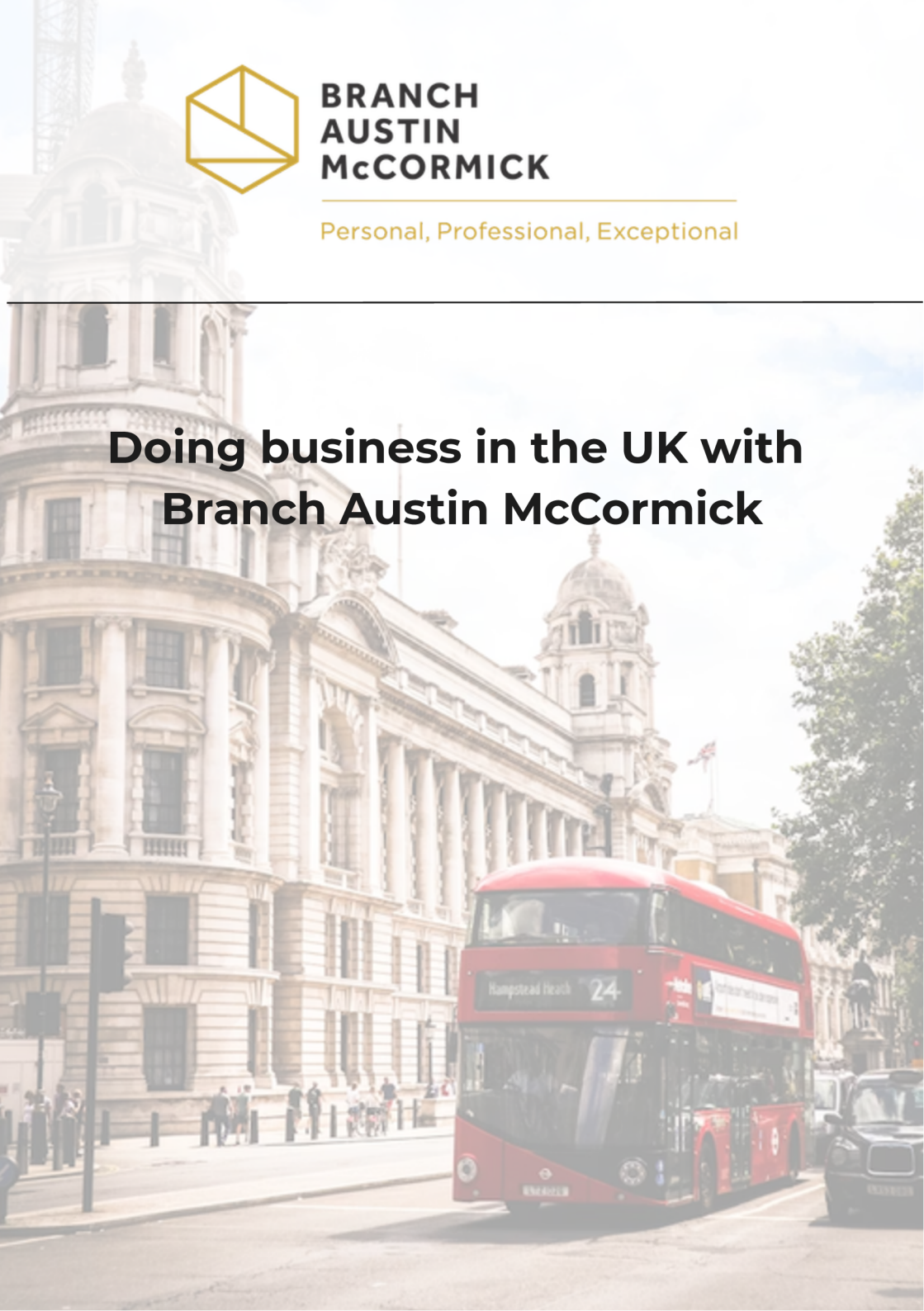




**BRANCH
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Personal, Professional, Exceptional

Doing business in the UK with Branch Austin McCormick



Why choose Branch Austin McCormick?

This guide provides an outline of some of the most important considerations for doing business in the UK.

For further detailed advice please contact us at
info@branchaustinmccormick.com.

