Guidance Note: I

hificant Control

1. Introduction

This guidance note is a b 2016. From this date, UK i keep information about pe as the Register of People v

This note does not intend The Government's guidan and has been specifically designated members of LL

This note is intended as a with the implementation of maintaining and updating t

2. Updates to the PSC Regi

4th Anti-Money Laundering

Changes have been made **2017**. This note has been of the implementation retransparency of corporate register regime has been out in the Information Regulations 2017 (2017 Regulations).

The PSC regime has been most SME businesses, to procedure for changes and PSC updates annually via (within 14 days) with Concentral register of beneficials discussed in more detail 2017.

5th Anti-Money Laundering

On 10th January 2020, Laundering and Terrorist F

5MLD requires that an er entity, for example, credi professionals, trust provid and collect relevant data company, LLP, partnership that came into force on 6th April and LLPs have had to collect and trol over them in a register known

ent's guidance on PSC registers. comprehensive, explains the law id secretaries of companies and here.

y points for our customers dealing on-going commitments related to

y laundering regulations

ch came into effect on **26th June** changes which were made as part 4MLD is designed to increase and as a result of this the PSC gn with it. These changes are set ignificant Control (Amendment)

nd tightened in light of 4MLD. For ve the most effect is the filing ister. This has changed from filing ment to almost immediate filing the 4MLD requirement that the accurate and current" is met. This effect immediately as of 26th June

in the UK through the Money equiations 2019.

der 5MLD (known as an obliged ons, auditors, accountants, legal tc), must carry out due diligence w business relationship with a

1

If as part of this data gath obliged entity finds on the obtains through its own du LLP, that obliged entity is discrepancy.

Note that a beneficial owr PSC. The requirement to I PSC. Discrepancy is al interpretation of the intenti is on clear factual errors at error with the date of birth of a PSC's name.

Discrepancies should be re on a periodic basis is no register as quickly as pos link:

https://www.smartsurvey.co

These changes have wide the PSC entity itself and to complete a picture of PSCs

3. Background to the PS Employment Act 2015 (S

The SBEE completed its company law is concerned

The most significant requi Limited Liability Partnershi that have control over then

The aim of requiring com transparency about the or money laundering and terr more generally.

The broad framework of th was inserted by the SBEE

A PSC register cannot b companies, LLPs, their information) is a criminal imprisonment and/or a fine

This note largely deals wi LLPs, see point 16 below.

4. Who does the PSC regim

The PSC regime applies to

pancy is found between what the r (i.e the public PSC register) and reficial ownership of a company or tell Companies House about this

ot have the same definition as a ompanies Act 2006 definition of a LD, but the UK government's nces to be reported and the focus or example, a missing PSC or an rather than a simple spelling error

nably possible and bulk reporting he Registrar to update the PSC n be reported using the following

cy/

ng to certain third parties beyond changes going forward so that as from various sources.

nall Business, Enterprise and

ment in 2015 and as far as UK many aspects of it.

anies, Societates Europaeae and ster of individuals or legal entities

ep a PSC register is to increase lies so as to tackle tax evasion, to increase trust in UK corporates

of the Companies Act 2006 which 2017 Regulations.

to comply with the regime (by quired to provide the relevant nd guilty facing up to two years

nmary of provisions applicable to



 UK incorporated con companies and comr

- UK Societates Europ
- UK LLPs;
- UK unregistered colling
 Charter or a special of
- Scottish Partnership Scottish Limited Part regime as of 24th July
- companies whose sh is not a regulated Exchange Growth Ma

UK unregistered compani were not initially subject to of 26th June 2017, extende

SPs, SLPs as well as unre market, such as AIM are I advice should be sought in

5. Who is exempt from the

From 26th June 2017, the f

 UK companies wit market or other ma Significant Control Switzerland, USA,

Overseas entities operating not subject to the regime.

