



Department for  
Business, Energy  
& Industrial Strategy

## **REGISTER OF PEOPLE WITH SIGNIFICANT CONTROL**

### **GUIDANCE FOR PEOPLE WITH SIGNIFICANT CONTROL OVER COMPANIES, SOCIETATES EUROPAEAE, LIMITED LIABILITY PARTNERSHIPS AND ELIGIBLE SCOTTISH PARTNERSHIPS**



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## Overview

Since 6 April 2016 individuals and legal entities with significant control over UK most companies, Societates Europaeae (SEs) and Limited Liability Partnerships (LLPs) have been identified on the people with significant control (PSC) register for their respective entity.

From 26 June 2017, individuals and legal entities with significant control over unregistered companies, companies on prescribed markets<sup>1</sup>, and eligible Scottish partnerships<sup>2</sup> (“ESPs”) will also be subject to PSC regime. This is a guide to the PSC regime requirements in respect of those individuals and legal entities.

This guidance explains the law, and is intended to help you comply with it. It is not a full statement of the law, which is set out in the sources referred to in section 1.1. If you fail to comply with the law you could be committing a criminal offence and could be fined and or imprisoned. If your circumstances are complex you may wish to seek professional advice.

### This guidance is directly addressed to you if you are:

- An individual in a position of influence or control in relation to a company, SE, LLP or ESP, and could be a PSC;
- A director or employee of a legal entity that is in a position of influence or control in relation to a company, SE, LLP, or ESP and that might need to be entered as a registrable legal entity on its PSC register; or
- Involved with an individual or legal entity in a position of influence or control, professionally or otherwise, and have information about their engagement with a company, SE, LLP, or ESP.

It could also be of interest if you are:

- A company, SE, LLP, or ESP seeking to identify its PSCs; or
- Interested in how PSC information is defined and recorded.

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<sup>1</sup> Companies on prescribed markets are listed companies on UK secondary markets, such as the Alternative Investment Market (AIM) and NEX Exchange.

<sup>2</sup> An eligible Scottish partnership is a limited partnership registered in Scotland under the Limited Partnership Act 1907, or a general partnership which is constituted under the law of Scotland, for any period in which it is a qualifying partnership under regulation 3 of the Partnership (Accounts) Regulations 2008 (S.I. 2008/569).

## Further guidance on the PSC register is available:

- Summary guidance on the PSC register for companies;
  - Guidance for companies, SEs, LLPs, and ESPs;
  - Statutory guidance for companies on the meaning of 'significant influence or control';
  - Statutory guidance for LLPs on the meaning of 'significant influence or control';
  - Guidance for ESPs on the meaning of 'significant influence or control';
- and
- Guidance on the protection regime for suppressing PSC information in exceptional circumstances.

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# Chapter 1: The regime for registering People with Significant Control (PSCs)

## 1.1. The legal framework

- 1.1.1. Since 6 April 2016 companies, Societates Europaeae (SEs) and Limited Liability Partnerships (LLPs) have kept a register of individuals or legal entities that have control over them. This is in addition to keeping other information, such as a register of members and a register of directors. From 26 June 2017 similar measures will apply to certain forms of legal entities not previously in scope: unregistered companies, companies on prescribed markets, and eligible Scottish partnerships
- 1.1.2. From 26 June 2017 onwards all companies and LLPs will have to enter this information on their own PSC register within 14 days of becoming aware that a person meets the PSC conditions and must be registered. All companies and LLPs must then update the central public register at Companies House within a further 14 days. Scottish limited partnerships (SLPs) and Scottish qualifying partnerships (SQPs) are subject to a modified form of the regime and will only need to update the central register at Companies House within 14 days of becoming aware that a person meets the PSC conditions and must be registered.
- 1.1.3. In addition, from 24 July 2017 onwards those seeking to incorporate a new Scottish limited partnership (SLP) will have to send a statement of initial significant control to Companies House, alongside the other documents required for an application to incorporate. This mirrors current arrangements for companies, SEs and LLPs. Scottish qualifying partnerships (SQPs) are not subject to initial registration requirements and therefore are not subject to this requirement.
- 1.1.4. The requirements to keep a PSC register are set out in Part 21A of and Schedules 1A and 1B to the Companies Act 2006 (as inserted by the Small Business Enterprise and Employment Act 2015) and in the following regulations:
  - The Register of People with Significant Control Regulations 2016;
  - The European Public Limited-Liability Company (Register of People with Significant Control) Regulations 2016;
  - The Limited Liability Partnerships (Register of People with Significant Control) Regulations 2016;

- Information about People with Significant Control (Amendment) Regulations 2017; and
- The Scottish Partnerships (Register of People with Significant Control) Regulations 2017.

## 1.2. Where the new requirements apply

- 1.2.1. When introduced in 2016, the requirements in Part 21A and the Register of People with Significant Control Regulations 2016 applied to UK incorporated companies<sup>3</sup> limited by shares, companies limited by guarantee, unlimited companies and SEs. From 26 June 2017, this will be extended to unregistered companies and listed companies on UK secondary markets, such as the Alternative Investment Market (AIM) and NEX Exchange. If you are in a position of significant control in relation to a legal entity to which the PSC regime applies, then certain legal requirements apply to you too. If you fail to comply you could be committing a criminal offence.
- 1.2.2. When introduced in 2016, LLPs were also subject to the PSC requirements. From 26 June 2017, this will be extended in a slightly modified form to Scottish limited partnerships (SLPs) and Scottish qualifying partnerships (SQPs), which are collectively known as “eligible Scottish Partnerships”. Most of this guidance explains requirements which apply to PSCs of companies, PSCs of SEs, PSCs of LLPs and PSCs of ESPs. It should generally be read as applying to PSCs of SEs, PSCs of LLPs and PSCs of ESPs even though, for simplicity, most of the text refers to companies. Chapter 5 (understanding the specified conditions in detail) applies only in part to PSCs of LLPs and ESPs. You will need to consider Annex 3 to understand the specified conditions for identifying whether you are a PSC of an LLP. For guidance on the specified conditions for identifying whether you are a PSC of an ESP you will need to consider Annex 4.
- 1.2.3. The requirement to maintain a PSC register does not currently apply to other entities, such as membership based bodies known collectively as mutuals or Charitable Incorporated Organisations (CIOs).
- 1.2.4. The requirements do not apply to the kinds of UK companies set out below:

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<sup>3</sup> This includes companies which are dormant.

- Companies with voting shares admitted to trading on a regulated market in the UK or European Economic Area (other than the UK) or on specified markets in Switzerland, the USA, Japan and Israel<sup>4</sup>.

These companies are subject to other transparency rules. Overseas entities operating in the UK might be subject to requirements in their home country but are not subject to the requirements of Part 21A to hold a register.

- 1.2.5. Although these companies are not subject to the requirements to identify and register their PSCs, they might still be required to disclose their ownership or control of companies, SEs or LLPs that have to identify and register their PSCs.

### 1.3. The requirements at a glance

- 1.3.1. If you think you should be entered on a company's PSC register, you:

- Must consider whether you meet one or more of the five conditions outlined in section 2.1 in relation to the company and covered in more detail by Chapter 5.
- Must respond to any requests for information or to confirm information from the company. You will need to provide the relevant information set out in Chapter 4.
- Must alert the company to your status as a potential PSC if you have not heard from the company within one month of being such, see Chapter 3.
- Must update the company if your information changes, see Chapter 3.

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<sup>4</sup> For a list of the specified markets see Schedule 1 to The Register of People with Significant Control Regulations 2016.

## Chapter 2: Who are People with Significant Control (PSCs)?

### 2.1. Introduction to PSCs

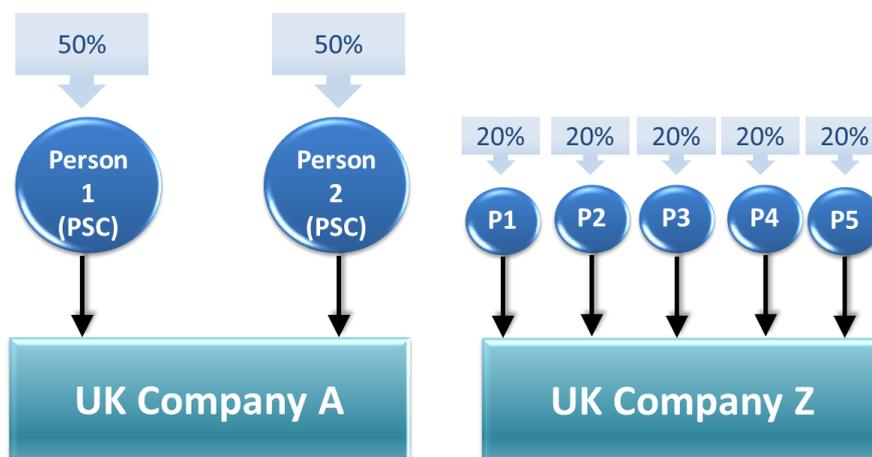
- 2.1.1. If you meet one or more of the following conditions in relation to a company then you are a PSC of that company. This means you will need to be entered on the PSC register. The conditions are explained in more detail in Chapter 5.
- 2.1.2. A PSC is an individual who meets any one or more of the following conditions in relation to a company:
- (i) Directly or indirectly holding more than 25% of the shares (sections 5.1 and 5.4) <sup>5</sup>,
  - (ii) Directly or indirectly holding more than 25% of the voting rights (sections 5.2 and 5.4),
  - (iii) Directly or indirectly holding the right to appoint or remove the majority of directors (sections 5.3 and 5.4),
  - (iv) Otherwise having the right to exercise, or actually exercising, significant influence or control (section 5.5),
  - (v) Having the right to exercise, or actually exercising, significant influence or control over the activities of a trust or firm which is not a legal entity, but would itself satisfy any of the first four conditions if it were an individual (section 5.6).
- 2.1.3. You might find it easy to identify your interest in a company and determine whether you are a PSC, or your situation might be more complex and need clarification between you and the company. Some companies will not have anyone who meets the conditions, whereas other companies will have several people who meet one or more of the conditions and are PSCs (all of whom must be on the PSC register).

