

# COMPANIES HOUSE REFORMS EXPECTED TO COME INTO PLAY IN THE SPRING OF 2023

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The government has an ambitious plan to overhaul the Registrar of Companies. On 22 September 2022 it published the Economic Crime and Corporate Transparency Bill.

The intention is for the Registrar of Companies to undergo a full transformation, with the aim of being the most innovative, open and trusted registry in the world. The government hopes to improve the Registrar's contribution to the UK economy, and at the same time boost its capacity to combat economic crime.

## The Economic Crime and Corporate Transparency Bill— summary of the key provisions

The Economic Crime and Corporate Transparency Bill will deliver the following reforms:

- **Introducing identity verification for all new and existing registered company directors, People with Significant Control, and those delivering documents to the Registrar.** This will improve the accuracy of Companies House data, to support business decisions and law enforcement investigations.
- **Broadening the Registrar of Companies House's powers so that the Registrar can become a more active gatekeeper over company creation and custodian of more reliable data, including new powers to check, remove or decline information submitted to, or already on, the companies register.**
- **Improving the financial information on the register so that the register is more reliable, complete and accurate, reflects the latest advancements in digital technology, and enables better business decisions.**
- **Providing Companies House with more effective investigation and enforcement powers and introducing better cross-checking of data with other public and private sector bodies.** Companies House will be able to proactively share information with law enforcement bodies where they have evidence of anomalous filings or suspicious behaviour.

- **Enhancing the protection of personal information** provided to Companies House to protect individuals from fraud and other harms.

The Bill will also deliver broader reforms to clamp down on misuse of corporate entities; to prevent the abuse of limited partnership; additional powers to seize and recover suspected criminal cryptoassets; reforms to give businesses more confidence to share information in order to tackle money laundering and other economic crime; and new intelligence gathering powers for law enforcement and removal of nugatory burdens on business.

## **When is the Economic Crime and Corporate Transparency Bill likely to receive Royal Assent?**

The Bill is currently at the Committee stage in the House of Commons, having completed its second reading on 13 October 2022. The Public Bill Committee will scrutinise the Bill and it was scheduled to report back by Tuesday 29 November 2022.

A blog article by Stuart Morgan, Head of Policy Development at Companies House, posted on 13 October 2022 suggests that the Bill is likely to achieve Royal Assent in the spring of 2023.

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