

Summary guide for companies – register of people with significant control

About this guide

1. This guide provides a brief introduction **for companies** to the register of people with significant control (PSC register). It sets out how the requirements apply to some simple company structures, for illustrative purposes only. The full guidance should be consulted for companies with more complex structures.

What is the register of people with significant control?

2. UK companies, Societates Europaeae (SEs) and limited liability partnerships (LLPs) will be required to identify and record the people who own or control their company. Companies, SEs and LLPs will need to keep a PSC register, in addition to existing registers such as the register of directors and register of members (shareholders), and must file the PSC information with the central public register at Companies House. SEs and LLPs will need to refer to the full guidance.
3. The PSC register will help to increase transparency over who owns and controls UK companies and will help inform investors when they are considering investing in a company. It will also support law enforcement agencies in money laundering investigations.

What does a company need to do?

4. An officer of the company is required to:
 - **Identify** the people with significant control (PSCs) over the company and confirm their information (see paragraph 9);
 - **Record** the details of the PSC on the company's own PSC register;
 - **Provide** this information to Companies House as part of the annual Confirmation Statement (formerly the Annual Return); and
 - **Update** the information on the company's own PSC register when it changes, and update the information at Companies House when the next Confirmation Statement is made.

Identifying the PSC:

5. A PSC is an individual who meets one or more of the following conditions:

Condition:		What you need to consider:
(i)	An individual who holds more than 25% of shares in the company.	Review your company's register of members and identify shareholdings of over 25%.
(ii)	An individual who holds more than 25% of voting rights in the company.	Review your company's register of members, articles of association, and identify people with voting rights (often attached to shares) over 25%.
(iii)	An individual who holds the right to appoint or remove the majority of the board of directors of the company.	Look at your company's constitution, including articles of association, and identify whether anyone has this right. If there is only one director and someone has the right to appoint them, then they would meet this condition.
<p>The following conditions apply only in limited circumstances and are explained in Statutory Guidance – available here.</p>		
(iv)	An individual who has the right to exercise, or actually exercises, significant influence or control over the company.	You would consider this where an individual does not meet one of conditions (i) to (iii) but does exercise 'significant influence or control' over the company. The statutory guidance sets out principles and situations where an individual would be a PSC.
(v)	Where a trust or firm would satisfy one of the first four conditions if it were an individual. Any individual holding the right to exercise, or actually exercising, significant influence or control over the activities of that trust or firm .	If one of the above conditions is met by a trust or firm (without legal personality), read the relevant section in the statutory guidance to identify who should be included in the PSC register.

6. Conditions (i) to (iii) might be met directly or indirectly. A condition is met indirectly where an individual holds their rights through, for example, another company. This guide does not include information on what you need to do when rights are held indirectly; see Chapters 2 and 7 of the full guidance for further information.

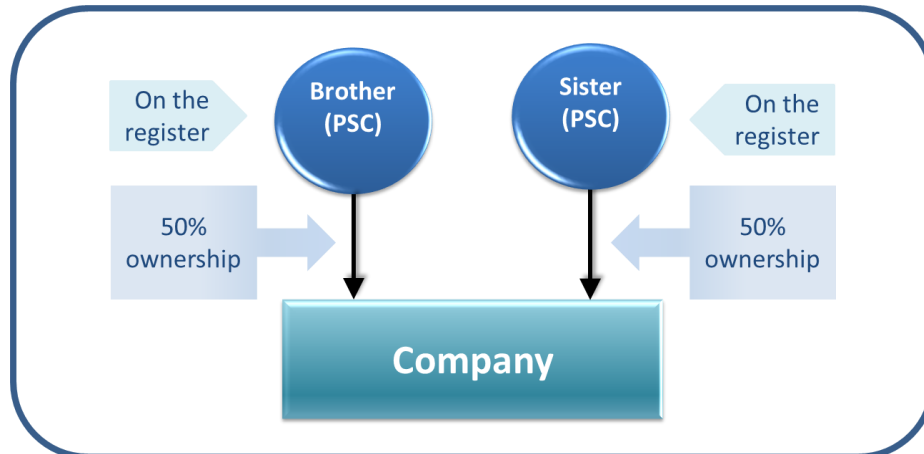
7. These conditions may also be met under a number of less typical circumstances. For example, where there are agreements to vote or exercise rights jointly and the total combined value of the shares or rights exceed 25%. These conditions are explained in more detail in Chapter 7 of the full guidance.
8. Different rules apply where a company is owned or controlled by another entity, such as a parent company, instead of an individual. This guide does not include information on this situation; see Chapter 2 of the full guidance for further information.
9. If you do not immediately know the identity of a PSC, you must take reasonable steps to identify them for the PSC register. Details of what this might involve are set out in Chapter 2 of the full guidance

