



# Economic Crime and Corporate Transparency Act 2023

## 2023 CHAPTER 56

### PART 1

#### COMPANIES ETC

##### *Identity verification*

#### **64 Identity verification of persons with significant control**

- (1) The Companies Act 2006 is amended as follows.
- (2) In section 790J (power to make exemptions), in subsection (2)(e), after “790LH” (inserted by Schedule 2 to this Act) insert “and 790LM to 790LS”.
- (3) After section 790LL (inserted by Schedule 2 to this Act) insert—

*“Identity verification obligations for persons with significant control*

#### **790LM Initial identity verification: registrable persons**

- (1) This section applies in the following cases.
  - Case 1 is where—
    - (a) a company is incorporated in pursuance of an application for registration containing a statement under section 12A(1) (a) naming a person as someone who will, on the company’s incorporation, become a registrable person (“the registrable person”),
    - (b) the application does not include a statement under section 12B(2) in respect of the registrable person or it appears to the registrar that the statement is false, and

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*Changes to legislation: There are currently no known outstanding effects for the Economic Crime and Corporate Transparency Act 2023, Section 64. (See end of Document for details)*

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- (c) the company has not given a notice under section 790LG(1) in respect of the person.

Case 2 is where—

- (a) the registrar is notified under section 790LF that a person has become a registrable person in relation to a company (“the registrable person”), and
- (b) the notice does not include a statement under section 790LB(1) or it appears to the registrar that the statement is false.
- (2) The registrar must direct the registrable person to deliver to the registrar, within the period of 14 days beginning with the date of the direction, a statement confirming that the person’s identity is verified (see section 1110A).
- (3) The registrar may by further direction extend that period by up to 14 days at a time.
- (4) A direction under this section must be in writing.
- (5) A direction given to a person under this section lapses if notice is later given under section 790LG(1) in respect of that person.
- (6) In this section “registrable person” does not include a person mentioned in section 790C(12)(a) to (d).

**790LN Initial identity verification for registrable persons: transitional cases**

- (1) A person must deliver to the registrar the statement required by this section if the person—
- (a) is a registrable person in relation to a company at any time during the appointed day, and
- (b) either—
- (i) became a registrable person on the incorporation of the company in pursuance of an application for registration delivered before section 12B(2) came fully into force, or
- (ii) became a registrable person, otherwise than on the incorporation of the company, before the day on which section 790LB(1) came fully into force.
- (2) The statement required by this section is a statement confirming that person’s identity is verified (see section 1110A).
- (3) A statement required by this section must be delivered within the period of 14 days beginning with the appointed day.
- (4) But the registrar may by direction in writing extend that period by up to 14 days at a time.
- (5) In this section—
- “the appointed day” means such day as the Secretary of State may by regulations appoint for the purposes of this section;
- “registrable person” does not include a person mentioned in section 790C(12)(a) to (d).

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- (6) The appointed day must not be before sections 12B(2) and 790LB(1) have been brought fully into force.

### **790LO Initial identity verification: registrable relevant legal entities**

- (1) This section applies in the following cases.

Case 1 is where—

- (a) a company is incorporated in pursuance of an application for registration containing a statement under section 12A(1)(a) naming a person as a person who will, on the company's incorporation become a registrable relevant legal entity ("the entity"),
- (b) the application does not include a statement under section 12B(3) in respect of the entity, or is not accompanied by a statement under section 12B(4) by the person whose name is specified in the statement under section 12B(3), or it appears to the registrar that either statement is false, and
- (c) the company has not given a notice under section 790LG(1) in respect of the entity.

Case 2 is where—

- (a) the registrar is notified under section 790LA that a person has become a registrable relevant legal entity in relation to a company ("the entity"), and
- (b) the notice does not include a statement under section 790LB(2), or it is not accompanied by a statement under section 790LB(3), or it appears to the registrar that either statement is false.

- (2) The registrar must direct the entity to deliver to the registrar, within the period of 28 days beginning with the date of the direction—

- (a) a statement by the entity that—
  - (i) specifies the name of one of its relevant officers who is an individual and whose identity is verified, and
  - (ii) confirms that the individual's identity is verified, and
- (b) a statement by the individual confirming that the individual is a relevant officer of the entity.

- (3) The registrar may by further direction extend that period by up to 28 days at a time.

- (4) A direction under this section must be in writing.

- (5) A direction given to an entity under this section lapses if notice is later given under section 790LG(1) in respect of that entity.

- (6) In subsection (2) "relevant officer"—

- (a) in relation to a company, means a director;
- (b) in relation to a legal entity the affairs of which are managed by its members, means one of those members;
- (c) in relation to any other legal entity, means an officer of the entity whose functions correspond to that of a director of a company.

