

UK Register of Overseas Entities – impact on English and Welsh real estate

Interactive guide

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UK Register of Overseas Entities – impact on English and Welsh real estate

Welcome to Dentons' interactive guide to the register of beneficial ownership of overseas entities that own land in the UK (**OE Register**) as introduced by the Economic Crime (Transparency and Enforcement) Act 2022 (**Act**). This interactive guide focusses on the impact of the OE Register on overseas entities that own or deal with land in England and Wales only. As the Act has just received Royal Assent this guide may be updated as further information becomes available. **Click on a topic to find out more.**



5 minute overview

Impact on overseas entities that own land in England and Wales

Impact on overseas entities that acquire land in England and Wales

Impact on those buying from or selling to an overseas entity property in England and Wales

Information required to register overseas entities on OE Register

FAQs

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5 minute overview

1. The Economic Crime (Transparency and Enforcement) Act 2022 provides a statutory framework for the creation of a register of the beneficial ownership of **overseas entities (OEs)** that own land in the UK (**OE Register**). The OE Register will impact all overseas investors into UK real estate (though this guide only considers the position of OEs in relation to English and Welsh real estate). The Act contains other provisions exclusively aimed at tackling “dirty money” which are not considered in this guide.
2. The Act received Royal Assent on 15 March 2022 and the provisions relating to the OE Register will **come into force on a day to be appointed** by the Secretary of State. It is not yet clear when the OE Register will become “live”.
3. The OE Register will only apply to OEs. An OE is (i) a legal entity governed by the law of a country or territory outside the UK; AND (ii) is a body corporate, partnership or other entity that (in each case) is a legal person under the law by which it is governed.
4. The OE Register is intended to be available for **public inspection** and will be set up and **maintained by Companies House**. The OE Register will be similar to the existing requirements for UK companies to maintain a register of persons with significant control. However, there will be differences, particularly around enforcement. Once registered on the OE Register, an OE will be allocated an **overseas entity ID**.
5. The OE Register will record various details about OEs including, most importantly, details of their **registrable beneficial owners**. This is intended to increase transparency around land ownership and help, in relevant cases, to expose “dirty money”.
6. An OE that currently owns a qualifying estate in land in England and Wales which became registered proprietor of the same pursuant to an application to the Land Registry made on or after 1 January 1999 will be under a **legal obligation to register on the OE Register** before the end of the transitional period.
7. The **transitional period** is the period of six months commencing the date that section 3(1) of the Act comes into force.
8. The Land Registry will be obliged to place an OE Restriction against title to all qualifying estates registered to OEs as soon as reasonably practicable and in any event, before the end of the transitional period. However, the **OE Restriction will only come into effect at the end of the transitional period**.

9. A **qualifying estate** can be either a freehold estate or a leasehold estate granted for a term of more than seven years from the date of grant.
10. An **OE Restriction** will be one that restricts transfers, certain leases and charges unless the requirements of the OE Register have been complied with, including compliance with the duty to update (subject to some exceptions).
11. OEs that currently own land in England and Wales must comply with the requirements of the OE Register or dispose of the relevant qualifying estate in land before the end of the transitional period.
12. There are **retrospective provisions**. If the OE makes a **relevant disposition** (being a transfer, grant of a lease for more than seven years or grant of a legal charge) of a qualifying estate at any time **on or after 28 February 2022** but before the end of the transitional period, it will be required to disclose information about itself and the relevant disposition(s) to the Registrar by the end of the transitional period irrespective of whether it will be under an obligation to register on the OE Register and irrespective of whether it still owns a relevant interest in land in the UK.
13. OEs will be under a **legal obligation to update** the information held in the OE register at least once every 12 months. Failure to comply with the duty to update will mean that the OE will not be considered registered on the OE Register. An OE will only be removed from the OE Register (and thereby relieved from the duty to update) if it makes a successful application for removal – it will only be successful if the OE no longer owns any relevant interest in UK land.
14. Compliance with the OE Register (including the duty to update) will be a **pre-requisite to OEs applying to the Land Registry** to become registered proprietor of any qualifying estate. This is significant as legal title only passes to a purchaser upon registration of the transaction at the Land Registry. Once registered, title to that qualifying estate will be subject to an OE Restriction (it is unclear when such restriction will take effect - we assume it will be from the end of the transitional period).
15. OEs that have acquired a qualifying estate and become **entitled to be registered at the Land Registry** as proprietor of the same on or after the relevant provisions come into force will be subject to restrictions equivalent to an OE Restriction during such period as their ownership remains unregistered at the Land Registry.
16. Generally non-compliance with the duties imposed by the OE Register and/or the associated restrictions on land dealings will amount to a **criminal offence**. Specifically, it will be an **offence for an OE to make a registrable disposition of a qualifying estate in breach of an OE Restriction** (or the equivalent restriction noted in paragraph 15 above) though this will not affect the validity of the underlying disposition. Penalties can include fines (including **daily default rate fines of up to £2,500 a day**) and custodial sentences (of up to **five years in prison**).
17. The Act contains various exceptions – these are beyond the scope of this guide.

