

SCHEDULES

SCHEDULE 5

LAND OWNERSHIP AND TRANSACTIONS: NORTHERN IRELAND

3 After Schedule 8 insert—

“SCHEDULE 8A

Section 61A

OVERSEAS ENTITIES

PART 1

REGISTRATION AND DISPOSITIONS

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 21 years from the date of grant.

Registration

- 2 No application may be made to register an overseas entity as the owner 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 an inhibition (“an overseas entity inhibition”) against the title of the registered owner of a qualifying estate if satisfied that—
- (a) the registered owner is an overseas entity, and
 - (b) the entity became registered as the owner in pursuance of an application made on or after the date on which paragraph 2 comes into force.
- (2) No fee is to be charged for the entry of an overseas entity inhibition.
- (3) From and after the entry of an overseas entity inhibition, none of the dispositions mentioned in sub-paragraph (4) affecting the land in question are to be entered on the title register, unless one of the conditions in sub-paragraph (5) is met.

Status: This is the original version (as it was originally enacted).

- (4) The dispositions are—
- (a) a transfer of the owner’s estate,
 - (b) a grant of a leasehold estate where the term granted exceeds 21 years, and
 - (c) the creation of a charge on the land.
- (5) The conditions are that—
- (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 inhibition is entered in the register,
 - (d) the disposition is made in the exercise of a power of sale or leasing conferred on the owner of a registered charge or a receiver appointed by such an owner, or
 - (e) the disposition is made by a specified insolvency practitioner in specified circumstances.
- (6) In sub-paragraph (5), in paragraph (e)—
- “specified circumstances” means circumstances specified in regulations made by the Department of Finance for the purposes of that paragraph;
- “specified insolvency practitioner” means an insolvency practitioner of a description specified in regulations made by the Department of Finance for the purposes of that paragraph.
- (7) Regulations made under sub-paragraph (6) are subject to the negative resolution.

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 owner of a qualifying estate,
 - (b) the overseas entity became entitled to be registered as the owner of that estate on or after the day on which this paragraph comes into force, and
 - (c) the entity makes a disposition mentioned in subparagraph (2).
- (2) The dispositions are—
- (a) a transfer of the owner’s estate,
 - (b) a grant of a leasehold estate where the term granted exceeds 21 years, and
 - (c) the creation of a charge on the land.
- (3) 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,

Status: This is the original version (as it was originally enacted).

- (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 owner of a registered charge or a receiver appointed by such an owner, or
 - (e) the disposition is made by a specified insolvency practitioner in specified circumstances.
- (4) In sub-paragraph (3)(e) “specified circumstances” and “specified insolvency practitioner” have the meanings given by paragraph 3(6).

Making dispositions that cannot be registered

- 5 (1) An overseas entity must not make a registrable disposition of a qualifying estate if the registration of the disposition is prohibited by—
- (a) an inhibition 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.
- (7) A person guilty of an offence under this paragraph is liable—
- (a) on summary conviction, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
 - (b) on conviction on indictment, to imprisonment for a term not exceeding 5 years or a fine (or both).
- (8) Proceedings for an offence under this paragraph may only be brought by or with the consent the Secretary of State or the Director of Public Prosecutions for Northern Ireland.

Interpretation etc

6 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 7).

- 7 (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.”