

## SCHEDULES

### SCHEDULE 3

#### LAND OWNERSHIP AND TRANSACTIONS: ENGLAND AND WALES

#### PART 1

##### AMENDMENTS TO LAND REGISTRATION ACT 2002

- 1 The Land Registration Act 2002 is amended as follows.
- 2 After section 85 insert—

*“Overseas entities*

#### **85A Overseas entities**

Schedule 4A is about the ownership of registered land by overseas entities and about registrable dispositions made by them.”

- 3 After Schedule 4 insert—

“SCHEDULE  
4A

Section 85A

#### OVERSEAS ENTITIES

#### **Meaning of “qualifying estate”**

- 1 In this Schedule “qualifying estate” means—
  - (a) a freehold estate in land, or
  - (b) a leasehold estate in land granted for a term of more than seven years from the date of grant.

#### **Registration**

- 2 No application may be made to register an overseas entity as the proprietor of a qualifying estate unless, at the time of the application, the entity—
  - (a) is a registered overseas entity, or
  - (b) is an exempt overseas entity.

#### **Restrictions on disposal**

- 3 (1) The registrar must enter a restriction in the register in relation to a qualifying estate if satisfied that—
  - (a) an overseas entity is registered as the proprietor of the estate, and

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- (b) the entity became registered as the proprietor in pursuance of an application made on or after 1 January 1999.
- (2) The restriction must prohibit the registration of any disposition within section 27(2)(a), (b)(i) or (f) unless—
- (a) the entity is a registered overseas entity, or is an exempt overseas entity, at the time of the disposition,
  - (b) the disposition is made in pursuance of a statutory obligation or court order, or occurs by operation of law,
  - (c) the disposition is made in pursuance of a contract made before the restriction is entered in the register,
  - (d) the disposition is made in the exercise of a power of sale or leasing conferred on the proprietor of a registered charge or a receiver appointed by such a proprietor,
  - (e) the Secretary of State gives consent under paragraph 5 to the registration of the disposition, or
  - (f) the disposition is made by a specified insolvency practitioner in specified circumstances.

- (3) In sub-paragraph (2), in paragraph (f)—

“specified circumstances” means circumstances specified in regulations made by the Secretary of State for the purposes of that paragraph;

“specified insolvency practitioner” means an insolvency practitioner of a description specified in regulations made by the Secretary of State for the purposes of that paragraph.

**Registrable dispositions by overseas entity entitled to be registered (but not registered)**

- 4 (1) This paragraph applies where—
- (a) an overseas entity is entitled to be registered as the proprietor of a qualifying estate,
  - (b) the overseas entity became entitled to be registered as the proprietor of that estate on or after the day on which this paragraph comes into force, and
  - (c) the entity makes a registrable disposition within section 27(2)(a), (b)(i) or (f).
- (2) The disposition must not be registered unless—
- (a) the entity is a registered overseas entity, or is an exempt overseas entity, at the time of the disposition,
  - (b) the disposition is made in pursuance of a statutory obligation or court order, or occurs by operation of law,
  - (c) the disposition is made in pursuance of a contract made before the overseas entity became entitled to be registered,
  - (d) the disposition is made in the exercise of a power of sale or leasing conferred on the proprietor of a registered charge or a receiver appointed by such a proprietor,
  - (e) the Secretary of State gives consent under paragraph 5 to the registration of the disposition, or

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- (f) the disposition is made by a specified insolvency practitioner in specified circumstances.
- (3) In sub-paragraph (2)(f) “specified circumstances” and “specified insolvency practitioner” have the meanings given by paragraph 3(3).

### **Consent to registration of dispositions that cannot otherwise be registered**

- 5
- (1) The Secretary of State may consent to the registration of a disposition that would otherwise be prohibited by a restriction entered under paragraph 3, or by paragraph 4, if satisfied—
    - (a) that at the time of the disposition the person to whom it was made did not know, and could not reasonably have been expected to know, of the prohibition, and
    - (b) that in all the circumstances it would be unjust for the disposition not to be registered.
  - (2) The Secretary of State may by regulations make provision in connection with applications for consent, and the giving of consent, under sub-paragraph (1).
  - (3) The regulations may, for example, make provision about—
    - (a) who may apply;
    - (b) evidence;
    - (c) time limits.

### **Making dispositions that cannot be registered**

- 6
- (1) An overseas entity must not make a registrable disposition of a qualifying estate if, disregarding the possibility of consent under paragraph 5, the registration of the disposition is prohibited by—
    - (a) a restriction entered under paragraph 3, or
    - (b) paragraph 4.
  - (2) If an overseas entity breaches sub-paragraph (1) an offence is committed by—
    - (a) the entity, and
    - (b) every officer of the entity who is in default.
  - (3) Nothing in this paragraph affects the validity of a disposition made in breach of sub-paragraph (1).
  - (4) Sections 1121 to 1123 of the Companies Act 2006 (liability of officers in default: interpretation etc.) apply for the purposes of this paragraph as they apply for the purposes of provisions of the Companies Acts.
  - (5) In those sections as applied, a reference to an officer includes a person in accordance with whose directions or instructions the board of directors or equivalent management body of an overseas entity are accustomed to act.
  - (6) A person is not to be regarded as falling within sub-paragraph (5) by reason only that the board of directors or equivalent management body acts on advice given by the person in a professional capacity.

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- (7) A person guilty of an offence under this paragraph is liable—
- (a) on summary conviction, to imprisonment for a term not exceeding the maximum summary term for either-way offences or a fine (or both);
  - (b) on conviction on indictment, to imprisonment for a term not exceeding 5 years or a fine (or both).
- (8) In sub-paragraph (7)(a) “the maximum summary term for either-way offences” means—
- (a) in relation to an offence committed before the time when paragraph 24(2) of Schedule 22 to the Sentencing Act 2020 comes into force, 6 months;
  - (b) in relation to an offence committed after that time, 12 months.
- (9) Proceedings for an offence under this may only be brought by or with the consent the Secretary of State or the Director of Public Prosecutions.

#### **Interpretation etc.**

- 7 In this Schedule—
- “exempt overseas entity” means an overseas entity of a description specified in regulations under section 34(6) of the Economic Crime (Transparency and Enforcement) Act 2022;
- “overseas entity” has the meaning given by section 2 of the Economic Crime (Transparency and Enforcement) Act 2022;
- “qualifying estate” has the meaning given by paragraph 1;
- “register of overseas entities” means the register kept under section 3 of the Economic Crime (Transparency and Enforcement) Act 2022;
- “registered overseas entity” means an overseas entity that is registered in the register of overseas entities (but see paragraph 8).
- 8 (1) For the purpose of this Schedule, an overseas entity that fails to comply with the duty in section 7 of the Economic Crime (Transparency and Enforcement) Act 2022 (updating duty) is not to be treated as being a “registered overseas entity” until it remedies the failure.
- (2) For the purpose of sub-paragraph (1), an overseas entity “remedies” the failure when it delivers the statements and information mentioned in section 7(1)(a), (b) and (c) of the 2022 Act.”
- 4 In section 128 (regulations), in subsection (4)—
- (a) omit the “or” at the end of paragraph (b);
  - (b) at the end of paragraph (d) insert “, or
  - (e) regulations under paragraph 3(3) or 5(2) of Schedule 4A.”