

SCHEDULES

SCHEDULE 2

REGISTRABLE BENEFICIAL OWNERS

PART 5

SUPPLEMENTARY PROVISION ABOUT INTERPRETATION OF SCHEDULE

Shares or rights held “indirectly”

- 18 (1) A person holds a share “indirectly” if the person has a majority stake in a legal entity and that entity—
- (a) holds the share in question, or
 - (b) is part of a chain of legal entities—
 - (i) each of which (other than the last) has a majority stake in the entity immediately below it in the chain, and
 - (ii) the last of which holds the share.
- (2) A person holds a right “indirectly” if the person has a majority stake in a legal entity and that entity—
- (a) holds that right, or
 - (b) is part of a chain of legal entities—
 - (i) each of which (other than the last) has a majority stake in the entity immediately below it in the chain, and
 - (ii) the last of which holds that right.
- (3) For these purposes, A has a “majority stake” in B if—
- (a) A holds a majority of the voting rights in B,
 - (b) A is a member of B and has the right to appoint or remove a majority of the board of directors of B,
 - (c) A is a member of B and controls alone, or pursuant to an agreement with other shareholders or members, a majority of the voting rights in B, or
 - (d) A has the right to exercise, or actually exercises, dominant influence or control over B.
- (4) In the application of this paragraph to the right to appoint or remove a majority of the board of directors, a legal entity is to be treated as having the right to appoint a director if—
- (a) a person’s appointment as director follows necessarily from that person’s appointment as director of the legal entity, or
 - (b) the directorship is held by the legal entity itself.

Changes to legislation: There are currently no known outstanding effects for the Economic Crime (Transparency and Enforcement) Act 2022, Paragraph 18. (See end of Document for details)

Commencement Information

- I1** Sch. 2 para. 18 not in force at Royal Assent, see [s. 69](#)
- I2** Sch. 2 para. 18 in force at 1.8.2022 (except in so far as relating to ss. 7–11 of the Act) by [S.I. 2022/876](#), [reg. 3\(b\)](#)
- I3** [Sch. 2 para. 18](#) in force in so far as not already in force at 12.10.2022 by [S.I. 2022/1039](#), [reg. 2\(b\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Economic Crime (Transparency and Enforcement) Act 2022, Paragraph 18.