



Department for
Business, Energy
& Industrial Strategy

Corporate Transparency and Register Reform

Government response to the consultation on options to enhance the role of Companies House and increase the transparency of UK corporate entities



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Ministerial Foreword

Ever since the first Joint Stock Act in 1844, the register of companies, held at Companies House, has played an important role in underpinning a strong, transparent and attractive business environment in the UK. Accessed over 9.4 billion times a year, it helps business people obtain assurance over potential suppliers and partners. It provides assurance to banks and credit references agencies, helping SMEs get finance. And it helps the Government, civil society organisations, journalists and the general public to hold company directors to account.



Companies House is already a world leading agency in many ways. It delivers new incorporations and records company filings swiftly and efficiently, with high levels of customer service. It is faster and cheaper to create companies in the UK than in most comparable nations, an essential underpinning of our entrepreneurial economy.

As noted when we launched last year's consultation, regrettably the same factors that make our framework successful make it attractive to exploitation. Too often I see companies repeatedly set up and closed down to avoid paying debts – so called “phoenixing”. Shell companies have been set up for no other purpose than to launder the proceeds of crime – committed both here and overseas. And we need to strike the right balance between transparency and protecting the personal information of the millions of people named on the register – from fraud and, in some cases, even more serious harm.

The consultation received an overwhelmingly positive response. I have no doubt that we are on the right track. We will improve the accuracy of the information on the register and give the Registrar much greater powers. We will ensure we really know who is behind our companies, whilst affording greater protection to individuals at risk. We will give Companies House a bigger role in our wider efforts to tackle economic crime. Above all we'll ensure that the millions of users of the register can have greater faith in the information, so that it continues to serve its vital role facilitating business transactions and underpinning confidence in our economy.

The reforms will support my ambition of making the UK the best place in the world to start and grow a business. The reforms will bring many benefits to businesses through streamlined and digitised processes and an improved user experience, reflecting the needs of business in the 21st century economy. The impact on overall speed of incorporation and other filings will be negligible: we still expect the vast majority of companies to be able to incorporate easily within 24 hours. Costs will remain low by international standards. Where more information is being sought from companies, for example for identity verification, technological solutions will ensure that additional burdens on business and individuals are kept to a minimum.

By striking the right balance between greater assurance, enhanced protection of personal information, and streamlining processes we will enhance the UK's global reputation as a trusted and welcoming place to do business. More than that, we will ensure our regulatory framework continues to be an exemplar to others.

A handwritten signature in blue ink, appearing to read "Martin Call". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Lord Callanan
Minister for Climate Change and Corporate Responsibility

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Executive Summary

1. In 2019, the Government consulted on a range of options to enhance the role of Companies House and increase the transparency of companies and other legal entities. The consultation explored options to require more information about the people registering, running and owning companies¹, and other limited liability entities, as well as the entities themselves. It put forward ideas for improved checks on that information, including reform of the statutory powers of the Registrar of Companies and it put forward reforms that will improve co-operation and data sharing between Companies House and UK law enforcement agencies. In parallel, it set out options for greater protection of personal information on the companies register and noted that not all additional information covered in the proposed reforms would be made public.
2. Transparency supports an effective business environment and underpins the accountability those controlling a company owe to society. It is an essential element of good corporate governance – giving business people assurance over who they are doing business with; giving investors and civil society a means to hold companies to account. Since the 1840s the requirement to register certain details about a company has been part of the quid pro quo for gaining the privileges of limited liability. The register of companies is now accessed over 9.4 billion times per year and is estimated to be worth £1-3 billion to the economy.
3. The consultation noted that the framework within which Companies House operates has remained largely unchanged for over 150 years, and that the agency performs its role well, with high levels of customer satisfaction. But we also noted growing instances of misuse of companies, concerns over the accuracy of the companies register, challenges safeguarding personal data on the register, and opportunities for Companies House to play a greater role, working in partnership with other public agencies.
4. We are grateful to the many individuals, companies, professional bodies, civil society organisations and public sector agencies that responded to the consultation. The scale of the response, and the views expressed, demonstrate a strong consensus in favour of reform.
5. This document sets out the actions the Government intends to take in response, subject to funding being agreed in the forthcoming Spending Review. An overview of the reforms is set out below, some of which will require further consultation. These reforms will ensure the regulatory framework for setting up and reporting company information is fit for the 21st century and will support the Government's aim of making the UK the best place to start and grow a business. The Government's vision is for a register built upon relevant and accurate information that supports the UK's global reputation as a trusted and welcoming place to do business and a leading exponent of greater corporate transparency. Companies House will play an even stronger role as an enabler of business transactions and economic growth, whilst strengthening the UK's ability to combat economic crime.

¹ This response document uses the term “companies” throughout as a catch-all term, unless otherwise specified. We expect the new provisions to generally apply to any corporate body subject to disclosure obligations under the Companies Act 2006 (private and public limited companies, unlimited companies, unregistered companies and overseas companies – where the measures are relevant) as well as Limited Liability Partnerships and Limited Partnerships.

Overview of reforms

Knowing who is setting up, managing and controlling corporate entities

The Government will:

- introduce compulsory identity verification for all directors and People with Significant Control (PSC) of UK registered companies;
- introduce compulsory identity verification for all individuals who file information on behalf of a company; and
- continue to allow company incorporations and filings to be made either directly at Companies House or via an agent. But in future only properly supervised agents will be able to file information. They will be required to provide evidence of the verification they have undertaken, and we will avoid duplicating identity checks.

Improving the accuracy and usability of data on the companies register

The Government will:

- reform the powers of the Registrar of Companies to allow her to query information that is submitted to Companies House, rather than having to accept information that is validly submitted;
- broaden the powers the Registrar of Companies has to remove information from the register in certain circumstances, to better ensure its accuracy;
- consult on proposals to introduce full iXBRL tagging for the submission of accounts by companies to Companies House.
- tighten regulation on amendments to accounting reference periods; and
- review some broader aspects of accounts filings, including the exemptions that allow companies to submit micro or dormant accounts.

Protecting personal information

The Government will:

- remove restrictions to enable personal information to be removed from the register.

Ensuring compliance, sharing intelligence, other measures to deter abuse of corporate entities

The Government will:

- introduce an obligation on bodies that fall under the Anti-Money Laundering (AML) regulations to report discrepancies between the public register of companies and the information they hold on their customers.
- permit cross-referencing of Companies House data against other data sets;
- allow limited partnerships to be “struck off” following a court order;
- give Companies House power to query, and possibly reject, company names before they are registered;
- reform how and under what circumstances Companies House issues certificates of good standing.

Benefits of reform

6. There are wide economic benefits from access to more reliable information on UK companies. In an age when fraud is a growing concern, we know trust is at the core of every commercial transaction. We need business, investors and society to have the confidence that comes from accessing the quality information they need to make the best choices and complete transactions. The transparency reforms we are proposing and the additional checks to be carried out on information before and after registration at Companies House means businesses of all sizes will directly benefit from being able to take greater assurance from the register, when they are consulting it to research potential suppliers and partners.
7. These reforms will benefit business when they need finance. More transparency and better information will mean business will receive better and faster decisions when seeking credit, both from finance institutions or as trade credit.
8. Broader transformation of Companies House systems and processes will bring further business benefits through streamlining and digitising processes and improving the user experience.
9. Separately there are benefits to the UK's fight against crime: these reforms will increase the accountability of those few that transgress. As noted, the volume of economic crime in the UK is immense and growing. It accounts for almost one third of all crime experienced by individuals. The Home Office estimates that the social and economic cost of fraud to individuals in England and Wales is £4.7 billion per year and the social and economic cost of organised fraud against businesses and the public sector in the UK is £5.9 billion.
10. We will be able to trace and challenge those who misuse companies through the improved information on those who set up, own, manage and control companies. In partnership with others, our improved analytical capacity will use this information to detect suspicious activity earlier and hold those responsible to account.
11. Linking individuals across roles in different companies will dramatically improve the ability to trace a person's corporate history. It will be much harder to repeat criminal behaviours, for example those who repeatedly set up and close companies with large debts – so called phoenixing.
12. These reforms will also save costs for UK law enforcement by providing faster access to reliable information, allowing them to reprioritise resource to other parts of an investigation.

Knowing Who Is Setting Up, Managing and Controlling Corporate Entities

13. We received very strong support for the principle of introducing a digital identity verification service. We propose to move to a fundamentally new approach to the way Companies House handles the identities of people who use its services and appear on its register. Individuals will have a single user account, meaning that those holding multiple roles in the same or multiple companies can be linked. This will also significantly improve the user experience and will provide certainty over the source of information.

14. We intend to introduce stronger authentication, allowing only authorised people to file on behalf of a company. User accounts will meet the diverse needs of companies, such as allowing an account owner to act on behalf of multiple companies and making provision for bodies that supply services for companies. Should the accuracy of any information be questioned, we will have data on who has supplied that information and be able to seek corroboration from that person or agent.
15. We will also require the individuals in certain roles in UK companies to have accounts. Individuals with roles across multiple companies will only have one account.
16. We envisage that most individuals will be able to verify their identity digitally in a matter of minutes. However, we anticipate that a single approach to identity verification will not be sufficient to meet the needs of everyone who needs to prove their identity, so expect that we will employ a combination of document-based verification (e.g., driving licences, passports etc) and knowledge-based verification. As we explore solutions with Identity Providers (IDPs) in the public and private sector we will address concerns around accessibility, usability, cost to business and data security.
17. All company directors² and PSCs will need to have a verified account at Companies House. These can be set up directly or through a third party agent. In the case of directors, their appointment will not have legal effect or be shown on the register until the account has been set up. The digital process will be fast and efficient and it will be possible to create an account and verify an identity in advance of registering an appointment as a director.
18. The incorporation service offered by Companies House is among the fastest in the world and we intend to keep it that way. As it currently stands most (99%) applications to form a company are processed and approved by Companies House within 24 hours. Once identity verification has been introduced, we are proposing that all company directors will have to verify their identity with Companies House before they can incorporate. The technology used means that this can be done very quickly and easily. Directors will also have the option to verify their identity with Companies House before the incorporation process begins. As most companies on incorporating only have one director², in almost all cases companies will still be able to incorporate easily within 24 hours.
19. Where the application to incorporate and subsequent filings are provided through an agent, that agent will need to have an account. Only bodies covered by UK Anti-Money Laundering Regulations and properly supervised will be able to obtain these accounts. Identity verification checks will not be duplicated. We will consider the case for an equivalency regime for overseas agents.
20. The new identity verification requirements will be applied to all live registered companies and their agents. There will be a transitional period during which current PSCs and company directors will be allowed to carry on their current role and open a verified account with Companies House. Once this period has expired, unverified individuals will face compliance action and possible prosecution.

² Also, General Partners in Limited Partnerships and Designated Members in Limited Liability Partnerships

² Companies House statistics show that 77.5% of companies incorporated from 1 April 2019 to 31 March 2020 registered with only 1 director.

21. We do not intend to apply identity verification to shareholders. We received mixed responses to our proposals on this subject in the consultation, with many pointing out a potentially disproportionate burden on individuals without any controlling interest in a company. Following careful consideration of all the arguments put forward, we have decided not to proceed with these proposals.

Improving the Accuracy and Usability of Data on the Companies Register

Reform of powers over information filed on the register

22. Since its inception Companies House has accepted information submitted to it in good faith. The Registrar has limited powers to question and challenge information: historically her role has not been to audit or verify information. It has presumed the truth of that information and pre-registration checks have focused on ensuring the data provided is present and correctly formatted. About 4% of filings are rejected every year.
23. We will reform the powers of the Registrar, introducing a statutory discretion for her to query and check information before it is placed on the register. The Registrar will no longer be obliged to accept any application to register a company that is validly submitted to her.
24. We will consult further on how these powers will look and provide more detail on the circumstances under which they might be triggered. Checks on filings will be delivered through new systems at Companies House. These checks will be based on risk assessments informed by law enforcement, government partners and civil society.
25. We will extend the Registrar's current limited powers to amend information already on the register. Current administrative procedures that require an application to Companies House or a court order will be simplified. It will be easier to remove or amend inaccurate information on the register. Where the validity of information has been called into question, the onus will be on the company that has filed it to evidence any objection to an amendment.

Reform of company accounts

26. There was strong support for reform in this area and numerous practical suggestions received. As a result, we are now considering reforms that go further than initially envisaged and will consult again on more detailed proposals.
27. We received a number of practical recommendations to help determine the size of a company, and to correctly categorise accounts. Current Companies House data does not reveal whether a company is small, medium or large. We will ensure Companies House collects data to confirm eligibility for filing these types of accounts. In addition, there is scope to use headline data from accounts to analyse the performance of SMEs across the economy, which could have a wide range of uses across government.
28. We intend to take forward work with a view to enabling the digital submission of all types of accounts. We are minded to move to iXBRL³ tagging in line with international standards as other jurisdictions are doing, such as the USA and parts of Europe. In order to minimise the burden on small business whilst encouraging engagement with

³ iXBRL - eXtensible Business Reporting Language (XBRL) is a standard for reporting financial data that uses labels or 'tags' that computers can interpret. Inline XBRL attaches computer-readable tags to an electronic file which can also be read by people on screen or in printed form.

electronic filing and the introduction of full tagging, Companies House will carefully consider filing options for all – particularly small - companies.

29. We intend to reform the rules on shortening accounting reference periods to reduce the potential for abuse. We intend to allow companies to shorten their accounting reference period (ARP) only once in five years. Where a company cites aligning its ARP with a parent or subsidiary, we will request the name and company number of the parent/subsidiary.

Clarifying exemptions for People with Significant Control (PSC)

30. We intend to require additional information from companies to evidence where they or their owners are exempt from holding a PSC register under Part 21A of the Companies Act. These are public companies that are traded on regulated markets like the FTSE100 and are required to disclose their ownership and control under the markets listing and transparency rules.
31. We envisage that this will include details of the regulated market and listing details. We intend to consult on other possible data that will direct searchers to where ownership and control information can be found.

Dissolved Company Records

32. We intend that Companies House will continue to retain company records for 20 years from the date of dissolution. However, we recognise the very significant increase in volume of public access to the available online data and related concerns around data privacy.
33. We intend to proceed in a way that balances corporate transparency with the protection of personal data. Currently six years of historic information is freely available online on the Companies House Service³. The Government will make all dissolved records since 2010 freely available early in 2021. Older dissolved records up to 20 years will still be available via other Companies House products for which a fee will be payable. We intend to make all 20 years freely available but will do so only after legislation is introduced to enable a simple process for individuals to request that personal information is protected where appropriate.

Protecting Personal Information

34. We intend to no longer to ask directors to list their occupation and will set up a process for individuals whose profession is currently shown on the public register to have that information suppressed.
35. We intend to introduce a process whereby individuals can request to have signatures, the day of date of birth and residential addresses, where it has been used as a company's registered office address, suppressed from the register.
36. We are still considering how to take forward the proposal to allow a person who has changed their name following a change of gender to apply to have their previous name hidden on the public register and replaced with their new name. We will set out a way forward in due course.

³ Companies House Service is the online facility where users can search the register of companies free of charge.

37. Information suppressed as a result of these proposed changes, whether relating to the day of date of birth, profession, addresses or signatures will continue to be stored securely at Companies House and will be available to law enforcement.

Ensuring Compliance, Sharing Intelligence, Other Measures to Deter Abuse of Corporate Entities

38. We intend to put in place the legislative gateways to permit cross-referencing Companies House data against other data sets. This will further improve the accuracy of information and help deliver the full benefit of the other reforms listed above. Companies House will work with other agencies to create new systems to facilitate this.
39. Building on the beneficial ownership discrepancy reporting requirement introduced in the Money Laundering and Terrorist Financing (Amendment) Regulations 2019, we intend to extend this obligation to require obliged entities to report anomalies on other information on the register to the Registrar, who may proactively make information available to law enforcement partners when certain conditions are met.

Strike-off for Limited Partnerships

40. We will create a process under which limited partnerships can be “struck off” following a court order. The process will be designed in a way which balances the need to deter criminal activity while protecting the interests of innocent parties in the limited partnership.
41. The process for conducting a strike off following a court order will be designed with regard to the parallel proposals for a voluntary strike-off procedure, announced as part of the reform of limited partnership law in December 2018.⁶

Company names

42. We intend to bring forward proposals to give Companies House power to query, and possibly reject, company names before they are registered. In parallel we will consider strengthening the powers that are available to remove a company name once it has been registered and will review the role of the Company Names Adjudicator. We intend to consult further on the scope and scale of these reforms after further discussion with stakeholders.

Certification of information on the Register

43. We have concluded from the responses received that there is a clear need to reform how and under what circumstances Companies House issues certificates. We do not anticipate these reforms will require legislative change. Companies House will undertake a full review of policies and processes related to the certification of register information. The review will examine the purpose of certificates – what product business wants – and look at what can be certified and how it is certified. The review will also consider how the product is ordered and the fee that is charged: we will explore digital solutions where possible.

Next steps

44. We noted in the consultation that if all the proposals were implemented it would amount to the most significant reform of the UK’s company registration framework since the

⁶ <https://www.gov.uk/government/consultations/limited-partnerships-reform-of-limited-partnership-law>

register was first introduced. As outlined above, we intend to proceed with many of the original proposals and make changes that go to the core of the Companies Act.

45. Many respondents noted the radical level of change proposed and underlined the importance of Government taking its time to get the package right. It is our intention to continue to develop these proposals with interested parties. Many of these reforms will require legislation to implement. Before reaching that point, we intend to publish a comprehensive set of proposals that will set out in detail how we think these reforms should be implemented. Subject to the views received we will then proceed to legislate where necessary when Parliamentary time allows. At that time, we will also give careful consideration to communication and transitional arrangements for existing companies and those who own and operate them.
46. While the principles of reform are clear, we will continue to seek input on the detailed questions of application and implementation working with key parties in the first half of 2020. Whilst there was strong consensus overall, on some issues there was much less consensus. Some good ideas were put forward that went beyond the original consultation. As a result, there are areas where our thinking continues to develop. We welcome continued input and engagement as we refine these proposals. The Government will consult further on certain issues, such as accounts filings, before legislation is published.
47. Some reforms will not require legislation: Companies House will work with possible providers on the design and scope of an Identity and Access Management system. Such a system will allow us to create individual user accounts. We aim to have finalised system design and to start user testing by the end of the 2020/2021 financial year.

Introduction

48. Companies House is responsible for incorporating UK limited companies under the Companies Act 2006. There are about 4.2 million UK companies currently registered with Companies House and more than 600,000 new companies are incorporated each year. UK companies file more than ten million documents with Companies House every year. They provide Companies House with a broad range of data, including:

- basic information on companies (including company type, status, registered office address, etc.);
- financial records and information; and
- information on directors/officers, owners/shareholders and People with Significant Control (PSC).

