**ICAEW KNOW-HOW**
CORPORATE REPORTING FACULTY


# *Companies House reform: accounts and filing aspects*

**25 SEPTEMBER 2024**

**THIS WEBINAR WILL COMMENCE SHORTLY ……**

# *Introduction*

Alison Bonathan
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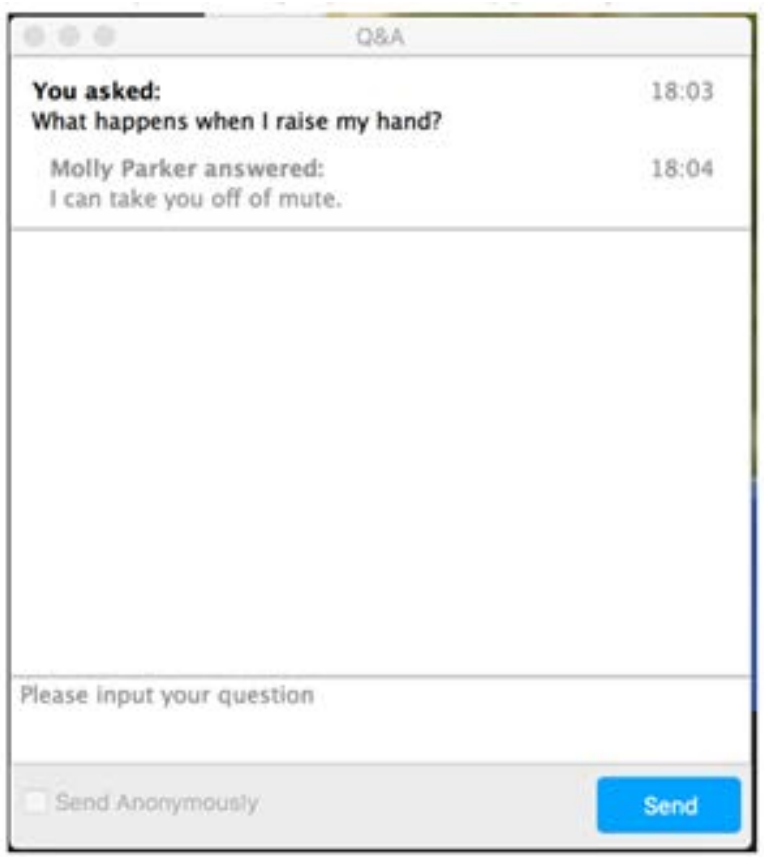
# *Today's presenters*

Helen Morris
Service Manager for Accounts Filing
Companies House

Carl Palfrey
Lead Business Analyst
Companies House

Henry Vaile
Principal Policy Advisor for Accounts & Reporting
Companies House

# *Ask a question and access resources*

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# Session Objectives

- Short overview of Companies House.
- Key changes from the Economic Crime and Corporate Transparency Act 2023.
- Overview of Accounts Legislative Reform and intended outcomes to:
  - Increase the transparency of accounts data to help tackle economic crime.
  - Enable digital filing of accounts packages for some of the largest companies in the UK economy.
  - Create a single filing route for all accounts submissions.
  - All accounts available in iXBRL format for the first time.

Companies House

# Who we are

## Companies House incorporates and dissolves limited companies.

## We register company information and make it available to the public, for free.

The type of people who use our information includes:

- investors
- researchers
- companies
- government departments
- the general public

Companies House

# Our purpose and vision

To drive **confidence** in the **UK economy.**

To be the most innovative, open and trusted registry in the world—with brilliant services delivered by brilliant people.

# Our data story:

**14** million transactions per year

**13** billion searches on the register per year

Enter your company name or number

Value of the register is estimated at **£1-3b**

**4** million sets of accounts filed in the last financial year

Submit

**3k** companies incorporated per day

An additional **1.5m** dissolved company records added to the Find and update company information service

**31.3k+** ROE entries registered

ROE accessed **326k+** times

Beneficial owner records accessed **73k+** times

April – Jun 23, **7.7k** incorporations per month (5.6% increase on 2022)

**1000** documents a day are now paperless (through the Upload service).

**20** apps are now using single sign on

Companies House

# Economic Crime and Corporate Transparency Act 2023

- The Act received Royal Assent on 26 October 2023.
- It gives Companies House the power to play a more significant role in tackling economic crime and support economic growth.
- Over time, the measures will lead to improved transparency and more accurate and trusted information on our registers.

