

# Mandatory Contacts for Business Start Ups

Business Information Factsheet  
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## Introduction

When starting a new business, there are certain organisations that all new business operators must contact before they start trading in order to ensure that the business is set up legally. There are also various other organisations that must be contacted, depending on the business sector, activities, or legal format, or the business operator's personal circumstances.

This factsheet lists and describes the organisations that it is essential for the operators of different types of business to contact, when, how and for what purpose.

## Mandatory contacts for all business start ups

Certain organisations must be contacted by all new business start ups, as follows:

### HM Revenue & Customs

All sole traders and ordinary partnerships must contact HM Revenue & Customs (HMRC, [www.gov.uk/government/organisations/hm-revenue-customs](http://www.gov.uk/government/organisations/hm-revenue-customs)) to register for tax self-assessment when starting up. Failing to register can result in a penalty of £100 and further penalties for trading illegally and not paying tax.

Anyone who is intending to employ staff (whatever the legal format of their business), must register as an employer with HMRC before the first payday. Anyone who is the sole director of a limited company must also register as an employer as they will be an employee of the company.

VAT registration may also be required, depending on the projected turnover of the business or if voluntary registration would be beneficial.

Registration for VAT will be required if the VAT-taxable turnover (the amount of all sales that are not VAT-exempt) exceeds the mandatory VAT registration threshold in a 12-month period, or if it is expected that the threshold will be exceeded in the next 30 days. (VAT-exempt supplies usually relate to services such as insurance, education and health and welfare.)

The mandatory VAT registration threshold usually rises every year and is set in the Chancellor's budget. For 2021/22, the threshold is £85,000.

Penalties for late registration include fines and liability for VAT that should have been charged. More information about how and when to register for VAT is available at [www.gov.uk/vat-registration](http://www.gov.uk/vat-registration).

For more information, see BIF264 An Introduction to Tax Self-Assessment, BIF498 Registering with HMRC as a New Employer and BIF522 Registering for VAT.

## **Insurance providers**

Insurance cover of some kind is required by all new business start ups. Insurance providers can be contacted directly for quotations and policy details, or these can be provided by insurance brokers or sometimes obtained through professional membership organisations or trade bodies.

Some types of insurance cover, such as employers' liability insurance and vehicle insurance, are mandatory, while other insurance requirements vary according to the business' activities.

Anyone trading from a home base should contact their home insurance provider to inform them that they have started up. It is important to hold adequate insurance cover both for the home and for business purposes.

For more information, see BIF006 Insurance Cover for Business and BIF027 Choosing and Using an Insurance Broker.

## **Mortgage provider or landlord**

Anyone intending to operate from a home base should inform their mortgage company or landlord and check that they are allowed to do this under the terms of their mortgage or tenancy agreement. Landlords may be unwilling to grant permission if, for example, there will be nuisance to neighbours caused by unreasonable noise or parking problems due to vehicles parked at the premises or frequent visits from customers or suppliers.

## **Mandatory contacts depending on legal structure**

The following organisations must be contacted when starting up, depending upon business legal structure, sector or activity:

### **Companies House**

When starting up, private limited companies (whether limited by shares or guarantee), limited liability partnerships and community interest companies must first be incorporated (or registered as a legal entity) with Companies House.

As part of the incorporation process, a statement of initial control must be provided, including information about the 'people with significant control' who run the organisation. This requirement is intended to increase transparency about ownership and control.

Further information is available at [www.gov.uk/government/organisations/companies-house](http://www.gov.uk/government/organisations/companies-house).

See BIF167 Setting up a Private Company Limited by Shares, BIF526 Setting up a Company Limited by Guarantee, BIF365 Limited Liability Partnerships (LLPs), BIF445 Setting up a Community Interest Company (CIC) and BIF529 Registering People with Significant Control for more information.

### **Bank**

Anyone setting up a limited company, community interest company or any type of partnership will need to set up a business bank account so that cheques can be paid into an account in the name of the business.

Anyone intending to operate as a sole trader under their own name can technically use a personal account to do this. However, while some banks are happy to allow this, others include terms and conditions that preclude personal accounts being used for business.

It is good practice to keep business and personal transactions separate, both for practical purposes and to avoid any problems if HMRC ever investigates the business.

A bank account can be opened at any bank, not just the one where the new business operator is already a personal customer, and many business accounts offer free banking for an initial period from start up.

For more information, see BIF043 Opening a Business Bank Account.