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### **790LP Initial identity verification in respect of registrable relevant legal entities: transitional cases**

- (1) A person must deliver to the registrar the statements required by this section if the person—
  - (a) is a registrable relevant legal entity in relation to a company at any time during the appointed day, and
  - (b) either—
    - (i) became a registrable relevant legal entity on the incorporation of the company in pursuance of an application for registration delivered before section 12B(3) and (4) came fully into force, or
    - (ii) became a registrable relevant legal entity, otherwise than on the incorporation of the company, before section 790LB(2) and (3) came fully into force.
- (2) The statements are—
  - (a) a statement by the entity that—
    - (i) specifies the name of one of its relevant officers who is an individual and whose identity is verified, and
    - (ii) confirms that the individual’s identity is verified, and
  - (b) a statement by the individual confirming that the individual is a relevant officer of the entity.
- (3) The statements required by this section must be delivered within the period of 28 days beginning with the appointed day.
- (4) But the registrar may by direction in writing extend that period by up to 28 days at a time.
- (5) In this section—

“the appointed day” means such day as the Secretary of State may by regulations appoint for the purposes of this section;

“relevant officer” has the meaning given by section 790LO(6).
- (6) The appointed day must not be before sections 12B(3) and (4) and 790LB(2) and (3) have been brought fully into force.

### **790LQ Registrable persons: duty to maintain verified identity status**

- (1) A registrable person in relation to a company must ensure that, throughout the relevant period, they maintain the status of a person whose identity is verified (see section 1110A).
- (2) In this section “the relevant period” means the period—
  - (a) beginning with—
    - (i) the incorporation of the company, in a case where the person became a registrable person on its incorporation and the application for registration of the company included a statement under section 12B(2) in respect of the person,

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- (ii) the delivery to the registrar of a statement in respect of the person under section 790LB(1), in a case where the person became a registrable person after the incorporation of the company and such a statement was delivered to the registrar,
  - (iii) the expiry of the period for complying with the direction under section 790LM, in a case where a direction under that section is given to the person, and
  - (iv) the expiry of the period for complying with section 790LN, in a case where that section applies to the person, and
- (b) ending on the giving of a notice to the registrar under section 790LF that the person has ceased to be a registrable person in relation to the company.
- (3) In this section “registrable person” does not include a person mentioned in section 790C(12)(a) to (d).

**790LR Registrable relevant legal entities: duty to maintain registered officer whose identity is verified**

- (1) A registrable relevant legal entity in relation to a company must ensure that, throughout the relevant period, its registered officer—
- (a) is a relevant officer of the entity, and
  - (b) is an individual whose identity is verified (see section 1110A).
- (2) In this section “registered officer”, in relation to a registrable relevant legal entity, means—
- (a) the person whose name is specified in—
    - (i) a statement delivered to the registrar in respect of the entity under section 12B(3) or 790LB(2),
    - (ii) a statement delivered to the registrar by the entity in pursuance of a direction under section 790LO(2), or
    - (iii) a statement delivered to the registrar under section 790LP(2),unless the entity has changed its registered officer under section 790LS, or
  - (b) if the entity has changed its registered officer under section 790LS, the person specified in the latest notice under that section.
- (3) In this section “the relevant period” means the period—
- (a) beginning with—
    - (i) the incorporation of the company, in a case where the entity became a relevant registrable legal entity on the incorporation of the company and the application for registration of the company included a statement under section 12B(3) in respect of the entity,
    - (ii) the delivery to the registrar of a statement in respect of the registrable relevant legal entity under section 790LB(2), in a case where the entity became a relevant registrable legal entity after the incorporation of the company and such a statement was delivered to the registrar,

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- (iii) the expiry of the period for complying with the direction 790LO, in a case where the entity is given a direction under that section, and
  - (iv) the expiry of the period for complying with section 790LP, where that section applies to the entity, and
- (b) ending with the giving of a notice to the registrar under section 790LF that the entity has ceased to be a relevant registrable legal entity in relation to the company,
- but see subsection (4).
- (4) If the registered officer of a registrable relevant legal entity ceases to be a relevant officer of that entity, “the relevant period” does not include the period of 28 days beginning with the day on which the person so ceases.
- (5) In this section “relevant officer” has the meaning given by section 790LO(6).

**790LS Registrable relevant legal entities: change of registered relevant officer**

- (1) A registrable relevant legal entity may change its registered officer for the purposes of section 790LR by giving notice to the registrar.
- (2) The notice must include a statement by the entity that the new registered officer—
- (a) is a relevant officer of the entity, and
  - (b) is an individual whose identity is verified (see section 1110A).
- (3) The notice must be accompanied by a statement by the individual who is the new registered officer confirming that the individual is a relevant officer of the registrable relevant legal entity.
- (4) In this section “relevant officer” has the meaning given by section 790LO(6).

**790LT Offence of failing to comply with sections 790LM to 790LR**

- (1) It is an offence for a person to fail, without reasonable excuse, to comply with—
- (a) any of the following sections—
    - section 790LN;
    - section 790LP;
    - section 790LQ;
    - section 790LR;
  - (b) a direction under section 790LM or 790LO.
- (2) Where an offence under this section is committed by a registrable relevant legal entity, every officer of the entity who is in default also commits the offence.
- (3) A person guilty of an offence under this section is liable on summary conviction—
- (a) in England and Wales, to a fine;

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- (b) in Scotland or Northern Ireland, to a fine not exceeding level 5 on the standard scale and, for continued contravention, a daily default fine not exceeding one-tenth of level 5 on the standard scale.”

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**Commencement Information**

- II** S. 64 in force at Royal Assent for specified purposes, see [s. 219\(1\)\(2\)\(b\)](#)

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