

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

Incorporation procedure

- **Minimum** : 1 Director, 1 Shareholder & 1 Company Secretary.

The Company secretary can be either one of the director (s), or a third party (ex: company agent) providing this service. The Company Secretary is not a decision maker. The Company Secretary is in charge of keeping updated the legal documentation about the company and informing the Companies House when required. He certifies any official decision that has been made by double signing the Minutes of Board Meetings. One individual can't represent the 3 positions because a minimum of two different signatures is required on every official document.

- **Maximum** : 50 shareholders
- **Capital** : - Minimum 100 GBP registered
- 1GBP minimum as paid up

Incorporation documents

- 1 - "Memorandum of Association"
= Objects for which the company is established
- 2 - "Articles of Association" = Company rules
- 3 - Companies House Form N° 10
- 4 - Forms appointing Directors & company Secretary.
- 5 - Allotment of Shares to the members & letters of allotments
- 6 - Companies' Capital Duty Statement
- 7 - confirmation of registered address

All these documents must be filed with the Companies House.

"CERTIFICATE OF INCORPORATION"

=> Document proving that the company has been legitimately constituted

Time required to incorporate a Ltd in the UK**2 possibilities :**

- « Tailor made company » : 1 week to ten days
- « Off the Shelf company » or « Ready made Company » : 48h. This implies the purchase of a firm already registered. The new Directors, Company secretary & Registered office have then to be updated. Eventually the Memorandum & Articles may need to be amended as well.

Please make sure the objects of this Ready-made company suits your activity & that this company has never traded!

Shareholding

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" :

Standard rate 1 April 2015: 20%

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

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