6. What are the key feature:

Companies will have to:

- keep a register of the
- take reasonable s register;
- enter the required i
- provide the informa
- continuously monit register when it of specified timescale

Prior to 26th June 2017, covia the CS01 confirmation possibility that an entity's chave been at significant va

¹ Note that following the UK's exit from the EU, alternative arrangements before this date, will a more details.

s or guarantee, including dormant s;

er 2020)¹;

panies incorporated under Royal nt):

tners are corporate bodies) and entities fall within the scope of the

ding on a "prescribed market" that nies listed on AIM or the NEX

se listed on a prescribed market er, the 2017 Regulations have, as nese entities.

companies listed on a prescribed guidance note and specific legal corporate entities if relevant.

from the regime:

d to trading on a EEA regulated e 1 to the Register of People with s includes specified markets in

rough a branch or otherwise, are

rol over them – the PSC register; vho are registrable on the PSC

egister;

ormation on the company's own e information at CH within the Regulations.

ere required to notify CH annually ated PSC changes. This led to the e information notified to CH could best part of a year.

1 January 2021. Any SEs that have not made w UK corporate structures. See GOV.UK for



Consequently, changes we relevant entity:

- who knows or has their PSC information becoming aware of to confirm that chat reasonably practicates
- must within 14 day their own PSC regis
- must within a furt central public regis register.

Forms PSC01 to PSC09 (a to be used to notify CH (improve the accuracy and date both on an individual CH.

Failure to notify CH within

7. Who is a person with sig

A PSC **must** be an individ five conditions (PSC Cond

- directly or indirectly
- directly or indirectly
- directly or indirectly directors of the boa
- otherwise has the is or control; and/or
- holds the rights to control over the act would itself satisfy;

Since individuals can be indirectly, it is important to

8. What is a relevant legal e

Given that a PSC is by de where some or all of its s cases, the company must of company it is both releval legal entities (RLEs).

A legal entity is relevant in Conditions and is registral holds its own PSC register market in the UK or Euro vith effect from **26th June 2017**, a

lieve there has been a change to to its PSC within 14 days of ge has occurred, asking the PSC had to send a notice "as soon as e that the details of any person

being confirmed by a PSC, update

of the change to ensure that the nformation in an entity's own PSC

ns LL PSC01 to LL PSC 09), need expected that these changes will ata and ensure it is always up to r and the central public register at

an offence.

meet one or more of the following npany:

the shares of the company; the voting rights of the company; int or remove the majority of the

ally exercises, significant influence

xercises, significant influence or nich is not a legal entity, but which tions if it were an individual.

where they hold their interests s around indirect ownership.

at does this mean for companies trolled by a legal entity? In these PSC Register, if in relation to the e entities are known as relevant

it meets one or more of the PSC vn transparency obligations, i.e. it admitted to trading on a regulated ther than the UK) or on specified

markets in Switzerland, US

Therefore, where a PSC registrable RLE that is entered to the registrable RLE's Paray exist further up the could not become cluttered some helpful illustrations of RLE is registrable in relate RLE in a company's owner

Therefore, a company's registrable RLEs only or bo

9. Compiling the PSC Regis

A company must take **reas** entity meets the conditior company, and if so, who taken reasonable steps, t details, but failure to take t

The Government's guidan order to identify its PSCs and will depend on each starting point and for each to consider in identifying shareholders' agreement e

A PSC register cannot be steps you must enter this f on your PSC register and k

As stated above, new inforwithin 14 days and filed with

10. Significant influence or d

PSC Conditions 4 & 5 refedoes a company decide when the company decided when

The Government has iss influence and control whic this guidance when consic significant influence or con

The guidance is not exhaustivities which are likely a influence or control. For lawyers, accountants and company are operating with They would not therefore research.

11. Serving of Notices

ugh a registrable RLE, it is the PSC register. One would then look ormation about those PSCs which is way, a company's PSC register Government's guidance provides or is not a PSC as well as when a will usually be only if it is the first

ntain details of individuals only, RLEs.

ine whether any individual or legal egistrable RLE in relation to the le RLE is. It may be that having entify the person or confirm their offence.

company should typically take in list is not definitive or exhaustive ces; however it is a very useful ts the things a company will need its articles of association, any

orking through your reasonable te, the stage you have reached

bn a company's PSC register nin a further 14 days.

ience or control". Therefore, how

on the meaning of significant A company must have regard to meets the condition of exercising

vides principles and examples of ely to constitute having significant harbours for advisers, such as these advisers when advising a eir professionally understood role. company's PSC Register. Every company must take PSCs or RLEs and, if a procedures for doing this. it either knows to be regis. The company may also give cause to believe, knows that as s.790D notices.