Example:

A company is owned by a brother and sister. They both have equal ownership and voting rights in the company. This means they each meet:

- Condition 1 – They own more than 25% of the shares; and
- Condition 2 – They hold more than 25% of the voting rights.

Both siblings must be entered on the company's PSC register (see paragraph 10 for information to be recorded on the register).



Information you need to record on the register:

10. Before a PSC can be entered on the register, you must confirm all the details with them. The details you require are:
 - name;
 - date of birth;
 - nationality;
 - country, state or part of the UK where the PSC usually lives;

- service address;
- usual residential address (this must not be disclosed when making your register available for inspection or providing copies of the PSC register);
- the date he or she became a PSC in relation to the company (for existing companies the 6 April 2016 should be used);
- which conditions for being a PSC are met;
 - for conditions (i) and (ii) this must include the level of their shares and voting rights, within the following categories:
 - Over 25% up to (and including) 50%,
 - More than 50% and less than 75%,
 - 75% or more;
 - the company is only required to identify whether a PSC meets condition (iv) if they do not exercise control through one or more of conditions (i) to (iii);
- whether an application has been made for the individual's information to be protected from public disclosure, see Annex 2 of the full guidance for further information.

11. Where it is necessary to enter the details of a company rather than a person, slightly different information is entered on the register, see Chapter 3 of the full guidance.

Making sure you get the information

12. A company is required to take reasonable steps to contact its PSCs and confirm the information for the register. If someone refuses to provide the information they will commit a criminal offence. A company may also approach people who it believes have knowledge of who its PSCs are. Failure to comply is also a criminal offence. It may be necessary to place restrictions on the shares or voting rights of the person or entity withholding information to make sure that they provide it. Where a company is considering this step they should refer to Chapter 8 of the full guidance.

Recording the information:

13. A company's PSC register should contain the information listed in paragraph 10 of this guide for each PSC of the company. However, that may not always be possible. Where for some reason the PSC information cannot be provided other statements will need to be made instead, explaining why the PSC information is not available. **The PSC register can never be blank.** The full list of these statements is available in Annex 3 of the full guidance.

Providing the information to Companies House:

14. Companies will need to provide the information on the PSC register to Companies House as part of the new Confirmation Statement (which replaces the Annual Return process). The central PSC register will be publicly accessible at Companies House.

15. Companies will need to make their own PSC register available for inspection on request at the company's registered office or provide copies on request. When making the PSC register available for inspection or providing copies of it the PSC's usual residential address must not be included.
16. Individuals who may be at risk of violence or intimidation as a result of being on the register can apply to Companies House to have their information protected, see Annex 2 of the full guidance for further information.

Updating the information:

17. Information on the company's own PSC register must be kept up to date.
18. The company must enter updated information on its own PSC register and provide updated information to Companies House as part of the Confirmation Statement, if it has:
 - become aware of a change;
 - the information needed to enter on its own PSC register; and
 - confirmed the information if it relates to an individual who is a PSC and the information has not been provided by the PSC or with their knowledge.

What happens if the requirements are not met?

19. Failure to provide accurate information on the PSC register and failure to comply with notices requiring someone to provide information are criminal offences, and may result in a fine and or a prison sentence of up to two years.