EXPLANATORY MEMORANDUM TO

THE REGISTRAR OF COMPANIES (FEES) (AMENDMENT) REGULATIONS 2025

2025 No. 1137

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 Blair McDougall MP, Minister for Small Business and Economic Transformation at the Department for Business and Trade confirms that this Explanatory Memorandum meets the required standard.

2.2 Nis Bandara, Deputy Director for Company Law and Transparency at the Department for Business and Trade confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Zara Dove at the Department for Business and Trade can be contacted by email at the following address with any queries regarding the instrument: companylawandtransparency@businessandtrade.gov.uk. Alternatively, the department can be contacted by telephone: +44 (0) 20 4551 0011.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 These Regulations will amend the fees charged by Companies House (which exercises the functions of the registrar of companies) to recover the cost of increased activities of Companies House and the Insolvency Service to implement the Economic Crime and Corporate Transparency Act 2023. Most of the amendments will result in fee levels increasing, however some fee levels will decrease to reflect changes in the cost of providing particular services. Some fees, related to services provided by the contact centre, have been revoked by these Regulations, so that in the future they can be set administratively.

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 Economic Crime and Corporate Transparency Act 2023 created a range of new offences and granted new powers and functions to the registrar of companies. Additional activities are being undertaken by Companies House to fully perform the registrar's new roles and functions, and by the Insolvency Service in connection to the performance of those functions. This work requires additional funding. These Regulations will therefore increase some of the fees charged by Companies House.

5.2 Over 90% of Companies House's income is generated by fees and most of this comes from the fees levied when a company is created (incorporation) and annually with the filing of the confirmation statement. The digital incorporation fee will increase from £50 to £100, and the digital confirmation statement fee will increase from £34 to £50. This will fund the registrar's powers to tackle misuse of the register and deliver identity verification work, as well as intelligence and enforcement activities undertaken by both Companies House and the Insolvency Service. By increasing fees to fund this work, these Regulations will tackle companies acting against the public interest and improve the transparency of the register.

5.3 Other service fees are being increased or decreased to reflect a change in the cost of providing those particular services. For example, in some cases where there is a higher volume of users of a service, the fee has been lowered. An annex that states all the fee changes is published alongside this statutory instrument on legislation.gov.uk.

5.4 Some fees have been revoked by these Regulations, so that in the future they can be set administratively, rather than through regulations. These fees mainly relate to products provided by the contact centre, most of which are already set administratively.

What was the previous policy, how is this different?

5.5 This policy follows the same approach to fee amendment that was taken in the Registrar of Companies (Fees) (Amendment) Regulations 2024. Fees are being amended to ensure costs continue to be met. The Regulations also revoke a number of fees which are to be set administratively and insert a fee in respect of a transaction relating to limited partnerships.

6. Legislative and Legal Context

How has the law changed?

6.1 Section 1063 of the Companies Act 2006 was amended by the Economic Crime and Corporate Transparency Act 2023, expanding the range of functions which can be funded through Companies House fees. These Regulations increase the fees currently charged by Companies House to include the costs of the activities that support these functions, as well as making necessary changes to a range of other fees that are charged by Companies House to ensure they continue to cover costs. Some fees have also been revoked by these Regulations, so that in the future they can be set administratively, rather than through regulations.

Why was this approach taken to change the law?

6.2 This is the only possible approach to make the necessary changes, as the current fees are set in regulations.

7. Consultation

Summary of consultation outcome and methodology

7.1 Extensive consultations were held on the nature and scope of reform of Companies House between 2019 and 2021, which were clear that funding arrangements would need to evolve. The Government has not consulted on the level of fees themselves, as they are set to cover the costs of activities undertaken to support new activities enabled by the primary legislation. During development of the policy that underpins the primary legislation, there was widespread support among stakeholder groups for the principle of increasing Companies House fees to fund enhanced capabilities to tackle economic crime.

8. Applicable Guidance

8.1 Following the laying of these Regulations, Companies House will undertake a communications exercise across multiple channels to inform users of the new fee levels.

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 tax, duties, levies, or other charges are out of scope of the definition of Regulatory Provisions. Following Better Regulation guidance, an analytical paper has been published alongside this Explanatory Memorandum to support Parliamentary scrutiny of the changes to the fee regulations.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies because the increase in fees is relatively minor.

9.3 The legislation does impact small or micro businesses.

9.4 The incorporation fee and confirmation statement fee amendments will apply to entities that file with Companies House, including small or micro businesses. Research set out in the accompanying analytical paper states that these fee amendments will not have a significant impact on business, and fees remain low by international standards. The changes do not create a regulatory burden on businesses.

9.5 There is no, or no significant, impact on the public sector because the fee amendments only apply to entities registered with Companies House.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is that Companies House will carry out an annual internal review to ensure that income generated from fees is sufficient to continue to meet costs. A strategic review will take place at least every three years, to consider whether the funding provided by the fees is at the appropriate level to support the functions of the registrar.

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 These Regulations will result in some of the fees that Companies House (which exercises the functions of the registrar of companies) charges increasing by more than the rate of inflation to recover the costs of increased activities of Companies House and the Insolvency Service. Some fees charged by Companies House for specific services will also increase or decrease to reflect changes in the costs of providing these services since the fees were last amended. Some fees, related to the provision of copies of documents, have also been revoked by these Regulations, so that in the future they can be set administratively rather than through regulations. An annex that states all the fee changes is published alongside this statutory instrument on legislation.gov.uk.

12. European Convention on Human Rights

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

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”).