

NEW SECOND EDITION

VENTURE CREATION

A FRAMEWORK FOR
ENTREPRENEURIAL
START-UPS

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GUIDE TO UK LAWS & REGULATIONS

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USING THIS GUIDE

This guide is intended to be used alongside *New Venture Creation (2e)*. It summarizes some of the main UK laws and regulations in the areas of: business structure, taxation, health and safety, employees, premises and licences. It should be used alongside the *Guide to UK Help and Advice*, also available to download [here](#).



This internet symbol takes you to the relevant website where more information can be found using an embedded hyperlink. Website addresses change frequently and it is possible that these may have changed since this guide was produced.



This video symbol takes you to a relevant video using an embedded hyperlink.

To activate a link, simply click on the symbol. Although every effort is made to keep these addresses up to date, they do change frequently. The date at the bottom of the page tells you when these addresses were last updated.

BUSINESS STRUCTURE & IP

SOLE TRADER

If trading with a name other than your own, must display name and address of owner at premises and on stationery.

PARTNERSHIP



<https://www.gov.uk/government/publications/limited-liability-partnership-incorporation-and-names>

As above. Set up a formal deed of partnership (otherwise terms of the Partnership Act 1890 apply). Professional service firms like solicitors and accountants may be able to set up limited liability partnerships.

This is a link to the government website giving you information on how to set up a limited liability partnership.

LIMITED COMPANY



<https://www.gov.uk/government/organizations/companies-house>

Register name and office with Registrar of Companies (Companies House). 'Off-the-peg' companies can be bought from company registration agents. If trading with a name other than full corporate name, must display name and address of owning company. Must file annual return.

The first link is the gateway to the Companies House website.



<https://www.gov.uk/government/collections/companies-house-guidance-for-limited-companies-partnerships-and-other-company-types>

The second link explains how to file annual returns with Companies House and includes a short video.



<https://www.fca.org.uk>

Some types of business must register with the Financial Conduct Authority. This is a link to their website.



<https://www.youtube.com/watch?v=nr3Gs8-EIRg>

This link is to another short video on how to form a UK company.

SOCIAL ENTERPRISE



<https://www.gov.uk/set-up-a-social-enterprise>

Depends on business structure. For organizations offering help and advice, check the *Guide to UK Sources of Help, Advice, Information and Funding*.

This is a link to the government website giving you information on how to set one up.

FRANCHISE



<http://www.thebfa.org>

Needs contract with franchisor. Legal advice essential.

This link is to the British Franchise Association website.

INTELLECTUAL PROPERTY (IP)



<https://www.gov.uk/browse/business/intellectual-property>

IP needs to be registered in the appropriate way. For organizations offering help and advice, check the *Guide to UK Sources of Help, Advice, Information and Funding*.

This is a link to the government website giving you information on how to do this.

BUSINESS DEBT, BANKRUPTCY OR CLOSURE



<https://www.gov.uk/browse/business/funding-debt>

If your business gets into financial difficulty there are a number of things you are required to do by law.

The first link is to the government website giving you information about what to do and who to contact.



<https://www.gov.uk/browse/business/selling-closing>

The second link is to a government website that gives you information on what you need to do to sell or close a business.

BUSINESS TAXATION

VALUE ADDED TAX (VAT)



<https://www.gov.uk/vat-registration>

Businesses with a turnover above a certain level must charge and collect Value Added Tax. Check with HM Revenue and Customs (HMRC) whether registration is necessary because of turnover level. This changes annually.

SOLE TRADER & PARTNERSHIP



<https://www.gov.uk/log-in-file-self-assessment-tax-return>

Need to register with HMRC and obtain Unique Taxpayer Reference (UTR) number(s). You will need your National Insurance number (your local Jobcentre Plus can help you with this if you do not have one). Income Tax is collected on a self-assessment basis.



<https://www.gov.uk/simpler-income-tax-cash-basis>

Sole traders or partnerships can register to have their income and expenses assessed on a 'cash basis', rather than a profit basis if it suits them. The second website gives you information on this option.

