



The Register of Overseas Entities

On 1 August 2022 the Register of Overseas Entities came into force in the UK through the new Economic Crime (Transparency and Enforcement) Act 2022. <https://www.gov.uk/guidance/register-an-overseas-entity>

Under the Act, a new Register of Overseas Entities has been created to be held by Companies House. This new Act forms part of the government's strategy to combat economic crime, while making sure that legitimate businesses continue to see the UK as a great place to invest.

Who must register

Overseas entities who want to buy, sell, transfer or lease property or land in the UK (commercial and residential), must register with Companies House and tell them who their registrable beneficial owners or managing officers are. If there are no beneficial owners, or not all beneficial owners have been identified, information about the overseas entity's managing officers will need to be provided. This is a director, manager or company secretary of the overseas entity.

For England and Wales, 'land' is a freehold property or a leasehold property where the lease is granted for a term of more than 7 years from the date of grant. Scotland and Northern Ireland follow separate criteria.

Any new purchases will need to register with Companies House from 1 August 2022. Disposals of property or land after 28 February 2022 by overseas entities will also need to be reported by 31 January 2023.

The Act will also apply retrospectively to overseas entities who bought property or land on or after the below dates, who need to register by **31 January 2023**:

- 1 January 1999 in England and Wales
- 8 December 2014 in Scotland

Overseas entities only need to register property or land bought in Northern Ireland on or after 1 August 2022.

Failure to comply is a criminal offence and is punishable by daily fines and potentially imprisonment. From 1 February 2023 failure to comply will also result in the overseas entities being unable to buy, sell, or mortgage the property as a result of a restriction put in place at HM Land Registry.

We have extensive experience assisting overseas entities with their UK tax position and reporting obligations in the UK. If you or your client would like support on complying with the new registration process, then please contact us for further information.



After registering and providing all the necessary information to Companies House, the overseas entity will get a unique Overseas Entity ID to be shared with the relevant land registry (depending on where the land is situated in the UK) whenever it buys, sells, transfers, leases or charges land in the UK. The overseas entity will need to update its information every year.

There is a £100 registration fee to Companies House when applying to register an overseas entity and its beneficial owners.

Updating information on the register

Annual updates must be filed by the overseas entity each year by the due date of the anniversary of the date it was registered, to include any changes, or confirm that the information held is still correct. The deadline is 14 days after the due date or earlier if it needs to update any information. There is no annual fee.

Failure to comply

Failure to register could result in fines up to £2,500 per day or a prison sentence of up to 5 years. It would also impact on the ability of unregistered overseas entity to buy, sell, transfer and lease UK land and to create a charge over land.

What is an overseas entity?

An 'overseas entity' is a legal entity, such as a company, partnership or other organisation, that has legal personality and is governed by the law of a non-UK country or territory. The Republic of Ireland is an overseas jurisdiction for the Register of Overseas Entities.

If there is a chain of overseas entities it is necessary to identify the relevant beneficial owner(s) in that chain.

Details of trusts as beneficial owners may be required by overseas entities owned by trustees which hold UK land or property. They would therefore have two reporting obligations, as most UK trusts will have to register on the HMRC Trust Register. Non-UK trusts will have to register on the Trust Register if they have any UK tax liability, own UK land or property or have a UK business relationship. Please contact us if you require assistance.



Beneficial owners

A beneficial owner is any individual or entity that has significant influence or control over the overseas entity. It can be:

- an individual person
- another legal entity, such as a company
- a government or public authority
- a trustee of a trust
- a member of a firm that is not a legal person under its governing law

Individuals and legal entities are beneficial owners which must be registered if they meet one or more of the following conditions:

- holds, directly or indirectly, more than 25% of the shares in the entity
- holds, directly or indirectly, more than 25% of the voting rights in the entity
- holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of the entity
- has the right to exercise, or actually exercise, significant influence or control over the entity
- Where trustees of a trust or members of a partnership, unincorporated association or other entity that is not a legal person under its governing law meet the above listed conditions in their capacity as trustees, etc. and have the right to exercise, or actually exercise, significant influence or control over that trust or entity.

Verification checks

A UK-regulated agent must complete verification checks on all beneficial owners and managing officers of an overseas entity before it can be registered. It will need to provide an agent assurance code and an overseas entity verification checks statement to confirm that it has done this. We have registered for an agent assurance code and can assist with the verification checks.

They must be based in the UK and supervised under the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017. They can be an individual or a corporate entity, such as a financial institution or legal professional.

Verification checks must be completed no more than 3 months before the overseas entity is registered.



What information will be shown on the public register

The majority of the information given to Companies House about overseas entities, beneficial owners and managing officers will be publicly available on the Register of Overseas Entities.

They will not show:

- home addresses
- full dates of birth - only the month and year will be shown
- the agent assurance code
- the date verification checks were completed
- information about trusts, however it may be shared with HMRC
- email addresses

Removing an overseas entity

If an overseas entity is not, or is no longer, a registered owner of land or property in the UK, it can apply to be removed from the Register of Overseas Entities.

The sections of The Economic Crime (Transparency and Enforcement) Act 2022 relating to updates and removal have not yet come into force. This means that updates and removal applications can only be made once this happens.

Next steps

Bourner Bullock are a UK-regulated agent for filing and we can assist you with maintaining the Companies House reporting on an annual basis. If you think you are affected or have any other questions, do call us.

Viraj Mehta

020 7240 5821

Viraj.mehta@bournerbullock.co.uk