

**EXPLANATORY MEMORANDUM TO**  
**THE PRINCIPAL OFFICE ADDRESS (RECTIFICATION OF REGISTER)**  
**REGULATIONS 2024**

**2024 No. [XXXX]**

**1. Introduction**

- 1.1 This explanatory memorandum has been prepared by the Department for Business and Trade and is laid before Parliament by Command of His Majesty.

**2. Purpose of the instrument**

- 2.1 Directors and secretaries of companies, and persons with significant control over companies (“relevant persons”), are required to notify the companies registrar of the address of their principal office.
- 2.2 This instrument establishes the process by which the registrar may change an address registered as the principal office of a relevant person to a “default address” nominated by the registrar, either on the registrar’s own motion or following application from a third party. The power to change the address is available where the registrar is satisfied the address is not in fact their principal office.

**3. Matters of special interest to Parliament**

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

- 3.1 None.

**4. Extent and Territorial Application**

- 4.1 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the whole of the United Kingdom.
- 4.2 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the whole of the United Kingdom.

**5. European Convention on Human Rights**

- 5.1 Kevin Hollinrake, the Parliamentary Under Secretary of State, Department for Business and Trade, has made the following statement regarding Human Rights:  
“In my view the provisions of the Principal Office Address (Rectification of Register) Regulations 2024 are compatible with the Convention rights.”

**6. Legislative Context**

- 6.1 Under section 1097A of the 2006 Act, regulations may be made by the Secretary of State which empower the registrar, acting on the registrar’s own motion or on an application by another person, to change a company’s registered office address to a “default address” nominated by the registrar if the registrar is satisfied the registered office address is not an “appropriate address” within the meaning of section 86(2) of the 2006 Act. Section 107 of the Economic Crime and Corporate Transparency Act 2023 (c. 56) inserted a similar power into the 2006 Act: a new section 1097C which

allows the Secretary of State to change the registered principal office address of a company director, secretary or person of significant control if satisfied that the is not in fact their principal office.

## **7. Policy background**

### *What is being done and why?*

- 7.1 Following the [Corporate Transparency and Register Reform White Paper](#) published in February 2022, and building on the enactment of the Economic Crime (Transparency and Enforcement) Act 2022 (c. 10) a key objective of the 2023 Act is to reform the role and powers of the registrar of companies (whose functions are carried out by the officials of Companies House) including in respect of the accuracy and legitimacy of the information pertaining to companies on the register.
- 7.2 It is possible that the principal office address listed in the register for a company director, secretary of person of significant control to be an address is not in fact their principal office. This instrument is intended to assist the registrar maintain the accuracy of the register and act as a discipline on directors, secretaries and people with significant control over companies to ensure the records maintained by the registrar accurately reflect the address of their principal offices.

### *Explanations*

#### What did any law do before the changes to be made by this instrument?

- 7.3 Before section 1097C of the 2006 Act was introduced there was no mechanism in law to ensure the accuracy of the addresses stated in the register to be the principal office addresses of company directors, secretaries and persons of significant control.

#### Why is it being changed?

- 7.4 This instrument introduces a means of maintaining the accuracy of the register (by changing addresses to default addresses where the address registered as the person's principal office address is not in fact their principal office) and incentivising those persons to inform the registrar of their actual principal office address.

#### What will it now do?

- 7.5 This instrument empowers the registrar to change an address registered as a relevant person's principal office to a default address when satisfied that it is not in fact their principal office.
- 7.6 The registrar may change the address acting on the registrar's own motion or on application. The registrar has discretion whether to change the address without notice or to provide for a period for objections. If the registrar decides to permit an objection period, the registrar has discretion as to the length of that period.
- 7.7 A director, secretary or person with significant control over a company who, having had their principal office address changed to a default address by the registrar, does not take reasonable steps in a compliance period laid down in the instrument to ensure the company notifies the registrar of their actual principal office address commits an offence.

## **8. European Union Withdrawal and Future Relationship**

8.1 This instrument does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

## **9. Consolidation**

9.1 This instrument is a standalone measure and does not amend or consolidate existing laws.

## **10. Consultation outcome**

10.1 In 2019, the Government consulted on a range of options to enhance the role of Companies House and increase the transparency of companies and other legal entities. The consultation received 1,320 responses, and respondents broadly supported the proposals. A copy of the consultation and Government response can be found here: <https://www.gov.uk/government/consultations/corporate-transparency-and-register-reform>.

10.2 The initial consultation was followed by three further consultations. These focused on: the powers of the registrar, improving the quality and value of financial information on the UK companies register, and on implementing the ban on corporate directors. These three consultations opened in December 2020 and closed in February 2021. Respondents were broadly supportive of all the measures proposed.

10.3 A copy of the latter three consultations, a summary of the responses and the Government's position on reforming Companies House as a whole can be found in the Corporate Transparency and Register Reform White Paper: [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1060726/corporate-transparency-white-paper.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1060726/corporate-transparency-white-paper.pdf).

10.4 The Government has also engaged with Devolved Governments on matters which fall within areas of devolved competence. This includes the provisions of the 2023 Act which are referred to in this Memorandum. All devolved issues have been settled. Legislative consent has been obtained from Welsh and Scottish Governments. As legislative consent from Northern Ireland cannot be obtained until an Executive is formed, the Government legislated without consent, but agreement was reached at official level.

## **11. Guidance**

11.1 Companies House will publish guidance on their approach to applying the new procedures provided for by this instrument.

## **12. Impact**

12.1 There is no, or no significant, impact on business, charities or voluntary bodies.

12.2 There is no, or no significant, impact on the public sector.

12.3 A full Impact Assessment has not been prepared for this instrument because compliant company directors, secretaries or persons with significant control over companies who do not provide erroneous or fraudulent information should not be impacted. This was outlined in the Impact Assessment published alongside the primary legislation. See here for more information: <https://publications.parliament.uk/pa/bills/cbill/58->

**13. Regulating small business**

- 13.1 The legislation applies to activities that are undertaken by small businesses. No specific action is proposed to minimise the regulatory burdens on them as no regulatory burden is expected for companies that are acting legitimately.

**14. Monitoring & review**

- 14.1 The Department for Business and Trade and Companies House will monitor all the reforms to Companies House enabled through the 2023 Act and will periodically publish research on their impact.
- 14.2 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Kevin Hollinrake, the Parliamentary Under Secretary of State, Department for Business and Trade, has made the following statement:
- “A statutory review clause is not included in the instrument since the additional requirements are not extensive and are considered to meet the Government’s ‘de minimis’ regulatory impact criteria, meaning no impact assessment is required.”

**15. Contact**

- 15.1 David Leitch at the Department for Business and Trade  
Telephone: 0300 068 5713 or email: david.leitch@businessandtrade.gov.uk can be contacted with any queries regarding the instrument.
- 15.2 Matthew Ray, Deputy Director for Company Law and Transparency at the Department for Business and Trade, can confirm that this Explanatory Memorandum meets the required standard.
- 15.3 Kevin Hollinrake, Parliamentary Under Secretary of State at the Department for Business and Trade, can confirm that this Explanatory Memorandum meets the required standard.