

CompanyClips

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Summer Bonanza for Dentists

From July this year it will be possible for dentists to operate through a limited company or a limited liability partnership (LLP). This will enable them to benefit from the key advantage of limited liability.

HIPs May Be in Jeopardy

The introduction of Home Information Packs (HIPs) may be in jeopardy as local authorities 'drag their feet' on OFT property search recommendations.

More than **50%** of Local Authorities say they are waiting for more guidance or legislation from Government before taking steps to comply with the recommendations of the Office of Fair Trading relating to the provision of property search information to home buyers, according to a recent survey conducted by York Place.

A further **18%** say they are unable to comment because they are not familiar with the OFT report and the issues raised.

Only **12%** reported that they already complied with the OFT guidelines which recommend changes to how much property information local authorities make available with clearer guidance on how they should charge for it and removing restrictions on the retailing of property searches.

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The Dentists Act (Amendment) Order 2005 (once effective) will remove the restrictions on Dental Bodies Corporate (DBC) made under the Dental Act 1956 which prohibited the use of the current limited company and LLP to carry on dentistry.

Incorporation is not new to dentists and prior to the restrictions in the Dental Act 1956 dentists could operate through a limited company. There remain twenty seven such limited companies having the right to act as dental bodies corporate under this earlier regulation.

Draft rules by the General Dental Council (GDC) in relation to the business of dentistry are currently under consultation. There appear to be few requirements placed on the structure of the DBC under the proposed rules: the main requirement being that the majority of the directors of the DBC must be dentists or Professionals Complementary to Dentistry (PCD) registered with the GDC. Failure to comply will be an offence.

PCDs will include dental hygienists, dental therapists, dental nurses, dental technicians, clinical dental technicians and orthodontic therapists.

Persons whose names have been erased or suspended from any one of the statutory health registers are not permitted to act as a director of a DBC, however.

Whilst there are a range of benefits not least of which is the protection of personal assets, registering as a DBC brings an element of compliance for dentists, including filing an annual return with both the Registrar of Companies and the GDC as well as filing a set of accounts, but the benefits of incorporation far outweigh the minor compliance aspects.

If your clients are currently operating as unregistered dental practices and are interested in the benefits of incorporation for them contact daniel.hildred@yorkplace.com

HIPs May Be in Jeopardy

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Analysis of the responses from over 250 district and borough councils out of a total of approximately 400 polled throughout England and Wales show the following findings:

What steps are being taken by your local authority to comply with the recommendations of the Office of Fair Trading?

Awaiting DCLA/DTI guidelines	53%
Receiving attention	16%
Not aware of a problem	12%
Already comply	12%
Cost issues	4%
Taking steps	3%

12% stated that they were in compliance with current recommendations and that they were going to continue with the current policies until advised otherwise by the DTI/LGA.

12% were not aware that there was a problem with the current system, stating that no complaints had been presented to them regarding the issue

Only 3% (7 councils) stated that they were actively taking steps to resolve the problems associated

with access and efficiency.

Of the local authorities who raised cost issues, the majority thought the current costing policy was causing large distortions in the market and draining resources away from other departments. The current statutory fee is £11 whereas the real cost has been estimated to be £45 in a recent Government study.

Local Authorities in the OFT report assert that the compilation of a local search takes between 50 and 120 minutes. Taking the worst case that would mean only three searches per day could be undertaken by a council office, a maximum of fewer than 800 per year which clearly suggests placing severe limits on the capacity of local authorities to respond to likely consumer demand under HIPs.

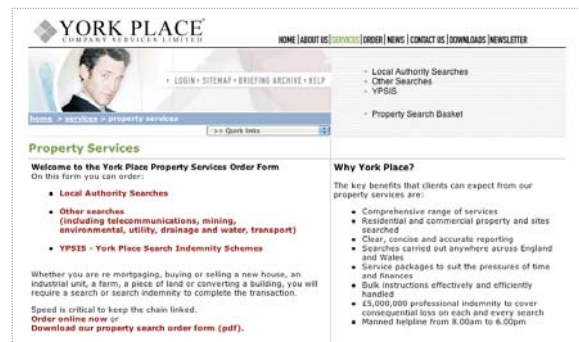
It would appear likely that unless local authorities actively embrace the Department for Communities and Local Government (DCLG) endorsed OFT recommendations the timing for the introduction of HIPs may be in jeopardy.

