

FACTSHEET: THE ROLE AND POWERS OF THE REGISTRAR OF COMPANIES

1. What is the government doing and why?

Through the Economic Crime and Corporate Transparency Act 2023 (“ECCTA 2023”), the government is reforming the role and the powers of the Registrar of Companies (“the Registrar”).

Currently, under the Companies Act 2006, the Registrar’s role is to register company information and make it available for public inspection. Part 35 of the 2006 Act provides the Registrar with some administrative powers in relation to the register, but there are limited powers available to ensure the integrity of information on the register or improve its accuracy.

Through ECCTA 2023, the government has introduced a new set of objectives for the Registrar aimed at improving the accuracy and integrity of register information and safeguarding against misleading or unlawful activity. The government bill has also strengthened the powers of the Registrar by providing her with new powers and expanding upon existing ones, in order to support this new function.

These reforms are intended to increase trust in the UK business environment by increasing the accuracy of the information held by the Registrar and ensuring that Companies House has more tools at its disposal to prevent abuse of corporate entities.

2. How is the government going to do it?

New objectives

The government has introduced new objectives for the Registrar to promote and maintain the integrity of the register and help Companies House bear down on those who abuse corporate structures to perpetrate economic crime.

New powers

The government has equipped the Registrar with powers to support these objectives, including a new power to require information and greater data sharing powers.

Specifically, ECCTA 2023 introduces the following powers for the Registrar:

- a new power to require those forming or running companies to supply additional information in relation to material they file with Companies House
- new powers proactively to share data with any persons for purposes connected with the Registrar’s functions or with other public authorities for purposes connected with their functions
- expansion of powers to remove material from the register

- greater powers to change the address of a company's registered office and take action against those persistently failing to provide an appropriate registered office address
- removing constraints on the Registrar's powers to make rules which mandate digital delivery of documents and filings

The new power to require information

3. What is the new power to require information?

The Registrar has hitherto been required by law to accept information if it is “properly delivered” and has limited powers to correct or query information where there is a suspicion that something submitted is erroneous or fraudulent.

ECCTA 2023 introduces a new power to enable the Registrar to reject new filings if they appear inconsistent with information held by the Registrar such that the Registrar has reasonable grounds to doubt the new filing complies with requirements as to its contents. ECCTA 2023 also introduces a power for the Registrar to compel the production of information to satisfy a query the Registrar has about information delivered to her, including information already on the register. This power is designed to be used, in particular, where information is identified as potentially fraudulent, suspicious, or might otherwise impact on the integrity of the register or wider business environment. The new power allows the Registrar to compel a person, on pain of criminal sanction, to provide information so the Registrar can make a determination about the queried filing.

4. What does ‘impact on the integrity of the register’ mean?

This is aimed at catching anything which undermines the quality of information on the register, or which enables individuals to pursue illicit activity, such as fraud and other economic crime.

5. What is the scope of the power to require information?

All information supplied to the Registrar or information already on the register will be in scope of the new power.

The new powers will be available, in particular, where information is identified as potentially fraudulent, suspicious, or might otherwise impact upon the integrity of the register.

The Registrar will exercise the power with discretion, using a risk-based approach. Under this approach, where issues are highlighted to the Registrar, querying will be prioritised in cases which, in the Registrar's view, present the biggest risks to the integrity of the register and the quality of the information it holds.

6. How will the new querying power work?

Pre-registration: Where a query is raised by the Registrar pre-registration, the filing will be rejected, and a reason provided. The entity will be able to re-submit the filing, ensuring that the query has been addressed, and supplying information if it is required. Should a filing be

re-submitted with the query remaining unaddressed or not resolved satisfactorily, it may continue to be rejected.

Post-registration: where the Registrar has cause to question information already delivered to her, and sends a notice to a person requiring information, the recipient entity will be given a time limit within which to respond, and should provide any information requested. In order to mitigate the risk that an entity is unable to deliver the evidence required within the period specified, the Registrar will have a discretion to grant an extension to the time limit where she is satisfied that this is appropriate.

The power to require information will be used sparingly. A query might be instigated either from information within the Registrar's own knowledge, or because of a concern raised by a third party.

7. What will happen in the case of non-compliance?

If an entity fails to respond to a query from the Registrar, or fails to provide sufficient evidence in its response, the Registrar will be able to take a number of actions, including imposing sanctions see 'Sanctions' fact sheet. A failure to respond to a notice will be an offence.

8. Will companies be given guidance?

Companies will be given guidance to help understand how and why the new power might be used, and to provide examples of appropriate evidence.

Information sharing powers

9. What new information sharing powers will the Registrar have?

The government has provided the Registrar with new powers proactively to share data with law enforcement, regulatory bodies and other public authorities either to assist in carrying out her own functions, or to assist a public authority with the exercise of its functions. A new power is also provided to enable others to share information with the Registrar to assist the Registrar in carrying out her functions.

The information shared could be identified through analysis of information held at Companies House, or through comparison against external data.

10. What are the conditions for disclosure?

The Registrar will be able to share any information it holds with any relevant body under any one of the following conditions:

- to enable the Registrar to fulfil her statutory role and functions; and
- to enable public authorities to fulfil their statutory obligations or functions (including public authorities which perform crime prevention and national security functions)

11. What information will be covered by the new information sharing power?

This Registrar information sharing power will be available in respect of all information held by Companies House about any entity. It will also cover the full life cycle of an individual or company's/entity's engagement with Companies House.

12. Who will the information be shared with?

The Registrar will be able to proactively disclose information to the types of bodies listed below:

- public Authorities – this includes any government body, local authorities (including trading standards), and any person or body discharging functions of a public nature, including regulatory functions
- law enforcement bodies – this includes agencies such as police forces, the Insolvency Service, National Crime Agency, the Serious Fraud Office
- supervisory bodies – as listed within the Money Laundering regulations [main supervisory bodies](#); and
- insolvency practitioners – as defined within the meaning of section 4 of the Insolvency Act (2000)

Other powers

13. What other changes are being made to the Registrar's powers?

Removal

The Registrar currently has hitherto had very limited powers to remove material from the register.

ECCTA 2023 provides the Registrar with greater powers to remove information from the register, allowing the Registrar to remove material whose registration had legal consequences, provided the Registrar is satisfied that the interest of the company, or (if different) the applicant in removing the material outweighs any interest of other persons in the material continuing to appear on the register.

Analysis of information

The Registrar is being provided with a new function relating to the analysis of information. This includes information that is on the register as well as other information that is available to the Registrar and has been obtained from external sources. The purpose of this function is to ensure that the Registrar can identify information that she holds about which there may be reason to ask questions, and to assist law enforcement by analysing information to identify suspicious behaviour.

Proper delivery

The government will expand the requirements for proper delivery to include identity verification see 'Identity Verification' fact sheet and other checks.

Registered office addresses

The Registrar has been given a new discretionary power to change the address of a company's registered office without an application where the Registrar is satisfied that the company's registered office address does not meet a new "appropriate address" test (which is met if the company has permission to use the address). The Registrar will be able to impose more stringent sanctions on those failing to provide an appropriate registered office address.

Delivery by electronic means

The government will enable the Registrar to require delivery by electronic means.

Abolishing local company registers

The government will remove requirements for companies to maintain local registers of its directors, directors' addresses, secretaries and People with Significant Control.

14. When will these measures come into effect?

Some of these measures will be brought into force in the spring of 2024.

Others require consequential changes and new secondary legislation and guidance, as well as system development, and will be brought into force in phases, as swiftly as possible.