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<sup>5</sup> Chapter 5 (understanding the specified conditions in detail) applies only in part to PSCs of LLPs and ESPs. You will need to refer to Annex 3 for the detailed conditions for identifying the PSC of an LLP and Annex 4 for the detailed conditions for identifying the PSCs of an ESP.

- 2.1.4. For example, in **Figure 1** below, Company A has two PSCs and Company Z has no PSCs.

**Figure 1: A simple example of meeting the conditions for being a PSC**



- 2.1.5. Person 1 and Person 2 are both PSCs in respect of Company A because they each hold 50% of the shares in Company A. Each of those shares comes with 1 vote so Person 1 and Person 2 also each hold 50% of the voting rights in Company A. Person 1 and Person 2 must be entered on Company A's PSC register as meeting both conditions (i) and (ii).
- 2.1.6. Assuming that there are no arrangements between the shareholders to exercise their rights together, and none of the shareholders meet any of the other conditions, Company Z will have no PSCs because none of its shareholders own enough shares. It will be entered on Company Z's PSC register that it has no PSCs.
- 2.1.7. If you hold your interest in a company **indirectly**<sup>6</sup> you may not always be required to be entered on that company's register. **This will be the case only where you hold your entire interest in that company through one or more legal entities which are 'relevant' and 'registrable'**, as explained below.

<sup>6</sup> See section 5.4 for an explanation of indirect interests.

## 2.2. Companies owned or controlled by legal entities – when legal entities must be entered on the PSC register

- 2.2.1. A PSC is by definition an individual<sup>7</sup>, and not a legal entity (such as a company or a limited liability partnership (LLP)). But legal entities can own and control companies. A legal entity must be put on the PSC register if it is both relevant and registrable in relation to the company.
- 2.2.2. A legal entity is relevant in relation to the company if it meets any one or more of the conditions (i) to (v) set out in paragraph 2.1.2 and:
- It keeps its own PSC register, or is an ESP and provides information on its PSCs to the central PSC register at Companies House;
- or
- It has voting shares admitted to trading on a regulated market in the UK or European Economic Area (other than the UK) or on specified markets in Switzerland, the USA, Japan and Israel<sup>8</sup>.
- 2.2.3. A relevant legal entity (RLE) is **registrable** in relation to the company if it is the first relevant legal entity in the company's ownership chain.
- 2.2.4. Figures 2-4 below show the perspective of different companies in the same chain of ownership. In **Figure 2**, Company B is the registrable RLE in relation to Company A and its details must be entered on Company A's PSC register. This is because Company B owns 100% of the shares in Company A and Company B is a UK company that keeps a PSC register. Company A is not required to look further at its chain of ownership for any **indirect interests**<sup>9</sup> held via Company B as these are not registrable in relation to Company A. For this reason the details of Company C, which is also an RLE, and Person 1 will not be entered on Company A's PSC register.

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<sup>7</sup> Local or national governments or a corporation sole (where the function of an office sits with a person) are the only exceptions. Further information on these circumstances is available in paragraphs 5.4.9 and 5.4.10.

<sup>8</sup> For a list of the specified markets see Schedule 1 to The Register of People with Significant Control Register Regulations 2016.

<sup>9</sup> See Chapter 5 for an explanation of how to calculate indirect interests.

Figures 2-4: When is an RLE registrable?

Figure 2: Company A's PSC register

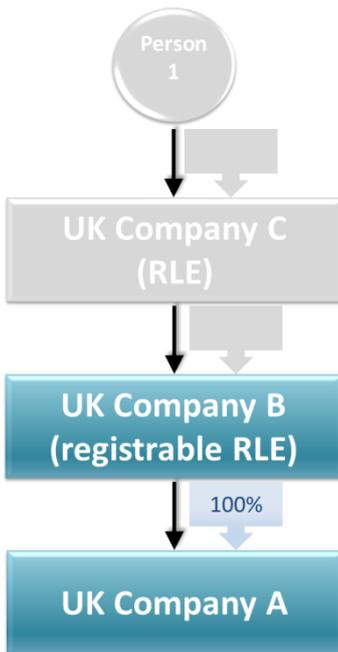


Figure 3: Company A's PSC register

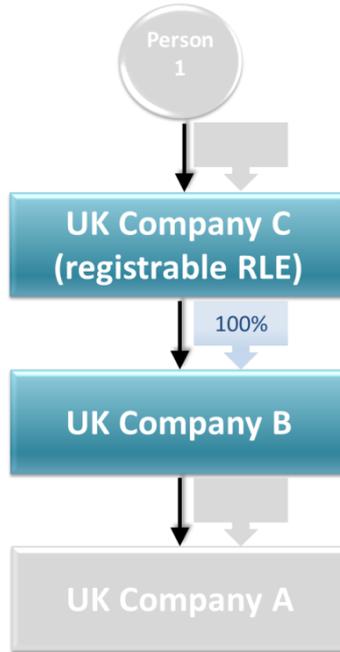
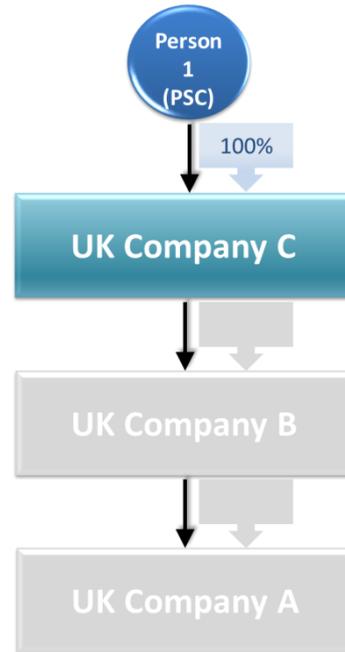


Figure 4: Company A's PSC register



2.2.5. In **Figure 3**, Company C is a UK company and its details will be entered on Company B's PSC register. As the first RLE in Company B's chain of ownership, **Company C is registrable in relation to Company B only**. Person 1 also does not go on Company B's PSC register even though he or she again holds an interest in Company B indirectly. Instead, **Person 1 is only required to be entered on Company C's register**, as per **Figure 4** above.

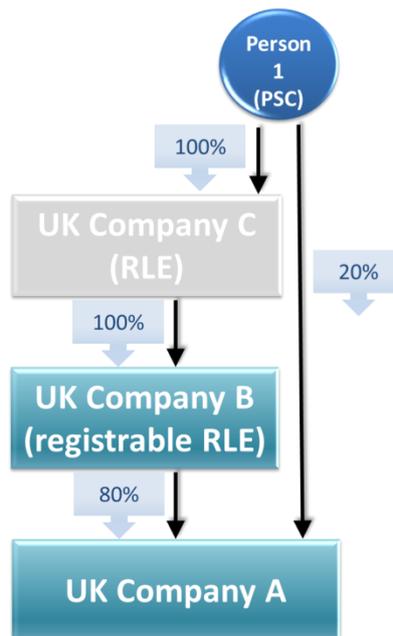
2.2.6. **Figure 5** below sets out the situation where an individual holds an interest in a company both directly and indirectly. The legislation requires that where an individual holds interests directly and indirectly that when added together mean that they meet one of the specified conditions (e.g. they hold more than 25% of the shares), they must also be listed on the company's PSC register.

2.2.7. In **Figure 5** Person 1 holds 20% of the shares of Company A, directly, and indirectly holds the remaining 80% of shares via Company B & C. This means that person 1 should appear on Company A's PSC register as holding more than 75% of shares in Company A (because they hold 100% of the shares). Company B

should also be included on Company A's register as holding more than 75% of shares.

- 2.2.8. In this situation, it might be unreasonable to expect Company A to identify Person 1 and **there is a separate obligation on Person 1 to inform Company A that he or she must be entered on Company A's PSC register**. Company A must then enter information about Person 1 on its PSC register. **Failure to inform the company where the individual knows or ought reasonably to know that they are a PSC of that company is a criminal offence.**

**Figure 5: When a PSC is obligated to inform the company of his or her status**



## 2.3. Legal entities which cannot be entered on the PSC register

- 2.3.1. You might control a company through, or be reading this guidance on behalf of, a legal entity which is not an RLE. When a legal entity is not an RLE it cannot be registrable and must not be entered on the PSC register. Further information on these circumstances is available under indirect interests in section 5.4.
- 2.3.2. Corporations sole, national or local governments, or international organisations who meet one of more of conditions (i) to (v) in relation to a company should see paragraphs 5.4.9 and 5.4.10, as these types of organisation may be treated as PSCs.

## Chapter 3: Providing PSC information

### 3.1. Providing information to the company

3.1.1. On the basis of the conditions set out in Chapter 2 and in further detail in Chapter 5 you should know if you are a PSC, or represent a registrable RLE, in respect of a company.

3.1.2. That company needs information from you to enter on the PSC register. You can provide the required information (set out in Chapter 4) to the company by:

- Volunteering the information as soon as you have it;
- Responding to notices from the company requesting the information;
  - **You must do this.** Failure to respond, without a valid reason<sup>10</sup>, may be a criminal offence; and
- Notifying the company when you know you are a PSC but have not received a notice or do not appear in the PSC register<sup>11</sup>;
  - **You must do this.** Failure to notify the company may be a criminal offence.

3.1.3. If you are a PSC, the company needs all of your information to be **confirmed**<sup>12</sup> before it can be entered on the PSC register.

### 3.2. Volunteering PSC information as soon as you have it

3.2.1. If you are aware that you should appear on a company's register as a PSC or as a registrable legal entity and have the required information to be entered on the PSC

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<sup>10</sup> There are no restrictions on what a valid reason might be, and it is for the company to decide. The only factor that a company must take into consideration is the capacity of the addressee to respond.

<sup>11</sup> This is especially relevant where you hold interests in a company both directly and indirectly. In this situation, the obligation is on you as the PSC or registrable RLE to notify the company that you must be entered on the PSC register. It may not be reasonable for the company to find identify PSCs where this is the case.

<sup>12</sup> Paragraph 3.2.2 explains when information can be treated as 'confirmed'.

register, then you should contact the company as soon as possible to make the process quicker for both you and the company.

3.2.2. The required information about an individual must be **confirmed** before being entered on the PSC register. The company can treat the information as already confirmed if:

- It was provided by you;
- Another person supplied it with your knowledge; or
- The information was delivered the registrar of companies in a statement of initial significant control prior to the incorporation of the company.

