

A further aide to crackdown on economic crime and corruption in the property sector?



On 27 December 2023, the government published its open consultation paper – [“Transparency of land ownership involving trusts”](#). The consultation will remain open until 21 February 2024 and seeks views on the ways to improve transparency of trust information and most crucially, who owns land trusts in the UK.

Separate to the consultation paper, the Economic Crime and Corporate Transparency Act 2023 (the 2023 Act) received Royal Assent on 26 October 2023 and although the changes have yet to take effect, government guidance and secondary legislation is expected very shortly. The objective of the act, is to further strengthen powers (in part introduced by ECTEA 2022) of law enforcement agencies; improve transparency over UK companies and enable greater access to information about UK companies and the ownership of property by overseas entities (OE’s).

In our article [Economic Crime \(Transparency and Enforcement\) Act 2022: Ready, steady....go!](#) we discussed the introduction of the Register of Overseas Entities (ROE). We are now fast approaching the first anniversary of the deadline for the registration of all OE’s owning land in the UK (31 January 2023). OE’s need to be alert to their annual updating duties that will attract hefty punitive consequences if overlooked. Companies House will not be sending a reminder notice to registered OE’s.

What changes can we expect from the 2023 act?

The Economic Crime and Corporate Transparency Act 2023 incorporates a number of changes that will affect UK real estate. Part 3 of the act, makes specific amendments to the ROE:



Extending the scope of “registrable beneficial owners” and enhancing information about trusts;

The definition of *registrable beneficial owner* will be expanded under the 2023 Act. Any trustee indirectly owning an interest in the OE and any corporate trustee that is a beneficial owner of the OE will need to be registered in order to achieve greater transparency of UK property ownership and control. Details as to trust(s) and their structures that appear in a chain of ownership (including private trust companies) will need to be provided.

Where an OE holds interest in UK land as a *nominee* for another person, that person will also now be treated as an RBO and the OE will need to provide details of the ultimate beneficial owner.

OE's that were registered as the proprietor of a relevant interest in land between the period 28 February 2022 to 31 January 2023 may need to provide additional details in the next annual update relating to any changes in beneficial ownership and/or structure of the trust(s).

Land information

OE's will be required to disclose to Companies House, a list of all title number of *all qualifying interests* of which it is the registered owner.

Office registration

OE's must now provide details to Companies House of its principal office *only*. Details of the OE's *registered* office will no longer be sufficient.

Managing officers

Managing officers under the age of 16 will need to register contact details of an individual who is at least 16 years old. Whilst there is no specified age limit for a managing officer of an OE, the amendment is in place to enhance monitoring and enforcement purposes.

Anything else?

The registrar may now issue notices to the OE requiring any inconsistencies in information previously submitted to be resolved. Penalties and offences under ECTEA have been beefed up and the consequences of providing a false statement have been further enhanced. New powers introduced by the 2023 Act will also enable an OE to be declassified as an ROE (causing their land interests to become subject to registered restrictions on title) in circumstances where the OE has failed to respond to an information notice from the Registrar.

OE's may now benefit from reviewing the information currently registered with Companies House and assessing their UK property portfolio and corporate structures to properly understand what additional disclosure obligations it may be subject to and separately ensure that their annual updating obligations are met within time.

How we can help

If you would like further advice or information on anything contained in this article, contact our [real estate team](#).



[Alix Lee](#)

Professional Support Lawyer (Legal Director)



[James Ingram](#)

Trainee Solicitor