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A Guide to

DOING BUSINESS IN THE UK

Introduction

Deciding where and how to expand your business overseas is by no means an easy task and one which has arguably been made more challenging by recent global economic and political uncertainty.

The United Kingdom (UK) is the 6th largest economy[1] in the world and is consistently one of the most popular destinations for foreign direct investment in Europe. In recent decades the UK manufacturing industry has remained prosperous in line with the rise of the service-based economy, resulting in world class industries in financial services, information and medical technology and the creative sector.

The UK is a liberal market economy with few barriers to entry for establishing new companies, supported by consistent pro-business government policy. All of this combined with a highly-educated and talented workforce, as well as an employment law framework that is less onerous than in many EU countries, make the UK a perfect base for expanding your business in Europe and worldwide.

The purpose of this guide is to provide you with a concise overview of the key aspects of establishing a business in the UK, including details of the attractive tax framework, as well as common dos and don’ts and some information about how Ecovis can help you succeed in your venture. Clearly you will need specific guidance relating to the individual needs of your business as you expand overseas. At Ecovis, we are here to help both in the UK and worldwide.

Benefits of doing business in the UK

MAJOR TRADING NATION

The UK is well recognised as a major trading nation and is consistently ranked as the world's 6th largest economy[2]. With a population of just over 66 million people[3], it is also a large lucrative market in its own right.

STABLE ENVIRONMENT

The UK has one of the most stable political environments to do business in. The World Bank Group ranks the UK 8th (ahead of France, Ireland and Germany) in terms of ease of doing business[4] with criteria such as: starting a business, paying taxes; trading across borders and getting credit.

GLOBAL CONNECTIVITY

The UK offers a world-class transport network and straddles the Asian-American time zone. This means that the UK's office hours cover 99% of the world's GDP. A UK base will be the vehicle for collaboration with Europe, whilst enabling you to take advantage of its generous tax schemes.

MORE FAVOURABLE LABOUR LAWS

Employment law in the UK is generally light touch, especially when compared with many other European countries. In fact, per the OECD Indicators of Employment Protection, the UK is 4th lightest[5] when measuring the relative costs and procedures involved when dismissing employees. Retaining this level of flexibility is vital whilst you are still in the start-up phase.

Hiring workers is also relatively simple, providing the employment contract is suitably worded. It is worth seeking professional advice to ensure this is done properly from the outset - it could save you unnecessary legal costs at a later stage.

Benefits (continued)

ATTRACTIVE TAX ENVIRONMENT

The UK has one of the most competitive tax environments in the world, with one of the lowest corporation tax rates in the G20, with a rate of 19%. The 2017 Paying Taxes report produced by PWC and World Bank Group ranks the UK 10th out of 189 countries according to the ease of paying taxes.

FAVOURABLE TAX CREDITS / INCENTIVES

As well as comparatively light tax regulation, there are a number of attractive tax credits and incentives that you can take advantage of when expanding your business overseas. In particular, Research and Development Relief could result in you claiming a tax deduction of up to 230% on qualifying expenditure.

SIMILAR LANGUAGE & CULTURE

Expanding your business overseas is a challenge in itself, without the added complications of language and cultural barriers. By basing your new operations in the UK these problems can be largely avoided.

EASIER TO SET UP AN ENTITY IN THE UK THAN IN MAINLAND EUROPE

The process for setting up a limited company in the UK is relatively simple and can be done in a matter of days. This compares favourably with a number of other European countries. According to the latest World Bank's ease of doing business report the UK ranks 8th in the world for the ease of starting a business, ahead of both France and Germany.

Customs & VAT

The UK left the EU on 31 January 2020 and the transitional period ends on 31 December 2020. The economic consequences of Brexit are unclear and will depend on the free trade agreements that the UK can negotiate with the EU and other key trading partners.

From 01 January 2021, the EU Customs Union and VAT regime will no longer apply to the UK. As a result, importers of goods from the EU into the UK (excluding Northern Ireland) will need to deal with new customs tariffs, declarations and import VAT rules. A different VAT and customs regime will apply to Northern Ireland.