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Criteria for
registrable
beneficial owners

Impact on overseas entities that own land in England and Wales

If an **overseas entity** (OE) owns a **qualifying estate** (i.e. either a freehold or a leasehold estate granted for a term of more than seven years from the date of grant) in land in England and Wales, it will be subject to the following obligations and restrictions arising from the OE Register:

1. During transitional period

If the OE became registered proprietor of the qualifying estate pursuant to an application to the Land Registry made on or after 1 January 1999:

- the OE will be under a legal obligation to register on the OE Register by the end of the **transitional period** (or qualify for exemption); AND
- the Secretary of State can, by notice, require the OE to apply to register on the OE Register.

If the OE makes a transfer, grants a lease for more than seven years or grants a legal charge out of a qualifying estate at any time **on or after 28 February 2022** but before the end of the **transitional period** it will be required to disclose information about itself and the relevant dispositions to the Registrar by the end of the **transitional period** irrespective of whether it will be under an obligation to register on the OE Register at the end of that period.

The Land Registrar will be under a duty to place an **OE Restriction** against all titles to qualifying estates registered to OEs as soon as reasonably possible and in any event before the end of the **transitional period**. The restriction will not take effect until the end of the **transitional period**.

2. During remaining period of the OE's ownership

The OE will be under a duty to update the OE Register at least once every 12 months.

The **OE Restriction** will take effect and restrict the OE's ability to transfer, let (for a term of more than seven years) or charge the qualifying estate unless it has registered on the OE Register and complied with the duty to update (some exceptions apply). Equivalent restrictions apply where the OE is entitled to be registered as proprietor of a qualifying estate but has not made a Land Registry application to register itself.

The OE must not make a registrable disposition of a qualifying estate in breach of an **OE Restriction** (or equivalent restriction, if the OE has not registered at the Land Registry).

3. After disposal of the qualifying estate by the OE

The OE remains under a duty to update the OE Register at least once every 12 months until such time as the OE successfully applies to be removed from the OE Register.

An application to remove an OE from the OE Register will only be successful if the OE no longer holds any relevant interests in UK land.

Transitional period means the period of six months beginning on the day section 3(1) of the Act comes fully into force.

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What is an OE Restriction?

Impact on overseas entities that acquire land in England and Wales

★ Breach amounts to a criminal offence

If an **overseas entity** (OE) acquires a **qualifying estate** (i.e. either a freehold or a leasehold estate granted for a term of more than seven years from the date of grant) in land in England and Wales after the relevant provisions come into force, it will be subject to the following obligations and restrictions arising from the OE Register:

1. When applying to register the acquisition at the Land Registry

Any application by the OE to register its acquisition at the Land Registry will be rejected unless the OE is registered on the OE Register (or can prove exempt status) at the time of the application.

For as long as the OE is entitled to be registered as proprietor of a qualifying estate but has not made a Land Registry application to register itself, it will be subject to restrictions equivalent to an **OE Restriction**.

The OE must not make a registrable disposition of a qualifying estate in breach of the restrictions on disposal noted above. ★

2. From completion of LR registration throughout remaining period of the OE's ownership

The Land Registry will place an **OE Restriction** against the OE's title to the qualifying estate. This will restrict the OE's ability to transfer, let (for a term of more than seven years) or charge the qualifying estate unless it has registered on the OE Register and complied with the duty to update (some exceptions apply). Where the OE becomes registered proprietor of a qualifying estate during the **transitional period**, it is unclear whether the OE Restriction will only take effect from the end of that period.