Personal: We build strong, trusted relationships and aim to ensure every client feels heard, understood and supported. We are a tight-knit, specialist team of experienced lawyers offering a partner-led service that allows each of our clients to feel supported throughout their engagement with us.

Professional: We are experts in our field, and our approach reflects the high standards, precision and reliability that clients expect from a leading, Mayfair-based law firm. Our clients are not simply another case number. We take the time to understand your unique needs, so that we can represent you properly.

Exceptional: We go beyond what is expected. We show insight, care and attention to detail, not just to our clients, but to our colleagues, partners and intermediaries. We are conscious of the need to provide the best value at all times.

- An established law firm, operating from London's world-famous Mayfair since 1990, with an international reach and specialism in cross-border work.
- We have a broad client base, from high-net-worth and ultra-high-net-worth individuals to family-owned businesses, entrepreneurs, governments and embassies, banks and professionals.
- We are a full-service law firm dealing in immigration, corporate, employment, family matters, dispute resolution, private client and property.
- Between us, we speak 15 languages.





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The UK Legal System explained

The United Kingdom is made up of England & Wales, Scotland, and Northern Ireland, each with its own legal system. These differences, especially in areas like property law, may mean you need separate legal advice depending on where you are.

This guide focuses on the laws of England and Wales, which use a flexible legal system based largely on decisions made by judges over time. This system, known as common law, has developed over many years, with judges shaping the law through their rulings.

By contrast, civil law systems rely on detailed written rules, with judges applying these rules directly rather than developing them through past cases. Civil law has its roots in Roman law and is used in many countries. Although English law is based on common law, many areas have now been set out clearly in written legislation to reflect modern needs. These include company law, property law, employment law, and banking and financial services law.

This brochure aims to help you understand what these laws mean for anyone setting up a business in the UK. Starting with corporate and commercial law, we've covered various aspects that you might need to know – and please do get in touch with us to find out more about what this might mean for you and your business (on info@branchaustinmccormick.com).



How do you want to do business?

Our corporate team are well placed to advise on setting up a business in the UK, as well as the day-to-day requirements of running a compliant UK company.

There are many different ways of doing business in the UK. Each one involves different legal considerations.

a. **Direct sales**

There is no general restriction on these, but you should ensure that your conditions of business are suitable for use in the UK. For example, the limitation and exclusion clauses may need adapting for the British market; and you should consider whether it is practical to refer to a foreign law and provide for disputes to be adjudicated in foreign courts when you will want to enforce your contract against an English counterparty.

b. **Appoint an agent, distributor, or franchisee**

Often one of the most efficient ways of entering a foreign market is to appoint an agent or distributor who knows the local conditions and can help establish your products or services in the UK. Different considerations apply to agents and distributors, depending on the degree of independence you want to give them and the amount of risk you want to delegate.

It is worth noting that the consequences of terminating an agency relationship differ as between European Member States and the position in England is often less clear cut than, for example, in Germany. In the UK, agency relationships may trigger termination compensation.

There are many thriving franchised businesses in the UK, though a foreign franchisor may need to take local advice on the suitability of his franchise for the local market.

c. **Establish a branch**

A foreign company can establish a branch in the UK from which it can do business.

The branch must be registered at Companies House within one month of commencing trading. There are similar reporting requirements as for a private limited company, but they can be more onerous as any documents not written in English must be accompanied by an official translation.

d. Establish a subsidiary company

The English private limited company is one of the cheapest and most flexible vehicles for doing business. Among its advantages are:

- There's no minimum capital requirement for a company, but in practice, a company with insufficient funds may struggle to trade with other companies. Some rules may limit how much interest a UK subsidiary can deduct on loans from its foreign parent company.
- The capital structure is completely flexible. Shares can be issued in any currency and structured into different classes with different rights.
- There are no nationality requirements for shareholders or directors.
- The company's rules can be adapted flexibly to suit your requirements.
- Dividends can be paid directly to a foreign shareholder without any withholding tax deducted.
- Some interest payments, patent royalties and annual payments to foreign corporate stakeholders may require small withholding taxes. Relief from this may be available under a double-taxation treaty.

