



Fact Sheet

4 AUGUST 2022

The new register of overseas entities.

As part of their proposals to reduce economic crime, the idea of a register of beneficial owners of overseas entities holding UK land and property, was first announced by the government in 2016. The Economic Crime bill was fast tracked through parliament in March 2022 following the war in Ukraine, when the identity of the beneficial owners of UK land and building assets became a public talking point, as part of the sanctions that were put in place.

Currently where an overseas entity owns UK land and property, it is the name of the overseas entity that is disclosed on the land registry, however no details of the beneficial owners are held.

The **'Register of Overseas Entities (ROE)'** has been setup so the beneficial owners of UK land and property held by overseas entities will now be publicly available.

Who will need to register and what information is provided

The register will apply to any 'overseas entity' holding UK land and property. This will therefore apply to entities who fall under the non-resident landlord regime, any non-UK entity falling under the ATED regime and any other overseas entities holding UK land and property.

Details of the beneficial owners of the overseas entity will need to be provided as part of the registration and this information will need to be verified by a UK-agent. Once Companies House are satisfied they have received all relevant information they will issue an Overseas Entity ID, which the overseas entity will need before buying, selling or transferring property.

See below for further details on each of these areas.



Overseas entity

An overseas entity is a legal entity governed by the law of a country or territory outside the UK. The register does not apply to UK registered entities (England, Wales, Scotland and Northern Island), but will therefore apply to entities registered in the Republic of Ireland, Isle of Man and the Channel Islands.

A legal entity is a body corporate (company), partnership or other entity that is a legal person under the law by which it is governed.

Individuals and Trusts are not legal entities (however the trusts section below refers to situations where details of trusts or trustees may need to be provided in the ROE).

UK land and property

The UK land and property that is relevant is an interest in a UK freehold estate or leasehold estate with a term of more than 7 years.

Key deadlines for registration

From 1 August 2022, new purchasers must register with and obtain an Overseas Entity ID number from Companies House. Although they will be able to register their title with the relevant land registry without an Overseas Entity ID number until 5 September 2022, they will not be able to sell the property without an Overseas Entity ID number. **From 5 September 2022, new purchasers will not be able to apply to register their title with the relevant land registry without an Overseas Entity ID number.**

For sellers, a restriction will be entered on the title register to prevent a property from being sold, transferred, leased or charged without first obtaining an Overseas Entity ID number.

Overseas entities **with existing UK land and property purchased on or after the dates below** need to register with Companies House and tell them who their registrable beneficial owners or managing officers are **by 31 January 2023 (a 6 month transitional period from the go-live date).**

- 1 January 1999 in England and Wales
- 8 December 2014 in Scotland
- 1 August 2022 in Northern Ireland

Overseas entities that **disposed of UK property or land after 28 February 2022** will also need to register and provide details of the disposal, **by 31 January 2023.**

Practical tip for registration

The application is online and times out after 60 minutes and so it is important to gather all relevant information before submitting the application.

Penalties

Where an overseas entity has not registered by the 31 January 2023 deadline, this can be considered to be a **criminal offence with daily fines of up to £2,500 per day and a prison sentence of up to 5 years.** There are also powers to restrict buying, selling, transferring, leasing or charging property or land.

Registrable beneficial owners

A registrable beneficial owner is a holder (directly or indirectly) of more than a 25% beneficial interest in the overseas entity, or someone who is able to exert significant influence over the entity (e.g. has the power to appoint and remove directors).

This can be an individual, company (or other legal entity), government or public authority, trustee of a trust, or member of a partnership.

The 25% interest can be in respect of the entity's shares, voting rights or right to distributions.

The definition of beneficial owner is broadly the same as that used for the Persons of Significant Control for the PSC register of UK incorporated companies.

Managing officers

Where there are no beneficial owners, or they have not all been identified the details of the managing officers need to be provided. A managing officer is the director, manager or company secretary of the overseas entity.

Agent verification checks and assurance codes

The overseas entity will need to collect the information

required for the registration (see information provided section for full list of information required) and provide this to their agent with supporting documentation, so this can be verified.

A UK-regulated agent must carry out verification checks on all beneficial owners and managing officers, no more than 3 months before the overseas entity is registered. They will need to provide an agent assurance code to confirm they have authorisation to carry out verification checks at the time of registering the company.

The firms that can provide these checks are:

- credit institutions
- financial institutions
- auditors, insolvency practitioners, accountants and tax advisers
- legal professionals
- trust or company service providers
- estate agents and letting agents

Overseas Entity ID

After registering the overseas entity will be issued with a unique Overseas Entity ID to give to the land registry when it buys, sells, transfers, leases or charges UK property or land.