The OE will be under a duty to update the OE Register at least once every 12 months. ★

The OE must not make a registrable disposition of a qualifying estate in breach of an **OE Restriction**. ★

The Secretary of State can, by notice, require the OE to register on the OE Register.* ★

3. After disposal of the qualifying estate by the OE

The OE remains under a duty to update the OE Register at least once every 12 months until such time as the OE successfully applies to be removed from the OE Register. ★

An application to remove an OE from the OE Register will only be successful if the OE no longer holds any relevant interests in UK land.

Transitional period means the period of six months beginning on the day section 3(1) of the Act comes fully into force.

* This is unlikely to apply as an OE would need to prove it has registered on the OE before the Land Registry application to register it as registered proprietor could be accepted.

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What is an OE Restriction?

What is an OE Restriction?

An **OE Restriction** is a restriction placed against the Land Registry title to a **qualifying estate** (i.e. a freehold or a leasehold granted for a term of more than seven years from the date of grant) in land in England and Wales for which the registered proprietor is an **overseas entity** (OE). Once in effect, it will prohibit registration of certain dispositions by the OE. As dispositions do not take effect at law (as opposed to in equity) unless they are registered, this will incentivise all parties to ensure that the relevant OE fully complies with its obligations relating to the OE Register.

OE RESTRICTION

PROHIBITING REGISTRATION OF ...

TRANSFERS

GRANT OF LEASE

For a term of more than seven years from the date of the grant

GRANT OF LEGAL CHARGE

UNLESS

OE has registered with the OE Register and complied with the duty to update, or is an exempt OE at the time of the disposition

The disposition is made in pursuance of a statutory obligation or court order, or occurs by operation of law

The disposition is made in pursuance of a contract made before the restriction is entered in the register

The disposition is made in the exercise of a power of sale or leasing conferred on the proprietor of a registered charge or a receiver appointed by such proprietor

The Secretary of State gives consent pursuant to the relevant statutory provisions

The disposition is made by a specified insolvency practitioner in specified circumstances (to be set out in regulations)

★ An OE will be committing an offence if it makes a registrable disposition in breach of an OE Restriction (ignoring the possibility of SoS consent to the same). Breach does not affect the validity of the disposition.

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Impact on those buying from or selling to an overseas entity land in England and Wales

Buying from an overseas entity

Selling to an overseas entity

Where contracts have already been exchanged

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Impact on those buying land in England and Wales from an overseas entity

Qualifying estate means a freehold or a leasehold granted for a term of more than seven years from grant.

The key risks relate to non-compliance with an **OE Restriction** where the OE makes a transfer, grants a lease for more than seven years or grants a legal charge out of a **qualifying estate**. However, given the reputational angle, buyers should still be mindful of the **OE Register** obligations whenever they are acquiring any interest in land from an OE even if not caught by an **OE Restriction**.

KEY RISKS

An OE will be committing an offence if it makes a registrable disposition of a **qualifying estate** in breach of an **OE Restriction** (or equivalent restrictions if the OE is not registered at the Land Registry). The buyer will want to avoid being legally obligated to complete an acquisition that would facilitate any such breach, even though breach does not affect the validity of the underlying transaction.

The buyer will be unable to secure legal title to the acquired interest UNLESS the selling OE complies with any applicable **OE Restriction** in full (or equivalent restrictions if the OE is not registered at the Land Registry) at the time of the disposition.

There could be reputational risks to buyers acquiring land from non-compliant OEs.

TOP TIPS

At the very start of the transaction the buyer should establish:

- the status of the OE (registered/exempt/non-compliant);
- if non-compliant, what steps will the OE be taking to become compliant (and when);
- whether the OE's status is at risk of change during the course of the transaction (e.g. because the duty to update will arise); and
- whether an OE Restriction (or equivalent if the OE is not registered at the Land Registry) will apply.

The transactional timetable needs to take account of the potential delays that could arise if the OE needs to register on the OE Register or comply with the duty to update.

The buyer may want to seek contractual commitments from the selling OE that:

- it is compliant with its OE Register obligations at the time of the contract; and
- it will continue to be compliant with its OE Register obligations up to and including actual completion.

The buyer will want to see evidence of compliance.