LIMITED COMPANY



<https://www.gov.uk/corporation-tax>

Need to make an annual Company Tax Return and file annual accounts with HMRC. If your accounts and Company Tax Return cover the same period, you can send them to both Companies House and HMRC at the same time (see [Business Structure - Limited Company](#)).

PAY-AS-YOU-EARN (PAYE) INCOME TAX DEDUCTED FROM EMPLOYEES



<https://www.gov.uk/topic/business-tax/payee>

Need to register with HMRC and deduct tax and National Insurance from all employees receiving payments (including directors) and pay over to HMRC.

LOCAL TAXATION (BUSINESS RATES)



<https://www.gov.uk/introduction-to-business-rates>

Local taxation is collected through Business Rates. They are handled differently in England/Wales, Scotland and Northern Ireland. Generally the Local Authority will send you an annual Rates bill in February/March each year.

EMPLOYEES

EMPLOYEE RIGHTS



<https://www.gov.uk/browse/employing-people>

Employment protection legislation applies to all employees.

This is a link to the government website that gives you information on what legislation applies.

PAY-AS-YOU-EARN (PAYE) INCOME TAX DEDUCTED FROM EMPLOYEES



<http://www.hmrc.gov.uk/payerti/index.htm>

Need to register with HMRC and deduct tax and National Insurance from all employees receiving payments (including directors) and pay over to HMRC.

PENSIONS



<https://www.gov.uk/browse/employing-people/pensions>

Employers will have to provide a workplace pension for eligible staff by 2018.

This is a link to the government website that gives you information on what legislation applies.

INSURANCE

By law, you will need employers' liability insurance if you have employees. This will cover you against claims made if anyone injures themselves on your premises.

If you operate a motor vehicle you must legally insure all users of each vehicle.

HEALTH & SAFETY

HEALTH & SAFETY



<https://www.gov.uk/browse/employing-people/health-safety>

Various health and safety regulations apply to all businesses, including those being run from home.

This is a link to a government website that provides information on what legislation applies.

FACTORIES & WORKSHOPS



<http://www.hse.gov.uk>

Most businesses need to register with the Health and Safety Executive (HSE). If processes cause pollution you must register. If food is being prepared or stored you need to contact the Environmental Health Department of the Local Authority in the area you want to establish your business.

OFFICES, SHOPS & OTHER PREMISES

Most businesses need to register with the Local Authority in the area they want to establish their business.

If processes cause pollution you must register (see [Environment](#)). If food is being prepared or stored you need to contact the Environmental Health Department of the Local Authority (see [Licences](#)).

FIRE CERTIFICATE



<https://www.gov.uk/workplace-fire-safety-your-responsibilities>

Fire certificate may be necessary (e.g. guest houses, hotels and residential nurseries). Fire safety rules are different in England/Wales, Scotland and Northern Ireland. Check with your local Fire Authority.

ENVIRONMENT



<https://www.gov.uk/browse/business/waste-environment>



<https://www.gov.uk/government/organisations/environment-agency>

Regulations apply to the production, disposal, import and export of waste and the emission of pollution, including vans. If you use refrigeration, air conditioning, fire-fighting equipment or cleaning solvents, legislation may also apply. Also see [Licences](#) below.

The first link is to a government website that provides information on what legislation applies.

The second link is to the Environment Agency website where more detailed information can be obtained.

LICENCES & REGISTRATIONS

LICENCES



<https://www.gov.uk/browse/business/licences>

Licences are required for certain types of business and certain activities in the UK.



<https://www.gov.uk/licence-finder/sectors>

The first link is to the government website that will give you information on what is required.

The second link is to a government interactive licence-finder tool that you can use to find out which licences are required to set up your specific business in the UK.

CHILDMINDERS OR CHILDCARE PROVIDERS



<https://www.gov.uk/register-childminder-childcare-provider>

Childminder and childcare providers need to be registered with Ofsted.

