

Applying Company Filing Requirements to Other Corporate Entities (2016)

Department for Business, Innovation and Skills

RPC rating: **validated**

Description of proposal

The proposal is a package of three measures to reduce regulatory burdens on corporate entities. The three measures are:

- Replace the requirement on corporate entities, on the public register, to submit an annual return to Companies House on a specified date, with a requirement to 'check and confirm' the information at least once in a 12 month period.
- No longer require limited liability partnerships (LLPs) to hold registers of members at their registered address if the information is instead on the public register at Companies House.
- Replace the requirement for unregistered companies (UCs) and Societas Europaea (SE) to list the amount unpaid and paid up on each share with a requirement to show the aggregate amount unpaid.

Impacts of proposal

Benefits

The IA estimates that 60,288 corporate entities (LLP's, UCs and SE) would benefit from not being required to submit an annual return to Companies House. Based on a workshop held by the Department to test how long it takes to complete an annual return, data from Annual Survey of Hours and Earnings (ASHE) and the cost charged by an accountancy firm to do the return on a corporate entities behalf, the IA estimates the savings to be £0.6 million per annum.

The IA explains that there could be ongoing benefits to LLPs from no longer having to incur the costs associated with holding their registers, and benefits to UCs and SE from having to provide less financial information in their statements of capital. As stakeholders were unable to quantify the time and cost savings, these benefits have not been monetised.

Costs

The IA estimates there to be a one-off cost of £1 million to business from having to familiarise themselves with all three measures. This is based on a workshop held by the Department which tested how long it takes for an employee to read and understand the guidance, and data from ASHE.

The IA explains that there would be costs to corporate entities from having to follow the new 'check and confirm' approach. The IA explains that this would be less burdensome than the existing regime and estimates the costs to be £0.02 million per annum.

Quality of submission

The RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of -£0.4 million. This will be a qualifying regulatory provision under the business impact target. The IA provides sufficient analysis on the impacts of the proposal, and provides qualitative discussion on the impacts which have not been monetised.

Departmental assessment

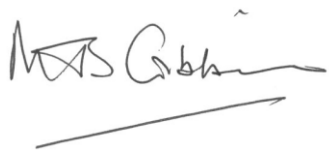
Classification	Qualifying regulatory provision (OUT)
Equivalent annual net direct cost to business (EANDCB)	-£0.4 million
Business net present value	£3.94 million

RPC assessment

Classification	Qualifying regulatory provision (OUT)
EANDCB – RPC validated ¹	-£0.4 million
Business Impact Target (BIT) Score ¹	-£2 million
Small and micro business assessment	Not required (deregulatory)

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.

Opinion: EANDCB validation
Origin: domestic
RPC reference number: RPC-3395(1)-BIS
Date of implementation: not provided



Michael Gibbons CBE, Chairman