# Economic Crime and Corporate Transparency Act: Key themes and outcomes

New objectives & powers for the Registrar

Identity verification

Authorised Corporate Service Providers

Information sharing and data analysis

Civil penalties

Protecting personal data

Company names

Corporate directors

Financial information/accounts

Limited partnership reform:

- Tighter registration requirements
- Anchor limited partnerships to the UK
- Increase transparency requirements
- Deregister LPs that are dissolved

Transparency of ownership

CH no longer a passive recipient of information but an active gatekeeper and custodian

Better services for 4+ million UK companies (user accounts, streamlining process)

Working with other agencies, law enforcement, supervisory bodies, mutually combatting economic crime

Wide economic benefits from more useable and reliable register, informing business transactions, lending, Government strategy

Harder to perpetrate and hide fraud, money laundering, tax evasion, terrorist financing (domestic and international) through the UK – ultimate benefits to consumers, citizens

Safeguarding UK's reputation as open, clean, safe place to do business

Reduced risk of personal harm

# Accounts specific changes

- Small companies that do not qualify as micro entities will need to file a directors' report.
- Small and micro-entity companies required to file their profit and loss accounts.
- Removal of 'abridged' accounts.

# Accounts specific changes continued …..

- Companies claiming an audit exemption to provide an enhanced statement, specifying the exemption being claimed and confirming the company's eligibility.
- Component parts of filings to come in together.
- Accounting Reference Period – Regulations to restrict the length a company can shorten its ARP.
- Mandate software filing of accounts.

Companies House

# When will these changes take effect?

- The first set of ECCTA changes came into force on 4th March 2024.
- This is a large programme of work which will take time to deliver.
- The changes will be implemented in phased approach over the next few years.
- Many changes need system development and secondary legislation before they are introduced.
- We commit to providing as much notice as possible for the transition to software only accounts filing.

# Software only accounts filing – What is it?

- It will become mandatory to file accounts with Companies House using third-party software.
- It will not be possible to file accounts on paper, except in very limited circumstances.
- Companies House will no longer offer web services for accounts filings.
- HMRC's CATO (Company Accounts and Tax Online) service will no longer be used to file accounts with Companies House.
- These changes only affect accounts filings specifically. Companies House web and paper routes will remain for other (statutory) filings and services.

# What does this mean for you?

- Channel shift for 1.6 million filings.
- Upwards of 900k companies needing software.
- Familiarisation with new legislative accounts filing requirements and policy change.
- Move away from web and paper-based accounts filings.