49. The register plays a key role in delivering a strong, transparent and attractive business environment in the UK. The information, much of which is freely accessible online, is currently being accessed over 9.4 billion times a year. It helps many businesspeople obtain assurance over potential suppliers and partners. It provides assurance to banks and credit references agencies, helping unlock loans for small businesses. And it helps civil society organisations, journalists and the general public to understand who is doing what in our corporate sphere. Recent research has concluded that the annual benefit to direct users of the data is around £2,000 per user per year. Overall, the research estimates the annual user benefits of Companies House data to be between £1 billion and £3 billion per year.⁴

50. The Corporate Transparency and Register Reform consultation published in May 2019 recognised the value of the register, but also proposed a number of ways in which it could be strengthened. The case for reform was built on:

- Misuse of UK registered entities by international criminals and corrupt elites.
- Concerns about the accuracy of information held at Companies House.
- The abuse of personal information on the register.
- The limited nature of cross checks between Companies House and other public and private sector bodies.

51. We are grateful to all of those who took the time to respond, in writing and in person. The consultation prompted a valuable debate and received 1,320 formal, unique responses. In addition, we held over 50 face to face meetings with bodies from all sectors, individually and collectively. Annex C provides a detailed breakdown of those who responded and the level of response to each question.

52. This document sets out the way we plan to take these proposals forward. The government's vision is for a register built upon relevant and accurate information that supports the UK's global reputation as a trusted and welcoming place to do business and a leading exponent of greater corporate transparency. We intend for Companies House to occupy an even stronger role as an enabler of business transactions and economic growth, whilst strengthening the UK's ability to combat economic crime.

⁴ Research available at: <https://www.gov.uk/government/publications/companies-house-data-valuing-the-user-benefits>

53. This will mean a fundamentally different role for Companies House going forward. The reforms will rationalise requirements for business - allowing companies to provide the most useful set of information in the most sensible way, with new requirements reducing duplication or complexity.

54. In addition to reforms to Companies House role and powers, many of its systems, processes and capabilities will also change. A whole-organisation transformation will bring further business benefits through streamlining and digitising processes and improving the user experience. These will include:

- Automating incorporation processes through new digital checks, allowing companies to be created more swiftly
- A single account allowing customers (e.g. company directors) to access all services relevant to them from one place
- Improved customer journeys through Companies House webpages
- Replacing antiquated payment services
- Digitising the remaining paper-based filings

55. We expect the benefits of reform to be felt widely:

- Businesses of all sizes will benefit from being able to take greater assurance from the register when they are consulting it to research potential suppliers and partners.
- More transparency and better information will mean business will receive better faster decisions when seeking credit, both from finance institutions or as trade credit.
- The UK's 6 million company directors, a majority of whom run their own small businesses, will have greater safeguards from fraud; and the public will be better protected from companies set up to perpetrate fraud.
- Those who misuse corporate entities, say by setting up phoenix companies to avoid debts, or shell companies to launder money, will have their activities traced and challenged.
- All users of the register, including in civil society organisations, the media and general public, will be better able to trace the activities of company owners and directors.
- These reforms will also save costs for UK law enforcement by providing faster access to reliable information, allowing them to reprioritise resource to other parts of an investigation.

56. Since we published our proposals for register reform in May 2019, the Government has also published a three-year economic crime plan⁴. Economic crime is a significant threat: fraud is now one of the most common crimes in the UK and money laundering enables criminals to safeguard their profits from the drugs trade, human trafficking and other very serious crimes. Improving transparency around who owns and controls UK companies and trusts is one of the seven priority areas in the plan. The reforms outlined in this response will make a significant contribution to this.

57. We are setting a clear direction of travel, whilst acknowledging where our thinking continues to develop, and where we plan to consult further. Changes will largely be implemented in parallel where possible. A large number of the proposals will affect the information companies need to file with Companies House and how they do so. Some of the proposals may mean several changes to particular services. Companies House will

⁴ <https://www.gov.uk/government/publications/economic-crime-plan-2019-to-2022>

need to make changes to its processes, systems, and guidance and these will be communicated to its customers in advance.

58. Working closely with public and private sector partners we will develop these proposals, including further consultation on the technical detail as required later this year. Once the detail of all the proposals has been settled, and subject to identifying the necessary funding at the forthcoming Spending Review, the Government will bring forward legislation to implement these proposals when Parliamentary time allows.
59. The rest of this response document summarises the responses received to each question in the consultation and sets out how the Government intends to move forward. Chapters 1-13 follow the structure of the original consultation, setting out in turn the questions posed, summarising responses and the Government's proposed way forward. Chapter 14 sets out more detail on the broader operational transformation of Companies House that will accompany the legislative reforms.
60. Unless otherwise specified in the text, references to companies should be understood as UK registered companies, Limited Liability Partnerships, Limited Partnerships and other bodies already subject to the transparency provisions of the Companies Act, directly or modified as appropriate.

Chapter 1: The case for verifying identities

The principle of identity verification

Views were invited on the following questions:

Q1. Do you agree with the general premise that Companies House should have the ability to check the identity of individuals on the register? Please explain your reasons.

Q2. Are you aware of any other pros or cons Government will need to consider in introducing identity verification?

Q3. Are there other options the Government should consider to provide greater certainty over who is setting up, managing and controlling corporate entities?

Views received

61. The consultation received widespread support for verification, with 91% of respondents agreeing with the general premise that Companies House should have the ability to check the identity of individuals on the register.
62. Respondents highlighted two key benefits of identity verification: increased accuracy of Companies House data and the prevention of economic crime. Respondents thought that the introduction of identity verification would improve trust in Companies House data, thus creating a better business environment and helping people to know who they are doing business with. A law enforcement agency highlighted the important role that Companies House data plays in law enforcement investigations and said that a strong verification regime would act as a deterrent for people seeking to set up companies as vehicles for criminality. Some individuals gave details of personal cases of identity fraud through Companies House, for example being falsely appointed as director of a company.
63. There were some questions on how Companies House verification systems would relate to requirements under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer Regulations 2017 (MLR). Respondents from the legal sector stressed that Companies House verification systems would not remove the need for those using the register in their business dealings to undertake their own due diligence checks. Some respondents suggested that Companies House should be subject to MLR obligations and therefore conduct full due diligence checks. This view was held by company registration agents, who advocated that all companies should have to register through an AML-regulated agent.
64. Some respondents agreed with the proposal of identity verification but stressed that the measures needed to be proportionate to the risk and should not impose significant additional cost on businesses. Representatives from the legal sector highlighted the need for a speedy and efficient verification process, warning that delays could impact UK competitiveness. Some respondents said that measures needed to be accessible to all members of the public and should not disadvantage certain demographics, for example foreign nationals. Some stakeholders highlighted the need for secure data storage and Data Protection Act 2018 compliance.

65. Only 6% of responses disagreed with the principle of identity verification, largely due to concerns about the speed of incorporation or increased burden on businesses and fears that this would harm ease of doing business. Some thought that the measures were unnecessary or disproportionate. Some thought that it was not the role of Companies House to verify identities.
66. Some respondents asked questions about the practicalities of identity verification, for example what would happen if a verification check failed. There were calls for a risk-based approach and for Companies House to take a proactive enforcement role. Questions were raised over who would have access to the new information collected by Companies House.
67. Respondents suggested a range of options that the Government should consider that could provide greater certainty over who is setting up, managing and controlling corporate entities. These included:
- Greater data sharing across Government so that people would not need to be asked the same information multiple times.
 - A flagging system for identity verification, with enhanced verification and ultimately referrals to law enforcement if a number of red flags were identified.
 - Increased compliance and enforcement by Companies House, for example the use of fines.

Government response

68. The Government will proceed with the proposal to introduce identity verification into the incorporation and filing processes run by Companies House. This will strengthen the system without harming ease of doing business. Identity verification will help improve the reliability of the information on the register, adding confidence that only verified individuals can be listed as directors of a company. The verification process will also be used for controlling access to the filing of information, providing confidence that only verified individuals or verified regulated agents are filing information.
69. Information on companies may be filed at Companies House by a range of individuals. They may be people connected with the company, such as a director or some other employee (in the context of filing information, we have referred to all such individuals as “presenters”). Alternatively, information may also be filed by third party agents (professional intermediaries who provide such services, including accountants and trust and company service providers, who should be registered with a supervisory authority).
70. Identity verification will be required for company directors, People with Significant Control (PSCs) and individuals filing information (presenters). We envisage that the requirement to verify identity should also apply to those in a similar position to directors in different corporate structures, for example general partners of LPs and members of LLPs. The Government intends to develop a fast, efficient, 24/7 digital verification process, in order to prevent verification from causing significant delays in the incorporation and filing processes. The Government expects the majority of verifications to be conducted through digital processes and that for most individuals this process will take a matter of minutes; however, alternative methods will be available for cases when this is not possible in order to ensure that verification is widely accessible. More detail on proposed verification processes is provided in Chapter 2.
71. Identity verification will help create a more seamless service for Companies House users: once a user has verified their identity, they will be able to access all Companies

House services through a single, verified account. This will be underpinned by the introduction of a new Companies House identity and access management system. We will look for opportunities to further streamline services in the future, in partnership with other government departments and agencies.

72. Where a person fails to verify, the usual outcome will be that the intended action cannot proceed: i.e. a director's appointment will not proceed, a presenter will not be able to file information. Where the failure is suspicious, we intend that the information will be shared with the appropriate bodies. As we develop the detail of verification processes, we are in discussion with partners in government as to what information they wish to receive and when.
73. The introduction of identity verification checks will improve the reliability of information filed with Companies House and dissuade misuse of companies and other legal entities. However, such checks do not amount to, and are not intended to be, anti-money laundering (AML) checks and they do not replace customer due diligence (CDD) checks, as required by the Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (MLR). Therefore, those using the register in their business dealings will still need to undertake their own CDD checks. Nonetheless, the improved accuracy of Companies House data in relation to those setting up and running companies should provide further assurance to companies in their CDD checks.
74. The Government will work with the Information Commissioner's Office (ICO) to ensure that systems are fully compliant with the Data Protection Act 2018 and will consider if the new information collected as part of identity verification processes should be available to law enforcement and other government departments when certain conditions are met.

Summary way forward

- The Government will proceed with the proposal to introduce identity verification into the incorporation and filing processes run by Companies House. Identity verification will be required for company directors, People with Significant Control (PSCs) and those filing information (presenters).
- Companies House will explore the identity market to identify and procure the systems, services and expertise that will meet the policy intent and the needs of business and citizens.
- All services will comply with applicable standards and good practice guides, and will undergo rigorous security, privacy, usability and accessibility testing throughout the development process
- Further detail on the Government's proposed verification policy is set out in the chapters that follow.

Chapter 2: How identity verification might work in practice

Practicalities of identity verification

Responses were invited to the following questions:

Q4. Do you agree that the preferred option should be to verify identities digitally, using a leading technological solution? Please give reasons.

Q5. Are there any other issues the Government should take into account to ensure the verification process can be easily accessed by all potential users?

Views received

75. 75% of respondents agreed with the proposal to verify identities using digital technology. This was generally considered to be the most efficient and effective means of verifying identities, given the volumes that Companies House will be dealing with. Recurring themes in response to the practicalities of verification were concerns around accessibility and data security. Respondents also sought assurance that the technology used will be effective and that the methods employed will not disproportionately disadvantage small companies and disincentivise investment in the UK.

76. Respondents noted that there are plenty of commercially available solutions and that digital identity verification is commonplace in some sectors, for example the banking sector. There were also several suggestions to explore Open Banking⁵ as a potential solution and to look at what some other countries are doing. There was lots of qualified support, with the primary concerns focussing on accessibility (for example people living in rural areas, people with disabilities and foreign citizens) and data security. Concerns were also raised over the Government's previous experience of rolling out digital services on a large scale. A significant portion of respondents suggested we should supplement digital identity with manual checks, for example checks in person using physical copies of documents. The reasons given were both practical, to improve accessibility, and effectiveness, to ensure the verification processes are sufficiently robust.

77. Only 15% disagreed with digital verification of identities. The main reasons given were that the required technology is not yet sufficiently robust and that it is open to hacking/fraud. Some respondents were sceptical that the Government could effectively implement the reforms.

78. Responses to question 5 echoed some of the concerns raised in response to question 4 around accessibility, usability, cost and data security. The need for Government to consider supplementing digital verification with non-digital methods also came through strongly.

⁵ Open Banking is designed to bring more competition and innovation to financial services. It is a secure way for individuals to give providers access to their financial information

79. Many responses suggested that Companies House should cross reference its records with other government departments such as HMRC, Passport Office, DVLA and the Cabinet Office to ensure consistency; many also highlighted how we could learn lessons from these and from other organisations that already use identity verification.

Government response

80. Given the strong support received, the Government will proceed with developing a digital verification service that uses leading technology. Companies House will carry out extensive stakeholder and market engagement to ensure that the technology used is robust and fit for purpose. In the vast majority of cases, they plan to use an Identity Provider from the public or private sector to perform the verification on their behalf. In developing a digital verification service, they will ensure that concerns around the impact on small companies and the speed of incorporation are mitigated as far as possible.

81. Companies House will ensure that the service is inclusive and accessible. We expect that most people will be able to verify their identity through digital processes in a matter of minutes. We will also provide alternative, non-digital methods for those unable to prove their identity electronically. There are several methods available in order to achieve this. For example, taking identity documents to a person or organisation authorised to certify them and then sending them to Companies House or undertaking verification over the telephone. As the policy develops on the right standard of identity verification, Companies House will choose whichever non-digital methods are appropriate to achieve this.

82. We recognise there may be some individuals who will find it more difficult to verify their identity with Companies House and for whom the process will take longer. However, given our focus on a technology-based solution, we are confident the UK will remain one of the quickest and easiest places in the world to start a business.

83. We will address data security concerns, working closely with the Information Commissioner's Office and other data security experts to ensure any processing, storage and sharing of identity data is proportionate and fully compliant with UK data protection legislation.

84. We will explore the potential of cross-checking identity data with other government data sets, such as the Passport Office and DVLA. We will ensure that the necessary legal gateways are in place to allow this and look to put in place digital solutions that will allow automated checking between Companies House and other partners' systems.

85. There are recent relevant developments from the Department for Digital, Culture, Media and Sport and the Government Digital Service regarding digital identity, specifically the development of interoperable standards to enable the secure use of digital identities and attributes across the public and private spheres, making it easier for citizens to prove their identity online. The next steps for this work will be outlined in the forthcoming response to the Digital Identity call for evidence. We will continue to work with them to maintain alignment. The Financial Action Task Force (FATF) have recently published draft guidelines for regulated bodies on undertaking digital identity checks as part of CDD. Our current thinking is compatible with these guidelines and we welcome FATF's approach, particularly with regards to inclusion.

Summary way forward

- The Government intends to proceed with developing a digital identity verification service that uses leading technology. In doing so, we will address concerns around accessibility, usability, cost to business and data security.
- Companies House is currently engaging with the market to further develop their thinking and approach, and they expect to start procuring some of the services and infrastructure needed for verification early in 2021.
- While the digital service will meet the needs of the vast majority of people, Companies House will provide alternative, non-digital methods for those unable to prove their identity electronically.
- To ensure usability and accessibility, Companies House will undertake a significant user testing programme as system design and implementation enters its final stages.

Identity verification undertaken by third parties

Responses were invited to the following questions:

Q6. Do you agree that the focus should be on direct incorporations and filings if we can be confident that third party agents are undertaking customer due diligence checks? Please give reasons.

Q7. Do you agree that third party agents should provide evidence to Companies House that they have undertaken customer due diligence checks on individuals? Please give reasons.

Views received

86. 52% of respondents agreed that the focus for identity verification should be on direct filings, while 32% disagreed and 16% did not answer. Where support was demonstrated, this was mostly qualified with the need to monitor third party agents more closely than currently. Specific concerns were raised about trust in overseas third party agents, with some suggesting the Government should limit filing to UK agents.
87. A number of respondents pointed to a potential gap where third party agents may legitimately, under anti-money laundering (AML) rules, not verify the identity of all directors and people with significant control.
88. 71% of respondents agreed with the proposal that third party agents should provide evidence to Companies House that they have undertaken customer due diligence checks on individuals. Reasons given included assistance in the prevention of fraud and equal confidence in data on the public register, regardless of filing method.
89. Some respondents indicated that Companies House should adopt a risk-based approach to requesting evidence, rather than requesting it in all cases.
90. Respondents who disagreed with the proposal to collect evidence felt that it would result in a duplicate obligation, since third party agents are already regulated and supervised for anti-money laundering purposes. Linked to this, some respondents said it would be too costly and onerous to provide evidence of customer due diligence checks. Some also stated it is the role of supervisory authorities to ensure agents are fulfilling their due

diligence duties, not Companies House. Finally, some respondents expressed concerns about a possible increased risk of personal information breaches and queried whether this approach would comply with the Data Protection Act 2018.

Government response

91. We will proceed with the proposal not to duplicate checks undertaken by third party agents but work closely with HMRC and others to find the best way for Companies House to support the anti-money laundering (AML) supervisory regime in the UK.
92. We will proceed with the proposal to require evidence of identity checks but work closely with the regulated sector, supervisory authorities and law enforcement agencies to define a minimum standard of acceptable evidence that is comparable with the identity verification that will be undertaken by Companies House on direct incorporations. It would be inefficient to duplicate checks that have already been carried out by regulated entities. However, if Companies House allowed filings from third party agents without evidence of checks, this could create a loophole that could be exploited by a minority who wish to avoid scrutiny.
93. In developing a definition for a minimum standard of acceptable evidence of identity checks, Companies House will require evidence of checks for all directors and PSCs.
94. We will work closely with the Information Commissioner's Office and other interested stakeholders on the most appropriate policies and procedures for processing, storing and sharing personal information obtained as part of the requirement to provide evidence of identity checks. We will carefully consider the necessity of retaining this information, alongside the need for timely and efficient access to information for investigative purposes.
95. Companies House will support the AML supervisory regime in partnership with supervisory authorities, mindful of the fact they all work differently according to the sectors they regulate. Companies House will work to create feedback loops of non-compliance with customer due diligence requirements, thereby strengthening the AML regime in the UK.
96. Companies House will require overseas agents, if permitted to file as third party agents, to provide as a minimum, details of their supervisory body, including name and country. This will help Companies House identify whether agents filing on behalf of companies fall within scope of UK regulations and standards or equivalent. If these requirements are not met, Companies House will require overseas agents to file as if a presenter, therefore making identity verification necessary. Alternatively, companies can use a UK agent.

Summary way forward

- We will develop an identity verification regime that allows the filing of information by agents on behalf of a company, without the need for individuals who are directors or PSCs to verify their identity under the Companies House process. An agent will be able to apply to Companies House to open a verified account for those individuals. Thus Companies House will not duplicate identity checks, where they have been carried out by third party agents as part of the customer due diligence process. Companies House will, however, require evidence of identity checks for all directors and PSCs in order for their account to be created.

- As we develop the regime, we will work closely with the regulated sector and other government departments to define the right standard of acceptable evidence.
- We will work closely with the Information Commissioner's Office and other interested stakeholders to develop the most appropriate policies and procedures for processing, storing and sharing personal information obtained as part of the requirement to provide evidence of identity checks.

Information collected on third parties

Responses were invited to the following questions:

Q8. Do you agree that more information on third party agents filing on behalf of companies should be collected? What should be collected?

Q9. What information about third party agents should be available on the register?

