

# Setting up your EdTech company in the UK: What you need to know

## Why should you choose the UK?

Setting up your EdTech company in the UK is advantageous because:

- It is a popular jurisdiction for cross-border trades;
- It provides long-term stability and security;
- There is a straightforward taxation system;
- The UK has a large pool of skilled human capital;
- The UK is one of the world's financial and investment centres (Bank of England, London Stock Exchange, HSBC, Barclays);
- English law based investments and transactions are very well recognised internationally based on commonality of English language and foundations built on common law principles;
- It is really straightforward to set up a company in the UK.

## What legal form would the company take?

When it comes to different forms and structures, you have a lot of options in the UK. The most popular group structure would be to set up a UK company as a subsidiary of your overseas entity. However, other options are also available, for example as a branch of your overseas entity, as a partnership or joint venture.

Once you've chosen where the UK company will sit within your current structure, you need to decide on the type of company you want to set up. Public benefit organisations might wish to set up a community interest company or a charitable company (each with an asset lock and stated public benefit purposes), but the most popular form is a 'Limited' share company. This is because:

- It is internationally recognised and trusted;
- There is no minimum capital requirement;
- The company incorporation process is quick, easy and inexpensive – there is only one form to complete, and the Companies House fee is very low for online applications which take around 24 hours to register (fast track) or 2-5 business days (normal track);

- No physical presence in the UK is required other than to open a bank account – this means that you do not need a UK-based director; and
- Many organisations, including Bates Wells, provide registered office address and company secretarial services which manage the Companies House and related administration of a limited company.

## Once you have decided to go ahead and launch in the UK, there are some important points to consider

### Data protection

Although there have been some changes to data protection in the UK following Brexit, the data protection regime is still generally aligned with Europe.

If you are providing services in the UK or Europe you will need to consider how you deal with any personal data you receive or process. In particular, it is important to have a data privacy policy which sets out how you will deal with personal data you receive.



There are also other requirements where your website or online service is aimed at under 18s. The new Children's Code sets these out in detail.

Bates Wells has a specialist Data & Privacy team which can help you ensure you are compliant with data privacy legislation in the UK.

### Safeguarding

The UK has strict safeguarding legislation and where your staff will work with children or adults at risk directly, it is important to be mindful of this.

You may need to carry out criminal record checks on your staff, and put in place a safeguarding policy and a code of conduct for staff.

### Commercial considerations

You need to think about how you will license or assign intellectual property rights to the UK company and any third parties. If you have a brand name or logo you plan to use in the UK you could apply to register a trade mark to protect it.

You also need to consider anti-bribery and corruption laws and regulations, which may include having policies and training for your employees. Where there is the sale of goods and services, you'll need to be aware of the rights consumers have in the UK and make sure your service complies with these.

### Employment

You need to consider the status of the individuals you retain: are they employees, workers, self-employed or independent contractors? Each will require a different contract type and will have varying tax rates which are also dependent on the individual's income and circumstances.

There are other rights that arise depending on the employment type. A key consideration is equality and discrimination and the laws surrounding this, including equal pay.

## How can Bates Wells help you?

We are a full-service law firm, meaning that we can help with all of the above and more.

We have more than 30 years' experience advising the education sector and many of our lawyers also serve as volunteer school and college governors. We are based in London and are the UK's first B Corp law firm which requires us to meet rigorous ongoing standards of social and environmental performance, accountability and transparency.

### Key contacts

Should you have any questions or would like to find out more about how we can help, please get in touch.



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