

[News story: Community interest companies \(CIC\) needed to test online filing](#)

We're developing an online filing service for community interest companies (CICs), so you can file your annual report and accounts online.

If you're a CIC, or agent who files on their behalf, you can help us by [answering a quick survey](#) about online filing.

We also need your help to take part in user-testing at our Cardiff office. User-testing during development will help us make our new service fit for your needs.

The testing will only take around an hour, and we'd be grateful for your help.

What CICs are for

If you're thinking of starting a business, but want to provide a benefit to the local community, then a CIC might be for you.

A CIC is a company for people wishing to set-up a business as a 'social enterprise'. This means the business will trade with a social purpose, or carry out other activities for the benefit of the community.

Many social enterprises and community organisations are already incorporated as companies. They're usually limited by guarantee, without shares. Others, such as co-operatives, are registered societies. Many are less formal, with assets held on their behalf by trustees.

A CIC is suitable if you want the freedom of a limited company, without either the private profit motive or charity status. They're more flexible than some other legal forms, and there's a variety of capital options to meet your needs. CICs aren't strictly 'not for profit', but returns to investors must be balanced and reasonable, to make sure community benefit is always its purpose.

How to form or incorporate a CIC

The basic legal structure for CICs is the limited liability company. They can either be incorporated as a new company or converted from an existing company.

Creating a CIC has significant legal implications, such as the 'asset lock'. This means the assets of the CIC (including any profits or other surpluses it makes) are used for the benefit of the community. This is a permanent step, which cannot be reversed.

To register as a CIC, a company must adopt articles that comply with [The 'CAICE' Act](#) and [CIC Regulations 2005](#). Existing companies must make changes to their articles and a change of name. A CIC's name must end in either, 'CIC' or 'community interest company', and not 'limited' or 'ltd'.

The CIC Regulator

Another feature of a CIC is that they report to the [Office of the CIC Regulator](#). The regulator's job is to make sure the CIC is genuinely a social enterprise, and isn't abusing the trust the public expects to put in a CIC.

By making the CIC report to the regulator, the directors can clearly show that the company is a genuine social enterprise venture, and not for private profit.

If you need further help, the regulator has produced [a list of do's and don'ts](#) when completing an application to incorporate a CIC.

Deciding to form a CIC is a major step and professional legal advice is recommended.