

1. What is the government doing and why?

Companies House operates on a cost recovery basis – the fees that it charges can only be used to cover the cost of delivering the service or function being charged for. Through the Economic Crime and Corporate Transparency Act 2023, the government has expanded the fee-raising powers of the Secretary of State to enable the cost of investigative and enforcement activities that promote the integrity of the register, maintain a healthy business environment, and combat economic crime, to be met through fees. This will apply when setting the level of fees to be charged at incorporation and at annual filing of the confirmation statement. The funds generated will be used by Companies House and the Insolvency Service to fund their work on investigation, intelligence and enforcement of anti-money laundering and economic crime prevention.

2. How is the government going to do it?

As part of the Economic Crime and Corporate Transparency Act 2023, the government has expanded the scope of what can be funded through fees to include investigative, intelligence and enforcement work that is carried out under current legislation including but not limited to the Insolvency Act 1986, the Company Directors Disqualification Act 1986 and the Proceeds of Crime Act 2002.

3. Who will this change apply to?

The cost of the additional activities will be factored into the calculation to set the level of the incorporation and the annual fees and will have to be paid by all entities seeking to become and/or to remain incorporated.

4. What will happen if they don't pay?

Payment of the incorporation fee is required for a company to be registered. Failure to pay this will mean that limited liability status will not be granted. Non-payment of the annual fee may result in a company being struck off the register.

5. Does the government intend to raise fees and, if so, by how much?

The level of the fees will continue to be set via regulations, therefore requiring Parliamentary scrutiny and approval. When setting the level of fees the government will consider the burden that higher fees will place on businesses and the need to keep the UK competitive in the global business environment, balanced against the need to raise fees in order to fund investigative, intelligence and enforcement work that helps combat economic crime and money laundering.