

# Economic Crime and Corporate Transparency Act - new changes announced

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- 1. New changes announced by Companies House, six months after ECCTA was passed into UK law**
  - 2. These include the need for a registered email address and stronger checks on company names**
  - 3. It is a criminal offence not to comply within the 14-day timeframe to a formal query**
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The Economic Crime and Corporate Transparency Act (“**ECCTA**”) was passed into UK law in October 2023. It aims to combat economic crime and improve corporate transparency in the UK and will introduce significant changes to the way companies register and report their information, as well as new obligations and sanctions for non-compliance, as [Sarah Fuller](#) now explains.

On 4th March 2024, Companies House confirmed that changes have been made to the Economic Crime and Corporate Transparency Act (ECCTA). The changes give Companies House the power to have a more significant role in disrupting economic crime and support economic growth in the UK.

There are **five new rules** which companies need to be aware of:

1. New requirement for a registered email address
2. New rules for registered office addresses

3. New requirement for Statement of Lawful Purpose
4. Stronger checks on company names
5. Enhanced powers for the registrar

### **Registered email address**

All companies will be required to provide a **registered email address** for any communications with Companies House. As of 4 March, new companies will need to provide a registered email address at the point of incorporation. From 5 March onwards, existing companies must provide a registered email address when they file their next confirmation statement.

Aztec has created a dedicated registered email address for new companies that we incorporate and for existing companies that we are engaged to provide company secretarial services to.

**ACTION: If you would prefer Aztec to use a different registered email address as part of our company secretarial services for filings with Companies House, please let us know.**

### **Registered office address**

The new rules for registered office addresses listed with Companies House require that those addresses must be “appropriate”. This means that **PO Boxes are no longer accepted**. Also, **documents** sent to the registered office address **should be received by a person acting on behalf of the company** who is capable of acknowledging delivery.

Aztec’s registered office address already meets this requirement.

**ACTION: If you are using another registered office address, please ensure that it complies with the new requirements.**

### **Statement of lawful purpose**

There will be a new requirement on incorporation from 5 March onwards, for subscribers (shareholders/members) to confirm that they wish to form a company for **lawful purposes**, and that their **future activities** will also **be lawful**.

All companies (or anyone acting on their behalf) will need to confirm annually within the confirmation statement, that their intended future activities will also be lawful.

Aztec will require confirmation of the relevant statements prior to the completion of any incorporations or filings that we are engaged to perform.

**ACTION: If Aztec is not currently engaged to perform this service on your behalf, please ensure that you are aware of this requirement and take note of this verification when your annual confirmation statement is due.**

### **Stronger checks on company names**

Companies House now have broader powers in relation to company names such as the ability to reject certain names (both new and existing). Stricter checks will be completed on company names to ensure that they do not facilitate crime by implying they have a non-existent connection to a foreign government or institution, or provide a false or misleading impression.

### **Enhanced powers for the registrar**

- Companies House will have new and enhanced powers to investigate information that appears to be inaccurate or inconsistent. In some instances, they will be able to **amend** the entity register and **remove** information that they believe is incorrect, incomplete, false, or fraudulent.
- They will also have a more robust approach to reviewing information both before and after it is published on an entity register. Companies House will have the authority to **annotate** the register when information appears to be confusing or misleading.
- These new powers mean that they will be able to **query** existing information. A “query” begins with a request for additional information and supporting evidence (most likely to the registered office or registered email address). Entities that are asked for additional information by Companies House should be prepared to respond promptly. If the case progresses to a formal “query” for information and a company still fails to respond, it will be considered **a criminal offence**, with potential consequences including a financial penalty or prosecution. Companies House has confirmed that it will give a company **14 days** to respond to a formal inquiry.
- The enhanced powers will also enable Companies House to remove false, misleading, or incorrect information, at greater speed than before and **share** data with other government departments and law enforcement

agencies.

**ACTION: To facilitate these requirements, please ensure that all information shared with Aztec for filing is accurate and contains no omissions, so that we can submit promptly.**

In addition to the measures that become effective in March, Companies House has published details of [increases](#) to its various fees for incorporation, registration and filing. These increases take effect on 1 May 2024.

These changes are just some of the measures being introduced by the [ECCTA](#). Others - such as the proposed new identity verification process for directors, people with significant control and others, will be brought in at a later date.

Companies House has launched a new website entitled "[Changes to UK company law](#)", which provides further information on upcoming changes being introduced under the Act as they become available. We will of course continue to monitor these changes and update you.

Please do reach out to your regular Aztec contacts, or contact [Sarah](#) directly, if you have any questions on ECCTA, or would like to have a discussion as to how we can assist you with these changes.