You are describing how to register overseas entities in the UK under the Economic Crime (Transparency and Enforcement) Act 2022. Here’s a breakdown:

1. **What is the purpose of the Register?**
   The aim of the Register is to increase transparency of beneficial ownership of UK property.

2. **What type of UK property is within scope?**
   UK property includes any freehold property or leasehold property where the lease is originally granted for longer than 7 years.

3. **Who are the beneficial owners?**
   Beneficial owners are those who have significant influence or control over the entity, for example:
   - those who hold 25% (or more) of the ownership or voting rights in the entity;
   - those who have the right to appoint or remove a majority of the board of directors.

The Act will be of major significance for non-UK companies or other entities that own UK property. It requires overseas entities to register details of their beneficial owners (the "Register"). The majority of the information provided will be publicly available at Companies House.
The rules are complex and determining beneficial ownership, and indeed identifying situations where there is no (registerable) beneficial owner, is likely to be quite involved for a number of typical property ownership arrangements (for instance, trust and company ownership structures).

It is the responsibility of the officers of the overseas entity to identify who are its beneficial owners. The Act provides the timescales for registration (as explained below). There is also a requirement to update the Register annually, and to take steps to ensure the position as recorded on the Register remains accurate.

**We hold a property through an overseas entity, what should we do?**

If you, or one of your clients, holds a UK property through an overseas entity then you will have to establish whether it has to be registered, and declare its beneficial owners by 31 January 2023 (unless the entity is exempt).

All new transactions involving UK land and an overseas entity are likely to have to register.

Failure to register the overseas entity or submitting false information is a criminal offence which could result in daily fines up to £2,500 or possible imprisonment for up to 5 years.

**Conclusion**

The Register is the latest in a line of steps taken in recent years to increase the transparency of beneficial ownership, with similar measures already in place in relation to UK entities, through the PSC register and with trusts through the Trust Registration Service.

However, while most of the existing registers remain largely accessible only to the relevant government authorities, the new Register will contain publicly available information. There are concerns that the privacy of property owners who use these structures for perfectly legitimate reasons, is being unfairly treated by the new regime. Unfortunately, the effort to increase transparency to help identify potential nefarious activities will inevitably bring structures with no such activities into scope.

For further information, please call or email a member of our team.