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Changes to Company Law 2024

The Economic Crime and Corporate Transparency Act

The Economic Crime and Corporate Transparency Act will introduce a number of changes over the next few years.

This bulletin summarises the new measures.

Improving the quality of data

From March 2024, greater powers for Companies House to query information, stronger checks on company names, new rules for registered office addresses, and new lawful purpose statements.

- **Registered office addresses**

From March 2024, there'll be new rules for registered office addresses which means companies must, at all times, have an appropriate address.

- **Statement of lawful purpose**

There'll be a new requirement when you register or 'incorporate' a company from March 2024. The subscribers to the company will need to confirm they're forming the company for a lawful purpose.

- **Registrar's powers**

From March 2024, the registrar will have greater powers to query and challenge information that appears to be incorrect or inconsistent with information we hold. In some cases, we'll also be able to remove information more quickly, if that information is inaccurate, incomplete, false or fraudulent.

Identity verification

Anyone setting up, running, owning or controlling a company in the UK will need to verify their identity.

- **Verifying your identity directly with Companies House**

Companies House will put in place a service to verify your identity using ID documents, such as a passport.

- **Verifying your identity through an authorised agent**

Companies House authorised agents, also known as Authorised Corporate Service Providers (ACSPs), are individuals or organisations that undertake anti-money laundering (AML) supervised activity, such as:

- *company formation agents*
- *solicitors*
- *accountants*

Changes to accounts

Transitioning towards filing accounts by software only, and changes to small company accounts filing options.

- Filing accounts by software only - Companies House will soon be transitioning towards filing accounts by software only.
- Changes to small company filing options.
- Companies House is streamlining the accounts filing options for small and micro-entity companies.
- **Small and micro-entity companies will in future need to file their profit and loss accounts. The detail of what they will need to include will be set out in secondary legislation. Small companies that do not qualify as micro entities will also need to file a directors' report.**
- **They are also removing the option to file 'abridged' accounts.**
- **Claiming an audit exemption.**
- Any company claiming an audit exemption will need to give an additional statement from their directors on the balance sheet.
- Directors will need to specify which exemption is being claimed, and confirm that the company qualifies for the exemption.

Confirmation Statement changes

From March 2024, new requirements to provide a registered email address and to confirm that the future activities of the company will be lawful.

Registered email address

- Under the act, all companies will need to provide a registered email address. Companies House will use this email address to communicate with the company – it will not be available to the public.
- Statement to confirm the company is lawful.
- All companies will need to confirm that the future activities of the company will be lawful.

Changes to Companies House fees

All Companies House fees will be increasing to cover the cost of these measures, details of which will be announced in due course.

Protecting your information

Individuals will be able to apply to suppress personal information from historical documents, and apply to have personal information protected from public view because of risk of harm.

Changes to limited partnerships

Limited partnerships will need to file their information through authorised agents, and they'll need to file more information with Companies House.

Improving transparency of company ownership

New requirements to provide additional shareholder information, and restrictions on the use of corporate directors.

When the measures come into force, companies must:

- record the full names of shareholders who are individuals – or the full names of corporate members and firms – in their registers
- provide a one-off full shareholder list so Companies House can display shareholder information in a more user-friendly way

Investigation, enforcement and data sharing

More effective investigation and enforcement powers for Companies House, and new powers to share data with law enforcement agencies and other government departments.

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