Those contractual commitments may need to be backed by indemnities and the option to postpone completion (or even the option to terminate) in the event of default.

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What is an OE Restriction?

Impact on those selling land in England and Wales to an overseas entity

While the main risk arises where a party is selling a **qualifying estate** (i.e. a freehold or a leasehold granted for a term of more than seven years from grant) to an **overseas entity** (OE), given the reputational risks, sellers may want to be mindful of the **OE Register** obligations whenever they are selling any interest in land to an OE.

KEY RISKS

The OE will be unable to apply to the Land Registry to register its acquisition of a qualifying estate unless it complies with the OE Register obligations and can show that it is compliant (or exempt) as at the date of its Land Registry application. As legal title will not pass to the OE purchaser unless and until the Land Registry application is complete, the seller is at risk of retaining an interest in the land (and liability as legal owner) until such time as the OE does comply with its OE Register obligations.

There could be reputational risks to sellers disposing of land to non-compliant OEs.

TOP TIPS

At the very start of the transaction the seller should establish:

- the status of the OE (registered/exempt/non-compliant);
- if non-compliant, what steps will the OE be taking to become compliant (and when); and
- whether the OE's status is at risk of change during the course of the transaction (e.g. because the duty to update will arise) including at the point the OE applies to register the disposition at the Land Registry.

The transactional timetable needs to take account of the potential delays that could arise if the OE needs to register on the OE Register or comply with the duty to update.

The seller may want to seek contractual commitments from the buying OE that:

- it is compliant with its OE Register obligations at the time of the contract; and
- it will continue to be compliant with its OE Register obligations up to and including the date it successfully applies to be registered proprietor at the Land Registry.

The seller will want to see evidence of compliance.

Those contractual commitments may need to be backed by indemnities and the option to postpone completion (or even the option to terminate) in the event of default.

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What is an OE
Restriction?

Where contracts have already been exchanged

Transitional period means the period of six months beginning on the day section 3(1) of the Act comes fully into force.

Qualifying estate means a freehold or a leasehold granted for a term of more than seven years from grant.

Where contracts have already been exchanged, the parties will be legally committed to a course of action that could require compliance with the OE Register. Of particular concern are transactions involving:

- an OE that owns a **qualifying estate** making a transfer, grant of a lease for more than seven years or grant of a legal charge; and/or
- an OE acquiring a **qualifying estate**.

The parties should consider how the **OE Register** obligations could impact the transaction and whether any amendment or supplemental agreement is needed to address the registration requirements.

KEY RISKS

The risks identified in this guide for:

- acquiring from an OE (if applicable); and/or
- selling to an OE (if applicable).

The contract, as drafted, will not take into account the OE Register obligations. This gives rise to a number of risks including:

- the timetable set out in the contract may no longer be achievable (e.g. because the OE needs to register on the OE Register before completion); and/or
- completing the transaction without ensuring compliance with the OE Register could give rise to a criminal offence e.g. if it would be in breach of an **OE Restriction**.

TOP TIPS

The top tips identified in this guide for:

- acquiring from an OE (if applicable); and/or
- selling to an OE (if applicable).

Consider whether the transaction will complete before the obligations under the Act relating to the OE Register come into force. Note that OEs that already own land in England and Wales have a **transitional period** within which to comply. During that period they are free to dispose of their interest without being subject to an **OE Restriction** but they will be under an obligation to disclose information relating to **relevant dispositions** made on or after 28 February 2022, by the end of the **transitional period** and failure to comply will amount to an offence.

If, at the time of completion, the OE's interest in land is subject to an **OE Restriction**, consider whether any of the exceptions will apply. There is an exception for contracts made before entry of the **OE Restriction**.

Consider varying the contract to take account of the OE Register obligations. This is likely to be in all parties' interests given the criminal liability that could arise from breach. Parties should also take into account the likely impact of compliance on the transaction timetable.

If the OE party is going to need to register on the OE Register, it should start collating all the information needed for that application NOW ready to submit at the earliest opportunity.

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What is an OE
Restriction?

Meaning of
relevant
disposition

Information required to register an OE on OE Register

APPLICATION TO COMPANIES HOUSE REGISTRAR TO REGISTER AN OE ON THE OE REGISTER MUST INCLUDE:

- Documents delivered to the Registrar must be provided in English.
- The Secretary of State is to set out in regulations the requirements for verifying information sent in support of an application (including in compliance with a subsequent duty to update)
- The Secretary of State may by regulations make further provisions as to what is required.