KEY STEPS ALL IMPORTERS/EXPORTERS SHOULD TAKE NOW

1. Make sure the classification of your goods (tariff/commodity code) are correct
2. Use the government trade tariff tool to look up commodity codes, duty & VAT rates www.gov.uk/trade-tariff
3. Ask HMRC for help to classify your goods. Apply for a legally binding tariff information decision
4. Ensure your company is registered for both imports and exports. Apply for your EORI. From 01 January 2021 you will need an EORI number to move goods between the UK and the EU
5. If you already have an EORI: Check your EORI, does it start with 'GB'? If not apply for a new one
6. Be ready for the new customs paperwork. Speak with your customs broker or import-export agent or look at setting up your business to make declarations internally. Regardless of whether a deal is reached between the UK & EU, import and export customs declarations will be required for the movement of goods as of 01 January 2021. Exporters are urged to speak with their customs broker or import-export agent who acts on their behalf to secure the service they need beyond the 31 December 2020 or look at setting up your business to make declarations internally.
7. Check the new UK tariff for imported goods, as the UK will apply a UK-specific tariff to these. From 01 January 2021, the UK will apply a UK-specific tariff to imported goods. This UK Global Tariff (UKGT) will replace the EU's Common External Tariff, which applies until 31 December 2020.

IMPORT VAT

Businesses will need to plan how they wish to pay UK import VAT when new customs and VAT regime takes effect. There are a number of options to consider:

- Defer import VAT payment through Brexit Postponed Accounting in your VAT return
- Pay at Customs when goods arrive in UK
- Ask your customer to pay under Delivered At Place Incoterms. This is the least likely alternative as your customers may be unwilling to pay it

UK INTRASTAT DECLARATIONS

Currently VAT registered businesses in the UK are asked to complete Intrastat declarations in which they report movement of goods from the EU and into the UK. HMRC has indicated that despite Brexit, Intrastat declarations will still be required for imports from the EU.

The Launch Timeline

PRE-LAUNCH
- Decide recruitment process
- Agree UK partners
- Executive recruitment
- UK partners assist with business plan

MONTH 1
- Choose a legal entity type and set up
- Agree on the corporate structure
- Resolve the tax & transfer pricing issues
- Introduction to HR & benefits specialists

MONTH 2
- Introduction to bankers, lawyers, insurance &
- IT specialists
- Apply for bank account (4 - 6 weeks incl. BACS)
- Start work with market entry specialists
- VAT registration

POST-LAUNCH
- On-going liaison with Ecovis
- Finalise accounting system
- Payroll & corporate tax registration

Choice of Entity

Setting a company up in the UK can be a much faster and cheaper process than in other European countries, which further facilitates the path for foreign owned start-ups to successfully access the UK market.

There are 3 entity types which are more commonly utilised by foreign investors when setting up in the UK; the Limited Liability Partnership (LLP), the UK Establishment (Branch) and finally the Limited Liability Company (LTD).

Whilst the Limited Liability Company remains the most commonly used option with foreign investors, each entity type carries varying advantages, as well as legal and compliance requirements, which are outlined in the table below.

	LIMITED LIABILITY COMPANY (LTD)	UK ESTABLISHMENT (BRANCH)	LIMITED LIABILITY PARTNERSHIP (LLP)
LEGAL PROTECTION	- Offers its owners / shareholders limited liability - Legally separate and independent from the Parent company	- **Parent company is legally liable without limitation** - Operates as an extension of the Parent in the UK	- Offers its UK owners / partners limited liability - Legally separate and independent from the Parent company
REGISTRATION PROCESS	- Quick registration process: 1 - 3 days - Standard documents with Companies House	- Longest registration process: 4 - 6 weeks - Standard documents (translated into English) with Companies House	- Quick registration process: 1 - 3 days - Standard documents with Companies House
TAXATION	- Fully taxable in the UK - Can offset losses against the Parent's profit	- Fully taxable in the UK - Can offset losses against the Parent's profit	- Fully taxable in the UK - Can offset losses against the Parent's profit
COMMERCIAL ISSUES	- Publicly filed accounts restricted to the UK limited company - No minimum capital injection requirements - Strong sense of commitment and permanence, which is vital for marketing	- **Publicly filed accounts include the Parent's accounts** - Low sense of commitment and permanence - Can be incorporated as a Limited company at a later date	- Publicly filed accounts restricted to the Limited Liability Partnership - Strong sense of commitment and permanence, which is vital for marketing - Can attract high-end executives with partnership offers

Setting up a Limited Company

HOW LONG DOES IT TAKE TO SET UP A LIMITED COMPANY IN THE UK?

Setting up business in the UK is a very straightforward process. Usually companies are incorporated electronically either as same day or within one to three working days. A small fee is payable upon incorporation, which varies depending on whether a "same day" service or a normal service is chosen. The same day service also eliminates the need for any pre-incorporation contracts.

