



Annex D: The Register of People with Significant Control Regulations 2015 consultation response form

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is 17/07/2015

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Please tick to indicate what type of organisation you represent or if you are responding as an individual:

<input checked="" type="checkbox"/>	Business representative organisation/trade body
<input type="checkbox"/>	Central government
<input type="checkbox"/>	Charity or social enterprise
<input type="checkbox"/>	Individual
<input type="checkbox"/>	Large business (over 250 staff)
<input type="checkbox"/>	Legal representative
<input type="checkbox"/>	Local Government
<input type="checkbox"/>	Medium business (50 to 250 staff)
<input type="checkbox"/>	Micro business (up to 9 staff)

	Small business (10 to 49 staff)
	Trade union or staff association
	Other (please describe)

Question 1 Do you have any comments on the impact assessments covering the protection regime and the costs of making registers publicly available?

We do not have detail of how the flat fee of £12 per request has been derived. However, we question whether in arriving at this sum, consideration has been given to management time in assessing whether a request has been made for the 'proper purpose'. Such an assessment would not be completed by administrative staff and would require a degree of input from appropriately qualified staff. Accordingly, we would suggest that the proposed flat fee would need to be increased.

Question 2 Do you agree with the proposed exemptions?

Yes

Question 3 Should other companies be exempted, and why?

Yes

Where a parent company is exempt because of its disclosure obligations under DTR5 (or similar obligation in another territory), we would suggest such exemption is extended to its wholly owned subsidiaries. Information of the group-wide ownership is currently available from Companies House as an attachment to the parent company's annual return and, due to recent regulatory changes, will be reported in full in the parent company's annual report.

Question 4 Should an exemption be applied to issuers on any of the regulated markets outside the EEA? If so, which markets and why?

The exemption should be extended to an issuer on any regulated market outside the EEA, which is deemed to be 'equivalent' in terms of Disclosure Obligations as described in revised guidance published in November 2014 by the Joint Money Laundering Steering Group.

Question 5 Are there other entities not included in this list which you believe to be subject to very similar disclosure and transparency rules as DTR5 issuers? If so, please explain with reference to relevant legislation.

Not that we are aware

Question 6 Do you agree with the proposed dual approach for recording the relationship between the PSC and the company, showing which condition or

conditions are met and to what extent? If not, what alternative would you propose?

Yes, subject to the terms of the statutory guidance on the definition of “significant control” for conditions (iv) and (v). There may also be a need for clarification on how the “extent” to which the condition is met can be answered for PSCs that fall within conditions (iii), (iv) and (v).

Question 7 Are the proposed 25% bands for share ownership and voting rights too narrow, too broad or and at the right level? Is there merit in a separate category for 100% control?

The bands are at the right level. We think a separate category for 100% control might help some respondents, but this would be covered by the 75% and above band, so there is no particular requirement.

Question 8 Would it be simpler to require companies to state the exact proportion of shares or voting rights controlled? If so, do you have any views on how the impact might be mitigated for the small percentage of companies whose register would be subject to frequent updating?

Our preference would be to adopt the ‘banded’ approach currently advocated. It would be simple to operate and would avoid the need for frequent updating of records.

Question 9 Do you agree with the proposed approach for requiring companies to note other information on their register? If not, please explain why.

Yes

Question 10 Which fee structure, Option 1 or Option 2, do you prefer and why?

Option 2, as it is simple to operate. However, please note our comments at Question 1.

Question 11 Do you think the level of the fees in the options is correct? If not, please explain why.

Please refer to our comments at Question 1.

Question 12 Do you think the definition of ‘an entry’ in the draft regulations is correct? If not, please explain why.

Yes

Question 13 Is the process for protecting residential addresses from credit reference agencies appropriate and complete?

Yes - it is substantially the same as the current regime for protecting the disclosure of Directors' personal residential addresses. However, we would like confirmation that the registered address of an incorporated entity will be given the same protection (in the case where the incorporated entity is deemed to be the PSC, and not an individual) as there is otherwise a risk that violence or intimidation will be directed at the directors of the incorporated entity.

Question 14 Is the process set out in draft regulations 25-36 appropriate and complete?

Yes

Question 15 Are the grounds for making an application clearly defined? If not, please explain.

Yes. However, we believe that the process should also apply where the PSC is an incorporated entity and registration as a PSC may place the directors of that entity "at serious risk of violence or intimidation", even though the individual directors are not deemed to be the PSCs. There is evidence that, in the past, directors of companies which do business with companies such as Huntington Life Sciences have been targeted by activists. How might the process apply in such a case?

Question 16 Are the transitional arrangements appropriate?

Yes

Question 17 Is the 28 day limit for an individual to cease to be a PSC appropriate? If not, please explain why not.

Yes

Question 18 Is the mandated content of the warning and restrictions notices useful? Are the notices too detailed or are there elements that can be omitted?

Yes

Question 19 Do you agree that capacity to respond should be the only factor a company must take into account in considering reasons for non-compliance? If not, please indicate what other factors a company should take into consideration and in what circumstances this would be appropriate.

Yes – it should be the only factor