If application is made before the end of the transitional period, one of the following statements:

Statement that the OE has complied with its duty to take steps to identify registrable beneficial owners

Anything required by regulations to verify the registrable beneficial owners and managing officers

Name and contact details of an individual who may be contacted about the application

One of the following statements accompanied by the relevant required information.

OE has not made any **relevant dispositions** during the period of 28 February 2022 until the making of the application.

OE has made a **relevant dispositions** during the period of 28 February 2022 until the making of the application.

Must provide required information and additional statements about the relevant disposition. **Click for more information.**

- OE has identified one or more registrable beneficial owners and that it has no reasonable cause to believe there are others; and
- OE is able to provide the required information about each registrable beneficial owner it has identified.

OE has no reasonable cause to believe that it has any registrable beneficial owners

- OE has reasonable cause to believe that there is at least one registrable beneficial owner that it has not identified;
- OE is not able to provide the required information about one or more of the registrable beneficial owners it has identified; or
- Both the above bullet points apply.

Must provide required information for OE – **click for more information**

Must provide required information about each registrable beneficial owner identified. Additional information will be required if a trustee is identified. **Click for more information**

Must provide required information about each registrable beneficial owner identified or so much of that information as it has been able to obtain. Additional information will be required if a trustee is identified. **Click for more information**

Transitional period means the period of six months beginning on the day section 3(1) of the Act comes fully into force.

[CLICK HERE FOR SOME TOP TIPS](#)

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Criteria for registrable beneficial owner

Meaning of relevant disposition

Must provide required information about each managing officer of the OE. **Click for more information.**

Top tips

OEs should identify as early as possible any **registrable beneficial owners** and begin collating the required information ready to make an application as soon as possible.

OEs and their agents must take care about the accuracy of the information they provide to the Registrar. It is an offence for a person, without reasonable excuse, to deliver (or cause to be delivered) any document that is misleading, false or deceptive in a material particular or to make to the Registrar any statement that is misleading, false or deceptive in a material particular.

Where an OE has a corporate registered agent, they should be able to assist with the registration process.

Once registered OEs will be under a duty to update the OE Register every 12 months (failure to comply amounts to an offence and during the period of default the OE will be considered unregistered) and so OEs should ensure that they keep good records and diarise sufficient time to collate the required information.

OEs acquiring land in the UK may want to consider and discuss with their corporate and tax advisers whether, taking into account all considerations (including tax and the OE Register obligations), it would be advantageous (e.g. from a timing or regulatory perspective) to use a UK incorporated vehicle to hold its UK land interests. While UK corporates are required to comply with the register of persons with significant control, that regime does not currently include equivalent restrictions on UK land dealings to those relating to the OE Register.

The application to register an OE on the OE Register should be built into the process and timetable for establishing or preparing an OE ready for investment into UK real estate.

OEs should be mindful of the retrospective provisions in the Act. If the OE has made a transfer, granted a lease for more than seven years or granted a legal charge out of the qualifying estate on or after 28 February 2022 but before the end of the **transitional period** it will be under an obligation to submit certain information to the Registrar before the end of the **transitional period**, irrespective of whether the OE needs to register on the OE Register. [Click here for more information](#) as to what must be provided.

OE's must take reasonable steps to identify any **registrable beneficial owners** and to obtain the required information about them. At a minimum, an OE must serve information notices on any person it knows or has reasonable cause to believe is a registrable beneficial owner.

An OE does not have to have an existing interest in UK land to make the application so the application can, and should, be done in advance of a land acquisition.

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**Criteria for registrable
beneficial owner**

Transitional period means the period of six months beginning on the day section 3(1) of the Act comes fully into force.

Required information for an overseas entity

- Name
- Country of incorporation or formation
- Registered or principal office
- A service address
- An email address
- The legal form of the entity and the law by which it is governed
- Any public register in which it is entered and, if applicable, its registration number in that register

- Documents delivered to the Registrar must be provided in English.
- The Secretary of State is to set out in regulations the requirements for verifying information sent in support of an application (including in compliance with a subsequent duty to update)
- The Secretary of State may by regulations make further provisions as to what is required.

