

Our guide to the changes to UK company law. The Economic Crime and Corporate Transparency Act.



The Economic Crime and Corporate Transparency Act will introduce a number of operational changes over the next few years. These changes, which affect charitable companies as well as private companies, gives Companies House a bigger role in tackling economic crime and supporting economic growth. The changes will lead to improved transparency and more accurate and trusted information on the Companies House register.

There are new responsibilities for:

- all new and existing company directors
- people with significant control of a company (PSCs)
- anyone who files on behalf of a company

People with significant control (PSC): An individual is considered to be a PSC if they meet one or more of the following criteria (set out in the Companies Act 2006):

1. Holding more than 25% of shares in the company.
2. Holding more than 25% of voting rights in the company.
3. Having the right to appoint or remove the majority of the board of directors.

A PSC would also be any individuals who do not meet one or more of the above criteria but do exercise significant influence or control over the company. This could be in the form of being significantly involved in the management and direction of the company (e.g. a person who is regularly consulted on and influences board decisions) or having recommendations always or almost always followed by those who hold the majority of the voting rights in the company.

The changes to legislation will be phased in over a number of years with the first changes having taken place on the 4th of March 2024.

From this date, Companies House was given more effective investigation and enforcement powers which include the power to share data with law enforcement agencies and other government departments.

In addition to this, a company's Confirmation statement now requires the submission of a registered email address and confirmation that the intended future activities of the company will be lawful. Both will need to be renewed yearly when filing the Confirmation statement.

Changes coming into force this year include identity verification for anyone setting up, running or controlling a company in the UK and the ability for individuals to apply to suppress personal information from historic document.

Voluntary identity verification begins on the 8th of April 2025 and will become compulsory, at a date to be announced, for

- new directors and people with significant control (PSCs)
- existing directors and PSCs
- anyone acting on behalf of a company

Individuals will be able to verify their identity directly with Companies House via a GOV.uk One log-in.

During Spring/Summer 2025, Companies House will implement the ability for individuals to apply to suppress certain personal information which is currently shown in historic documents. This includes residential addresses, day of birth, signatures and business occupations. Further to this, if, by including certain information on the Companies House public register, an individual would be put at risk of physical harm or violence, the individual may request that their information is protected from the public view.

Companies House are moving away from accepting paper copies of annual accounts and over the next 2-3 years will move to a software only filing method. This change will allow for more efficient and secure filing. More information and a timeline will be released as this progresses and Companies House are aiming to give at least 21 months' notice ahead of this change being implemented.

Further information regarding the above changes can be found on the Companies House website 'Changes to UK company law, Economic Crime and Corporate Transparency Act.'

<https://changestoukcompanylaw.campaign.gov.uk/>

Updates will also be issued through the Companies House newsletter

<https://public.govdelivery.com/accounts/UKCH/subscriber/new>

If you have any queries or would like assistance with any aspect of your charity governance or accounting, please contact VAO's community development or finance teams.

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