Views received

97. 71% of respondents agreed that more information on third party agents filing on behalf of companies should be collected. The strong support for the proposal was informed by a general sense that the current lack of information collected on third party agents could enable unscrupulous activity.
98. Respondents in favour contended that collecting more information on third party agents filing on behalf of companies would strengthen accountability and assist the Government's attempts to combat money laundering; these responses support the Government's intention to empower Companies House to actively support the regulatory regime in relation to third party agents.
99. Of the 14% who disagreed with collecting additional information on third party agents, the majority felt that doing so would be unnecessarily bureaucratic and time-consuming. Some respondents rejected any role for third party agents in the incorporation and filing process at Companies House, suggesting filings should only be permitted if made directly with Companies House.
100. Respondents' views varied as to what information on third party agents should be collected. Suggestions included a third party agent's full name, address, and email address. Some saw merit in requiring additional information, such as details of its regulatory body or unique identifiers where available.
101. The question of what information about third party agents should be made available on the public register elicited a mixed response. Many respondents suggested that the amount of information available on the public register should be kept to a minimum. Some felt that third party agents should be required to provide their business name, business address, contact name, and the name of the agent's appropriate professional regulator. A number suggested that this should include the agent's regulator registration number and jurisdiction of registration.
102. In relation to personal information on individuals working within a third party agent, a number of responses suggested that this should be recorded by Companies House but not be made publicly available. However, there was support for this information being made available to law enforcement agencies.

Government response

103. We will proceed with the proposal for Companies House to collect more information on third party agents. Our intention is that agents will be required to open an “agent” account with Companies House. This account will be used for all the filings they make on behalf of clients. To be eligible for an agent account, certain information about the entity will be required. For agents that are UK registered entities, Companies House will be in possession of much of the information. Our intention is that Companies House will collect additional information to confirm that the agent is registered for AML purposes and the identity of their supervisory body. Should an overseas registered agent be eligible and wish to open an account, we anticipate that they will need to provide information equivalent to that supplied by UK registered agents.
104. This reform is essential to allow Companies House to provide meaningful information to law enforcement and supervisory authorities, thereby achieving our aims of tackling the misuse of corporate entities and strengthening the anti-money laundering supervisory regime in the UK. We will be consulting further with stakeholders about the most appropriate information to collect.
105. Information about third party agents on the public register will be kept to a minimum. The additional details about third party agents not on the public register will be accessible to law enforcement agents and Companies House, ensuring checks can be made if and when necessary, for fraud prevention and investigation purposes. We will continue to liaise with law enforcement agencies and other government departments to determine what information Companies House should hold on agents and what should be shown on the public register.

Summary way forward

- In order to file or update information at Companies House a person will need to be verified and hold a Companies House account. Agents who wish to offer this service will need to open an agent account. In order to do this, third party agents will need to provide Companies House with further information including details of the agency, where not already available, and details of the agency’s registration and supervision for AML purposes. We intend that the information available on the public register in relation to third party agents will be kept to a minimum. The nature of information collected will be determined following discussions with relevant stakeholders and other government departments.
- We will ensure that all information on third party agents is made available to Companies House and law enforcement agencies, to support the regulation of these agents, strengthen accountability and assist the Government’s attempts to combat money laundering.

Chapter 3: Who identity verification would apply to and when

Verification of and legal appointment of directors

Responses were invited to the following question:

Q10. Do you agree that Government should:

- *mandate ID verification for directors and*
- *require that verification takes place before a person can validly be appointed as a director?*

Please set out your reasons.

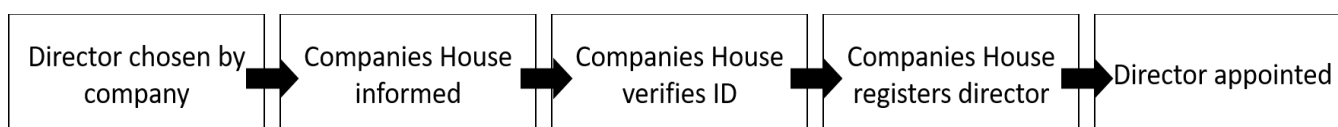
Views received

106. 81% of respondents agreed with the proposal for mandatory identity verification of directors, recognising it to be essential for effective implementation of the verification policy. 74% of respondents agreed that verification should take place before legal appointment, although some concerns were raised by respondents in the legal and venture capital sectors.
107. Law enforcement agencies, the accountancy sector and civil society were supportive of both proposals. Some respondents from these sectors thought that relying on verification after appointment would result in lower levels of compliance with the verification requirements because the incentive to verify post-appointment would be insufficient, which could create opportunities for illicit behaviour. These respondents also raised concerns that post-appointment verification may create legal ambiguity regarding a director's status in the period before verification.
108. Concerns about the second proposal, raised primarily by legal and venture capital sectors, focussed on potential uncertainty about the point at which a director is validly appointed and the resulting impact on decisions or resolutions made by a company. Respondents also raised concerns that any delay to appointment could reduce the UK's competitiveness, increase the number of unincorporated businesses and diminish the reputation of Companies House. Respondents that disagreed with both proposals had concerns regarding privacy and administrative burden on business.
109. Respondents provided several suggestions to mitigate concerns raised, including providing an option to pre-verify identity, a grace period post-appointment or a requirement to verify at the same time as filing with Companies House but without altering legal effect.
110. Representatives from the credit reporting sector were generally supportive but suggested that there may be an increase in unincorporated businesses as a result of mandatory verification. Their proposal to mitigate this was to re-introduce the register of business names and cross check it with data from other government departments.

Government response

111. Identity verification of directors is crucial in order to obtain better information on who is setting up and running UK companies. The Government intends to proceed with the proposal that identity verification must take place before a person can be validly appointed as a director. The Government believes that requiring identity verification before legal appointment as a director is a proportionate approach to improve the accuracy of information on the Companies Register and can be implemented without imposing a significant burden on legitimate UK companies.

112. The Government envisages the following process for a director's appointment. A company will select an individual they wish to appoint as a director, who will undergo the appointment process. The individual or a company representative will contact Companies House, who will then verify the identity of the individual. If verification is confirmed and all the necessary director details have been submitted, the individual can be registered as a director with Companies House. The director appointment will take place at the moment when the individual is registered with Companies House. Companies House will inform the newly appointed director and the company that this has taken place. The appointment and verification process is envisaged, in most cases, to be carried out through a fast, efficient digital service.



Process flow for appointing a company director integrating identity verification

113. Once a director is verified and appointed for the first time, they will have a verified individual account at Companies House. All subsequent appointments will be made using this account, whether they involve the same or a different role at the same or a different company. So, the appointment of a director who already has a verified account at Companies House can be registered and confirmed straight away.

114. The Government has considered the concerns raised by respondents on the possible impact of identity verification of directors on UK companies. In designing the digital and alternative identity verification process, we intend to develop the following options to minimise potential negative effects of the policy:

- The appointment and verification system will be quick and accessible, to minimise the impact on speed of incorporation and director appointment. In most cases, it is envisaged that identity verification will be a digital process that will require a smart phone, or similar device, and identity document. We envisage that, in most cases the process will take a matter of minutes. As most companies on incorporating only have one director⁵, in almost all cases companies will still be able to incorporate easily within 24 hours.
- The Government intends to create an option to open an account and verify identity before a person takes on a role for which this is mandated, such as being appointed as a director. This will mean the individual chosen as a director will already have a verified identity with Companies House and identity verification will not need to be carried out again as part of the director appointment process.

⁵ Companies House statistics show that 77.5% of companies incorporated from 1 April 2019 to 31 March 2020 registered with only 1 director.

- Details of changes will be communicated well in advance. Full guidance will be issued in advance of the changes to ensure that the public and specifically individuals who need to open an account are aware of the changes and have sufficient time to respond.
- The Government intends to continue to closely engage with stakeholders as it develops this proposal and will consider further how it will apply in cases where corporate directors are present.

Summary way forward

- The Government intends to proceed with the requirement for identity verification before a person can be legally appointed as a director.
- The Government will continue to consult stakeholders while developing this policy to ensure effective implementation and to communicate changes and new obligations well in advance of commencement.

Verification of PSCs

Responses were invited to the following question:

Q11. How can identity verification of People with Significant Control be best achieved, and what would be the appropriate sanction for non-compliance?

Views received

115. Most respondents thought that verification of PSCs should be compulsory, some thought it should be voluntary and a very small number disagreed with the verification of PSCs. Respondents were mostly supportive of the Government's proposal that the PSCs should be responsible for verifying themselves, however some thought that this duty should sit with directors. Some NGOs and individuals thought that Companies House should also verify a PSC's position in the company, for example using evidence of shareholdings or a statement of voting rights.
116. There was quite widespread recognition that it would be difficult to achieve the verification of all PSCs, particularly in the case of overseas individuals. Respondents were mostly supportive of using the same methods as for the verification of directors. The use of identity documents like passports and driving licenses and proof of address was widely mentioned. A minority thought that verification of PSCs should be done by approved third parties. The use of regulated professionals (e.g. notaries) for overseas individuals was proposed.
117. There was recognition that many PSCs will also be directors: respondents recommended that no further identity checks would be needed in these cases as directors would already be verified.
118. There was widespread support for flagging on the register whether or not PSCs had been verified. There were suggestions of various sanctions for non-compliance, either to be combined with flagging or as stand-alone sanctions. The primary suggestions given were fines (for the individual or the entity), criminal proceedings, company strike-off or restricting a company's rights more broadly. Some

respondents suggested combining these, for example fines followed by strike-off if no action was taken.

Government response

119. We will proceed with making verification of PSCs compulsory and flag on the public register if they have or have not been verified. A person becomes a PSC by virtue of their interest or control over a company, not by appointment. Therefore, we cannot make the “position” of PSC conditional upon successful completion of identity verification. We will be mindful of the need to make a clear distinction between an individual’s PSC status and their verification status.
120. We will make the PSC responsible for verifying their own identity and will ensure that if an individual has already been verified (for example, if they are a director) then they do not need to do it again. This is one of the key benefits of having a single identity registered with Companies House; we will be able to provide a more streamlined service for filing information.
121. We will consider the most appropriate notification methods to ensure PSCs are aware of their obligation to verify their identity. Also, as outlined in Chapter 2, the process to verify will be as quick and easy as possible and utilise leading digital technology.
122. We will develop a suite of compliance activities and sanctions to ensure that as many PSCs as possible are verified within a certain time period of them confirming that they are the PSC with the company. We will consider what, if any, role companies should have in ensuring the verification of their PSCs.

Summary way forward

- We will make identity verification of PSCs compulsory and place the responsibility on them to verify their identity with Companies House. We will flag on the public register whether or not a PSC has been verified.
- Failure to verify will be an offence. We anticipate that sanctions will be line with those for existing PSC offences. As our proposals develop, we will decide on the most appropriate sanctions. The Government will consider how these principles apply to companies owned and controlled by legal entities, as opposed to individuals.

Verification of presenters

Responses were invited to the following question:

Q12: Do you agree that Government should require presenters to undergo identity verification and not accept proposed incorporations or filing updates from non-verified persons? Please explain your reasons.

Views received

123. 72% of respondents agreed that the Government should require individual presenters to undergo identity verification and not accept proposed incorporations or filing updates from non-verified persons. Respondents said that this would improve the transparency and accuracy of the register and that it would provide an audit trail for

document delivery, which could reduce fraud, false filings and inaccurate information on the register.

124. Respondents both for and against the proposal asked about the frequency of verification and suggested that an individual should be verified only once and not every time they file. As in previous questions, respondents highlighted that verification should not be burdensome or result in significant delays. An organisation representing company secretaries questioned if company secretaries would be verified under this proposal.
125. 13% of respondents disagreed that that Government should require presenters to undergo identity verification and not accept proposed incorporations or filing updates from non-verified persons. Some said that presenters should not take on liability for individuals on whose behalf they are filing and some (particularly accountants and insolvency practitioners) did not want the responsibility of verification to fall to them. A few respondents raised questions about how verification would work with paper filings. Others suggested that the quality of information should be checked, not the identity of the individual filing it.

Government response

126. We will proceed with the proposal to verify the identity of presenters, and to not accept proposed incorporations or filing updates from non-verified persons. The term 'presenter' will include any individual or firm filing information on behalf of a company under a personal Companies House account. Presenters will be required to verify their identity when they set up an account with Companies House and not every time that they file information. Individuals that already have a verified Companies House account will not need to re-verify their identity in order to file information, for example if they have verified their identity as a company director.
127. In order to file information on behalf of a company, an individual will need to have a verified Companies House account and have the Companies House log-in details for the relevant company. The Government believes that this will reduce the number of false filings and provide a deterrent to the false supply of information. The company and its directors are responsible for ensuring the accuracy of the information filed and for allowing others to file on its behalf. If false information is provided, then the knowledge of who has filed the information will enable the company and/or Companies House to take the necessary action.
128. Measures detailed elsewhere in this document will help ensure the accuracy of information filed by presenters. For example, the identity verification of directors and PSCs will confirm the information provided by presenters of those with a key role within the company. Moreover, granting Companies House more discretion to query information before it is placed on the register and to ask for evidence where appropriate will provide a further level of checks.
129. As detailed in Chapter 2, AML-supervised entities will have the option to set up an agent account, which will involve providing further information to Companies House to confirm that the body is AML registered and to provide details of their AML supervisory body. Individuals filing under verified agent accounts will therefore not need to verify their identity because the Government considers this disproportionate, given the checks that have taken place on the agent account. Any filings made by an agent account will be in the name of the agent, meaning that the agent can be held to account in the case of any discrepancies.

Summary way forward

- We will proceed with the proposal to verify the identity of presenters, and to decline proposed incorporations or filing updates from non-verified persons. The term 'presenter' will include any individual or firm filing information on behalf of a company who does not fall into the category of third party agent. Individuals already holding a verified Companies House account will not be required to re-verify their identity in order to file information.

Verification for existing directors and PSCs

Responses were invited to the following question:

Q13. Do you agree with the principle that identity checks should be extended to existing directors and People with Significant Control? Please give reasons.

Views received

130. 74% of respondents agreed with the proposal that identity checks should be extended to existing directors and people with significant control. Respondents were keen to ensure consistency in the reliability of data across all parts of the register and to avoid creating a major loophole leading to a two-tier system.
131. Respondents highlighted the need for a transition period to prepare companies and, given the number of individuals involved, to consider a phased approach in order to spread the workload for Companies House.
132. Of the 14% of respondents who disagreed, some raised concerns over the volume of checks required and difficulties in assuring compliance. Some disagreed due to the increased burden on businesses or thought that the measures were disproportionate given the relatively high level of accuracy on the register.
133. Some respondents from the legal sector suggested that requiring existing directors to verify their identities could cause issues about the legality of board decisions if failure to verify were to affect their legal status as a director. There were some suggestions of alternative options to ensure the credibility of information on the register, such as identifying red flags in the data and addressing concerns about false data in the register.

Government response

134. We will proceed with the proposal to extend identity checks to existing directors and people with significant control. This will help to ensure the entire companies register is built upon accurate, reliable data.
135. There are approximately 10 million existing directors and people with significant control. We will therefore take a carefully managed approach to implementation, giving companies and individuals sufficient time to comply with the new requirements.
136. Alongside a comprehensive communications strategy, we will consider the most effective ways of achieving compliance with the new requirements. For example, we could use annual confirmation statements as a means to prompt identity checks. Filing

dates are spread throughout the year, so it could be a practical way of dealing with the volume of individuals who will need to verify their identity.

137. We will also introduce sanctions for those companies and individuals who do not comply with the requirement to verify the identity of existing directors and people with significant control, recognising the concerns raised by some respondents about the possible adverse effect on board decisions and the legal status of directors.

Summary way forward

- We will proceed with the proposal to extend identity checks to current directors and people with significant control.
- We will allow companies a transitional period to comply with the new requirements but have sanctions available for those who do not comply by the end of this period.

Chapter 4: Requiring better information about shareholders

Information on shareholders

Responses were invited to the following question:

Q14. Should companies be required to collect and file more detailed information about shareholders?

Q15. Do you agree with the proposed information requirements and what, if any, of this information should appear on the register?

Views received

138. While there was some support (52%) for the proposition that companies be required to collect and file more detailed information about shareholders, it was noted that much of that support was predicated on an assumption that additional information would be made publicly available. Chapter 10 of the consultation document explained that the intention was rather to restrict access to such information to Companies House itself and to other public authorities. Of the 33% of respondents who disagreed with additional information requirements, accountancy bodies, along with legal and business representative organisations were not convinced that a case had been made that there would be demonstrative benefits which would outweigh the additional burdens that would be imposed on business. Business representative bodies were particularly concerned about burdens on those companies with a high volume of share turnover. Other arguments against included a fear that employees share ownership schemes would be discouraged and the view that more demanding information standards already existed where it was relevant and appropriate in the form of the PSC framework. Those against also warned that further information requirements might be circumvented through the use of nominees and corporate vehicles. Those who disagreed with the principle of collecting more information did not generally respond on the question of what information should be collected.
139. While the credit industry was in favour, its enthusiasm was coupled with the view that credit reference agencies should have access to the information. Representatives from the banking and financial services sector agreed with the proposal but had concerns about what would happen in merger/acquisition scenarios. Law enforcement bodies supported the principle of further access to information, and suggested that shareholders national insurance number should also be collected. Passport numbers, email addresses and phone numbers were amongst other suggestions. Civil society groups, for example, thought that the same information should be collected as for PSCs. A number of other respondents made suggestions about what information should be collected for corporate shareholders.
140. A small number of respondents made the point that the effect of the proposed exemption for traded companies would be to require more information from small and medium sized enterprises (SME) private companies than traded public

companies. Some respondents also thought that more information should be required where the shareholder was a corporate entity, particularly a foreign company.

141. As far as disclosure of information on the register was concerned, many respondents (both in favour and against the proposal) made similar points about the need to ensure that information which is publicly available does not include personal information which would put individuals at risk, e.g. of identity theft or other harm. There was, however, less consensus around what information should be made available on the register. A few respondents thought shareholder identity verification in itself (see Q16) should be sufficient.

142. A number of respondents stated either that they did not understand the question or that they did not know what the current information requirements were for shareholders. A number of responses confused information requirements for shareholders with those for directors. Some respondents thought that information about shareholders should be available (either from the company itself or from Companies House) on request only. A couple of respondents also raised the issue of the public availability of a company's Single Alternative Inspection Location (an address other than that where a company may hold its registers) on the Companies House register where this location was also a person's residential address.

Government response

143. Given the restricted access the consultation envisaged, we agree on balance with those who felt that an insufficiently strong case had been made for the collection of the additional data proposed. In the meantime, recognising there is scope to make it easier to access company shareholder information, we propose to take forward action to require companies to provide full names for shareholders. At the same time, Companies House will look to improve the format of the information by allowing users easily to view and inspect a full list of shareholders. This list will be updated annually at a company's confirmation date. This will be a marked improvement on the present situation where forming a comprehensive picture of current share information requires research through historic filings. Introduction of this facility may require every company to file a full, one-off shareholder list.

Summary way forward

- We will restrict the additional shareholder information requirement to the collection and reporting of full shareholder name.
- In parallel, Companies House will make it easier for users to view a full list of company shareholders to enhance the transparency of current shareholder information.

Identity verification for shareholders

Responses were invited to the following question:

Q16: Do you agree that identity checks should be optional for shareholders, but that the register makes clear whether they have or have not verified their identity? Please give reasons.

