
  - any documents sent to the registered office will come to the attention of a person acting on behalf of the company; and
  - any documents sent to that address can be recorded by an acknowledgement of delivery.
- Companies can still use a third party agent address as their registered office address, provided it fulfils these new requirements.
- Companies are no longer permitted to use a PO Box as their registered office address.

#### 2. Registered email address

- All companies are now required to give a registered email address to Companies House.
- New companies must give a registered email address on incorporation and existing companies when filing their next Confirmation Statement.
- The same email address can be used for multiple companies.
- The email address won't be published on the public register.

#### 3. Statement of lawful purpose

- The subscribers (shareholders) of a new company will now need to confirm they are forming the company for a lawful purpose.
- Existing companies will need to make a lawful purpose statement when filing their next Confirmation Statement.

#### 4. Stronger checks on company names

- The Registrar of Companies now has greater powers to refuse to register a proposed name or to direct a company to change its existing name.

#### 5. Increased fees

- Companies House has significantly increased its fees.
  - By way of example, the price of electronic incorporation has increased from £10 to £50 and the price of paper incorporation has increased from £20 to £71.
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## B. PLANNED CHANGES

Companies House has confirmed its intention to introduce the following further changes later this year.

### 1. Identity (ID) verification

New companies

- All proposed directors of new companies will need to complete ID verification before the company is incorporated.
- Any people with significant control (**PSCs**) in relation to the new company will need to complete ID verification.
- The directors of any registrable relevant legal entity (**RLE**) in relation to the new company will need to complete ID verification.

Existing companies

- New directors of existing companies will be required to verify their identity before their appointment is notified to Companies House.
- All existing directors, PSCs and directors of RLEs of existing companies will have a transition period to verify their ID with Companies House.
- If a company has a corporate director, an individual director of that corporate director will need to verify their ID with Companies House.
- Note, a corporate director of a UK company cannot have a corporate director (the '**one layer**' rule).

Further information

- Directors, PSCs and directors of RLEs who do not verify their identity will commit a criminal offence, as will any company with an unverified director.
- There will be two types of ID verification:
  - direct verification via Companies House; or
  - indirect verification through an Authorised Corporate Service Provider (**ACSP**) submitting a Verification Statement on the individual's behalf.
- We envisage that Payne Hicks Beach LLP will register as an ACSP for these purposes and will be able to assist you with completing ID verification when this is introduced.
- There are very few individuals who will be exempt from ID verification but these proposals are yet to be made.

### 2. Filing restrictions

- ACSPs (see above) will be able to deliver documents on behalf of registered companies.
  - An individual will only be able to deliver documents to Companies House on behalf of a registered company if their ID has been verified using one of the methods outlined above (or if they are exempt from ID verification).
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## **3. Statutory accounts and reports**

- There will be a transition towards filing accounts by software only. This will be phased in over the next two to three years.
- The accounts of companies will be required to show more information. All small companies will have to prepare and file complete accounts including a balance sheet, profit and loss account and directors' report.
- Micro-entities will need to file both a balance sheet and profit and loss account; a directors' report will be optional.

## **4. Protecting your information**

- Individuals will be able to suppress the following information from historic documents:
  - Residential address when shown elsewhere on the Register, for example when previously used as a registered office address.
  - Date of birth on documents registered before 10 October 2015.
  - Signatures.
  - Business occupation.

## **5. Statutory registers**

- All statutory registers of companies will be maintained at, and by, Companies House on a central register, except the Register of Members which will need to be a 'local' register (that is, kept at a company's registered office address).
- Statutory registers on the central register at Companies House will be updated automatically when new information is filed.

## **6. Transparency and annotation of the Companies Register**

- The Registrar of Companies will have greater powers to be a more active gatekeeper over company creation and custodian of more reliable data, including new powers to check, remove or decline information submitted to, or already on, the Register.
  - The Registrar will have new powers to reject information submitted if it is inconsistent with information elsewhere on the Register (for example, if the Registrar identifies discrepancies).
  - All information supplied to the Registrar or information already on the Register will be in scope of the new power. The new powers will be available, in particular, where information is identified as potentially fraudulent, suspicious, or might otherwise impact upon the integrity of the Register.
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## ISOBEL SYMONDS

Isobel advises clients on a wide range of corporate matters, with a particular focus on acquisitions and disposals, company reorganisations, shareholder arrangements, lending and security documentation and strategic succession planning for family businesses.

A senior associate in the Corporate department, she acts predominantly for entrepreneurial individuals and private companies, including owner-managed businesses, start-ups, family businesses and family offices, many of which are active internationally.

Isobel also advises on commercial law matters, most frequently in relation to contractual arrangements and terms of business for suppliers of goods and services and agency agreements.

Isobel was awarded a first-class degree in History from University College London and was included on the Dean's List of top performing students. She initially pursued a career as a secondary school history teacher. She completed the GDL and LPC (both with distinction) before commencing work as a solicitor. Isobel joined Payne Hicks Beach as a trainee solicitor in 2015 and qualified into the Corporate team in 2017. In 2021 Isobel was promoted to senior associate. She is also a member of AIJA, the International Association of Young Lawyers.

Isobel is recommended in The Legal 500 UK 2024.

## RACHEL ANDERSON-DEAS

Rachel is in her fourth seat sitting in the Corporate Department.

Rachel's first seat was in the Citizenship & Immigration Department, her second seat was in the Dispute Resolution Department, and her third seat was in the Family Department.

Prior to joining Payne Hicks Beach, Rachel read History at the Queen's College, Oxford before completing her PGDL and LPC at BPP Law School.



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