WHAT DOCUMENTS ARE NEEDED TO REGISTER A COMPANY?

To register a company, you need both a "memorandum of association" which is a legal statement signed by all initial shareholders agreeing to form the company and "articles of association" which are effectively written rules about running the company agreed by all members.

Articles of association do not need to be written from scratch, as it is possible to incorporate a company using model articles. Should there be a need to amend the company's articles further down the line it is possible to do this by way of special resolution.

It is therefore very important to start the incorporation process as soon as a company name has been chosen.

WHICH DOCUMENTS DO I NEED TO PROVIDE?

Proof of address and proof of identity of the future director(s) is needed in line with anti-money laundering regulations and to create an electronic signature with the Registrar. The electronic signature enables us to complete the incorporation online minimising the need for any hard copy paperwork. There are no requirements for directors to be resident in the UK.

WHAT ARE THE REQUIREMENTS FOR MINIMUM SHARE CAPITAL?

A private company limited by shares can be incorporated by issuing only one share of any value if upon incorporation each subscriber agrees to become a member of the company and to take at least one share. The requirement for a public limited company varies from this - the minimum requirement for share capital is £50,000 and the minimum 25% (£12,500) must be paid.

ARE THERE ANY RESTRICTIONS WHEN CHOOSING A NAME?

The name chosen for the company cannot be the same as, or similar to, an existing company's name. Nor can it be one of the specific "restricted names", such as;

- one that might suggest a connection with a government authority;
- an offensive name or;
- one that includes certain "sensitive" words or expressions included in regulation.

Audit & Filing Requirements

A UK company must prepare and file annual financial statements in accordance with UK company law. A company may choose its year-end date.

The financial statements must be filed with Companies House where they are available for public inspection. The accounts are usually due to be filed within 9 months of the financial year-end.

The UK company financial statements must be audited if either the company, or the group in which the company is a member, exceed two of the following criteria:

1. Revenues of £10.2 million per annum
2. Gross assets of £5.1 million
3. 50 employees

Funding Options

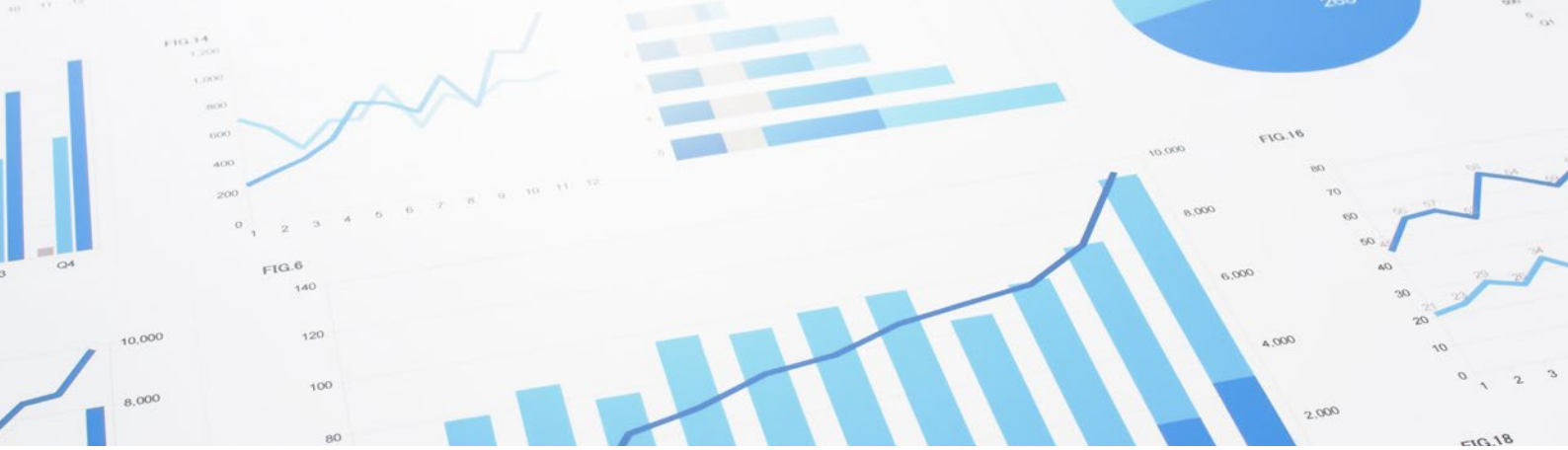
	SHARE CAPITAL (Permanent Investment)	**LOAN CAPITAL** (Medium-Term Investment)	**INTER COMPANY** (Flexible Investment)
LEGAL PROTECTION	- Share capital can be denominated in GBP or any other currency - It will boost your balance sheet and signals market commitment	- Money can be borrowed directly from the parent entity - Commercial interest rate must be ensured for transfer pricing purposes	- Short term funding of working capital via intra-group transfers - Tax implications where transactions are not at an arm's length basis

Corporation Tax

WHO IS LIABLE?