Public register means a register kept by a government or public authority in the country in which the OE was incorporated or formed

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Required information for registrable beneficial owners

IF AN INDIVIDUAL

- Name, date of birth and nationality
- Usual residential address
- A service address
- The date on which the individual became a registrable beneficial owner in relation to the OE
- Which condition in para.6 of Schedule 2 of the Act it meets to constitute a registrable beneficial owner and a statement as to why that condition is met.
- Whether the individual meets the condition by virtue of being a trustee
- Whether the individual is a **designated person**.

OTHER LEGAL ENTITIES

- Name
- Registered or principal office
- A service address
- The legal form of the entity and the law by which it is governed
- Any public register in which it is entered and, if applicable, its registration number in that register
- The date on which it became a registrable beneficial owner in relation to the OE
- Which condition in para.6 of Schedule 2 of the Act it meets to constitute a registrable beneficial owner and a statement as to why that condition is met
- Whether the entity meets that condition by virtue of being a trustee
- Whether the entity is a **designated person**.

IF A GOVERNMENT OR PUBLIC AUTHORITY

- Name
- Principal office
- A service address
- Its legal form and the law by which it is governed
- The date on which it became a registrable beneficial owner in relation to the OE
- Which condition in para.6 of Schedule 2 of the Act it meets to constitute a registrable beneficial owner and a statement as to why that condition is met
- Whether the entity is a **designated person**.

Designated person means a designated person within the meaning of section 9(2) of the Sanctions and Anti-Money Laundering Act 2018 where that information is publicly available.

Public register means a register kept by a government or public authority in the country in which the OE was incorporated or formed

Trust includes arrangements, under the law of a country or territory outside the UK, that are of a similar character to a trust.

- Documents delivered to the Registrar must be provided in English.
- The Secretary of State is to set out in regulations the requirements for verifying information sent in support of an application (including in compliance with a subsequent duty to update)
- The Secretary of State may by regulations make further provisions as to what is required.

PLUS IF REGISTRABLE BENEFICIAL OWNER IS A TRUSTEE

- The name of the trust or, if it does not have a name, a description by which it may be identified.
 - The date on which the trust was created.
 - In relation to each person who has at any time been a registrable beneficial owner in relation to the OE by virtue of being a trustee of the trust:
 - The person's name
 - The date on which the person became a registrable beneficial owner in that capacity; and
 - If relevant, the date on which the person ceased to be a registrable beneficial owner in that capacity.
 - In relation to each beneficiary under the trust and separately for each settlor / grantor of the trust and separately for each interested person, the following information:
 - (If an individual) their name, date of birth, nationality, usual residential address and a service address; or
 - (If an "other legal entity") name, registered or principal office, a service address, the legal form of the entity and the law by which it is governed and any public register in which it is entered and if applicable its registration number in that register.

An interested person is any person who under the trust has rights in respect of the appointment or removal of trustees or the exercise of the trustees of their functions.
 - In respect of each interested person, the date on which the person became an interested person.
- AND
- A statement as to whether the entity has any reasonable cause to believe that there is required information about the trust that it has not been able to obtain.

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Criteria for registrable
beneficial owner

Required information for managing officers

IF AN INDIVIDUAL

- Name, date of birth and nationality
- Any former name (unless exception applies)
- Usual residential address
- A service address (which may be stated as the entity's registered or principal office)
- Business occupation (if any)
- Description of the officer's roles and responsibilities in relation to the entity

IF A PERSON OTHER THAN AN INDIVIDUAL

- Name
- Registered or principal office
- A service address
- The legal form of the entity and the law by which it is governed
- Any public register in which it is entered and, if applicable, its registration number in that register
- Description of the officer's roles and responsibilities in relation to the entity
- The name and contact details of an individual who may be contacted about the managing officer

- Documents delivered to the Registrar must be provided in English.
- The Secretary of State is to set out in regulations the requirements for verifying information sent in support of an application (including in compliance with a subsequent duty to update)
- The Secretary of State may by regulations make further provisions as to what is required.

Managing officer in relation to an OE includes a director, manager or secretary.

