



Economic Crime (Transparency and Enforcement) Act 2022

2022 CHAPTER 10

PART 1

REGISTRATION OF OVERSEAS ENTITIES

Obtaining, updating and verifying information

12 **[^{F1}Identifying registrable beneficial owners][^{F1}Duty to take steps to obtain information]**

- ^{F1}(1) Before making an application for registration under section 4(1) an overseas entity must take reasonable steps to obtain all of the information that it is required to deliver to the registrar under that section if it is able to obtain it.
- (2) Before complying with the updating duty under section 7 an overseas entity must take reasonable steps to obtain all of the information that it is required to deliver to the registrar under that section if it is able to obtain it.
- (3) Before making an application for removal under section 9 an overseas entity must take reasonable steps to obtain all of the information that it is required to include in the application if it is able to obtain it.
- (4) The steps that an overseas entity must take by virtue of subsection (1), (2) or (3) include giving a notice to any person that it knows, or has reasonable cause to believe, is a registrable beneficial owner in relation to the entity, requiring the person—
- to state whether or not they are such a person, and
 - if they are, to provide or confirm information of the kind mentioned in subsection (1), (2) or (3) so far as relating to the person, or a trust of which they are or were a trustee.
- (5) The steps that an overseas entity must take by virtue of subsection (2) or (3) also include giving a notice to any person that it knows, or has reasonable cause to believe,

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has ceased to be a registrable beneficial owner in relation to the entity during the update period (within the meaning of section 7) or relevant period (within the meaning of section 9), requiring the person—

- (a) to state whether or not they are such a person, and
 - (b) if they are, to provide or confirm information of the kind mentioned in subsection (2) or (3) so far as relating to the person, or a trust of which they are or were a trustee.
- (6) A notice under subsection (4) or (5) must require the person to whom it is given to comply with the notice within the period of one month beginning with the day on which it is given.
- (7) A person given a notice under subsection (4) or (5) is not required by that notice to disclose any information in respect of which a claim to legal professional privilege or, in Scotland, confidentiality of communications, could be maintained in legal proceedings.]

Textual Amendments

- F1** S. 12 substituted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), s. 219(1)(2)(b), [Sch. 6 para. 4](#)

Commencement Information

- I1** S. 12 not in force at Royal Assent, see [s. 69](#)
- I2** S. 12 in force at 1.8.2022 for specified purposes by [S.I. 2022/876, reg. 3\(c\)](#)
- I3** S. 12 in force at 12.10.2022 in so far as not already in force by [S.I. 2022/1039, reg. 2\(a\)](#)

13 Additional powers to obtain information

- (1) An overseas entity may give a person an information notice under this section if it knows or has reasonable cause to believe that the person knows the identity of—
- (a) a person who is a registrable beneficial owner in relation to the overseas entity,
 - (b) any legal entity not falling within paragraph (a) that is a beneficial owner in relation to the overseas entity, or
 - (c) a person likely to have knowledge of the identity of a person within paragraph (a) or (b).
- (2) An information notice under this section is a notice requiring the addressee—
- (a) to state whether or not the addressee knows the identity of a person within paragraph (a), (b) or (c) of subsection (1), and
 - (b) if so—
 - (i) to supply any information that the addressee has that might help the overseas entity to identify that person, and
 - (ii) to state whether that information is being supplied with the knowledge of the person to whom it relates.
- (3) An information notice under this section must require the person to whom it is given to comply with the notice within the period of one month beginning with the day on which it is given.
- (4) A person given a notice under subsection (1) is not required by that notice to disclose any information in respect of which a claim to legal professional privilege

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or, in Scotland, confidentiality of communications, could be maintained in legal proceedings.

(5) In this section a reference to knowing the identity of a person includes knowing information from which that person can be identified.

[^{F2}(6) A reference in this section to a person who is a registrable beneficial owner in relation to an overseas entity includes, in connection with the obtaining of information required by section 7(1)(b), 9(1)(c) or 42(1)(c)(i), a reference to a person who has ceased to be a registrable beneficial owner.]

Textual Amendments

F2 S. 13(6) inserted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), s. 219(1)(2)(b), [Sch. 6 para. 5](#)

Commencement Information

I4 S. 13 not in force at Royal Assent, see [s. 69](#)

I5 S. 13 in force at 1.8.2022 for specified purposes by [S.I. 2022/876](#), [reg. 3\(c\)](#)

I6 S. 13 in force at 12.10.2022 in so far as not already in force by [S.I. 2022/1039](#), [reg. 2\(a\)](#)

14 Sections 12 and 13: supplementary

(1) The Secretary of State may by regulations make further provision about the giving of notices under section 12 or 13, including provision about the form and content of any such notices and the manner in which they must be given.

(2) Regulations under subsection (1) are subject to the negative resolution procedure.

Commencement Information

I7 S. 14 not in force at Royal Assent, see [s. 69](#)

I8 S. 14 in force at 1.8.2022 for specified purposes by [S.I. 2022/876](#), [reg. 3\(c\)](#)

I9 S. 14 in force at 12.10.2022 in so far as not already in force by [S.I. 2022/1039](#), [reg. 2\(a\)](#)

15 Failure to comply with notice under section 12 or 13

[^{F3}(1) A person who, without reasonable excuse, fails to comply with a notice under section 12 or 13 commits an offence.

