



CIC Registration problems: a learning experience

NB This table does not constitute legal advice. It summarises Macc’s learning from unsuccessful or otherwise problematic CIC registrations by local groups. Unless otherwise indicated, the problem can cause a rejection of your application.

THE PROBLEM	EXPLANATION	POSSIBLE SOLUTION
Use of “Foundation” in the name	The word “Foundation” has a legal significance . It’s normally for charitable funders.	Remove this word from the name unless you have a funding pot to distribute.
Use of “Association” or “Society” in the name	These words have a legal significance . They’re only OK for Schedule 1 CICs: no dividends; community benefit objects.	EITHER remove this word from the name; OR switch from Schedule 2/3 to Schedule 1 CIC; OR check asset lock and objects clause for stray provisions.
Flawed Articles	Someone has added or deleted clauses from the model articles. Clauses in red are a legal requirement.	Stick to the model articles unless you know what you’re doing. Don’t touch any clause in red.



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Form CIC36: community interest unclear	Don't waffle. Answer the 3 key questions. Who are the beneficiaries? What are the proposed activities? How will each of the activities change their lives for the better?	Develop a Theory of Change. Explain your activities in more detail and explain briefly how your activities will cause those changes.
Form CIC36: use of surplus unacceptable	You can't leave the box at the foot of page 2 blank. You can't say you will "give to charity" except in the case of a specific charity named in your asset lock clause.	If you haven't named a beneficiary organisation, say you will reinvest any surplus in the business. If you have, you can say you will do "either/or".
Form CIC36: only one director	A CIC limited by guarantee must have at least 2 directors by law. (To be eligible for Macc support you need to be a community group with at least 3 directors. Some grant funders will expect this too.)	Form a Board of at least 3 named directors. All will need to sign the Form.
Form CIC36: signatures unacceptable	In registering online, you have just typed in names or e-signatures perhaps, or the signatures have not displayed clearly.	Print the form out. Get everyone to sign in black ink. Scan the signed form, ready for uploading.



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Company or directors' details are wrong or incomplete	<i>This won't have prevented registration, but is still seen as a problem.</i> Directors may have been omitted in error or because their signatures or personal details weren't available when needed; you may have been using a temporary company address	Use WebFiling to change company and director details. (Your authentication code will have been posted to the company address.)
Members' private addresses have appeared on the public record	<i>This won't have prevented registration, but is still seen as a problem.</i> Beware. The online process is confusing on this issue. It is easy not to realise that addresses given for your guarantors (founding members) will be on the record.	<i>Prevention:</i> choose a company address; use this for guarantors; read the online registration guidance carefully. <i>Remedy:</i> the only way to amend the original filing is to send in Form SR01 with a cheque at £55 per person!
Struggling to register CIC conversion online	That's because you can't. Conversions of companies to CIC can only be done by post.	Follow the conversion procedure : forms CIC37 and NM01 , adapted CIC articles , Special Resolution , cheque for £25.