



# Economic Crime and Corporate Transparency Act 2023

## 2023 CHAPTER 56

### PART 1

#### COMPANIES ETC

##### *Business names*

#### **23 Use of name suggesting connection with foreign governments etc**

In the Companies Act 2006, after section 1196 insert—

##### **“1196A Names suggesting connection with foreign governments etc**

- (1) A person must not carry on business in the United Kingdom under a name that would be likely to give the false impression that the business is connected with—
  - (a) a foreign government or an agency or authority of a foreign government, or
  - (b) an international organisation whose members include two or more countries or territories (or their governments).
- (2) A person who contravenes this section commits an offence.
- (3) Where an offence under this section is committed by a body corporate, an offence is also committed by every officer of the body who is in default.
- (4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.”

**24 Use of name giving misleading indication of activities**

In section 1198 of the Companies Act 2006 (misleading indication of activities), in subsection (1), for “be likely to cause harm to the public” substitute “pose a risk of harm to the public in the United Kingdom or elsewhere”.

**25 Use of name that a company has been required to change**

- (1) The Companies Act 2006 is amended as follows.
- (2) In section 1192 (application of this Chapter), at the beginning of subsection (1) insert “Subject to any express provision to the contrary,”.
- (3) After section 1198 insert—

*“Restrictions where a company has been required to change a name*

**1198A Name that a company has been required to change**

- (1) Where a relevant direction has been given to a company to change its name, or it has been ordered under section 73 to change its name, the company must not carry on business in the United Kingdom under the name that it was directed or ordered to change, except as mentioned in subsection (2).
- (2) Subsection (1) does not prevent the use by a company of a name if—
  - (a) the period for complying with the direction or order has not yet expired,
  - (b) the company complied with the direction or order and has since become registered with the name again following approval given under section 57B, or
  - (c) the direction was given, or the order was made, before section 25 of the Economic Crime and Corporate Transparency Act 2023 came fully into force.
- (3) If a company uses a name in contravention of this section an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.
- (4) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (5) In this section—
 

“company” includes an overseas company;

“relevant direction” means a direction under section 67, 75, 76, 76A or 76B, other than a direction under section 76B(1)(b) given on the basis that, at the time at which a company’s name was registered, the Secretary of State had proper grounds for forming the opinion mentioned in section 57A.”

## **26 Use of name that another company has been required to change**

After section 1198A of the Companies Act 2006 (inserted by section 25 of this Act) insert—

### **“1198B Name that another company has been required to change**

- (1) Where a relevant direction has been given to a company to change its name, or it has been ordered under section 73 to change its name, another company must not carry on business in the United Kingdom under the name that the first company was directed or ordered to change if there is a person who has, or has had, a relevant relationship with both companies.
- (2) Subsection (1) does not prevent the use by a company of a name if—
  - (a) it is registered under this Act by that name,
  - (b) the period for complying with the direction or order has not yet expired, or
  - (c) the direction was given, or the order was made, before section 26 of the Economic Crime and Corporate Transparency Act 2023 came fully into force.
- (3) For the purposes of subsection (1) it is irrelevant whether the person has, or has had, a relevant relationship with both companies at the same time.
- (4) For the purposes of this section a person has a “relevant relationship” with a company if the person is—
  - (a) an officer, or
  - (b) a member or former member.
- (5) If a company uses a name in contravention of this section an offence is committed by—
  - (a) the company, and
  - (b) every officer of the company who is in default.
- (6) A person guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 3 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 3 on the standard scale.
- (7) In this section—

“company” includes an overseas company;

“relevant direction” means a direction under section 67, 75, 76A or 76B, other than a direction under section 76B(1)(b) given on the basis that, at the time at which a company’s name was registered, the Secretary of State had proper grounds for forming the opinion mentioned in section 57A.”

## **27 Use of names: exceptions based on national security etc**

After section 1199 of the Companies Act 2006 insert—

**“1199A Exceptions based on national security etc**

- (1) The Secretary of State may, by written notice given to a person, provide that a prohibition imposed by this Chapter does not apply in relation to the carrying on of a business by that person under a name specified in the notice, if satisfied that to do so is necessary—
  - (a) in the interests of national security, or
  - (b) for the purposes of preventing or detecting serious crime.
- (2) For the purposes of subsection (1)(b)—
  - (a) “crime” means conduct which—
    - (i) constitutes a criminal offence, or
    - (ii) is, or corresponds to, any conduct which, if it all took place in any one part of the United Kingdom, would constitute a criminal offence, and
  - (b) crime is “serious” if—
    - (i) the offence which is or would be constituted by the conduct is an offence for which the maximum sentence (in any part of the United Kingdom) is imprisonment for 3 years or more, or
    - (ii) the conduct involves the use of violence, results in substantial financial gain or is conduct by a large number of persons in pursuit of a common purpose.”