



# BENEFICIAL OWNERSHIP REGISTER FOR OVERSEAS OWNERS OF UK LAND

## MARCH 2022

The situation in the Ukraine has reignited the UK Government's plans to introduce a new beneficial ownership register for all overseas entities holding UK real estate. The plans had been on ice since 2018, but on 28 February the Government published the UK's Economic Crime (Transparency and Enforcement) Bill and it is likely to see swift passage through Parliament.

### Who will the new law apply to?

The new rules will apply to any company or similar entity that is incorporated outside of the UK and broadly apply to any freehold or leasehold property in the UK.

### What do you need to do?

The overseas entity will need to identify the beneficial owners of UK property and register the name and address of the beneficial owners with Companies House.

### What is a registrable beneficial owner?

A registrable beneficial owner of an overseas entity is any individual, legal entity, government or public authority which:

- holds more than 25% of the shares in the overseas entity, either directly or indirectly;
- holds more than 25% of the voting rights in the overseas entity, either directly or indirectly;
- has a right to appoint or remove a majority of the board of directors of the overseas entity;
- exercises, or has the right to exercise, significant influence or control over the overseas entity; or
- if there is a trust, partnership or other unincorporated entity which would meet the above criteria if it were a legal person, then any person who exercises significant influence or control over that trust or entity is a registrable beneficial owner of the overseas entity.

### What information will you need to provide?

#### If the beneficial owner is an individual:

- Name, date of birth & nationality
- Usual residential address

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- A service address
- The date on which the individual became a beneficial owner
- A statement confirming that the entity has complied with its obligations.

#### If the beneficial owner is not an individual:

Where it is not possible to disclose the details of persons with significant control, such as where there are none, or where the entity cannot identify them, then the entity will need to provide information on its managing officers. Managing officer has been defined in the draft legislation as a *director, manager or secretary of an overseas company*.

#### How will this be enforced?

Overseas entities will need to comply with the new law in order for acquisitions of UK land to be registered at the Land Registry and the law will be supported by criminal offences in the event of non-compliance.

Where owners of overseas entities already hold UK land, which they acquired after 1 January 1999, HM Land Registry will enter a restriction on the title which will prevent any dealing with the land until such time as the entity has been registered or is otherwise exempt from registration.

#### Conclusion

In the current environment the proposed legislation is likely to see swift progress through the legislature.

Owners of UK property will be familiar with the obligation to hold and share information about the beneficial ownership of their structures. Going forward you will need to be ready to register quickly, particularly where transactions are planned in the near future.

Collas Crill will provide regular updates as the draft bill makes its way onto the statute book. If you have any queries or need any guidance through the additional registration process please get in touch with one of the key contacts.

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