

# Here's why overseas companies should set up shop in the UK (and how they can do it)

*Let's face it: the global economy is in a period of upheaval. Between the COVID-19 pandemic, war in Ukraine and unrest across a variety of markets, businesses are struggling to unlock growth potential and create opportunities for expansion. That's why there's never been a better time to set up a business presence in the UK.*

Temps de lecture : minute

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Last year, the UK's retail market hit £421B, with online sales surging by 81%. The UK is also a global hub for financial services, fintech, agriculture, creative industries, energy and everything in between.

If you want to leverage the growth potential in these markets, the process of setting up in the UK is straightforward. But there are some crucial regulatory requirements you'll need to meet before you start trading.

This guide explains when you need to form a UK limited company, how to set up a company and other options available to you.

## Legally incorporating a UK company

If you're operating a business in the EU or elsewhere overseas, you're probably wondering whether you need to register your business in the UK.

The short answer is: it depends.

You're only required to register your overseas company with Companies House (the UK's company register) if you have a physical presence in Britain. For example, let's say you own a telecommunications business in France and want to set up an office in Manchester. To do so, you'd need to register your business with the UK Government — but you've got a couple different options.

First, you could simply register a branch of your company in the UK. You've got to do this within one month of opening your doors, and it enables you to do business here.

But it's important to note this particular route doesn't create a separate legal entity in the UK for your business. That means if your UK business fails and you generate loads of debt, you'll be personally liable for those debts. It also takes much longer to register a UK branch of your company than it does to register a new company.

That's why the most popular option for overseas entities wanting to operate in the UK is to set up a UK limited company.

By forming a UK limited company, you're driving a legal wedge between your personal finances, overseas operations, and your new business in the UK. This empowers you with "limited liability", which means your financial liability for company debts is limited to the value of shares you own in your UK company.

Fortunately, you can incorporate a limited by shares company in the UK in as little as three to six hours. We'll explain how.

## How to incorporate a UK company

If you want to incorporate a UK company, the process is the same whether you're a UK national or non-resident living in another country.

You'll need to choose a name for your company, a UK address, appoint at least one director and at least one shareholder.

The person you're appointing as a director doesn't need to be a UK resident, and your shareholder can be a non-UK resident or another company. The trickiest part of this process is the requirement to have a registered UK address, which UK bodies like Companies House and HMRC will use to send your company important information.

Fortunately, there's a simple solution. It's possible to utilise the registered office address of a company formation agent and then have statutory mail forwarded on to any address in the world.

Finally, you'll need to create a memorandum and articles of association. These are your company's founding documents which will detail how the company will be run — but you can use a standard template of those documents to streamline the process.

If your company formation application is straightforward and Companies House is dealing with a typical workload, you can get your application approved in as little as six hours using an online company formation agent.

It's that simple.

## The bottom line

At the end of the day, there's a tremendous amount of growth potential for overseas companies in the UK. But if you want to establish a physical presence in Britain — or simply protect your personal finances — you're going to want to register a UK limited company through Companies House.

Fortunately, the company formation process in the UK is fast and easy. You've just got to make sure you've covered all your bases and understand what's required. There are company formation specialists such as 1<sup>st</sup> Formations able to guide you through this process, so when in doubt: just ask for help!

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