Public register means a register kept by a government or public authority in the country in which the OE was incorporated or formed

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Relevant dispositions and required information/additional statements

REQUIRED INFORMATION AND ADDITIONAL STATEMENTS

- The date of the disposition
- The registered title number of the qualifying estate
- In relation to each such disposition the following expressed by reference to the state of affairs immediately before the making of that disposition
 - one of the relevant statements and all required information (see flow chart opposite);
 - a statement that the entity has complied with section 12 (duty to take steps to identify registrable beneficial owners etc.); and
 - anything required by regulations made under section 16 (verification of registrable beneficial owners and managing officers) to be delivered to the Registrar
- A statement that all of the information required above has been included in the application OR (if the OE is not required to register on the OE Register but is obliged to provide information pursuant to section 42) the name and contact details of an individual who may be contacted.

Relevant disposition means one of the following registrable dispositions of a qualifying estate (i.e. a freehold or leasehold granted for a term of more than 7 years from the date of grant) made by an OE:

- a transfer;
- the grant of a lease for a term of more than seven years from grant; or
- the grant of a legal charge

OTHER THAN

- a disposition made in pursuance of a statutory obligation or court order, or occurring by operation of law; or
- a disposition made by a specified insolvency practitioner in specified circumstances (to be set out in regulations)

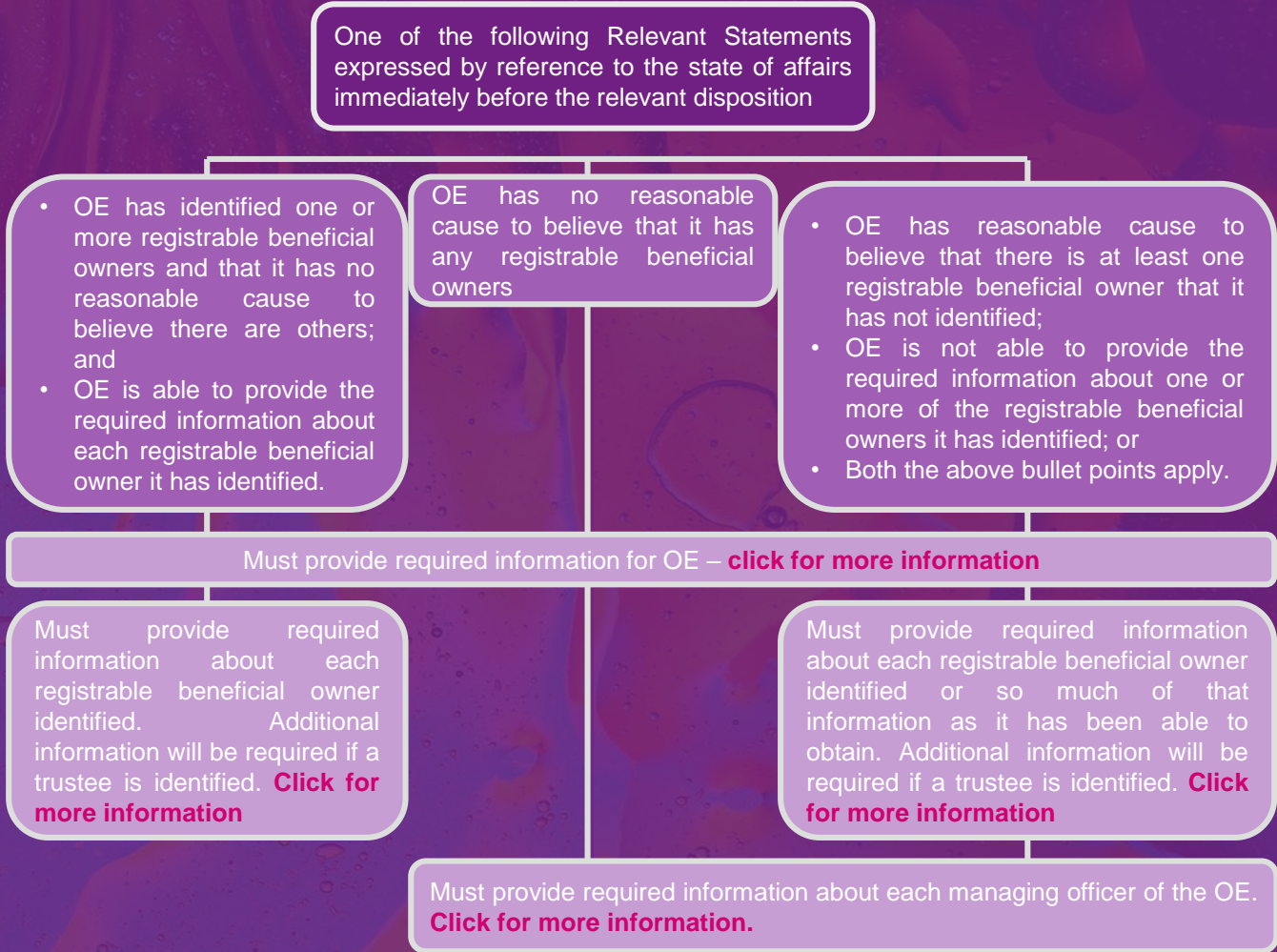
To be a relevant disposition it must have been made during the period:

