

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

<<Date>>

Dear << >>

Economic Crime

The ECCT is part of the Economic Crime and Corporate Transparency Act 2023. It received Royal Assent in March 2023. The ECCT is multifaceted and includes for example, providing new powers for law enforcement and the most significant change will be to the Companies House. Companies House has been given significant extra powers to help it deal with it.

These changes include changes to the powers for Companies House to move and reject information. We are working through these proposed changes that we consider

There is now time to allow for implementing changes to be made

Why are we writing

As a director of a company, you will be directly impacted particularly by the new identity verification regime. We are writing to you now about what the new process once it is in force, including what you will need to do. It will be important to register the appointment of a new director with Companies House, until they have been ID verified. Existing directors will also have to be ID verified under this new regime.

Identity verification

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

There will be different rules for existing directors (and corporate directors) and whilst there is still some time to comply, it will be a serious offence to act as a director unless you have been ID verified. Failing to verify could result in criminal sanctions and civil penalties as well as being removed from acting as a director.

[Company's Letterhead or insert Address]

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

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As a director of a company, you will be directly impacted particularly by the new identity verification regime. We are writing to you now about what the new process once it is in force, including what you will need to do. It will be important to register the appointment of a new director with Companies House, until they have been ID verified. Existing directors will also have to be ID verified under this new regime.

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

There will be different rules for existing directors (and corporate directors) and whilst there is still some time to comply, it will be a serious offence to act as a director unless you have been ID verified. Failing to verify could result in criminal sanctions and civil penalties as well as being removed from acting as a director.

Verification direct

Each director will be required to verify their identity with Companies House that includes a verified identity. This can be done using a legitimate identity document, for example a clear, valid passport or a photograph of the director. The person undergoing verification will take a photograph or scan of their face and a scan of their identity documents. The two will be compared, using likeness matching technology. The verification process will be validated. If successful, you will be notified your identity has been verified. The verification process is expected to be completed in a matter of minutes. Primary ID documents may be verified against government databases as part of the ID checking process.

It is expected that the verification process will be available for individuals without a photograph or ID document.

Verifying through an ACSP

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

ACSPs are independent third parties, such as accountants, agents. They must be authorised by the Financial Conduct Authority (FCA) for the purposes of carrying out customer due diligence checks. They will be required to verify your identity. It is expected that the verification process will be available for individuals without a photograph or ID document. The verification process is expected to be completed in a matter of minutes. Primary ID documents may be verified against government databases as part of the ID checking process.

How we propose to verify your identity

It is likely that you will be required to verify your identity directly with Companies House. This can be done using a legitimate identity document, for example a clear, valid passport or a photograph of the director. The person undergoing verification will take a photograph or scan of their face and a scan of their identity documents. The two will be compared, using likeness matching technology. The verification process will be validated. If successful, you will be notified your identity has been verified. The verification process is expected to be completed in a matter of minutes. Primary ID documents may be verified against government databases as part of the ID checking process.

We will however be able to verify your identity on your behalf using a verification statement made by an ACSP. This can be done using a legitimate identity document, for example a clear, valid passport or a photograph of the director. The person undergoing verification will take a photograph or scan of their face and a scan of their identity documents. The two will be compared, using likeness matching technology. The verification process will be validated. If successful, you will be notified your identity has been verified. The verification process is expected to be completed in a matter of minutes. Primary ID documents may be verified against government databases as part of the ID checking process.

If you think you will be required to verify your identity directly with Companies House, please let us know. In addition, you will be required to verify your identity using a legitimate identity document, for example a clear, valid passport, now to be completed in a matter of minutes. Primary ID documents may be verified against government databases as part of the ID checking process.

Please do not hesitate to contact us if you have any questions.

Yours sincerely,

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

Use:

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Alternative methods available for individuals without a photograph or ID document.

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Accountants, legal advisers, and company formation supervisors are authorised by the Financial Conduct Authority (FCA) for the purposes of carrying out customer due diligence checks. They will be required to verify your identity. ID verification will build on these existing checks. The verification process is expected to be completed in a matter of minutes. Primary ID documents may be verified against government databases as part of the ID checking process.

Verification

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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 expected that the verification process will be available for individuals without a photograph or ID document. The verification process is expected to be completed in a matter of minutes. Primary ID documents may be verified against government databases as part of the ID checking process.

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