

# A Guide to the Organisations You Must Contact When Starting Up

Business Information Factsheet

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## Introduction

When starting a new business there are certain organisations that you must contact before you start trading in order to ensure that the business is set up legally. There are also a number of organisations that you might need to contact, depending on your business sector or activities.

This factsheet lists and describes the organisations that it is essential to contact, as well as some of the organisations you should contact to ensure the smooth running of your business. It includes hints and tips as well as sources of further information.

## Organisations you must contact

### HM Revenue & Customs

Everyone starting a new business must register with HM Revenue & Customs (HMRC, [www.hmrc.gov.uk](http://www.hmrc.gov.uk)). This is primarily for tax and National Insurance purposes. If you intend to employ staff you will need to register with HMRC as an employer.

You must inform HMRC as soon as you start to trade. You can inform HMRC by calling the Newly Self-Employed Helpline (0845 915 4515), by completing and returning form CWF1 ([www.hmrc.gov.uk/forms/cwf1.pdf](http://www.hmrc.gov.uk/forms/cwf1.pdf)) or online (<https://online.hmrc.gov.uk/shortforms/form/CWF1ST>). You will need to provide your name, address, date of birth, National Insurance number and unique tax reference (UTR) if you have one. You will also need to supply details of your business, including the start date and type of work you will do.

If you are starting a limited company, Companies House will notify HMRC that the company has been incorporated; however, you also have a duty to inform HMRC that you have started to trade and may face a penalty if you do not. You can do this by completing form CT41G (available online at [www.hmrc.gov.uk/ctsa/ct41g-08-05.pdf](http://www.hmrc.gov.uk/ctsa/ct41g-08-05.pdf)).

If your business is going to employ staff, or you will be a director of the company, you will need to register as an employer with HMRC. A private limited company needs to register as an employer because its directors are treated as employees of the company. You can register by calling the New Employer Helpline on 0845 607 0143. You can also register via email (go to [www.hmrc.gov.uk/pay/intro/register.htm](http://www.hmrc.gov.uk/pay/intro/register.htm) for more information). You will need to supply information about your business and your employees, including the date your first employee will start work, how many employees you will have, the date of your first pay day and how often you will pay your employees.

You will need to become VAT registered if your turnover for the previous 12 months exceeds the VAT threshold (£81,000 for 2014/15). You do not need to register for VAT when starting up,

although you may register voluntarily. You can register for VAT via the HMRC website (go to [www.hmrc.gov.uk/vat/index.htm](http://www.hmrc.gov.uk/vat/index.htm) for further information).

See BIF 15, An Introduction to Tax, National Insurance and VAT for more information.

## **Companies House**

You must contact Companies House if your new business is to be either a limited company or a limited liability partnership (LLP). Limited companies and LLPs must be registered as legal entities with Companies House before they can start trading (this is known as incorporation).

To incorporate a limited company you must complete and return form IN01. You can submit your application electronically or by post. A fee of £15 is charged for electronic submission, while postal submission costs £40. Go to [www.companieshouse.gov.uk/infoAndGuide/companyRegistration.shtml](http://www.companieshouse.gov.uk/infoAndGuide/companyRegistration.shtml) for further information on the process. Also see BIF 167, A Guide to Setting up in Business as a Private Limited Company.

For an LLP you should complete form LLIN01. For guidance on incorporating LLPs go to [www.companieshouse.gov.uk/about/gbhtml/gpllp1.shtml](http://www.companieshouse.gov.uk/about/gbhtml/gpllp1.shtml). For more information about setting up a company as a partnership, see BIF 28, A Guide to Setting up in Business as a Partnership.

## **Local authority**

You should contact the local authority in the area/s in which your business will operate to check whether you will be liable for business rates and whether you require a trading licence or permit, or need to apply for planning permission.

