One Minute Memo®

Changes to the UK PSC Regime

By Robert Hanley

In April last year, the UK Government introduced changes to the Companies Act 2006 requiring most companies and LLPs to produce, keep and maintain a register of any people or relevant legal entities that have significant control over that company or LLP (broadly through holding over 25% of shares or voting rights, or otherwise having the right to exercise significant control). Our Client Alert outlining the 'People with Significant Control' (or PSC) regime can be viewed here.

On June 26, 2017, regulations extending the PSC regime came into force in order for the UK to comply with the European Fourth Money Laundering Directive ((EU) 2015/849). The regulations introduce three significant changes to the PSC regime:

- Extending the PSC regime to certain companies listed on Alternative Investment Market (AIM) and the NEX Exchange Growth Market (NEX);
- Extending the PSC regime to Scottish limited partnerships, general Scottish partnerships where all partners are corporate bodies and to UK unregistered companies;
- Requiring each entity subject to the PSC regime to update its PSC register within 14 days of any change occurring and to notify Companies House of such changes within a further 14 days.

Those entities already subject to the PSC regime and those new entities referred to above will have to comply with the obligations to maintain and file the required information from July 24, 2017, following an initial four week transitional period. During the period to July 24, 2017, the entities referred to above should identify their PSCs and, within 14 days from the date the relevant information is obtained, create their own PSC register. They will then have a further 14 days to notify the PSC information to Companies House.

The requirement for a company to file PSC information as part of its annual Confirmation Statement has been removed. In filing a Confirmation Statement, the company must now confirm that it has complied with the requirement to file all changes to its PSC register.

Companies traded on an EEA regulated market and other specified markets will remain exempt from the PSC regime. Similarly, non-UK incorporated companies traded on AIM will stay outside the scope of the PSC regime.

The amended PSC regime will result in a significant change to the disclosure of M&A transactions. Whereas previously a target company would not disclose a change of ownership in the company until it filed its annual Confirmation Statement, a target will now be required to update its PSC register within 14 days of a change of control and notify that change to Companies House within a further 14 days. Accordingly, a change of control will now become public within 28 days of closing.

If you have any questions, please contact your Seyfarth attorney, Robert Hanley (London office) at rhanley@seyfarth.com, or any member of our International Corporate & Commercial Practice.