3.2.3. Under these circumstances the company will not need to send you a notice requesting PSC information.

### 3.3. Responding to notices

3.3.1. A company must actively seek information about its ownership to determine who should be entered on its register. If you have not volunteered your information, the company must send you a notice within one month of becoming aware that you are or may be a PSC or a registrable RLE in relation to it. **You must reply within one month of receipt.** Failure to respond, without a valid reason, is a criminal offence.

3.3.2. The company should ask you in the notice to confirm if you should be on its register, and if you can provide or confirm the information required for the PSC register.

3.3.3. If you do not reply, the company may issue you with a warning notice, telling you it plans to restrict your interest in the company. Restrictions can apply to any share or right you hold directly or indirectly in the company, with the effect that:

- Your interest cannot be sold or transferred and any agreement to sell or transfer your interest is void;
- No rights associated with your interest can be sold or transferred and any agreement to sell such rights is void;
- No rights may be exercised in respect of your interest;

- No shares may be issued in right of your interest or in pursuance of an offer made to you; and
- No payment may be made in respect of your interest, whether in respect of capital or otherwise unless the company is in liquidation.

More information on restrictions is available in Chapter 8 of the guidance for companies.

- 3.3.4. The company may also send notices to someone who knows about your interest, rather than to you personally. This might be a nominee, professional advisor or family member, for example. **Anyone in receipt of a notice must reply.** Failure to respond to a notice, without a valid reason, is a criminal offence.

## 3.4. Notifying the company

- 3.4.1. If you know you are a PSC of a company but they have not contacted you within one month of when you became a PSC, **then you must contact them.** You have one month to do this from the time you know or ought to know of this situation. You must provide the information required for the register. Failure to do so is a criminal offence.

## 3.5. Keeping the information up-to-date

- 3.5.1. If any of the information about you on the register ceases to be accurate, then you should contact the company as soon as possible with the correct amended information.
- 3.5.2. If you do not volunteer the required information, the company will send you a notice and **you must reply with the updated required information.** Failure to do so is a criminal offence. The notice will ask you to:
- Confirm that the change has occurred;
  - Give the date that the change occurred; and
  - Give the correct and up-to-date information.
- 3.5.3. If the company has not contacted you within one month of the change, then you must contact them. You have one month to do so from the time you know or ought to know of the change. Failure to do so is a criminal offence.

- 3.5.4. The company may send notices to someone who knows about your interest rather than you personally, and they must reply.

## 3.6. Removing information from the register

### If you stop being a PSC

- 3.6.1. When you stop being a PSC or registrable RLE you must notify the company. If it has one, the company must update its own PSC register within 14 days of becoming aware of the change, and update the central register at Companies House within a further 14 days. The company is required to keep the information about you for ten years from when you stop being a PSC.

### When there is an error

- 3.6.2. If you become aware that information on the PSC register is incorrect you should inform the company. Once they have the correct information they should update the company's own PSC register, if it has one, within 14 days and update the central register at Companies House within 14 days. The incorrect information will still be publicly accessible even after the correction has been made.

### Disputing information on the register

- 3.6.3. If you wish to dispute the information about you that the company has entered on its PSC register you will need to make an application to court and may wish to seek professional advice.

## Chapter 4: Information required for the PSC register

### 4.1. Information on the PSC register

4.1.1. There are certain pieces of information you must provide to the company for the PSC register. The company will keep the details on its own PSC register<sup>13</sup>, and also provide them to the central register at Companies House. Explanation of which information is available to the public to inspect on the central register is in section 4.5.

### 4.2. People with Significant Control (PSCs)

4.2.1. If you are a PSC of a company then the following information must be provided, confirmed and entered on the central register:

- Name
- Date of birth
- Nationality
- Country, state or part of the UK where you usually live
- Service address
- Usual residential address<sup>14</sup>
  - If your residential address is also the service address, then you do not need to give it again<sup>15</sup>
- The date you became a PSC in relation to the company<sup>16</sup>

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<sup>13</sup> This does not apply to eligible Scottish partnerships.

<sup>14</sup> You must provide a residential address. This will be kept on the company's own PSC register but will not be made publicly accessible. It will be provided to Companies House but will not be made available on the central public register.

<sup>15</sup> The only exception is when the service address is also the company's registered office address.

- Which of the five conditions for being a PSC you meet, including quantification of your interest where relevant
  - For a PSC who meets one or more of conditions (i) to (iii) the company is not required to identify whether they also meet condition (iv)
  - There is official wording to be used, (see Annex 2)
- Any restrictions on disclosing your PSC information which are in place

### 4.3. Registrable Relevant Legal Entities (RLEs)

4.3.1. If you represent a registrable RLE then the following information must be entered on the central register:

- Name of the legal entity
- The address of its registered or principal office
- The legal form of the entity and the law by which it is governed
- If applicable, a register in which it appears (including details of the state) and its registration number<sup>17</sup>
- The date it became a registrable RLE in relation to that company
- Which of the five conditions for being a PSC are met, with quantification of the interest where relevant
  - For a registrable RLE that meets one or more of conditions (i) to (iii) the company is not required to identify whether they also meet condition (iv)
  - There is official wording to be used, see Annex 2.

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<sup>16</sup> For PSCs of existing companies that are completing a PSC register for the first time in April 2016, this date will be 6 April 2016. For companies coming into scope for the first time in 2017, this date will be 26 June 2017.

<sup>17</sup> If the legal entity is entered on a register in the UK (e.g. the Charity Commission register) or overseas (e.g. the central public register of companies in another country), this must be noted.

## 4.4. Details shown on the PSC register when PSC or registrable RLE information is not available

- 4.4.1. If you do not provide or confirm the required information, the company must still make an entry. It cannot enter incomplete or unconfirmed information about you, but it must explain the status of its investigations. This means the register might say that the company is taking reasonable steps to identify its PSCs, or information cannot be confirmed, or that the person the company thinks is a PSC is not responding to notices.
- 4.4.2. More information on what the company should do in these circumstances is available in Chapter 8 of the guidance for companies.

## 4.5. Where your information is kept and made available

- 4.5.1. Companies that are obliged to keep their own PSC<sup>18</sup> register must make it accessible. Anyone with a proper purpose can have access to the company's own PSC register free of charge, or have a copy of it for £12. When the company grants access to your information it must not disclose your residential address.
- 4.5.2. Companies that keep their own register are obliged to update them with any new information within 14 days. These companies must also file PSC information at Companies House within 14 days of updating their own register. Eligible Scottish Partnerships, who do not hold their own register, must update the information on the central register within 14 days on being aware of the change. Almost all of your information will be available on the central public register at Companies House. The only information that will not be is:
- Your usual residential address,
    - Which is also not accessible on the company's own PSC register<sup>19</sup>; and
  - The day of your date of birth<sup>20</sup>,
    - Which will be accessible on the company's own PSC register.

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<sup>18</sup> This does not apply to eligible Scottish partnerships.

<sup>19</sup> The only exception to this is where a residential address has been provided as a service address, however there will be no indication that it is a residential address.

<sup>20</sup> If the company elects to keep its own PSC register at Companies House then the day of the date of birth would be visible.

- 4.5.3. All information held by Companies House will be available to law enforcement agencies. Companies House also make residential addresses available to credit reference agencies and certain public authorities<sup>21</sup> in certain circumstances. Where a credit institution or a financial institutions is conducting customer due diligence on your company, in certain circumstances Companies House may also make most information available to that institution.
- 4.5.4. A private company or LLP may choose to keep the information on its own PSC register at Companies House. In this case, all of the information set out in paragraph 4.2.1 will be publicly available, except the usual residential address. A company that wishes to do this must give notice to its PSCs that it intends to elect to keep its own register at Companies House at least 14 days in advance. The company may only go ahead with the election if you do not object. The company must deliver to Companies House information regarding any change in PSC information they are aware of within 14 days of becoming aware.

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<sup>21</sup> See Schedule 3 to the Register of People with Significant Control Regulations 2016 for the full list of public authorities.

<b>Table 1: Summary of PSC information relating to an individual required and made available under normal circumstances</b>			
<b>Information the company must collect about its PSCs, hold on the company's own PSC register and file at Companies House. This information will be available to law enforcement and credit reference agencies.</b>	<b>PSC information the company must provide in response to requests for copies of its own PSC register</b>	<b>PSC information Companies House will make available on the central public register</b>	<b>PSC information Companies House will make available on the central public register if the company chooses to keep its own register at Companies House</b>
Name	Name	Name	Name
Full date of birth	Full date of birth	<b>Month and year of birth</b>	Full date of birth
Nationality	Nationality	Nationality	Nationality
Country / area of residence	Country / area of residence	Country / area of residence	Country / area of residence
Service address	Service address	Service address	Service address
Residential address			
Date became a PSC	Date became a PSC	Date became a PSC	Date became a PSC
Which of the conditions for being a PSC are met	Which of the conditions for being a PSC are met	Which of the conditions for being a PSC are met	Which of the conditions for being a PSC are met

## 4.6. Suppressing PSC information in exceptional circumstances

4.6.1. In exceptional circumstances, there is a regime for suppressing all information relating to PSCs from the company's PSC register and the central register for public inspection, or preventing their residential addresses from being shared with credit reference agencies. Here, 'exceptional circumstances' means where there is a serious risk of violence or intimidation. If you think you may need to apply for protection, there is more information in Annex 1. You would still be required to fulfil all other PSC requirements and your information will still be available to law enforcement.

## Chapter 5: Understanding conditions (i) to (v) in detail

*If you are reading this guidance in relation to an LLP or ESP, you should also turn to Annex 3 (LLPs) or to Annex 4 (ESPs) to understand more about each of conditions (i) to (v). Sections 5.1 to 5.3 and 5.5 to 5.6 in this chapter will not be directly relevant to you and corresponding sections are provided in Annex 3. However, section 5.4 is important in relation to LLPs and ESPs.*

### 5.1. Condition (i) – you are a PSC if you hold, directly or indirectly, more than 25% of the shares in the company

#### Companies limited by shares: calculating shareholdings

- 5.1.1. If you hold the shares directly, it should be simple to assess how many of the company's shares you hold. You could look at the incorporation documents and register of members to help work out if you own more than 25% of the shares.
- 5.1.2. All shares in issue from the company should be included when calculating your shareholding. The percentage is calculated using the nominal (or par) value of the shares. Shares which have never been issued or which have been bought back and cancelled should not be included.
- 5.1.3. If you have a more complicated share ownership arrangement, please see the relevant paragraph(s) in section 5.4.