Views received

144. The proposal that identity checks should be optional for shareholders received support from only 45% of respondents. A variety of views were put forward in response to this question, but in general those who supported verification of shareholders did not support it as an optional requirement for all. Some respondents expressed a preference for mandatory verification for those that hold shares above a certain threshold, while a minority supported mandatory verification for all shareholders on the basis that, for most companies on the register, it would not be a significant burden.
145. Those who rejected the proposal entirely raised concerns around the burden for shareholders, commercial sensitivity and privacy. Some respondents thought that optional verification is impractical and would have a minimal uptake, which would create a lack of consistency across the register.
146. Concerns were raised by some respondents that optional verification could lead to confusion, with negative inferences being unfairly drawn about companies with unverified shareholders. It was also pointed out that consideration should be given to how it may affect time-sensitive transactions, such as mergers and acquisitions.

Government response

147. The Government has considered the range of views received and is minded not to proceed with identity verification of shareholders at this time.
148. Management information from Companies House suggests that up to 56% of shareholders of (non-traded) private limited companies are also PSCs. Their identity would therefore be verified as a result of this dual role.
149. This means that the task of verification would fall to those shareholders who are not deemed to exercise significant influence or control. This could generate a disproportionate burden on casual investors and may therefore disincentivise investment in UK business. The other side of this equation is the burden on large companies with lots of shareholders who change frequently.
150. There are further potential unintended consequences of a requirement to verify shareholder identities, such as privacy concerns for casual investors and those wanting to separate their professional life from their personal life. Additionally, optional verification could lead to confusion, with negative inferences being unfairly drawn about companies with unverified shareholders.
151. It could be argued that for the vast majority of companies, which have few shareholders, it would not seem disproportionately burdensome to have them verified on a mandatory basis. However, those with more than 25% of shares are already required to verify their identity as PSCs. For the remainder, the Government views the requirement to verify as a disproportionate burden.

Summary way forward

- The Government does not intend to proceed with a requirement to verify the identity of shareholders.
- Shareholders with a controlling interest in companies will be required to verify their identity as a PSC. We do not consider the case has been made for the requirement to be extended to all shareholders.

Chapter 5: Linking identities on the Companies House register

Unique identifiers

Responses were invited to the following question:

Q17. Do you agree that verification of a person's identity is a better way to link appointments than unique identifiers?

Views received

152. 62% of consultation respondents agreed that verification of a person's identity is a better way to link appointments than unique identifiers.
153. Respondents in favour of identity verification, including the accountancy sector and the credit industry, pointed to an increase in transparency and better linking of individuals. Some stated there are already too many unique numbers for individuals to remember, for example passport numbers and national insurance numbers. Respondents said that identity verification is consistent with the approach of data rich organisations who are moving to a person centric model and that this would minimise fraud, aid enforcement and provide a direct link to the individual. Respondents pointed out that verification needs to be robust and any system would need to comply with data protection requirements.
154. Of the 18% who favoured unique identifiers (rather than identity verification), some raised data protection and security concerns in using identity verification. Others considered that the unique tax reference, national insurance number, passport or driving licence numbers should be used. Some raised concerns about how verification would work, and others, including some business representative bodies, stated that unique identifiers would better link appointments.
155. The legal sector, civil society and law enforcement said that a unique identifier should also be used in addition to identity verification, with opinions divided on whether the numbers should be public or private. Civil society explained that using bulk data would require a form of unique identifier or unique key to group individuals across different roles in companies.
156. There were a few concerns with linking individuals i.e. linking professional capacity (director of a PLC) and personal capacity (director of a charity). Some respondents did not understand the question, had no knowledge of unique identifiers or confused verification and unique identifiers.

Government response

157. The Government believes that identity verification is a better way to link appointments than unique identifiers. Once an individual has a verified account with Companies House, either by verifying their identity directly with Companies House or through a third-party agent, it will be possible to link their different roles in multiple companies to a single, verified account. For example, if an individual is a director of one

company and a PSC of another then Companies House will link the two records to their single verified account and this will be clear on the public register. This will allow searchers of the public register to view all directorships held by an individual and whether that individual is also a PSC and will provide certainty that an individual is who they say they are.

158. Subsequent updates on the register will be linked to that verified identity; an individual will not need to be verified again, nor will they need to supply a unique identifier to confirm they are the same individual, they will simply need to log in to their verified Companies House account.
159. It will continue to be possible for those using the data in bulk (for example, for analytical purposes) to connect individuals using a type of unique key.
160. Relevant technical and organisational measures will be put in place to ensure verification information is processed securely and complies with data protection obligations.

Summary way forward

- The Government will proceed with using the person's verified identity to link directors and PSCs, rather than unique identifiers.

Disclosing usual residential address information

Responses were invited to the following question:

Q18. Do you agree that Government should extend Companies House's ability to disclose residential address information to outside partners to support core services?

Views received

161. Whilst 35% of respondents agreed Government should extend Companies House's ability to disclose residential addresses to outside partners to support core services, 51% disagreed. There was a trend throughout respondents who commented that the proposal is vague and said further information is needed to allow them to fully consider the impact.
162. Among those who agreed there appears to be some confusion about the intention of this measure. Some stated the information should be available to law enforcement, other governmental departments and other trusted outside partners. There was some concern that the intention was to put residential address information in the public domain and, mainly from individuals, that the intention was to sell the information on for marketing purposes. Some also flagged concerns about the difficulties of protecting sensitive information, the need to limit the definition of "core services" and properly define the purpose of data sharing.
163. Individuals were particularly concerned about invasion of privacy and data security. Many stated that adequate protections need to be in place and raised privacy and General Data Protection Regulation concerns. There were also questions about who should access the data i.e. law enforcement, other government departments and other trusted partners.

Government response

164. It is clear from the views received, the rationale for the proposal extending Companies House's ability to disclose residential address information had not been fully understood.
165. Directors and PSCs are required to provide Companies House with their service address and residential address. The service address is made public, but the residential address is kept private by Companies House. Current legislation largely prohibits Companies House from disclosing residential addresses except to public authorities and credit reference agencies (the conditions for disclosure are set out in the Companies (Disclosure of Address) Regulations 2009).
166. In order to support the reform measures, particularly the ability to proactively share information with law enforcement agencies where there is a suspicion of fraudulent behaviour (see question 34), Companies House will require the ability to share data, such as residential addresses. This is currently prohibited. The Government intends to change the law to remove these prohibitions so Companies House data can be shared proactively to help combat economic crime.
167. As part of the transformation of its services, Companies House will also make use of cloud-based data services and, where necessary, engage contractors to support its core services.
168. The Government acknowledges the privacy and data protection concerns expressed by some respondents. It will ensure that appropriate protections are in place and residential address information, or other protected information, is only shared in line with data protection legislation. Protected information, like residential addresses, will not be in the public domain, sold to third parties or used for marketing purposes.

Summary way forward

- The Government will extend Companies House's ability to proactively disclose residential addresses to support its core services. We will ensure that appropriate protections are in place and that information is only shared in line with data protection legislation.

Chapter 6: Reform of the powers over information filed on the Companies House register

Querying information placed on the Companies House register

Responses were invited to the following question:

Q19. Do you agree that Companies House should have more discretion to query information before it is placed on the register, and to ask for evidence where appropriate?

Views received

169. 79% of respondents agreed that Companies House should have more discretion to query information before it is placed on the register, and to ask for evidence where appropriate. Accountancy representative bodies clearly agreed with the proposal, suggesting that clear rules and guidance should be provided and that consideration should be given to flagging queried information on the register.
170. Although legal representative bodies were in favour, they raised concerns about the scope of the power, arguing that it should only apply to certain filings, such as accounts, but not to others, such as significant increases in share capital. They also raised the possible effect of the proposal on information that only has legal effect once it is filed on the register. Credit industry representatives agreed with the proposal and thought that it may have a deterrent effect on the filing of erroneous information.
171. Law enforcement expressed full support for the proposal, pointing specifically to the issue of companies claiming dormancy. Civil society also agreed with the proposal, giving examples of other “red flags” which they thought should trigger a query. Respondents in favour of the proposal also referred to the importance of having reliable information on the register and considered that this proposal would improve quality. Some argued that there should be transparent guidelines about when the power would be exercised, what discretion Companies House would have and what the timeframes would be for responses to queries.
172. A number of concerns were expressed about the effect such a power would have on the timeliness of filing information on the register and the need for Companies House to have additional resources/expertise to carry out this function. Some respondents argued that checking information should not be automated, with some believing that filings should be queried where discrepancies were identified (possibly by being brought to Companies House’s attention by a third party) or on a risk-based approach. There were differing views about the use of artificial intelligence: some respondents thought there should be increased use of automated scrutiny, whilst others thought that human intervention was necessary, e.g. to ensure that trivial errors were not queried. Several respondents referred to the quality of accounts information filed on the register and thought that this was an area where the discretion could be exercised.

173. Only 10% disagreed with this proposal, insisting that it would result in delays in putting information on the register and thought that it would result in trivial requests. Some also considered that it would change Companies House's status from a registry to a regulator and queried whether Companies House staff had sufficient expertise to carry out such a role.

Government response

174. The Government will proceed with enabling Companies House to have more discretion to query information before it is placed on the register, and to ask for evidence where appropriate.

175. We are clear on the need for this power. We can envisage a range of circumstances where it might be used when errors or anomalies are picked up through human scrutiny or automated checks. We accept that the current processes for amending and correcting information are cumbersome and often require external input. It is right that Companies House is empowered to be more proactive in managing the accuracy of information on its register.

176. We are conscious of those concerns raised about the range of circumstances in which such a power might be used and the danger that it could have a detrimental impact on the ease of incorporating companies and doing business. In giving the Registrar a legal basis to query, we need to consider further how a power would apply in instances where the legal effect of information or a document has been established prior to its filing at Companies House. We will consult again on the detailed scope of the new querying power and on how we would propose its parameters be appropriately framed and given effect.

177. We are mindful that the querying power must be proportionate, and consulting further will help us to ensure that we strike the right balance. We expect that queries will be predominantly raised by digital means, and this will help to ensure that filings are not unduly delayed by them. In our view, there could be a downstream reduction in burden for companies, for example by preventing a company from economic crime and its effects.

Summary way forward

- We will develop a policy on a new querying power for the Registrar and consult further on it in due course.

Removing information placed on the Companies House register

Responses were invited to the following question:

Q20. Do you agree that companies must evidence any objection to an application from a third party to remove information from its filings?

Views received

178. 70% of respondents supported the principle that companies should evidence any objection to an application from a third party to remove information from its filings. However, the accountancy representative bodies and some others had mixed views,

some suggesting that there should be a “public interest rectification” power exercisable by Companies House without an application. Others from the accountancy sector suggested that the courts were the proper arbiters of disputes and that there should be an appeals process. There were concerns raised about the possibility for vexatious and spurious applications, and, therefore some respondents suggested that both the applicant and the company should be required to provide evidence.

179. Many respondents (both those in favour and those against the proposal) argued that the third-party applicant should also provide evidence to support their application. Reasons given for this included the filtering of bogus claims and internal disputes and to stop malicious applications. Some respondents stressed that the process for submitting evidence should be simple and straightforward. Opinions were split on whether the evidence and the application should be publicly available on the register. One respondent considered that the information should be marked on the register as “disputed”. Several respondents proposed that there should be a process of independent arbitration or appeal.

180. 11% of respondents were against the proposal, some arguing that it was for companies to amend information rather than Companies House and that companies should have more rights over filings than third parties. Some thought that there could be circumstances where an objection was justified despite the absence of absolute evidence.

Government response

181. The vast majority of companies are diligent in filing up to date and complete information on the register, so it is logical that existing provisions give them the ability to correct information inadvertently submitted in error. Similarly, it is only right that the law as it stands affords them protection against malicious third parties who file false information in regard to them. We recognise, however, that on occasion companies themselves file false or misleading information to the detriment of third parties. Conscious of the need to guard against vexatious claims, we will introduce measures to oblige companies to justify retention on the register of information claimed as false by a third party. In doing so we will review more generally the Registrar’s existing powers of removal.

Summary way forward

- We will introduce appropriate measures to safeguard third parties against misleading or false information filed by companies on the register.

Chapter 7: Reform of company accounts

Minimum tagging standards

Responses were invited to the following question:

Q21. Do you agree that Companies House should explore the introduction of minimum tagging standards?

Views received

182. The consultation asked if Companies House should explore the introduction of minimum tagging standards of accounts in an iXBRL format. iXBRL allows computer-readable tags to be added to data. Financial information will appear unchanged to a human reader, but it will contain hidden tags which can be assessed and analysed by software. This would enable large amounts of data to be analysed, compared, and contrasted, and it can also improve accuracy and compliance with accounting standards by ensuring the necessary components of a set of accounts are present.
183. The majority of respondents who answered this question agreed that Companies House should explore the introduction of iXBRL tagging standards. Just over a third of the respondents did not answer the question or said they were not suitably qualified to provide an opinion either way.
184. Many responses from the accountancy profession made clear that they supported the exploration of iXBRL tagging but suggested we should look to fully tag all financial information contained within accounts which is already required by HMRC. Responses also highlighted that companies should not require additional software in order to tag information and we should look to fully enable all accounts types to be filed digitally directly with Companies House.
185. Representatives from credit reference agencies also supported the introduction of iXBRL tagging, as it would reduce potential fraud, create transparency and make financial information easier to extract and compare. The credit reference agencies also shared concerns over introducing a minimum tagging standard and felt fully tagged accounts would be their preferred outcome.
186. Responses from the accountancy profession and individuals welcomed the consistency of financial reporting across Government but expressed concerns that the process should not be onerous and create additional burdens on companies.
187. Several individual responses shared concerns over the tagging process creating an additional burden on companies if the Companies House tagging requirements differed from those of HMRC. Responses also stated that we should look to learn lessons from others who have implemented mandatory iXBRL tagging both in the UK and overseas, and we should be wary that applying an incorrect tag could impact a company's credit rating and financial position.

Government response

188. We will proceed with plans to explore introducing tagging standards and will focus on fully tagging financial information. We will also look at how information is filed

with Companies House to ensure it supports our future approach and benefits companies who file financial information with Companies House. In developing our proposals for full tagging, we will learn from others who have already introduced tagging standards and a legal requirement to file in iXBRL format. iXBRL is being implemented in many other jurisdictions including Japan, USA and Europe. Bringing the UK into line with international best practice, making financial information more robust and accessible and the ease of comparison of financial data across all jurisdictions, will support businesses seeking to invest in companies and will help to boost the economy. We recognise the concerns about additional burdens and will work across Government to discover where consistency can be achieved to support financial reporting in XBRL format; achieving consistency may help business to transition to financial reporting in the XBRL format. We will also explore options for supporting small businesses transition to the new format.

Summary way forward

- We will explore introducing full tagging standards for those filing with Companies House; including looking at how information is filed, and how we can best support small companies through this transition.
- We will aim to bring the UK into line with international best practice.
- We will learn from best practice in tagging standards and ensure consistency between this work and similar developments elsewhere in government.

Shortening the accountancy reference period

Responses were invited to the following question:

Q22. Do you agree that there should be a limit to the number of times a company can shorten its accounting reference period? If so, what should the limit be?

Views received

189. The majority of respondents supported limiting the number of times a company can shorten its accounting reference period (ARP). Accountancy professionals generally supported introducing changes and felt that the current system should be reformed as it is open to abuse. Suggested changes included introducing limits including once in 5 years, once in 10 years and providing consistency with the current regime on extending an accounting reference period. However, some shared concerns that changing the current system would impact those who may have legitimate reasons for shortening their ARP. Representatives from credit reference agencies also supported changes. They expressed interest in why the current system was being abused though they did not provide any recommendations for taking the proposal forwards.
190. Several individual responses both supported the proposal and provided suggestions for changes including limiting the number of times to two or three times within a five-year period. Most responses said shortening once every five years would be sufficient and consistent with the current restrictions on extending an accounting reference period. A common reason for support is that frequently changing the accounting reference period devalued the accounts process and was a tool to deliberately withhold financial information for longer periods.

191. Individual responses also highlighted that there may be exceptional circumstances where a company would need to shorten an additional time. A few suggested introducing a process which would allow for these, for an explanation to be given, and for permission to be granted to shorten again if deemed appropriate.

Government response

192. We will proceed with the proposal to limit the number of times a company can shorten its accounting reference period. For consistency we will explore the principles of the provision to extend the accounting reference period (ARP) which allow a company to extend its ARP once every five years.

193. We will also introduce further measures such as requesting information to support a change of ARP and providing scope for the Secretary of State to use their discretion when applying legislation to shorten or extend. These changes will end the misuse of the provision whilst providing compliant individuals with the opportunity to benefit from the intended purpose of the provision.

194. Where a company claims it is aligning its ARP with a parent or subsidiary as the reason for making a change, in future Companies House will request the name and company number of the parent/subsidiary to serve as a cross-check.

Summary way forward

- We will proceed with the proposal to limit the number of times a company can shorten its accounting reference period.
- We will review the legislation on extending accounting reference periods to ensure a consistent approach.

Improving financial information available on the register

Responses were invited to the following question:

Q23. How can the financial information available on the register be improved? What would be the benefit?

Views received

195. The majority of respondents did not provide an opinion on this question, with around one in four supporting improvement and under one in ten suggesting that no improvements were needed. Although there was less specific engagement, there were several detailed responses from individuals and representatives from the accountancy sector and credit reference agencies.

196. Many respondents from the accountancy sector supported making improvements to financial information available on the register citing benefits such as improving accuracy. Suggested improvements included requesting more detailed profit and loss information, checking for companies filing duplicate accounts and introducing more cross-checking of information between Companies House and other public sector bodies. Other suggestions included Companies House using technology to improve financial information.

197. Although all respondents from the accountancy sector suggested improvements, some respondents shared concerns that this could lead to cost and resource implications for Companies House.
198. Representatives from credit reference agencies also supported making improvements. They suggested introducing basic checks (such as checking that the balance sheet balances) and removing certain filing exemptions. They also suggested introducing one place for filing financial information with Government.
199. Several individuals and organisations shared similar concerns about the micro-entity regime, specifically the information contained within accounts filed under this regime, and reporting timelines, particularly the amount of time it takes for information to appear on the register.
200. Individual responses also suggested Companies House should request more information in accounts, look for discrepancies in accounts and verify that accounts have been filed under the correct regime. Other responses suggested the value of accounts could be improved if the Companies House website provided additional information/analysis as, for example, the Charity Commission website does for charities.
201. Several individual respondents did not support improvements and expressed concerns that making improvements may lead to an increase in the amount of data available to the public and could create additional burdens on business.

Government response

202. We received a number of suggestions for improvement and agree that there are changes that can be made that will significantly improve the usefulness of accounts. We intend to explore the value of the ideas received and take forward as many of the changes as practicable. We will use these to pursue making improvements to financial information available on the register in line with the rest of the consultation's focus on increasing checking and validation of information. We recognise the concerns around availability of data and increasing burdens on business and will consider these whilst developing proposals.
203. These proposals will be considered in more detail through a second consultation. The areas under consideration are:
- We will review the processes for checking accounts filed with Companies House and will consider making changes which focus on enforcing the Companies Act and increasing the value of the Register. We will look for opportunities to review existing filing regimes to ensure that information contained within accounts remains useful.
 - We will review the information we currently ask for and consider requesting additional information in accounts, such as turnover. Any additional information we collect will be designed to improve transparency, accuracy and integrity of accounts filings and ease burdens on businesses by limiting contact with them to validate information. Any additional information requested will enable Companies House to confirm eligibility to file a certain accounts type (or categorising accounts filings) or will support wider government objectives.
 - We want to ensure there is value in the information displayed on the Register. We will review reporting timelines, consider improving the way accounts are displayed online and look for further opportunities to improve accounts in line with technology developments.