Business rates are a tax on property used for purposes other than domestic accommodation. The occupier of the property is responsible for paying business rates, so this applies to your business whether you own or rent your premises. If you run your business from home and part of your home is set aside exclusively for business use you may be liable for business rates. The amount payable is calculated based on the rateable value of the property, which is assessed at regular intervals. In England and Wales, rateable value for businesses is assessed by the Valuation Office Agency ([www.voa.gov.uk](http://www.voa.gov.uk)). See BIF 61, A Guide to Business Rates for further information.

Many types of business need to be licensed to trade with the local authority. The requirements and application procedure can differ from one local authority area to the next and by type of business. Examples of those requiring licences include boarding kennels, street traders, tattoo and piercing specialists, hairdressers and taxi operators.

Under EC Regulations 852/2004 and 853/2004, all food businesses must register with the environmental health department of their local authority. A new business must submit an application form for registration at least 28 days before it begins trading.

If you are planning a change of use or extension to a business premises, or if you are starting your business from home, you should also check with your local authority's planning department about whether planning permission is required.

To find your local authority and the relevant contact details go to [www.local.direct.gov.uk/LDGRedirect/Start.do?mode=1](http://www.local.direct.gov.uk/LDGRedirect/Start.do?mode=1).

See BIF 152, Business Activities Regulated by Local Authorities for further information.

## Insurance broker

It is important to get the right insurance cover for your business and an insurance broker can help to arrange this. Some types of insurance are mandatory.

For example, if you have employees you must have employers' liability insurance to protect your business against claims from staff for any accidents or illness they may suffer as a result of working for you. If you use a motor vehicle for business purposes you will need suitable motor insurance, with at least third party cover to protect against claims for injury or damage caused to another person. Comprehensive cover will also cover theft or damage to your own vehicle. Professional indemnity insurance covers losses suffered by customers as a result of professional negligence on behalf of the business and is mandatory in certain types of business such as solicitors, accountants and financial services. It is also required for other types of business such as management and computer consultancy, engineering and design.

Depending on your business activities you may need other types of insurance cover including product liability and public liability insurance.

For more information, see BIF 6, An Introduction to Insurance Cover for Business and BIF 27, Choosing and Using an Insurance Broker.

## Organisations you might need to contact

The following organisations include those that you might be required to contact when starting up, depending on your business sector, your business activities, and your current individual circumstances.

### Jobcentre Plus

If you are claiming a benefit such as Jobseeker's Allowance, you must inform Jobcentre Plus as soon as you start your business because it is likely to affect your entitlement to benefit. You can do this by telephoning your local Jobcentre. For a directory of Jobcentres and Jobcentre Plus offices go to <http://los.direct.gov.uk/default.aspx?type=2&lang=en>.

### Environmental regulator

Your business may have to comply with specific environmental legislation, depending on what activities are involved. If your businesses handles waste, produces emissions, or discharges anything other than uncontaminated surface water you should contact the appropriate national environmental regulator to check whether you need to be registered or obtain a permit or licence. For example, a painter and decorator disposing of controlled waste, such as paint and thinners, at a registered trade waste disposal site will need to apply for a waste carrier licence or an environmental permit. The Environment Agency ([www.environment-agency.gov.uk](http://www.environment-agency.gov.uk)) is the environmental regulator for England and Wales. If your business is in Northern Ireland or Scotland you should contact the Northern Ireland Environment Agency (NIEA, [www.doeni.gov.uk/niea](http://www.doeni.gov.uk/niea)) or the Scottish Environment Protection Agency (SEPA, [www.sepa.org.uk](http://www.sepa.org.uk)).

See BIF 100, An Introduction to Environmental Regulations for further information.

## Alcohol licensing authorities

If your business sells alcohol, for example if you run a pub, club, restaurant, shop or hotel, you must contact your local alcohol licensing authority. In England and Wales, two types of licences are needed: a premises licence for any premises where alcohol is to be sold, and a personal licence for anyone who sells alcohol from licensed premises. You can apply for premises and personal licences through the local authority licensing department in the area where your premises are located. Application forms can be obtained from the licensing authority or from the Department for Culture, Media and Sport website ([www.culture.gov.uk/what\\_we\\_do/alcohol\\_and\\_entertainment/3189.aspx](http://www.culture.gov.uk/what_we_do/alcohol_and_entertainment/3189.aspx)). See BIF 437, A Guide to Alcohol Licensing in England and Wales for further information.

