EXPLANATORY MEMORANDUM TO

THE REGISTRAR OF COMPANIES AND REGISTER OF OVERSEAS ENTITIES (FEES) (AMENDMENT) REGULATIONS 2024

2024 No. 454

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Business and Trade and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Kevin Hollinrake, Minister of State for Enterprise, Markets and Small Business at the Department for Business and Trade confirms that this Explanatory Memorandum meets the required standard.

2.2 Matt Ray, Deputy Director for Company Law and Governance, at the Department for Business and Trade confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Ged McMahon at the Department for Business and Trade, Telephone: 07919 696 464 or email: clgcorrespondence@businessandtrade.gov.uk can be contacted with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument corrects the dates on which transitional provisions relating to amendments to the fees charged by the Registrar of Companies will apply, corrects some typographical errors and removes defunct references to regulations contained in the Register of Overseas Entities (Delivery, Protection and Trust Services) Regulations 2022 (S.I. 2022/870).

Where does the legislation extend to, and apply?

4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is the United Kingdom.

4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the United Kingdom.

5. Policy Context

What is being done and why?

5.1 The fees that are charged by the Registrar of Companies will change from 1 May 2024. The Registrar of Companies (Fees) (Register of Overseas Entities) Regulations

2024 (SI 2024/153) and the Registrar of Companies (Fees) (Amendment) Regulations 2024 (S.I. 2024/155) enable these changes in the fees. Both instruments provide for a transitional period during which the fees applied in respect of any documents which have been delivered to the Registrar in advance of the change in fees, but which are not registered until after the change, will continue to be charged at the existing rate.

5.2 As a result of a delay in making these regulations incorrect dates remained in the transitional provisions for both instruments.

What was the previous policy, how is this different?

5.3 This instrument applies a correction to the dates on which the transitional provisions will apply and removes defunct references.

6. Legislative and Legal Context

How has the law changed?

6.1 This instrument applies a correction to the dates set out in regulation 4 of S.I.2024/153, and in regulation 8 of S.I. 2024/155. This enables the transitional provisions contained in those regulations to take effect on the correct date.

6.2 In addition, this instrument removes from S.I 2024/153, references to regulations 3 and 4 of S.I 2022/870 which relate to electronic delivery of documents. As a result of the repealing of section 1069 of the Companies Act 2006 (c. 46), by virtue of the commencement of section 75(3) of the Economic Crime and Corporate Transparency Act 2023 (c. 56) on 5th March 2024, these regulations no longer have force of law.

Why was this approach taken to change the law?

6.3 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

7.1 A consultation was not undertaken, as this instrument is designed simply to apply a correction to existing legislation.

8. Applicable Guidance

8.1 No guidance is to be provided for this instrument.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment has not been prepared for this instrument because it applies a correction to existing legislation. Only a very small number of businesses will be impacted.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies because this instrument will only apply to a small number of businesses that incorporate or file documents during the transitional period.

9.3 The legislation does impact small or micro businesses.

9.4 The impacts on small or micro businesses will be minimal, as this instrument will only apply to a small number of businesses that incorporate or file documents during the transitional period.

9.5 There is no, or no significant, impact on the public sector because the instrument will only apply to a small number of public sector organisations that incorporate or are required to file documents during the transitional period.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 This legislation will not be monitored and reviewed as it applies a correction to existing legislation which already has monitoring in place.

10.2 The instrument does not include a statutory review clause as it is exempt under section 28(3)(a) of the Small Business, Enterprise and Employment Act 2015.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 A Department Memorandum has been provided to the Joint Committee following scrutiny of regulation 4 of SI 2024/153. This instrument also amends the dates in regulation 8 of S.I. 2024/155 which contains the same error regarding the dates in the transitional provision.

11.2 This instrument removes references to regulations 3 and 4 of S.I. 2022/870, relating to the electronic delivery of documents, which are now defunct following the repeal of section 1069 of the Companies Act 2006.

11.3 This instrument corrects these defects in both S.I. 2024/153 and S.I. 2024/155 and therefore it is appropriate to apply the free issue procedure to this instrument.

12. European Convention on Human Rights

12.1 The Minister of State for Enterprise, Markets and Small Business has made the following statement regarding Human Rights:

"In my view the provisions of the Registrar of Companies and Register of Overseas Entities (Fees) (Amendment) Regulations 2024 are compatible with the Convention rights."

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").