e. Buy a business

If you can find the right fit, you may want to buy an existing business in the UK. This can be done by acquiring the shares in the company which runs the business or just the assets of the business itself. Normally, the buyer will investigate the target company to confirm its assets and liabilities. The Share Purchase Agreement includes detailed representations about the business, but these are limited by the disclosures the sellers provide.

f. Establish a Limited Liability Partnership

An LLP (Limited Liability Partnership) is a business structure that combines limited liability protection with the flexibility and tax benefits of a partnership. The members' agreement is a private contract between the partners of an LLP. They are popular in the services sectors, particularly in financial services, accountancy and the law.

g. Establish a Community Interest Company

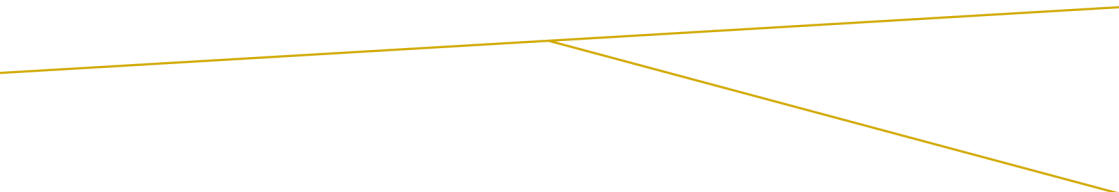
A CIC is a limited liability company, designed for social enterprises that want to use their profits and assets for the public good. A CIC has the specific aim of providing a benefit to a community and must use its income, assets and profits for the community it is formed to serve, and not for the benefit of its shareholders, directors, or employees.

Identify Verification and Compliance

Companies House has introduced mandatory identity verification requirements for directors, persons with significant control (PSCs), and those filing on behalf of companies. Individuals must verify their identity directly or through an authorised agent (ACSP), and failure to comply may result in an inability to make filings or potential penalties. Branch Austin McCormick is an ACSP and can assist with such identity verifications.

A company must follow ongoing legal and regulatory rules to stay compliant. These include keeping statutory registers (such as directors, shareholders, and persons with significant control) up to date, filing annual accounts and confirmation statements, and notifying relevant authorities of any changes to company details. Our company secretarial team can help with compliance obligations.

The company must also meet its tax obligations, including registering for and paying corporation tax, VAT (if applicable), and operating PAYE where it has employees. In addition, proper financial records must be maintained, any necessary licences obtained where applicable.



Restrictions on Foreign Investment

In principle, there are no restrictions on foreign investment in the UK, though to operate in certain sectors, such as banking, financial services and the media, authorisation from the appropriate body is required.

The National Security and Investment Act 2021 allows the UK government to review certain transactions on national security grounds, including mandatory notification in sensitive sectors. Transactions completed without approval may be void and subject to significant penalties.

There are no exchange controls or restrictions on currency transactions and, with very few exceptions, no nationality requirements for investing in the UK or owning property here.

Running a business

a. Directors and company secretary

A private limited company needs to have at least one director who is an individual (a public limited company requires two). Directors do not have to be British nor hold any investment in the company. A corporation can also be a director. A private limited company no longer needs to have a Company Secretary, although this is advisable unless the directors are familiar with company administration.

A public limited company must have a Company Secretary who is responsible for maintaining its statutory books and records.

b. Directors Duties

Directors' duties are set out in the Companies Act 2006. These include the duties:

- to act within their powers
- to promote the success of the company
- to exercise independent judgment
- to exercise reasonable care, skill and diligence
- to avoid conflicts of interest.

These duties are owed to the company and are therefore enforced by the company; consequently, a director may be liable to the company in damages. If the company goes into insolvent liquidation, a liquidator can apply to the Court for a variety of orders including an order that a director contribute to the shortfall in its assets if he or she is found to have been trading wrongfully (where he or she knew or ought to have known that the company could not avoid going into insolvent liquidation) or fraudulently.

c. Shadow Directors

Sometimes, people (known as "shadow directors") who give directions or instructions to the directors, who habitually act in accordance with those instructions or directions, can be made liable for the debts of the company if it goes into insolvent liquidation or administration.

d. LLPs

An LLP is run by its members who have the right to participate in its management. However, the members have complete flexibility to agree whatever rules they want to govern their LLP and the default position at law is usually extensively modified by the LLP Members Agreement.