In Scotland, alcohol licences are granted by local authority licensing boards, which can set specific opening hours and other conditions. For more details, go to [www.scotland.gov.uk/Topics/Justice/law/Licensing](http://www.scotland.gov.uk/Topics/Justice/law/Licensing). See BIF 492, A Guide to Alcohol Licensing in Scotland for further information.

In Northern Ireland, licences vary according to the type of establishment. Go to [www.nidirect.gov.uk/index/law-on-licensed-premises-and-registered-clubs.htm](http://www.nidirect.gov.uk/index/law-on-licensed-premises-and-registered-clubs.htm) for details. See BIF 493, A Guide to Alcohol Licensing in Northern Ireland for further information.

## PRS for Music/PPL

In order to play copyrighted music in your business premises you may need both a PRS for Music licence and a Phonographic Performance Limited (PPL) licence. This applies to most types of business, even if the music is simply being played in the background. Go to [www.prsformusic.com/users/businessesandliveevents/musicforbusinesses](http://www.prsformusic.com/users/businessesandliveevents/musicforbusinesses) and [www.ppluk.com/I-Play-Music/Businesses](http://www.ppluk.com/I-Play-Music/Businesses) for further information.

## Information Commissioner's Office

If your business processes personal information you will need to register (notify) as a data controller with the Information Commissioner's Office (ICO). Any business using CCTV is also classed as a data controller and must be registered. You can notify with the ICO by completing a notification form and returning it with a filing fee costing from £35. The form can be obtained from the ICO website or via the notification helpline. Go to [www.ico.gov.uk/for\\_organisations/sector\\_guides/business.aspx](http://www.ico.gov.uk/for_organisations/sector_guides/business.aspx) for further information.

## Financial Conduct Authority

If your business provides credit or lends money to consumers credit you must be authorised or exempted by the Financial Conduct Authority (FCA), which took over responsibility for regulating consumer credit from the Office of Fair Trading (OFT) in April 2014. Applications can be made online. For more information, go [www.fca.org.uk/firms/firm-types/consumer-credit](http://www.fca.org.uk/firms/firm-types/consumer-credit) and see BIF 319, A Guide to Consumer Credit Authorisation.

## Other sector regulators

Certain sectors are regulated by public or independent bodies and if your business operates in that sector you will need to check licensing requirements with them. For example, many businesses in the financial sector are regulated by the FCA, while businesses in

the communications sector are regulated by the Office of Communications (Ofcom, [www.ofcom.org.uk](http://www.ofcom.org.uk)). Trade associations can direct you to relevant sector and industry regulators and in some cases they perform a regulatory role themselves. For a directory of trade associations go to [www.taforum.org](http://www.taforum.org).

## **Mortgage provider or landlord**

If you intend to run your business from home, you will need to inform your mortgage provider and check you are allowed to do this. There may be a clause in your mortgage agreement restricting the use of your home for business activities. If you are a tenant of a private landlord, council or housing association, you must get permission from your landlord before starting a business from home.

## **Bank**

If you are setting up a limited company, partnership or LLP you will need to set up a business bank account. If you operate as a sole trader you can use your personal account, although it is good practice to keep business and personal transactions separate. If you set up a business account, it does not have to be with a bank where you are already a customer. Different banks provide different accounts with varying costs and benefits and you should compare these before deciding which account to open. To compare business bank accounts go to [www.moneysupermarket.com/BusinessChequeAccounts/CommercialChqAccForm.asp](http://www.moneysupermarket.com/BusinessChequeAccounts/CommercialChqAccForm.asp) or [www.money.co.uk/current-accounts/business-bank-accounts.htm](http://www.money.co.uk/current-accounts/business-bank-accounts.htm). Also see BIF 43, An Introduction to Business Bank Accounts.

