

What is a UK Limited Company?

A company is a separate legal entity with limited liability. This separates and protects the owner's personal assets from that of their business. Appropriate structuring can result in significant tax savings for International businesses and individuals. The UK, as a jurisdiction provides legal certainty, a solid regulatory regime with a host of professional services to support and facilitate business.

Principals of a UK Company

- Governed principally by the UK Companies Act 2006
- Minimum of one shareholder, no maximum
- The shares are registered and the register maintained at the Registered Office
- Must have a UK Registered Office address
- Minimum of one Director
- A Company secretary can be appointed if required, although not a requirement for private companies
- Must file a Confirmation Statement every year
- Financial Statements are required to be filed
- Audit exemption available if turnover is below £2M, assets below £5.1M and less than 50 employees (must meet 2 of these requirements)

Some typical examples of UK Companies;

UK Holding Company

A UK Company can be used as a highly tax efficient investment holding vehicle for the receipt of foreign dividends. Dividends received by UK companies from foreign-registered subsidiary companies are generally exempt from UK corporation tax. The UK has a network of over 130 double tax treaties and by utilising these treaties, UK companies can also mitigate source withholding tax on the overseas dividend. Furthermore should the UK Company be held by a further company, UK or overseas, the dividend income received by the Company can be paid to its parent without any dividend withholding tax.

UK Property Holding Company

Since April 2019, all residential property gains realised by non-resident companies are subject to corporation tax at 19%. Prior to April 2019, only disposals of closely held companies (five or fewer owners) were chargeable. For non-resident individuals disposing of residential property the gain is taxed at the Non-resident Capital Gains Rate (NRCGT) at 18/28%.

Furthermore since April 2019, gains on the disposal of any commercial property held by non-resident companies are

taxable at the corporation tax rate (or for non-resident persons at the CGT rates 10/20%).

Non-resident companies involved in UK property rental business or with UK property income will be liable to corporation tax at 19%. As a result of this tax rate, which is the lowest amongst the G20 countries, (excluding Switzerland and Singapore), combined with the ease of doing business, banking and property lending in the UK, UK companies are becoming an increasingly attractive option to hold UK property.

The Process

Imperium would assist with setting up and registering the company with Companies house, providing the Registered Office, UK Resident Directors and all statutory documentation. After incorporation, Imperium UK would manage and control the company including board meetings, opening and running of bank account, book-keeping, accounts and documentation and execution of contracts/agreements. The process of setting up the Company would generally take 5 days (24 hours is available), depending on obtaining advice and meeting Imperium's due diligence requirements.

Tax Advice/Fees

Full tax and structuring advice must be obtained for the establishment of a UK Company. Imperium work with a number of leading advisory firms to assist with this advice as well as assisting with appointing auditors, lawyers and additional ancillary services as required.

The fees associated with setting up a UK Company would vary from £1,000-£1,500 depending on the complexity and size of the proposed purpose including the due diligence take on charge. On an ongoing basis an annual fee would be charged to cover the provision of UK resident Directors and Secretary (if required), banking, book-keeping, accounting, all statutory and reporting requirements and would be dependent on the level of activity and assets under control. Please note that third party tax, legal and listing advice would be charged in addition to Imperium's fees.

Please contact Grant Twine or David Gilmour to discuss on 0207 952 2924 or email: Grant.Twine@imperiumtrust.com or David.Gilmour@imperiumtrust.com