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COMPANIES HOUSE CHANGES – THE BIG 5!

An overview of the new confirmation statement and other filing changes from 30 June 2016

Companies House Changes – The Big 5! – An overview of the new confirmation statement and other 30 June 2016 changes

This briefing forms part of our [series](#) which focuses on the [Small Business, Enterprise and Employment Act 2015 \(SBEEA\)](#) and concentrates on the important changes to the information that companies must file at Companies House from 30 June 2016 onwards. These changes have been introduced by the SBEEA as part of the drive for increased transparency and cutting of red tape. These changes can be divided into five areas which are covered in more detail below.

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1. A Confirmation Statement will replace the Annual Return

The new Companies House check and confirm statement (**confirmation statement**) will replace the annual return with effect from 30 June 2016. It applies, in the same way the annual return did, to all UK companies (including those that are dormant) and UK LLPs. For companies, the confirmation statement will be called a [CS01](#) and for LLPs, an [LLCS01](#) and will be valid for use from 30 June 2016 onwards. There are additional (lengthy) information pages for both forms. Companies House have now issued this [company's guidance](#) (dated 20 June 2016) on the rules governing filing of confirmation statements and related information for UK registered companies and this [LLP guidance](#) for UK LLPs.

Companies should now 'check and confirm' the information on the public record at Companies House is accurate and up to date rather than repeat the information. When a company submits its first confirmation statement, in addition to checking the accuracy of all the details as at the confirmation date, it will also need to include details about its 'persons with significant control' (**PSCs**) and registrable 'relevant legal entities' (**RLEs**) or include a statement that it is exempt from the PSC regime, further details of which are set out below.

Where the details of the company at Companies House are correct and the filings are up to date, the company will confirm that fact by signing the declaration. Consequently, if any changes have not already been notified to Companies House, they will need to be submitted before, or together with, the confirmation statement using the appropriate Companies House form. This means that certain changes cannot be addressed through the confirmation statement itself. Such unreported changes may be in respect of any of the following:

- ▶ Change in registered office address.
- ▶ Change in the Single Alternative Inspection Location (SAIL) address.
- ▶ Changes to the officers (e.g. appointments, terminations, officers' details such as service address).

Unreported changes can be addressed using the additional pages of the confirmation statement and include:

- ▶ Changes to principal business activity using the relevant standard industrial classification code ([SIC Codes](#)).
- ▶ Changes to share capital and shareholders, including share transfers.
- ▶ Whether any shares have been admitted to trading and exemption from keeping a PSC register.
- ▶ Information about PSCs and RLEs.

What are the key differences between the Annual Return and the new confirmation statement?

- ▶ Companies must now include details of their PSCs and RLEs in the confirmation statement (see below for details).
- ▶ Companies will no longer need to re-confirm information where no change has occurred in the period covered by the confirmation statement.
- ▶ The confirmation statement requires the use of a new form of statement of capital (see below). Given the principle above, if there have been no changes to the matters included in a company's statement of capital since the last statement of capital was filed, the confirmation statement can just record that there have been no changes for that year.
- ▶ There is still an annual fee to pay when submitting the confirmation statement. This has been set at £13 for online submissions and £40 for paper filings which is the same as the current level. However, what differs is that a company will be able to file as many confirmation statements as it wants during the period, at no extra cost.

When do I file a confirmation statement?

Companies with a made up date prior to 30 June 2016 will continue to submit annual returns (AR01s) as usual (noting the 28 day grace period will continue for such AR01s). From 30 June 2016 onwards, a confirmation statement is required on the date that would have been the company's annual return date. If a company tries to file an annual return made up from 30 June onwards, Companies House will reject it. The confirmation statement can be delivered on paper, online via Companies House web filing or via software providers (such as Blueprint). The confirmation statement will need to be delivered to Companies House on the confirmation date, equivalent to the old annual return made up to date, but instead of having 28 days in which to submit the confirmation statement (as was the annual return filing period), this has now been reduced to 14 days. Note that failure to file a confirmation statement within the specified time

periods is a criminal offence. Companies House have confirmed they will send email alerts or postal reminders to a company's registered office when their confirmation statement is due.

Some software providers have advised that due to the amount of information on the confirmation statement, they will not be in a position to enable confirmation statements, which require updates, to be made available for online filing. We are therefore recommending that those clients with made up dates between 30 June and 1 September, bring forward their made up date to a date prior to 29th June and file their annual return earlier in order to allow for any problems with the new confirmation statement to be dealt with. Companies House and software providers are currently undergoing consultation in this regard.

