

The Register of Beneficial Ownership of UK Property Is Live:
If You Are an Overseas Entity With an Interest in UK Property,
Time Is Running Out for Registration

EMEA/Global

Earlier this year, we answered many of your [questions](#) around the beneficial ownership of UK property registration requirements provided for by the Economic Crime (Transparency and Enforcement) Act 2022 (Act). Very briefly, this legislation created a new register, the Register of Overseas Entities (ROE), maintained by Companies House, which documents the beneficial ownership of OEs owning or leasing¹ property in the UK.

That register has now been up and running since 1 August. There is every chance that you have already received a [letter from Companies House](#) explaining the importance of registering an OE that holds an interest in UK property, together with details of its beneficial owners. Following registration, OEs will receive an identification number (OE ID), without which an OE will be unable to register an acquisition, sell or charge UK property. The measure is intended to discourage foreign criminals from using UK property to launder money.

For a detailed reminder of the background and FAQs relating to the property implications of the Act, please see [our earlier update](#).

Since then, greater clarity has been given around key dates and the verification process, which are considered below.



Key Dates

1 August 2022

The ROE at Companies House became live. This date also represented the start of a six-month transitional period (ending on 31 January 2023) by the end of which OEs must register beneficial ownership information in relation to qualifying estates (a freehold estate in land, or a leasehold granted for a term of more than seven years) in UK land and property.

This information must be registered in relation to properties/land bought on or after:

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

Following registration, Companies House will issue an OE ID, enabling you to sell or charge existing titles.

A restriction will be entered against the title of a qualifying estate where an OE has been registered as proprietor on or after 1 January 1999. This restriction will provide that after 31 January 2023, no sale, purchase, lease of more than seven years, or charge will be completed by registration without an OE ID.

During the transitional period, OEs may dispose of their property without an OE ID. However, OEs that have disposed of property since 28 February 2022 must register and give details of the disposal, so OEs cannot avoid the requirements by disposing of property before the end of the transitional period.

¹ Where the lease is for a term of more than seven years

Key Dates

5 September 2022	As of this date: <ul style="list-style-type: none">• HM Land Registry has not been able to register an OE as proprietor of a qualifying estate unless that entity is (a) registered with Companies House; or (b) exempt.• An entity is only exempt if there are national security interests or for the purposes of preventing or detecting serious crime. The clear messaging is that exemptions will be few and far between. If you are an OE buying a qualifying estate, or creating a charge, therefore, you will not be able to register title (or register the charge) without an OE ID.
31 January 2023	End of transition period and deadline for registering with Companies House.
1 February 2023	Restrictions against disposal or charge without an OE ID take effect.

Verification

A UK-regulated agent must verify beneficial ownership. The agent can also file the relevant information on behalf of the OE, although once the information has been verified, the OE may file the information if it chooses. It is important that any OE relying on the services of a regulated agent ensures that the agent has an assurance code as evidence that it is authorised to carry out the verification process on the OE's behalf.

If there are no beneficial owners, an OE must still provide information about its managing officers, including directors, managers or company secretary.



Why Register?

On a purely practical level, failure to register will mean that you are unable to sell or charge your UK properties. When buying new property, you will be unable to register your title to the property with the Land Registry (meaning you will not secure full legal ownership). This means that your interest is in equity only, with legal title remaining with the seller. A lender in any finance arrangement will want to be reassured that legalities are observed to ensure their security is protected.

Ownership and finance implications are bad enough. Alongside this, however, failure to comply with the registration requirements could lead to a fine of up to £2,500 per day, or a prison sentence of up to five years.

The financial and criminal sanctions highlight the gravity of failing to comply with the Act.

If you are an OE with concerns about the implications of this new legislation, or if you are experiencing any difficulties identifying a verified agent to assist with your application, please speak to one of our named contacts, below, or your usual contact at the firm.

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