

**EXPLANATORY MEMORANDUM TO**  
**THE COMPANY AND BUSINESS NAMES (AMENDMENT) REGULATIONS 2007**

**2007 No. 1947**

1. This explanatory memorandum has been prepared by the Department for Business, Enterprise and Regulatory Reform and is laid before Parliament by Command of Her Majesty.

This memorandum contains information for the House of Lords Select Committee on the Merits of Statutory Instruments.

2. **Description**

2.1 The Company and Business Names (Amendment) Regulations 2007 adds the word “government” to the list of words in the Schedule to the Company and Business Names Regulations 1981. This means that the Secretary of State’s prior approval is required by a company or a limited liability partnership in order to include this word in its registered name and by any person with a GB place of business in order to carry on business in GB under a name that includes this word.

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

3.1 The Regulations are made under section 29 of the Companies Act 1985 and sections 3 and 6 of the Business Names Act 1985. These provide that the Regulations be subject to Parliamentary approval after being made.

3.2 The Regulations will not affect any company that already has a name including “Government”. Similarly, the Regulations will not affect any business, whether or not incorporated, that is already using a name that includes “Government”. There is a transitional provision for those to whom such a business is transferred.

4. **Legislative Background**

4.1 Nothing relevant.

5. **Territorial Extent and Application**

5.1 This instrument applies to Great Britain.

6. **European Convention on Human Rights**

6.1 Stephen Timms, MP, PC, Minister of State has made the following statement regarding Human Rights:

In my view the provisions of the Company and Business Names (Amendment) Regulations 2007 are compatible with the Convention rights.

## **7. Policy background**

7.1 Speed and ease of incorporation is one of the attractions of UK company law. Among the checks made by the Registrar of Companies are restrictions on the choice of name. The Secretary of State's prior approval is required for a company to be registered under a name that suggests a connection to HMG or a local authority or which includes a prescribed word. The currently prescribed words include Association, Board, Federation, Institution, Authority, Council, Institute, Society; they do not include Government. There is a risk of harm to the public from businesses whose names falsely suggest they have the authority or status of Government, including that of a foreign government.

7.2 In February 2007, the Department published the consultative document, Implementation of Companies Act 2006. Views were sought on whether there should be any deletions or additions to the current list of sensitive words and expressions. None of those who responded suggested the inclusion of "Government" but there was general support for the current Regulations.

## **8. Impact**

8.1 An Impact Assessment has not been prepared as no impact on the private sector is foreseen.

8.2 The impact on the public sector is minimal: Companies House will consider any application from a company or other business to use a name that includes "Government".

## **9. Contact**

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