



ECCTA – Long Awaited Corporate Reforms Underway

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The Economic Crime and Corporate Transparency Act (“ECCTA”, the “Act”) received Royal Assent in October 2023, heralding the start of a substantial package of reforms aimed at tackling economic and financial crime.

The Act introduces the most significant reforms ever to the powers of Companies House, enabling it to become a more active gatekeeper over UK company creation and information.

Some of the measures introduced by the Act will require secondary legislation and system development at Companies House. However, the first Companies House reforms came into effect from **4 March 2024**.

[Measures in force from 4 March 2024](#)

The measures introduced from 4 March 2024 include the following:

[Obligation to provide a registered email address](#)

Companies are required to provide a registered email address to Companies House from incorporation, or for existing companies, when they file their next confirmation statement dated on or after 5 March 2024. This address will not be publicly available and can be used for multiple companies.

[Statement of lawful purpose](#)

On incorporation all companies are now required to confirm that they are forming a company for a lawful purpose. They will also need to confirm annually, via their confirmation statement, that their intended future activities are lawful.

[Greater restrictions on registered offices](#)

The company's registered office address must be 'appropriate' - meaning any documents sent to it should come to the attention of someone acting on behalf of the company and should also be capable of being recorded by an acknowledgement of delivery. PO box addresses are no longer allowed.

[Greater control over company names](#)

New restrictions apply to company names to prohibit the use of any name which contains a computer code, suggests a connection with an international organization or foreign government, or facilitates any crime of dishonesty and deception.

[Significant increase in Registrar's powers](#)

The Registrar of companies has been granted new powers to query and challenge information which appears to be inconsistent or incorrect compared with Companies House records and to remove information where it is inaccurate, false or incomplete. The Registrar's new powers extend to being able to annotate the register to let users know about potential issues with the information supplied to Companies House.

There will be serious consequences should a company not respond to a request from Companies House for further information in relation to a filing. These include prosecution or a financial penalty.

[Fee changes in force from 1 May 2024](#)

Companies House will implement a fully revised fee schedule from 1 May. The fees continue to be set on a cost-recovery basis but have increased significantly to support a higher workload for Companies House under the new regime.

Examples of the fee changes for online filings include:

- Incorporation (£12 → £50)
- Confirmation statement (£13 → £34)
- Voluntary strike-off (£10 → £33)

As might be expected in the digital age, fees for paper filings continue to be significantly higher than for online filings.

[Measures coming in future](#)

The more major changes introduced by the Act will not only require secondary legislation before they can come into force, but they will also necessitate significant software upgrades both for Companies House and corporate service providers. These changes will therefore not be introduced until late 2024 or even next year.

[Identity Verification](#)

There will be new identity verification requirements for directors, people with significant control and any individual delivering documents to Companies House on behalf of others. The new verification requirements will also apply to other types of UK entity. For instance, the members of limited liability partnerships (LLPs) and the general partner, or registered officer of the general partner if it is a legal entity, of limited partnerships (LPs).

Once the identity verification rules come into force, documents may only be delivered by an individual whose identity has been verified directly by Companies House, or who represents an Authorised Corporate Service Provider (ACSP). The introduction of ACSPs is a new proposition and external service providers who file documents on behalf of their clients will be required to be registered as ACSPs.

Information sharing

The Act will introduce measures to allow information to be shared by Companies House with other government departments and law enforcement agencies for the purpose of preventing or detecting economic crime. The Act will also enable businesses in the regulated sector to share customer information more easily with each other for the same purposes.

Any breaches of confidentiality as a result of such information sharing will be exempt from civil liability.

LLP and LP Requirements

This briefing focuses on the impact of the Act on companies. However, as noted above, LLPs and LPs are also affected by the Act. LPs, for instance, have historically had a fairly light compliance burden and will in future become subject to a wide range of new Companies House filing obligations. Once the identity verification rules come into force, many of these new filings will only be able to be delivered by an agent if they are a registered ACSP.

Contact us

If you would like assistance with understanding the impact of the Act and meeting your new obligations, please get in touch with us using the details [here](#).

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