

EXECUTIVE COUNCIL

RESTRICTED

Title of Report: Increase in Registry Fees

Paper No: 109/09

Date: 25 May 2009

Report of: Principal Crown Counsel

1.0 Purpose

The purpose of this paper is to seek approval of the proposed changes to fees and penalties charged by the Registry in connection with a variety of services as set out in the annex, with effect from 1 July 2009.

2.0 Recommendations

It is recommended that Honourable Members approve the proposed changes to fees and penalties set out in the annex, and that provision to be included in the Finance Bill where amendment to statute is required; the proposed fees to have effect from 1 July 2009.

3.0 Summary of Financial Implications

	2008/09	2009/10	Full Year
	£	£	£
<u>Operating Budget:</u> (revenue)	nil	(20,000)	(20,000)

4.0 Background

4.1 Executive Council Paper number 83/09 proposed a number of changes to fees charged by Registry. At the April meeting of Executive Council, Members asked for more information on the justification for each change.

4.2 In considering Members' request, the Registrar General accepted that the proposals for change could not be justified on a systematic basis. He has therefore undertaken a further review of all the proposals which has resulted in changes being made to a number of the fees proposed. A revised schedule of proposed registry fees for implementation from 1 July 2009 is therefore annexed.

4.3 None of the fees set out in the annex have been increased since the budget session of 2005. Therefore, the starting point which the Registrar General has used for the

revised fees is an inflationary increase based on the 17.2% RPI figure provided by Treasury for these purposes.

4.4 The following proposals depart from the inflationary formula used and merit further explanation:

Company registration:

4.4.1 Company file search

The increase on this fee is higher to reflect a cost recovery element. The volume of file searches undertaken at the registry is high (100's each year), meaning that this work is an important element of the Registry's function. The Registrar General estimates that a member of staff will spend between 30 minutes and two hours in connection with each file search. Therefore a fee of £30 more accurately reflects the cost of an average search, although the cost of more time consuming searches will necessarily exceed the fee.

4.4.2 Penalty for late filing of annual return

This consists of a penalty for a delay in complying with the requirement to file an annual return. The purpose of a penalty is two fold; firstly to encourage companies to comply with the law, and secondly to cover the costs of the registry in enforcing compliance. The Registrar General reports an increasing trend in returns being submitted late. The proposal to increase the penalty from £100 to £200 therefore reflects the need to strengthen the intended deterrent effect of the penalty.

4.4.3 New penalties for late notification of various company changes

The Registrar General proposes introducing a penalty of £50 for a failure to notify of a change to company secretary, director or registered office within the prescribed period (14 days). Again, the Registrar General reports an increasing trend in companies failing to comply with their obligations in this area. The accuracy of company registration records in relation to these areas is vital to the effective administration of the system of company law, therefore it is hoped that introduction of a penalty for the late compliance with the law will reverse this trend.

4.4.4 New fees in connection with filing of accounts and other matters

The Registrar General proposes the introduction of a fee to be paid when a company files its accounts, and when a company notifies the registry of an increase in nominal capital or of a change of accounting reference date. These fees are proposed as a cost recovery measure; work is required of the registry in connection with these matters yet at present no fee is charged.

Newspapers

4.4.5 New fee and penalty in connection with filing of annual return by newspaper

The Registrar General proposes introducing a fee in connection with the filing of annual returns by newspapers as a cost recovery measure, and introducing a penalty to address the late filing of returns.

Registration of patents

4.4.6 Registration of patent

The registry receives a considerable number of applications for patent registration and registration renewal, and the Registrar General estimates that registration can take between one and three hours. Therefore the significant proposed fee increase from £200 to £400 for registration is based on cost recovery. In addition, the Registrar General notes that the fee, even with the proposed increase, is still very low in comparison with the registration fees charged in other jurisdictions.

Marriages

4.4.7 Governor's special licence

The work required to administer a special marriage licence to be granted by the Governor is very time consuming, so the proposed increase from £100 to £300 is largely for cost recovery purposes. In addition, the Registrar General notes that fees in other jurisdictions range from £250 to £700, so the proposed increased fee is not out of step with other jurisdictions.

4.5 Members asked that this paper clarifies how far the proposed increases provide for full cost recovery of Registry services. Since revising the proposed figures as set out in the Annex, the Registrar General has estimated that the increased revenues are likely to increase further, to between £21,000 and £23,000, ie higher than the £20,000 originally estimated. This would take the department's total revenue to £61,000 to £63,000. The current budget estimates put the department's annual expenditure for years in which there are no election or budget costs at £70,690. Therefore, excluding election and census costs, the proposals potentially take the Registry within just over £7,000 short of full cost recovery.

5.0 Financial Implications

5.1 The Registry budget for 2009/10 has been submitted on the basis that these fee proposals will result in an annual increase to Registry revenue of £20,000; the total annual departmental revenue increasing from £40,000 to £60,000 (ie there is not an additional £20,000 to be gained from the budget already submitted for 2009/10; that figure has already been included pending approval of these proposed changes).

5.2 The Registrar General advises that the further revision of fees reflected in this paper may result in a further increase in revenue of £1,000 to £3,000; ie an increase of Registry revenue of up to £23,000 as explained in paragraph 4.5 above.

6.0 Legal Implications

The new fees will, where charged on a statutory basis, need to be reflected in provisions of the Finance Bill.

