

<<Individual's Name>>
<<Address>>
<<Address>>
<<Postcode>>

<<Date>>

Dear << >>

Economic Crime Transparency (ECCT) Act – ID verification of directors

The ECCT is part of the Economic Crime Transparency Act 2023. It received Royal Assent in September 2023. The ECCT is multifaceted and includes for example, provisions for new enforcement ameasures and significant extra costs.

These changes include changes to the powers for Companies House to implement these proposed changes that we consider.

There is now time for the government to allow for implementation of these changes to be made.

Why are we writing to you?

As a director of our company, you will be directly impacted particularly by the new identity verification regime. We will disseminate information to you now about what the process once it is in force, including what you will need to do. It will be illegal to register the appointment of a new director without ID verification, until they have been ID verified. Existing directors will also have to comply with this new regime.

Identity verification

All new and existing directors, People with Significant Control (PSCs) and those delivering corporate forms to Companies House will need to be ID verified. There will be two types of ID verification: direct verification via an Authorised Corporate Service Provider (ACSP) (such as an accountant, lawyer, or company formation agent).

There will be different requirements for existing directors, but there is still some time to prepare. Existing directors will need to be a director unless they are exempt from ID verification, which carries civil penalties as well as criminal ones.

In response to the need to tackle economic crime in the UK. It received Royal Assent in September 2023. The ECCT is multifaceted and includes for example, provisions for new enforcement ameasures and significant extra costs.

These changes include changes to the powers for Companies House to implement these proposed changes that we consider.

There is now time for the government to allow for implementation of these changes to be made.

As a director of our company, you will be directly impacted particularly by the new identity verification regime. We will disseminate information to you now about what the process once it is in force, including what you will need to do. It will be illegal to register the appointment of a new director without ID verification, until they have been ID verified. Existing directors will also have to comply with this new regime.

All new and existing directors, People with Significant Control (PSCs) and those delivering corporate forms to Companies House will need to be ID verified. There will be two types of ID verification: direct verification via an Authorised Corporate Service Provider (ACSP) (such as an accountant, lawyer, or company formation agent).

There will be different requirements for existing directors (and corporate directors) and whilst there is still some time to prepare, the exact timetable for ID verifying existing directors, with a deadline to comply, it will be a serious offence to act as a director unless they are exempt from ID verification. Failing to verify could result in criminal sanctions and prevent them from acting as a director.

Verification direct to Companies House:

Each director will be required to verify their identity directly to Companies House. This will involve providing a valid passport or driving licence, or a scan of their face, using facial matching technology. Once verified, the identity has been verified and the relevant documents may be used in the ID checking process.

It is expected that individuals will use photographic ID documents.

Verifying through an ACSP:

The alternative to verifying directly to Companies House is that a verification statement can be made on your behalf by an ACSP, who will verify your identity.

ACSPs are independent third party agents. They must verify identities for purposes. They will carry out diligence checks on behalf of the company. It is expected that ACSPs will need to be at least UK based and registered in the UK. Further details will be set out in Regulations.

How we propose to verify your identity:

It is likely that we will verify your identity directly with Companies House] OR [verify using our accountant] as our] [a] ACSP].

We will however, verify your identity directly with Companies House. You will need to verify your identity with multiple companies that are registered on the register. It is a one-off requirement.

If you think you will need to verify your identity, please let us know. In addition to your passport, now to verify your identity do so.

Please do not hesitate to contact our Company Secretary>> if you have any questions.

Yours sincerely,

<<Name & Title>>
For and on behalf of >>

Companies House that includes a verified identity. A photograph or scan of your face will be taken and compared against the documents. The two will be compared, using likeness technology to validate. If successful, you will be notified your identity has been verified and the process completed in a matter of minutes. Primary ID documents will be checked against government databases as part of the ID checking process.

Alternative methods available for individuals without photographic ID documents may be used to verify their identity using the digital ID verification system.

The alternative to verifying directly to Companies House is that a verification statement can be made on your behalf by an ACSP, who will verify your identity directly to Companies House. This statement will be made by an ACSP to Companies House that it has verified the individual's ID.

ACSPs are independent third party accountants, legal advisers, and company formation agents. They must verify identities for supervisory body for anti-money laundering (AML) purposes. They will carry out diligence checks on behalf of the company. It is expected that ACSPs will be UK based. The checks that ACSPs will make will be carried out by Companies House. Further details will be set out in the ACSPs' Terms and Conditions.

What happens when the system is live?

When the system is live and in force and exactly what you have more than one role or are registered with multiple companies, all your information will be contained in one place on the register. It is a one-off requirement.

If you think you will need to verify your identity online, please let us know. In addition to your passport, now to verify your identity do so.

Please do not hesitate to contact our Company Secretary>> if you have any questions.

Yours sincerely,