

**EXPLANATORY MEMORANDUM TO THE
THE LIMITED LIABILITY PARTNERSHIPS (FEES) REGULATIONS 2004**

2004 No. 2620

1. This explanatory memorandum has been prepared by Companies House an Executive Agency of the Department of Trade and Industry and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Description**

- 2.1 These regulations make new statutory fees to be charged by the registrar of companies for limited liability partnerships registration and limited liability partnership document registration functions and for the dissemination of limited liability partnership information.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

- 3.1 These regulations revoke the existing limited liability partnerships fee regulations that were introduced in 2001 and amended once in 2002 by statutory instrument.
- 3.2 The instrument generally decreases statutory fees to bring them into line with those equivalent fees for companies and are based on cost recovery. One fee has increased and relates to the registration of a charge under part XII of the Companies Act 1985 as applied to limited liability partnerships by regulation.
- 3.4 In line with those fees set for companies, these regulations make provision for the supply of certain information services, fees for which were set administratively by the registrar under powers contained in the Companies Act as applied to limited liability partnerships by regulation, and were not included in fees regulations.
- 3.5. Companies House regularly reviews the fees it charges and the next review of its fees is scheduled for 2006. Full details of the changes in individual fees will be made available on the Companies House website.

4. **Legislative Background**

- 4.1 These regulations set statutory fees under the provisions of section 708 Companies Act 1985 as applied to limited liability partnerships by regulation 4 of and Schedule 2 to the Limited Liability Partnership Regulations 2001 (S.I. 2001 no 1090) and reflect the full projected costs of Companies House.
- 4.1. The fees set by these regulations will also be mirrored in the Companies (Fees) Regulations 2004 and the European Economic Interest Grouping (Fees) Regulations 2004

5. Extent

5.1 This instrument applies to England and Wales and Scotland

6. European Convention on Human Rights

Gerry Sutcliffe has made the following statement regarding Human Rights:

In my view the provisions of the Limited Liability Partnerships (Fee) Regulations 2004 are compatible with the Convention rights.

7. Policy background

7.1. As a trading fund Companies House must always recover the full costs of the services it provides from fees and charges so that it does not become a burden upon the general taxpayer

7.2 A comprehensive review of Companies House pricing policy and fees, conducted by a team headed by an outside expert has been undertaken in line with the guidance given to departments by HM Treasury's March 2004 guide on fees and charges. The review also took into account European and domestic legislation relevant to establishing costs and setting charges.

7.3 The pricing review recommended that those generally higher statutory fees applied to limited liability partnerships registration were harmonised with those lower fees applied to companies because of simplicity and consistency with cost recovery principles. These regulations implement that recommendation.

7.3 Apart from the users of the services provided by Companies House (1.9m registered companies and 8,500 limited liability partnerships and 3m users of company and limited liability partnership information) it is not anticipated that there will be wider public interest in the new fees.

7.4 A regulatory impact assessment has not been prepared and neither has Companies House consulted on the level of fees it charges since it must always recover the full costs for the services it provides without cross subsidising. However, Companies House will give three months notice of the new fee levels before implementation.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument.

8.2 The regulations will affect limited liability partnerships registered under the provisions of the Limited Liability Partnerships Act 2000. All purchasers of limited liability partnership information from Companies House will also be affected.

9. Contact

Ron Gwen at Companies House tel: 029 2038 0079 or e-mail: rgwen@companieshouse.gov.uk can answer any queries regarding the instrument.