Everything that You Should Know about a Certificate of Incorporation, UK

If you live in the UK and you are considering starting your own business, you might need to file for a certificate of incorporation. <u>Uniwide Formations</u> can offer professional business support to help you navigate this process from start to finish. As a business owner, however, it is also imperative that you understand and learn about the various important certificates and documents required to set up your own company, including a certificate of incorporation.

This guide will illustrate everything you need to know about a certificate of incorporation in the UK.

What is a certificate of incorporation and why might you need one?

A certificate of incorporation is issued when a business registers with <u>Companies House</u>. This is the UK's registrar of companies. To operate legally in the United Kingdom, your business will need to register with this entity that falls under the mitigation of the Department for Business, Energy and Industrial Strategy.

A certificate of incorporation is proof that your company was added to the public register of companies, and it shows anyone who views it that your company is its own legal entity. As an owner of a business, you will require this certificate to assist you in keeping business financial matters separate from your personal ones. You might need it to set up a bank account for your company, for proof of your business entity when any monetary transactions take place or even for when your business requires funding.

Examples of scenarios for when you may need to present this certificate include:

- Obtaining a loan from a bank or a debt financier
- Seeking other means of funding for example securing investment from private equity investors
- Trading of company shares to investors
- Filing for taxes outside of the UK
- Selling your business to another party
- Registering as a vendor with your client

- Changing the name of your business or restructuring the company
- Purchasing property for your business
- Setting up a division of your business overseas
- Applying for various permits, grants or company licenses

And other matters of due diligence your business may undertake.

Information that a certificate of incorporation will include

The document is irrefutable evidence that all requisites of the <u>Companies Act 2006</u> were fulfilled by your company with regards to its registration.

The certificate of incorporation outlines important information and details about your company including:

- The company's official full name and registration number
- The type of company (Limited or unlimited, public or private, limited by guarantee or shares)
- Which location your company is registered in (England and Wales, Wales, Scotland or Northern Ireland)
- Date of incorporation
- The UK Royal coat of arms and official seal of Companies House
- Details of the company's directors
- An outline of how shares are allocated
- The office address of your company

Some companies choose to have additional information included on their certificate of incorporation. This can be the names of the company's directors and secretaries, a good standing statement and the business's objects. You may also choose to get the document legalised by the Foreign and Commonwealth Office (FCO) for use overseas.

What happens if you lose your certificate of incorporation?

Even if you do not need your certificate of incorporation on a day-to-day basis, you must ensure that it is safely stored in a place that you can access when required. This can be in a digital format or a hard copy. You will receive a digital copy of your certificate within a few hours of registration. The cost of a paper hard copy of your certificate is £15.00, and this will be posted to you. It can take up to a few days for the certificate to reach you.

If you cannot locate your certificate of incorporation, the first thing you must do is check the email account which was used to register your company. If you are unable to locate it there, you should log into your account on Companies House to access your digital certificate.

Search the register online for your company name and locate its "Filing History". A PDF version of your certificate should be available for you to download.

If you enlist our services in filing for a certificate of incorporation in the UK, we will help you locate it and even assist in requesting a replacement for a document that has been misplaced.

Frequently used terms to remember

As a business owner, you must familiarise yourself with a number of commonly used terms, documents and numbers to make transactions and processes as seamless as possible. It can be overwhelming for some as many people are often inundated with confusing paperwork. The following terms will aid you:

Employer reference number (ERN): This is given to companies that have implemented PAYE (Pay As You Earn) for their employees. The first 3 digits identified the corresponding tax office. This is followed by a forward slash and characters that identify the tax office's employer reference. It can look something like this: 321/AB456

VAT number: HMRC will issue a 9 digit number that will start with the prefix "GB". Every company that registers for Value Added Tax will require this.

Unique taxpayer reference (UTR): This 10-digit code is used to identify your company for tax purposes, including tax refund claims and tax returns.

Company Registration Number (CRN): Companies House issues this when you register your business and is automatically assigned upon company formation.

How to obtain a certificate of incorporation in the UK

Now that you are fully aware of what a certificate of incorporation is and know why you need one, you must now learn how to obtain it. This certificate is available to registered businesses, so you must collate all the below information to register your company accurately and efficiently.

Steps to register your business with Companies House:

1. Decide your company's structure

A majority of entrepreneurs in the UK decide to form a "limited liability" company. This option is suitable for companies with more than one shareholder. If you are unsure about what this entails, you can refer to this helpful <u>guide</u>. All companies

must meet the requirements of the Companies Act 2006. It is possible for one or more people to form a company.

2. Choose a name for your company

Your company's name is one of the most important decisions you will make when starting your own business. It is what will appear on your certificate of incorporation, and on every document and material that your business is associated with.

Choose a name that means something to you, is relevant to the market you will function in and one that your client will remember. Ensure that the company name of your choice is <u>available</u> for you to use. You must also be aware that certain words and terms are not permitted to be used in a company name.

3. Set up an office address

This is a crucial step as you will receive your certificate of incorporation here, along with all other legal documents, marketing materials and communications your business requires. Since this address appears on public records, we recommend that your office address is different to your home address.

4. Identify company roles, responsibilities and allocation of shares

To register your company you will be required to submit any key roles and their details. This includes the full name, date of birth, nationality and address of directors, shareholders and company secretary. You will also be required to choose a Standard Industrial Classification (SIC) code that explains the nature of your business and its anticipated activities.

If your company has any Persons with Significant Control (PSC), you must declare them. They may hold more than 25% of shares or voting rights, or may have substantial control of the company's decisions and matters.

5. Send your information to Companies House

Once you have all your necessary documentation and information ready, you can send it to Companies House for approval. It can take up to five working days for them to process your request, however, we have seen that many companies can be registered within the <u>same day</u>. You will soon obtain your certificate of incorporation UK from Companies House.

Navigating your way through the challenges of registering and running a business takes hard work, patience and passion. Our team of expert professionals can help with the

process every step of the way. Uniwide Formations offers a range of packages tailored to suit the needs of companies of all shapes and sizes. Email or phone us to find out more.