

# **SMALL BUSINESS, ENTERPRISE AND EMPLOYMENT ACT 2015**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 2: REGULATORY REFORM**

##### **Streamlined company registration**

##### ***Section 15: Target for streamlined company registration***

163. This measure relates to duties, responsibilities and processes relating to company incorporation and tax registration under the Companies Act 2006, Value Added Tax Act 1994 and the Finance Act 2004.
164. The purpose of this measure is to ensure that by the end of May 2017, the Government streamlines this process for companies by enabling them to register for Corporation Tax, VAT and PAYE and incorporate their company easily online, without the need to repeatedly provide the same information. The aim is for this to be done by “electronic means” as defined s.1168 (4) Companies Act 2006 i.e. able to be sent and received by means of electronic equipment for the processing or storage of data, and entirely transmitted, conveyed and received by wire, by radio, by optical means or by other electromagnetic means.
165. The measure stems from the Government’s commitment to reducing burdens upon business, to utilise new technology and to deliver more public services electronically. It aims to make the UK an easier place to set up a company and, by doing so, to encourage a more entrepreneurial culture within the UK as a whole.
166. The measure imposes a duty on the Secretary of State to ensure a streamlined company registration system is in place by the end of May 2017. A system for streamlined company registration is one that enables a person to deliver electronically the information required to register a company with Companies House and to register for Corporation Tax, VAT and PAYE with HMRC. It does not require that company incorporation and tax registration is approved on the same occasion, but that the system is streamlined so as to avoid a person having to repeatedly provide the same information. The use of a statutory target to ensure the system is in place by the end of May 2017 sets a binding deadline which the Government considers to be stretching but achievable, with accountability to Parliament for delivery.
167. This measure does not provide enabling powers to facilitate delivery of the target. If further work identifies the need for such powers, this will be dealt with through another legislative vehicle.

##### ***Section 16: Streamlined company registration: duty to report on progress***

168. The initial scope of the streamlined registration system is limited to new companies (not partnerships or sole traders) and to Corporation Tax, VAT and PAYE. The

*These notes refer to the Small Business, Enterprise and Employment  
Act 2015 (c.26) which received Royal Assent on 26 March 2015*

Government is committed to simplify the process of setting-up and running a business and throughout the lifetime of this project Government will continue to look for opportunities to extend this system to other business related processes, for example, licences and permissions to trade.

169. The section commits Government to report to Parliament annually on progress toward achieving a streamlined company registration system in section 15. Reports will be submitted at the end of the financial year in March 2016 and 2017. The final report, due in March 2017, will also include an assessment of what steps, if any, the Secretary of State expects to put in place for a system to streamline other information delivery processes between Government and businesses.