## **Hints and tips**

- When starting your new business contact HMRC as in addition to mandatory registration, their helplines and website provide information on a variety of issues.
- When planning a new business, allow enough time to contact and receive responses from all relevant organisations so you have all the permissions you need before you start trading. For example, food businesses need to submit applications for approval or registration at least 28 days before they intend to start trading.
- Remember that, as well as issuing compulsory licenses and permissions, local authorities are also a source of useful business support and information on accessing funding and finding premises.

## **Further information**

For practical start up and small business tips, ideas and news, go to:

Website: [www.enterprisequest.com](http://www.enterprisequest.com)

To access hundreds of practical factsheets, market reports and small business guides, go to:

Website: [www.scavenger.net](http://www.scavenger.net)

BIF 6 An Introduction to Insurance Cover for Business

BIF 15 An Introduction to Tax, National Insurance and VAT

BIF 17 A Guide to Running a Business from Home

BIF 27 Choosing and Using an Insurance Broker

BIF 28 A Guide to Setting up in Business as a Partnership  
BIF 32 Choosing the Right Legal Status for your Business  
BIF 38 Choosing and Using an Accountant  
BIF 40 A Summary of Sources of Finance for Starting a Business  
BIF 43 An Introduction to Business Bank Accounts  
BIF 61 A Guide to Business Rates  
BIF 152 Business Activities Regulated by Local Authorities  
BIF 167 A Guide to Setting up in Business as a Private Limited Company  
BIF 252 A Guide to Corporation Tax  
BIF 363 A Guide to Setting up in Business as a Sole Trader  
BIF 437 A Guide to Alcohol Licensing in England and Wales  
BIF 492 A Guide to Alcohol Licensing in Scotland  
BIF 493 A Guide to Alcohol Licensing in Northern Ireland

## Useful contacts

HM Revenue & Customs (HMRC) is the Government department responsible for the collection of tax. It provides information and advice to individuals and businesses.

Tel: 0845 915 4515 (Newly Self Employed Helpline)

Tel: 0845 607 0143 (New Employer Helpline)

Website: [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

Companies House provides registration and filing services for companies and partnerships, as well as useful leaflets and information.

Tel: 0303 123 4500

Website: [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

The Valuation Office Agency (VOA) assesses the rateable value of business and non-domestic properties in England and Wales. It publishes information and guidance for businesses on business rates.

Tel: 0300 050 1501 (England)

Tel: 0300 050 5505 (Wales)

Website: [www.voa.gov.uk](http://www.voa.gov.uk)

The Environment Agency is the main environmental regulator for England and Wales.

Tel: 0370 850 6506

Website: [www.environment-agency.gov.uk](http://www.environment-agency.gov.uk)

The Scottish Environment Protection Agency (SEPA) is the main environmental regulator for Scotland.

Tel: (01786) 457700

Website: [www.sepa.org.uk](http://www.sepa.org.uk)

The Northern Ireland Environment Agency (NIEA) is the main environmental regulator for Northern Ireland.

Tel: 0845 302 0008

Website: [www.doeni.gov.uk/niea](http://www.doeni.gov.uk/niea)

PRS for Music is the collection society for royalties earned from the copying and performing of copyrighted materials. It issues licences and distributes fees on behalf of music copyright holders including composers, songwriters and music publishers.

Tel: (020) 7580 5544

Website: [www.prsformusic.com](http://www.prsformusic.com)

PPL oversees the distribution of royalties to performers whose work is played in public. It issues licences for 'sound recordings', which includes the public airing or broadcasting of sound recordings.

Tel: (020) 7534 1070

Website: [www.ppluk.com](http://www.ppluk.com)

The Information Commissioner's Office (ICO) is an independent authority concerned with information rights and data privacy, which provides information and guidance on privacy and electronic communication.

Tel: 0303 123 1113

Website: [www.ico.gov.uk](http://www.ico.gov.uk)

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