

# UNITED KINGDOM FACT SHEET

## GENERAL INFORMATION

Company type	Private Limited Company
Timeframe for company formation	2-3 days
Governing corporate legislation	UK companies are regulated under the Companies Act 2006. The UK Companies House is the governing authority.
Legal system	Common Law
Corporate taxation	The current Corporation Tax rate for company profits in the UK is 19%. See ( <a href="https://www.gov.uk/corporation-tax-rates">https://www.gov.uk/corporation-tax-rates</a> ) and ( <a href="https://www.gov.uk/guidance/corporate-tax">https://www.gov.uk/guidance/corporate-tax</a> ).
Accessibility of records	Upon registration of the company, the names of company officers will appear on public record. A register of "people with significant control" has been in force since the 6 April 2016.
Time zone	GMT
Currency	British Pound (GBP)

## SHARE CAPITAL

Standard currency	GBP
Standard authorised capital	Not applicable
Minimum paid up	GBP 1

## SHAREHOLDERS, DIRECTORS AND COMPANY OFFICERS

Minimum number of Shareholders	1
Minimum number of Directors	1
Locally-based requirement	No
Requirement to appoint Company Secretary	Yes

## ACCOUNTING REQUIREMENTS

Requirement to prepare accounts	
Accounts and tax filing must be submitted by year-end	
Requirement to appoint auditor	
Yes, but exceptions exist for small companies	
Requirement to file accounts	Yes
Accessibility of accounts	Yes
Requirement to file annual return	Yes

## DOCUMENT REQUIREMENTS

Certified copy of valid passport (or national identity card), Original or certified proof of address (issued within the last 3 months) in English or translated into English.

## INCORPORATION FEES

Initial set-up and first year	USD 1,260
Per year from second year	USD 1,000



## GOOD TO KNOW

UK companies can be used in tandem with an offshore company to enjoy a tax rate of less than 5%. This type of structure is commonly known as an "Agency Company", where an onshore company acts as nominee or agent for an offshore principal. This set-up offers an onshore "face" with all the offshore benefits.

## COUNTRY INFORMATION

Lying off the north-west coast of the European mainland, the United Kingdom of Great Britain and Northern Ireland, commonly known as the United Kingdom (UK), includes the island of Great Britain, the north-eastern part of the island of Ireland, and many smaller islands. Apart from sharing a land border with the Republic of Ireland, the UK is surrounded by the Atlantic Ocean, with the North Sea to its east, the English Channel to its south, and the Celtic Sea to its south-southwest, while the Irish Sea lies between Great Britain and the island of Ireland. With an area of 243,000 square kilometres, the UK is the 80th-largest sovereign state in the world and the 11th-largest in Europe. It is also the world's 22nd-most populous country, with an estimated 65 million inhabitants.

## POLITICAL STRUCTURE

The United Kingdom is a unitary democracy governed within the framework of a constitutional monarchy, in which the Monarch is the head of state and the Prime Minister of the United Kingdom is the head of government. Executive power is exercised by Her Majesty's Government, on behalf of and by the consent of the Monarch, as well as by the devolved Governments of Scotland and Wales, and the Northern Ireland Executive. Legislative power is vested in the two chambers of the Parliament of the United Kingdom, the elected House of Commons and the appointed House of Lords, as well as in the Scottish parliament and Welsh and Northern Ireland assemblies. The judiciary is independent of the executive and the legislature. The highest court is the Supreme Court of the United Kingdom. Queen Elizabeth II is the head of state of the UK as well as monarch of 15 other independent Commonwealth countries. The monarch has, "the right to be consulted, the right to encourage, and the right to warn". The position of Prime Minister, belongs to the person most likely to command the confidence of the House of Commons; this individual is typically the leader of the political party or coalition of parties that holds the largest number of seats in that chamber. The Prime Minister chooses a cabinet and its members are formally appointed by the monarch to form Her Majesty's Government. By convention, the Queen respects the Prime Minister's decisions of government.

## ECONOMY

The UK has a partially regulated market economy. Based on market exchange rates the UK is today the fifth-largest economy in the world and the second-largest in Europe after Germany. HM Treasury, led by the Chancellor of the Exchequer, is responsible for developing and executing the British government's public finance policy and economic policy. The Bank of England is the UK's central bank and is responsible for issuing notes and coins in the nation's currency, the pound sterling. Pound sterling is the world's third-largest reserve currency (after the US Dollar and the Euro). London is one of the three "command centres" of the global economy (alongside New York City and Tokyo), and is the world's largest financial centre — alongside New York — boasting the largest city GDP in Europe. The UK service sector makes up around 73% of GDP while tourism is very important to the British economy, with the United Kingdom ranked as the sixth major tourist destination in the world, while London has the most international visitors of any city worldwide.

