EXPLANATORY MEMORANDUM TO

THE REGISTRAR OF COMPANIES (FEES) (AMENDMENT) REGULATIONS 2009

2009 No. 2439

1. This explanatory memorandum has been prepared by Companies House, an Executive Agency of the Department for Business, Innovation and Skills, and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1. These Regulations amend the Registrar of Companies (Fees) (Companies, Overseas Companies and Limited Liability Partnerships) Regulations 2009, S.I. 2009 No. 2101, ("the Main Regulations") to bring Unregistered Companies and Companies Authorised to Register within the scope of the Main Regulations.

2.2. These Regulations also correct a small omission in the Main Regulations. They make an amendment to the current drafting in those regulations in relation to the subscription fee for the electronic inspection and copy service, Companies House Direct (CHD), to ensure customers are clear that only one subscription fee for CHD is payable, no matter which entities' records are inspected or copies provided by this service.

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

3.1. None

4. Legislative Context

4.1. These Regulations are introduced because of the implementation of the Companies Act 2006 and the need to introduce a new set of statutory fees under the provision of sections 1063(1) to (3) of that Act.

4.2. Regulations have already been made to set fees for Companies, Overseas Companies and Limited Liability Partnerships in the Main Regulations, and for Limited Partnerships and Newspaper Proprietors in the Registrar of Companies (Fees) (Limited Partnerships and Newspaper Proprietors) Regulations 2009 (S.I. 2009 No.2392).

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1. The Companies Act 2006, which replaces almost all earlier companies' legislation, provides a modern company law framework for the whole of the United Kingdom.

7.2. Unregistered Companies and Companies Authorised to Register are treated in the same way as companies at Companies House. Companies House has 37 active Unregistered Companies on the register. Companies Authorised to Register are assigned a company number in the same way as a company on registering at Companies House, and can be identified by a document search.

8. Consultation outcome

8.1. Companies House has not consulted on the level of fees it charges since as a Trading Fund it must recover the full costs for the services it provides without cross-subsidising.

9. Guidance

9.1. Full details of registration requirements and search services are made available on the Companies House website, in customer focus groups and through Companies House information days.

10. Impact

10.1 A fee is inserted into the Main Regulations charging £20 for the registration of a company authorised to register.

10.2 Fees must be paid as prescribed in these Regulations when filing relevant documents for registration at Companies House. Businesses, charities or voluntary bodies must also pay the prescribed fees in respect of the inspection of documents or disclosure of information held by the Registrar of Companies.

10.3 The impact on the public sector is negligible, although public sector bodies are required to purchase information in the same way as other organisations (unless that information is required under a statutory authority).

10.4 An Impact Assessment has not been prepared for this instrument. As explained in paragraph 8.1 above, Companies House, as a Trading Fund, must always recover the full costs for the service it provides without cross-subsidising.

11. Regulating small business

11.1 The legislation applies to small business.

11.2 Under the Competition Act 1998, Companies House is prohibited from setting differential prices for the same product to different customers, as this might distort competition.

11.3 Registration costs must be the same for all customers as fees are set on a strict cost recovery basis, and European law is clear that there can be no cross-subsidisation.

12. Monitoring & review

12.1. The aim of the Regulations is to achieve full cost recovery on the registration and dissemination of information.

12.2. Companies House regularly reviews the fees it charges and the next review of its fees is scheduled for 2010.

13. Contact

Mark Buckley at Companies House can answer any queries regarding the instrument. He can be contacted on 02920 380 063 or email: mbuckley@companieshouse.gov.uk,