- There were also several suggestions which will require a cross-government approach and may require further changes to the Companies Act. These include the possibility of aligning the submission of accounts with HMRC and other government agencies. BEIS and Companies House will work with other government departments to review these suggestions and look for opportunities to jointly take these forward.

Summary way forward

- We will pursue making improvements to financial information available on the register. These improvements will be in line with the rest of the consultation's focus on increasing checking and validation of information.
- We will develop and publish detailed proposals for further consideration.

Chapter 8: Clarifying exemptions for People with Significant Control (PSC)

Additional information about PSCs

Responses were invited to the following question:

Q24. Should some additional basic information be required about companies that are exempt from People with Significant Control requirements, and companies owned and controlled by a relevant legal entity that is exempt?

Views received

204. Just over 60% of respondents agreed with the question and saw the benefits in obtaining additional information about companies that are exempt from PSC requirements, and companies owned and controlled by relevant legal entities (RLEs) that are exempt. Several respondents expressed the view that exemptions could be exploited or falsely claimed by companies. Government departments were supportive of the validity of exemption claims being checked.
205. Only 17% of respondents thought that no further information should be required because there are reliable disclosure regimes in place for companies listed on main markets. Some of these respondents went further and proposed a wider exemption regime.
206. Respondents who supported the principle recommended a variety of further information that could be collected. The most frequently suggested additional information that could be collected included:
- The name of the market where the company shares are traded
 - A hyperlink to the company's market listing or company's registration information
 - Ticker or stock symbol, International Securities Identification Number (ISIN) or Legal Entity Identifier (LEI)
 - Any other evidence of the company being listed on a main market to support the claim of exemption.
207. Several respondents suggested that the ISINs or LEIs are unique and more consistent compared to stock symbols.

Government response

208. The Government agrees that additional information is required and will address this. We agree with the underlying principle that it should be easier to see the ownership and control of exempt companies and why they are exempt. The views received strongly suggest that collecting additional information on PSC-exempt listed companies and RLEs can help searchers locate the company's share market listing, obtain further information and to confirm the exemption. The responses show that information on the stock exchange and the identifiers such as ISIN or LEI would be particularly useful. We will further consider the benefits and practicalities of requiring such information on exempt publicly listed companies and RLEs.

209. This additional information will be complementary to the information already collected. For example, the currently held information on RLEs includes the company's country of incorporation, its legal form and registration number. We envisage the additional information to be collected and made available for both foreign and UK-registered publicly listed RLEs, as well as UK listed companies exempt from PSC requirements.

Summary way forward

- We will further consider what information on PSC-exempt companies and RLEs would be most useful for the searchers and bring forward detailed proposals that implement those changes. We expect that at a minimum these will include the name of the market and the stock or company identifiers that can help locate the company's listing.
- We will also consider how this additional information can be used to confirm the validity of the exemption claim.

Chapter 9: Dissolved company records

Company records maintained on the register for 20 years from the dissolution of the company

Responses were invited to the following question:

Q25. Do you agree that company records should be kept on the register for 20 years from the company's dissolution? If not, what period would be appropriate and why?

Views received

210. 56% of respondents agreed that company records should be kept on the register for 20 years from the company's dissolution. Those agreeing included accounting and legal representative bodies, credit reference agencies, government bodies, law enforcement and civil society groups. The reasons put forward referenced increased corporate transparency and centred around the need for historic information in assisting such activities as investigations of individuals, making informed decisions about conducting business with someone and analysis of corporate activity through different economic cycles.
211. Some respondents cited the decreasing relevance of older historical information and put the case for lower retention periods to align with retention periods elsewhere, for example, the 10 years retention period for dissolved information relating to People with Significant Control which is a requirement of the EU's Fifth Anti Money Laundering Directive. Concerns were expressed relating to the continuing availability of personal information on the register in relation to dissolved companies with some respondents in the finance and accountancy sectors questioning whether there may be General Data Protection Regulation considerations around holding personal data for 20 years.
212. A few respondents thought that company records should be removed from the register either immediately or within 2 years of dissolution, suggesting that people had a right to be forgotten. Conversely, a larger number of respondents thought that company records should be retained for longer than 20 years, with some of these claiming the dissolved information should be retained indefinitely in order to be able to check officers' trading history accurately. The ability to research dissolved company data for the purposes of determining responsibility for former employee liability claims was also cited as an argument for long term retention.

Government response

213. The Government believes 20 years is an appropriate period to retain records of dissolved companies on the register. This will ensure users of the register can access a relatively long-term picture of the activity of companies and directors.
214. The Government takes privacy concerns very seriously. While it is important that the information on the register is of real, practical use to those who wish to find out information about those who take the advantage of limited liability, it is also important that information on the register should not become a tool for abuse.

215. The Government will introduce measures to better protect the personal data of individuals on the register, for live and dissolved companies, which will require a change in law. The Government does not, therefore, consider it can place 20 years of dissolved records on the Companies House Service until the law has been changed.
216. Companies House currently makes dissolved company records available on the Companies House Service for 6 years and the Government will change this, to make all dissolved records since 2010 (5 years' worth of additional records) available online. These will be freely available on the Companies House Service and will remain available for 20 years from the date of dissolution. The additional dissolved records since 2010 will be made freely available early in 2021.
217. Records of companies dissolved before 2010 will continue to be made available for 20 years from the date of dissolution via other Companies House products for which a fee will be payable.
218. Upon expiration of 20 years from the date of dissolution, Companies House will transfer a small selection of records of dissolved companies to the National Archives as set out in the National Archives Operational Selection Policy⁶. Any dissolved records not transferred will be destroyed.
219. The Government believes this will balance the requirement for transparent company information with privacy needs until the law is changed to provide protection for personal data on the register.
220. The Government is committed to freely providing 20 years' worth of dissolved company records on the Companies House Service and will make this available when the law is changed to allow the protection of personal data.

Summary way forward

- The Government believes 20 years is an appropriate period to retain dissolved company records on the register.
- The Government recognises the concerns around data privacy so will proceed in a way that balances corporate transparency with the protection of personal data.
- As discussed later, the Government intends to bring forward certain reforms to ensure more robust privacy protections for personal information. Once these are in place, the Government will make 20 years dissolved records freely available on the register. Until that point, Companies House will make dissolved records since 2010 freely available. Dissolved records before 2010 can only be accessed through certain Companies House products for which a fee is payable.

⁶ <https://www.nationalarchives.gov.uk/documents/osp25-regulation-of-companies-final.pdf>

Chapter 10: Public and non-public information

Availability of information on register

Responses were invited to the following question:

Q26 Are the controls on access to further information collected by Companies House under these proposals appropriate? If not, please give reasons and suggest alternative controls?

Views received

221. The responses to question twenty-six were generally in agreement that the controls on access to further information collected by Companies House under these proposals were appropriate, with 56% of respondents being in favour as opposed to 17% against. Many other respondents said they were unable to comment on this question for a variety of reasons. Most of the positive responses commented that the controls proposed were wholly appropriate as they struck a balance between transparency and data privacy. Law enforcement respondents were in favour of the proposal as long as they had full access to all the additional information.
222. However, due to the potential high volumes of data being collected, a significant number of respondents also commented on the need for consideration to be given to the requirements of the General Data Protection Regulation 2018. The need for robust security measures and processes to be in place were frequently mentioned to avoid accidental disclosure or hacking. Security and data privacy concerns were common themes from both positive and negative respondents.
223. Credit reference agencies were firmly against the proposal. Many commented that it is inconsistent with the current process which allows them access to non-public usual residential address and full date of birth data for directors and People with Significant Control. Many credit reference agencies quoted current legislation, such as the Small Business Enterprise and Employment Act 2015, which they currently utilise to share non-public data with other government departments. They also stated the proposal is against government objectives on data sharing in order to combat economic crime and assist trade credit assessments. Conversely, several respondents, such as civil society groups, had strong views that credit reference agencies should not be entitled to the additional information.

Government response

224. The Government will consider further the types of additional information it will collect as a result of the reform measures. Additional information, such as information collected as part of the verification process, will be held securely by Companies House. This information will be available to public authorities.
225. The Government is minded to give credit reference agencies access to this additional information where it is appropriate, for example, where it will benefit the UK

economy and help combat economic crime. This will be subject to agreeing criteria by which credit reference agencies can use this information.

Summary way forward

- The Government will consider how public authorities will access non-public information and will engage with credit reference agencies to further explore the circumstances whereby they can access this information.
- The Government will consider the security implications around public authorities and credit reference agencies accessing non-public information, and will ensure that any access to or sharing of personal data will happen in compliance with the Data Protection Act 2018.

Chapter 11: Information on directors

Suppression of personal information

Responses were invited to the following questions:

Q27. Is there a value in having information on the register about a director's occupation? If so, what is this information used for?

Q28. Should directors be able to apply to Companies House to have the "day" element of their date of birth suppressed on the register where this information was filed before October 2015?

Q30. Should people be able to apply to have information about a historic registered office address suppressed where this is their residential address? If not, what use is this information to third parties?

Views received

226. In response to question twenty-seven, 48% of respondents considered there to be no or minimal value in collecting information on the register about a director's occupation. However, it was a mixed picture; often respondents in the same sector, such as the credit industry, held differing views.
227. Most of those questioning the value, including stakeholders in the legal and accountancy sectors, refer to inconsistent use as it is often left blank or simply states "director". Many respondents pointed out that occupations regularly change and frequently individuals hold multiple occupations. Some commented that occupation and role can be significantly different. Many questioned its value as the lack and difficulty of verification results in false information being provided. Others stated the value would increase if verified or presented in a more structured format, such as a drop-down list of occupations or function. Other key stakeholders commented that identity verification, and subsequent linking of records, will replace the need for occupation information.
228. Several respondents stated professional qualifications would be more valuable than occupation, with others calling for a review of the standard industrial classification (SIC) codes to provide better information on a company's activity.
229. On the other hand, 37% of respondents considered the information of value. Some civil society groups stated the information was useful and therefore should be retained. Many stated that an occupation can confirm a director's role, position or experience. Those saying the information was of value cited reasons such as its use to verify an individual's identity, and the view that it instils greater trust and assists business decisions. Some suggested it indicates suspicious activity, for example, through matching data or identifying individuals with multiple directorships in distinct sectors, therefore making it useful in detecting fraud and crime. Others referenced its usefulness in cross-checking with other information helping to indicate when individuals falsely claim to be a regulated professional.
230. In response to question twenty-eight, respondents strongly agreed that directors should be able to apply to Companies House to have the "day" element of their date of

birth suppressed on the register where this information was filed before October 2015. This proposal got widespread support from stakeholders in a wide range of sectors including accountancy, legal and business representative bodies, the credit industry and law enforcement.

231. However, some respondents in the above sectors argued for Companies House to automatically suppress this information without application. Views were expressed that there should be consistency between information filed for directors before and after 1 October 2015; as the latter's "day" of their date of birth is not disclosed, the same principle should apply to the former. Many respondents supported the proposal based on the right to privacy and the risk of identity theft and fraud; several cited instances where they had been subject to such harm.
232. Several respondents, both in favour and against the proposal, queried the relevance of publishing the information on the register at all. Others questioned the need for date of birth information if there was identity verification. Some thought its removal would have limited protective benefit as the information is already accessible elsewhere for those with criminal intent.
233. Some respondents against stated that date of birth information was useful in checking whether people on the register in relation to different companies were in fact the same person, also pointing out there are instances where the register shows different date of birth information for the same person. Others stated the information was needed to carry out risk assessments and customer due diligence. Many commented that the information should be suppressed but still be available for law enforcement bodies and credit reference agencies.
234. The responses to question thirty strongly agreed that people should be able to apply to suppress an historic registered office address where this is their residential address.
235. Accountancy, legal and business representative bodies, the credit industry and law enforcement were generally in favour. However, many of these argued for disclosure on application if needed, for example, to assist with investigations or customer due diligence obligations. Some credit industry respondents said suppression should only be allowed if the current registered office address is validated.
236. Views in favour were based on concerns the information could be used for identity theft and fraud. Others thought suppression should be limited to valid reasons, such as risk of violence and intimidation. Several respondents said the information should be suppressed but available for law enforcement bodies and credit reference agencies.
237. Others supporting the proposal queried the relevance of displaying this historical information on the register given it was no longer a current company address with some stating residential address information should never be published. Others argued for a time limit before applications to suppress an historic registered office address could be made. Several respondents raised the possibility of people being harassed by taking over a property that was an historic address of a company they had no connection to.
238. Respondents against expressed the view the information was useful for tracing directors, establishing patterns of fraud, tracing phoenix companies and for customer due diligence purposes. The point was put forward by some that individuals could choose their registered office address, which did not need to be their residential address

as many other options are available. Opposing views also cited transparency grounds arguing the measure was inconsistent with other reform proposals. Other views against included suppression having no value as the information would continue to be available elsewhere and concerns how it could be evidenced service had been effective in the event of legal proceedings.

Government response

239. Given the difficulty in verifying business occupation, role, function or professional qualification, and the frequency of change in occupations, we have not been persuaded of the value in continuing to collect a director's business occupation. We consider the verification proposals outlined elsewhere in this response will to a large extent negate the value of collecting business occupation.
240. The Government will therefore look to introduce an administrative procedure whereby individuals can apply to suppress their occupation currently on the public register, should they wish to do so. Whilst this procedure will be open to any individual on the register, we envisage it will mostly be used by those directors whose listed occupation could potentially put them at risk of harm or intimidation, for example, police officer or social worker.
241. The Government will also introduce a process where officers can suppress the 'day' of date of birth for information first filed prior to October 2015.
242. The Government will proceed with the proposal to suppress an historic registered office address on application when it is a residential address. We are also minded to widen the scope of this measure to include circumstances when a residential address was the registered office at the time of dissolution and will explore this further.
243. The Government considers this proposal needs to cover all circumstances where a residential address appears on the register and instances where other sensitive addresses appear on the register.
244. Furthermore, the Government considers it should be possible to apply to access a suppressed registered office address where it is necessary, for example, to know the registered office address at a certain point of time for court proceedings. We believe this will alleviate any concerns about suppressing registered office addresses.

Summary way forward

- The Government will proceed with the proposal to remove the occupation.
- The Government will proceed with the proposals allowing officers to suppress from the public register their day of date of birth and their residential address if used as a historic registered office address.
- The Government will explore in more detail the issues surrounding a residential address when it was the last registered office address prior to a company's dissolution. This will also include issues surrounding the other circumstances where residential or sensitive addresses appear on the public register.

Change of gender

Responses were invited to the following question:

Q29. Should a person who has changed their name following a change in gender be able to apply to have their previous name hidden on the public register and replaced with their new name?

Views received

245. The Government consulted on a proposal that a person who has changed their name following a change of gender should be able to apply to have their previous name hidden on the public register and replaced with their new name. This question received mixed views: whilst 47% of responses disagreed that a person who has changed their name following a change in gender should be able to apply to have their previous name hidden on the public register and replaced with their new name, 36% agreed. Responses in support of this proposal emphasised the importance of privacy to hide dead names in alignment with the Gender Recognition Act 2004, The General Data Protection Regulation 2018 and the current processes of other government departments.

246. Key stakeholders from a wide range of sectors gave broad support for the proposal, for example, business representative bodies, the Information Commissioner's Office (ICO), accountancy bodies and law enforcement. Many responses suggested that the proposal related to issues of legal identity resulting from a change of status and general name rather than being specifically a gender issue. Civil society groups were concerned about the risks of mental health and anxiety conditions and the potential threat to directors resulting from the information being public. There was agreement that all changes should be evidenced through suitable documentation, but respondents thought generally that this would be an unlikely route for fraud.

247. Those who disagreed with the proposal emphasised the importance of the historic record for an audit trail, insisting that all name changes need to be recorded for lineage traceability and to avoid inconsistencies on the register whilst not attempting to re-write history. Whilst there was general concern about data transparency, there appeared to be some confusion over the aims of this proposal. There was unanimous agreement from the positive and negative responses that dead and new identities should be linked. Some suggested that the information could be shown as 'edited', be publicly available or available on request for law enforcement or government bodies. However, many responses insisted that the links should be shielded and private.

Government response

248. The Government is still considering how best to proceed with this proposal and will set out a way forward in due course. The Government notes the concerns raised that the disclosure of names on historic records on the companies register may reveal a change in gender. The Government also notes the importance of maintaining the transparency of the register and ensuring that historic data can be accessed by law enforcement. We will continue to engage with key stakeholders work with other government departments, including the Government Equalities Office, as we consider the best way to proceed. We will also take into account devolved issues around equalities legislation.

249. In response to issues raised by respondents, the Government will also consider whether the suppression of a name may be appropriate in other cases where individuals are at risk of harm and sufficient evidence can be provided, for example victims of domestic violence.

Summary way forward

- The Government will set out a way forward in due course.

Signatures

Responses were invited to the following question:

Q31. Should people be able to apply to have their signatures suppressed on the register? If not, what use is this information to third parties?

Views received

250. Respondents gave strong support that people should be able to apply to have their signatures suppressed on the register.
251. Responses to this question painted a similar picture to the response on the other suppression measures: respondents from accountancy, legal and business representative bodies, the credit industry and law enforcement being in favour. There was the usual caveat that the information should be available to certain bodies where necessary, such as law enforcement and regulated anti-money laundering bodies. Civil society groups had differing views ranging from agreement providing people can be authenticated via digital signatures to being against on the basis signatures are useful for investigative purposes. Several other respondents held a similar view that there was no need for signatures at all providing people could be identified by digital signatures.
252. Respondents in favour cited concerns about identity theft, fraud, privacy and data security, particularly as it is a key information for banks which could be used in conjunction with other personal information on the register. It was pointed out that basic software applications allow copying of signatures and several respondents argued for consistency with electronically filed documents. A number argued that suppression should happen automatically without the need for an application.
253. A number of respondents commented the suppressed signature should be replaced by a statement that it had been verified. Other respondents reasoned what mattered was knowing a document was signed or who actually signed the document, rather than the actual signature.
254. Respondents against suppression argued that it was useful for the legitimate verification of individuals, for example in relation to checking contracts and also the investigative benefits of seeing a signature.

Government response

255. The Government will proceed with the proposal that signatures on historical documents can be suppressed. We will annotate the register when a signature has been suppressed.

256. Whilst we will continue to collect signatures on documents filed with Companies House on paper, we will consider further developing technical enhancements so, where possible, the publicly available information will show the data relevant to the filing but not the signature.

257. Any suppressed information collected in relation to the measures outlined in this response will be stored securely at Companies House and will be available for law enforcement.

Summary way forward

- The Government will proceed with the proposal allowing directors to suppress their signature from the public register.

