Register of People with Significant Control

All companies (except certain listed companies) are required to keep a register of people with significant control (PSC register) and, file relevant information at Companies House. This requirement is in addition to those in respect of existing registers.

The requirement to keep a PSC register has the objective of increasing transparency over control and ownership of UK companies. However, this places additional obligations on companies, their officers and the people with significant control over them.

What are the requirements?

The requirements include:

- taking reasonable steps to find out whether there are people with significant control (PSCs)
- contacting people identified as relevant, or others who may know them, to confirm whether they are a PSC
- obtaining or confirming relevant information to put in the PSC register
- putting information obtained into the PSC register
- keeping the PSC register up to date.

Changes to the information on persons of significant control must be updated on the company's own register within 14 days and notified to Companies House within a further 14 days. Regardless of any changes companies must also confirm, through their annual confirmation statement, that the information about their PSCs, as held on the central register, is correct.

If at any time the company is aware that the information on the PSC register needs to change, but the relevant information has not yet been confirmed, the register must be updated to show the date from which the information was no longer correct and the status of the investigation into the new PSCs.

What is meant by a PSC?

A PSC is defined as an individual that meets on or more of the following conditions:

- holds, directly or indirectly, more than 25% of the shares or voting rights in the company
- holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company
- has the right to exercise, or actually exercises, significant influence or control over the company
- where a trust or firm would satisfy any of the above conditions, any individual that has the right to exercise, or actually exercises, significant influence or control over the activities of that trust or firm.

A company must take reasonable steps to identify its PSCs. Some companies may have no PSCs or find it easy to ascertain who the PSCs are, but others may have to carefully follow all the steps laid out to try to establish if there are any PSCs and, if so, their identity and details.

In some cases a company is owned or controlled by a legal entity, rather than an individual. Details of relevant and registrable legal entities must also be put on the PSC register. An entity that owns or controls a company is relevant if it keeps its own PSC register or has voting shares admitted to trading in certain markets (eg it is listed on the London Stock Exchange).

What information is required to be kept on the register?

The PSC register must be kept, and it cannot be blank! Where, for example, a company is in the process of obtaining information or confirming, a specific statement to that effect is required by law to be made in the PSC register.

New information must be entered on your company's PSC register within 14 days and filed with Companies House within a further 14 days. Failure to comply with these requirements is a criminal offence.

The particulars of a relevant individual that are required to be obtained and confirmed for inclusion in a company's PSC register include:

- their name
- their date of birth
- their nationality
- the country, state (or part of the UK) in which the PSC usually resides

- a service address
- their usual residential address (if different to the service address)
- the date on which the individual became a PSC in relation to the company
- the nature of the PSC's control over the company using the official wording
- any restrictions on disclosing the PSC's information that are in place.

A specific statement is also required in the PSC register if you believe the company has no PSCs.

Information about a PSC must be confirmed before you enter it on the PSC register. Information can be treated as confirmed if the PSC:

- supplied the information or was aware the information was being provided
- has been asked to confirm that the information is correct and has done so
- has previously confirmed the information and there is no reason to believe it has changed.

Do PSCs have any obligations?

There are a number of legal obligations on a PSC. For example, a relevant individual that does not respond to requests for PSC information may be committing a criminal offence. A company is also entitled to apply restrictions to shares or rights in the company held by the individual who is not responding.

Is information held on the PSC register publicly available?

Almost all of the information on the central PSC register is available to the public. The only information that will not be available is the PSC's usual residential address (unless this has been supplied as the service address) and the day of the PSC's date of birth. The PSC register that you keep must be available for public inspection, but you should not provide the usual residential address of any PSC when it is inspected or a copy is requested.

If you choose to keep your PSC register only at Companies House then all of the information that would otherwise appear in the company's PSC register will be available publicly. This means your PSC's full date of birth will appear, but the residential address will still be suppressed.

In exceptional circumstances (where there is a serious risk of violence or intimidation) there is a regime for suppressing all information relating to the PSC from the PSC register and the central register for public inspection or for preventing their residential address being shared with credit rating agencies.

Of course all of the information will be available to law enforcement agencies and Companies House will supply information regarding residential addresses and dates of birth to credit reference agencies and certain public authorities in certain circumstances.

What happens if the company does not comply with the requirements?

Failure to comply with the requirements of the PSC regime could lead to the company or directors, or identified PSCs committing a criminal offence. The company and its directors could face a fine or imprisonment, or both.

In this regard it should be noted that under the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) those in the regulated sector for anti-money laundering purposes, such as accountants or solicitors, have a duty to inspect a company's PSC register and report any discrepancies in beneficial ownership to Companies House.

Is further guidance available?

The Department for Business, Energy & Industrial Strategy has issued a significant amount of additional information in the form of summary, statutory and non-statutory guidance in this area. This guidance contains, for example, further detail of the requirements and processes involved at various stages of keeping the PSC register, official wording for entering on the PSC register and example notices relating to obtaining and confirming PSC information.

The guidance can be obtained from www.gov.uk/government/organisations/companies-house.

How we can help

These requirements may give rise to a complicated set of obligations for you and your company.

If you would like to discuss these requirements in more detail, or require assistance with this or other company secretarial requirements, please contact us.

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