

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

<<Date>>

Dear << >>

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

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 enhanced enforcement 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 the changes to be made.

Why are we writing to you?

As a person with significant control (PSC) of the Company, you will be directly impacted by the new ID verification regime. It is important that we disseminate information to you about how the regime is and how we intend to manage the process once it is in force.

Identity verification

All new and existing directors, People with Significant Control (PSCs) (both individual and corporate), and legal entities (RLEs), as well as those delivering documents to Companies House for verification, will need to be ID verified. There will be two types of ID verification: direct verification via Companies House or indirect verification via an Authorised Person (such as an accountant, lawyer, or company formation agent).

There will be different requirements relating to the exact timeframes for ID verification. Failing to verify could result in the Company failing to make statutory changes to its register being “unverified”.

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 enhanced enforcement and significant extra costs.

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ID verification will be required for PSCs who have a role with multiple companies. If you are the sole director of one company and place on the register, you will be ID verified by Companies House. You will already have been ID verified as a director and therefore you will automatically be ID verified as a PSC.

Verification directly with Companies House

The identity of PSCs can be verified in two ways:

- direct verification with Companies House; or
- an indirect route via an Authorised Corporate Service Provider (ACSP).

If a person is verifying their identity, they must provide a person with a photo ID document, such as a passport or driving licence. The person will be asked to upload a copy of their identifying documents to the digital ID verification system. Photo ID validation will be completed in a matter of minutes and checked against government databases as part of the process.

It is expected that most individuals will use photographic ID to verify their identity.

The alternative to direct verification is to make a statement to be made on your behalf by an ACSP, who will verify your identity.

ACSPs are intermediaries or agents. They must verify identities for purposes. They will carry out diligence checks on behalf of clients. It is expected that ACSPs will need to be at least registered in the UK under the Money Laundering Regulations.

Verification of PSCs

Unlike for directors, PSCs will not be able to act unless ID verified, new PSCs will be given a period after being appointed to verify their identity with Companies House in which to verify.

For individual PSCs, there is no obligation to register one relevant entity (RLE) to verify. PSCs may choose to verify individual PSCs, or those PSCs who have not already done so, through an ACSP to obtain ID verification.

There is also explicit notice to existing PSCs to verify their identity within a 28-day period during which existing PSCs will be required to verify their identity (existing directors).

How we propose to verify PSCs

It is likely that we will propose to verify PSCs directly with Companies House] OR [verify using an accountant] OR [verify using an ACSP].

Where you have more than one role or are registered as a PSC, all your information will be contained in one place on the register. You will only be required to ID verify as a director and therefore you will not have to reverify and "re-sign" as a PSC on the public register.

Verification through an ACSP

The identity of PSCs can be verified in two ways:

- direct verification with Companies House; or
- an indirect route via an Authorised Corporate Service Provider (ACSP).

If a person is verifying their identity, they must provide a person with a photo ID document, such as a passport or driving licence. The person will be asked to upload a photograph or scan of their face and the photo will be compared, using likeness matching technology, and the person will be notified that their identity has been verified. Photo ID documents may also be checked against government databases as part of the process.

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

The alternative to direct verification is to make a statement to be made on your behalf by an ACSP, who will verify your identity with Companies House. This statement will be made by ACSPs to verify that it has verified your ID.

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How we propose to verify PSCs

It is likely that we will propose to verify PSCs directly with Companies House] OR [verify using an accountant] OR [verify using an ACSP].

We will however let you know when the system is live and in force and exactly what you will need to do.

If you think you will need to verify your identity, please let us know. In addition to your passport, now to verify your identity online, you will be able to ID verify in a timely manner when required to 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 >>

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