

Register of People with Significant Control

From 6 April 2016 broadly all companies (except certain listed companies) are required to keep a register of people with significant control (PSC register) and, from 30 June 2016, 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 been introduced with 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.

From 26 June 2017 some amendments were made to the regulations to require more frequent updating extending the requirements to Scottish Limited Partnerships.

What are the requirements?

A number of amendments have been made to the Companies Act 2006, principally by the Small Business Enterprise and Employment Act 2015.

These amendments introduce a number of additional requirements on companies, effective from 6 April 2016. These new 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.

For companies incorporated prior to 30 June 2016, when the company completes its first Confirmation Statement (the replacement for the annual return), the company's PSC information will also need to be entered. Though the company's own register must be kept up to date, changes are recorded annually at Companies House using the Confirmation Statement.

Where companies have elected to hold their own register on the public record at Companies House instead of in statutory records at their registered office, they must update this information in real time.

What is meant by a PSC?

A PSC is defined as an individual that:

- 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

Register of People with Significant Control

- 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.
- 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 (6 April 2016 for existing companies or 26 June 2017 for those in scope from these dates)
- the nature of the PSC's control over the company
- any restrictions on disclosing the PSC's information that are in place.

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.

What information is required to be kept on the register?

From 6 April 2016, 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

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

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.

Register of People with Significant Control

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 days of dates of birth to credit reference agencies and certain public authorities in certain circumstances.

What happens if the company does not comply with the new 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.

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 changes may give rise to a complicated set of initial and ongoing 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.

Rycroft Glenton is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales. Portland Financial Management is authorised and regulated by the Financial Conduct Authority, FCA firm reference number 114370. Tax treatment depends on the individual circumstances of each client and may be subject to change in future. Please remember the value of investments and the income from them can go down as well as up. You may not get back the full amount you have invested.

NEWCASTLE	MORPETH	ROTHBURY	WHITLEY BAY	PFM
32 Portland Terrace Newcastle upon Tyne Tyne & Wear NE2 1QP	55 Newgate Street Morpeth Northumberland NE61 1AY	Barclays Bank Chambers Rothbury Northumberland NE65 7SS	189 Park View Whitley Bay Tyne & Wear NE26 3RD	29 Portland Terrace Jesmond Newcastle upon Tyne NE2 1QS
Tel: 0191 281 1292 Fax: 0191 212 0075	Tel: 01670 512102 Fax: 01670 510385	Tel: 01669 620360 Fax: 01669 622854	Tel: 0191 252 1849 Fax: 0191 297 1204	Tel: 0191 281 6074 Fax: 0191 281 5396
This material is published for the information of clients. It provides only an overview of the regulations in force at the date of publication, and no action should be taken without consulting the detailed legislation or seeking professional advice. Therefore no responsibility for loss occasioned by any person acting or refraining from action as a result of the material can be accepted by the authors or the firm.				
10/17				