

EXPLANATORY MEMORANDUM TO THE

European Economic Interest Grouping (Fees) Regulations 2004

2004 No. 2643

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 European Economic Interest Groups document registration functions and for the dissemination of European Economic Interest Group information.

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

- 3.1 These regulations revoke the existing European Economic Interest Grouping (Fees) Regulations introduced in 1999 and amended by statutory instrument three times since.
- 3.2 The instrument consolidates the four revoked fee regulations and sets fees for registration of EEIGs in line with those equivalent fees for companies. One document registration fee has increased and this relates to the registration of a charge under paragraph 4 of schedule 4 of the principal Regulations. This fee has increased above the rate of inflation since it is calculated using the principals of cost recovery.
- 3.4 In line with those fees set for companies, these regulations make provision for the supply of certain information services, which were not included in previous EEIG 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 EEIG fees will be made available on the Companies House website.

4. Legislative Background

- 4.1 These regulations set statutory fees under the provisions of sections 56(1) and (2) of the Finance Act 1973 and reflect the full projected costs of Companies House providing EEIG registration and inspection services.
- 4.1. The fees set by these regulations will also be mirrored in the Companies (Fees) Regulations 2004 and the Limited Liability Partnerships (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 European Economic Interest Grouping (Fees) 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 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 Apart from the users of the services provided by Companies House (1.9m registered companies, 187 registered European Economic Interest Groups and 3m users of corporate information of all kinds) 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 European Economic Interest Groups registered in Great Britain under the provisions of the European Economic Interest Grouping Regulations 1989 SI 1989 No 638 (the principal Regulations). All purchasers European Economic Interest Groups 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.