

# Changes to the UK beneficial ownership regime

The UK PSC regime has been amended. PSC registers must now be updated and PSC register information must now be filed at Companies House within 14 day time limits. The regime now also requires a broader range of entities, including AIM listed companies and Scottish limited partnerships, to disclose who controls them.

The PSC register regime that requires certain UK companies and LLPs to keep a register of beneficial ownership has been in force since 6 April 2016. On 26 June 2017 regulations that amend the current regime and regulations that apply the regime to certain Scottish partnerships came into force in order to bring the UK PSC regime into line with the Fourth Money Laundering Directive.

The **PSC register regime** now applies to all UK companies (other than companies with voting shares listed on an EEA regulated market (such as the LSE) or certain markets in Israel, Japan, Switzerland and the USA; although their UK subsidiaries are caught), including AIM listed companies, and all UK LLPs (each a **Relevant Entity**).<sup>1</sup> All Scottish limited partnerships and certain Scottish general partnerships are now subject to **PSC information filing requirements** at Companies House.

This note highlights the key changes.

*All Relevant Entities need to be aware of the following:*

■ **From 26 June 2017, new 14 day time limits for a Relevant Entity to:**

- update its PSC register once it: (i) has confirmed/obtained the required information relating to an individual/legal entity that has "significant control" over it (**PSC/RLE** respectively); or (ii) becomes aware of any changes to the information on its PSC register and details of those changes have been confirmed/obtained (for a PSC/RLE respectively). Previously, there were no strict time limits; and

## Highlights

- PSC registers of Relevant Entities must be updated within 14 days.
- Updates to PSC registers of Relevant Entities must be filed at Companies House within 14 days.
- Companies listed on prescribed markets, such as AIM, must keep a PSC register and must start investigating now whether they have any PSCs/RLEs.
- Scottish limited partnerships must file PSC information at Companies House and must start investigating now whether they have any PSCs/RLEs.
- Groups which contain Scottish limited partnerships must now check their PSC registers and make any necessary changes and file the relevant details at Companies House.

- send a notice to a PSC/RLE asking it to confirm whether any change has occurred, where the Relevant Entity knows or has reasonable cause to believe that there has been a change to a PSC's/RLE's required information on its PSC register (but has not been informed of the change). Previously, the notice had to be sent as soon as reasonably practicable.

<sup>1</sup> Unregistered companies are also now required to keep a PSC register.

■ **From 26 June 2017, new 14 day time limit for filing PSC register information at Companies House:**

- Where a Relevant Entity makes any entry in, or updates, its PSC register, it now has 14 days in which to file this information at Companies House using the new Companies House forms.

■ **From 26 June 2017, new confirmation statement (CS01) to be used:**

- A new form of confirmation statement has been introduced for use on or after 26 June 2017 as a result of the new Companies House filing obligations outlined above.
- Going forward, PSC register information will be treated like director information i.e. it just needs to be checked and confirmed when the confirmation statement is filed at Companies House.

*All Relevant Entities that were required to keep a PSC register before 26 June 2017 (each an Existing Entity) need to be aware of the following:*

■ **Transitional provisions apply to ensure that PSC register information for Existing Entities is up to date at Companies House:**

- **Immediate action point:** An Existing Entity must check that the information on its PSC register is the same as the information on its last confirmation statement filed at Companies House. If it is, no further action needs to be taken. If any changes have been made to its PSC register before 26 June 2017 that do not appear on the confirmation statement, this information must be filed at Companies House by 9 July 2017.
- **Immediate action point:** An Existing Entity must check that it has complied with its obligations to keep and update its PSC register under the PSC register regime that applied before 26 June 2017. If there are any entries or changes that need to be made to its PSC register in order to be compliant then these must be made by 9 July 2017. It will then have 14 days to file this information at Companies House (by 23 July 2017 at the latest).

*Companies listed on prescribed markets, such as AIM, need to be aware of the following:<sup>2</sup>*

■ **AIM listed companies now required to keep a PSC register:**

- UK companies listed on prescribed markets, such as AIM, now need to keep a PSC register. These companies are required to keep a PSC register from 24 July 2017.<sup>3</sup>
- **Immediate action point:** Such companies must start investigating **now** whether they have any PSCs/RLEs.
- **Action points:**
  - Such companies have 14 days from 24 July 2017 (by 7 August 2017 at the latest) to enter their PSCs and/or RLEs in their PSC registers (or, for instance, note that they are still investigating their PSCs/RLEs or have no PSCs/RLEs).
  - There is then a further 14 days within which to file the PSC register information at Companies House (by 21 August 2017 at the latest).

*Scottish limited partnerships need to be aware of the following:*

■ **Scottish limited partnerships now required to provide PSC information to Companies House:**

- Scottish limited partnerships are not required to keep a PSC register but are now required to provide PSC information to Companies House.<sup>4</sup>
- The five conditions for whether a person is a PSC/RLE in relation to a Scottish limited partnership are broadly the same as the five conditions for whether a person is a PSC/RLE in relation to an LLP.

<sup>2</sup> UK companies with voting shares listed on an EEA regulated market, such as the LSE, or certain markets in Israel, Japan, Switzerland and the USA are exempt from keeping a PSC register.

<sup>3</sup> Unregistered companies are also now required to keep a PSC register from 24 July 2017.

<sup>4</sup> This obligation also applies to Scottish general partnerships that are "qualifying partnerships" under the Partnership (Accounts) Regulations 2008 (broadly ones that have corporate partners) (together with Scottish limited partnerships, "eligible Scottish partnerships").

- **Immediate action point:** Scottish limited partnerships must start investigating **now** whether they have any PSCs/RLEs and start registering their PSC information at Companies House from 24 July 2017.

***Groups which contain eligible Scottish partnerships<sup>4</sup> need to be aware of the following:***

■ **Groups which contain eligible Scottish partnerships<sup>4</sup> need to check their PSC registers:**

- Eligible Scottish partnerships can **now** be recorded as RLEs on PSC registers.
- **Immediate action point:** If you have a group structure which contains an eligible Scottish partnership and any PSC/RLE that is registered on a PSC register holds its relevant controlling interest through that eligible Scottish partnership, you must recheck your PSC register analysis. It is likely that you will need to register the eligible Scottish partnership as an RLE and remove the current PSCs/RLEs, but each case will be fact specific. The date for the eligible Scottish partnership becoming an RLE and the date for any current PSCs/RLEs ceasing to be a registrable PSC/RLE is 26 June 2017. You should make changes to your PSC register either to reflect the correct PSC register analysis or note the status of your investigations within 14 days from 26 June 2017 (by 10 July 2017 at the latest) and this information must be filed at Companies House within a further 14 days (by 24 July 2017 at the latest). If you do not have the required information about the eligible Scottish partnership, you should make enquiries to find out this information and consider whether you should send that partnership a formal notice seeking this information.
- **Action point:** If you are a PSC/RLE registered on a PSC register and you hold your controlling interest through an eligible Scottish partnership, you should consider whether you have ceased to be a registrable PSC/RLE and, if so, notify the company/LLP by 26 August 2017 if the PSC register has not been updated (the date for ceasing would be 26 June 2017). However, you may wish to notify sooner or you may need to respond to a request for information from the relevant company/LLP.

***Further advice***

- If you need any further information or would like help carrying out your PSC register analysis, please contact your Clifford Chance relationship partner.

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