

Corporate Commercial

PSC Register

April 2016

As a reminder to all directors, secretaries and members and shareholders of limited companies, LLPs, and *societas europaea* (each called a 'company' for the purposes of this article), Part 21A of the Companies Act 2006 is coming into force and introduces the requirement of companies to hold a PSC Register.

From 6th April 2016, companies must take reasonable steps to create a complete and accurate record of certain owners or controllers. This record will be in the form of a PSC Register that will sit alongside the other registers in the company statutory books.

From 30th June 2016, the requirement to submit an Annual Return will be replaced by a "check and confirm" statement at Companies House (that has to be submitted at least once a year) incorporating details of the PSCs in a similar way to directors and shareholders.

A PSC register sets out details for "Persons with Significant Control". These are individuals who meet one or more of the following five conditions:

1. directly or indirectly own or exercise rights over more than 25% of the shares;
2. directly or indirectly hold or exercises more than 25% of the voting rights;
3. directly or indirectly hold the right to appoint or remove the majority of the directors;
4. have the right to exercise, or actually exercises, significant influence or control over a company;
5. have the right to exercise, or actually



exercises significant influence or control over the activities of a trust or firm which is not a legal entity but would satisfy the four conditions above.

PSCs can also be relevant legal entities ("RLE's") in certain situations. This new requirement to determine and detail the identity of PSCs and RLEs has the scope to become quite complex. It is important to note that failure to comply with this new requirement may lead to directors, secretaries, the company and shareholders committing a criminal offence punishable by up to two years imprisonment, and/or a fine being issued.

Therefore it is vital to ensure that your company will be fully compliant with this new piece of legislation.

If you require any assistance or more detailed advice on this matter please contact Jennifer Howard-Dobson by email at:

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