

STARTING UP

Registering Your Business: HMRC, Companies House and the Basics

Who you must register with, when, and what each registration means, for sole traders, partnerships and limited companies.

FOR: START-UPS AND NEW DIRECTORS · NEW TO BUSINESS

Registering is not one step

New business owners often ask, "Where do I register?" The honest answer is that it depends on your structure and on what you do. There are several separate registrations, each with its own trigger and deadline, and most of them are free or cheap. Getting them done on time avoids penalties and makes your first months run more smoothly.

If you are a sole trader or a partner

You must tell HMRC that you are self-employed. The deadline is the 5th of October following the end of the tax year in which you began trading, and you should do it well before then, because you will need your Self Assessment details to file your first return and to pay your first bill. HMRC may charge a penalty if you register late and have tax to pay. Partnerships register as a partnership, and each partner also registers individually.

If you are forming a limited company

- **Companies House.** You register the company online or through an agent. You provide the company name, a registered office address, the directors, the shareholders and the people with significant control. Directors and people with significant control now have to verify their identity. Our guide on identity verification gives the detail.
- **Articles of association.** Most small companies use the standard model articles, but if there are several shareholders, you may need tailored ones.
- **HMRC for corporation tax.** You must tell HMRC when the company starts business activity, within three months. Companies House does not do this for you.
- **A company bank account** and the company's accounting records.

If you are employing anyone

Register as an employer with HMRC before the first payday. You will run payroll reporting each time you pay anyone, and you will need to meet your pension duties, which start soon after the first employee joins.

Who this is for

- Sole traders about to start
- Founders forming a company
- Anyone taking on a first employee

Key points

- Different structures need different registrations.
- Deadlines are short. Diarise them on day one.
- Companies House and HMRC are separate bodies.
- Registering employees comes before the first payday.
- VAT and data protection have their own triggers.

VAT

You must register for VAT when your taxable turnover passes the registration threshold, and you can register earlier if you wish. The threshold changes, so check the current figure on GOV.UK. Voluntary registration can help if your customers are VAT-registered businesses and you buy things with VAT you could reclaim. Our guide on VAT sets out the schemes.

Data protection

If you handle personal data, such as customers' names and contact details, you may have to pay an annual fee to the Information Commissioner's Office, and you must keep personal data lawfully and securely. Many sole traders and small companies are caught by this without realising it.

Registration checklist

- Structure chosen
- HMRC or Companies House registration done
- Bank account opened
- Insurance in place
- VAT threshold checked
- Employer registration, if needed
- Data protection checked
- Dates in the calendar

Other registrations that sometimes apply

- **Trade or professional bodies.** Some activities need a licence or registration, such as childcare, food premises, financial services, and certain building trades.
- **Anti-money laundering supervision.** Businesses such as accountancy firms, estate agents and some others must register with a supervisor.
- **Local authority.** You may need permission for premises, markets, or particular activities.
- **Trading name.** A sole trader may use a trading name, but cannot use one that is already a company's registered name or that suggests an association it does not have.

Keeping the registrations up to date

Companies House expects you to file a confirmation statement every year and to report changes to directors and addresses within set times. HMRC expects you to update your address and business details. Keep a note of every registration, the date, the reference number and who has the login, so that the business does not depend on one person's memory.

Sensible order of work

1. Settle the structure.
2. Register with HMRC or Companies House.
3. Open the bank account.
4. Set up records and invoicing.
5. Register for VAT or payroll as soon as the trigger applies.

Related guides

- Choosing your structure
- VAT
- Your first employee

How King Street can help

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We register sole traders, partnerships and companies, prepare articles and shareholder agreements where needed, register for VAT and payroll when the time comes, and set up your calendar so the next deadline is never a surprise. We also handle identity verification for company directors.

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