In the UK, corporation tax is paid by companies. It is charged on the Taxable Total Profits (TTP) of each chargeable accounting period. For corporation tax purposes, the term 'company' is any corporate body which includes:

- Limited and unlimited companies incorporated in the UK
- Limited and unlimited companies managed and controlled in the UK
- Unincorporated associations which includes members' clubs and political associations
- Any foreign company with a UK branch or permanent establishment



Corporation Tax (continued)

WHICH COMPANIES ARE TAXED IN THE UK?

Companies which are resident in the UK (incorporated in the UK or centrally managed and controlled here) are liable to tax on their worldwide income and gains, i.e. income earned, and gains realised all over the world, subject to an election to exempt profits of overseas permanent establishments.

However, if a foreign company sets up a UK branch or office here in the UK, then corporation tax will only be applied to the profits from its UK activities.

The corporation tax rate is applied to the total taxable profits of the company to determine the corporation tax liability. The TTP will depend on a variety of factors such as trading losses, capital allowance/tax depreciation and disallowable expenditure.

WHAT ARE THE CURRENT TAX RATES?

For the years ended 31 March 2019 and 2020, the UK corporation tax rate is 19%. This is substantially lower than most of the countries in the EU.

WHEN IS CORPORATION TAX DUE?

Corporation tax should generally be paid 9 months and 1 day after a company's year-end. However, large companies (taxable profits of more than £1.5 million) must pay corporation tax in instalments – normally quarterly. This threshold is reduced where the UK company is part of a group.

There is a separate deadline for filling the corporation tax return and computation - due 12 months after the company's year-end. Any discrepancies between the corporation tax payment and actual liability will be dealt with once the return has been submitted.

WHAT IF MY COMPANY IS SMALL?

Small and medium-sized companies (SMEs) are normally exempt from the transfer pricing requirements in the UK. SMEs for transfer pricing purposes are defined as illustrated below (these thresholds are reduced if the UK company is part of a group).

	STAFF		TURNOVER		BALANCE SHEET
SMALL	Less than 50	AND	€10M	OR	€10M
MEDIUM	Less than 250	AND	€50M	OR	€43M

Corporation Tax Reliefs

R&D PROJECTS

The UK government provides generous tax incentives to encourage companies to undertake R&D projects.

In order for a project to be considered as R&D for tax purposes, the company must undertake a project to seek an advance in science or technology through the resolution of scientific or technological uncertainties. The general rule of thumb is that such resolution cannot be easily created or readily available 'off-the-shelf'.

There are two types of R&D schemes in the UK which depends on the size of the company. The table below illustrates how a company qualifies as an SME or a large company for R&D tax purposes - these thresholds are reduced where the UK company is part of a group.

	STAFF		TURNOVER		BALANCE SHEET
SMALL	Less than 500	AND	Not exceeding €100M	OR	Not exceeding €86M
MEDIUM	More than 500	AND	Exceeds €100M	OR	Exceeds €86M

R&D TAX CREDITS FOR SMEs

SMEs can claim a tax deduction up to 230% of their qualifying R&D expenditure (certain costs attributed to the R&D project).

To explain this further, let's say company A Ltd incurred £10,000 on qualifying R&D expenditure, and the company had a trading profit of £80,000 for the year X.

	£
QUALIFYING R&D EXPENDITURE	10,000
TRADING PROFIT	80,000
ADDITIONAL 130% DEDUCTION	(13,000)
ADJUSTED PROFIT	67,000
PROFITS CHARGEABLE TO CORPORATION TAX	67,000
CORPORATION TAX @19%	12,730
SAVING OF	2,470

If company A Ltd did not claim an R&D tax deduction, the corporation tax liability would have been £15,200 (£80,000 x 19%). Thus, there is a saving of £2,470 of corporation tax.

Corporation Tax Reliefs (continued)

WHAT IF THE COMPANY IS LOSS MAKING?

For loss making companies that carry out R&D projects, they may surrender their losses and claim 14.5% of the lower of the trading loss and enhanced R&D.