HIPs Hot Desk

- ◆ Regulations are anticipated in early June 2006
- ◆ There is likely to be a transitional provision for property already on the market when HIPs become mandatory on 1 June 2007
- ◆ There will be no prescribed forms – so no prescribed Home Use form or search format
- ◆ The local search will not have prescribed answers but guidance will be published by the DCLG
- ◆ The drainage and water search will however have prescribed questions and answers
- ◆ The flood search is now relegated to 'authorised' from 'required', though all searches will be kept under review in respect of their categorisation as 'authorised' or 'required'
- ◆ In early 2007 the regulations will be reissued with any changes required following the dry-run
- ◆ A report is expected from CIPFA in June regarding the costs for local authorities in compiling search data
- ◆ The self regulatory turnaround of ten days will be replaced following the OFT recommendations and a new indicator will be included on access to data
- ◆ A small working group with an independent chairman is likely to be established to produce Government Guidance for local authorities on access to data

Order Your Property Searches Online

It is now easier than ever to order property searches through our website. Recent upgrades include better sorting/filtering on the Order History screen and search reference per item. If you have not used our website before it is easy to set up an account for property services.



The York Place Property Search website offers a range of benefits:

- ◆ Ordering directly from your PC without the need for paper instructions
- ◆ Shopping basket facility with all relevant searches available from which to choose
- ◆ Ability to upload your plans or specific instructions or download our mapping for ease of identification
- ◆ Timing in and out of each order and result so you can monitor how long it takes for the search types to be completed
- ◆ Retention of order history so you can confirm that you have ordered the search and/or obtain a copy of the report
- ◆ No more worries about lost faxes or missing emails
- ◆ Acting as an archive system as your full order history is retained for up to three months and retrospective enquiry is easy
- ◆ Having an account with us negates the need for upfront payment

To use the service simply:

Go to www.yorkplace.co.uk In the client zone section, choose 'New User-Register' and enter your details.

We will validate and allocate an account to you so within minutes you can log in to the order pages.

Simple postcode entry will allow you to identify your property including local authority and ward name. You can then order a plan (optional) or upload a plan directly to us, and choose from our full range of services, including indemnity schemes.

Your order is placed into your 'Order History'. From this page you can check what has been ordered and download completed searches.

Please contact Alison Mullarkey, Head of Property Administration should you have any questions – alison.mullarkey@yorkplace.com

Focus on Sharjah

Sharjah, in the United Arab Emirates (UAE), is playing an increasingly important role as the pre-eminent industrial base of the UAE, with its unique strategic location between three continents, serving a growing market of 1.5 billion people.

Sharjah is the only one of the seven Emirates with ports on the Arabian Gulf's west and east coast with direct access to the Indian Ocean, and an international airport which connects to 230 cities. It also has a well-developed infrastructure, geared to industry at all levels to serve Gulf, regional and international markets.

Hamriyah Free Zone Authority was established by an Emiri decree issued in November 1995. It is located in Sharjah, UAE, which gives the free zone a unique geographic and time zone advantage backed by a secure and fully convertible currency as well as multi-access to neighbouring and global countries through land, sea and air. Hamriyah Free Zone is fast becoming one of the cornerstones of the United Arab Emirates industrial development. As the Next Generation Free Zone, Hamriyah Free Zone is ensuring that its management is flexible and dynamic besides being an investor oriented free zone.

Hamriyah Free zone is challenged to provide

competitive incentives and unique opportunities to establish a business in a tax free environment with full company ownership, exemptions from all commercial levies and repatriation of capital and profits. The free zone manages an area of approximately twelve million square metres of prime industrial and commercial land and a 14 metre deep water port which includes room for expansion.

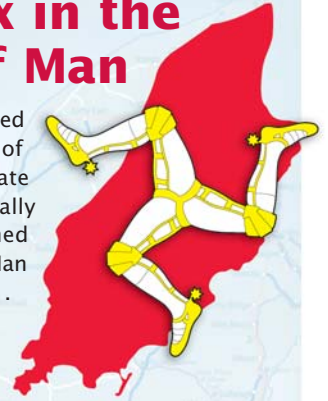
Being quality conscious and ISO certified, Hamriyah Free Zone procedures for setting up a company are easy and streamlined. The simple procedures and formalities involved make it possible to obtain a licence within 24 hours of submitting all requisite documents.

Opportunities for business appear endless at the free zone. If you are looking for quality, efficient facilities and services, reliability and cost effective solutions Sharjah should be considered.

For further information contact kate.howell@yorkplace.com

No Tax in the Isle of Man

The long-mooted introduction of zero corporate tax has finally been confirmed by the Isle of Man Government. With effect from 6 April 2006, both resident



and non-resident companies will now enjoy the benefits of this progressive tax initiative. As part of the Island's wider economic strategy of enhancing its reputation as a progressive AAA rated jurisdiction, the Government is confident that any initial loss of revenue will be recouped by new investment although the changes will remain subject to ongoing Tynwald approval. As the largest source of revenue for Tynwald, banks will continue to pay a 10% corporate tax rate making the gamble a modest one.

This timely reform places the Isle of Man ahead of its competitors - Jersey and Guernsey - who have not yet adopted this approach.

