

## REGISTER OF PEOPLE WITH SIGNIFICANT CONTROL NOW IN FORCE

On 6 April 2016 new legislation came into force requiring UK private limited companies and limited liability partnerships to keep an additional statutory register. This is the Register of People with Significant Control, also known as the “PSC Register”. It is one of the measures introduced by The Small Business, Enterprise and Employment Act 2015, which aims to make the ownership of UK companies more transparent and to increase trust in the UK as a place to do business.

The PSC Register will be held initially by the company itself. From 30 June 2016 onwards, the information held on the PSC Register will be provided to Companies House when the annual confirmation statement (which will replace the annual return) is filed. In addition, new companies incorporated after 30 June 2016 will need to provide an initial statement of significant control with their application to Companies House to incorporate the company.

Please note also that from 30 June 2016, it will be possible to choose to keep your PSC Register, along with other statutory registers, such as the registers of directors, directors’ residential addresses, secretaries and members on the public record at Companies House.

### WHAT WILL BE RECORDED ON THE PSC REGISTER?

The two main types of entity that may be recorded on the company’s PSC Register are:

1. registrable individuals with 'significant control', or “PSCs”;
2. registrable 'relevant legal entities' (“RLEs”). Broadly speaking, an RLE is a legal entity which would be a PSC if it were an individual and if it meets one of the following conditions:
  - a. it keeps its own PSC Register;
  - b. it is subject to Chapter 5 of the Financial Conduct Authority’s Disclosure and Transparency Rules; or
  - c. it has voting shares admitted to trading on a regulated market in the UK or European Economic Area (other than the UK) or on specified markets in Switzerland, the USA, Japan and Israel.

### WHAT IS “SIGNIFICANT CONTROL”?

The Companies Act 2006 specifies five conditions, at least one of which must be met, for the individual or RLE to be a person with ‘significant control’. In respect of a private limited company, these conditions are as follows:

**Condition 1:** direct or indirect ownership of more than 25% of the shares in the company

**Condition 2:** direct or indirect control of more than 25% of the voting rights in the company

**Condition 3:** a direct or indirect right to appoint or remove a majority of the directors of the company

**Condition 4:** the actual exercise or right to exercise significant influence or control over the company, or

**Condition 5:** the actual exercise or right to exercise significant influence or control over the activities of a trust or firm that is not a legal entity which would itself meet one or more of Conditions 1-4 (or would do so if it were an individual).

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Please contact Neale Andrews or Teresa Stansbury if you would like further information or to instruct us to prepare your PSC Register -

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## WHAT WILL COMPANIES NEED TO DO?

Companies will need to take reasonable steps to identify their PSCs, confirm their information and record their details in the PSC Register. The PSC Register will need to be in place from 6 April 2016, however, if by that date the company has not yet completed the process of identifying their PSCs, or if the company has established that it has no PSCs, this will be stated in the register.

If the company has identified any individual PSCs or any RLEs in respect of their company, then it must obtain and record specific details about them in the PSC register. The nature of each PSC's control, for example the percentage of the shares or voting rights held by them, must also be recorded using official wording.

More information and detailed guidance notes on the new requirements are available on the Companies House [website](#).

## OUR SERVICES:

We offer a service to prepare the PSC Register for your company.

Our charges would start at £250 plus VAT, if your company has a simple ownership structure and it is therefore straightforward to ascertain who is a PSC or a registrable RLE. This would apply where the only PSCs are the shareholders of the company and are identifiable from the company's register of members, meeting condition 1 set out above.

If the situation is more complex, then it may be necessary to carry out further investigations to establish the PSCs for the company and we would be happy to provide a quotation to carry out this work and prepare the register. Additional work may include reviewing the company's articles of association or shareholders' agreements to identify whether anyone holds more than 25% of the voting rights; or reviewing any provisions in the articles of association or other agreements concerning the appointment or removal of directors holding the majority of votes at board level.

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