#### Companies without share capital (including charitable companies)

- 5.1.4. The PSC register requirements apply to companies limited by guarantee and unlimited companies in just the same way as companies limited by shares. This includes Community Interest Companies and some registered charities.
- 5.1.5. You may be involved in a company without share capital that has articles of association which prevent the distribution of profits and or capital. Every charity registered as a company limited by guarantee must have articles of association which prevent any distribution of profits or capital to members. If the company you are involved in cannot distribute profits or capital there will be no one who meets condition (i).

- 5.1.6. However, the company might well have PSCs or registrable RLEs who meet one or more of conditions (ii) to (v). These conditions apply as set out in Chapter 2 and sections 5.2 to 5.6 notwithstanding that the company does not have share capital (whether an unlimited company or company limited by guarantee).
- 5.1.7. Where the company's constitution does allow for the distribution of profits or capital, you will meet condition (i) in relation to the company if you hold a right to share in more than 25% of the company's profits or capital and your details must be entered on the PSC register. The details you need to supply the company with are set out in section 4.2. If you hold this right jointly, on behalf of another, or indirectly, the guidance in section 5.4 will be relevant.
- 5.1.8. If you are reading this guidance on behalf of a legal entity see Chapter 2 for more information on registrable RLEs to work out whether it must be entered on the company's PSC register. If that legal entity is a corporation sole, national or local government, or international organisation see paragraphs 5.4.9 and 5.4.10.
- 5.1.9. If you meet condition (i), quantification of your interest under condition (i) must be entered on the PSC register using official wording (see Annex 2). The official wording refers to shares because this is the most common company form. For a company without shares (your unlimited company or company limited by guarantee) you should consider shares to mean profit or capital.
- 5.1.10. You should use the applicable statement reading "profit or capital" for shares and considering the percentages contained in the statements. If, for example, you have a right to 30% of the company's capital, you should confirm to the company, as per statement (a) from Annex 2, that you:

***"Hold, directly or indirectly, more than 25% but not more than 50% of the shares in the company."***

## 5.2. Condition (ii) – you are a PSC if you hold, directly or indirectly, more than 25% of the voting rights in the company

### Calculating voting rights

- 5.2.1. The voting rights attached to your shares are likely to be set out in the company's constitutional documents e.g. articles of association ('Articles'). Voting rights can be exercisable in different ways, including at general meetings or through written resolutions. Often one vote is attached to one share, but the company might have different classes of shares with different rights. For instance some shares might

have no voting rights, or the right to vote only in certain circumstances, or additional rights to more than one vote per share.

- 5.2.2. Where you own shares in the company directly and if you know the voting rights attached to those shares, the company's register of members together with the voting rights provisions of the Articles (if applicable) will enable you to work out if you hold more than 25% of the voting rights.
- 5.2.3. For more complicated arrangements including indirect holdings please see the relevant paragraph(s) in section 5.4.

### 5.3. Condition (iii) – you are a PSC if you hold, directly or indirectly, the right to appoint or remove the majority of the directors in the company

- 5.3.1. You must consider whether you have the right to appoint or remove directors with the majority of board level voting rights. If each director in the company has one vote at board meetings this is simple to calculate.
- 5.3.2. If different directors have different voting rights at board meetings (on all or most matters), or someone has a casting vote, usually this will be set out in the company's Articles. If that is the case, then you must consider whether you have the right to appoint or remove directors who could carry the majority in board votes on all or substantially all matters.
- 5.3.3. In respect of a Societas Europaea which has a two-tier board structure, you will meet condition (iii) if you have the right to appoint or remove the majority of members of either the management organ or supervisory organ.
- 5.3.4. If the company does not have a board of directors then you should consider any equivalent management body. Many companies limited by guarantee (particularly in the charitable or not-for-profit-distribution sector) may call their board of directors by another name, such as the Committee, Board of Governors or Board of Trustees. Directors may be referred to as trustees (and may have both capacities). These arrangements should be carefully considered.
- 5.3.5. For more complicated arrangements please see the relevant paragraph(s) in section 5.4.

## 5.4. Further guidance on other ownership arrangements

*If you are reading this guidance in relation to an LLP or an ESP, sections 5.1 to 5.3 (above) will not be directly relevant to you, and you should consider equivalent sections in Annex 4 (for LLPs) and Annex 5 (for ESPs). But section 5.4 (below) is important.*

### Nominees

- 5.4.1. If you hold shares or rights through a nominee, then you are still treated as holding those shares and could be a PSC. If you represent a legal entity that holds shares through a nominee then you should read the relevant sections in Chapter 2 to work out whether the legal entity is a registrable RLE.

### Joint interests

- 5.4.2. If you hold the same shares or rights in the company with one or more person, then you must work on the basis that you each hold the total number of shares or rights held by all of you. So if your arrangement covers more than 25% of the shares, each of you must be entered separately on the PSC register<sup>22</sup>.

### Joint arrangements

- 5.4.3. A joint arrangement is where two or more people arrange to exercise all or substantially all of their rights arising from their shares jointly in a way which is pre-determined. If you have such an arrangement<sup>23</sup>, each of you is deemed to hold the total number of shares held by all of you. So if your arrangement covers more than 25% of the shares in the company, each party to your arrangement must separately be entered on the PSC register. Likewise, if your arrangement covers appointment or removal of directors with a majority of board level voting rights, each party to the arrangement must separately be entered on the register.

### Indirect ownership

- 5.4.4. You might hold shares or rights in a company indirectly. This happens when a legal entity holds the shares or the rights and you have a **majority stake**<sup>24</sup> in that

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<sup>22</sup> If a legal entity holds more than 25% of the shares under these circumstances then you should read the relevant sections in Chapter 2 to work out whether the legal entity is a registrable RLE.

<sup>23</sup> An arrangement includes any scheme, agreement or understanding, whether or not legally enforceable and any convention, custom or practice of any kind. It does not include one-off arrangements.

<sup>24</sup> See paragraph 5.4.6 for what constitutes a 'majority stake'.

legal entity. You are not required to be entered on the company's register unless the legal entity you hold your interest through is not an RLE (RLEs are explained in Chapter 2) or you hold a direct interest which met one or more of conditions (i) to (v) cumulative with an indirect interest as per paragraph 2.2.6.

5.4.5. When a legal entity is not an RLE it cannot be registrable and you cannot enter it on the PSC register. A legal entity might not be an RLE because:

- It is a UK legal entity which is not a company, LLP, SLP, SQP or SE; or
- It is a non-UK company or other legal entity that does not meet the test in paragraph 2.2.2.

5.4.6. Instead, you must look at the ownership and control of that legal entity to identify whether you have a majority stake in that legal entity. You will hold a majority stake if:

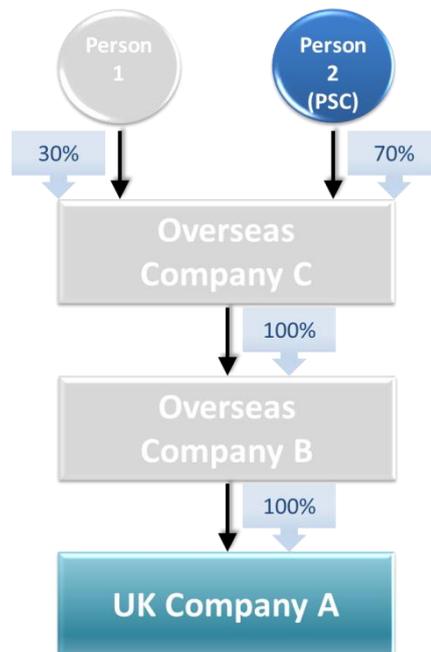
- You hold a majority of the voting rights in the legal entity;
- You are a member of the legal entity and have the right to appoint or remove a majority of its board of directors;
- You are a member of the legal entity and control a majority of the voting rights by agreement with other shareholders or members; or
- You have the right to exercise or actually exercise dominant influence or control over the legal entity.

5.4.7. If you have a majority stake in that legal entity which is not an RLE, your details must be entered on the PSC register. If you hold your interest through more than one legal entity which is not an RLE but which has a majority stake, you must also look at the ownership and control of that legal entity and so on to determine whether you or an RLE have a majority stake and are registrable as a PSC or as a registrable RLE. If there is no-one who meets these criteria then the company will enter this fact on its PSC register.

5.4.8. In **Figure 6** below, for example, Company A cannot put Company B on the PSC register even though it owns 100% of the shares in Company A, because Company B is an overseas company that does not meet the test in paragraph 2.2.2. Instead the ownership and control of Company B must be considered. Although Company C has a majority stake (holding 100% of the voting rights) in Company B, it also is not an RLE because it is an overseas company and does not meet the test in paragraph 2.2.2 and its details cannot be entered on the PSC register. The ownership and control of Company C must therefore be considered.

Person 2 has a majority stake (holding more than 50% of the voting rights) in Company C, this means they are a PSC in relation to Company A and must be entered on the PSC register.

**Figure 6: Looking through the chain when there are no RLEs**



## Companies owned by corporations sole, national or local governments, or international organisations

5.4.9. The law makes special provision where a company is owned or controlled by an 'other registrable person' such as:

- A government or government department (local or national);
- An international organisation whose members include two or more countries, territories or their governments; or
- A corporation sole (a legal entity consisting of a single incorporated office occupied by a single person).

5.4.10. Other registrable persons do not meet the test for RLEs in paragraph 2.2.2, but they are treated as PSCs and their information must be entered on the PSC register. The following information is required for the PSC register in relation to a legal entity that falls into these categories:

- Name
- Principal office
- The legal form of the entity and the law by which it is governed
- The date it became registrable in relation to the company
- Which of the conditions (i) to (v) are met for having significant control

There is no requirement for the company to confirm this information before it can be entered on the PSC register.