Our experienced immigration lawyers provide strategic advice to businesses, founders and senior employees relocating to the UK and navigating the UK business immigration system.

Some of the key immigration routes relevant to technology and internationally focused businesses are outlined below, although alternative routes may be more appropriate depending on the individual's background, nationality and the company's operational requirements.

UK Expansion Worker Visa

The UK Expansion Worker route enables overseas businesses to establish their first UK branch or subsidiary by transferring senior managers or specialist employees to the UK.

This route is intended for businesses that have not yet commenced trading in the UK and wish to establish a commercial presence in the UK.

We advise on:

- sponsor licence applications;
- expansion strategy and eligibility;
- Certificates of Sponsorship;
- employee visa applications; and
- transition to long-term UK trading and sponsorship arrangements.

Global Talent Visa

The Global Talent route is intended for leaders and emerging leaders in fields such as digital technology, science, engineering, the arts (including fashion) and academia.

Unlike sponsored work routes, applicants do not require a UK employer sponsor and benefit from significant flexibility in how they work in the UK.

We advise on:

- endorsement applications;
- evidencing exceptional talent or promise;
- complex supporting evidence;
- strategic immigration planning; and
- settlement applications.

Innovator Founder Visa

The Innovator Founder route is aimed at entrepreneurs establishing innovative, scalable and viable businesses in the UK.

Applicants must obtain endorsement from an approved endorsing body and demonstrate that their business proposal satisfies the innovation, viability and scalability requirements under the Immigration Rules.

Our advice includes:

- business immigration strategy;
- endorsement applications;
- business plan preparation;
- visa applications;
- extension and settlement planning; and
- dependant applications.

Skilled Worker and “Self-Sponsorship”

Businesses genuinely operating in the UK may sponsor overseas workers under the Skilled Worker route.

In certain circumstances, business owners and entrepreneurs may use their own company to sponsor themselves, subject to satisfying the relevant sponsor licence, compliance and eligible role requirements.

We advise on:

- sponsor licence applications;
- sponsor compliance obligations;
- Skilled Worker visa applications;
- self-sponsorship structures; and
- long-term immigration strategy for founders and key personnel.

We work closely with businesses to provide commercially focused immigration advice tailored to their operational and expansion objectives.



Employing Staff

a. **Flexible Regime**

England & Wales is regarded as having one of the most liberal and flexible employment law regimes in Europe, giving valuable protections to employees and other types of Worker. Employment law is substantially the same throughout the UK but local advice in the relevant jurisdiction should always be taken.

b. **Employed or Self-Employed?**

Many people are engaged as self-employed consultants rather than employees. This may be better for both sides if there is a genuine need for a consultancy as both the company and the consultant can save costs. An arrangement that is called a consultancy, but which should be treated as an employment relationship, may be challenged by HM Customs & Revenue.

c. **Worker Representation**

Trade Unions are not automatically recognised by English employers in any sector. They can apply to an employer to be recognised for the purpose of conducting negotiations on pay, hours and holidays and any additional matters agreed between them. In addition, where a company has more than 50 employees, UK employers may, and in some cases must, put in place information and Consultation Agreements governing how they will inform and consult their employees about economic and employment related matters.

d. Contractual and Statutory Rights

The contract of employment will set out the employee's main rights and duties. In addition to their contractual rights, employees have statutory rights under English law. In particular, once an employee has worked for one year, he or she can only be dismissed for one of six potentially fair reasons, failing which the dismissal will be "unfair" and the employee is entitled to compensation. Ultimately however, the law does not usually prevent an employer managing his business in a commercial manner. It is now also unlawful to discriminate against an employee on a number of grounds including sex, race, nationality, disability, religion or belief and age.

e. Business Transfers

Where a business is transferred to a third party or part of it is contracted out (or back in), the Transfer of Undertakings Regulations protect the employees who are, in principle, transferred on their current terms of employment to the new business. This can be problematic if an employer transfers or outsources part of his business to another country.