	£
QUALIFYING R&D EXPENDITURE	10,000
TRADING LOSS	(100,000)
ADDITIONAL 130% DEDUCTION	(13,000)
ADJUSTED LOSS	(113,000)

SURRENDER LOSSES

UNRELIEVED TRADING LOSSES	(a)	(113,000)
ENHANCED QUALIFYING R&D EXPENDITURE	(b)	(23,000)
LOWER OF (a) & (b)		(23,000)
TAX CREDIT ON R&D EXPENDITURE @ 14.5%		3,335

The above illustrates that a loss-making company may claim £3,335 cash from HMRC for every £10,000 spent on qualifying R&D expenditure.

Corporation Tax Reliefs (continued)

R&D TAX CREDIT FOR LARGE COMPANIES

HMRC have introduced a new incentive for larger companies conducting an R&D project, known as R&D Expenditure Credit scheme (RDEC).

This is where HMRC provides a notional 13% credit (12% up to 31 March 2020), to the company's qualifying expenditure. This 'additional income' is treated as a taxable receipt[1] but also credited against the company's corporation tax liability[2] as illustrated below.

		£
QUALIFYING R&D EXPENDITURE	(a)	100,000
TAXABLE TOTAL PROFIT BEFORE R&D		2,135,000
[1]ADD ABOVE THE LINE CREDIT	[(a) x 13%]	13,000
LESS R&D EXPENDITURE		(100,000)
TAXABLE TOTAL PROFIT		2,048,000
CORPORATION TAX @ 19%		389,120
[2]LESS ABOVE THE LINE TAX CREDIT		(13,000)
CT PAYABLE		376,120

The RDEC incentive provides a net benefit of 10.53% for large companies paying corporation tac at 19% as illustrated below.

Companies that are loss making may claim a repayment in respect of the credit, which can result in a repayment of up to 10.53p for every £1 spend (limited to the amount of PAYE and NIC paid by the company during the accounting period). This is generous, given that this was not an option for large companies in the past.

		£
CORPORATION TAX ON 13% CREDIT	[19% x 13,000]	2,470
LESS ABOVE THE LINE CREDIT DEDUCTED FROM CT LIABILITY		13,000
CORPORATION TAX SAVING		10,530
10,530 / 100,000 R&D EXPENDITURE = 10.53% BENEFIT		

Corporation Tax Reliefs (continued)

UK PATENT BOX

The patent box regime was originally introduced in April 2013 and allows companies to elect to apply corporation tax at a reduced rate of 10% on profits attributable to qualifying patents. This is to encourage high-tech and innovative industries to trade in the UK.

Broadly speaking, profits attributable to qualifying patents include royalty income received directly from patents, profits from the sale of patented products and companies which utilities patented processes internally.

As a result of a recent challenge within Europe, the rules surrounding the identification of profits qualifying for the patent box have become more stringent. In particular the relief is now targeted at companies that have developed their patents within the UK.

CREATIVE INDUSTRY TAX RELIEFS (CITR)

A number of CITR have been introduced by the UK Government with the aim of encouraging greater investment in UK industry. The reliefs available for the creative industry includes:

- Film tax relief
- Animation tax relief
- High-end TV tax relief

- Children's TV tax relief
- Video games tax relief
- Theatre tax relief

Qualifying companies are able to enhance their tax deduction to reduce their corporation tax liability. For companies that are in a loss position, they may be able to surrender their losses for a repayable credit. In general, these reliefs provide repayments of up to 25p for every pound of 'core' expenditure.

Value Added Tax

Like most countries, the UK operates a system of Value Added Tax (VAT) which is effectively a tax on the sale and purchase of certain goods and services. The current rate of VAT is 20% and a company must register for VAT if taxable turnover exceeds £85,000 in a 12-month period. If turnover is below this, then a voluntary registration may still be possible. A foreign company without a place of business in the UK, but which is making supplies in the UK, must register immediately as there is a zero registration threshold.

Once registered, there is an obligation to charge VAT on all qualifying sales and submit monthly or quarterly VAT returns to HMRC. The tax that you have collected from your customers is then paid over to HMRC. However, registration also allows you to claim back any VAT that you have been charged on your business purchases (subject to some specific rules). Therefore, a voluntary registration might be a good idea so that you get a cashflow benefit in the early stages of setup.

Whilst most goods and services attract VAT at 20%, the legislation is quite complex and certain exemptions apply; a reduced rate of 5% might apply or the goods and services might be exempt.