International v UK – Company Searches

Company searches can be carried out in nearly every jurisdiction in the world. However the information available varies within each jurisdiction due to both the individual filing regulations and also the amount of information which each jurisdiction makes available for public viewing. The UK is the most compliant providing a relatively complete picture of the company from inception available for public viewing.

Countries	Registered Name/Office	Company Number	Date of Incorporation	Nominal Share Capital	Issued Share Capital	Shareholders	Directors	Mem/Arts	Accounts
US	•	•	•						
Cayman Islands									
Bahamas	•	•	•						
Nevis	•	•	•						
Jersey	•	•	•			•	•		
Canada	•	•	•	•	•		•		
Germany	•	•	•	•	•	•	•		
Isle of Man	•	•	•	•	•	•	•	•	
Eire	•	•	•	•	•	•	•	•	•
Northern Ireland	•	•	•	•	•	•	•	•	•
UK	•	•	•	•	•	•	•	•	•

The jurisdictions providing the most sparsely available information tend to be the zero rated or low-tax jurisdictions such as the British Virgin Islands and the Bahamas. This is due to the fact that Companies are not obliged to file the documents for public viewing, therefore the information is not held at the registry in question.

Costs for the searches range from £6 for a search in the UK to £150

for a search in Barbados and tend to average between £50 and £75 for most international searches.

The timescale for searches can also vary from 1-14 days. This is mainly due to the disparity across Registries in the availability of information online with many providing information by hard copy only.



Update

Company Law Reform: Late filing penalties



Companies House have been levying fines of between £100 and £500 since 1992 on companies that file their accounts late.

This scheme has been very successful in keeping Companies House records up to date but meets numerous complaints every year from small companies who, sometimes through no fault of their own, just miss the filing deadline. In the financial year 2004-2005 some 22,000 companies were penalised for filing less than a week late. Measures in the Company Law Reform Bill are now under consideration which will:

- ◆ Introduce a zero band for those accounts less than a week late
- ◆ Increase the penalties for accounts more than one week late
- ◆ Increase the differentials between private and public companies

On the face of it the measures appear fair and should cut out a lot of appeals that are currently made, at least in the short term. However, as companies get used to enjoying a week's grace they may start to see the deadline date as the deadline + 7 days!

We will keep you posted as to developments.

CICs Kick into gear

Since becoming available towards the end of last year, the Community Interest Company (or CIC) format, is beginning to take off.

The CIC format is specifically for social enterprise companies that may need to generate capital – a commercially orientated type of company that works for the public benefit without actually being a charity. This is reflected in the types of company formed so far. West Somerset Internet CIC was established with the support of Somerset County Council and West Somerset District Council to provide broadband infrastructure to individuals, businesses and communities in areas in West Somerset which are not served with effective broadband access at present. South Holland Radio

CIC is a community-based radio station in the Spalding area. ECT Bus CIC provides transport solutions for people with mobility difficulties. The CIC would appear suited to many of the social programmes operating in our local communities.

Incorporation as a CIC involves submitting papers to the CIC regulator including a Community Interest Statement. If you are interested in forming a new CIC or re-registering your existing company, or want more information contact daniel.hildred@yorkplace.com for further information and advice.

Form 42 U turn



Form 42, introduced in 2003, has been rather controversial and generally unwelcome by business.

The form was compulsory for all businesses and required disclosure of all acquisitions of employment-related securities. The paperwork generated by the scheme has been enormous. In a change of heart for the current tax year, the Government has now relaxed the rules for many companies. Specifically excluded from disclosure now are:

- ◆ Subscriber shares acquired on incorporation
- ◆ Shares transferred from a formation agent or other person forming the company (eg solicitor or accountant)

provided that the shares are acquired at nominal value, and the shares are acquired in connection with another employment, and acquired by a director, prospective director or someone related to a director.

It is estimated that 90% of new companies will no longer need to file form 42.

In addition most of the following are excluded:

- ◆ Transfers of shares in the normal course of the domestic, family or personal relationships
- ◆ Flat Management Companies
- ◆ Members' clubs (formed as companies)
- ◆ Share for share exchange
- ◆ Rights issues
- ◆ Bonus issues
- ◆ Scrip dividends
- ◆ Dividend reinvestment plans (DRIPs)
- ◆ Shares acquired independently by employees

Should you have any concerns as to whether or not Form 42 applies to you contact Dan Hildred on daniel.hildred@yorkplace.com

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December 2005 Sudoku Answers

E	A	P	C	K	L	O	Y	R
K	L	C	Y	O	R	E	P	A
Y	O	R	A	E	P	L	K	C
R	P	O	K	C	A	Y	L	E
L	K	E	R	Y	O	C	A	P
A	C	Y	P	L	E	K	R	O
C	E	A	L	R	Y	P	O	K
P	Y	K	O	A	C	R	E	L
O	R	L	E	P	K	A	C	Y