f. Termination of Employment

A contract of employment must be terminated in accordance with its terms, subject only to a statutory minimum period of notice of one week, rising to twelve weeks after twelve years of service. As mentioned above, after the first year, the employer must ensure that the dismissal is also for a "fair" reason and that it is handled in accordance with the correct procedure.

g. Pay as you Earn

Where the employee is resident in the UK, he or she must pay income tax on his salary and benefits at the appropriate rate ranging from 20% to 47%. In addition, both employers and employees pay National Insurance Contributions. Both are deducted at source using the Pay as You Earn ("PAYE") system. Non-resident employees are liable to pay income tax (but not generally NICs) on their earnings from employment where their duties are carried on in the UK, and on their UK investment income.

Property

- Commercial
- Residential



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In England, Wales and Northern Ireland, property law is broadly similar (there are substantial differences in Scotland). Full title to real property is called “freehold”. The freeholder can grant a lesser interest in the property, known as “leasehold”, for a specified period at an agreed rent. Alternatively, a tenant can be granted a right to occupy premises under a simple tenancy agreement. The freehold and certain leasehold interests must be registered with the Land Registry.

A system of land registration is now in force across the whole of the UK. Property transactions are carried out by solicitors or licensed conveyancers and there is no requirement for documents to be prepared by a notary. As in Civil law systems, there is a presumption that the person registered in the Land Register is the owner of a property, but mistakes can be rectified on application. Property law is different in each part of the UK and we work without correspondents where necessary to obtain local advice.

Our Team and services

The property team at Branch Austin McCormick LLP is known for its professionalism, responsiveness, and in-depth understanding of property law. Clients rely on the team for expert advice and effective representation, whether they are dealing with residential, commercial, or development projects.

The team are committed to delivering the highest level of service and client satisfaction. Widely regarded for their knowledge of property law, but what truly sets them apart is their client-centric approach. Whether you are a first-time buyer, an experienced property investor, or involved in complex commercial or residential transactions, the team brings a personal touch to every case, ensuring that your legal matters are handled with care, precision, and expertise.

What makes the team at Branch Austin McCormick LLP stand out is their dedication to being approachable, responsive, and accessible. Clients consistently praise their professionalism, attention to detail, and ability to make the often-complex world of property law feel clear and manageable. The team works closely with clients to understand their specific needs and objectives, offering tailored legal advice that is both practical and proactive.

From the initial consultation to the final stages of a property transaction, the property team is there every step of the way, providing invaluable guidance and support. Their combined experience across residential and commercial property ensures that clients are not just legally protected but are also equipped with the best possible strategies to achieve their property goals. Clients can trust the team to provide clear communication and to make the entire process as smooth and efficient as possible, handling any issues that arise with professionalism and expertise.

Our Commercial Property Services

- We advise on a full range of commercial real estate matters, including:
- Acquisition and disposal of commercial buildings, warehouses, and retail units
- Office, retail, and industrial lettings and lease negotiations
- Portfolio acquisitions and disposals
- Property finance and refinancing with UK and international lenders
- Title due diligence, planning, and compliance
- Landlord and tenant advisory services
- Structuring of transactions, including SPVs and international tax-efficient models.

Residential Property

We can also offer end-to-end support across a wide spectrum of residential transactions, particularly in high-value locations (e.g., Knightsbridge, Mayfair, Chelsea, Hampstead), including:

Acquisitions and disposals, structuring ownership through companies, trusts, or personal names, liaising with mortgage lenders, surveyors, and tax advisors, advice on Stamp Duty Land Tax (SDLT) and overseas entity registration and compliance.



Branch Austin McCormick's Dispute Resolution team has extensive experience in resolving all manner of disputes for businesses (and individuals when needed).

We are equally at home advising our clients on the most complex and large scale commercial disputes, some of which may have an international dimension, through to disputes arising from everyday working life, (such as contractual issues, professional negligence or property matters).

In acting for a wide range of corporate & commercial clients in all areas, we provide pragmatic solutions and employ robust tactics where needed.

Disputes expertise:

Members of our team are experts in court actions with many reported cases under their belts. The team has substantial experience in:

- alternative dispute resolution (in particular mediation and arbitration)
- banking and financial cases
- insolvency matters and directors' duties
- fraud and asset tracing
- professional negligence
- shareholder disputes
- property litigation
- regulatory investigations.

