

New Requirement for Companies to have a PSC Register

Background

In 2013 the UK government proposed greater transparency of the ownership of UK companies and the requirements are now set out in Part 21A of and Schedules 1A and 1B to the Companies Act 2006 (as inserted by the Small Business Enterprise and Employment Act 2015). As a result, with effect from 6th April 2016, there is a new requirement for companies, including dormant companies, and LLPs to maintain a register of people with significant control of their entity, known as a PSC register. The aim is to prevent ultimate owners or controllers of entities being able to hide their interests and the registers will be publicly available. This is not just a UK requirement because the EU has adopted similar measures in the Fourth Money Laundering Directive which must be implemented by 26th June 2017.



Setting up the Register

Officers of the company are required to identify PSCs being those people who have significant control or influence over the company and must confirm their personal details with them. A PSC is generally an individual who directly or indirectly holds 25% of the shares or voting rights, or has the right to appoint or remove the majority of directors, or is able to exercise significant influence. This latter point would include someone who influences a trust or firm which if an individual, would be a PSC. For many companies, identifying the PSC entries will be straightforward but those with complicated structures will need close attention to avoid prosecution.

Information Required

The following confirmed details should be shown on the register:

- i. Full name and date of birth.
- ii. Nationality.
- iii. Country of residence.
- iv. Service address.
- v. Residential address.
- vi. Date became a PSC or 6 April 2016 if later.
- vii. Which conditions for being a PSC are met.

The company is entitled to serve notice on anyone it believes has information that will help identify a PSC or relevant legal entity and the addressee is required to respond within a month. Failure to do so may be a criminal offence and persistent failure may require imposing restrictions on the shares. While investigations are ongoing, progress must be recorded on the register.

Who can view the Register?

A company must keep its register accessible and anyone with a “proper purpose” can have access free of charge. A copy of the register may be provided for £12. The residential address of PSCs must not be disclosed when the register is made available. This is also the case if the details are viewed via Companies House. However, these details will be available to law enforcement and credit reference agencies.

Successor to the Annual Return

With effect from 30th June 2016, the Annual Return to Companies House has been replaced by a Confirmation Statement. The register of PSCs must be filed with the Companies House the first time that a Confirmation Statement is filed. You can report changes to your statement of capital, shareholder information and SIC codes at the same time as filing the Confirmation Statement. A fine of £5,000 may be applied if the Confirmation Statement is not filed and the company may be struck off.



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