The nature of your trade may therefore have an impact on whether or not you will be able to reclaim all of the VAT on your purchases, so it is important to seek professional advice sooner rather than later.

In most cases the process for registering for VAT is relatively straightforward and can be completed in 2-3 weeks. The most common reasons for this process being delayed include not having a director of the company based in the UK, not having a physical office space registered in the company's name and not having a UK bank account or no evidence that sales will arise in the near future.

UK Holding Company Location

The United Kingdom is an attractive destination to locate an international holding company because of its stable political, legal and economic system, coupled with an attractive and easy to navigate tax system.

In order to minimise the tax levied on profits it is important to consider the location of the holding company in any international group.

The United Kingdom offers:

- A current corporation tax of 19% - lower than many major economies particularly in Europe
- Nearly all dividends received by UK companies are exempt from tax
- No withholding tax on distributions to parents or shareholders
- A developed network of around 130 bilateral dual-tax agreements, including the most favourable deal of any nation with China
- Remittance basis option for non-UK domiciled individuals for holding company directors
- The UK gives relief when profits are already taxed in other countries
- Group losses can be utilised to reduce taxable profits (75% common ownership)
- Attractive R&D incentives
- No capital gains tax on disposal of substantial shareholdings

Employment Taxes & Workplace Pensions

EMPLOYMENT TAXES

The cost of employing someone for a company in the UK is relatively low when compared with most other European countries. On a very simplistic level the major cost is through employer's National Insurance contributions which are levied at 13.8% on earnings over £183 per week.

Employment taxes in the UK are collected through the Pay As You Earn (PAYE) scheme, whereby employers collect income tax and national insurance directly from their employees each month and pay them directly to HMRC on their behalf. As an employer, it is mandatory to operate a PAYE scheme as part of your payroll.

Setting up a PAYE scheme is relatively straightforward, but it can also be handled on your behalf if you have chosen to outsource your payroll function.

Most employers are eligible to claim a £4,000 allowance per year off their National Insurance bill.

WORKPLACE PENSIONS

Under government legislation, every employer must put certain staff into a pension scheme and contribute towards it. This is called auto enrolment and if your employ at least 1 person you will have certain legal duties to fulfil.

The minimum contributions required by employers are relatively small and based on the band of earnings from £6,240 to £50,000 (tax year 2020-21). Employers can however choose to contribute more than the statutory minimum and can opt to base contributions on total salary.

The statutory minimum contribution rates are 3% for employers and 5% for employees.

APPRENTICESHIP LEVY

Employers with a pay bill of more than £3 million pay an apprenticeship levy charged at 0.5% of the annual pay bill.

Personal Taxation

An individual who is considered a tax resident in the UK, will be subject to UK income tax and capital gains tax.

RESIDENCE

A Statutory Residence Test which was introduced in the UK 2013 is carried out to determine whether an individual is considered as a resident in the UK for tax purposes.

The test is made up of three parts:

1. The automatic overseas test – the conditions of this test are to determine if the individual is considered as a non-UK resident in the tax year in question. If the individual does not satisfy the test, then the next test will be:

2. The automatic UK test – this is to determine if the individual is considered as a UK resident in the tax year in question. If the individual is still unable to satisfy the conditions, then the next test to be considered will be:

3. The sufficient ties test – this compares the number of days the individual has spent in the UK and the number of connection factors ('ties') they have to the UK, such as a family, accommodation tie, a country tie, a work tie and a 90-day tie.

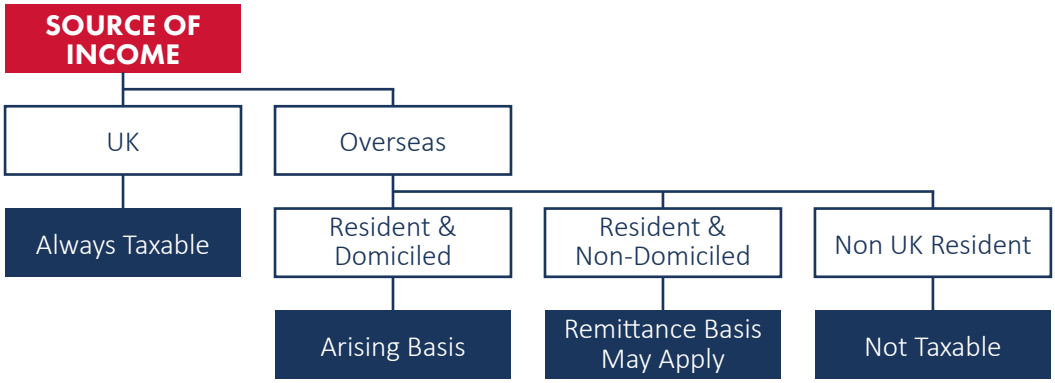
Personal Taxation (continued)

DOMICILE STATUS

An individual is domiciled in the country which is the individual's permanent home. In some circumstances, this status may need to be taken into consideration as the tax situation may vary. Furthermore, there are potential tax advantages for UK tax residents, who are non-domiciled.

