

UNITED KINGDOM Jurisdictional Guide



GENERAL INFORMATION

The United Kingdom of Great Britain and Northern Ireland commonly known as the United Kingdom (UK) or Britain, is the 11th largest country in Europe, lying off the north-western coast of the European mainland, the country includes the island of Great Britain, the north-eastern part of the island of Ireland, and many smaller islands. Northern Ireland is the only part of the UK that shares a land border with another state: the Republic of Ireland.

The UK consists of four countries: England, Scotland, Wales, and Northern Ireland. The latter three have devolved administrations, each with varying powers, based in their capitals, Edinburgh, Cardiff, and Belfast, respectively. Guernsey, Jersey, and the Isle of Man are not part of the UK, being Crown Dependencies with the British Government responsible for defence and international representation. The UK has 14 Overseas Territories, including the disputed Falkland Islands and Gibraltar. The current monarch -since 6 February 1952- is Queen Elizabeth II.

The UK has the world's sixth-largest economy by nominal GDP and tenth-largest by purchasing power parity. The country has the 2nd largest amount of external debt, behind only the United States. It was the world's first industrialised country and today remains a great power with considerable economic, cultural, military, scientific, and political influence internationally. It is a recognised nuclear weapons state and its military expenditure ranks sixth in the world. The UK has been a permanent member of the United Nations Security Council since its first session in 1946, a member state of the European Union and its predecessor, the European Economic Community, since 1973; it is also a member of the Commonwealth of Nations, the Council of Europe, the G7, the G8, the G20, NATO, OECD and the WTO.

The capital of England, London, is one of the world's foremost financial centres and the fourth-largest urban area in Europe. There are currently over 3 million UK companies registered and over 7 million documents filed each year with the country's registration authority, the Companies House.

COUNTRY INFORMATION

Population	64.1 ml
Size	243,610 sq.km.
Political System	Constitutional monarchy with a parliamentary system of governance
Language(s)	English, Welsh (approximately 26% of the population of Wales) and Scottish Gaelic (approximately 1% of the population of Scotland)
Time zone	GMT
Currency	Pound Sterling (GBP)

CORPORATE INFORMATION

Basic Characteristics

Legal Form	Private Limited Company (Company limited by shares or guarantee)
Type of Law	Common Law
Legislation	The Companies Act, 2006
Regulatory Authority	The Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA)
Types of Companies	<ul style="list-style-type: none">• Private Limited Company (Ltd)• Public Limited Company (Plc)• Limited Liability Partnerships (LLP)• Limited Partnership (LP)• Sole Proprietor Companies
Required Incorporation Documents	Certified copy of passport and copy of proof of address for beneficial owners and senior officers

COMPANY INFORMATION

Company Name

Language	Any language (filing of documentation must be in English) Any name in a language other than English must be accompanied by a certified English Translation to ensure that the name is not restricted. For Welsh Companies, documentation in Welsh will be accepted.
Name Suffixes and Abbreviations	Limited or Ltd, PLC, LLP, LP
Name Restrictions	Any name that is identical or similar to an existing company; any name which would be considered offensive or suggests criminal activity;
Names Requiring Consent or License	Assurance, bank, benevolent, building society, Chamber of Commerce, fund management, insurance, investment fund, loans, municipal, reinsurance, savings, trusts, trustees, university or their foreign language equivalent for which the approval of the Secretary of State is first required

Authorised Shares

Standard Currency	Pound Sterling (GBP)
Permitted Currencies	Any
Minimum Paid Up	£1
Classes of Shares Permitted	Ordinary Shares, Preference Shares, Deferred Shares, redeemable shares and shares with or without voting rights
Bearer Shares	No

Directors or Managers

Minimum Number	One (physical or legal - but at least one director must be a physical person)
Local Director Required	No
Publicly Accessible Director Records	Yes
Location of Meetings	Anywhere

Shareholders

Minimum Number	One (physical or legal who can also act as sole director)
Local Required	No
Publicly Accessible Shareholder Records	Yes
Location of Meetings	Anywhere

Secretary

Required	Optional (Physical or legal - of any nationality)
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Local Requirements