# How will we get there?

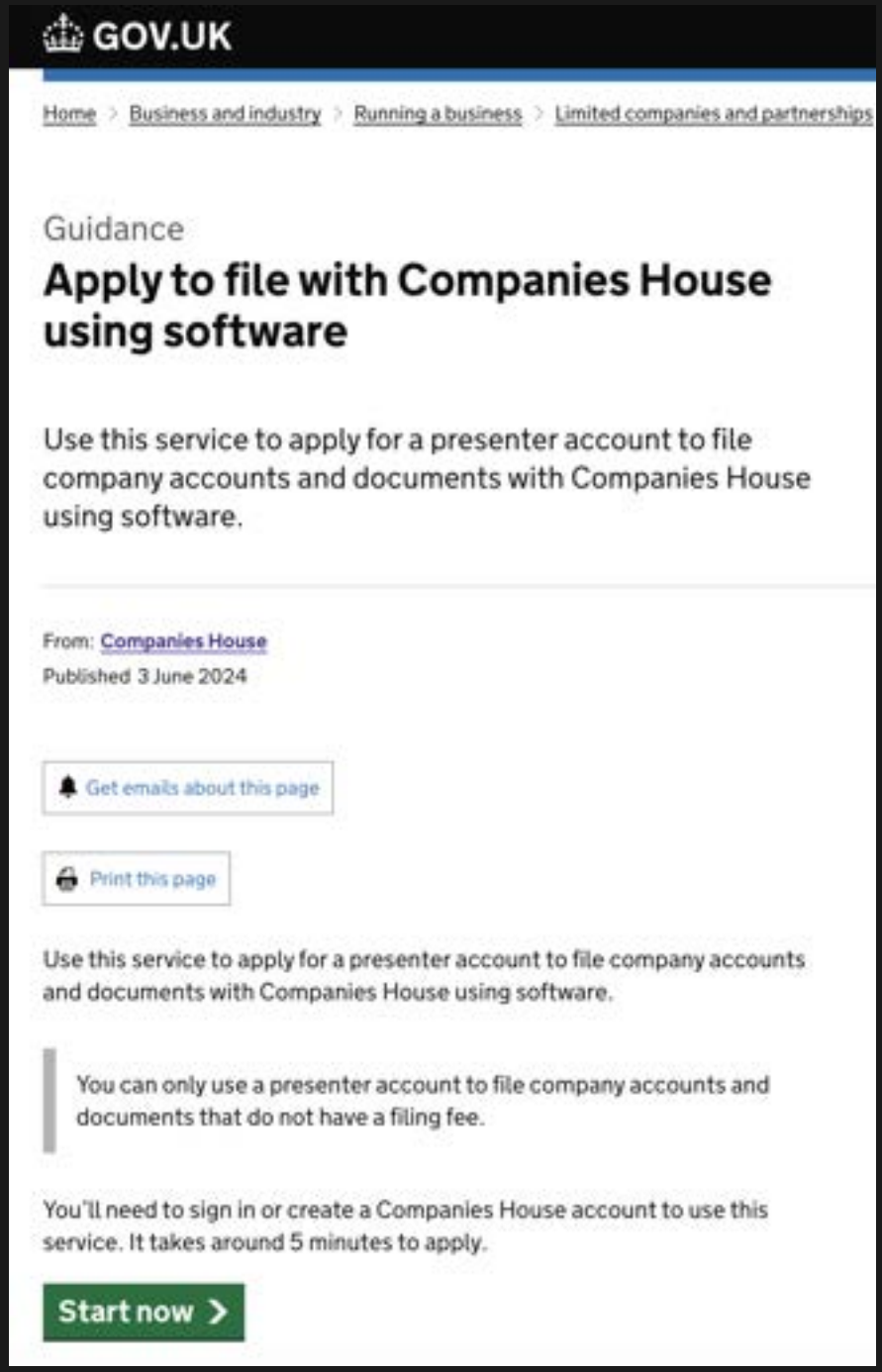
## Communication and engagement

- Working on an extensive communications plan and engaging with software vendors, stakeholders and filers to prepare for the transition.
- Working with the market to ensure use of the range of taxonomies and availability of products for all accounts types.
- Collaboration with HMRC on plans for CATO.
- Working with organisations such as the FRC, the Charity Commission, CIC regulator and others to prepare for the transition and to provide suitable advice to filers.