- beginning 28 February 2022; and
- ending with the making of the application to register on the OE Register

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- Documents delivered to the Registrar must be provided in English.
- The Secretary of State is to set out in regulations the requirements for verifying information sent in support of an application (including in compliance with a subsequent duty to update)
- The Secretary of State may by regulations make further provisions as to what is required.



Criteria to qualify as a registrable beneficial owner

★ Breach amounts to a criminal offence

The OE Register will record details of the **registrable beneficial owners** (X) of the relevant overseas entity (Y).

Type of beneficial owner (X)

Requirements for X to qualify as registrable beneficial owner of Y

Individual

Provided they are not exempt from being registered – see Part 4, Sch. 2 of the Act

Legal entity

Provided they are not exempt from being registered – see Part 4, Sch. 2 of the Act

Provided it is subject to its own disclosure requirements – see Part 3, Sch. 2 of the Act

Government or public authority

They are a registrable beneficial owner if they meet **one or more** of the following conditions:

1. X holds, directly or indirectly, more than 25% of the shares in Y.
2. X holds, directly or indirectly, more than 25% of the voting rights in Y.
3. X holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of Y.
4. X has the right to exercise, or actually exercises, significant influence or control over Y.
5.
 - The trustees of a trust, or the members of a partnership, unincorporated association or other entity, that is not a legal person under the law by which it is governed meet any of the conditions specified above (in their capacity as such) in relation to Y; AND
 - X has the right to exercise, or actually exercises, significant influence or control over the activities of that trust or entity.

Note the interpretative provisions in Part 5, Sch. 2 of the Act.

The OE must take reasonable steps to identify registrable beneficial owners and obtain required information about them

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Some FAQs

If an OE has no connections to any country or person subject to sanctions, does it still need to register on the OE Register?

Yes. All OEs that own relevant land in the UK **MUST** register on the OE Register. The OE Register is not restricted to entities connected to people and/or countries subject to sanctions.

Would a Jersey or Isle of Man legal entity need to comply with the OE Register?

Yes. Any overseas entity that is governed by a law or country outside the UK, unless exempt, will need to comply with the OE Register if it owns or acquires land in the UK.

How long will it take to register an OE on the OE Register?

It is not clear how long it will take. If registration is likely to be an issue, the relevant party should gather all required information together ready to make an application as soon as possible. The possibility of delays arising from the registration process should be factored into transaction timetables.

Can an OE avoid all disclosure requirements by setting up a UK company (for which the OE is beneficial owner) and then use that company to acquire English/Welsh real estate?

No. UK incorporated companies must comply with the register of persons with significant control (PSC) and so are also subject to disclosure requirements. However, OEs may want to consider whether there could be any advantage to using a UK company and falling under the PSC regime rather than owning English/Welsh real estate directly and being required to comply with the OE Register. The OE would need to discuss this with its advisers taking into account all elements including tax and timings.

Can an OE that currently owns a qualifying estate in land in England and Wales, escape obligations relating to the OE Register by disposing of all its interests by the end of the transitional period?

Under the retrospective provisions, certain dispositions made by an OE on or after 28 February 2022 will still need to be disclosed (along with information about the OE) to the Registrar at the end of the transitional period even if the OE is not required to register on the OE Register and holds no remaining interest in UK land. There may be a small exception for OEs who became registered proprietor of the relevant qualifying estate pursuant to a Land Registry application made on or before 31 December 1998.

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Retrospective
provisions