Registered Office/Agent	Yes (in the same country that the company is registered in - i.e. a company registered in Scotland must have a registered address in Scotland)
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Accounts

Required to Prepare	Yes
Audit Required	Yes Small companies exempted To qualify as a small company with total audit exemption, at least two of the following conditions must be met: <ul style="list-style-type: none">• Annual turnover must be £5.6 million or less;• The balance sheet total must be £2.8 million or less;• The average number of employees must be 50 or fewer.
Required to File Accounts	Yes
Publicly Accessible Accounts	Yes

Recurring Government Costs

Annual License Fee	Not applicable
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Taxation	
Corporation Tax	Corporation tax (which includes Capital Gains Tax) is paid by UK companies based upon accounts, which are submitted to the HM Revenue & Customs and the Registrar of Companies at the end of the company's financial year. A company is free to choose its financial year-end.
Tax Rates	<p>Companies pay corporation tax at the rate of 20% where the net profit before tax does not exceed £300,000.</p> <p>Tax rates on profits over £1.5 million is currently at 21%. The main rate of corporation tax applies when profits (including ring fence profits) are at a rate exceeding £1.5 million or where is no claim to another rate, or where another rate does not apply.</p> <p>Marginal relief is applied to companies with profits between £300,000 and £1.5 million.</p>
VAT	A company must register for VAT with HM Revenue and Customs (HMRC) if the business turnover is more than £81,000.

UK TRUSTS

General

A trust is a way of managing assets (money, investments, land or buildings) for people. There are different types of trusts and they are taxed differently.

Makeup of trusts	<ul style="list-style-type: none"> • The "settlor" – the person who puts assets into a trust • The "trustee" – the person who manages the trust • The "beneficiary" – the person who benefits from the trust
Trust Purposes	<ul style="list-style-type: none"> • To control and protect family assets • When someone is too young to handle their affairs • When someone can't handle their affairs because they are incapacitated • To pass on assets while still alive • To pass on assets when you die (a "will trust") • Under the rules of inheritance if someone dies without a will (England & Wales)

Types of UK Trusts

Bare Trusts	<p>Assets in a bare trust are held in the name of the trustee. However the beneficiary has the right to all of the capital and income of the trust at any time if he/she is over 18 years of age (England & Wales) or 16 years of age (Scotland).</p> <p>This means that the assets set aside by the settlor will always go directly to the intended beneficiary.</p>
Interest in possession trusts	These are trusts where the trustee must pass on all trust income to the beneficiary as it arises (less any expenses)

Discretionary Trusts	<p>The Trustees can make certain decisions about how to use the trust income, and sometimes the capital.</p> <p>Depending on the trust deed trustees can decide:</p> <ul style="list-style-type: none"> • What gets paid out (income or capital) • Which beneficiary to make payments to • How often payments are made • Any conditions to impose on the beneficiaries <p>Discretionary Trusts are sometimes set up to put assets aside for:</p> <ul style="list-style-type: none"> • A future need • Beneficiaries who aren't capable or responsible enough to deal with the assets themselves
Accumulation Trusts	<p>The trustees can accumulate income within the trust and add it to the trust's capital. Income can be paid out as with discretionary trusts.</p>
Mixed Trusts	<p>These are a combination of more than one type of trust. The different parts of the trust are treated accordingly to the tax rules that apply to each part.</p>
Settlor-Interested Trusts	<p>The settlor, their spouse or civil partner benefits from the trust, which can be :</p> <ul style="list-style-type: none"> • An interested in possession trust • An accumulation trust • A discretionary trust
Non-resident Trusts	<p>This is a trust where:</p> <ul style="list-style-type: none"> • None of the trustees is resident in the UK for tax purposes • Only some of the trustees are resident in the UK and the settler of the Trust was not resident, ordinarily resident or domiciled in the UK when the trust was set up or funds added.

NOTE:

The information contained in this publication is accurate as at the date of its publication and is not intended to be exhaustive nor a substitute for proper professional advice. Please contact our company for consultation. We look forward to assessing your individual business plans and requirements and recommending the right solution for your unique needs.