# Moving towards mandation

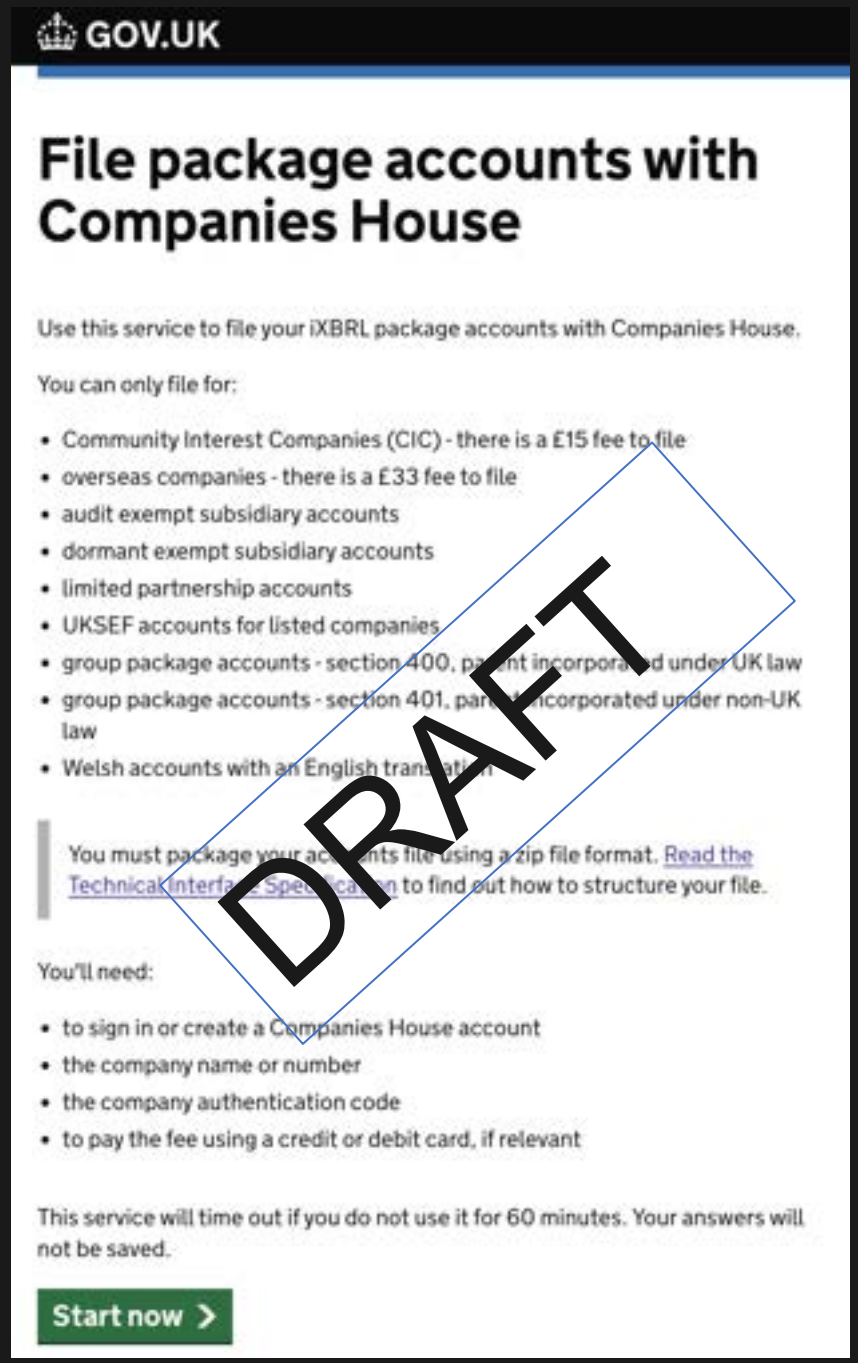
## Presenter account

- In June 2024, we released a new service which allows filers to apply online for a non-fee bearing presenter account to file via software.
- This replaced a PDF form / email-based process, simplifying the journey for users to be able to file via software.

