

An Update from Stanley Davis Group

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Reminder re SIC 2007 and Annual Returns – effective 1st October 2011

The UK Standard Industrial Classification of Economic Activities (SIC) is used to classify business establishments and other standard units by the type of economic activity in which they are engaged. It is a numerical classification that Companies House adopted to identify company principal business activities, which are required on the Annual Return form (AR01) every year.

The new version of these codes (SIC 2007) was adopted by the UK as early as 1st January 2008. It is only now, from 1st October 2011, that Companies House has decided to enforce them, so that the new 5 digit codes and descriptions will now need to be entered on the AR01. When e-filing Annual Returns made up on or after 1st October 2011, the use of the Principal Business description will no longer be accepted.

For those companies where no suitable code can be determined, the paper AR01 can be filed which will still allow for Principal Business description.

New Universal Resource Identifier (URI) for all companies – from 1st October 2011

In October 2011, Companies House plans to introduce a simple and permanent Universal Resource Identifier (URI) for all companies on the Companies House register. The URI represents the company, and when used to discover information about the company, it ultimately resolves to a document that returns basic company details in a format appropriate to the requester.

Such a URI may be stored and freely exchanged as a company reference that can additionally be used to discover the latest company details. A company may publish its own URI on its website for others to use, and even use it to directly embed company details in its pages.

The proposed URI structure is

[http://business.data.gov.uk/id/company/\(registerid\)/\(companynumber\)](http://business.data.gov.uk/id/company/(registerid)/(companynumber))

Therefore under the URI scheme company number 02050399 would be represented as

<http://business.data.gov.uk/company/id/GBR/02050399>

The URI would link to a standard data set defining the company, such as the free information on WebCheck.

We are developing URI's as it fits with the government's transparency agenda of providing easier access to public data and it will provide a more efficient way of data-linking users and the business information industry. The supported formats for URI will be rdf, json, xml, csv, yami and html.

The data returned will on be basic company details, such as:

- company name;
- registered office address;
- company status;
- incorporation date;
- country of origin;
- company type;
- nature of business (SIC);
- accounting reference date;
- date of last accounts/annual return filed;
- date of next accounts/annual return due;
- previous names.

The introduction of the URI will not affect or change any of the other services provided by Companies House. These will continue to be provided in the same format. The URI is a separate facility.

Overseas companies mortgages and charges

The requirement for overseas companies to register mortgages or charges no longer applies from 1st October 2011.

The requirement to register mortgages or charges under Regulation 10 of the Overseas Companies (Execution of Documents and Registration of Charges) Regulations 2009, is repealed by regulation 2(3) of The Overseas Companies (Execution of Documents and Registration of Charges) (Amendment) Regulations 2011.

Treasury shuts overseas dividend loophole

A tax loophole involving manufactured overseas dividends (MODs) has been closed with immediate effect. A MOD is a payment representative of an overseas dividend on securities paid under a contract or other arrangement for their transfer.

The loophole involved companies in receipt of MODs claiming to have received it under deduction of UK income tax, and seeking to set this off against a corporation tax liability or have it repaid, despite no UK income tax payment being made. The new legislation makes clear that this situation is not one in which double taxation relief can be claimed and comes into effect immediately.

Changes to Company Names Examination Policy

From September 1st 2011, Companies House will no longer accept company names on documents which contain minor variations or typographical errors. This change of policy is to ensure that documents are entered onto the correct company record. They will continue to accept a small number of abbreviations and will also allow the word "The" to be omitted, but only at the front of the name.

A full list of acceptable abbreviations is available on Companies House's website. <http://www.companieshouse.gov.uk/infoAndGuide/faq/companyNamePolicy.shtml>

Changes to Cross Border Merger Notification Requirements

One further item that has just come into force are the Companies (Reporting Requirements in Mergers and Divisions) Regulations 2011, which became law on 1st August. Companies can now publish draft terms of a merger on their website.

Companies House figures for August 2011

Incorporation numbers for August stand at 37,411, an increase of 18.7% on the same month last year. The UK 'live' register now contains over 2.5 million companies of which nearly 7,700 are public companies. During the month late filing penalties of £7m were imposed which is about average for the financial year so far.

Nominee Services

For many years now, Stanley Davis has been operating a fully electronic incorporations service, whereby clients can enter the details of the first officers and shareholders of the company, making the process much quicker and easier.

However, if you are not yet sure of who the officers or shareholders of the company will be, we do still offer our services to be first nominees for the purposes of the incorporation, and will wait for your confirmation of the details of the officers or shareholders before we send the documentation and before the company can trade. We offer a "quick incorporation" on the e-formations website, whereby you can tick a box which indicates to us you wish to use our nominees for the purposes of the formation. Alternatively of course you can use the traditional method of faxing or emailing your instruction to us and we will form the company for you.

Stanley Davis joins the Twittersphere

You can now follow Stanley Davis on Twitter - [@StanleyDavisgrp](https://twitter.com/StanleyDavisgrp). We will be regularly tweeting and posting comments from the world of company administration, incorporation and searches, and anything that we think our clients will be interested in.

A reminder of the Stanley Davis advantage

Stanley Davis has been in the business of forming and looking after companies for more than 40 years. In that time we have formed literally hundreds of thousands of companies, offering competitive prices and years of expertise without sacrificing our professional standards or our clients' peace of mind.

As new company formations businesses sprout up every so often, we thought it was worth taking this opportunity to remind you of the advantages of forming your companies through Stanley Davis.

- We offer an online company formation service, where companies start from £30. In addition, if you elect to open a bank account with Barclays for the companies that you form using this method, we will **give you back £40 cash** for each one.
- If you prefer, we also offer a traditional formations service where we do all the work on your behalf. We can form companies with different structures (including limited liability partnerships), different classes of shares, bespoke Memorandum and Articles of Association, anything to suit the needs of you and your clients.
- The Memorandum and Articles of Association for our companies includes pre-emption rights on shares as standard.
- We also offer full telephone and Email support to answer any questions you may have on forming companies.
- We can incorporate companies in any jurisdiction around the world.
- Once your company is set up we can assist you with our company secretarial and maintenance services, such as annual returns, nominee services, registered office services, the setting up of internet domains, operating bank accounts, registering your company for VAT, or offering you international tax advice, wherever your company is domiciled.
- Just Email us at info@stanleydavis.co.uk or call us on 020 7554 2222 if you have any questions about any aspect of our service.