

BNO guide to setting up a business in the UK

This guide is intended for people from Hong Kong settling in the UK via the British National (Overseas) (BNO) visa. Geldards is one of the UK's leading full-service law firms, with experience of helping individuals in the UK and internationally. Our experienced professionals can help guide you through your relocation to the UK and provide advice and support to help you start your new life.

The UK is a great place to start and grow a business with a wealth of entrepreneurs and world-leading professional services.

When considering setting up a company in the United Kingdom, firstly you need to decide the right type of legal form for your business.

We explore the following options:

- Private limited companies;
- Limited partnerships (“LPs”); and
- Limited liability partnerships (“LLPs”).

Private limited companies

Private limited companies can either be limited by shares or by guarantee (by guarantee is more suitable for charities) and the most common limited company is by shares.

When setting up a private company limited by shares, these are the key considerations:

1. Choosing a name

There are rules on the names a company can have, for example names cannot be the ‘same as’ an existing company name, which extends to similar names.

2. Choose your directors and secretary

You must appoint directors, but do not have to appoint a secretary. Directors have several statutory responsibilities which you must take into consideration.

3. Decide the shareholder(s)

You must have at least one shareholder who can be a director. This will be who ultimately owns the company.

4. Articles of Association

The articles are written rules about the running of the company.

LPs and LLPs

LPs involve two or more persons and carry on a business in common with a view of profit and have two categories of ‘partner’: general partners and limited partners. LLPs are a hybrid form of legal entity and combine many of the benefits of a private limited company with the organisational flexibility of a partnership.

Both LPs and LLPs have a number of distinct features:

LPs	LLPs
In England and Wales, LPs do not have a separate legal personality so cannot own any assets in its' name.	LLPs have a separate legal personality and can own assets, enter into contracts and enter into litigation in its own name.
General partners have unlimited liability for the LPs debts and obligations. Limited partners can have limited liability.	The business liabilities and debts are the responsibility of LLPs, rather than its individual members.
There must be at least one general partner and one limited partner. A company can be one of these.	There must be a minimum of two members, at least of which two should be designated members. Companies can be a member and an LLP won't cease to exist if the membership drops below two.
Management of LPs is undertaken by general partners, if limited partners are involved for periods then they have unlimited liability for those periods in which they were involved.	Every member has the ability to be involved in the management of LLPs.
There is no need for LPs to adopt constitutional documents, such as a partnership agreement, to codify the running of the LP.	LLPs have no share capital and, if agreed by the LLP, there can be no obligation for members to contribute capital to the LLP.
LPs do not need to file yearly accounts or confirmation statements, but there are certain changes where they must notify Companies House.	There is no need for LLPs to adopt constitutional documents, such as a partnership agreement, to codify the running of the LLP.
	LLPs are subject to ongoing filing requirements which are broadly the same as private limited companies.

If you require any assistance, guidance or advice, please contact the **Geldards BN(O) team**.

Language Notification

We can only deliver our advice and services to you in English. By instructing us to act for you in this matter, you accept that it is your responsibility to arrange for correspondence and documents sent to you to be translated so that you understand them and to have translated into English any correspondence you send to us. We will act upon your instructions based upon the English translation.

嚟英國購買房產嘅 BNO指南

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When you are considering buying a property in the UK to make your new home, consider that there are two types of property in England and Wales, 'Freehold' which are usually houses and 'Leasehold' which are usually flats.

The basic process to buy each type of property is the same, but varies slightly for leaseholds as the Landlords' requirements also need to be considered.

Once You Have Found A Property

Once you have found the property to purchase you will need to:

- Instruct a solicitor
- Let the estate agent know who your solicitor will be
- Arrange your finances
- Arrange for a survey to be carried out to ensure that there no defects and that the asking price is correct.

Basic Procedure

- The estate agent will issue details to both the buyer's solicitor and seller's solicitor
- The sellers will prepare the draft Contract documentation
- The buyer's solicitor will review and raise enquiries and request conveyancing searches
- Further enquiries may be necessary following receipt of the searches
- Once all enquiries have been resolved and searches are back, a date for moving (completion) can be agreed

- On the agreed completion date, you collect the keys and move into your property
- The process usually takes about 20 weeks from instruction to completion

Leasehold Property

With a leasehold property you will pay certain charges to the building owner called ground rent and service charge. The service charge is a proportion of the charges incurred for the maintenance of the building and the ground rent is an additional charge payable to the landlord.

Other Considerations

In addition to your solicitors' fees, there will also be charges for disbursements these include searches, Land Registry fees, Stamp Duty, which is a government property tax (if you are not resident in the UK for at least 183 days in the 12 months prior to purchase a higher rate of stamp duty will apply) and if leasehold, fees payable to the landlord.

What should I do next?

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