Can I file a confirmation statement early or am I tied to a fixed date?

A company can choose to file its confirmation statement early as it can make a confirmation statement at any time during the review period (i.e. the period of 12 months beginning with either the day of incorporation for new companies, or the day after the last review period). If it does, its next review period will begin the day after the date of that confirmation statement (note this is reference to the date of the confirmation statement and not the date it was filed). There will be no requirement to file another confirmation statement until a date 12 months from the date of its last confirmation statement (the confirmation period). A company can continue to file on a fixed date if it wishes.

2. Filing PSC relevant information at Companies House

All UK Companies and LLPs (unless they are exempt) are now required to maintain a PSC register (with effect from 6 April 2016). For further details on the PSC regime see our [client briefing](#).

As detailed above, with effect from 30 June 2016 onwards, a company will use its first confirmation statement to report the 'relevant information' about its PSCs and registrable RLEs to Companies House which will then be available for inspection by the public. Note however that the PSC's usual residential address, whilst submitted to Companies House, will not be made available on the public register, nor will any PSC's day of birth (only the month and year).

Confirmation statements and changes to relevant information of PSCs

Any changes to a company's PSCs (e.g. a change in the % bands of either of the first two PSC conditions, or when someone becomes or ceases to be a PSC) should be reported by the company to Companies House in its next confirmation statement. If there are no changes to be made then the company will simply check and confirm the information previously reported is correct and up to date. Remember, however, that a company is required to update its own PSC register as soon as a reasonably practicable to reflect any changes. This means that in practice, the PSC information held at Companies House may not be as up to date as the PSC information in the company's own PSC register.

3. Statements of Capital are being updated

With effect from 30 June 2016, any statement of capital submitted to Companies House must be in the new form. This will also apply to those statements of capital filed with any annual returns submitted on or after 30 June 2016 but which relate to a period before 30 June. The key change is the removal of the need to show the amount paid up and unpaid on **each** share. This is being simplified after much feedback from users as to the difficulties the current requirement caused where companies had to separate out their shares in the statement of capital by combinations of amounts paid and unpaid per share which was often problematic for companies with more complex share structures.

4. Incorporations – additional information to be filed

From the 30 June 2016, there will be some additional information to be provided to Companies House upon incorporation as part of the new Form IN01. There will be a new Form LL IN01 for registering LLPs. The key changes are:

- ▶ [SIC Codes](#) identifying the company's principal business activity must now be included. If a valid SIC code is not included the incorporation will be rejected.
- ▶ There is a new form of initial statement of capital (see above) that must be used.
- ▶ The Form IN01 must also include a statement of initial people with significant control. This is how new companies will deal with the filing of their PSCs and RLEs relevant information.

- ▶ A separate form to the IN01 should be used if a PSC is applying for, or has protection from, having their relevant information disclosed on the public register.

5. Central Registers

From 30 June 2016, a private company may elect to keep certain of its statutory registers (e.g. members, directors, secretaries, PSCs etc) centrally at Companies House, rather than keep them at their registered office or SAIL address. It is hard to see what the advantages of electing to keep registers centrally are and there are certainly some downsides e.g. full dates of birth will be available for inspection, so we wait to see whether this takes off.

All members of a private company must consent to the election which is effective as soon as the election is registered by the Registrar of Companies. During the time that the election is in force, the company does not need to update the registers it held prior to the election. It does, however, need to retain them. The company must enter a statement on the registers to state that an election is in force.

The information required to update the registers must be delivered as soon as reasonably practicable after the company became aware of it, or no later than the time by which the company would have been required to enter the information in its register of members.

An election may be withdrawn at any time by giving notice to the Registrar of Companies. Steps would then need to be taken to update the registers to reflect the matters that are current at that time.

Registers that remain at the company's registered office address or SAIL address continue to be bound by normal inspection rules that currently apply. If the information is held on the central register at Companies House, it will be available for inspection to anyone via the Companies House website.

Conclusion

This phase of implementation of the SBEEA is one of the biggest changes in relation to Companies House filings since the introduction of the Companies Act 2016. If you need any assistance in relation to any of these new requirements please contact Emma Davies who heads up our Corporate Services team at (emma.davies@addleshawgoddard.com Tel No: 0161 934 6401), or any of the contacts at the front of this briefing.

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