Chapter 12: Compliance, intelligence and data sharing

Cross-referencing with data sets, feedback loops and risk-based intelligence sharing

Responses were invited to the following questions:

Q32. Do you agree that there is value in Companies House comparing its data against other data sets held by public and private sector bodies? If so, which data sets are appropriate?

Q33. Do you agree that AML regulated entities should be required to report anomalies to Companies House? How should this work and what information should it cover?

Q34 Do you agree that information collected by Companies House should be proactively made available to law enforcement agencies, when certain conditions are met?

Views received

258. The majority of respondents (69%) agreed that there was value in Companies House comparing its data against other data sets held by public and private sector bodies. Only 14% disagreed, with 17% not providing an answer. Of those respondents in favour of data cross-referencing, the most commonly suggested data set for comparison was information held by HMRC. Other data sets suggested by several respondents were those held by HM Passport Office, DVLA, DWP, HM Land Registry and the electoral register.

259. A number of respondents, both in favour and against comparison of Companies House data, raised issues relating to privacy, data protection and Data Protection Act 2018 compliance. Another key point raised by several respondents was that, although in favour of comparing Companies House data with other public sector organisations, they were reluctant to extend this to the private sector and highlighted that this could pose risks. Other respondents suggested that thorough integrity checks would need to be carried out prior to any sharing of data with private sector organisations. Concerns were also raised over the effectiveness of data matching and that there was a risk of discrepancies being misinterpreted.

260. In response to question thirty-three, 70% were supportive that AML regulated entities should be required to report anomalies to Companies House. As with question 32, 14% disagreed and 17% did not provide an answer. Respondents suggested that any new process could work in a similar way to, or support, existing reporting gateways. Although supportive, another government body highlighted the risk of any new process displacing existing AML disclosures, particularly suspicious activity reporting. Some respondents suggested that an obligation to report anomalies could divert resources of obliged entities away from high value AML work, and pointed to potential delays in client onboarding and AML monitoring. They highlighted the potentially significant burdens this

may place on obliged entities and suggested that any new process would duplicate existing reporting mechanisms.

261. Several respondents advised that reporting of anomalies should be voluntary and suggested more prominence be given to the existing “Report It Now” facility on the Companies House search service. Several were in favour of an online portal for reporting entities, also allowing bulk reports. Others envisaged a confidential whistleblowing line. Several respondents suggested a reciprocal communication system being appropriate, with Companies House notifying the reporting obliged entity when any anomaly or discrepancy is rectified, as well as publishing quarterly reports.
262. Some respondents believed that a new reporting process may lead to an increased supervisory workload for HMRC and have significant resource implications for Companies House. Others expressed concerns over client confidentiality and legal professional privilege and were in favour of obliged entities having an opportunity to notify the client and correct the records before reporting the discrepancy. They also pointed to the existence of contractual obligations to notify the client before sending information to regulatory bodies.
263. Whilst a few respondents were in favour of flagging reported anomalies on the public record, others cautioned against this approach as potentially damaging the reputation of a company or individuals, or providing a tip-off to the company that the discrepancy had been noticed. Some respondents cautioned that this reporting could undermine the principle that company officers are responsible for the accuracy of filings.
264. There was a split in views on whether the requirements to report discrepancies should extend to all information on the register. Some were in favour of limiting the scope to personal information. Others strongly supported a wider scope, including basic company information and types of business activities, or extending to all information collected through the due diligence process. A law enforcement body was supportive of extending disclosure requirements beyond that related to beneficial ownership and suggested information on active bank accounts and high turnover for companies listed as dormant would be useful for law enforcement.
265. There was general support (especially from the regulated industry) for clear guidelines being available to obliged entities on definition of an anomaly. It was suggested that this guidance, and general promotion of reporting requirements, could be linked to the annual AML training.
266. In response to question thirty-four, 75% of respondents agreed that information collected by Companies House should be proactively made available to law enforcement agencies, when certain conditions are met. Positive responses agreed that reporting of suspicious activity was important in the prevention and detection of criminal activity.
267. Of the 10% of respondents that disagreed with this proposal, some believed it to be outside of the responsibilities of Companies House and that this information can already be provided on request. Some respondents advised of the need to ensure alignment with data protection requirements. The Information Commissioner’s Office advised of the need for data controllers to be aware of their obligations and of a clear lawful basis for sharing of data. It supported the appropriate use of data sharing to enable better regulation of company information and advised that Data Protection Act 2018 requirements should not be seen as a barrier where data sharing is justified, and

proportionate and appropriate procedures, such as data sharing agreements, are in place.

268. A number of respondents, both in favour and against, requested further definition of the conditions that would trigger the sharing of information.

Government response

269. We will proceed with the proposals to cross-reference the company register against other data sets, require obliged entities to report anomalies on the register and to proactively make information available to law enforcement partners when certain conditions are met. Together, we believe these form a package of measures which are key to tackling the misuse of corporate entities and combatting economic crime. In turn, this will provide business with increased confidence in the information held on the company register.
270. The provision of information on identified anomalies from obliged entities and the cross-checking of data against external data sets will assist Companies House in its analysis of the company register. Where it identifies information or behaviour which it considers suspicious, Companies House will pass this information on to the relevant authority.
271. In addition, information identified will assist Companies House in identifying those circumstances in which it will query information before it is placed on the register and ask for supporting evidence to be provided (see chapter 6).
272. These measures will of course be taken forward in full compliance with the requirements of data protection and the Data Protection Act 2018. The intention is to tackle misuse of the company register without imposing any additional burden on the majority of companies which are law abiding and provide a valuable contribution to the UK economy.

Summary way forward

- We will identify those data sets which will be of use in cross-referencing against the company register and explore the feasibility of utilising them. Where cross checks can be delivered, we will put in place the relevant legal gateways to allow the exchange of information and look to put in place IT systems that will permit the exchange and comparison of data.
- We will monitor the effectiveness of the mechanism introduced in January 2020, under the Fifth Money Laundering Directive, to allow obliged entities to report discrepancies relating to beneficial ownership of a company. We are constantly seeking to improve this service to ensure it is efficient and straightforward for those businesses that provide information. We also intend to extend the scope of the requirement, in terms of the information covered, beyond beneficial ownership, and also consider the appropriate resulting action to be undertaken by Companies House. We will consult further on the detail of the scope and mechanism of reporting by obliged entities.
- We will explore how Companies House can further undertake analysis of the data it holds, both public and private, and identify those law enforcement and regulatory bodies which are suitable recipients for risk-based data sharing.
- We will consider the additional legal powers that are required to enable this change in the function of Companies House.

Disclosure of banking information

Responses were invited to the following question:

Q35. Should companies be required to file details of their bank account(s) with Companies House? If so, is there any information about the account which should be publicly available?

Views received

273. Half (51%) of respondents disagreed with the proposal that companies should be required to file details of their overseas bank account(s) with Companies House. 34% of respondents agreed, whilst 15% did not provide a view.
274. Positive responses expressed the importance of transparency regarding business accounts. Some respondents emphasised the value to UK law enforcement of reducing the time taken to identify accounts held by companies during a criminal investigation and that this would provide benefit in tackling economic crime.
275. Negative responses emphasised the necessity for privacy of bank accounts in alignment with data protection law and also focused on the additional administrative burden this would impose on some companies. Some respondents raised concerns over the inability of Companies House to verify the information provided, or to know where it was absent.
276. A significant proportion of respondents believed that very limited or no information should be provided on the public register. This was mainly in the interest of preventing the information being used for fraudulent purposes. There was very little support for any of the information being publicly available, although some respondents suggested the jurisdiction in which the account was opened should be public.

Government response

277. We will not proceed with the proposal to require companies to file full details of their overseas bank account(s) with Companies House. Although we acknowledge that there would be some potential benefit for those law enforcement bodies granted authority to access this information, we do not believe that the proposal offers sufficient benefits to justify the additional burden imposed on companies. In addition, the inability to confirm information provided, or identify where it is missing, reduces the effectiveness of the proposal.

Summary way forward

- Due to significant concerns about the potential for fraud and the potential burden that it may impose on some companies and the ability of UK law enforcement to access this information elsewhere, we will not proceed with the proposal to require companies to file full details of their overseas bank account(s) with Companies House.

Chapter 13: Additional measures to deter abuse of corporate entities

Other examples which may be evidence of suspicious or fraudulent activity

Responses were invited to the following question:

Q36. Are there examples which may be evidence of suspicious or fraudulent activity, not set out in this consultation, and where action is warranted?

Views received

278. Respondents provided a number of useful suggestions and provided examples of activity which could indicate fraudulent activity. Examples provided of potential fraudulent activity included circular ownership structures or the failure to disclose group structures, respondents also suggested that multiple and extensive changes to company ownership and control within a short timescale could indicate suspicious activity. A number of respondents also expressed concerns over companies being dissolved before any accounts were filed, closely followed by the incorporation of an almost identical company.

Government response

279. We will consider these in relation to the proposals we intend to take forward, and determine the need to introduce any new measures in further consultation.

Strike-off for Limited Partnerships

Responses were invited to the following questions:

Q37. Do you agree that the courts should be able to order a limited partnership to no longer carry on its business activities if it is in the public interest to do so?

Q38. If so, what should be the grounds for an application to the court and who should be able to apply to court?

Views received

280. A large majority of those who responded, including law enforcement, civil society and the legal sector, were in favour of strike off following a court order, citing the need to bring the arrangements for striking off limited partnerships from the register in to line with the arrangements for companies. Some of the responses to this question, and to question 38, and the evidence therein suggested that respondents were less familiar with the limited partnership entity than with limited companies.

281. A significant minority of respondents chose not to respond to question 37. A small number of these indicated that they had not responded on the basis that the

“public interest” had not been defined and that careful judgement should be exercised in considering the measure. Respondents also noted that it would be important to ensure that the differences between limited partnerships and companies be properly taken into consideration. Of the respondents who said “no” to this question, several had concerns about how the term “public interest” would be defined and interpreted, and that strike off should only be considered for material breaches of the law.

282. Where people responded to question 38, the majority said that fraudulent or criminal activity should be reasons for an application to be made to the courts to strike a limited partnership from the register. A smaller number said that not filing documents with the Registrar or the winding up of a limited partnership were also valid reasons.

283. The majority of respondents to question 38 also said that either Government or law enforcement bodies should be able to make the application to the courts; a smaller number said that anyone with a legitimate claim should be able to apply.

Government Response

284. It is important that, where limited partnerships are being used for illicit purposes, it is possible to take proportionate action which will tackle such abuses. The Government considers that, on balance, the evidence suggests that there is a case for legislating to give the Registrar a power to strike off a limited partnership when ordered to do so by a court. This will be done in a way that has regard to the potential implications for limited partners and only where there is a clear public interest.

285. In developing this work, the Government will also consider how to establish robust procedures for notifying limited partnerships of any action being taken against them and offer the right for limited partnerships to appeal against action being taken against them. The Government will also consider appropriate procedures for restoration to the register.

Summary way forward

- The Government plans to give the Registrar powers which will enable Limited Partnerships to be removed from the register following a court order. Further work will be undertaken to explore the criteria which should be met before this decision can be taken. The process will be designed in a way which balances the need to deter criminal activity while protecting the interests of innocent parties in the limited partnership.
- The process for conducting a strike off following a court order will be designed with regard to the parallel proposals for a voluntary strike-off procedure, announced as part of the reform of limited partnership law in December 2018.⁶

Registered office address

Responses were invited to the following question:

Q39. Do you agree that companies should provide evidence that they are entitled to use an address as their registered office?

⁶ <https://www.gov.uk/government/consultations/limited-partnerships-reform-of-limited-partnership-law>

Views received

286. 62% of respondents replied yes, 23% replied no; indicating strong support for the proposal. Many respondents agreed that the proposal could reduce fraud, prevent misuse of address without authorisation and many expressed surprise that it was not already a requirement. Most agreed that the process should be as simple as possible to minimise the administrative burden on businesses and avoid inconveniencing the vast majority of legitimate filers.
287. The primary concerns for respondents not in favour of the proposal were the increased administrative burden and the feasibility of providing evidence of entitlement to use an address. Many respondents felt that providing evidence could be a significant barrier to setting up a company and that it may negatively affect the UK's business environment. Feasibility concerns focussed on the challenge of defining what acceptable evidence would be; and that obtaining evidence of entitlement to use an address may depend on a relationship with the landlord and that this relationship should not influence whether a company could file. Many respondents also highlighted that determined criminals could fake the evidence.
288. Concerns were also expressed about the number of companies apparently having their addresses at a single, presumably service provider, address and questioned whether the full range of services, for example inspection of registers, would be available. Some respondents suggested other ways of checking the validity of the address, for example through Post Office systems.

Government response

289. While there was support for the proposal, the Government has not at this point identified a solution that could be implemented that would not be disproportionate. In 2018/2019, Companies House defaulted 5888 registered office addresses from 8058 applications. This amounts to less than 1% of company filings in 2018/19 and only a fraction of the overall number of defaults are caused by illicit behaviour. As this issue affects such a small proportion of company filings, the Government believes it would be inappropriate to introduce significant additional powers to address it. We remain open to the possibility if low cost, low burden solutions can be found. But currently this would require a fully manual process and there are concerns over the feasibility of digitally providing evidence of registered office address.
290. In parallel, the Government considers that other measures in this consultation will have a beneficial impact. The proposal to verify the identity of the presenter will reduce instances of registered address abuse. Verification of identity is likely to disincentivise fraudulent behaviour and enable, where appropriate, Companies House to report persons suspected of fraudulent behaviour to law enforcement agencies. The Government will also explore how other measures contained in this consultation, such as cross-referencing with other data sets and obtaining feedback from obliged entities, will allow for proactive identification of the risk of fraudulent use of registered address. Filings flagged as high risk could then be queried at point of delivery by Companies House or passed on to law enforcement. The Government will also review the effectiveness and ease of use of the current regime, in addition to exploring amending legislation to close a loophole in the law that allows companies that have had their address defaulted to move address without providing evidence. The combination of the three approaches proposed should meaningfully address the problem of abuse of registered office address.

Summary way forward

- The Government will not proceed with creating new powers requiring providing evidence of entitlement to use registered office addresses.
- Identification of the presenter, linking of data that may indicate risk of fraud and amendment of legislation provide a proportionate response to the issue of fraudulent use of registered office addresses.

Limiting concurrent directorships and exemptions

Responses were invited to the following questions:

Q40. Is it sufficient to identify and report the number of directorships held by an individual, or should a cap be introduced? If you support the introduction of a cap, what the maximum be?

Q41. Should exemptions be available, based on company activity or other criteria?

Views received

291. Over four in ten respondents did not provide an answer to question forty, just over four in ten also thought that it was sufficient to identify and report the number of directorships held by an individual and opposed the introduction of a cap. Only around one in seven respondents were in favour of the introduction of a cap. This number was split into those who offered general support and those with specific support who also suggested a value for the cap.
292. Those who opposed a cap generally felt that the accurate linking and reporting of multiple directorships was sufficient and that this would be further enabled by some of the other measures in the consultation, such as identity verification. Others reported that there are many legitimate reasons why individuals would hold a large number of directorships and that any cap would be arbitrary and impractical. Some felt a cap to be a “blunt instrument” that would add unnecessary complexity to processes and also introduce a barrier to entrepreneurship. Respondents also suggested that a cap may simply force individuals into hiding their involvement with a company and felt it preferable to be able to link and publicise their directorships.
293. Some respondents who were in favour advised that a cap would support better company governance and prevent individuals acting as nominees, hence providing anonymity for those who actually own or operate a company. Many felt that an individual cannot realistically fulfil the duties of a director for more than a certain number of companies. A wide range of values for the cap were suggested – from 2 to 100 – but a number of respondents suggested values between 15 and 25. Some respondents in favour of a cap acknowledged that this was a complex area and that there would be practical difficulties in introducing and operating a cap.
294. Some respondents suggested that, rather than a cap, when a specified number of directorships is reached, it should instead trigger further investigation of the individual or associated companies. Respondents also suggested other alternatives, such as application to a court if an individual wants to exceed a cap, or the cap only applying to individuals with past involvement with failed or fraudulent companies.

295. Some respondents in favour of exemptions to the cap suggested exemptions based on company activity – for instance, “flat management” companies or those in the charitable sector. A number of respondents suggested that companies which are dormant should be exempt. Others suggested size of company should be a factor taken into consideration, with exemptions at either end of the scale - very large companies such as listed, quoted or PLCs, and for small and micro companies. Others suggested exemptions for large trading groups or companies with subsidiaries.
296. A few respondents suggested that there should be exemptions based on the individual themselves – for instance, accountants or lawyers offering directorship services. A commonly suggested exemption was for formation agents, who are directors only until the company is sold. Some respondents raised concerns that exemptions may be exploited and that safeguards needed to be in place to prevent abuse, as well as a mechanism where exemptions are reviewed.

Government response

297. The Government will not proceed to introduce a cap on the number of directorships held by an individual at this point. We believe it preferable to verify identities and to provide more accurate linkage of records, thereby providing a more accurate picture of involvement with companies. Analysis of the register conducted by Companies House, together with comparison against other data sets and reporting of anomalies from obliged entities, will assist in identifying circumstances in which we believe the number of directorships poses a risk of criminal activity. This information will be shared with the relevant enforcement and supervisory bodies.

Company names

Responses were invited to the following question:

Q42. Should Companies House have more discretion to query and possibly reject applications to use a company name, rather than relying on its post-registration powers?

Views received

298. 65% of respondents agreed that Companies House should have more discretion to query and possibly reject applications to use a company name before a name is registered, while 15% disagreed.
299. Those in favour, including some in the accountancy and legal sector, pointed out that querying, or stopping, names pre-registration is less costly than post-registration. A large number, including some business representative bodies, credit industry and law enforcement stated it should be used to stop companies mimicking a legitimate company and to stop repeated applications targeting well-known brands/companies. Others said it would deter fraud and stop passing off while others agreed on the basis that additional powers are consistent with the direction of travel.
300. A business representative body stated that clear criteria would be needed. Several respondents, including the legal sector, stated it should not slow down registration and needs careful consideration. One respondent from the legal sector suggested Companies House could incorporate a company using its number until

satisfactory evidence regarding the use of the name is provided. Some called for it to be limited with the emphasis on querying not rejection.

301. Some consider it should be operated by other departments, not left to Companies House discretion, and cross checked with the charities register or Financial Conduct Authority. Others felt Companies House should check the intellectual property, although some in the accountancy sector cautioned against this. Some respondents suggested Artificial Intelligence be used and others suggested an alert, where a proposed name is similar to a current name, would be preferable before proceeding.
302. Respondents, including those from law enforcement, pointed out that powers should stop insolvent or dissolved companies reopening with a slightly different name.
303. Those against the proposal believe that current powers are enough. Many, including some in the legal sector and some business representative bodies, are concerned it will affect the speed of incorporation and the attractiveness of the UK as a place to do business. They felt Companies House should have power post-registration to direct a company to change its name if the complaint is justified, including where personal names are used. One respondent stated that starting a business is already complicated and that Government must not add to that burden. The respondent said current powers are adequate where retrospective name change is needed.
304. Several respondents cited other factors: it would be difficult to implement, would not stop trading with a different business name and would inhibit freedom of choice. Others stated verification will help stop misuse of names, while others said third parties should be able to object to the use of a name. There were some calls for the Names Adjudicator role to be reviewed to ensure it is accessible.