There are also proactive r PSCs and RLEs to notify & knows he/she/it has a reg the company.

As the information that a confirmed information, it is the appropriate people be Register. This also applies requiring an amendment to

The Government guidance notices based on the Government guidance user friendly (particularly in may not know why they are

A recipient has one month then give a warning notice that failure to respond may in the company. If the no restrictions notice after a futhe factors that a compainterests and the reasons logistical issues would not period of hospitalisation co

Given the more stringent have to notify CH, it is e central register at CH are a means that no reply has be

12. The Register

The relevant information the 790K of the Companies Ac

For an individual, this inclu

Name
Service Address (if appl
Country/State/Part of Unit Nationality
Date of Birth
Usual residential address
Date first became regist

² For existing companies completing a PSC rec

out whether it has any registrable he legislation sets out detailed ny giving **notice** to anyone whom e cause to believe is registrable. it either knows, or has reasonable egistrable RLE. These are known

thin the legislation on registrable e company themselves if he/she/it have not received a notice from

e on its PSC register must be sends the appropriate notices to can be included within its PSC mation when PSC details change E notices).

tices. We also provide template idditional wording to make it more ntext for a recipient who otherwise

D or 790E notice. A company may does not respond, warning them strictions placed on their interests with, the company may issue a pvernment guidance goes through nen deciding whether to restrict r failing to respond. For example, responding to a notice, but a long

rom 26th June 2017 that entities tity's own PSC register and the the latest information, even if this ys of a response deadline.

PSC register is set out in section

, this date will be 6th April 2016.

Nature of control³ Restrictions in force⁴

For a legal entity, this inclu

Name of legal entity, i.e.

Registered or principal of Legal form of entity agoverned

If applicable, any regis (including details of the number⁵

Date RLE first became r Nature of control⁷

The PSC Register must empty. Even when a con ascertain whether or not it

The Government guidance include within its PSC region any given point. This word filed on the central register

The official wording shou company is entering on its

For example:

"The Company has not there is anyone who is a in relation to the compan

Even if, after having taken no individuals or legal enti PSC register, this fact mus

"The company knows or registrable person or company."

Further note that where ar must note that fact on its F

information and must never be

is

ars

on

d wording that a company **must** of the company's PSC register at then a company's PSC register is

of taking, 'reasonable steps' to

RLE, this fact must be recorded.

ny of the relevant information a be dated.

reasonable steps to find out if registrable relevant legal entity

ompany is confident that there are le conditions to be included in the must say:

se to believe that there is no gal entity in relation to the

ts cease to be true, the company the date on which the statement

egister must identify which of the conditions d. For Conditions 1 & 2 which deal with ompany, percentage holdings are divided into nore than 25% but not more than 50%, (2)

or the disclosure of these particulars to be

register, or overseas (the central public

e recorded will be 6th April 2016. egister must identify which of the conditions ditions 1 & 2 which deal with directly or ercentage holdings are divided into three han 25% but not more than 50%, (2) more

³ There are 5 conditions set out in the legislatio are relevant and include all of these, see above directly or indirectly holding more than 25% of 1 three bands and exact percentages do not nee more than 50% but not more than 75%, or (3) 7 ⁴ If the individual has applied to the registrar of restricted, this must be stated.
⁵ If the RLE is entered on another register in th

⁵ If the RLE is entered on another register in th register of companies in another country), this ⁶ For companies incorporated prior to the regin

⁷ There are 5 conditions set out in the legislatic are relevant and include all of these. The official indirectly holding more than 25% of the shares bands and exact percentages do not need to be than 50% but not more than 75%, or (3) 75% of

ceased to be accurate. Full the company has give been complied with", an requested information, it is reflect the position as follo specified in the notice", t

13. Public and protected info

Companies must keep the register at its registered of Anyone (an individual or or company's register free of make a request to the compare an organisation they responsible for making the seeking the information.