Registration fee

A registration fee of £100 applies.

Annual update

The overseas entity must file an annual update one year after it was registered, and every year after that. This will be used to tell Companies House about any changes, or confirm that the information held is still correct. It must be filed no later than 14 days after the due date. An earlier filing can also be made if any information needs to be updated.

Removing an overseas company from the register

The entity can apply to be removed from the register if it is no longer a registered owner of land or property in the UK.

Information provided and what is publically available

Most of the following information given to Companies House about overseas entities, beneficial owners and managing officers will be publicly available on the Register of Overseas Entities, with the exception of that outlined in the final section below which will not be publically available.

Overseas entity information

- Name
- Country formed in
- Registered office and correspondence address
- Email address
- Legal form and governing law
- Any other public register it appears on and its registration number (if it has one)

If the entity has disposed of UK property or land since 28 February 2022, it will also need to provide:

- The deed or title number of the land or property
- The date that the land or property was disposed of
- Details of any additional beneficial owners or managing officers at the time the land or property was disposed of

UK-regulated agent information

- Name
- Correspondence address
- Email address
- Supervisory body

- Anti-Money Laundering (AML) number; if you have one
- Name of the person responsible for verification checks
- When the verification checks were completed
- The agent assurance code

Beneficial owners' information

- Full name
- Date of birth
- Nationality
- Correspondence address and home address
- Date they became a beneficial owner for the overseas entity
- Nature of control
- Whether on the UK Sanction List
- If any beneficial owners have their personal information protected at Companies House.

Managing officer information: individual

- Full name (and former names, if relevant)
- Date of birth
- Nationality
- Correspondence address and home address
- Occupation (this is optional)
- Roles and responsibilities in relation to the entity
- Full name and email address of someone that can be contacted regarding the managing officer

Managing officer information: corporate

- Name
- Registered office address and correspondence address
- Legal form and governing law
- Public register it appears on and its registration number (if relevant)

- Roles and responsibilities in relation to the entity
- Full name and email address of someone that can be contacted regarding the managing officer

Information that will not be publically available

- 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

Trust structures holding UK land & property

Direct ownership of UK property and land by trust

- **If all the trustees are non-UK individuals:** No registration is required under ROE, on the basis that neither the trust nor the individual trustees are overseas entities.
- **Non-UK resident corporate trustee:** Registration under ROE will be required to provide information on the corporate trustee as well as the registrable beneficial owners of that company. No details of the trust are required to be disclosed on the ROE.
- **UK corporate trustee:** No registration under ROE as the UK company is not an overseas entity.
- A non-UK trust holding UK property directly may be required to register under the TRS (Trust Registration Service) either as a taxable trust or one which acquired UK land and property on or after 6 October 2020. All UK trusts will be required to register under the TRS. More information on the TRS is included in a separate technical update on this area. Click **HERE** to view this technical update.

Ownership of UK property and land by an underlying company of a trust

- **Non-UK company:** The company will be required to register under ROE and provide details of the company and its beneficial owners (which will be publically available). As a trustee is a beneficial owner of the company, the following details will be required to be provided for the trust. **This information provided in respect of the trust will not be publically available, but may be shared with HMRC.**
 - Name of trust
 - Date it was created
 - Details of the following beneficial owners – Settlor, current and previous trustees, all beneficiaries, individual or entities with control over the trust, 'interested persons' being those with rights in respect of appointing or removing trustees.
- **UK company:** No registration under ROE as the underlying company is not an overseas entity.

tenants (who have a lease of at least 20 years), so they can be contactable. For RCI the test is similar to that for ROE such that the same people identified as registrable beneficial owners under ROE are likely to also be registrable under the RCI.

However unlike the ROE the RCI does not restrict an overseas entity buying, selling, leasing or borrowing their property. Although penalties of up to £5,000 can apply for non-compliance with the RCI.

BGM can help you identify whether the Register of Overseas Entities (ROE) will apply to your business and the steps you need to take if so.

For further information, please contact David Lucas at davidlucas@bgm.co.uk or your usual BGM advisor.

Scottish register of persons holding a controlled interest in land (RCI)

Overseas entities holding land and property in Scotland will need to register separately for both the ROE (which covers the whole of the UK) and the RCI (which just covers Scotland).

The RCI was launched on 1 April 2022 and provides a 1 year deadline to register (by 1 April 2023). An overseas entity is required to disclose on the RCI who controls or exerts significant influence over the decisions of owners or



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Disclaimer: This information provides an overview of the issues considered and is for general information only. It is not intended to provide advice and should not be relied upon in any specific transaction.