The basic principle for UK income tax is that a UK tax resident and domiciled is liable to UK income and overseas income as it arises. However, a UK resident who is not UK domiciled is liable to pay tax on their UK income but may be able to be taxed on overseas income on a remittance basis (where a charge is applied to be taxed on the remittance basis).

In Summary:



Personal Taxation (continued)

TAX RATES

Most people in the UK get a yearly personal allowance of £12,500.

Please note that this allowance is reduced by £1 for every £2 over £100,000 and be aware that some income from other sources, like dividends, have different rates.

%	BAND OF TAXABLE INCOME (£)
20	1 - 37,500
40	37,501 - 150,000
45	Over 150,000

(different rates apply in Scotland)

NATIONAL INSURANCE

Alongside employers, employees also must pay social security, known as National Insurance in the UK. This helps funds certain benefits like free healthcare and the state pension.

The national insurance rates for the year to 5 April 2021 for employees over 21 years of age are as follows:

%	BAND (£)
0	0 - 9,500
12	9,501 - 50,000
2	Over 50,000

Key Questions to Ask Yourself When Considering a UK Launch

1. Is the proposition commercially viable?
Will our product sell in the UK? Is the technology compatible?

Successful launches have a product that they follow into the market because of known demand. It may be worth hiring an interim, industry specific, manager to support the launch.

2. How are we going to fund the launch?
Where will the funds come from? What funding is needed in year one?

A well thought out and funded business plan is far more likely to succeed. You should consider using seconded staff and outsource any non-essential operations.

3. Are there any knowledge barriers?
How well do we understand the tax and legal environments in the UK?

Any overseas business will be wary of UK market entry until it fully understands the implications of UK regulations. You may wish to consult tax and legal advisors to de-risk in this area.

4. How will the business be managed?
Who could we send to the UK on secondment? How much can be done from your base?

The secondment of key staff from head office is important to aid communication during the start-up stage. You should assess the visa position of secondees very early in the process. You may then employ a two-stage model: secondments followed by recruitment.

Intellectual Property

Protecting your company brand, product design, inventions and anything you write or create is key to securing the advantages that only you are entitled to.

The specific type of protection you receive in the UK depends on the underlying creation. Some provide automatic protection, for example films, music or web content are protected by copyrights and shapes of products by design rights. Other creations require one of the following two types of protection for which application is necessary.

TRADEMARKS

Product names, company logos and jingles are key components of your brand and should therefore be registered as trademarks. Before registering, however, you should check whether your words, sounds and colours are indeed unique. You can visit the Intellectual Property Office's (IPO) online database to find out whether a similar trademark already exists.

Applying for a trademark in the UK is then also done through the office's online services. You will have to provide the classification of your goods and services which can be any of 45 different classes. It costs £200 to register a trademark in one class only and £50 for each additional class required.

PATENTS

Inventions classified as new, innovative and usable can be protected by patents. With this patent you are more likely to win legal action and compensation from anyone who uses, sells or imports the invention without your consent. However, patents are costly and difficult to obtain, and it is therefore important to check that a patent is the right form of protection.

A patent application is appropriate where an invention is new in the sense that similar creations do not already exist. This can be verified by qualified staff at any of the UK's 15 local Patent Libraries where records of intellectual property (IP) are held. Alternatively, in more complex cases, a patent attorney can be hired to make sure that an application is indeed well-founded.

It is important to ensure as the following application procedure with the IP Office costs around £4,000 and takes 5 years on average to complete. Statistically, only 1 in 20 applicants are successful without the help of professionals. The use of patent attorneys will significantly add to your costs but may be vital for the protection of your key rights.

Your Team

GERRY COLLINS, Managing Partner
Gerry heads up the inbound start-up work done at Ecovis Wingrave Yeats, focusing mainly on technology, retail and financial services from North America and Europe. He joined the practice in 2004 from a top 50 firm where he acted as relationship partner and previously worked for BDO for 10 years managing a portfolio of large corporate clients.