## Charity regulators

Once an organisation that is intending to set up as a charity has determined its purpose, decided on a legal structure, drawn up its governing document and appointed its trustees, it can register as a charity. The registration process differs slightly in England and Wales, Scotland, and Northern Ireland:

- In England and Wales, organisations can apply to register as a charity via the Charity Commission for England and Wales, using an online application form ([www.gov.uk/guidance/how-to-register-your-charity-cc21b](http://www.gov.uk/guidance/how-to-register-your-charity-cc21b)).
- In Scotland, organisations must apply to the Office of the Scottish Charity Regulator, using an online application form available at [www.oscr.org.uk/becoming-a-charity/thinking-about-becoming-a-charity/step-5-how-to-apply](http://www.oscr.org.uk/becoming-a-charity/thinking-about-becoming-a-charity/step-5-how-to-apply).
- In Northern Ireland, organisations must complete an expression of interest form before being invited to register as a charity. This can be completed online via the Charity Commission for Northern Ireland website ([www.charitycommissionni.org.uk/manage-your-charity/register-your-charity](http://www.charitycommissionni.org.uk/manage-your-charity/register-your-charity)).

## Mandatory contacts depending on business sector or activity

The following organisations must be contacted when starting up, depending upon business sector or activity:

### Local authorities

Local authorities are responsible for enforcing regulations and local byelaws concerning a wide variety of business activities, and it may be necessary to contact one or more local authority departments depending on the business sector or activity. Business owners should consult their own local authority for specific advice and guidance, as local rules and responsibilities may differ from area to area.

Some of the main activities and regulatory functions of local authorities include collection of business rates, planning and building control, licensing of specific business activities, alcohol and entertainment licensing, food hygiene and safety, and waste disposal.

See BIF152 Business Activities Regulated by Local Authorities for more information.

## Sector regulators

In some strictly regulated sectors, business operators must be registered with the appropriate regulator before starting to trade. Some regulatory bodies are UK-wide, while others vary according to where in the UK a business is located.

Examples of some of the main sector regulators that need to be contacted prior to starting up include:

- The Financial Conduct Authority (FCA, [www.fca.org.uk](http://www.fca.org.uk)), which authorises (or exempts from regulation) businesses that provide credit, lend money or provide financial or investment advice UK-wide.
- The Care Quality Commission (CQC, [www.cqc.org.uk](http://www.cqc.org.uk)), which is a non-departmental public body that regulates and inspects health and social care services in England, such as hospitals, care homes, GPs and dentists, to check whether they are meeting national standards. This includes NHS services, local authorities, private firms and voluntary organisations.
- Ofsted, the Office for Standards in Education, Children's Services and Skills ([www.gov.uk/government/organisations/ofsted](http://www.gov.uk/government/organisations/ofsted)), which is a non-ministerial department and statutory regulator of schools, colleges, local authority children's services and childcare providers in England.
- The Care Inspectorate Wales (CIW, <https://careinspectorate.wales>), which is the regulator for social care and social services in Wales, including childminders, day nurseries and care homes.
- The Care Inspectorate ([www.careinspectorate.com](http://www.careinspectorate.com)), which is the regulator for childcare providers, social care and social services in Scotland.
- The Regulation and Quality Improvement Authority (RQIA, [www.rqia.org.uk](http://www.rqia.org.uk)), which is the regulator for social care and social services in Northern Ireland. Social care workers in Northern Ireland must be registered with the Northern Ireland Social Care Council (NISCC). Go to <https://niscc.info/who-can-register> for more information.
- Health and Social Care Trusts ([www.nidirect.gov.uk/contacts/health-and-social-care-trusts](http://www.nidirect.gov.uk/contacts/health-and-social-care-trusts)), which regulate childcare providers in Northern Ireland.
- The Driver and Vehicle Standards Agency (DVSA in England, Wales and Scotland, [www.gov.uk/government/organisations/driver-and-vehicle-standards-agency](http://www.gov.uk/government/organisations/driver-and-vehicle-standards-agency)) and the Driver and Vehicle Agency (DVA) in Northern Ireland, which are responsible for setting safety standards for driving and motorcycling. They also provide a range of licensing, testing, education and enforcement services, including licensing of driving instructors and MOT test centres.
- The Health and Care Professions Council (HCPC, [www.hcpc-uk.org](http://www.hcpc-uk.org)), which is a statutory regulator for a number of health and care professionals, including chiropodists/podiatrists, dietitians, occupational therapists, physiotherapists, practitioner psychologists, prosthetists/orthotists, and speech and language therapists.

## Information Commissioner's Office

Under the General Data Protection Regulation and the Data Protection Act 2018, businesses that process personal information (such as customer records) or use CCTV for security purposes must pay a data protection fee to the Information Commissioner's Office (ICO).

For more information, go to <https://ico.org.uk/for-organisations/data-protection-fee/>.

## Environmental regulators

Under the Water Industry Act 1991, waste water produced by some types of business, such as butchers and car repair services, may be classed as 'trade effluent' and business operators may require formal consent from their water company to dispose of waste water on their premises.

