

**EXPLANATORY MEMORANDUM TO
THE COMPANIES AND LIMITED LIABILITY PARTNERSHIPS (FILING
REQUIREMENTS) REGULATIONS 2015**

2015 No. 1695

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

2. Purpose of the instrument

To apply changes to company filing requirements in the Small Business, Enterprise and Employment Act 2015 (“the 2015 Act”) to various legal entities.

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

None.

4. Legislative Context

4.1 Part 8 of the 2015 Act contain a number of measures in relation to companies’ obligations to file information with the registrar of companies.

4.2 The provisions in sections 96, 100 - 101 and 103 of the 2015 Act amend the Companies Act 2006 with effect from 10 October 2015. Section 96 provides for the suppression of part of a director’s date of birth on the public register. Section 100 removes the requirement for a company to provide a “consent to act” when notifying the registrar of companies about the appointment of a director or secretary. Section 101 imposes a duty on the registrar of companies to write to newly appointed directors with information about the duties of a director. Section 103 reduces the minimum time in which the registrar of companies may strike companies off the public register.

4.3 The regulations make consequential changes applying these provisions, as appropriate, for limited liability partnerships, European Public Limited Liability Companies (known as Societas Europaea), European Economic Interest Groupings, unregistered companies and companies authorised to register.

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

The UK Government is responsible for company law in England and Wales and in Scotland. The Northern Ireland administration has agreed that, while company law remains a transferred matter within the legislative competence of the Northern Ireland Assembly, the Companies Act 2006 and associated legislation on companies and partnerships should apply to the whole of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is needed.

7. Policy background

7.1 The Companies Act 2006 requires companies to file information on a public register held by the registrar of companies at Companies House. This information ranges from basic information, such as the address a company's registered office, through to details about ownership and financial information. These disclosures are to allow anyone considering working or doing business with a company to obtain information about the business and make more informed decisions about its financial health.

7.2 Responses to the Company and Commercial Law Red Tape Challenge indicated that there were a number of areas where filing requirements could be simplified and where it could be made easier to update and amend the public register. Following a consultation on a number of proposed reforms to the company filing regime, a number of measures to simplify the current filing requirements for companies and improve the accuracy and integrity of the public register were included in Part 8 of the 2015 Act.

7.3 A number of these measures are being commenced on 10 October 2015 (see paragraph 4.2 above). The aim of suppression part of a director's date of birth on the public register is to make identity theft more difficult. The provisions on directors' appointments aim to simplify the current filing requirements and make new directors more aware of their legal duties and implications of failing to comply with them. Reducing the minimum time for the registrar of companies to strike companies off the public register will make it quicker to remove defunct companies from the public register and keep it up to date.

7.4 This instrument makes consequential amendments to apply these changes to other entities which are required to register on the UK public register.

- ***Consolidation***

7.5 The Department for Business, Innovation and Skills has no plans for consolidation at this time.

8. Consultation outcome

8.1 No formal consultation has taken place on the amendments included in this instrument.

8.2 The amendments are consequential to changes made to the Companies Act 2006 by the 2015 Act. The Government consulted in 2013 on these changes as part of a package of deregulatory proposals relating to company filing requirements. Responses to this consultation indicated that there was support for the reforms. In April 2014 the Government published its response to this consultation, the majority of which were enacted in the 2015 Act.

9. Guidance

Companies House guidance will be updated to reflect the changes made by this instrument.

10. Impact

10.1 The main impact of the changes to the filing regime relates to savings for entities arising from the removal of the requirement for an entity to provide a “consent to act” when notifying the registrar of companies about the appointment of a director, secretary, manager or member acting in the relevant capacity.

10.2 The impact on the public sector is negligible. The changes to the registrar of companies’ processes and IT have been made as a result of the application of the filing reforms to companies. Adding other entities to these new systems and processes is expected to be straightforward.

10.3 An impact assessment is attached to this memorandum.

11. Regulating small business

11.1 The regulations apply to small business.

11.2 The regulations will allow small businesses to take advantage of the deregulatory changes that are being applied to companies by the 2015 Act.

12. Monitoring & review

The Government intends to review the regulations as part of its review of the provisions on company filing requirements in Part 8 of the Small Business, Enterprise and Employment Act 2015 by 2020.

13. Contact

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