

DOING BUSINESS IN THE UK

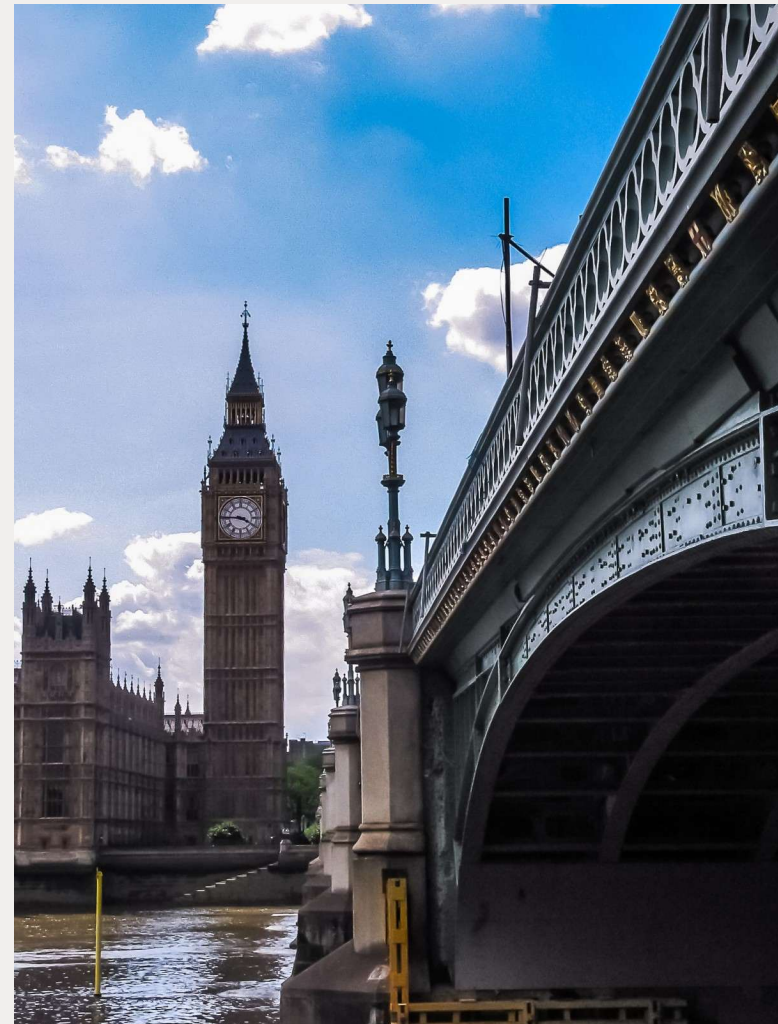
July 2026

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WHY THE UK?

- + Long-established gateway market for international businesses
- + Convenient time zone overlap with US and Asian markets
- + Extensive global trade links
- + Few restrictions on foreign ownership
- + Overseas investment generally encouraged
- + No currency or exchange controls
- + Sophisticated legal and regulatory framework
- + Well-developed corporate law framework familiar to international investors



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OPTIONS FOR ESTABLISHING A UK PRESENCE

Incorporating a subsidiary company: Most common route – a private company limited by shares offers limited liability and a clear corporate law framework

Registering a UK branch: A UK establishment of the overseas parent – simpler but less separation

Limited liability partnership (LLP): Flexible structure combining partnership and limited liability features

Joint venture: Partnering with an existing UK business – can accelerate market entry

Acquiring an existing UK company or business: Provides immediate market presence, existing contracts, workforce and regulatory approvals

Appointing an agent or distributor: Lower commitment option for testing the market

Licensing or franchising: Leveraging IP and know-how without direct UK operations

For most businesses, a UK subsidiary or acquisition is typically preferred – it provides a distinct UK legal entity for regulatory, contracting and security clearance purposes. UK customers often expect to contract in GDP and a UK presence / UK-based customer service is often preferred.