In England and Wales, they should find out whether they need trade effluent consent by contacting their local water company, for example Northumbrian Water ([www.nwl.co.uk/services/business/trade-effluent/](http://www.nwl.co.uk/services/business/trade-effluent/)) or Welsh Water (<https://business.dwrcymru.com/en/my-business/trade-effluent>). In Scotland, this is handled by Scottish Water ([www.scottishwater.co.uk/en/Business-and-Developers/Byelaws-and-Trade-Effluent/Trade-Effluent](http://www.scottishwater.co.uk/en/Business-and-Developers/Byelaws-and-Trade-Effluent/Trade-Effluent)), and in Northern Ireland by Northern Ireland Water ([www.niwater.com/trade-effluent-charges](http://www.niwater.com/trade-effluent-charges)).

Under the Environmental Protection Act 1990 and the Waste and Contaminated Land (Northern Ireland) Order 1997, business operators have a duty of care to ensure that any trade waste they produce in the course of their business is properly and safely disposed of.

Anyone intending to carry their own trade waste on a regular basis must be registered with the appropriate national regulatory body.

In England, they must register with the Environment Agency ([www.gov.uk/register-renew-waste-carrier-broker-dealer-england](http://www.gov.uk/register-renew-waste-carrier-broker-dealer-england)), in Wales, Natural Resources Wales (<https://naturalresources.wales/permits-and-permissions/waste-permitting/apply-for-a-waste-permit/?lang=en>), in Scotland, the Scottish Environment Protection Agency (SEPA, [www.sepa.org.uk/regulations/waste/waste-carriers-and-brokers](http://www.sepa.org.uk/regulations/waste/waste-carriers-and-brokers)) and in Northern Ireland, the Northern Ireland Environment Agency (NIEA, [www.daera-ni.gov.uk/articles/registration-carriers-and-brokers](http://www.daera-ni.gov.uk/articles/registration-carriers-and-brokers)).

Operators of some types of business in England, Wales, Scotland or Northern Ireland that store hazardous waste must register their premises.

## Hints and tips

- When starting a new business, it is important to contact HMRC at an early stage, as in addition to mandatory registration, their helplines and website provide useful information about a variety of issues.
- When planning a new business, allow enough time to contact and receive responses from all relevant organisations so all necessary permissions are in place before trading commences. For example, the operator of a food business establishment needs to submit their application for approval or registration at least 28 days before they intend to start trading.
- As well as issuing compulsory licences and permissions, local authorities are also a useful source of business and trading advice.

## Further information

BIF006 Insurance Cover for Business  
BIF027 Choosing and Using an Insurance Broker  
BIF028 Setting up in Business as an Ordinary Partnership  
BIF032 Choosing the Right Business Legal Structure  
BIF043 Opening a Business Bank Account  
BIF152 Business Activities Regulated by Local Authorities  
BIF167 Setting up a Private Company Limited by Shares  
BIF264 An Introduction to Tax Self-Assessment  
BIF363 Setting up in Business as a Sole Trader  
BIF365 Limited Liability Partnerships (LLPs)  
BIF445 Setting up a Community Interest Company (CIC)  
BIF498 Registering with HMRC as a New Employer  
BIF522 Registering for VAT  
BIF526 Setting up a Company Limited by Guarantee  
BIF529 Registering People with Significant Control

## Useful contacts

HM Revenue & Customs (HMRC) is the government department responsible for the collection of tax and National Insurance.

Tel: 0300 200 3310 (Self-assessment: general enquiries)

Tel: 0300 200 3300 (Self-employed: Income Tax)

Tel: 0300 200 3500 (Self-employed: National Insurance)

Tel: 0300 200 3211 (Employers: support for new employers)

Website: [www.gov.uk/government/organisations/hm-revenue-customs](http://www.gov.uk/government/organisations/hm-revenue-customs)

Companies House provides registration and filing services for companies and partnerships, as well as useful leaflets and information.

Tel: 0303 123 4500

Website: [www.gov.uk/government/organisations/companies-house](http://www.gov.uk/government/organisations/companies-house)

The Information Commissioner's Office (ICO) is an independent authority concerned with information rights and data privacy. It enforces legislation and provides guidance relating to data protection, data privacy and freedom of information.

Tel: 0303 123 1113

Website: <https://ico.org.uk>

The Environment Agency is the main environmental regulator for England and Wales.

Tel: 0370 850 6506

Website: [www.gov.uk/government/organisations/environment-agency](http://www.gov.uk/government/organisations/environment-agency)

Natural Resources Wales is the environmental regulator for Wales.

Tel: 0300 065 3000

Website: <https://naturalresources.wales/?lang=en>

The Scottish Environment Protection Agency (SEPA) is the main environmental regulator for Scotland.

Tel: 0300 099 6699

Website: [www.sepa.org.uk](http://www.sepa.org.uk)

The Department of Agriculture, Environment and Rural Affairs (DAERA) is the main environmental regulator for Northern Ireland.

Tel: 0300 200 7852

Website: [www.daera-ni.gov.uk](http://www.daera-ni.gov.uk)

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