This is a link to the government website that will give you information on what is required.

FOOD, CATERING & RETAIL



<https://www.gov.uk/browse/business/food>

Particular regulations apply to businesses handling food.

This is a link to the government website that will give you information on what is required.

FARMING



<https://www.gov.uk/browse/business/farming>

Particular regulations apply to farming businesses.

This is a link to the government website that will give you information on what is required.

MARITIME VESSELS & WORK AT SEA



<https://www.gov.uk/browse/business/maritime>

Particular regulations apply to maritime vessels and work at sea.

This is a link to the government website that will give you information on what is required.

CINEMAS, THEATRES, CHILD MINDERS, TAXIS, INDOOR SPORTS VENUES, PUBLIC ENTERTAINMENT VENUES, STREET TRADERS, PET SHOPS OR KENNELS, SCRAP METAL DEALING, SEX SHOPS, RESIDENTIAL CARE, NURSING HOMES OR AGENCIES

Need to apply to the Licensing Department of the Local Authority in the area you want to establish your business.

BUSINESSES INVOLVED IN THE SALE OF WEAPONS

Need to apply to the Police in the Local Authority where you want to establish your business.

HOTELS, RESTAURANTS, ABATTOIRS, HAIRDRESSERS, MOBILE SHOPS (FOOD SALES), MASSAGE, SKIN PIERCING (INCLUDING TATTOOING), WORK WITH ASBESTOS

Need to apply to the Environmental Health Department of the Local Authority in the area you want to establish your business.

SALE OF ALCOHOL IN SHOPS, PUBLIC HOUSES, CLUBS, NIGHTCLUBS, RESTAURANTS, HOTELS ETC.

Need to apply to the Local Authority in the area you want to establish your business.



<https://www.gov.uk/alcohol-licensing>

SCRAP METAL PROCESSING, WASTE MANAGEMENT, ABSTRACTION OF WATER OR DISCHARGE OF EFFLUENT

Need to apply to the Environment Agency. Further information can be obtained from their website.



<https://www.gov.uk/government/organisations/environment-agency>

HEAVY GOODS OR PUBLIC SERVICE VEHICLE OPERATORS

Need to apply to the local area office of the Vehicle and Operator Services Agency (VOSA).



<https://www.gov.uk/government/organisations/vehicle-and-operator-services-agency>

BUSINESSES THAT INVOLVE MONEY LENDING, CREDIT ARRANGEMENT, DEBT COLLECTION, CREDIT CARDS, CREDIT REFERENCE AGENCIES, HIRING, LEASING OR RENTING GOODS

Need to apply for a Credit Licence from the Financial Conduct Authority (FCA).



<http://www.fca.org.uk>

This is a link to the gateway to the FCA website.

BUSINESSES THAT INVOLVE STORING INFORMATION

Need to be registered under the Data Protection Act with the Information Commissioner's Office (ICO).

ABOUT PEOPLE ON COMPUTERS



<https://ico.org.uk>

PREMISES

ANIMAL FEED, AUCTION, BOOKMAKER, CHILDCARE, CINEMA, CLUBS, GAMING MACHINES, MASSAGE & SPECIAL TREATMENT, SALE OF ALCOHOL, VETERINARY PRACTICE ETC.



<https://www.gov.uk/licence-finder/sectors>

Licences are required for premises that are used for certain purposes. The list on the left is not exhaustive.

This is the link to the government interactive licence-finder tool that you can use to find out which licences are required to set up your specific business in the UK.

NEW BUILD & CHANGE OF USE

If a new building or change of use is involved, consult the Planning Department of the Local Authority in the area you want to establish your business.

EXISTING BUILDING WITH STRUCTURAL ALTERATION

If your business needs plant or machinery installed within an industrial site but outside a building, or the premises will require structural alteration, you should consult the Planning or Building Regulations Department of the Local Authority in the area you want to establish your business.