7.0 Human Resources Implications

None

REGISTRY FEES PROPOSALS

		<u>Current Fees</u>	<u>Proposed Fees</u>
PART I			
Land Register			
1	Registering an order of the court pursuant to section 9 of the Land Ordinance	£10	£12
2	For registering pursuant to section 9 an instrument or other document not otherwise provided for:		
	(a) in respect of the first deed or instrument or other document presented for registration on the same occasion and affecting land in the same ownership	£100	£117
	(b) in respect of a subsequent deed document or instrument presented for registration on the same occasion affecting the same title and not being a deed whereby land held under the same title is being subdivided	£20	£23
	(c) in respect of a Power of Attorney:		
	(i) in respect of the first title to land in respect of which it is to be registered	£40	£47
	(ii) in respect of every subsequent title to land in respect of which is to be registered	£15	£18
	(d) for registering the revocation of any Power of Attorney:		
	(i) in respect of the first title to land in respect of which it is to be registered	£10	£12
	(ii) in respect of every subsequent title to land in respect of which it is to be registered	£5	£6
	(e) in respect of a change of name deed:		
	(i) in respect of the first title to land in respect of which it is to be registered	£60	£70
	(ii) in respect of every subsequent title to land in respect of which it is to be registered	£30	£35
	(f) for registering the severance of any joint tenancy in equity	£25	£29

(g)	for registering the discharge of any mortgage for each title to land affected	£10	£12
(h)	for registering any Assent in respect of the title which it affects	£10	£12
3	For providing a certified copy of any deed document or instrument in addition to any fee payable for any search under Part II below:	£10 to £12 and 25p to 26p for every page after the first	
(a)	for preparing any plan in addition to any search fee payable under Part II below	£25	£29
(b)	for a certificate as to the registration of any deed instrument or other document in addition to any search fee payable under Part II below	£10	£12
(c)	for preparing or completing at any person's request any deed, instrument or document except a Crown Grant or Crown Lease	£50 to £59 per hour reasonably occupied in or associated with its preparation	

PART II

(a)	For every search undertaken of any title (the fee to be payable in addition to any fee payable under Part I above)	£40	£47
(b)	For producing any register or index for inspection (for each register)	£10	£12
(c)	For comparing any deed with any recorded deed upon the request of any person	£10	£12

Land Charges Register

(a)	Registration, renewal, rectification or cancellation of an entry in any register	£5 per name	£6
(b)	Entry of priority notice	£2 per name	£2.50
(c)	Inspection of an entry in the register	£2 per name	£2.50
(d)	Office copy of an entry in the register (including any plan) whether the application is made in writing or by telephone or facsimile transmission	£2 per name	£2.50
(e)	Official search in the index (including issue of the printed certificate of Result)	£10 per name	£12

Companies

(a) Registration upon incorporation of a company	£300	£352
(b) Registration upon change of name of a company	£60	£70
(c) Certificate of registration of a company (other than on incorporation)	£60	£70
(d) Registration of a mortgage, debenture or other charge	£50	£59
(e) Company file search	£20	£23
(f) Certified copy of any document held upon any company file	£20	to £23 plus 25p for each page certified excluding the first page
(g) On filing an annual return of a company (except one which the Registrar is satisfied is not trading)	£60	£70
(h) Filing an annual return of a company which the Registrar is satisfied is not trading	£10	£12
(i) Penalty for late filing of annual return	£100	£200
(j) Change of Directors, or registered office less than 14 days	£10	£12
(k) Penalty for late notification of change of Company Secretary (more than 14 days)	Free	£50
(l) Penalty for late notification of change of Directors (more than 14 days)	Free	£50
(m) Penalty for late notification of change of Registered Office (more than 14 days)	Free	£50
(n) Notice of increase in nominal capital	Free	£10
(o) Change of Accounting Reference date	Free	£10
(p) Filing of Accounts	Free	£50
(q) Return of allotment of shares	Free	£10

Miscellaneous Deeds

(a) Registration of any deed other than those deeds affecting land and companies	£10	£12
(b) Certified copy of any such document	£10	£10
(c) Photocopy of any such document	25p per page	26p per page
(d) Registration of a Deed Poll	£25	£29

Newspapers Filing of Returns

(a) Filing of Annual Return for newspapers	Free	£60
(b) Late filing of Annual Return for newspapers	Free	£100

Registration of United Kingdom Patents

(a) Register of new patent	£200	£400
(b) Renewal of a patent	£30	£35

Register of Births, Deaths and Marriages

(a) Registering a birth	£10	£12
(b) Certified copy of an entry of birth	£10	£12
(c) Certified copy of an entry of marriage	£20	£23
(d) Searching for one name within a 10 year period	£10 each register	£12
(e) Searching for one name for each additional year	£2 each register	£2
(f) Initial registration of a death plus 1 copy	Free	Free
(g) Certified copies of a death certificate	£10 each	£10 each

Marriages

(a) Governor's Special Licence	£100	£300
(b) Registrar General's Licence	£50	£59
(c) Notice of Marriage	£20	£23

(d) Certified copy of Marriage Certificate (excluding the first copy for which there is no additional charge)	£20	£23
(e) To enter a caveat against the grant of a Licence	£15	£18
(f) Notice or Certificate under the Foreign Marriage Act	£15	£18
(g) Marriage conducted by the Registrar General or Registrar	£20	£23
(h) Where marriage is conducted by the Registrar General within 10 miles of the Registry	£1 per mile from the Registry	
(i) Where marriage is conducted by the Registrar General elsewhere	The reasonable cost of travel together with the cost of any necessary overnight accommodation	