The company must respoil company's reply should in register was last updated.

If the company believes to company wishes to refuse working days of receipt an court will then decide who criminal offence to refuse a

When the company grants available all of the inforr address.

Companies must enter PS register held at CH. Pri Confirmation Statement. Hobligation to update their rwithin another 14 days, se Continuous monitoring of a meet the new and much m

Almost all of the informati register at CH. The only inf

- The PSC's usual reprovided as a secompany's own PS or when a company
- The day of the PS public register at C available for public

All information held by CH

CH will also make residen

Register contains the statement:

790D of the Act that has not eives a late response with all the with a new statement (dated) to en complied with after the time of the formation.

ole. A company can keep its PSC ation provided it has notified CH. purpose) may have access to the of it for an optional fee. They must ame and their address; and if they and address of an individual ation's behalf and their purpose in

five working days of receipt. The prmation, noting the date its PSC

de for a proper purpose and the ny must apply to court within five lying that they have done so. The comply with the request. It is a to court.

register, the company must make from a PSC's usual residential

wn register and the central public this was through their annual 2017, companies are under an receiving notice of a change and CH on forms PSC01 to PSC09. In is therefore essential in order to procedures.

be available on the central publicis:

s a residential address has been usual residential address on a ade available for public inspection d

not being available on the central company's own register must be pany to provide copies of it.

nforcement agencies.

to credit reference agencies and

certain public authorities. I secured PSC information to

Some companies may cho this case all the informatio own register will be availab

In exceptional circumstar relating to PSCs or preve credit reference agencies. serious risk of violence or information in Annex 1 ab their PSCs need protection

14. Companies keeping the i

From 30th June 2016, priv PSC register at CH instead this will need to give notice if no-one objects can a reversible should compani register themselves.

15. Nominee, joint and indire

Companies will need to companies will need to are subject to an Government's guidance puthat companies will need to

16. LLPs

Annex 4 of the Governme applies to LLPs. The requi

A PSC is an individual w relation to an LLP:

- directly or indirectly a winding up;
- directly or indirectly
- directly or indirectly those involved in m
- otherwise has the r or control; and/or
- holds the rights to control over the act would itself satisfy;

As with companies, there influence or control in rel be reviewed in ascertainin agreement that an LLP is li

Also, as with companies, t

H has also been able to disclose nancial institutions.

ion on their own register at CH. In otherwise appear in a company's

for suppressing all information ddresses from being shared with nstances' means where there is a rnment's guidance sets out more to be followed if a company feels

n register at CH

e option to elect to maintain their ice. Companies who choose to do tention to make this election. Only the this election. The election is of time to revert to keeping their

its shares are held by nominees, icluding trust arrangements). The n several common arrangements an entry in their PSC Register.

raddresses the PSC regime as it neorporated LLPs.

ore of the following conditions in

han 25% of the surplus assets on

the voting rights:

ppoint or remove the majority of

ally exercises, significant influence

xercises, significant influence or nich is not a legal entity, but which ions if it were an individual.

is to the meaning of significant st important document that should by conditions are met is the LLP

ormation about an LLP's PSCs or

registrable RLE's, or an umust never be empty. The an LLP must use on its reporting requirements of update their own PSC regis

17. Conclusion

For many companies & LL RLEs should be relatively shareholding structures, the note is intended to give companies (& LLPs) a brid companies (& LLPs) read required. The requirement LLPs are under a significant current status of their PSC.

us, on the LLP's PSC register. It includes the official wording that e also subject to the enhanced the 2017 Regulations, both to notify CH.

s, identifying PSCs and registrable impanies (& LLPs) with complex cantly more time consuming. This taries and administrators of SME ations, however it is essential that dance and seek legal advice as in swill also mean companies and sly monitor and keep on top of the

