

Transparency of ownership of foreign companies

On 4 March 2016, BIS published a discussion paper on enhancing transparency of beneficial ownership information of foreign companies that buy land or property in England and Wales or enter into public procurement contracts in England.

The government is considering whether foreign companies that wish to buy land or property in England and Wales should be under a similar obligation to UK companies that will from 6 April 2016 have to keep a register of people with significant control or declare that there are no such people (for information on the obligation on UK companies to keep a PSC register, Small Business, Enterprise and Employment Act 2015). If such information is to be obtained, the government is seeking views on the extent of such information and how it should be held, and proposes that one option could be to establish a further register managed by Companies House alongside the PSC register. It is also seeking views on how any new requirements should be enforced, possible sanctions including a daily fine or sanctions linked to the specific activity the foreign company needs to register for.

The government is considering exempting foreign companies incorporated in jurisdictions which already have an accessible central register of beneficial ownership information from providing similar information to a UK foreign company beneficial ownership register. This would avoid duplication with the requirements of Article 30 of the Fourth Money Laundering Directive which requires member states to ensure entities hold adequate, accurate and current beneficial ownership information in a central registry.

The remainder of the discussion paper seeks views on the proposals for obtaining information on the beneficial owners of a foreign company wishing to bid on a contract with the UK government and identifies four possible options to ensure the contracting authority obtains beneficial ownership information from the bidder companies before awarding a public contract.

For further information contact Philip Chapman on p.chapman@wjclaw.co.uk.

14/03/16 Wall James Chappell - Philip Chapman <P.Chapman@wjclaw.co.uk>