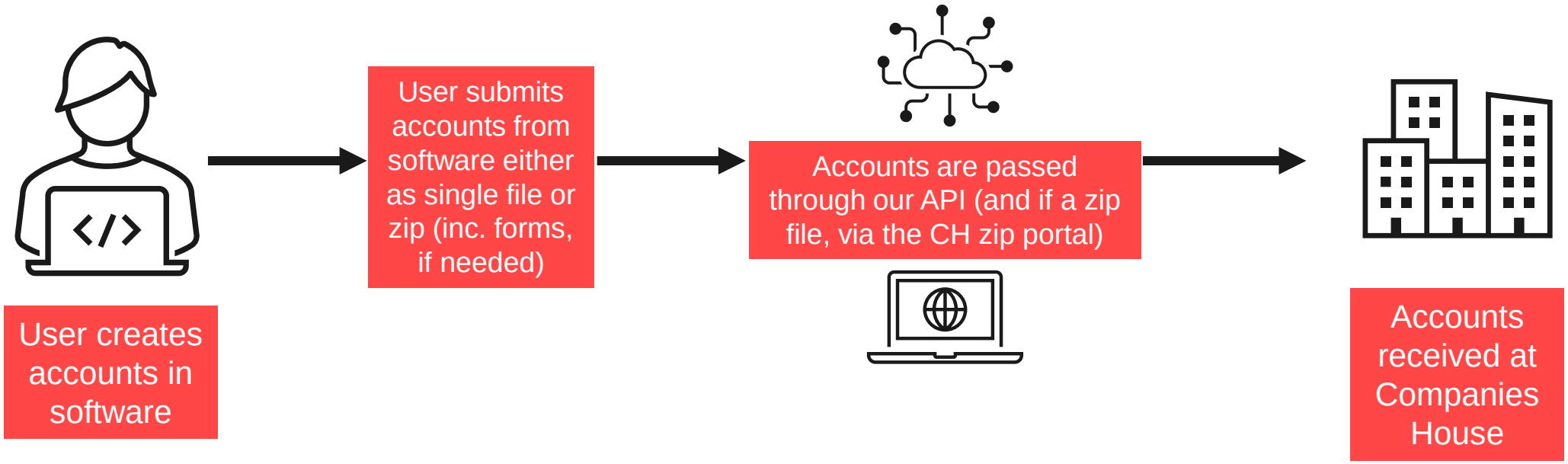


# Accounts digitisation

- **ZIP Portal for package accounts**
- Some accounts types are comprised of multiple documents, or a 'package'. Most of these can currently only be submitted on paper
- By summer 2025, we are planning to release a ZIP Portal to allow these packages to come in digitally for the first time.



# Optimum future filing route for all accounts submissions



# changestoUKcompanylaw.campaign.gov.uk

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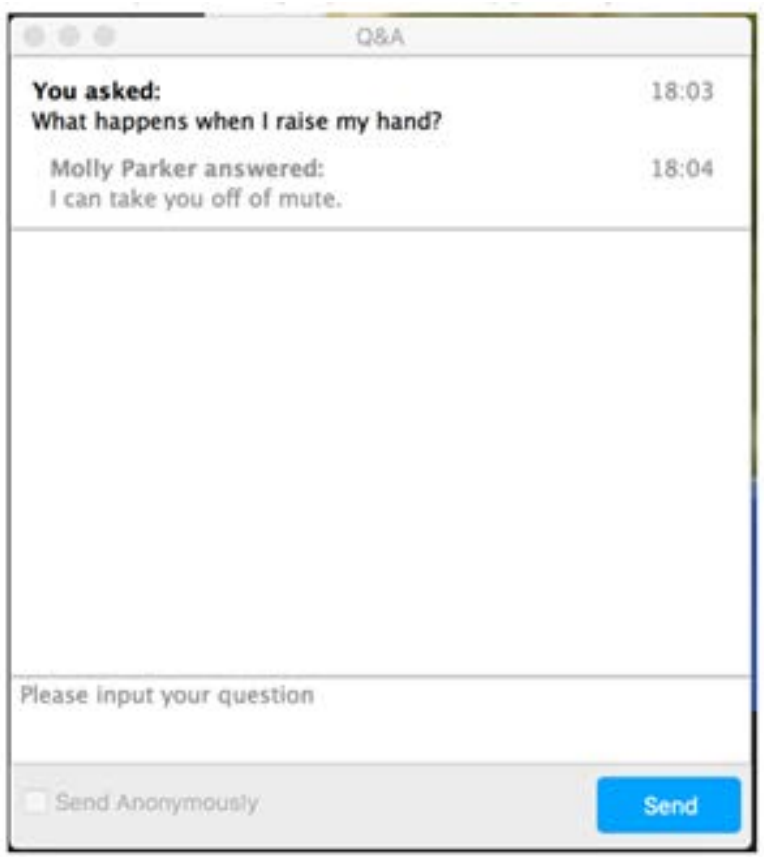


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# *ICAEW and other resources*