His expertise lies with advising foreign clients on auditing, accounting and FDI processes. Gerry spends a significant portion of his time travelling to meet clients at their head offices in North America and Europe during their pre-market entry stage. More recently, Gerry has grown the scope of our FDI team to include clients also from Australia, Israel and South Africa.

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RUTH POTTER, Partner, Head of Tax
Ruth joined Ecovis in the Summer of 2019 and now leads a team of tax advisers who provide advice and guidance on a full range of commercial and complex matters including tax planning, UK inward investment, corporate structuring, R&D/creative reliefs, employee share schemes, and share valuations.

Although Ruth has a wealth of tax expertise and a broad range of skills, she has developed particular specialisms in corporate and property taxes, giving comprehensive advice on acquisitions, disposals and due diligence assignments as well as dealing with corporate reconstructions.

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FDI @ Ecovis Wingrave Yeats

Foreign Direct Investments is one of our core specialisms and Ecovis Wingrave Yeats has supported foreign investors in the UK for almost 30 years. Therefore, we understand clearly the importance of turnkey solutions for new market entrants.

This means that, in addition to our core services of accounting, auditing and taxation, we support inbound businesses during their planning, funding and employment stages – where necessary with our Ecovis partner firms.

As a 7-partner practice, Ecovis Wingrave Yeats has developed good relations in key UK industries and strong partnerships with government initiatives such as UK Trade & Investment. Our integration into the global network of ECOVIS International has improved our reach and presence to over 70 countries worldwide, particularly throughout Europe and North America.

We have a dedicated team of FDI specialists with staff speaking a number of different languages from German and French to Urdu and Polish.

ECOVIS International

ECOVIS International is a network of like-minded firms that all focus on four key disciplines: accounting, audit, tax and legal. The network covers the major economic centres of the world, over 70 countries across 5 continents.

TANGIBLE CLIENT BENEFITS

It is not just our firm that benefits from our involvement in the network, there are numerous tangible benefits for our clients as well. We provide substantial support to our clients and build trusting relationships with them as they enter new international markets. Assistance in tasks such as market research, company incorporation, ongoing management of the compliance functions and accounting support is available across every partner firm. Throughout the network there is a focus on high quality service and a consistent approach in managing assignments from the appointment of one key contact to a partner led approach.

Being an SME focused network, we understand the importance of having the right people around you. Every country will be able to put you in contact with specialists within your local area that fall outside of our 4 key disciplines. With our high standards of service, partner led approach and specialist knowledge; we are a credible alternative to the larger firms in providing a global solution to our clients' requirements.

Relevant Authorities

COMPANIES HOUSE
This is the government body in charge of incorporating and dissolving limited companies, partnerships and establishments. It stores the information that overseas parents and their local entities are required to submit and makes it accessible to the public. The Companies House website offers extensive guidance on the requirements for registering your business and for filing your accounts and returns.
www.companieshouse.gov.uk

HM REVENUE AND CUSTOMS (HMRC)
The authority responsible for taxation and customs duties in the UK. It levies Income Tax, Corporation Tax, Capital Gains Tax, etc. on companies, partnerships etc. and guide trading activities. They also collect employee and employer National Insurance Contribution's (NIC). Here also, you can receive extensive information from the government website about taxes and your NIC obligations.
www.hmrc.gov.uk

UK VISAS & IMMIGRATION (UKVI)
This is the government body in charge of deciding who has the right to visit or work and stay in the UK. Naturally, its aims are to preserve national security and to control demographic trends.
www.gov.uk/ukvi

Other Helpful Partners

INTERNATIONAL MANAGEMENT ANSWERS
Market entry and relocation consulting. Provides HR and executive search services.
managementanswers.co.uk

DEPARTMENT FOR INTERNATIONAL TRADE
Supports foreign firms investing in the UK. Organises seminars and networking events.
www.gov.uk/government/organisations/department-for-international-trade

Appendix

1 **World Development Indicators, The World Bank**
datacatalog.worldbank.org/dataset/gdp-ranking

2 **World Development Indicators, The World Bank**
datacatalog.worldbank.org/dataset/gdp-ranking

3 www.worldometers.info/world-population/uk-population

4 **World Development Indicators, The World Bank**
www.doingbusiness.org/en/rankings

5 stats.oecd.org/Index.aspx?DataSetCode=EPL_R

ECOVIS®
WINGRAVE YEATS
Business Advisors
Chartered Accountants
Data Analysts

For more information, please

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