## Interests held through a limited partnership

5.4.11. Ordinarily, where your shares or rights in the company are held as assets of a limited partnership without legal personality<sup>25</sup>, your details should only be entered on the PSC register if you are a general partner (or corporate general partner if you represent a legal entity that is a RLE). A limited partner of a limited partnership without legal personality will not meet conditions (i) to (iii) by virtue of only being a limited partner. Similarly, you (or the legal entity you represent if it is a RLE) will not meet conditions (i) to (iii) solely by virtue of holding shares or rights (whether directly or indirectly) in a corporate limited partner.

## Rights controlled by another

5.4.12. If you hold either voting rights in the company or the right to appoint or remove directors with the majority of board level voting rights but those rights are controlled<sup>26</sup> by another person, then those rights will be treated as if they were held by the person who controls them.

5.4.13. If this person is a PSC their details must be entered on the PSC register. If they are a legal entity you will need to read the relevant sections in Chapter 2.

## Rights attached to shares held by way of security

5.4.14. Where you have used your shares as security, e.g. for a loan from a bank, those shares should be treated as being held by you if:

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<sup>25</sup> Such as an English limited partnership.

<sup>26</sup> A person controls a right if there is an arrangement which means the right is only exercisable by that person, on their instruction or direction or with their consent or concurrence.

- You retain control over the rights;
- You retain control except where the lender exercises rights relating to your shares for the purpose of preserving or realising the value of the security; or
- The lender controls the rights relating to your shares but, other than the right to exercise them for the purpose of preserving or realising the value of the security, must exercise them in your interests.

## Rights exercisable only in certain circumstances

- 5.4.15. Some rights in the company might only be exercisable in certain circumstances; these could include but are not limited to voting rights, or rights to appoint directors. If the circumstances under which your rights are exercisable are within your control, then they are relevant for identifying whether you are a PSC of the company. Otherwise, you should only consider these rights if those circumstances have arisen, and for as long as those circumstances continue.
- 5.4.16. There is an exception to this. If the company is in administration then administrators and creditors could have certain rights under those circumstances, but these rights do not make them PSCs. They should not be put on the PSC register<sup>27</sup>.

## 5.5. Condition (iv) – an individual is a PSC of your company if they have the right to exercise, or actually exercises, significant influence or control

- 5.5.1. The company is only required to identify whether a PSC or registrable RLE meets this condition if they do not exercise control through one or more of conditions (i) to (iii).
- 5.5.2. If you do not meet conditions (i) to (iii) you may still have **significant influence or control** over the company. You could be a PSC by virtue of the fourth condition. To work out if you have significant influence or control over the company you must consider a range of factors set out in [statutory guidance](#).
- 5.5.3. The statutory guidance is not an exhaustive statement of what will amount to “significant influence or control,” but provides examples where a person would normally fall within the definition, and where they would not. It also sets out some

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<sup>27</sup> This exception does not cover circumstances of liquidation or receivership.

“excepted roles” that do not, on their own, amount to significant influence or control. This would include, for example, directors acting in a way which is consistent with the ordinary responsibilities of a director.

- 5.5.4. The statutory guidance is provided separately because it has been approved by Parliament and therefore has a statutory footing<sup>28</sup>.

## 5.6. Condition (v) – an individual is a PSC of your company if they have the right to exercise, or actually exercises, significant influence or control over the activities of a trust or a firm, which in turn satisfies any of the first four conditions

- 5.6.1. If you are involved in a trust or firm (without legal personality)<sup>29</sup> that has any ownership or control over the company, you must consider if that trust or firm would have met any of conditions (i) to (iv) if it were an individual.
- 5.6.2. If the trust or firm would have met any of conditions (i) to (iv) then you must consider whether you control the activities of that trust or firm. To work out if you have **significant influence or control** of the trust or firm you must consider a range of factors set out in the [statutory guidance](#)<sup>30</sup>. This is provided separately because it is on a statutory footing.
- 5.6.3. If you have significant influence or control over the activities of a trust or firm, which would be a PSC of the company if it were an individual, then your details should be entered on the PSC register. If a registrable RLE controls the trust or firm then its details must be entered on the PSC register. If a legal entity which is not an RLE controls the trust or firm, then the ownership chain will need to be explored further until an individual or registrable RLE with majority ownership of that legal entity is identified, or it is established that none exists.
- 5.6.4. If the assets of the trust or firm include ownership or control of the company that would meet any of conditions (i) to (iv), the register should show that the trustee(s) or partner(s) have significant influence or control (i.e. a PSC interest) against each of the conditions (i) to (iv) that are met.

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<sup>28</sup> Other guidance on the PSC register, including this document, explains the legal requirements and what you need to do to comply with the law.

<sup>29</sup> A firm for these purposes is any entity which does not have legal personality under the law by which it is governed. Partnerships without legal personality, including English limited partnerships, are “firms” for this purpose. LLPs, SLPs and SQPs have legal personality and are not “firms” for this purpose.

<sup>30</sup> Statutory guidance is approved by Parliament.

- 5.6.5. If someone other than the trustees, such as the settlor or beneficiary of the trust, or partners has the right to exercise significant influence or control over the trust or firm, then they would also be shown on the register as meeting condition (v).

## Annex 1: Regime for suppressing PSC information in exceptional circumstances

1. Company information in the UK is usually public, apart from residential addresses and the day of the date of birth of individuals involved in a company. PSC information will also be public, in the interests of transparency.
2. If you consider that exceptional circumstances apply to you as a PSC of the company resulting in a serious risk of violence or intimidation, then you can apply for your PSC information to be protected. This means that your PSC information would not be made public or shared with credit reference agencies. You will still have to comply with all the remaining PSC requirements and PSC information will still be available to law enforcement agencies, and to credit institutions and financial institutions undertaking customer due diligence on the company when conditions are met.
3. This Annex will help you determine whether an application for protection is necessary. You should refer to section 4.5 (about public information) to understand more about where your information is made available for public inspection under normal circumstances.
4. Applications for protection may be made by you as a PSC or by the company on your behalf. For more information on who can apply, see paragraph 10 below. If you think an application for protection is necessary, more information on how to make an application, and what PSC information the company must protect and by when, will be available in Companies House's protection regime guidance.

### Categories of protection

5. There are two categories of protection for PSC information.
  - (i) Preventing a PSC's residential address from being shared with credit reference agencies.
    - Residential addresses are never made public on a company's own PSC register or on the central public register at Companies House (unless a

residential address has been provided as a service address<sup>31</sup>), but Companies House does normally share them with credit reference agencies<sup>32</sup>.

- (ii) Preventing any information about a PSC from being seen on the public record or being shared with credit reference agencies and replacing a PSC's information in the company's PSC register with a note that a protection application has been made in respect of the PSC.
  - PSC information is usually available on a company's own register and on the central public register at Companies House, other than the residential address and the day of the date of birth<sup>33</sup>.

## The case for a protection application

6. Protection will only be granted if your application contains evidence proving a serious risk of violence or intimidation to you or someone who lives with you. There can be exceptions to this evidential requirement where you already have protection in your capacity as a company director, or as a member of an LLP (see paragraphs 18 and 19 below).
7. If the application is to prevent your residential address from being shared with credit reference agencies by Companies House, the risk could come from the activities of any of the companies or partnerships of which you are, are considering to be, or were, a PSC, director, or member. The risk may also come from an overseas company of which you are or were a director, secretary or permanent representative. The company, partnership or overseas company might be engaged in, or is engaging in business with another whose activity is sensitive or contentious and may give rise to protests or campaigns which result in violence or intimidation against you.
8. If the application is to prevent all of your PSC information from being made public then the risk must come either from the activities of the company, or must come from your association with the company. In respect of the latter, the application must demonstrate that if you are publicly identified as the PSC of the company, certain of your characteristics or attributes when associated with the company could put you or

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<sup>31</sup> If a residential address is provided as a service address there will be no indication that it is a residential address.

<sup>32</sup> This will not apply to the PSCs of SLPs and SQPs.

<sup>33</sup> See Chapter 4. If a residential address is provided as a service address, that residential address would not be labelled as such. If the company chose to keep its own register at Companies House then the day of the date of birth would be visible.

someone who lives with you at risk of violence or intimidation. The activities of the company need not be sensitive in and of themselves, but the association with you as the PSC might result in violence or intimidation against you.

9. Applications and the related evidence are assessed on a case by case basis, so there is no set list of circumstances where protection will be granted. Applications will be treated very seriously. The registrar of companies at Companies House makes a decision after consulting law enforcement agencies. Law enforcement agencies will carry out a full risk assessment on the basis of evidence you provide, and the registrar might contact you for more evidence.

## Making a protection application

10. You can make a protection application if you are:

- An individual who is considering an investment or similar action which would make them a PSC;
- An existing PSC;
- An individual who used to be a PSC ;
- The company or partnership; or
- A founding member of the company, before incorporation; or a proposed member of the partnership<sup>34</sup>.

The company or partnership may make an application on your behalf if you consent to it doing so.

11. Applications for either category of protection can be made from 6 April 2016 in relation to companies and LLPs. Applications for protection can be made from 26 June 2017 in relation to ESPs and companies not previously in scope.
12. Protection of your information on the public register will start as soon as an application is registered at Companies House. The company must not use or disclose your information on its register as soon as an application is made. Applications can be made before you become a PSC or before a company is incorporated, so that your PSC information never appears on the central public register.

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<sup>34</sup> A subscriber to a memorandum of association.

13. After the assessment, the registrar will write to confirm the outcome of your application. If your application is unsuccessful you can appeal within 42 days, during which time protection continues.
14. Once an application is granted, your PSC information will be protected indefinitely.

## Transitional arrangements for protection applications

15. From 26 June 2017, unregistered companies, companies on secondary markets, SLPs and SQPs will have an obligation to investigate their ownership and control and start registering this information from 24 July 2017. The following arrangements apply to an individual who is a PSC of any of these bodies on 26 June 2017, by virtue of the extended application of PSC measures coming into force on that date.
16. If you are a PSC of a newly in scope company or eligible Scottish partnership on 26 June 2017 and you make an application or an application is made on your behalf before 24 July 2017 which is unsuccessful, under the transitional arrangements if you cease to be a PSC of the company within 12 weeks, your details as a PSC of that company will never be made available for public inspection<sup>35</sup>.