### *ICAEW resources*

- The Economic Crime and Corporate Transparency Act accounts and filing aspects
- UK regulation hub
- Economic crime hub
- By All Accounts:
  - Changes to accounts preparation and filing requirements
  - Companies House reform: first changes introduced

### *Other resources*

- Changes to UK company law hub
- Companies House blog

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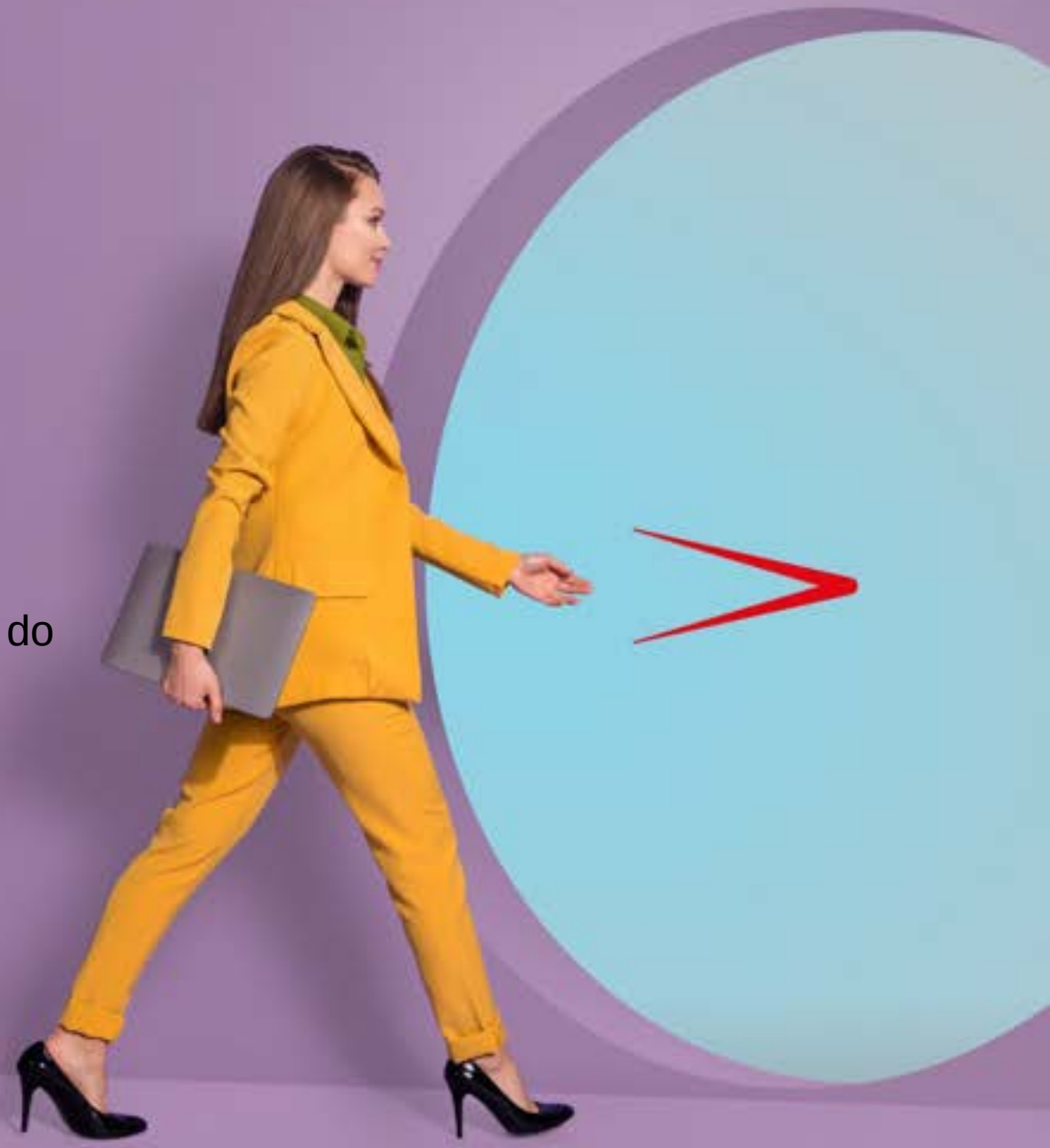

