

EXPLANATORY MEMORANDUM TO
THE REGISTRAR OF COMPANIES (FEES) (COMPANIES, OVERSEAS
COMPANIES AND LIMITED LIABILITY PARTNERSHIPS) REGULATIONS 2009

2009 No. 2101

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. These Regulations make new statutory fees to be charged by the Registrar of Companies for companies, overseas companies and limited liability partnership document registration functions and for the dissemination of information for the same.
3. **Matters of special interest to the Joint Committee on Statutory Instruments**
 - 3.1. None
4. **Legislative Context**
 - 4.1. These Regulations are introduced because of the implementation of the Companies Act 2006 and the need to introduce a new set of statutory fees under the provision of sections 243(3) and 1063(1) to (3) of that Act.
 - 4.2. These Regulations revoke, with savings, existing companies and limited liability partnerships fees regulations and equivalent fee regulations for Northern Ireland.
 - 4.3. Separate Statutory Instruments will set fees for Limited Partnerships, European Economic Interest Groupings, European Public Limited-Liability Companies and other entities.
 - 4.4. A further Statutory Instrument will revoke, with savings, fees set under section 56 of the Finance Act 1973 relating to European Economic Interest Groupings and European Public Limited-Liability Companies registered in Great Britain.
 - 4.5. A further Statutory Instrument laid in the Northern Ireland Assembly will revoke, with savings, fees set under section 56 of the Finance Act 1973 relating to European Economic Interest Groupings registered in Northern Ireland.

5. Territorial Extent and Application

This instrument applies to all 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 required.

7. Policy background

7.1. The Companies Act 2006, which replaces almost all earlier companies' legislation, provides a modern company law framework for the whole of the United Kingdom. Many of the functions of the Registrar of Companies remain the same as under the Companies Act 1985, but the Act introduces some new filings and procedures e.g. the disclosure of director's residential address information is restricted to credit reference agencies and specified public authorities under section 243 Companies Act 2006.

7.2. Companies House holds registered information on approximately 2.65 million registered companies and 34,000 limited liability partnerships. There are over 40 million users of company and limited liability partnership information per month. Despite this broad reach, it is not anticipated that there will be wider public interest in the new fees, particularly as the amount of the fees in these Regulations remain the same as the corresponding fees prescribed in 2004.

8. Consultation outcome

8.1. Companies House has not consulted on the level of fees it charges since as a Trading Fund it must always recover the full costs for the services it provides without cross subsidising.

9. Guidance

9.1. A draft price list was made available on the Companies House web site on 1 July 2009 and customers have been made aware of this. Once the Regulations are made, all references to fees on the relevant forms and references in guidance will be finalised as will the price list.

9.2. Full details of registration requirements and search services are made available on the Companies House web site, as part of customer focus groups and through Companies House information days.

10. Impact

10.1 Companies, overseas companies and limited liability partnerships must pay the fees as prescribed in these Regulations when filing relevant documents for registration at Companies House. Businesses, charities or voluntary bodies must

also pay the prescribed fees in respect of the inspection of documents or disclosure of information held by the Registrar of Companies.

- 10.2 The impact on the public sector is negligible, although public sector bodies are required to purchase information in the same way as other organisations (unless that information is required under a statutory authority).
- 10.3 An Impact Assessment has not been prepared for this instrument. As explained in paragraph 8.1 above, Companies House, as a Trading Fund, must always recover the full costs for the service it provides without cross subsidising, and the fees will not be increasing from levels set in 2004. A fee for a new function prescribed by the Companies Act 2006 (such as disclosure of director's residential address information referred to in paragraph 7.1) is set on a cost recovery basis.

11. Regulating small business

- 11.1 The legislation applies to small business.
- 11.2 Under the Competition Act 1998, Companies House is prohibited from setting differential prices for the same product to different customers that might distort competition.
- 11.3 Registration costs must be the same for all customers as fees are set on a strict cost recovery basis, and European law is clear that there can be no cross subsidisation.

12. Monitoring & review

- 12.1. The aim of the regulations is to achieve full cost recovery on the registration and dissemination of company and limited liability partnership information.
- 12.2. Companies House regularly reviews the fees it charges and the next review of its fees is scheduled for 2010.

13. Contact

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