## Protected information about directors

17. The Register of People with Significant Control Regulations 2016 and The Limited Liability Partnerships (Register of People with Significant Control) Regulations 2016 amended the Companies (Disclosure of Address) Regulations 2009 to align the processes of protecting information about company directors with those for PSCs or members.
18. If you are or were a company director, or are or were a member of an LLP, you may already have some protection<sup>36</sup>. This protection means your residential address is not already shared with credit reference agencies. In this case, it might be possible to make an application on the basis that you already have existing protection under that regime. No evidence would be required to demonstrate the risk of violence or intimidation. Some details would be required about the company or LLP in respect of which the protection was given and Companies House may ask for further information if necessary.

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<sup>35</sup> For more details on the transitional arrangements see the Schedule to the Information about People with Significant Control (Amendment) Regulations 2017.

<sup>36</sup> This protection is often called “section 243 protection” since it is set out in section 243 of the Companies Act 2006 and the Companies (Disclosure of Address) Regulations 2009.

19. Where an application is made on this basis, it can only be made for the protection of your usual residential address, as outlined in paragraph 5(i) above. More information on when such an application can be made is available from Companies House.

## Annex 2: Official wording for the PSC register

1. You must provide and confirm the pieces of information the company requires from you to complete its PSC register. The company will require information on which of the five conditions for being a PSC you meet, including quantification of your interest where relevant. PSCs of LLPs should refer to Annex 2.
2. This is a reference guide to the official wording required for the PSC register. Statements a) to j) have not been included as they relate to a situation where there are no PSCs or RLEs; a PSC cannot be identified; a PSC's information has not been confirmed; the company is taking reasonable steps; or notices have been given.

### Condition (i)

3. The following statements are also for use by PSCs of companies without share capital, see section 1 of Chapter 5.
  - a) ***[You hold], directly or indirectly, more than 25% but not more than 50% of the shares in the company.***
  - b) ***[You hold], directly or indirectly, more than 50% but less than 75% of the shares in the company.***
  - c) ***[You hold], directly or indirectly, 75% or more of the shares in the company.***

### Condition (ii)

- d) ***[You hold], directly or indirectly, more than 25% but not more than 50% of the voting rights in the company.***
- e) ***[You hold], directly or indirectly, more than 50% but less than 75% of the voting rights in the company.***
- f) ***[You hold], directly or indirectly, 75% or more of the voting rights in the company.***

### Condition (iii)

- g) ***[You hold] the right, directly or indirectly, to appoint or remove a majority of the board of directors.***

## Condition (iv)

***h) [You have] the right to exercise, or actually exercise, significant influence or control over the company.***

4. This will only be applicable where you do not meet one or more of conditions (i) to (iii).

## Condition (v) – trusts

***i) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, more than 25% but not more than 50% of the shares in the company.***

***j) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, more than 50% but less than 75% of the shares in the company.***

***k) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, 75% or more of the shares in the company.***

***l) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, more than 25% but not more than 50% of the voting rights in the company.***

***m) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, more than 50% but less than 75% of the voting rights in the company.***

***n) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, 75% or more of the voting rights in the company.***

***o) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company.***

***p) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and, the trustees of that trust (in their***

**capacity as such) have the right to exercise, or actually exercise, significant influence or control over the company.**

## Condition (v) - firms

- q) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, more than 25% but not more than 50% of the shares in the company.**
- r) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, more than 50% but less than 75% of the shares in the company.**
- s) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, 75% or more of the shares in the company.**
- t) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, more than 25% but not more than 50% of the voting rights in the company.**
- u) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, more than 50% but less than 75% of the voting rights in the company.**
- v) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, 75% or more of the voting rights in the company.**
- w) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company.**
- x) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such)**

***have the right to exercise, or actually exercise, significant influence or control over the company.***

## Annex 3: Guidance for PSCs of Limited Liability Partnerships (LLPs)

1. This annex is directly addressed to you if you:
  - Could be a PSC; or
  - Are a member, or designated member, of an LLP.
2. It may also be of interest if you:
  - Are otherwise involved in an LLP;
  - Are acting for an LLP as an advisor; or
  - Are interested in how PSC information is defined and recorded.
3. The regime for registering people with significant control (PSCs) covers companies, Limited Liability Partnerships (LLPs) and Societates Europaeae (SEs). You should consider all the requirements of the regime set out in the main part of this guidance, in relation to your involvement in the LLP (even where they are addressed mainly to PSCs of companies). The only sections which are not likely to be of interest to you are 5.1, 5.2 and 5.3.
4. This annex covers identification of a PSC specifically in relation to an LLP. It deals with differences between how the requirements are applied to LLPs and Companies. Where there is no specific difference, the requirements as they apply to PSCs of companies should be considered to apply to PSCs of LLPs.

### Requirements

5. The requirements are set out in the Limited Liability Partnerships (Register of People with Significant Control) Regulations 2016. These regulations apply Part 21A of, and Schedules 1A and 1B to the Companies Act 2006 (as inserted by the Small Business Enterprise and Employment Act 2015), and the Register of People with Significant Control Regulations 2016, to LLPs with modifications.
6. The requirements apply to all UK incorporated LLPs.

### PSCs of LLPs

7. If you meet one or more of the following conditions in relation to a LLP then you are a PSC of that LLP. This means you will need to be entered on the LLP's PSC register. The conditions are explained in more detail in paragraphs 9 to 37.
8. A PSC is an individual who meets any one or more of the following conditions in relation to a LLP:
  - (i) Directly or indirectly holding rights over more than 25% of the surplus assets on a winding up,
  - (ii) Directly or indirectly holding more than 25% of the voting rights,
  - (iii) Directly or indirectly holding the right to appoint or remove the majority of those involved in management,
  - (iv) Otherwise having the right to exercise, or actually exercising, significant influence or control,
  - (v) Holding the right to exercise, or actually exercising, significant influence or control over the activities of a trust or firm which is not a legal entity, but would itself satisfy any of the first four conditions if it were an individual.

### Condition (i) – an individual is a PSC if they hold, directly or indirectly, rights over more than 25% of the surplus assets on winding up

#### Identifying rights to surplus assets

9. You need to consider where the surplus assets of the LLP would go if the LLP were to wind up today, under the agreements that are in place and on the assumption that the LLP is solvent. The surplus assets will be those remaining after the liabilities of your LLP have been satisfied.
10. Information in the LLP agreement will help you work out whether you hold rights over more than 25% of the surplus assets on winding up. The LLP agreement covers any agreement between the members of the LLP, or between the LLP and its members, about rights. The agreement might be written down but need not be. The agreement might be explicit and obvious, or it might be implicit and arise from the way the LLP operates in practice.
11. There might be other agreements alongside the LLP agreement. If these are relevant to the holding of rights over the surplus assets on winding up, you must consider them too.

12. The agreements you have identified might well specify your right to surplus assets on winding up, in those words or similar. You are interested in the proportion or percentage, afforded to you to identify whether you are a PSC. Assessment of the percentages could be possible without needing to calculate the actual value of the assets in question.

### When rights to surplus assets are not specified

13. If the agreements you have identified do not specify any rights to surplus assets on winding up, then you should treat the surplus assets on winding up as being split equally between the members of the LLP. You must then consider if this means that you have a right to more than 25%.

### Further considerations

14. In all other respects the assessment of whether you should be entered on the register by meeting this condition operates for the LLP in the same way as for a company (see section 5.4).

### Condition (ii) – an individual is a PSC if they hold, directly or indirectly, more than 25% of the voting rights in your LLP

15. You need to consider whether you have the right to vote in the LLP on matters to be decided by the members of the LLP.

16. Information in the LLP agreement will help you work out your voting rights. There might be other agreements alongside the LLP agreement. If these are relevant to voting rights, you must consider them too.

17. The agreements you have identified might specify your rights to vote in a manner particular to the LLP. You must consider rights to vote on matters which are decided by a vote of the members. You need not consider narrower rights to vote on specific issues, or on management issues, with respect to this condition. Voting rights might be exercisable in different ways, in meetings or in writing. Different individuals and legal entities could have different voting rights as members.

18. In all other respects the assessment as to whether you should be entered on the register as meeting this condition operates in the same way as for any company.

### Condition (iii) – an individual is a PSC if they hold, directly or indirectly, the right to appoint or remove the majority of those entitled to take part in management of your LLP

19. You must consider whether you have the right to appoint or remove people such that you control the majority of voting rights concerning management of the LLP.
20. Information in the LLP agreement will help you work out your rights to appoint or remove people. There might be other agreements alongside the LLP agreement. If these are relevant to appointing and removing people, you must consider them too.
21. If everyone entitled to take part in management has equal sway then this is simple to calculate. If different people have different rights to take part in management, you must consider whether you have the right to appoint or remove those who could carry the majority in votes on all or substantially all matters concerning management.
22. You should consider those involved in management as those involved with the management of the business as a whole, or those who may have little involvement in day to day management (which they leave to others) but with roles and rights such that they could be involved with the management of the business as a whole. People need not necessarily be members of the LLP in order to take part in management. Management can be exercised through a specific structure, like a board or committee, in the LLP, but need not be.
23. For the avoidance of doubt, if you are involved with the process of appointment or removal of members, such as performing HR functions, you need not be entered on the PSC register (provided you do not have the right to appoint or remove people such that you control the majority of voting rights concerning management of the LLP).
24. In all other respects the assessment of whether you should be entered on the register as meeting this condition operates in the same way for the LLP as for any company.

### Condition (iv) – an individual is a PSC of your LLP if they have the right to exercise, or actually exercises, significant influence or control

25. The LLP is only required to identify whether a PSC or registrable RLE meets this condition if they do not exercise control through one or more of conditions (i), (ii), or (iii).
26. If you do not meet conditions (i) to (iii) you may still have **significant influence or control** of the LLP. You could be a PSC or RLE by virtue of the fourth condition. To work out whether you have significant influence or control of the LLP you must consider a range of factors set out in statutory guidance.
27. The statutory guidance is not an exhaustive statement of what amounts to “significant influence or control,” but provides examples of circumstances where an individual

would normally fall within the definition, and where they would not. It also sets out some “excepted roles” which do not, on their own, amount to significant influence or control. This would include, for example, designated members acting in a way which is consistent with the ordinary responsibilities of a designated member.

