

Cutting Red Tape: changes to company filings and statutory registers

Background

The Small, Business, Enterprise and Employment Act, which received Royal Assent on 26 March 2015, includes a number of changes to the company filings and statutory registers requirements which are aimed at reducing unnecessary regulatory burdens and compliance costs for companies. Excluding transition costs of approximately £50 million, the Department for Business Innovation and Skills (“BIS”) estimated that these changes could produce savings to businesses of over £20 million/year.

What’s happening?

Abolition of requirement to file an annual return

Perhaps the most significant change is the abolition of the requirement for companies to file an annual return. This will be replaced by a requirement to deliver a confirmation statement at least every 12 months stating that the company has delivered all the information it was required to provide in the period to which the confirmation statement relates.

Under this new regime companies will not be required to provide information unless it has changed since they last filed it at Companies House.

Option to use central registers

Private companies will also have the option of keeping the information that must be recorded in certain statutory registers on the public register maintained by the Registrar of Companies instead of on a separately maintained register. They can elect to do this for the following registers:

- Registers of members (although all members must assent to this)
- Registers of directors
- Registers of director’s residential addresses
- Registers of secretaries
- Registers of people with significant control

Where a company elects to keep information on a central register they will not have to maintain their own register (though they will have to keep the existing register) and they will be required to deliver information to Companies House that would otherwise be put onto the register.

There are draw backs to making such an election, which companies will need to carefully consider. In particular, choosing to keep additional information on the central register will mean more information is publicly available.

Abolition of requirement to file consent to act

The Act also replaces the current obligation to file a consent to act from appointee directors when notifying Companies House of the appointment with an obligation on the company to make a statement that the appointee has consented to act.

When is it happening?

From October 2015 consent to act by appointee directors will no longer be required.

From June 2016 the confirmation statement regime will replace the annual return and private companies will be able to elect to keep information on the public register.