## POPULATION

The total population of the United Kingdom is approximately 65,105,000 making it the third-highest in the European Union (behind Germany and France) and the 22nd-highest in the world. The nation's overall population density is also one of the highest in the world at 259 people per square kilometre, due to the particularly high population density in England.

## POPULATION

Almost one-third of the population lives in England's southeast, which is predominantly urban and suburban, with about 8 million in the capital city of London, the population density of which is just over 5,200 per square kilometre. According to the 2011 Census, the ethnic composition of the United Kingdom was set out as: 87.1% White British; 0.1% White Gypsy/Traveller/Irish Traveller; 6.9% Asian or Asian British; 3% Black or Black British; 2% Mixed or Multiple; and 0.9% Other Ethnicity.

## LANGUAGE

The UK's de facto official language is English. It is estimated that 95% of the UK's population is monolingual English speaking. 5.5% of the population are estimated to speak languages brought to the UK as a result of relatively recent immigration, while four Celtic languages are also spoken in the UK: Welsh, Irish, Scottish Gaelic, and Cornish. All are recognised as regional or minority languages, subject to specific measures of protection and promotion.

### POPULATION

65,105,000

### LANGUAGE

English

## TAXATION

Previously, the tax rate on profits before April 2015 depended on the size of the profits and was divided into two categories 'small profits rate' and 'main rate'. However, since April 2015, the tax system was simplified, and therefore the 'small profits rate' and 'main rate' of Corporation Tax were organized, providing UK companies a single rate of Corporation Tax. The current Corporation Tax rate for company profits in the UK is 19%. In April 2023, new corporate tax rates and small profits thresholds will be implemented allowing an increase in the Corporation Tax up to 25%.

- Category 1: Businesses with profits of £50,000 or less, will continue to be taxed at 19%. This category represents 70% of companies registered in the UK and therefore the majority of businesses will continue to benefit from the same current tax rate.
- Category 2: Businesses with profits of £250,000 or greater, will be taxed at the full rate of 25%.
- N.B. The new tax system will take into consideration companies with profits between £50,000 and £250,000 and will be taxed under a new reduced relief system.

It is necessary to submit a tax declaration to the tax authorities within nine months after the anniversary of the company. For instance, if the company was registered on 14 September 2010, there will be a nine-month period from 14 September 2011 for preparing and submitting the tax declaration. SFM will contact you at the appropriate time to request the necessary accounting documents from you.

## TAXATION

**Value-Added Tax (VAT):** A VAT number can generally be obtained within two weeks, however, note that a UK bank account is a requirement. A VAT number becomes mandatory only if the company's turnover exceeds GBP 77,000 within the last 12 months of operation. As of 4 April 2011, the VAT rate is 20%. As a VAT number is granted by the UK tax authorities, SFM cannot give any guarantee that it will be granted.

**Double Taxation Agreements:** The United Kingdom is party to more double tax treaties than any other sovereign state.

## COMPANY FORMATION INFORMATION

### Incorporation Procedure

Upon receipt of the client's KYC documents (passport copy and proof of address issued within the last 3 months) and description of the intended business activity, and after our legal department's due diligence checks, SFM will incorporate the Private Limited Company via our UK-based agent as it is necessary for the registered office of the company to be maintained in the UK at the address of a licensed management company. Note that the below are the additional required documents for incorporation in the UK:

- Certified/notarised copy of one document verifying proof of identity e.g. passport or valid identity card;
- Original or certified/notarised copy of one document verifying proof of residential address dated within the last three months e.g. electricity, water or gas bill or bank statement;
- One original bank reference letter;
- Curriculum Vitae;
- Beneficial Owner's Declaration per beneficial owner — to be provided by SFM; and
- Business plan information sheet — to be provided by SFM.

### Incorporation Timeframe

2-3 days.

### Trading Restrictions

UK Private Limited Companies cannot undertake the business of banking, insurance, financial services, consumer credit, and similar or related services.

### Name Restrictions

A UK Private Limited Company name must end with Limited or Ltd. Restricted names include those suggesting patronage of the Royal Family or which imply an association with Central or Local Government of the United Kingdom. Other restrictions are placed on names that are identical or too similar to an existing company or any name which would be considered offensive or suggests criminal activity. The following names or their derivatives require a licence or other Government Authorisation: "assurance", "bank", "benevolent", "building society", "Chamber of Commerce", "fund management", "insurance", "investment fund", "loans", "municipal", "reinsurance", "savings", "trust", "trustees", "university", or their foreign language equivalents for which the approval of the Secretary of State is first required.

### Corporate Documents Language

English or Welsh





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## NOTES

\* Subject to the constraints of the due diligence procedure.

\*\* Documents must be provided for every person related to the company.

**Disclaimer:** The fact sheet is provided for convenience only. Nothing on this fact sheet shall be construed as a contractual commitment or as a warranty. Services conditions are governed by the applicable terms and conditions.