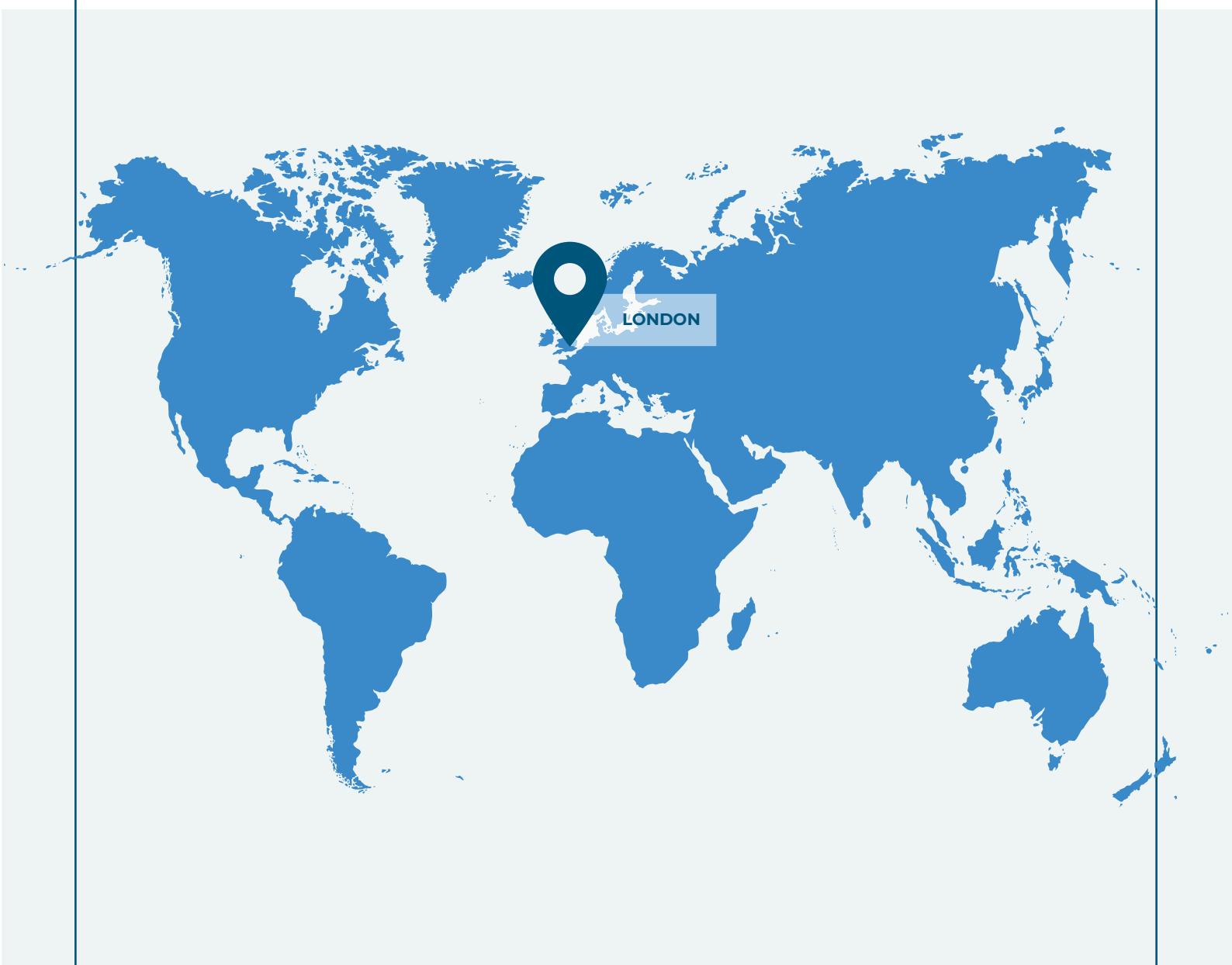


DOING BUSINESS IN UNITED KINGDOM



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YOUR GUIDE FOR NON-UK COMPANIES ESTABLISHING A PRESENCE

1. Business Vehicle Options

Choose between a Branch or a Subsidiary based on liability, capital, and reporting needs.

Feature	BRANCH	SUBSIDIARY
Legal status	Not separate – parent liable for all debts & liabilities	UK company with its own legal personality, limited liability
Formation	Register “place of business” & appoint UK-resident branch manager	Incorporate with Memorandum & Articles; requires ≥1 director & 1 shareholder
Capital requirement	No minimum	Ltd: no minimum; PLC: £50,000 minimum (25% paid up)
Liability	Parent fully liable	Shareholders’ liability capped at unpaid share capital
Tax reporting	File branch profit accounts	File full annual accounts, confirmation statement, Corporation Tax return
Profit repatriation	Remit under double-tax treaty	Dividends generally exempt from UK withholding tax
Group relief	Losses may be surrendered if conditions met	Join UK tax group (≥75%-owned) for loss/gain relief

2. UK Company Types

Five main vehicles—choose by size, sector and governance needs:

Private Company Limited by Shares (Ltd)

- No minimum share capital
- Single director & shareholder allowed
- Shares transferrable subject to Articles’ pre-emption rights
- Liability limited to unpaid share capital

Unlimited Company

- No capital requirement
- Unlimited member liability if insolvent
- No public accounts disclosure (unless public interest)

Community Interest Company (CIC)

- No minimum share capital
- Single director & shareholder allowed
- Shares transferrable subject to Articles’ pre-emption rights
- Liability limited to unpaid share capital

Public Limited Company (PLC)

- £50,000 minimum allotted capital (25% paid up)
- ≥2 directors & qualified secretary
- Freely transferable shares, stock exchange admission
- Liability limited to unpaid share capital

Limited Liability Partnership (LLP)

- No share capital; partners contribute assets or cash
- Governed by LLP agreement; ≥2 members
- Tax-transparent—partners taxed on individual share of profits
- Liability limited to agreed contribution



3. Tax Regime Overview

Corporate Tax (FY 2025–26)

- 19% on profits ≤ £50,000
- 25% on profits > £250,000
- Marginal Relief between £50,000–£250,000

Value Added Tax (VAT)

- Standard rate: 20%
- Reduced rate: 5% (e.g. home energy)
- Zero rate: 0% (e.g. most food, children's clothing)

Payroll Taxes (National Insurance)

- Employee NICs: 12% on earnings £12,570–£50,270; 2% above
- Employer NICs: 13.8% above £9,100; rising to 15% (from Apr 2025) above £5,000
- Apprenticeship Levy: 0.5% on pay-bill > £15,000

Withholding Taxes

- Dividends: 0%
- Interest & royalties: generally 0% (subject to treaties)

4. Reporting & Compliance

- **Annual Accounts** filed at Companies House (9 months after year-end)
- **Confirmation Statement** (form CS01) – within 14 days of review date

- **Corporation Tax Return** (CT600) – within 12 months of year-end; tax payable 9 months after year-end
- **Sector Licences** (e.g. financial services, alcohol, food)
- **Data Protection** registration under UK GDPR

5. Practicalities & Timeline

1. Incorporation (2–3 days)

- Reserve company name
- Prepare & file incorporation forms

2. Appoint UK-resident Director

- Mandatory for both branches (manager) & subsidiaries (director)

3. Open UK Bank Account

- Proof of identity, address, incorporation docs

4. Register for Taxes

- Corporation Tax online (within 3 months of trading)
- VAT if turnover > £90,000 (or voluntarily)
- PAYE scheme for employees

5. Registrar Fees & Costs

- Companies House: £12 (online incorporations)
- Typical adviser fees: £1,000–£3,000 depending on complexity



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