



# Economic Crime and Corporate Transparency Act 2023

## 2023 CHAPTER 56

### PART 1

#### COMPANIES ETC

##### *Company formation*

#### **2 Statement as to lawful purposes**

In section 9 of the Companies Act 2006 (registration documents), in subsection (2)—

- (a) omit the “and” at the end of paragraph (c);
- (b) at the end of paragraph (d) insert “, and
- (c) that the subscribers wish to form the company for lawful purposes.”

#### **3 Information about subscribers**

(1) The Companies Act 2006 is amended as follows.

(2) In section 9 (registration documents)—

- (a) after subsection (3) insert—

“(3A) The application must contain—

- (a) a statement of the required information about each of the subscribers to the memorandum of association (see section 9A),
- (b) a statement that none of the subscribers to the memorandum of association is disqualified under the directors disqualification legislation (see section 159A(2)),

- (c) if any of them would be so disqualified but for the permission of a court to act, a statement to that effect, in respect of each of them, specifying—
    - (i) the subscriber’s name,
    - (ii) the court by which permission was given, and
    - (iii) the date on which permission was given, and
  - (d) if any of them would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect, in respect of each of them, specifying—
    - (i) the subscriber’s name, and
    - (ii) the date on which it was issued and by whom it was issued.”;
- (b) after subsection (6) insert—
- “(7) In subsection (3A)(c) “permission of a court to act” means permission of a court under a provision mentioned in column 2 of the table in section 159A(2).”

(3) After section 9 insert—

**“9A Required information about the subscribers**

- (1) The required information about a subscriber who is an individual is—
    - (a) name;
    - (b) a service address.
  - (2) The required information about a subscriber that is a body corporate, or a firm that is a legal person under the law by which it is governed, is—
    - (a) corporate or firm name;
    - (b) a service address.
  - (3) In subsection (1) “name” means the individual’s forename and surname.
  - (4) Where a subscriber is a peer or an individual usually known by a title, that title may be stated in the application for the registration of the company instead of the subscriber’s forename and surname.
  - (5) The Secretary of State may by regulations—
    - (a) amend this section so as to change the required information about a subscriber;
    - (b) repeal subsection (4).
  - (6) Regulations under this section are subject to affirmative resolution procedure.”
- (4) In section 10 (statement of capital and initial shareholdings), omit subsection (3).
- (5) In section 11 (statement of guarantee), omit subsection (2).

#### **4 Proposed officers: identity verification**

- (1) Section 12 of the Companies Act 2006 (statement of proposed officers) is amended as follows.
- (2) After subsection (2) insert—
  - “(2A) The statement must, in the case of each individual named as a director, confirm that the individual’s identity is verified (see section 1110A).”
- (3) The provision that may be made under section 220(1) in connection with the coming into force of this section includes—
  - (a) provision requiring a company incorporated in pursuance of an application delivered before the coming into force of this section to deliver to the registrar, at the same time as a confirmation statement, a statement, in respect of any individual who became a director of the company on its incorporation, confirming that the individual’s identity is verified (within the meaning of section 1110A of the Companies Act 2006), and
  - (b) provision for section 853A(1)(b)(i) of the Companies Act 2006 (as substituted by section 59 of this Act) to have effect as if it included a reference to any duty imposed by virtue of paragraph (a).
- (4) In subsection (3)—
  - “confirmation statement” has the meaning given by section 853A of the Companies Act 2006;
  - “the registrar” has the same meaning as in the Companies Acts (see section 1060 of the Companies Act 2006).

#### **5 Proposed officers: disqualification**

- (1) The Companies Act 2006 is amended as follows
- (2) In section 12 (statement of proposed officers), at the end insert—
  - “(4) The statement must also include a statement by the subscribers to the memorandum of association that no one named as a director is—
    - (a) disqualified under the directors disqualification legislation (see section 159A(2)), or
    - (b) otherwise ineligible by virtue of any enactment for appointment as a director.
- (5) Where any of the persons named as directors would be disqualified under the directors disqualification legislation but for the permission of a court to act, the statement must also include a statement to that effect, in respect of each of them, specifying—
  - (a) the person’s name,
  - (b) the court by which permission was given, and
  - (c) the date on which permission was given.
- (6) In subsection (5) “permission of a court to act” means permission of a court under a provision mentioned in column 2 of the table in section 159A(2).
- (7) Where any of the persons named as directors would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company

Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, the statement must also include a statement to that effect, in respect of each of them, specifying—

- (a) the person’s name, and
- (b) the date on which the licence was issued and by whom it was issued.”

(3) In section 16 (effect of registration), in subsection (6), at the end insert “unless ineligible for appointment to that office by virtue of any enactment”.

## **6 Persons with initial significant control: disqualification**

(1) Section 12A of the Companies Act 2006 (statement of initial significant control) is amended as follows.

(2) After subsection (1) insert—

“(1A) If there is anyone who will be a registrable person, or a registrable relevant legal entity, in relation to the company on incorporation, the statement must also include—

- (a) a statement that none of them is disqualified under the directors disqualification legislation (see section 159A(2)),
- (b) if any of them would be so disqualified but for the permission of a court to act, a statement to that effect, in respect of each of them, specifying—
  - (i) the person’s name,
  - (ii) the court by which permission was given,
  - (iii) the date on which permission was given, and
- (c) if any of them would be so disqualified by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect, in respect of each of them, specifying—
  - (i) the person’s name, and
  - (ii) the date on which the licence was issued and by whom it was issued.”

(3) For subsection (4) substitute—

“(4) In this section—

“permission of a court to act” means permission of a court under a provision mentioned in column 2 of the table in section 159A(2);

“registrable person” has the meaning given by section 790C (see also section 790J);

“registrable relevant legal entity” has the meaning given by section 790C (see also section 790J);

“required particulars” has the meaning given by section 790K.”

## 7 **Persons with initial significant control: identity verification**

After section 12A of the Companies Act 2006 insert—

### **“12B Option to provide ID verification information about PSCs**

- (1) This section applies if an application for the registration of a company contains a statement of initial significant control that identifies a person who will be a registrable person, or a registrable relevant legal entity, in relation to the company on its incorporation.
- (2) In relation to any person who will be a registrable person, the statement may include a statement that the person’s identity is verified (see section 1110A).
- (3) In relation to any person who will be a registrable relevant legal entity, the statement may include a statement that—
  - (a) specifies the name of one of its relevant officers (within the meaning given by section 790LO(6)) who is an individual and whose identity is verified, and
  - (b) confirms that the individual’s identity is verified.
- (4) If a statement under subsection (3) is included in relation to a person who will be a registrable relevant legal entity, the application for registration of the company must be accompanied by a statement by the individual confirming that the individual is a relevant officer of that entity.
- (5) To find out what happens if the option in subsection (2) or (3) is not exercised, see sections 790LM and 790LO.
- (6) In this section—

“registrable person” has the meaning given by section 790C, except that it does not include a person mentioned in section 790C(12)(a) to (d) (see also section 790J);

“registrable relevant legal entity” has the meaning given by section 790C (see also section 790J).”