



Department
for Business
Innovation & Skills

**COMPANY FILING REQUIREMENTS-
RED TAPE CHALLENGE**

Company Filing Requirements:
Equality Impact Assessment

JUNE 2014

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Introduction

The Department for Business, Innovation and Skills (BIS) has a legal obligation to provide evidence that it has given due regard to the impact of policy or practices on particular communities, or on groups within communities.

This document considers the equality impact of the company filing requirements measures, included in Part 8 of the Small Business, Enterprise and Employment (SBEE) Bill ('Company Filing Requirements'):

Background

The proposals on company filing requirements come out of the Company and Commercial Law Red Tape Challenge. They were part of the Red Tape Challenge consultation (in January and February 2012) and were subsequently consulted on in October and November 2013. No concerns were raised by respondents about any adverse impact on equality as a result of the proposals.

The objectives of the package of deregulatory proposals on company filing requirements are to:

- Improve and simplify the current requirements for companies to file certain information on the UK company register;
- Improve the quality of the information on the UK company register; and
- Make identity theft more difficult.

The formal government response to the discussion paper was published in April 2014. The response set out the package of reforms to be taken forward.

More detail about the policy can be found in the main text below.

Equality Impact Assessments

We have considered the following groups ('protected groups') in carrying out this assessment:

- Race Equality;
- Gender;
- Disability;
- Age;
- Marriage and Civil Partnership;
- Religion and Belief;
- Sexual Orientation;
- Gender Reassignment; and
- Pregnancy and Maternity.

The screening exercise has been conducted in accordance with Departmental guidance. The screening exercise is intended to determine whether the policy would have any equalities impact, both negative and positive, on those affected. If the initial screening showed that this policy could have an adverse impact, or had the potential to have a positive impact, or both, it would be necessary to conduct an appropriate Equalities Impact Assessment (EqIA).

The document will be updated in light of any changes made to the policy which may have an impact on equality. The screening exercises below are current as of June 2014.

Please contact the Transparency and Trust team at the Department for Business, Innovation and Skills (transparencyandtrust@bis.gsi.gov.uk) if you require more information.

Equality Impact Assessment: Company Filing Requirements

The issues and goals of the policy

The proposals on company filing requirements come out of the Company and Commercial Law Red Tape Challenge. They were part of the Red Tape Challenge consultation (in January and February 2012) and were subsequently consulted on in October and November 2013. No concerns were raised by respondents about any adverse impact on equality as a result of the proposals.

The objectives of the package of deregulatory proposals on company filing requirements are to:

- Improve and simplify the current requirements for companies to file certain information on the UK company register;
- Improve the quality of the information on the UK company register; and
- Make identity theft more difficult.

What does the policy set out to achieve?

New Policy	Current position
<i>Annual return</i>	
Companies will be required to check and confirm their information via a tick box approach at least once in any twelve month period, rather than a set point in the year. If a company updates its information, it can check and confirm the information at the same time.	All companies must complete a return containing basic company information at a set point each year, regardless of whether or not the information has changed in the year.
<i>Company registers</i>	
Private companies will be allowed to opt out of the requirement to keep their company registers and, instead, keep the information on the public register.	All companies must keep registers of directors, directors' residential addresses, secretaries and members at their registered office or an alternative location.

<i>Statement of Capital</i>	
Simplify the financial information contained in statements of capital.	All companies with share capital must produce a snapshot of their capital at particular points in time.
<i>Appointment of directors and disputes</i>	
Replace the current directors’ “consent to act” filing requirement with a statement by the company that the director has consented to act, and providing a means of removing a director from the register in the event of a dispute with the company over their appointment without going to court.	Companies which appoint a new director must file a “consent to act” on the public register. Where a company objects to the removal of a director’s appointment from the public register, the removal can only be affected by the court.
<i>Directors’ date of birth</i>	
Suppress the day of director’s date of birth available for inspection on the public register.	A director’s full date of birth must be available on the public register.
<i>Fast track dissolution</i>	
A faster “strike off” regime to get companies off the public register, whilst still giving time for creditors to object. The new process would allow the registrar to strike off companies within approximately 3 or 4 months.	Companies that are neither carrying on business nor in operation can be struck off the public register by the registrar. This process usually takes approximately 6 months.
<i>Registered offices</i>	
Make it simpler to object to the use of, and provide a process for the removal from the public register of registered office addresses which companies are not authorised to use.	The circumstances in which a person may object to the use of, and apply for the removal from the public register of, a registered office address by a company is limited.
<i>Optional information</i>	
Allow those companies who wish to, to make additional information available on the public register if they choose to do so.	The amount of more detailed information (above the statutory minimum requirements) which a company can put on the public register is limited.

Who is affected by the policy?

The proposed policies will affect all companies registered in the UK, regardless of who the directors or owners (shareholders) of that company are. A company is legally distinct from the people who own and run them.

There are no limitations on who can become a shareholder in a company. The only limitation on directors is that they cannot be under 16 years of age (there is no upper age limit for directors).

Is it possible that the policy will affect different people or groups in different ways?

Adverse impacts:

Having considered the company filing policy elements, BIS does not anticipate that any adverse impact on equality in relation to age, disability, gender reassignment, pregnancy/maternity, race, religion or belief, sex or sexual orientation.

The proposals outlined above relate to the filing requirements on companies registered in the UK. The proposals will make it easier for companies to comply with their statutory requirements. As noted above, apart from an age threshold for directors, there are no limitations on who can become a director or a shareholder.

Companies are able to file information electronically; currently around 80% of information is filed this way. Where we are making to changes in the statutory requirements, companies will still be able to comply by paper filing if they choose to do so. This will ensure, for example, that a director who is less confident with electronic technology as a result of age or a disability can continue to comply with their statutory responsibilities in the same way as before.

Where we are giving companies the option hold the register of members on the public register we will be giving the registrar of companies the power to mandate that this option must be exercised electronically. A separate equality impact assessment screening exercise will be undertaken if the registrar decides to exercise this power.

Positive impacts:

As stated above, this policy is designed to impact on companies registered in the UK. We do not believe that these policies could have a positive impact on equality by reducing inequalities that already exist.

Summary of equality impact assessment

We do not consider that the policies will affect different people or groups in different ways.

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