

Economic Crime and Corporate Transparency Act 2023 – impact of changes implemented on 4 March 2024

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The Economic Crime and Corporate Transparency Act 2023 (the **Act**) is bringing in a series of changes to company law to tackle economic crime and promote corporate transparency and accuracy of information. It aims to:

- Ensure all information filed with the Registrar of Companies is correct and accurate.
- Encourage all corporate entities to be transparent with their information.
- Streamline current filing processes and move towards a paperless system where most of the documents and forms can be filed using the Companies House e-portals or third-party software.
- Ensure all company directors and people with significant control of a company (**PSCs**) (and relevant officers of RLEs) and those filing documents at Companies House go through an identity verification (**IDV**) process.

Whilst some of the changes require further action to be fully implemented – such as secondary legislation and new systems to be developed and introduced by Companies House - a number of changes have already come into force.

Which changes have most recently come into force?

On 4 March 2024, the following changes were introduced:

- **Registrar's role and powers** – the Registrar's new overarching objectives and enhanced powers to check, query or reject submitted information and remove information from the register, alongside expanded rectification powers that include the power to change a company's registered office address.
- **Registrar's role in tackling criminal activity** – the Registrar's obligation to analyse information held by Companies House for the purpose of preventing or detecting crime and new powers to share information with law enforcement agencies.
- **Greater protection for personal information on the register** – additional personal information can be made unavailable for public inspection (and protected from disclosure) such as residential addresses (when shown elsewhere on the register i.e., when used as a registered office address), day of date of birth on documents registered before 10 October 2015, signatures, and business occupation.
- **Company formation** – on incorporation, subscribers must confirm that the company's purpose is lawful.
- **Company and business names regime** – new restrictions on company names, together with new enforcement powers for the Registrar.
- **Company addresses** – the requirement for a registered office to be an 'appropriate address' and for all companies to register and maintain an appropriate registered email address (which will not be publicly available).
- **Confirmation statement regime** – changes include new and expanded duties to deliver certain information to the Registrar at the same time as the annual confirmation statement, including a statement confirming that the company's intended future activities are lawful.

- **Increased civil and criminal sanctions to reflect new obligations** – these include a new aggravated offence for delivering false statements to the Registrar and a new civil penalties regime allowing the Registrar to impose a financial penalty for many Companies Act 2006 (**CA 2006**) offences.
- **Directors and disqualification** – a director will cease to hold office if disqualified under the disqualification regime.
- **Register of Overseas Entities (ROE)** – changes to the Economic Crime and Corporate Transparency Act 2022 to make the ROE regime more effective and increase transparency in relation to trusts.

What does it mean for you and your company?

Although we are only part way through a period of notable change at Companies House, it is worth remembering the following key points:

- Companies House has now more powers to raise, challenge, and remove information that is inaccurate or incomplete. The Registrar is proactively reaching out to companies to inform them of any potentially incorrect information currently disclosed on the register and inviting them to promptly analyse and rectify the information.
- Companies using a PO Box address as their registered office address need to change their registered office address to an “appropriate address” as soon as possible. An “appropriate address” is one where a document addressed to the company and delivered (by hand or by post) would be expected to come to the attention of a person acting on behalf of the company and acknowledgment of delivery can be obtained. Companies House will take action against companies that do not have an appropriate registered office address.
- Starting from the next confirmation statement (where the made-up date falls after 4 April 2024), companies will be required to provide a registered email address. Companies House will use this email address to communicate with the companies going forward, instead of communication by post. It is important to ensure that the registered email address is accurate and up to date to avoid missing any important communications from Companies House.
- Companies will also have to confirm that their intended future activities are lawful when filing a confirmation statement.
- There are additional offences that can be committed by delivering false statements and information to Companies House, as well as certain aggravated offences that can attract additional penalties. The Registrar is also able to impose a financial penalty for many CA 2006 offences, so accurate and timely filings become even more crucial.

Are these changes actually making a difference?

Yes. Companies House has already amended their forms and processes to ensure that all necessary information is provided and is accurate. We are also seeing Companies House take a more proactive approach to ensure that the information provided is correct, and they are being quicker to act if deadlines are missed. Companies House is now issuing notices to strike off companies more quickly than in the past – for example, when a company's annual accounts are overdue, with notices being filed around 3 months past the filing deadline.

We have also noticed that Companies House is beginning to question information submitted to it before accepting it, and they are actively sending letters to some companies querying PSC information and filings.

It is therefore crucial to ensure that all information and documents submitted to Companies House are accurate and submitted within the appropriate timeframe to avoid penalties or adverse consequences. If you require any assistance or guidance with notifying Companies House about changes to your company, please do not hesitate to contact us.

Changes to Companies House fees from 1st May 2024

Starting from 1 May 2024, Companies House will increase its filing fee for all forms that have a payable fee. It is important to note that these fees may vary depending on the type of form being filed and the service that is used. You can [find out more about these new fees](#).

To keep these fees to a minimum, we recommend filing your forms in a digital format or using third-party software. This will not only be the most cost-efficient and environmentally friendly option, but it will also ensure that your information is processed faster than using the paper format service. If you need any assistance or guidance with filing your forms, please do not hesitate to contact us.

The next steps

We are closely monitoring the further changes that will come into force over the coming months and will provide timely updates as soon as further information is released. However, it is worth noting that whilst some of the more complex changes (such as IDV) may take several months in order to be fully implemented, it is worth considering who is likely to need to complete IDV for your company and socialise the concept sooner rather than later so you are able to move quickly once the changes come into force. If you have any questions or concerns about these changes, please do not hesitate to contact us.

For more information about how we can help, visit our [company secretarial services page](#).

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