28. The [statutory guidance](#) is provided separately because it has been approved by Parliament and therefore has statutory footing<sup>37</sup>. Separate statutory guidance has been provided in relation to LLPs, and in relation to companies.
29. The statutory guidance sets out some examples of what might constitute a right to exercise significant influence and control. An important example (paragraph 2.9 of the statutory guidance) covers a person who is likely to receive more than 25% of the profits of an LLP. Such a person might or might not be a member of the LLP.
30. You should consider the LLP agreement, or any other agreement in place, in order to make a reasonable assessment of whether you think you will receive the profits. You should consider profits as they would appear in the profit and loss account and profits which are allocated automatically or otherwise. When the agreements change you should consider whether or not you being likely to receive the profits has changed, and whether your details need updating on the PSC register.
31. Other examples (paragraphs 2.8 to 2.10 in the statutory guidance) cover a range of situations where significant influence and control might arise from the internal governance of the LLP, and are likely to be set out in the LLP agreement or other agreements. Some of the examples, however, illustrate situations of significant influence and control which might not be contained in an agreement – for instance where the founder of an LLP no longer has any formal interest but recommends to members how they should vote and such a recommendation is always or almost always followed.

**Condition (v) – an individual is a PSC of your LLP if they have the right to exercise, or actually exercises, significant influence or control over the activities of a trust or firm, which in turn satisfies any of the first four conditions**

32. If you are involved in a trust or firm (without legal personality)<sup>38</sup> that has any ownership or control over the LLP, you must consider if that trust or firm would have met any of conditions (i) to (iv) if it were an individual.

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<sup>37</sup> Other guidance on the PSC register, including this document, does not have legal force but it explains the legal requirements and what you need to do to comply with the law.

33. If the trust or firm would have met any of conditions (i) to (iv) then you must consider whether you control the activities of the trust or firm. To work out whether you have significant influence or control of the trust or firm you must consider a range of factors set out in statutory guidance<sup>39</sup>. This is provided separately because it is on a statutory footing. Separate statutory guidance is provided in relation to LLPs, and in relation to companies.
34. If you have significant influence or control over the activities of a trust or firm, which would be a PSC of the LLP if it were an individual, then your details should be entered on the PSC register. If a registrable RLE controls the trust or firm then its details must be entered on the PSC register. If a legal entity which is not an RLE controls the trust or firm, then the ownership chain will need to be explored further until an individual or registrable RLE with majority ownership of that legal entity is identified, or it is established that none exists.
35. If the assets of the trust or firm include ownership or control of the LLP that would meet any of conditions (i) to (iv), the register should show that the trustee(s) or partner(s) have significant influence or control (i.e. a PSC interest) against each of the conditions (i) to (iv) that are met.
36. If someone other than the trustees, such as the settlor or beneficiary of the trust, or partners has the right to exercise significant influence or control over the trust or firm, then they would also be shown on the register as meeting condition (v).

## Official wording for entering on your LLP's PSC register

37. You must provide and confirm the pieces of information the LLP requires from you to complete its PSC register. The LLP will require information on which of the five conditions for being a PSC you meet, including quantification of your interest where relevant.
38. This is a reference guide to the official wording required for the PSC register. Statements a) to j) have not been included as they relate to a situation where there are no PSCs or RLEs; a PSC cannot be identified; a PSC's information has not been confirmed; the LLP is taking reasonable steps; or notices have been given.

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<sup>38</sup> A firm for these purposes is any entity which does not have legal personality under the law by which it is governed. Partnerships without legal personality, including English limited partnerships, are "firms" for this purpose. LLPs, Scottish partnerships and Scottish limited partnerships have legal personality and are not "firms" for this purpose.

<sup>39</sup> Statutory guidance is approved by Parliament and as such has legal force.

### Condition (i)

- k) [You hold], directly or indirectly, the right to share in more than 25% but not more than 50% of any surplus assets of the LLP on a winding up.***
- l) [You hold], directly or indirectly, the right to share in more than 50% but less than 75% of any surplus assets of the LLP on a winding up.***
- m) [You hold], directly or indirectly, the right to share in 75% or more of any surplus assets of the LLP on a winding up.***

### Condition (ii)

- n) [You hold], directly or indirectly, more than 25% but not more than 50% of the voting rights in the LLP.***
- o) [You hold], directly or indirectly, more than 50% but less than 75% of the voting rights in the LLP.***
- p) [You hold], directly or indirectly, 75% or more of the voting rights in the LLP.***

### Condition (iii)

- q) [You hold] the right, directly or indirectly, to appoint or remove a majority of those members who are entitled to take part in the management of the LLP.***

### Condition (iv)

39. This will only be applicable where a PSC or registrable RLE does not meet one or more of conditions (i) to (iii).

- r) [You have] the right to exercise, or actually exercise, significant influence or control over the LLP.***

### Condition (v) - trusts

- s) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, the right to share in more than 25% but not more than 50% of any surplus assets of the LLP on a winding up.***
- t) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, the right to share in more than 50% but less than 75% of any surplus assets of the LLP on a winding up.***
- u) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their***

**capacity as such) hold, directly or indirectly, the right to share in 75% or more of any surplus assets of the LLP on a winding up.**

- v) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, more than 25% but less than 50% of the voting rights in the LLP.**
- w) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, more than 50% but less than 75% of the voting rights in the LLP.**
- x) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, 75% or more of the voting rights in the LLP.**
- y) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold the right, directly or indirectly, to appoint or remove a majority of the those entitled to take part in management of the LLP.**
- z) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and, the trustees of that trust (in their capacity as such) have the right to exercise, or actually exercise, significant influence or control over the LLP.**

## Condition (v) - firms

- aa)[You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, the right to share in more than 25% but not more than 50% of any surplus assets of the LLP on a winding up.**
- bb) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, the right to share in more than 50% but less than 75% of any surplus assets of the LLP on a winding up.**
- cc)[You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, 75% or more of any surplus assets of the LLP on a winding up.**

- dd) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, more than 25% but not more than 50% of the voting rights in the LLP.**
- ee)[You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, more than 50% but less than 75% of the voting rights in the LLP.**
- ff) The person has the right to exercise, or actually exercises, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, 75% or more of the voting rights in the LLP.**
- gg) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold the right, directly or indirectly, to appoint or remove a majority of those entitled to take part in the management of the LLP.**
- hh) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) have the right to exercise, or actually exercise, significant influence or control over the LLP.**

## Annex 4: Guidance for PSCs of Eligible Scottish Partnerships (ESPs)

1. This annex is directly addressed to you if you:
  - Could be a PSC of an ESP; or
  - Are a partner of an ESP<sup>40</sup>.
2. It may also be of interest if you:
  - Are otherwise involved in an ESP;
  - Are acting for an ESP as an advisor; or
  - Are interested in how PSC information is defined and recorded.
3. The regime for registering people with significant control (PSCs) covers companies, Limited Liability Partnerships (LLPs), Scottish Limited Partnerships (SLPs) and Scottish qualifying partnerships (SQPs) and Societates Europaeae (SEs). You should consider all the requirements of the regime set out in the main part of this guidance, in relation to your involvement in the ESP (even where they are addressed mainly to PSCs of companies). The only sections which are not likely to be of interest to you are 5.1, 5.2 and 5.3.
4. This annex covers identification of a PSC specifically in relation to an ESP. It deals with differences between how the requirements are applied to these forms of partnerships and to companies. Where there is no specific difference, the requirements as they apply to PSCs of companies should be considered to apply to PSCs of ESPs.

### Requirements

5. The requirements for ESPs are set out in the Scottish Partnerships (Register of People with Significant Control) Regulations 2017. These regulations apply a modified form of the PSC regime in Part 21A of the Companies Act to limited partnerships governed by

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<sup>40</sup> This may be less relevant for limited partners of a Scottish limited Partnership, who do not have a day to day role in the management of the partnership.

the law of Scotland (“SLPs”) and to qualifying general partnerships governed by the law of Scotland (“SQPs”).

6. The requirements only apply to Scottish limited partnerships (SLPs) or Scottish qualifying general partnerships (SQPs) registered or formed under the law of Scotland in view of the distinct legal status of Scottish partnerships in section 4 of the Partnership Act 1890. The requirements apply to all Scottish limited partnerships. They apply only to those general partnerships in Scotland which have corporate partners, being qualifying partnerships under the Partnerships (Accounts) Regulations 2008.

## PSCs of Eligible Scottish Partnerships

7. If you meet one or more of the following conditions in relation to an ESP then you are a PSC or registrable RLE in relation to that partnership. This means the ESP is obliged to file information about you on the central register of PSC information at Companies House. The conditions are explained in more detail in paragraphs 9 to 37.
8. A PSC is an individual who meets any one or more of the following conditions in relation to a LLP, SLP or SQP:
  - (i) Directly or indirectly holding rights over more than 25% of the surplus assets on a winding up,
  - (ii) Directly or indirectly holding more than 25% of the voting rights,
  - (iii) Directly or indirectly holding the right to appoint or remove the majority of those involved in management,
  - (iv) Otherwise having the right to exercise, or actually exercising, significant influence or control, or
  - (v) Holding the right to exercise, or actually exercising, significant influence or control over the activities of a trust or firm which is not a legal entity, but would itself satisfy any of the first four conditions if it were an individual.

**Condition (i) – an individual is a PSC if they hold, directly or indirectly, rights over more than 25% of the surplus assets on winding up**

### Identifying rights to surplus assets

9. You need to consider where the surplus assets of the ESP would go if it were to wind up today, under the agreements that are in place and on the assumption that the ESP is

solvent. The surplus assets will be those remaining after the liabilities of the ESP have been satisfied.

10. Information in the partnership agreement will help you work out whether you hold rights over more than 25% of the surplus assets on winding up. The partnership agreement covers any agreement between the partners of the partnership, or between the partnership and its partners, about rights. The agreement might be written down but need not be. The agreement might be explicit and obvious, or it might be implicit and arise from the way the partnership operates in practice.
11. There might be other agreements alongside the partnership agreement. If these are relevant to the holding of rights over the surplus assets on winding up, you must consider them too.
12. The agreements you have identified might well specify your right to surplus assets on winding up, in those words or similar. You are interested in the proportion or percentage, afforded to you to identify whether you are a PSC. Assessment of the percentages could be possible without needing to calculate the actual value of the assets in question.