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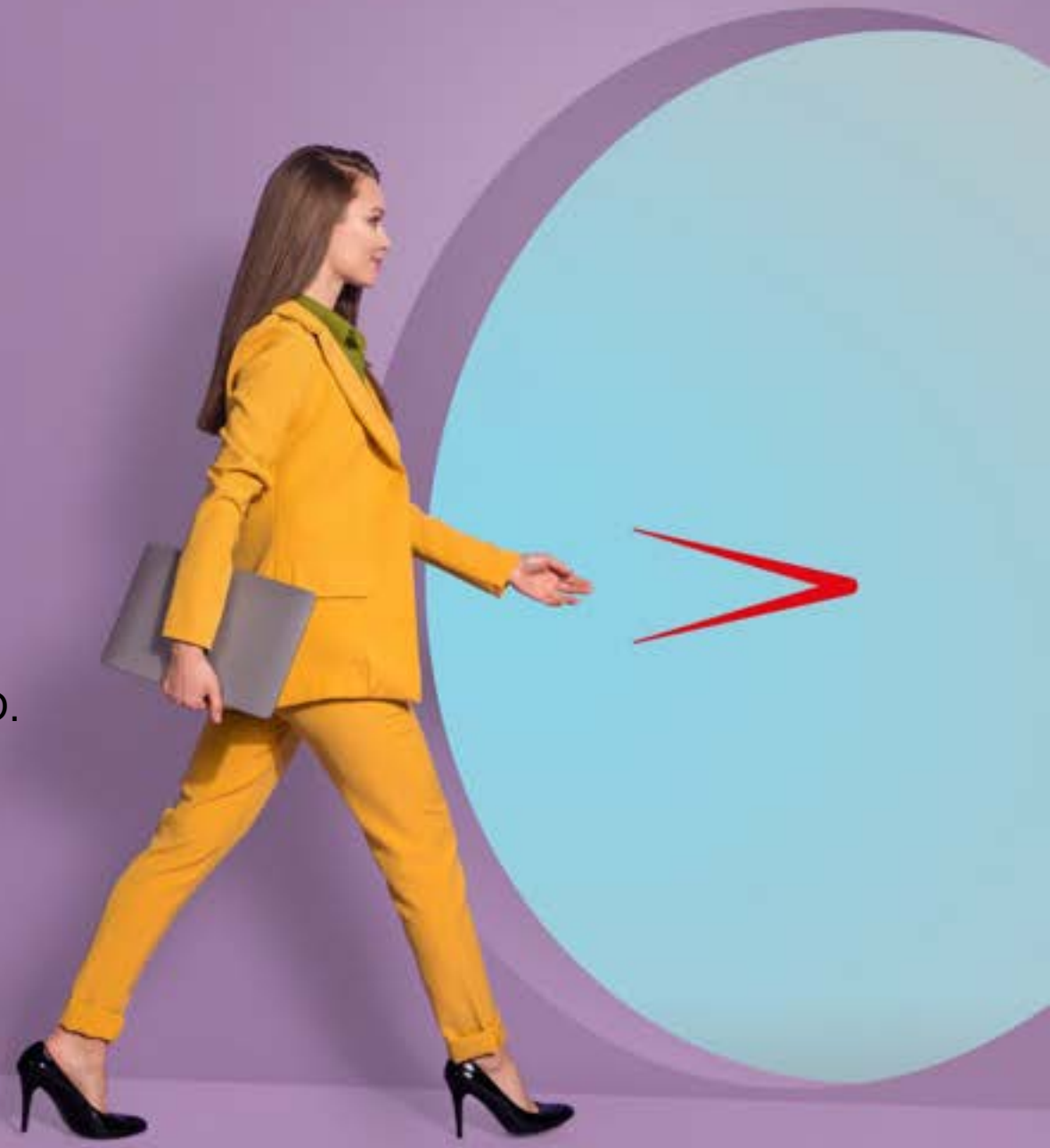

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# *Questions*

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# *Thank you for attending*

- Please take the time to fill out our short survey.

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