

Companies House reforms



Founded in 1844, Companies House is the government agency which is home to the registry of UK companies. For more than 170 years, the Registrar has stored, maintained, and updated company records. But recent world events have prompted the government to introduce measures to protect legitimate businesses from illicit dealings by providing a more robust process for company registration. After an extensive consultation conducted since 2019, the government has announced plans to 'transform' Companies House by introducing new statutory powers and responsibilities – the largest reform ever in its history.

Economic Crime and Corporate Transparency Bill (the Bill)

The purpose of this Bill is to give Companies House wider scope to prevent fraud, with new statutory powers to investigate and enforce. This is in stark contrast to the primarily passive role in relation to company records which Companies House has undertaken since its formation. In essence, under the proposals set out in the Bill, Companies House will embark on a more proactive approach in its workings to combat any illicit activity early on.

The changes are intended to introduce greater collaboration between public and private sectors, including law enforcement agencies, in dealing with suspicious activity. But how will this impact users, those who make submissions to Companies House and those whose records are made public on the register?

Verification of records

At present, with filings accepted at face value, there is a risk that individuals can be registered as officers of a company either without their knowledge or consent or without having been appointed by the relevant company. The Bill proposes that, in future, such filings to the Registrar will only be made with identity verification. This will be mandatory for all directors (new and existing), People with Significant Control (PSCs) and those charged with delivering documents on behalf of a company. This seeks to reduce access so that the records can only be updated when the relevant identity has been checked, reducing the danger of fraudulent filing to conceal ownership or control.

Protection from fraud and other harm

Directors' personal information, including name, nationality, month and year of birth, occupation plus correspondence address are currently all available for the public to view on the registry. Although residential address and full date of birth from new filings are no longer shared with the public, this information may still be available via historic filings and, in some cases, used to commit fraud. Additionally, directors' signatures on legacy filings may also be available.

It is now proposed that occupation be withdrawn from new filings and an officer will also be able to request removal of their date of birth and home address if it had been previously used as a registered office address.

At present only a PSC may apply to remove their name and information from the register if they consider themselves to be at risk of harm. The Bill will open this option up to all officers, provided they can prove they are at risk if they remain on the public register.

Next steps

At this point, the Bill is still in its infancy and yet to be enacted and the timeline for implementation is not yet clear. Here at Indigo, we welcome the new proposals and look forward to continuing to support our clients to remain compliant and, as far as possible, protected from risks such as fraud. We take our responsibilities to limit the threat of economic crimes very seriously and already have processes in place to verify the identity of companies, directors and PSCs as required for anti-money laundering purposes. We will ensure that those processes are extended, when the Bill is entered into statute, so that we are authorised to make filings on behalf of our clients. At this stage, we advise directors to keep a watching brief on developments and will be updating our clients as and when further details are clarified.

You can view the full text of the current version of the Bill [here](#).