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KEY FEATURES: PRIVATE COMPANY LIMITED BY SHARES

Feature	Detail
Legal identity	Separate legal entity, distinct from its parent
Liability	Subsidiary responsible for its own debts (unless parent guarantee or exceptional circumstances)
Registration	Incorporated at Companies House
Constitution	Must adopt Articles of Association
Directors	Minimum 1 director (must be a natural person). No nationality requirements. Must be ID verified and comply with statutory duties.
Management	UK board of directors with day-to-day responsibility; certain matters reserved to shareholder/parent
Accounts & filings	Must file UK annual accounts (may need audit), annual confirmation statement and event-driven filings
Persons with Significant Control	Must register and file details of persons with significant control over the company
Closure / insolvency	Structured processes for solvent strike-off and insolvent winding-up



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UK DIRECTORS' DUTIES

+ **Statutory duties** are owed to the Company (other than in the case of insolvency, when duties are owed to creditors):

- + s171 – Duty to act within powers
- + s172 – Duty to promote the success of the company
- + s173 – Duty to exercise independent judgment
- + s174 – Duty to exercise reasonable care, skill and diligence
- + s175 – Duty to avoid conflicts of interest
- + s176 – Duty not to accept benefits from third parties
- + s177 – Duty to declare interest in proposed transaction

+ Additional **director responsibilities**

- + Data protection
- + Anti-corruption
- + Modern slavery
- + Political donations
- + Environmental
- + Health & safety
- + Company law
- + Articles
- + Financial reporting
- + Filing accounts and updates
- + Record keeping
- + Confidentiality
- + Competition/anti-trust



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UK TAX OVERVIEW

CORPORATION TAX

- + UK resident company taxed on worldwide profits at 25%
- + Numerous reliefs, exemptions and R&D incentives
- + Transfer pricing rules and Pillar II top-up taxes apply
- + France-UK double tax treaty mitigates double taxation

WITHHOLDING TAXES

- + No UK withholding tax on dividends
- + Interest payments: 20% WHT (can be reduced/eliminated under France-UK treaty)
- + Exemptions for short-term loans and listed loan notes

STAMP DUTIES

- + Share acquisitions: 0.5% stamp duty on consideration
- + Transfer taxes apply to UK real estate transactions
- + Stamp Duty Land Tax on property purchases

VAT

- + UK VAT regime based on the European system (but now independent of EU VAT rules post-Brexit)
- + Standard rate: 20%
- + Registration and compliance obligations apply



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PEOPLE: EMPLOYMENT, IMMIGRATION & PENSIONS

EMPLOYMENT

- + National minimum wage
- + Statutory redundancy pay
- + Written terms and conditions required
- + Notice periods for termination
- + Working time limits and paid holidays
- + Family leave rights
- + Discrimination protections
- + Unfair dismissal rights (qualifying period reducing to 6 months from Jan 2027)
- + TUPE protections on business sales

IMMIGRATION

- + Non-UK/Irish nationals need immigration permission to work
- + Skilled Worker route: employer sponsor licence required
- + Global Business Mobility: temporary assignments
- + Other routes: Global Talent, Innovator Founder
- + Right to work checks mandatory
- + Sponsor licence compliance obligations
- + Nuclear sector roles may require additional security vetting

PENSIONS

- + Auto-enrolment: all UK employers must enrol eligible workers into a qualifying pension scheme
- + Minimum employer contribution required
- + Workplace pension scheme must be established or joined



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REAL ESTATE

FORMS OF PROPERTY OWNERSHIP

- + Freehold: absolute ownership, lasts indefinitely
 - capital lump sum
- + Leasehold: ownership for a specified term
 - Long leases: 100+ years, capital payment
 - Short/rack-rent leases: 5–15 years, annual market rent
- + Serviced offices: flexible, shorter terms, higher cost
- + Most new market entrants take short leases to minimise capital expenditure

KEY CONSIDERATIONS FOR NUCLEAR

- + Environmental due diligence critical – contamination risk, environmental permits, planning conditions
- + Site-specific regulatory requirements for nuclear facilities
- + Property taxes: SDLT, VAT, business rates, capital allowances
- + Proximity to nuclear sites and infrastructure hubs
- + Security and access considerations for regulated nuclear sites



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INTELLECTUAL PROPERTY & DATA PROTECTION

INTELLECTUAL PROPERTY

- + **Trade marks:** Separate UK registration required (EU marks no longer cover the UK). Check proposed brands to avoid conflicts
- + **Patents:** Territorial – individual UK applications needed. UK offers tax relief on patent income and R&D
- + **Copyright:** Arises automatically, no registration. Secure ownership of third-party works
- + **Design rights:** Registered and unregistered UK rights. Separate from EU design rights post-Brexit