## When rights to surplus assets are not specified

13. If the agreements you have identified do not specify any rights to surplus assets on winding up, then you should treat the surplus assets on winding up as being split equally between the partners of the partnership. In the case of a Scottish limited partnership, there is no distinction between the general partners and the limited partners. You must then consider if this means that you have a right to more than 25%.

## Further considerations

14. In all other respects the assessment of whether you should be registrable by meeting this condition operates for the partnership in the same way as for a company (see section 5.4).

## Condition (ii) – an individual is a PSC if they hold, directly or indirectly, more than 25% of the voting rights in your partnership

15. You need to consider whether you have the right to vote in the partnership on matters to be decided by the partners of the ESP.

16. Information in the partnership agreement will help you work out your voting rights. There might be other agreements alongside the partnership agreement. If these are relevant to voting rights, you must consider them too.
17. The agreements you have identified might specify your rights to vote in a manner particular to the ESP. You must consider rights to vote on matters which are decided by a vote of the partners. You need not consider narrower rights to vote on specific issues, or on management issues, with respect to this condition. Voting rights might be exercisable in different ways, in meetings or in writing. Different individuals and legal entities could have different voting rights as partners.
18. In all other respects the assessment as to whether you should be registered as meeting this condition operates in the same way as for any company.

### Condition (iii) – an individual is a PSC if they hold, directly or indirectly, the right to appoint or remove the majority of those entitled to take part in management of your ESP

19. You must consider whether you have the right to appoint or remove people such that you control the majority of voting rights concerning management of the partnership. Typically the management of the partnership is responsibility of all the partners of a general partnership, but only the general partners of a limited partnership (i.e. not the limited partners).
20. Information in the partnership agreement will help you work out your rights to appoint or remove people. There might be other agreements alongside the partnership agreement. If these are relevant to appointing and removing people, you must consider them too.
21. If everyone entitled to take part in management has equal sway then this is simple to calculate. If different people have different rights to take part in management, you must consider whether you have the right to appoint or remove those who could carry the majority in votes on all or substantially all matters concerning management.
22. You should consider those involved in management as those involved with the management of the business as a whole, or those who may have little involvement in day to day management (which they leave to others) but with roles and rights such that they could be involved with the management of the business as a whole. People need not necessarily be partners in order to take part in management. Management can be exercised through a specific structure, like a board or committee, in the partnership, but need not be.

23. For the avoidance of doubt, if you are involved with the process of appointment or removal of partners, such as performing HR functions, you are not registrable (provided you do not have the right to appoint or remove people such that you control the majority of voting rights concerning management of the partnership).
24. In all other respects the assessment of whether you should be registered as meeting this condition operates in the same way for the ESP as for any company.

### Condition (iv) – an individual is a PSC of your eligible Scottish partnership if they have the right to exercise, or actually exercises, significant influence or control

25. The ESP is only required to identify whether a PSC or registrable RLE meets this condition if they do not exercise control through one or more of conditions (i), (ii), or (iii).
26. If you do not meet conditions (i) to (iii) you may still have **significant influence or control** of the ESP. You could be a PSC or RLE by virtue of the fourth condition. To work out whether you have significant influence or control of the ESP you must consider a range of factors set out in the guidance on the meaning of “significant influence or control” over eligible Scottish partnerships.
27. The guidance is not an exhaustive statement of what amounts to “significant influence or control,” but provides examples of circumstances where an individual would normally fall within the definition, and where they would not. It also sets out some “excepted roles” which do not, on their own, amount to significant influence or control.
28. The statutory guidance sets out some examples of what might constitute a right to exercise significant influence and control. An important example (paragraph 2.9 of the statutory guidance) covers a person who is likely to receive more than 25% of the profits of an ESP. Such a person might or might not be a partner of the ESP.
29. You should consider the partnership agreement, or any other agreement in place, in order to make a reasonable assessment of whether you think you will receive the profits. You should consider profits as they would appear in the profit and loss account and profits which are allocated automatically or otherwise. When the agreements change you should consider whether or not you being likely to receive the profits has changed, and whether your details need updating on the PSC register.
30. Other examples (paragraphs 2.8 to 2.10 in the guidance on the meaning of “significant influence or control” over eligible Scottish partnerships) cover a range of situations where significant influence and control might arise from the internal governance of the ESP, and are likely to be set out in the partnership agreement or other agreements.

Some of the examples, however, illustrate situations of significant influence and control which might not be contained in an agreement – for instance where the founder of an ESP no longer has any formal interest but recommends to partners how they should vote and such a recommendation is always or almost always followed.

### Condition (v) – an individual is a PSC of your eligible Scottish partnership if they have the right to exercise, or actually exercises, significant influence or control over the activities of a trust or firm, which in turn satisfies any of the first four conditions

31. If you are involved in a trust or firm (without legal personality)<sup>41</sup> that has any ownership or control over the ESP, you must consider if that trust or firm would have met any of conditions (i) to (iv) if it were an individual.
32. If the trust or firm would have met any of conditions (i) to (iv) then you must consider whether you control the activities of the trust or firm. To work out whether you have significant influence or control of the trust or firm you must consider a range of factors set out in guidance on the meaning of “significant influence or control” over eligible Scottish partnerships .
33. If you have significant influence or control over the activities of a trust or firm, which would be a PSC of the ESP if it were an individual, then your details should be entered on the central register. If a registrable RLE controls the trust or firm then its details must be entered on the central register. If a legal entity which is not an RLE controls the trust or firm, then the ownership chain will need to be explored further until an individual or registrable RLE with majority ownership of that legal entity is identified, or it is established that none exists.
34. If the assets of the trust or firm include ownership or control of the ESP that would meet any of conditions (i) to (iv), the central register should show that the trustee(s) or partner(s) have significant influence or control (i.e. a PSC interest) against each of the conditions (i) to (iv) that are met.
35. If someone other than the trustees, such as the settlor or beneficiary of the trust, or partners has the right to exercise significant influence or control over the trust or firm, then they would also be shown on the central register as meeting condition (v).

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<sup>41</sup> A firm for these purposes is any entity which does not have legal personality under the law by which it is governed. Partnerships without legal personality, including English limited partnerships, are “firms” for this purpose. LLPs, Scottish partnerships and Scottish limited partnerships have legal personality and are not “firms” for this purpose.

## Official wording for entering on the PSC register

36. You must provide and confirm the pieces of information the ESP requires from you to deliver the information to the central PSC register. The ESP will require information on which of the five conditions for being a PSC you meet, including quantification of your interest where relevant.
37. This is a reference guide to the official wording required for the central PSC register. Statements a) to j) have not been included as they relate to a situation where there are no PSCs or RLEs; a PSC cannot be identified; a PSC's information has not been confirmed; the partnership is taking reasonable steps; or notices have been given.

### Condition (i)

- k) [You hold], directly or indirectly, the right to share in more than 25% but not more than 50% of any surplus assets of the eligible Scottish partnership on a winding up.***
- l) [You hold], directly or indirectly, the right to share in more than 50% but less than 75% of any surplus assets of the eligible Scottish partnership on a winding up.***
- m) [You hold], directly or indirectly, the right to share in 75% or more of any surplus assets of the eligible Scottish partnership on a winding up.***

### Condition (ii)

- n) [You hold], directly or indirectly, more than 25% but not more than 50% of the voting rights in the eligible Scottish partnership.***
- o) [You hold], directly or indirectly, more than 50% but less than 75% of the voting rights in the eligible Scottish partnership.***
- p) [You hold], directly or indirectly, 75% or more of the voting rights in the eligible Scottish partnership.***

### Condition (iii)

- q) [You hold] the right, directly or indirectly, to appoint or remove a majority of those persons who are entitled to take part in the management of the eligible Scottish partnership.***

### Condition (iv)

38. This will only be applicable where a PSC or registrable RLE does not meet one or more of conditions (i) to (iii).

**r) [You have] the right to exercise, or actually exercise, significant influence or control over the eligible Scottish partnership.**

## Condition (v) - trusts

**s) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, the right to share in more than 25% but not more than 50% of any surplus assets of the eligible Scottish partnership on a winding up.**

**t) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, the right to share in more than 50% but less than 75% of any surplus assets of the eligible Scottish partnership on a winding up.**

**u) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, the right to share in 75% or more of any surplus assets of the eligible Scottish partnership on a winding up.**

**v) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, more than 25% but less than 50% of the voting rights in the eligible Scottish partnership.**

**w) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, more than 50% but less than 75% of the voting rights in the eligible Scottish partnership.**

**x) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold, directly or indirectly, 75% or more of the voting rights in the eligible Scottish partnership.**

**y) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and the trustees of that trust (in their capacity as such) hold the right, directly or indirectly, to appoint or remove a majority of the those entitled to take part in management of the eligible Scottish partnership.**

**z) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a trust; and, the trustees of that trust (in their**

*capacity as such) have the right to exercise, or actually exercise, significant influence or control over the eligible Scottish partnership.*

## Condition (v) - firms

- aa)** *[You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, the right to share in more than 25% but not more than 50% of any surplus assets of the eligible Scottish partnership on a winding up.*
- bb)** *[You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, the right to share in more than 50% but less than 75% of any surplus assets of the eligible Scottish partnership on a winding up.*
- cc)** *[You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, 75% or more of any surplus assets of the eligible Scottish partnership on a winding up.*
- dd)** *[You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, more than 25% but not more than 50% of the voting rights in the eligible Scottish partnership.*
- ee)** *[You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, more than 50% but less than 75% of the voting rights in the eligible Scottish partnership.*
- ff)** *The person has the right to exercise, or actually exercises, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold, directly or indirectly, 75% or more of the voting rights in the eligible Scottish partnership.*
- gg)** *[You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) hold the right, directly or indirectly, to appoint or remove a*

***majority of those entitled to take part in the management of the eligible Scottish partnership.***

***hh) [You have] the right to exercise, or actually exercise, significant influence or control over the activities of a firm that, under the law by which it is governed, is not a legal person; and the members of that firm (in their capacity as such) have the right to exercise, or actually exercise, significant influence or control over the eligible Scottish partnership.***

