

EXPLANATORY MEMORANDUM TO

THE REGISTRAR OF COMPANIES (FEES) (AMENDMENT) REGULATIONS 2016

2016 No. 621

1. Introduction

- 1.1 This explanatory memorandum has been prepared by Companies House, an Executive Agency of the Department for Business, Innovation and Skills, and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 This instrument amends the statutory fees payable to the Registrar of Companies for the registration of information and its dissemination in respect of companies, overseas companies, limited liability partnership (“LLPs”), European Economic Interest Groupings (“EEIGs”), limited partnerships and the register of newspaper proprietors.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None

Other matters of interest to the House of Commons

- 3.2 As this instrument is subject to the negative procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

- 4.1 These Regulations amend the Registrar of Companies (Fees) (Companies, Overseas Companies and Limited Liability Partnerships) Regulations 2012 (S.I. 2012/1907), the Registrar of Companies (Fees) (European Economic Interest Grouping and European Public Limited-Liability Company) Regulations 2012 (S.I. 2012/1908) and the Registrar of Companies (Fees) (Limited Partnerships and Newspaper Proprietors) Regulations 2009 (S.I. 2009/2392) under the provision of sections 243(3), 790ZF 1063(1) to (3), 1087B(3) and 1292(1) of the Companies Act 2006.

5. Extent and Territorial Application

- 5.1 The extent of this instrument is the United Kingdom.
- 5.2 The territorial application of this instrument is England, Wales, Scotland and Northern Ireland.

6. European Convention on Human Rights

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

7. Policy background

What is being done and why

- 7.1 Amendments are required for two reasons. Firstly, to reflect legislative changes being made to the Companies Act 2006 on 30 June 2016 by the Small Business, Enterprise and Employment Act 2015 (SBEEA). Secondly, to ensure appropriate cost recovery in respect of chargeable services.
- 7.2 The amendments made by SBEEA include the replacement of the annual return with the confirmation statement. The registration of an annual return is chargeable and the same fee is being applied to the confirmation statement. Other measures contained in SBEEA also result in the introduction of new fees for public authorities and credit reference agencies to obtain access to address and date of birth information for individuals in respect of companies, LLPs, overseas companies and EEIGs held by the Registrar of Companies.
- 7.3 As a Trading Fund, Companies House operates on the basis of cost recovery and provides a return to HM Treasury, currently set at 3.5%. Companies House fees are linked, as required by law and HM Treasury guidance, to the forecast cost of providing each service and also to the way Companies House customers access them. This ensures that costs of one service are not cross-subsidised by users of another service.
- 7.4 During our most recent review of fees we have forecasted our costs for the next financial year and compared this with the forecast volumes of each service. Consequently fees need to be adjusted to achieve cost recovery. To achieve cost recovery, fees for certain services (e.g. electronic incorporation and the provision of certified copies and certificates) need to be reduced whilst others (registration of a charge) need to be increased.
- 7.5 The registration fee for the register of newspaper proprietors is revoked as a result of the repeal of the majority of the Newspaper Libel and Registration Act 1881 by the Deregulation Act 2015.

Consolidation

- 7.6 These Regulations amend the following statutory instruments in respect of fees charged for functions performed by the Registrar of Companies.
- The Registrar of Companies (Fees) (Companies, Overseas Companies and Limited Liability Partnerships) Regulations 2012 (S.I. 2012/1907);
 - The Registrar of Companies (Fees) (European Economic Interest Grouping and European Public Limited-Liability Company) Regulations 2012 (S.I. 2012/1908);
 - The Registrar of Companies (Fees) (Limited Partnerships and Newspaper Proprietors) Regulations 2009 (S.I. 2009/2392).

8. Consultation outcome

- 8.1 Companies House has not consulted on the level of fees it charges. As a Trading Fund it is required to recover the full costs for the services it provides without cross subsidising.

9. Guidance

- 9.1 Customers have been made aware of the changes to fees on GOV.UK and social media. Certain customer groups (e.g. focus group customers and software providers) have also been contacted directly.
- 9.2 Full details of registration requirements and search services are also available on GOV.UK and as part of customer focus groups and Companies House information days.

10. Impact

- 10.1 The impact on business is in respect of the payment of fees to the Registrar of Companies when filing documents for registration with the Registrar. The impact on business, charities or voluntary bodies is in respect of the payment of fees for the inspection or disclosure of information held by the Registrar.
- 10.2 The impact on the public sector in respect of the payment of fees to the Registrar of Companies is negligible. Public sector bodies are required to pay fees for the inspection or disclosure of information held by the Registrar in the same way as businesses, charities or voluntary bodies (unless the information is statutorily required e.g. under the Data Protection Act 1998).
- 10.3 An Impact Assessment is submitted with this memorandum and is published alongside the Explanatory Memorandum on the legislation.gov.uk website.

11. Regulating small business

- 11.1 The legislation applies to activities that are undertaken by small businesses.

12. Monitoring & review

- 12.1 The aim of these Regulations is to achieve full cost recovery on the registration and dissemination of information relating to companies, overseas companies, LLPs, EEIGs and limited partnerships.
- 12.2 Companies House annually reviews the fees it charges and will review its fees six months after implementation of this instrument.

13. Contact

- 13.1 Alun Howells at Companies House Telephone: 029 2038 0184 or email: ahowells@companieshouse.gov.uk can answer any queries regarding the instrument.