

ENGLAND AND WALES

1. Company law:	Companies Act 2006
2. Types of company:	<p>(a) Type of company preferred for international transactions: Private company limited by shares</p> <p>(b) Shareless companies: Company limited by guarantee without a share capital</p>
3. Capital requirements:	The “authorised minimum” in relation to the nominal value of a public company’s allotted share capital, is GBP 50.000 or the prescribed Euro equivalent. For private companies a sole subscriber who takes one share is permissible.
4. Costs to incorporate, excluding government fees:	A professionally regulated corporate service provider will typically charge between GBP 100-200 for incorporations that are not performed by the client online using the provider’s software
5. Fees paid to authorities to Incorporate:	Electronic incorporation is GBP 13, paper incorporation is GBP 40 and web incorporation is GBP 15. Same day electronic incorporations are GBP 30 and same day paper incorporations are GBP 100.
6. Annual fees paid to authorities:	A fee of GBP 13 is payable with the annual return if it is filed electronically and GBP 40 if filed in paper form.
7. Taxation rates applied to companies generally:	<p>The 20% small profits corporation tax rate normally applies where profits do not exceed GBP 300.000. The 24% full rate applies to all profits chargeable to corporation tax where the profits exceed GBP 1.500.000. Where profits fall between those two amounts, a marginal rate of 25% applies. The full rate is planned to reduce by 1% in April 2014 when it will be 23%</p> <p>(a) The taxation for companies in 2(a): As above</p>
8. Method of Incorporation	The memorandum and articles of association are submitted to Companies House with the applicable fees and Form IN01. The form IN01 for a private company limited by shares contains a statement of capital and initial shareholders, a statement of the proposed officers and a statement of compliance with the Companies Act 2006.

<p>9. Who may incorporate – are local professionals required?</p>	<p>Subscribers to the memorandum of association may incorporate but it is usual to use local professionals or corporate service providers for convenience. For international tax treaty planning UK resident directors will normally be required.</p> <p>(a) Are ready made/shelf companies available? Yes, from selected local professionals and corporate service providers.</p>
<p>10. Length of time to incorporate:</p>	<p>An electronic formation will take 24 to 36 hours. A paper formation, which is now rare, will take approximately three to five days unless the same day service is used.</p>
<p>11. Minimum number of members:</p>	<p>Private companies must have one, public companies two</p>
<p>12. Directors and secretary:</p>	<p>(a) Must there be a resident director/secretary? No. A secretary may, but need not be appointed.</p> <p>(b) Are corporate directors allowed? Yes, but there must be at least one director who is a natural person</p> <p>(c) Is a local registered agent required? No, but a registered office in the UK is required.</p> <p>(d) Are “shadow” directors required to be registered? All directors must be registered but, by their nature, “shadow” directors will not be.</p>
<p>13. Amount of fees payable to appointee directors/ secretary:</p>	<p>Varies and is dependent upon the corporate service provider, and the responsibilities of the director. Minimum professional fees would typically be from GBP 2.500 + vat per annum.</p>
<p>14. Annual Meetings:</p>	<p>No longer necessary for private companies, but remain a requirement for public companies.</p>
<p>15. Is an annual return filed with details of directors and members?</p>	<p>Yes</p>
<p>16. Accounts:</p>	<p>(a) Must financial statements of a company be audited? Yes, but there is an exemption if it qualifies as a small company with a turnover in that year of not more than GBP 6.5 million and a balance sheet total of not more than GBP 3.26 million. This exemption applies to all companies with a year end post 1 October 2012. Before this they would qualify for audit of the company exceeded the aforesaid limits of one of either the turnover or the balance sheet.</p> <p>(b) Are annual accounts filed with annual returns? Accounts must be filed at Companies House but not necessarily with the annual return.</p>

17. Are there any exchange control or other financial restraints?	<p>There are no exchange controls. Transfer pricing rules apply to related party transactions between enterprises both within and outside the UK. Transfer pricing rules are applicable to purely domestic transactions, though small and medium-sized enterprises are exempt from related party transactions intra-UK, and exempt also in related party dealings with certain overseas qualifying territories.</p>
18. Is migration of companies permitted?	<p>No, but cross-border mergers are now possible. UK companies may also migrate their residence from the UK.</p>
19. Must foreign companies administered locally be registered?	<p>“Overseas companies” must register their “establishments” in the UK within one month of their opening.</p>
20. Are protected cell companies permitted?	<p>No</p>
21. Are civil-law type foundations possible?	<p>No</p>
22. Are common-law foundations possible?	<p>Companies limited by guarantee without a share capital can be formed.</p>
23. Can LLCs be formed?	<p>Limited Liability Partnerships may be formed.</p>
24. Are regulators empowered to request the production of:	<p>(a) Information on the identity and background of beneficial owners and officers? Yes</p> <p>(b) Accounting information on companies? Yes</p>
25. Can such information be exchanged with other jurisdictions?	<p>Yes, subject to a Tax Information Exchange Agreement and provided certain conditions are met</p>
26. Any amendments to company law over the last 12 months?	<p>The Privacy and Electronic Communications (Amendment) Regulations 2011 has impacted upon the use of “cookies” on company websites; amendment to investment company distribution rules; Serious Fraud Office revised statements of policy in respect of the Bribery Act 2010; accounts exemption for subsidiaries</p>

27. Anticipated amendments to company law in 2013?	Changes in relation to registration of charges; new regulations relating to executive remuneration; draft legislation is expected in relation to FATCA; possible changes to share buy back regime; a Climate Change Act 2008 requirement for certain companies to disclose details of greenhouse gas emissions in their directors' reports.
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