EXPLANATORY MEMORANDUM TO

THE EUROPEAN ECONOMIC INTEREST GROUPING AND EUROPEAN PUBLIC LIMITED-LIABILITY COMPANY (AMENDMENT) REGULATIONS 2014

2014 No. 2382

1. This explanatory memorandum has been prepared by the Department for Business, Innovation and Skills and is laid before Parliament by command of Her Majesty.

2. Purpose of the instrument

These Regulations amend parts of the European Economic Interest Grouping Regulations 1989 ("the EEIG Regulations") and the European Public Limited-Liability Company Regulations 2004 ("the SE Regulations"), which relate to the regulation in the United Kingdom of European groupings known as European Economic Interest Groupings ("EEIGs") and European companies known as Societas Europaea ("SEs"). They make changes to the compliance requirements on registration of EEIGs and SEs and will also allow the registrar of companies to set the format of notifications relating to EEIGs and SEs.

3. Matters of special interest to the Joint Committee on Statutory Instruments

None.

4. Legislative context

4.1 EEIGs and SEs are governed by two European Regulations: Council Regulation (EEC) No. 2137/85 in respect of EEIGs and Council Regulation (EC) No. 2157/2001 in respect of SEs. Although these two regulations are both directly applicable in Member States of the European Union, certain matters relating to EEIGs and SEs are left to domestic law. This includes matters relating to the registration of EEIGs and SEs in Member States.

4.2 In the United Kingdom such matters are governed by the EEIG Regulations and the SE Regulations. These two sets of regulations were both amended in 2009 as a result of the changes to company law in the Companies Act 2006. It was at this point that the registration forms currently appended in Schedules to the EEIG Regulations and the SE Regulations were inserted. It is these Schedules that are being removed by the changes in these Regulations to allow the registrar of companies to set the format of notifications required to be sent to the registrar in relation to EEIGs and SEs.

5. Territorial Extent and Application

5.1 These Regulations extend and apply to all of the United Kingdom.

5.2 The UK Government is responsible for company law in England and Wales and in Scotland. The Northern Ireland administration has agreed that, while company law remains a transferred matter within the legislative competence of the Northern Ireland Assembly, the Companies Act 2006 and associated legislation on companies and partnerships should apply to the whole of the United Kingdom.

6. European Convention on Human Rights

The Parliamentary Under Secretary of State for Employment Relations and Consumer Affairs has made the following statement regarding Human Rights:

In my view the provisions of the European Economic Interest Grouping and European Public Limited-Liability Company (Amendment) Regulations 2014 are compatible with the Convention rights.

7. Policy background

What is being done and why?

7.1 The policy intention for making these Regulations is to bring the delivery of documents to the registrar of companies in respect of EEIGs and SEs in line with that of companies registered under the Companies Act 2006. Where the format for delivering such documents is currently prescribed in the EEIG Regulations and the SE Regulations, these Regulations remove such requirements. Documents that are delivered to the registrar from 1st October 2014 will be subject to requirements set out in the registrar's rules as they are for other UK companies.

7.2 The amendments also align the regulations more closely with the Companies Act 2006 by changing the way in which documents sent to the registrar must be authenticated. These Regulations replace references to statutory declarations with statements of compliance as a means of authentication. This will also make filings easier for EEIGs and SEs, as statutory declarations will no longer be required in relation to such filings.

7.3 Removing the format of the forms from the EEIG Regulations and the SE Regulations will enable the registrar to update filing requirements quickly and easily. This will ensure that these entities can benefit from the improvements that were made to filing requirements as part of the Companies Act 2006.

Consolidation

7.4 The amendments to the EEIG Regulations and the SE Regulations effected by these Regulations are, in principal, to remove Schedules of forms prescribing how information is required to be sent to the registrar of companies. The contents of those forms are being inserted where currently those forms are referenced in the text of these two regulations. The amendments are technical in nature and relatively minor to the two regulations as a whole. On this basis the Department does not consider it necessary or helpful to consolidate the EEIG Regulations and the SE Regulations.

8. Consultation outcome

8.1 As part of the Red Tape Challenge the Department sought views on whether it would be appropriate to make technical changes to specific forms. No responses were received either on the Red Tape Challenge website or in response to the Department's discussion document about making changes to the forms that relate to SEs and EEIGs.

8.2 The Company and Commercial Law Red Tape Challenge theme was a general one and therefore comments could be submitted at any point during the process. The theme was also in the 'spotlight' for three weeks; during this time stakeholders were encouraged to make comments on any of the regulations which related to company and commercial law.

8.3 The amendments effected by these Regulations are technical changes that do not significantly amend the information requested.

9. Guidance

Guidance will be available on the Companies House website.

10. Impact

No impact assessment has been prepared because these Regulations do not place any additional legislative burdens on business, charities or voluntary organisations.

11. Regulating small business

These Regulations will apply to SEs and EEIGs only and in some cases these entities could be small. SEs are public companies and EEIG's are interest groups.

12. Monitoring & review

We would expect to review these Regulations within five years.

13. Contact

Essie Mac Eyeson at the Department for Business, Innovation and Skills (tel: 020 7215 3673 or email: essie.maceyeson@bis.gsi.gov.uk) can answer questions about these Regulations.