

## SEVERAL OPTIONS TO DEVELOP YOUR ACTIVITY ABROAD

Non Stable Establishments – Only for representation purposes**1) The RFE – Representative Foreign Company**

This status provides an "Employer" number in the UK without being implanted directly. Therefore, this status allows hiring staff representative to United Kingdom acting on behalf of the Parent Company and traces all necessary feedback & data to its development. The RFE cannot be responsible for the whole commercial cycle or the Parent Company may risk a tax requalification.

**2) The Liaison Office / Representative Office**

Since 1st October 2009, this form of representation no longer exists as such in the UK – Ref :The Overseas Companies Regulations 2009/1801.

**5) The Fiscal Representative/Agent:** Its role is to represent the Foreign Parent company for Tax & VAT issues when a stable establishment is not registered locally & when business transactions are requiring Tax & VAT to be declared locally.

Stable Establishments – English GAAP compliance**3) The Subsidiary**

A British registered company whose paid up capital is partially or fully owned by the parent company (ref: How to form an SARL/Private Limited Company). Submitted to English laws & taxation, Cf Companies Act 2006.

**4) The Branch called "UK Establishment"**

Foreign Establishment - No paid up capital in UK. Submitted to English laws & taxation. Submit the consolidated accounts with Companies House. Cf The Overseas Companies Regulations 2009/1801.

## COMPANY FORMS

In the UK, business organisations may take various legal structures :

- Private limited Company (Ltd) or Public (Plc)
- Unlimited liability company (Unlimited Company)
- Association (joint venture, Partnership)
- Cooperative (Coop.)
- Sole trader
- Within the framework of an effective partnership between different legal entities of European origin, the European Economic Interest Grouping (Groupement d'Intérêt Economique) is a structure to consider.

## THE PRIVATE LIMITED COMPANY

**The Private Limited company:**

- ◆ is legally separate from the people who run it
- ◆ has separate finances from your personal ones
- ◆ can keep any profits it makes after paying tax

Incorporation procedure

- **Minimum** : Your company must have at least **one director**, who has to be over 16 years of age. Another company can be a director, but at least one of your company's directors must be a person.
- **Capital** : - Commonly minimum is 100 GBP registered  
- 1GBP minimum as paid up
- **A physical address in the UK**
- **What is your SIC code: this identifies what your company does**

Incorporation documents

1. **"Memorandum of Association"**: Objects for which the company is established
2. **"Articles of Association"**: Company rules
3. **Form IN01** to incorporate your company: company's details, **Directors & company Secretary's information** and the statement of capital.
4. **"CERTIFICATE OF INCORPORATION"** => Document proving that the company has been legitimately constituted

All these documents must be filed with the Companies House.

Time required to incorporate a Ltd in the UK

Your company can be registered **within 48 hours** if all the documents required are provided and if your company is limited by shares and uses standard articles of association ('model articles').

NB: You don't need a company secretary for a private limited company. Some companies use them to take on some of the director's responsibilities.

The company secretary can be a director but can't be: the company's auditor or an 'undischarged bankrupt' - unless they have permission from the court.

Shareholding

When you register a company you need to provide information about the shares (known as a 'statement of capital'). Shareholders' contributions may be of various types:

- ordinary shares
- "founder's shares"
- preference shares
- "deferred shares"

**Ordinary shares** are very closed to the shares we subscribe in a French SARL. The number of shares corresponds to the exact same voting power, and to a permanent percentage in the dividends when issued.

**Preference shares** do not allow the shareholder to a voting power, but entitle this person to receive the equivalent percentage of dividends that will be paid up in priority when despatching dividends among the various shareholders.

Taxation :

"Corporation Tax" : 19%

## IF YOU NEED ADVICE OR ASSOCIATED SERVICES: PLEASE CONTACT US!