



PORTCULLIS NOTICES

MCI (P) 030/07/2022

19 July 2022

KEY POINTS

Overseas entities will *not* be able to buy, sell, transfer or lease property, or create a charge against the property in the UK unless they have registered with the UK's Companies House and declare the beneficial owner(s).

The legislation applies retrospectively up to 20 years for England and Wales and since December 2014 for Scotland.

Non-compliance with the registration requirements will be an offence in the UK punishable by **daily** default fines of £500 and up to five years imprisonment on conviction on indictment.



PORTCULLIS GROUP

6 Temasek Boulevard
Suntec Tower Four #09-05
Singapore 038986
Tel: +65 6496 0496
+65 6836 9555
Info.Singapore@portcullis.co
www.portcullis.co

IMPACT OF UK ECONOMIC LAW ON COMPANIES HOLDING UK PROPERTY

The UK recently passed legislation creating a UK Register of Overseas Entities. The launch date for the register will be confirmed shortly. This will impact BVI companies holding UK property and will apply retrospectively for 20 years for holdings in England and Wales and since December 2014 for Scotland.

The legislation places the responsibility for compliance with the requirement for registration with the UK's Companies House when a foreign company owns land/real property in the UK. This new register will require overseas entities that own UK property to declare their beneficial owner(s) or managing officer(s).

Owners are defined as persons who own more than 25% of the shares or voting rights, have the right to appoint or remove directors or otherwise exert significant control over the company. Those who hold property in the UK in a trust will be brought into scope.

Overseas entities will *not* be able to buy, sell, transfer or lease property, or create a charge against the property in the UK unless they have registered with the UK's Companies House.

While details relating to the registration are still to be provided, non-compliance with the registration requirements will be an offence in the UK punishable by daily default fines of £500 and up to five years imprisonment on conviction on indictment.

Portcullis strongly recommends that you contact your advisor in the UK to ensure registration once the launch date is confirmed.

PORTCULLIS GROUP

www.portcullis.co

This Circular does not constitute and is not to be construed as the provision of legal, investment or tax advice or as an invitation or solicitation to make any investment. Readers should not act in reliance on any statement contained in this publication without first obtaining appropriate professional advice. The information contained in this Circular should not be relied on as a substitute for advice. While all reasonable attempts have been made to ensure that the information contained in this Circular is accurate, we, Portcullis (BVI) Ltd and our affiliated companies of the Portcullis Group (a list of which can be viewed at www.portcullis.co) accept no responsibility for any errors or omissions it may contain, whether caused by negligence or otherwise, or for any losses, however caused, sustained by any person that relied on it.