Transparency of advice on the strength of your case and the costs involved are at the foundation of the service from our multi-lingual team.



a. Tax residence

A company is tax resident in the UK if it is either incorporated in the UK or managed and controlled from the UK. An English company that is also UK tax resident is liable to pay corporation tax on its worldwide profits. The UK branch of a foreign company would pay corporation tax on the income profits of the branch and gains from the disposal of assets situated in the UK that are used in the trade of the branch. A table of principal current tax rates is set out below.

b. Transfer Pricing

Care must be taken when buying and selling goods and services between group undertakings. Generally speaking, transfer pricing rules require this to be done on arm's length terms.

c. Stamp Duty

Stamp Duty is payable on the transfer of shares and real property. The current rates are: 0.5% of the consideration paid for shares, and between 0% and 12% (on a progressive scale) of the consideration paid for property.

d. Value Added Tax

Value Added Tax (VAT) is chargeable on the sale of goods and services in the UK. Exports of goods outside the EU are subject to VAT but are generally zero-rated. Supplies of goods between VAT registered traders within the EU are also generally zero-rated, but VAT is ultimately charged on sales to non-VAT registered customers.

e. Double Taxation Treaties

The UK has double taxation treaties with about 100 countries, including the USA and nearly all Western Europe.

Data Protection

Any business operating in the UK that processes personal data must comply with the UK General Data Protection Regulation and the Data Protection Act 2018. These rules apply to all organisations, regardless of size, and regulate how personal data relating to individuals is collected, used, stored, shared and retained.

Personal data is widely defined and includes information relating to employees, directors, customers, suppliers and business contacts. More sensitive categories of data (such as health information, biometric data or information revealing racial or ethnic origin) are subject to additional protections.

Organisations must have a lawful basis for processing personal data, comply with core principles such as transparency, data minimisation and security, and ensure that individuals' rights are respected. These include rights of access, correction, erasure and objection to processing in certain circumstances.

Most organisations are required to maintain appropriate data protection documentation, including privacy notices, internal policies and records of processing activities. Depending on the nature of the business and the data processed, additional obligations may apply, such as appointing a Data Protection Officer, carrying out Data Protection Impact Assessments, or registering (and paying a fee) with the Information Commissioner's Office (ICO), the UK data protection regulator.

Where personal data is transferred outside the UK, for example to a parent company or service provider overseas, specific safeguards must be in place to ensure that the data continues to be adequately protected.

Failure to comply with UK data protection law can result in regulatory investigations, fines, enforcement action and reputational damage. It is therefore important for businesses entering the UK market to take early advice and ensure that appropriate compliance measures are implemented from the outset.

Our data protection team regularly advises domestic and international businesses on UK data protection compliance, cross border data transfers, employee data, customer facing documentation and regulatory risk, and can assist in implementing proportionate and practical solutions tailored to your business.

Intellectual Property



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Intellectual property (IP) is one of a business's most valuable assets. In the UK, IP includes trademarks, patents, designs, and copyrights - each serving to protect different aspects of your business, from your brand and logo to innovative products and creative works. Securing IP rights is essential not only to prevent competitors from copying your ideas but also to increase the value of your business, attract investors, and maintain a competitive edge.

Trademarks protect names, logos, and slogans that distinguish your products or services. Design rights cover the unique visual appearance of your products, while copyright protects literary, artistic, and digital creations, including software. Navigating the complexities of these protections requires a clear understanding of the law, as well as strategic planning tailored to your business goals.

We provide support for businesses seeking to protect their intellectual property. We can provide advice on the assignment, licensing, and transfer of IP rights. Whether you are acquiring IP from a third party, licensing your technology to partners, or entering into commercial contracts, we advise and negotiate clear, robust IP clauses that safeguard your interests.

Our approach combines deep legal expertise with a practical understanding of business priorities, helping clients in the UK and internationally make informed decisions about their intellectual property.

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N.B. This document was last updated in June 2026.
It does not constitute legal advice and is intended for
guidance only - please contact us for a full consultation.



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