

1. What is the government doing and why?

There are certain controls on company names already in place: names cannot be the same as or too similar to an existing name, and certain terms are restricted (such as terms implying a connection to the UK government or using a sensitive word or expression).

However, once a name passes thresholds set by these controls, the Registrar has limited powers to prevent the name from being registered or to act once it has been, which leaves the companies register open to abuse. Up to now, the Secretary of State has only been able to direct a company to change its name where it is too similar to an existing name, where misleading information has been given for the purposes of registering a name, or where the name gives an obviously misleading indication of the nature of its activities.

The Economic Crime and Corporate Transparency Act 2023 ("ECCTA 2023") amends and strengthens the Companies Act 2006 by expanding the controls over company names with a view to improving the integrity of the register and increasing trust in the UK business environment.

2. How is the government going to do it?

ECCTA 2023 expands the range of circumstances where use of a company name can be prohibited. The Registrar will be able to reject the incorporation application of a company where, in the Secretary of State's view, the name could be used to facilitate certain crimes. The Registrar will also be able to reject names where the Secretary of State is of the opinion the name suggests a non-existent connection with a foreign government or an international institution. Specifically to protect other users of the company register, the Registrar will have to reject names which comprise or contain a computer code.

3. What about undesirable company names amongst the 4 million or so companies already on the Register?

The new provisions give the Secretary of State the ability to direct companies to change their names if they fall into the categories outlined above. If a company fails to do so within a defined period, the Registrar will be able to remove a company's name from the Register and replace it with its company number.

4. What happens in the case of non-compliance?

A person who fails to respond to a direction to change their company name within the default period of 28 days will be guilty of an offence and liable to a fine of up to £1000.

A person who uses as a business name a name which the Registrar has directed be changed, or which the Registrar has changed to its number, will be guilty of an offence and liable to a fine of up to £1000 if they continue to trade under that name after the period for compliance has expired.

5. What impact will the reforms have on the role of the Company Names Adjudicator (CNA)?

The Company Names Adjudicator is responsible for deciding disputes between competing parties over registered company names.

Some of the cases that the CNA currently handles will be picked up by the Registrar using her querying power ([see 'The Role and Powers of the Registrar of Companies House' fact sheet](#)). However, there is still a clear role for the CNA to continue to deal with cases which require an adjudication to be made between two parties following an objection to a registered company name.

6. When will these measures come into effect?

These measures will come into force in the spring of 2024.