

## PUBLIC REGULATION OF ENTREPRENEURSHIP IN ENGLAND AND WALES

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Public regulation of entrepreneurship means the impact of the state on business by adopting regulatory legal acts, legal acts of individual regulation, organizing control over compliance with legal requirements for entrepreneurs and applying incentives and liability measures to violators of these requirements [1].

State regulation of entrepreneurship is aimed at prevention of free market failure. Firstly, these measures by the state are designed to prevent monopolization, inequality and negative externalities. Secondly, the key function of the government in a market economy is to stimulate development of small and medium-sized businesses. In the same time, a balance between public and private interests is important because unlimited governmental regulation has a negative impact on long-term economic growth.

The main areas of state regulation of the economy include registration of entrepreneurship, licensing and prevention of anti-competitive activity.

The most popular legal forms of business in the United Kingdom are sole proprietorships, trading companies and ordinary partnerships [2]. There are several requirements to set up as a sole trader. For instance, a person must earn more than £1,000 from self-employment in certain period. HM Revenue and Customs is responsible for registration of sole proprietorships.

According to the Partnership Act 1890, partnership is the relation which subsists between persons carrying on a business in common with a view of profit [3]. Ordinary partnerships are not subject to mandatory registration, unlike limited partnerships and limited liability ones, which must be registered with Companies House. This executive agency also registers trading companies.

It is forbidden to enter into the company name phrases that do not correspond to the real legal form. For instance, the name of a sole trader cannot contain an indication of a limited liability partnership. It is also necessary to specify the type of company. If it is not indicated as a public company, then, as a general rule, it will be considered private. If the company's liability is limited, this form of responsibility also must be included in the trade name. Thus, the requirements established by the state oblige entrepreneurs to provide reliable information about the legal form of business. These measures prevent misleading third parties. In addition, the name must not be offensive or copy an already existing trade name. Copying is even considered the use of an existing trade name with minor changes: the addition of a special sign or symbol, the use of a similar word or other phrases commonly used in the name of British companies.

Licensing implies the issuance of a special permit by public authorities to engage in a certain type of activity. A license can be issued only if the entrepreneur or enterprise meets all the established requirements. Revocation of a license can be applied as a sanction in case of violations. According to the Licensing Act 2003, licensable activities are the sale by retail of alcohol, the supply of alcohol by or on behalf of a club to, or to the order of, a member of the club, the provision of regulated entertainment, and the provision of late-night refreshment

[4]. The objectives of licensing are crime and disorder prevention, public safety, prevention of public interest violations, and protection of children from harm.

Competition and Markets Authority (CMA) is an independent non-ministerial department which protects free market from monopolization. CMA is also competent to investigate cases of reduced competition, take measures against cartels and protect consumers from unfair trading practices. CMA also controls mergers and acquisitions between organizations.

Competition law in England and Wales is relatively flexible. In order to prevent the emergence of artificial monopolies, it contains a number of prohibitions. Firstly, competitors do not have the right to coordinate pricing policies with each other. If companies agree in advance to set a high price, consumers will not be able to choose based on the price that they expect, which violates the principle of free competition and negatively affects the functioning of the economy. Secondly, refusing to cooperate with small competitors to ensure the security of supply is also unacceptable. These actions are unfair competition.

Summing up the above, we can conclude that public regulation of entrepreneurship in England and Wales is aimed at prevention of market failures, protection of consumers' interests and assurance of equal access to information. State intervention is limited and at the same time necessary for long-term economic growth.

### References

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