Government response

305. The Government will proceed with the proposal to give Companies House more discretion to query and, if necessary, reject applications to use a company name, rather than relying on its post-registration powers.
306. The principal purpose of any new power would be to allow the querying of names which appear to be used fraudulently, particularly where other suspicious activity has been identified, or where certain brands appear targeted for malicious purposes. We will set clear criteria for when these powers will be used and will ensure those are consistent with the more general discretionary powers discussed at Question 19 above.
307. The Government will also review the discretion Companies House has, once a name has been registered, to direct a company to change its name, and will consider strengthening those powers. This will include reviewing the role of the Company Names Adjudicator.
308. The Government recognises that the majority of company names are legitimate and exist on the register without any problems. However, it also recognises that in a small number of cases there may be significant impact from the registration of company names which target certain brands, organisations or individuals for a malicious purpose.
309. The Government also recognises concerns that any measures should not slow down registration and will develop powers that take a proportionate approach. Alongside this, Companies House will introduce automated validation checks for digital incorporations, increasing the speed of digital incorporations to a matter of minutes for straightforward applications. The Government believes any minor delays which may

result in a legitimate enquiry being raised will be balanced by a quicker, streamlined incorporation process for many in the future.

310. The Government will also consider the impact stopping registration will have and will consider alternative solutions.

Summary of way forward

- The Government will proceed with proposals to give Companies House power to query, and possibly reject, company names before they are registered.
- The Government will also review, and consider strengthening, the powers that are available to remove a company name once it has been registered.

Certification of information on the register and Good Standing statements

Responses were invited to the following question:

Q43. What would be the impact if Companies House changed the way it certifies information available on the register?

Q44. Do you have any evidence of inappropriate use of Good Standing statements?

Views received

311. Question 43 asked what the impact could be if Companies House changed the way it certified information available on the register. There was low engagement with this question; seven in ten respondents did not provide an answer. The low engagement appears to be due to lack of understanding of the certification process, further highlighted by the fact that around one in eight stated they did not understand the question or have the information to answer this question. Around one in six responses made specific suggestions for improvement.
312. Responses suggested improvements were needed to prevent fraudulent activity, increase transparency and improve the reputation of the business landscape of the UK. Some respondents questioned the need for certificates as all register information is freely available.
313. The majority of suggestions for improvement specifically related to certificates containing a “Good Standing” statement; this statement confirms that the Company is up to date with their filing and does not reflect a judgement on the financial standing of a company. These were the topic of question 44 which asked for any examples of inappropriate use of certificates containing a statement of ‘good standing’.
314. Those who responded to this question largely suggested they could potentially be used for fraudulent purposes rather than giving actual examples they have seen. Respondents said that stricter criteria should be applied before a good standing statement is issued, e.g. first accounts must be filed, and that increased security features such as a holographic mark should be added to certificates.
315. Some shared concerns about the potential for “Good Standing” statements to be misinterpreted as a judgement on the financial standing of a company, rather than

confirmation that the company is up to date with its filing obligations. Some respondents suggested changing the name to remove the reference to “Good Standing” to mitigate the risk and providing clear communication about what the certificate confirms.

Government response

316. The Government recognises that certificates from Companies House are important for many companies, particularly smaller companies, who are seeking to trade overseas. It is clearly important that this service continues in some form. To this end Companies House will carry out an internal review of policies and processes related to the certification of register information and explore digital solutions where possible. This will help us identify how we can continue to support the needs of businesses, whilst providing a more efficient and effective service.
317. We recognise the concerns about the potential for “Good Standing” to be misinterpreted and Companies House will consider changing the name as part of their review. We will also clarify what certificates are confirming through clear communications and guidance on the Companies House website.
318. Companies House will explore ways to improve the security features and prevent fraudulent use of certificates. This will include considering the criteria for when a certificate can and cannot be issued as well as considering what information should be certified.

Summary way forward

- Companies House will continue to support business needs through its certification services.
- Companies House will undertake an internal review of current processes and implement measures to reduce risk of fraudulent use.

Chapter 14: Operational transformation of Companies House

319. The consultation noted that the reforms proposed above would be underpinned and enhanced by an internal transformation at Companies House. The transformation is not only necessary to deliver these reforms, but also to ensure Companies House can meet evolving customer demands, improve its service offer and meet increasing demand for its data. This chapter sets out the main elements of the transformation and how they will support and enhance the policy reforms proposed in earlier chapters.

320. Companies House performs two key roles in the business environment:

- allowing limited companies and other legal entities to be created and registered, to facilitate economic activity, and
- requesting information on those companies and making that information publicly available.

321. The huge growth in the volume of data now being processed at Companies House means that maintaining the integrity of the data on its register presents an increasing challenge. By end of March 2020 the number of UK companies stood at over 4.35 million. In 2019–2020 over 665,000 new companies were incorporated against more than 524,000 dissolved, continuing a steady upward trend in the size of the register⁷. These companies and their directors have to comply with a large number of filings and procedures. In 2018-19, 11.8 million documents were filed at Companies House⁸.

322. As these numbers continue to grow, it is vital that Companies House can offer an efficient and effective service if speed and ease of doing business in the UK is to be maintained and to rank as one of the best in the world. As more and more services are delivered online and with a goal of fully digitalising all processes, the systems need investment and improvement to maintain and improve levels of service.

323. This includes services to those accessing Companies House data. The data, most of which is freely accessible online, was accessed over 9.4 billion times last year, up from 668 million in 2012-13. The value of the information provided and maintained by Companies House has been estimated to be worth between £1bn and £3bn to ‘direct’ users, with additional benefits being derived from intermediaries, researchers and public bodies. Improving the economic value of register data through increased reliability is diminished if that information cannot be swiftly and efficiently accessed.

324. Through investment in IT capacity, Companies House will ensure it has means to become a fully digital organisation, capable of rapidly processing and interrogating the

⁷ For more information on growth in register size over time see <https://www.gov.uk/government/publications/companies-register-activities-statistical-release-2018-to-2019/companies-register-activities-2018-to-2019#the-growth-in-the-register-size-over-time>

⁸ <https://www.gov.uk/government/statistical-data-sets/companies-house-management-information-tables-2018-19>. Table 7.

huge amounts of daily transactions that take place across thousands of company accounts.

325. Alongside IT upgrades, Companies House will transform the way in which it interacts with customers and modernise its internal structures to become more effective and efficient. Proposed changes will, through automation and use of new technology, mean that customers using digital services will be more likely to get it right first time. Less paper and manual data-processing will free up staff time. Across the organisation, staff skills will be retooled to meet the needs of a transformed Companies House with a premium on more highly skilled digital, IT and data people.
326. Digital systems will be built to replace residual paper-based ones, services and processes will be redesigned to reduce error rates, and certain resource-intensive transactions automated. New systems and capabilities will be built to support the new Companies House functions.
327. The Companies Act currently provides for the Secretary of State to make regulations requiring the delivery of documents to the Registrar only by electronic means. We consider that this process may be overly cumbersome and restricts any approach to document delivery that the Registrar may wish to take in future. A non-legislative method by which the Registrar can more swiftly specify the manner of delivery of documents could reduce unnecessary delays and create a more flexible and agile process. It is our intention to consult further on this point as part of a wider consultation on new powers for the registrar, to ensure that any approach we take is proportionate and balanced.
328. The benefits will flow through to customers for whom processes will be shorter and to data users who will have faster access to more reliable information. From first seeking to set up a company, through meeting obligations to confirm and update information to paying the annual fee, the customer journey will be improved and each transaction will swifter and less burdensome. Companies will be incorporated faster and more securely.
329. Completion of a full transformation programme will:
- improve and simplify the customer journey through Companies House webpages, making it easier for customers to identify what they need to do and complete the process with greater chance of getting it right first time;
 - automate more of the processes behind the core functions that Companies House **currently delivers** – speeding up the checks and validation for opening (or closing) a company, and the submission of ongoing filings, annual confirmation statements and payment of fees. Other projects will build the capability to more rapidly suppress or remove sensitive data for the protection of company directors and others;
 - provide the infrastructure to **swiftly and efficiently deliver new data verification functions**, bringing additional benefits in terms of increased transparency. It will do so by implementing identity-based access systems, which will support the increased checks and data validation reforms proposed earlier in this document allowing better verification of individual data and better linking between individuals and companies. Individual company directors will have a single account allowing them to access and update all information relevant to them in respect of any company.
 - simplify the process for customers to report potential errors on information; and

- allow **closer integration of Companies House with partner bodies tasked with combating economic crime**. New digital technologies and process capabilities alongside improved staffing and resource functions will enable Companies House to better identify suspicious activities within its systems, making better links between data and making full use of the deeper information being gathered. Improved systems to share and exchange such data securely with public and private sector partners.

330. These changes are planned over a five-year period from 2020-2025. This may change as funding for transformation at Companies House is still to be fully agreed. Some costs can be met under the existing fee structure although fees for incorporation and annual filings will remain low by international standards. It is expected that agreement will be reached for bulk of new investment at the next Government Spending Round. There will be some additional ongoing costs of new monitoring, intelligence, and enforcement functions, which could be at least part funded by the proposed Economic Crime Levy, on which HMT have recently consulted⁹.

⁹ <https://www.gov.uk/government/consultations/economic-crime-levy-consultation>

Annex A: Catalogue of Consultation Questions

The case for verifying identities

Q1. Do you agree with the general premise that Companies House should have the ability to check the identity of individuals on the register? Please explain your reasons.

Q2. Are you aware of any other pros or cons Government will need to consider in introducing identity verification?

Q3. Are there other options the Government should consider to provide greater certainty over who is setting up, managing and controlling corporate entities?

How identity verification might work in practice

Q4. Do you agree that the preferred option should be to verify identities digitally, using a leading technological solution? Please give reasons.

Q5. Are there any other issues the Government should take into account to ensure the verification process can be easily accessed by all potential users?

Q6. Do you agree that the focus should be on direct incorporations and filings if we can be confident that third party agents are undertaking customer due diligence checks? Please give reasons.

Q7. Do you agree that third party agents should provide evidence to Companies House that they have undertaken customer due diligence checks on individuals? Please give reasons.

Q8. Do you agree that more information on third party agents filing on behalf of companies should be collected? What should be collected?

Q9. What information about third party agents should be available on the register?

Who identity verification would apply to and when

Q10. Do you agree that Government should (i) mandate ID verification for directors and (ii) require that verification takes place before a person can validly be appointed as a director? Please set out your reasons

Q11. How can verification of People with Significant Control be best achieved, and what would be the appropriate sanction for non-compliance?

Q12. Do you agree that Government should require presenters to undergo identity verification and not accept proposed incorporations or filing updates from non-verified persons? Please explain your reasons.

Q13. Do you agree with the principle that identity checks should be extended to existing directors and People with Significant Control? Please give reasons.

Requiring better information about shareholders

Q14. Should companies be required to collect and file more detailed information about shareholders?

Q15. Do you agree with the proposed information requirements and what, if any, of this information should appear on the register?

Q16. Do you agree that identity checks should be optional for shareholders, but that the register makes clear whether they have or have not verified their identity? Please give reasons.

Linking identities on the register

Q17. Do you agree that verification of a person's identity is a better way to link appointments than unique identifiers?

Q18. Do you agree that Government should extend Companies House's ability to disclose residential address information to outside partners to support core services?

Reform of the powers over information filed on the register

Q19. Do you agree that Companies House should have more discretion to query information before it is placed on the register, and to ask for evidence where appropriate?

Q20. Do you agree that companies must evidence any objection to an application from a third party to remove information from its filings?

Reform of company accounts

Q21. Do you agree that Companies House should explore the introduction of minimum tagging standards?

Q22. Do you agree that there should be a limit to the number of times a company can shorten its accounting reference period? If so, what should the limit be?

Q23. How can the financial information available on the register be improved? What would be the benefit?

Clarifying People with Significant Control exemptions

Q24. Should some additional basic information be required about companies that are exempt from People with Significant Control requirements, and companies owned and controlled by a relevant legal entity that is exempt?

Dissolved company records

Q25. Do you agree that company records should be kept on the register for 20 years from the company's dissolution? If not, what period would be appropriate and why?

Public and non-public information

Q26. Are the controls on access to further information collected by Companies House under these proposals appropriate? If not, please give reasons and suggest alternative controls?

Information on directors

Q27. Is there a value in having information on the register about a director's occupation? If so, what is this information used for?

Q28. Should directors be able to apply to Companies House to have the "day" element of their date of birth suppressed on the register where this information was filed before October 2015?

Q29. Should a person who has changed their name following a change in gender be able to apply to have their previous name hidden on the public register and replaced with their new name?

Q30. Should people be able to apply to have information about a historic registered office address suppressed where this is their residential address? If not, what use is this information to third parties?

Q31. Should people be able to apply to have their signatures suppressed on the register? If not, what use is this information to third parties?

Compliance, intelligence and data sharing

Q32. Do you agree that there is value in Companies House comparing its data against other data sets held by public and private sector bodies? If so, which data sets are appropriate?

Q33. Do you agree that AML regulated entities should be required to report anomalies to Companies House? How should this work and what information should it cover?

Q34. Do you agree that information collected by Companies House should be proactively made available to law enforcement agencies, when certain conditions are met?

Q35. Should companies be required to file details of their bank account(s) with Companies House? If so, is there any information about the account which should be publicly available?

Other measures to deter abuse of corporate entities

Q36. Are there examples which may be evidence of suspicious or fraudulent activity, not set out in this consultation, and where action is warranted?

Q37. Do you agree that the courts should be able to order a limited partnership to no longer carry on its business activities if it is in the public interest to do so?

Q38. If so, what should be the grounds for an application to the court and who should be able to apply to court?

Q39. Do you agree that companies should provide evidence that they are entitled to use an address as their registered office?

Q40. Is it sufficient to identify and report the number of directorships held by an individual, or should a cap be introduced? If you support the introduction of a cap, what should the maximum be?

Q41. Should exemptions be available, based on company activity or other criteria?

Q42. Should Companies House have more discretion to query and possibly reject applications to use a company name, rather than relying on its post-registration powers?

Q43. What would be the impact if Companies House changed the way it certifies information available on the register?

Q44. Do you have any evidence of inappropriate use of Good Standing statements?

Annex B: Analysis of Stakeholder responses

Consultation strategy and methodology

1. The areas for reform and proposals included in the consultation were far-reaching, affecting millions of businesses and individuals. To make sure that views across the entire stakeholder landscape were reflected, the Department offered different channels that could be used to respond to the consultation.
2. Consultees were able to respond by writing in hard copy or by responding via email to the transparencyandtrust@beis.gov.uk email inbox, and the Department also provided the opportunity to respond via the online platform Citizen Space. Awareness of the ongoing consultation was raised via social media platforms and Companies House wrote to registered companies about the ongoing consultation.
3. Overall, the Department put in place specific efforts to: a) raise awareness of the consultation; and b) provide a quick and efficient way for people to respond via the Citizen Space platform. This strategy was successful as evidenced by the fact that we received 1,320 unique responses, 85% (1,126) of which were received specifically via the Citizen Space platform. The following section presents a more detailed breakdown of the responses and provides further evidence for the breadth of responses we received.

Engagement with the Devolved Administrations

Categorising respondents – breadth of responses received

4. The Department received 1,320 formal, unique responses, largely driven by considerable engagement via the online platform (Citizen Space). 1,126 of the 1,320 total responses were received via this platform.
5. The responses reflected the wide stakeholder landscape that we set out to target with the consultation. Table 1 shows how the 1,320 respondents break down by respondent type. Most respondents were individuals, accounting for about nine in ten responses. 4% of the responses were on behalf of companies/LLPs, while the remaining 5% are accounted for by a mix of business representative bodies, professional bodies, NGOs, think tanks and others. Due to the high absolute number of responses, the small percentages can still translate to relatively high absolute counts. For example, we received 52 responses on behalf of individual companies or LLPs and 31 responses from professional bodies.¹⁰

¹⁰ While some respondents self-identified as an institutional or individual response, most responses were categorised manually. Although we applied consistent criteria for the categorisation, there remains an element of individual judgment. For example, responses were only classified as a “company response” if the response mentioned that it was on behalf of the company. Responses received from individual directors were classified as an “individual response” otherwise. This partially explains the very high count of individuals.

Table 1: Responses by respondent type

| | Individual | Company / LLP | Professional body | Business representative body | NGO / research organisation | Other | Total |
|-------|------------|---------------|-------------------|------------------------------|-----------------------------|-------|-------|
| Count | 1,198 | 52 | 31 | 12 | 16 | 11 | 1,320 |
| % | 90.8% | 3.9% | 2.3% | 0.9% | 1.2% | 0.8% | 100% |

6. While the overall number of responses is dominated by “individuals”, this category includes many individuals with significant experience on the issues at hand. For example, Table 2 below provides a further breakdown of this category and shows that about half the “individual” respondents (568 out of 1,198) were company officers.¹¹

Table 2: Responses by "individuals"

| | Count | % of “individual” responses | % of overall responses |
|---|-------|-----------------------------|------------------------|
| Company officer* (PSC/director) | 568 | 47% | 43% |
| AML-regulated professional* (including MLRO) | 142 | 12% | 11% |
| Other (including six individual academics) | 488 | 41% | 37% |
| Total | 1,198 | 100% | 90.8% |

* An individual can be an AML-regulated professional and a company officer. In such instances, the individual has been counted ‘only’ as a “company officer”. The number of AML-regulated professionals who responded to this consultation is thus higher than 142.

Responses by question

7. We have provided statistics that reflect respondents’ views and opinions throughout the main body of this document. Table 3 below provides an overall summary for all questions that asked for a “yes” or “no” answer. Apart from presenting the overall responses by question, the table also breaks down the counts by respondent type. Finally, it presents a response rate for each question.
8. Response rates (the fraction of overall respondents who answered a particular question) were very high with an average of 83% across all questions.¹² The response rates are especially high considering the number of questions asked, indicating that respondent

¹¹ These are the numbers for which we could establish the role of the individual with significant certainty, for example by linking responses to Companies House data on directors and PSCs, or by carrying out manual cross-checks. It is likely that some of the 471 “public/unspecified” individuals are also company officers, but we were unable to verify this with the available data.

¹² The analysis on response rates includes only those questions that asked for a “yes” or “no” answer rather than more open-ended questions, for which response rates are lower.

stayed engaged with the consultation document throughout. There was some fluctuation, with Q1 having had the highest response rate at 97% and Q41a the lowest at 68%. It is natural for response rates to fluctuate and be lower for questions that deal with more technical detail, because some respondents might not have an opinion or not feel qualified to answer these questions.