(2) Where the offence is committed by a legal entity, the offence is also committed by every officer of the entity who is in default.

(3) It is a defence for a person charged with an offence under this section to prove that the requirement to give information was frivolous or vexatious.

(4) A person guilty of an offence under this section is liable—

(a) on summary conviction in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);

(b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

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- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both).]

Textual Amendments

F3 Ss. 15-15B substituted for s. 15 (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), **ss. 171**, 219(1)(2)(b)

Commencement Information

I10 S. 15 not in force at Royal Assent, see **s. 69**

I11 S. 15 in force at 1.8.2022 for specified purposes by [S.I. 2022/876](#), **reg. 3(c)**

I12 S. 15 in force at 12.10.2022 in so far as not already in force by [S.I. 2022/1039](#), **reg. 2(a)**

[^{F3}15A False statements under section 12 or 13: basic offence

- (1) A person who is given a notice under section 12 or 13 commits an offence if, in purported compliance with the notice and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.
- (2) Where the offence is committed by a legal entity, the offence is also committed by every officer of the entity who is in default.
- (3) A person guilty of an offence under this section is liable—
 - (a) on summary conviction in England and Wales, to a fine;
 - (b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;
 - (c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

Textual Amendments

F3 Ss. 15-15B substituted for s. 15 (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), **ss. 171**, 219(1)(2)(b)

15B False statements under section 12 or 13: aggravated offence

- (1) A person who is given a notice under section 12 or 13 commits an offence if, in purported compliance with the notice, the person makes a statement that the person knows to be misleading, false or deceptive in a material particular.
- (2) Where the offence is committed by a legal entity, the offence is also committed by every officer of the entity who is in default.
- (3) A person guilty of an offence under this section is liable—
 - (a) on summary conviction in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);
 - (b) on summary conviction in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both);

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- (c) on summary conviction in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
- (d) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both).]

Textual Amendments

F3 Ss. 15-15B substituted for s. 15 (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), **ss. 171, 219(1)(2)(b)**

16 Verification of registrable beneficial owners and managing officers

- (1) The Secretary of State must by regulations make provision requiring the verification of information before an overseas entity—
- (a) makes an application under section 4 for registration;
 - (b) complies with the updating duty under section 7;
 - (c) makes an application under section 9 for removal.
 - [^{F4}(d) complies with the duty under Schedule 6 (duty to deliver further information about transitional period).]

- (2) Regulations under this section may, among other things, make provision—
- (a) about the information that must be verified;
 - [^{F5}(aa) about how the information is to be verified (including provision about the kinds or sources of evidence to be used);
 - (ab) about the standard to which verification is to be carried out;]
 - (b) about the person by whom the information must be verified;
 - [^{F6}(ba) about the records that must be kept in connection with verification;]
 - (c) requiring a statement, evidence or other information to be delivered to the registrar for the purposes of sections 4(1)(c), 7(1)(d) and 9(1)(e).
 - [^{F7}(d) requiring the registrar not to make available for public inspection certain information delivered to the registrar by virtue of the regulations;]
 - [^{F8}(e) about the information that must be provided to the registrar to enable the registrar to monitor compliance with any requirements imposed by the regulations.]

[^{F9}(2A) Regulations under this section may create offences in relation to failures to comply with requirements imposed by virtue of subsection (2)(ba) or (e).

- (2B) The regulations must provide for any such offence to be punishable—
- (a) on summary conviction in England and Wales, by a fine;
 - (b) on summary conviction in Scotland, by a fine not exceeding level 5 on the standard scale;
 - (c) on summary conviction in Northern Ireland, by a fine not exceeding level 5 on the standard scale.]

(3) The first regulations under this section must be made so as to come into force before any applications may be made under section 4(1).

(4) Regulations under this section are subject to the negative resolution procedure.

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Textual Amendments

- F4** S. 16(1)(d) inserted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), s. 219(1)(2)(b), [Sch. 7 para. 2](#)
- F5** S. 16(2)(aa)(ab) inserted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 165\(2\)\(a\)](#), 219(1)(2)(b)
- F6** S. 16(2)(ba) inserted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 165\(2\)\(b\)](#), 219(1)(2)(b)
- F7** S. 16(2)(d) inserted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 166](#), 219(1)(2)(b)
- F8** S. 16(2)(e) inserted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 165\(2\)\(c\)](#), 219(1)(2)(b)
- F9** S. 16(2A)(2B) inserted (26.10.2023 for specified purposes) by [Economic Crime and Corporate Transparency Act 2023 \(c. 56\)](#), [ss. 165\(3\)](#), 219(1)(2)(b)

Commencement Information

- I13** S. 16 not in force at Royal Assent, see [s. 69](#)
- I14** S. 16 in force at 1.8.2022 for specified purposes by [S.I. 2022/876](#), [reg. 3\(c\)](#)
- I15** S. 16 in force at 12.10.2022 in so far as not already in force by [S.I. 2022/1039](#), [reg. 2\(a\)](#)

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