

What are 'sensitive words and expressions'?

These are words and expressions that, when used in a company name, may imply business pre-eminence, a particular status or a specific function governed by particular rules. For this reason, they have been prescribed in regulations as requiring the approval of the Secretary of State. The aim is to ensure that use of the word is justified so that the public is not misled by the name.

Approval by the Secretary of State is confined to the use of certain words or expressions in the company name. Approval does not imply approval of a company's aims and objectives.

The following sections give details of most commonly used sensitive words and the conditions under which they may be used. See the Alphabetical List of Sensitive Names for a more comprehensive list.

The following words imply national or international pre-eminence:

British - approval of this word in your company name will depend on how it is used. Normally the Secretary of State would expect the company to be British owned. You would need to show that the company is pre-eminent in its field by providing supporting evidence from an independent source such as a Government department or a trade association. If the word 'British' is qualified by words that do not describe an activity or product, for example by using a 'made-up' word, then evidence of pre-eminence is not necessarily essential. But you would be expected to show that your company is substantial in relation to its activity or product and that it is eminent in its own field.

England, English, Scotland, Scottish, Wales, Welsh, Ireland or Irish - if you wish to use these words as a prefix to your company name, the rules are similar to those for 'British'. You will usually be given approval to use any of these words as a suffix if you show that the company has its main place of business in the country concerned. If you want to use one of these words because it is a surname, you will usually be given approval if the company name includes forenames or initials.

Great Britain - If the words are used as a suffix to the name, they are normally allowed without difficulty. Using the initials 'GB' in your company name either as a prefix or suffix does not require approval

association, federation or society - if you wish to use one of these words, your company would normally be limited by guarantee.

authority, board or council - if you want to use any of these words, you should ask us for advice.

institute or institution - approval for use of these words is normally given only to those organisations which are carrying out research at the highest level or to professional bodies of the highest standing. You will need to show that there is a need for the proposed institute and that it has appropriate regulations or examination standards. You will need evidence of support from other representative and independent bodies.

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The following words imply specific objects or functions:

assurance, assurer, insurance, insurer, re-assurance, re-assurer, re-insurance, re-insurer or fund - You cannot use these words unless you have written confirmation that the Financial Services Authority has confirmed they have no objection.

benevolent or foundation - names that include any of these words will normally be refused if they imply that the company has charitable status. If the company is limited by guarantee and has a non-profit distribution clause in the memorandum, then the name will normally be approved.

charter or chartered - names that include these words will be refused if they unjustifiably give the impression that the company has a Royal Charter. If the words are used to qualify a profession, we will seek the advice of the appropriate governing body before considering whether to give approval.

charity - approval for a name including this word normally depends on the company being registered with the Charity Commission. A company's objects should be charitable and the memorandum should contain a non-profit distribution clause.

charitable trust - these companies need to have charitable objects and a non-profit distribution clause in the memorandum. You will be asked for confirmation that you have made, or will make, an application for registration as a charity with the Charity Commission. Scottish companies wishing to use the expression 'charitable trust' will need to apply to the Inland Revenue in Edinburgh as the Charity Commission has no jurisdiction in Scotland.

co-operative - any company wanting to use this word should normally be limited by guarantee. However, a company limited by shares may also be permitted to use 'co-operative' in its name in some circumstances. In either case, we will ask you to provide more detailed information before proceeding.

Friendly Society or Industrial and Provident Society - we will refer names which include these expressions to the Registrar of Friendly Societies for advice. If you want to use them in your company name, you should seek advice from us first.

patent or patentee - a name including either word will only be approved if it does not contravene the Copyright, Designs and Patent Act 1988.

Sheffield - if you wish to use a name that includes the word 'Sheffield', we will need to establish details of the company's location and its business activities. We will also need to consult the Company of Cutlers in Hallamshire.

stock exchange - names including this expression will normally be refused unless there are special circumstances.

trade union - names including this expression will normally be refused unless they conform to legislation relating to trade unions.

trust - the word 'trust' can be used in many different senses. Each application is dealt with on its merits but the main uses of this word are as follows:

educational trust or artistic trust - such companies should have a non-profit distribution clause in the memorandum and the name should reflect the nature of the trust. The promoters should be of high standing in the field.

enterprise trust - these companies must have a non-profit distribution clause in the memorandum and they must be able to provide evidence of support from, for example, local authorities, businesses or banks.

family trust - such companies must be non-profit distributing and the objects must reflect the nature of the trust. Names of family trusts will usually be approved if the name as a whole identifies the company as such.

financial trust or investment trust - if you wish to use these expressions, you will need to provide a written assurance that substantial paid up share capital or other funds will be achieved within a reasonable period after incorporation.

pensions or staff trust - the names of such companies must include the name of the parent company, and the objects of the company must include the operation of pension funds.

unit trust - if you wish to use this as part of your company name, you should seek the advice of Companies House in Cardiff. If the company is to be registered in Scotland, contact Companies House in Edinburgh.