DATA PROTECTION

- + UK GDPR and Data Protection Act 2018 govern use of personal data
- + Similar to EU GDPR but now an independent regime
- + Strict requirements: lawful basis, transparency, data minimisation, security
- + International data transfers subject to specific rules
- + ICO has power to impose significant fines
- + Nuclear sector: enhanced data security and information handling requirements
- + Early specialist advice recommended



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REGULATORY LANDSCAPE & NATIONAL SECURITY

GENERAL REGULATORY

- + Certain businesses require specific regulatory approval (e.g. financial services, credit institutions)
- + Transparent public registration regime at Companies House
- + Industry-specific laws and regulations may apply
- + Environmental permitting, health and safety obligations

NATIONAL SECURITY & INVESTMENT ACT 2021

- + Nuclear is a mandatory notification sector
- + Acquisitions and investments in the nuclear sector must be notified to and approved by the UK Government
- + Applies to share acquisitions, asset purchases and certain changes of control
- + Failure to notify: transaction is void

NUCLEAR-SPECIFIC REGULATORY CONSIDERATIONS

- + Office for Nuclear Regulation (ONR) — independent regulator for nuclear safety, security and safeguards
- + Nuclear site licences, permits and security clearances required for operations on nuclear-licensed sites
- + Nuclear Industries Security Regulations — vetting and security requirements for personnel and supply chain
- + Environmental Agency / Natural Resources Wales — environmental permits for nuclear facilities
- + Supply chain participants may need to demonstrate compliance with nuclear quality standards and security protocols
- + Early engagement with regulators is strongly recommended

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KEY TAKEAWAYS

- 1: The UK offers a welcoming and well-regulated environment for foreign investment, with few restrictions on overseas ownership
- 2: The UK nuclear sector presents a significant and growing opportunity – new build, SMRs, decommissioning and supply chain
- 3: French businesses are well placed to participate, given established UK-France nuclear cooperation
- 4: A UK subsidiary (private limited company) is typically the preferred vehicle for nuclear supply chain participation
- 5: National security screening is mandatory for nuclear investments – plan for this from the outset
- 6: Nuclear-specific regulation (ONR licensing, security vetting, quality standards) requires early specialist engagement
- 7: Post-Brexit differences: separate UK filings for IP, independent data protection regime, immigration requirements for staff
- 8: Tax structuring, employment law and real estate considerations should be addressed early in the planning process



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NEXT STEPS

- + Identify your market entry strategy: subsidiary, acquisition, or joint venture
- + Engage with sector advisers on regulatory positioning and nuclear supply chain qualification
- + Consider early notification under the National Security and Investment Act
- + Plan your immigration strategy for key personnel and secondees
- + Structure your UK operations for tax efficiency within the France-UK treaty framework, and consider your banking arrangements
- + Secure premises
- + Establish employment arrangements, including any immigration requirements
- + Take out necessary insurances
- + Ensure your brand benefits from appropriate UK IP protection

Stephenson Harwood can advise across all aspects of your UK market entry – from corporate structuring and regulatory engagement to employment, tax, real estate, IP and commercial contracts.

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CONTACT

Zoe is a Managing Associate in the corporate finance team at Stephenson Harwood, specialising in private M&A and advising a diverse range of clients from start-ups to large multi-nationals. Her expertise also spans private company financings, venture capital, joint ventures and corporate reorganisations, with a particular focus on Energy Transition and Technology.

Zoe's clients benefit from her ability to navigate complex international cross-border transactions and UK domestic deals with precision and insight. Clients appreciate Zoe's commercial acumen and her ability to act swiftly and effectively, ensuring their business objectives are met with strategic clarity.

Zoe's notable work includes advising Protium Green Solutions (a green hydrogen energy solutions provider) on its Series B funding round, advising Apollo-managed funds in relation to their acquisition of LNG carrier infrastructure platform Hav Energy, advising Intercontinental Exchange on its investment in UK NatureTech company Space Intelligence, and advising Inspirit Capital on the sale of its portfolio company CWind Limited (a provider of offshore wind support services).



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AT A GLANCE

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With more than 1,500 people, including 250+ partners, across eleven offices in Europe, the Middle East and Asia, we combine deep legal capabilities and broad commercial expertise. We have also forged close ties with high quality law firms around the world, blending local knowledge with global savvy for clients in over 100 countries.



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