9. Respondents were broadly supportive of most elements raised. Questions that received most affirmation included:
- Question 1: “Do you agree with the general premise that Companies House should have the ability to check the identity of individuals on the register?”. 91% of respondents agreed with this premise, 6% disagreed and 3% did not provide an answer.
 - Question 10a(i): “Do you agree that government should mandate ID verification for directors?”. 81% of respondents agreed with this premise, 8% disagreed and 11% did not provide an answer.
 - Question 19a: “Do you agree that Companies House should have more discretion to query information before it is placed on the register, and to ask for evidence where appropriate?”. 79% of respondents agreed with this premise, 10% disagreed and 12% did not provide an answer.
10. Some questions and proposals did though receive more mixed responses. Elements that proved especially controversial included:
- Question 18a: “Do you agree that government should extend Companies House’s ability to disclose residential address information to outside partners to support core services?”. 35% of respondents agreed with this premise, 51% disagreed and 14% did not provide an answer.
 - Question 35a: “Should companies be required to file details of their bank account(s) with Companies House?”. 34% of respondents agreed with this premise, 51% disagreed and 15% did not provide an answer.
 - Question 27a: “Is there a value in having information on the register about a director’s occupation?”. 37% of respondents thought there was, 48% thought there was not, and 15% did not provide an answer.

Table 3: Response rates and responses by question

| Question | Answer | Individual – company officer | Individual – AML-regulated professional | Individual – other | Company / LLP | Business representative or professional body ⁽¹⁾ | Other (incl. NGOs) | Total | Response rate ⁽²⁾ |
|---|--------|------------------------------|---|--------------------|---------------|---|--------------------|--------------------|------------------------------|
| Q1a: Do you agree with the general premise that Companies House should have the ability to check the identity of individuals on the register? | Yes | 521 | 137 | 433 | 47 | 38 | 21 | 1,197 | 97% |
| | No | 42 | ≤ 3 | 34 | ≤ 3 | ≤ 3 | ≤ 3 | 85 ⁽³⁾ | |
| Q4a: Do you agree that the preferred option should be to verify identities digitally, using a leading technological solution? | Yes | 454 | 117 | 335 | 37 | 30 | 15 | 988 | 89% |
| | No | 90 | 16 | 84 | ≤ 3 | ≤ 3 | ≤ 3 | 195 ⁽³⁾ | |
| Q6a: Do you agree that the focus should be on direct incorporations and filings if we can be confident that third party agents are undertaking customer due diligence checks? | Yes | 317 | 81 | 235 | 25 | 26 | 5 | 689 | 84% |
| | No | 208 | 33 | 154 | 10 | ≤ 3 | 8 | 415 ⁽³⁾ | |
| Q7a: Do you agree that third party agents should provide evidence to | Yes | 441 | 104 | 342 | 21 | 24 | 10 | 942 | 86% |

Corporate Transparency and Register Reform: government response to consultation

| Question | Answer | Individual – company officer | Individual – AML-regulated professional | Individual – other | Company / LLP | Business representative or professional body ⁽¹⁾ | Other (incl. NGOs) | Total | Response rate ⁽²⁾ |
|---|--------|------------------------------|---|--------------------|---------------|---|--------------------|--------------------|------------------------------|
| Companies House that they have undertaken customer due diligence checks on individuals? | No | 96 | 23 | 63 | 9 | 5 | ≤ 3 | 200 ⁽³⁾ | |
| Q8a: Do you agree that more information on third party agents filing on behalf of companies should be collected? | Yes | 440 | 91 | 336 | 31 | 28 | 11 | 937 | 85% |
| | No | 86 | 30 | 63 | 5 | ≤ 3 | ≤ 3 | 185 ⁽³⁾ | |
| Q10a(i): Do you agree that government should mandate ID verification for directors? | Yes | 486 | 125 | 379 | 35 | 29 | 16 | 1070 | 90% |
| | No | 58 | 8 | 40 | 4 | ≤ 3 | ≤ 3 | 110 ⁽³⁾ | |
| Q10a(ii): Do you agree that verification should takes place before a person can validly be appointed as a director? | Yes | 439 | 114 | 352 | 30 | 24 | 12 | 971 | 88% |
| | No | 106 | 9 | 63 | 7 | 6 | ≤ 3 | 190 ⁽³⁾ | |
| Q12a: Do you agree that government should require presenters to undergo | Yes | 427 | 112 | 346 | 25 | 27 | 11 | 948 | 84% |

Corporate Transparency and Register Reform: government response to consultation

| Question | Answer | Individual – company officer | Individual – AML-regulated professional | Individual – other | Company / LLP | Business representative or professional body ⁽¹⁾ | Other (incl. NGOs) | Total | Response rate ⁽²⁾ |
|--|--------|------------------------------|---|--------------------|---------------|---|--------------------|--------------------|------------------------------|
| identity verification and not accept proposed incorporations or filing updates from non-verified persons? | No | 89 | 13 | 51 | 8 | 4 | ≤ 3 | 165 ⁽³⁾ | |
| Q13a: Do you agree with the principle that identity checks should be extended to existing directors and People with Significant Control? | Yes | 450 | 113 | 347 | 29 | 28 | 13 | 980 | 88% |
| | No | 94 | 20 | 66 | 6 | ≤ 3 | ≤ 3 | 185 ⁽³⁾ | |
| Q14a: Should companies be required to collect and file more detailed information about shareholders? | Yes | 287 | 88 | 258 | 27 | 22 | 7 | 689 | 85% |
| | No | 238 | 46 | 135 | 9 | 9 | ≤ 3 | 440 ⁽³⁾ | |
| Q15a: Do you agree with the proposed information requirements and what, if any, of this information should appear on the register? | Yes | 320 | 84 | 265 | 25 | 14 | 7 | 715 | 77% |
| | No | 166 | 23 | 94 | 7 | 6 | ≤ 3 | 295 ⁽³⁾ | |
| Q16a: Do you agree that identity checks should be optional for | Yes | 296 | 60 | 194 | 20 | 19 | 6 | 595 | 84% |

Corporate Transparency and Register Reform: government response to consultation

| Question | Answer | Individual – company officer | Individual – AML-regulated professional | Individual – other | Company / LLP | Business representative or professional body ⁽¹⁾ | Other (incl. NGOs) | Total | Response rate ⁽²⁾ |
|--|--------|------------------------------|---|--------------------|---------------|---|--------------------|--------------------|------------------------------|
| shareholders, but that the register makes clear whether they have or have not verified their identity? | No | 229 | 56 | 199 | 12 | 8 | 5 | 509 | |
| Q17a: Do you agree that verification of a person’s identity is a better way to link appointments than unique identifiers? | Yes | 363 | 106 | 290 | 28 | 28 | 9 | 824 | 81% |
| | No | 119 | 24 | 85 | 6 | ≤ 3 | 4 | 240 ⁽³⁾ | |
| Q18a: Do you agree that government should extend Companies House’s ability to disclose residential address information to outside partners to support core services? | Yes | 176 | 59 | 175 | 22 | 18 | 6 | 456 | 86% |
| | No | 356 | 74 | 226 | 7 | 7 | ≤ 3 | 675 ⁽³⁾ | |
| Q19a: Do you agree that Companies House should have more discretion to query information before it is placed on the register, and to ask for evidence where appropriate? | Yes | 478 | 125 | 368 | 28 | 28 | 13 | 1040 | 88% |
| | No | 64 | 11 | 46 | 5 | ≤ 3 | ≤ 3 | 125 ⁽³⁾ | |

Corporate Transparency and Register Reform: government response to consultation

| Question | Answer | Individual – company officer | Individual – AML-regulated professional | Individual – other | Company / LLP | Business representative or professional body ⁽¹⁾ | Other (incl. NGOs) | Total | Response rate ⁽²⁾ |
|---|--------|------------------------------|---|--------------------|---------------|---|--------------------|--------------------|------------------------------|
| Q20a: Do you agree that companies must evidence any objection to an application from a third party to remove information from its filings? | Yes | 412 | 116 | 336 | 25 | 24 | 10 | 923 | 81% |
| | No | 84 | 13 | 50 | ≤ 3 | ≤ 3 | ≤ 3 | 150 ⁽³⁾ | |
| Q21a: Do you agree that Companies House should explore the introduction of minimum tagging standards? | Yes | 285 | 95 | 241 | 27 | 21 | 7 | 676 | 70% |
| | No | 127 | 28 | 85 | ≤ 3 | ≤ 3 | ≤ 3 | 245 ⁽³⁾ | |
| Q22a: Do you agree that there should be a limit to the number of times a company can shorten its accounting reference period? | Yes | 322 | 80 | 244 | 21 | 22 | 6 | 695 | 78% |
| | No | 159 | 51 | 122 | 7 | ≤ 3 | ≤ 3 | 340 ⁽³⁾ | |
| Q24a: Should some additional basic information be required about companies that are exempt from People with Significant Control requirements, and companies owned and controlled by a relevant legal entity that is exempt? | Yes | 360 | 107 | 274 | 29 | 24 | 8 | 802 | 78% |
| | No | 118 | 19 | 81 | ≤ 3 | ≤ 3 | ≤ 3 | 225 ⁽³⁾ | |

Corporate Transparency and Register Reform: government response to consultation

| Question | Answer | Individual – company officer | Individual – AML-regulated professional | Individual – other | Company / LLP | Business representative or professional body ⁽¹⁾ | Other (incl. NGOs) | Total | Response rate ⁽²⁾ |
|--|--------|------------------------------|---|--------------------|---------------|---|--------------------|--------------------|------------------------------|
| Q25a: Do you agree that company records should be kept on the register for 20 years from the company's dissolution? | Yes | 321 | 93 | 271 | 28 | 22 | 10 | 745 | 85% |
| | No | 209 | 40 | 123 | 6 | ≤ 3 | ≤ 3 | 380 ⁽³⁾ | |
| Q26a: Are the controls on access to further information collected by Companies House under these proposals appropriate? | Yes | 338 | 98 | 262 | 17 | 16 | 6 | 737 | 73% |
| | No | 118 | 23 | 71 | 6 | 4 | ≤ 3 | 225 ⁽³⁾ | |
| Q27a: Is there a value in having information on the register about a director's occupation? | Yes | 191 | 60 | 202 | 16 | 10 | 5 | 484 | 85% |
| | No | 334 | 68 | 195 | 17 | 19 | 5 | 638 | |
| Q28a: Should directors be able to apply to Companies House to have the "day" element of their date of birth suppressed on the register where this information was filed before October 2015? | Yes | 414 | 87 | 279 | 30 | 24 | 7 | 841 | 87% |
| | No | 122 | 39 | 139 | ≤ 3 | ≤ 3 | ≤ 3 | 305 ⁽³⁾ | |

Corporate Transparency and Register Reform: government response to consultation

| Question | Answer | Individual – company officer | Individual – AML-regulated professional | Individual – other | Company / LLP | Business representative or professional body ⁽¹⁾ | Other (incl. NGOs) | Total | Response rate ⁽²⁾ |
|--|--------|------------------------------|---|--------------------|---------------|---|--------------------|--------------------|------------------------------|
| Q29a: Should a person who has changed their name following a change in gender be able to apply to have their previous name hidden on the public register and replaced with their new name? | Yes | 224 | 46 | 158 | 13 | 18 | 11 | 470 | 83% |
| | No | 292 | 78 | 237 | 8 | ≤ 3 | ≤ 3 | 620 ⁽³⁾ | |
| Q30a: Should people be able to apply to have information about a historic registered office address suppressed where this is their residential address? | Yes | 423 | 86 | 271 | 24 | 24 | 7 | 835 | 86% |
| | No | 116 | 40 | 136 | 7 | ≤ 3 | 4 | 305 ⁽³⁾ | |
| Q31a: Should people be able to apply to have their signatures suppressed on the register? | Yes | 483 | 111 | 337 | 31 | 27 | 5 | 994 | 87% |
| | No | 57 | 16 | 68 | ≤ 3 | ≤ 3 | 6 | 150 ⁽³⁾ | |
| Q32a: Do you agree that there is value in Companies House comparing its data against other data sets held by public and private sector bodies? | Yes | 420 | 103 | 317 | 29 | 31 | 15 | 915 | 84% |
| | No | 95 | 20 | 76 | ≤ 3 | ≤ 3 | ≤ 3 | 190 ⁽³⁾ | |

Corporate Transparency and Register Reform: government response to consultation

| Question | Answer | Individual – company officer | Individual – AML-regulated professional | Individual – other | Company / LLP | Business representative or professional body ⁽¹⁾ | Other (incl. NGOs) | Total | Response rate ⁽²⁾ |
|--|--------|------------------------------|---|--------------------|---------------|---|--------------------|--------------------|------------------------------|
| Q33a: Do you agree that Anti-money laundering (AML) regulated entities should be required to report anomalies to Companies House? | Yes | 448 | 95 | 332 | 16 | 15 | 13 | 919 | 83% |
| | No | 71 | 30 | 57 | 12 | 10 | ≤ 3 | 180 ⁽³⁾ | |
| Q34a: Do you agree that information collected by Companies House should be proactively made available to law enforcement agencies, when certain conditions are met? | Yes | 469 | 116 | 346 | 22 | 25 | 13 | 991 | 85% |
| | No | 64 | 9 | 51 | ≤ 3 | ≤ 3 | ≤ 3 | 130 ⁽³⁾ | |
| Q35a: Should companies be required to file details of their bank account(s) with Companies House? | Yes | 187 | 41 | 190 | 10 | 8 | 10 | 446 | 85% |
| | No | 343 | 86 | 206 | 18 | 16 | ≤ 3 | 670 ⁽³⁾ | |
| Q37a: Do you agree that the courts should be able to order a limited partnership to no longer carry on its business activities if it is in the public interest to do so? | Yes | 421 | 91 | 332 | 15 | 21 | 10 | 890 | 80% |
| | No | 83 | 25 | 56 | ≤ 3 | ≤ 3 | ≤ 3 | 165 ⁽³⁾ | |

Corporate Transparency and Register Reform: government response to consultation

| Question | Answer | Individual – company officer | Individual – AML-regulated professional | Individual – other | Company / LLP | Business representative or professional body ⁽¹⁾ | Other (incl. NGOs) | Total | Response rate ⁽²⁾ |
|---|--------|------------------------------|---|--------------------|---------------|---|--------------------|--------------------|------------------------------|
| Q39a: Do you agree that companies should provide evidence that they are entitled to use an address as their registered office? | Yes | 373 | 88 | 307 | 21 | 22 | 13 | 824 | 85% |
| | No | 154 | 36 | 98 | 7 | ≤ 3 | ≤ 3 | 300 ⁽³⁾ | |
| Q41a: Should exemptions be available, based on company activity or other criteria? | Yes | 193 | 58 | 130 | 11 | 8 | ≤ 3 | 400 ⁽³⁾ | 68% |
| | No | 228 | 53 | 200 | 4 | 5 | ≤ 3 | 490 ⁽³⁾ | |
| Q42a: Should Companies House have more discretion to query and possibly reject applications to use a company name, rather than relying on its post-registration powers? | Yes | 391 | 101 | 312 | 23 | 24 | 8 | 859 | 80% |
| | No | 101 | 19 | 66 | 7 | ≤ 3 | ≤ 3 | 195 ⁽³⁾ | |

⁽¹⁾ Response groups were combined to avoid small counts that could result in unintended disclosure of individual responses.

⁽²⁾ Calculated as the sum of “yes” and “no” divided by the total number of responses. For example, for Q16a: (595+509) / 1,320.

⁽³⁾ Counts in cells with three or fewer responses are summarised as “≤ 3” for the purpose of statistical disclosure control. Totals in rows in which at least one cell contained three or fewer responses have been rounded to the nearest five for the same reason.

Annex C: List of respondents

Only organisations that gave permission for their response to be made public have been included on the list below. Responses received from organisations that did not give permission for their response to be made public have been taken into account but are not included on the list below.

360Giving

ACCA

Addleshaw Goddard LLP

AIMA

All-Party Parliamentary Group on Responsible Tax

Association for Financial Markets in Europe

Association of Accounting Technicians (AAT)

Association of Independent Risk and Fraud Advisors - AIRFA

Association of International Accountants

Bank of England

BankSearch

Bar Standards Board (BSB)

BDB Pitmans

Beauhurst

BIPA

Broadhead Accountants

Building Engineering Services Association & Electrical Contractors' Association

Burness Paull LLP

Business Data Group (BDG)

BVCA

Cameo Global, Inc.

CBRE Limited

Centre for Commercial Law and the Centre for Scots Law at the University of Aberdeen

Centre for Financial Crime and Security Studies (CFCS) at the Royal United Services Institute (RUSI)

Charity Law Association

Chartered Institute of Credit Management (CICM)

Chartered Institute of Taxation

Cifas

CILEx Regulation

City of London Corporation Trading Standards Service

Civil Court Users' Association

Company Law and Financial Law Committees of the City of London Law Society

Company Matters

CompanyWatch

Computershare Investor Services PLC (Computershare)

Connect

CoreFiling

Crawley Borough Council

CreditSafe

De Voil Consulting

DST Systems

Dun & Bradstreet

Efficient Frontiers International

Equifax

Experian

EY

Financial Crime Compliance Consultancy

Forbes Solicitors

Fraud Advisory Panel

Fraud Lawyers Association

FXCM Ltd

GC100

GlaxoSmithKline plc

Global Witness

Great Ormond Street Hospital Children's Charity

HSBC

ICAEW

ICAS

Institute of Chartered Secretaries and Administrators (ICSA)

Intertrust Group

Iwoca

Johnston Carmichael LLP

Kreston Reeves LLP

LACEF (Local Authority Civil Enforcement Forum)

Law Society of Northern Ireland

Law Society of Scotland

LGBT+ Consortium

Lieberman & Co

Lipmann Walton & Co Ltd

Low Carbon Contracts Company

Marques

OAKWOOD CORPORATE SERVICES LIMITED

Open Corporates

Open Ownership

Pension Protection Fund

Personal Investment Management & Financial Advice Association (PIMFA)

Prism Cosec

Publish What You Pay

Quoted Companies Alliance

R3

Recruitment & Employment Confederation

RegTech Council

SAFERjobs

Sedley Court Ltd

Stanley Davis

STEP

Stonewall

Tax Research LLP

Taylor Wessing LLP

The Association of Chief Trading Standards Officers (ACTSO)

The Association of Company Registration Agents

The Association of Investment Companies (AIC)

The Association of Taxation Technicians

The Certified Public Accountants Association

The Chartered Institute of Management Accountants

The Finance & Leasing Association (FLA)

The Institute of Chartered Secretaries and Administrators Registrars Group

The Institute of Financial Accountants (IFA)

The Law Society

The Notaries Society

The Society of Chief Officers of Trading Standards in Scotland

TISCreport

Tower Legal Services

Trading Standards Scotland

TransferWise

Transparency International

TravelWatch Northwest

Tricor Services Europe LLP

Turcan Connell

UK Finance

Vistra Group

Wine and Spirit Trade Association (WSTA)

WorldFirst

Wright, Johnston & Mackenzie LLP

XBRL UK Ltd

YOTI

We received a further 1,205 responses, largely by individuals.

How to get in touch

We welcome views on the policy direction set out in this paper. It would be most useful if they are framed in direct response to the government response to the Corporate Transparency and Register Reform Consultation, though further comments and evidence would also be welcome.

Your responses can be made in two ways:

Via mail: transparencyandtrust@beis.gov.uk

Via post:

Business Frameworks Directorate Transparency and Trust Team

Department for Business, Energy and Industrial Strategy

1st Floor

1 Victoria Street

London

SW1H 0ET

Please state whether you are responding as an individual or representing the views of an organisation.

This publication is available from: www.gov.uk/government/consultations/corporate-transparency-and-register-reform

If you need a version of this document in a more accessible format, please email enquiries@beis.gov.uk. Please tell us what format you need.