



Draft Terms of Reference for Working Group on Guidance for the Register of People with Significant Control

Context

1. The legislation to establish the public register of people with significant control over UK companies ('PSC register') is being taken through Parliament in the Small Business, Enterprise and Employment Bill. Companies will be required to obtain information on the people who exercise significant control over the company, maintain this information in a register and provide it to Companies House.
2. This is an important new requirement for companies and they will need clear guidance to support their understanding of the legislation. This guidance will not have legal effect and is referred to as 'non-statutory guidance'.
3. The draft legislation sets out five specified conditions by which a person may have significant control over a company. A person meeting one or more of those conditions must be entered in the PSC register. The fourth condition is: "... X has the right to exercise, or actually exercises, significant influence or control over company Y."
4. The legislation requires the Secretary of State to publish guidance on the meaning of 'significance influence or control' in the context of the PSC register¹. This guidance will have legal effect and therefore we refer to it as 'statutory guidance'. An expert panel will be convened to draft the statutory guidance.

Role of Working Group

5. The working group will oversee the development of the non-statutory guidance and statutory guidance developed by the expert panel, advising the Department for Business, Innovation and Skills (BIS) and Companies House on its:
 - 1) Scope and content
 - Gaps and omissions
 - 2) Format
 - Structure
 - User friendliness – such as separate guidance for more complicated business structures
 - 3) Messaging and communications strategy
 - Develop a strategy to communicate the guidance to business including through working group members' constituent businesses and professionals
 - Advise BIS on additional ways to communicate the changes and guidance to the wider community impacted by reform

¹ Proposed paragraph 24 of new Schedule 1A to the Companies Act 2006 (Schedule 3 to the Small Business, Enterprise and Employment Bill)

6. The working group will make recommendations to the ultimate owners of the guidance:
 - Companies House will own the guidance on filing PSC information on the public register.
 - BIS will own the remaining non-statutory guidance regarding interpretation of legislation and broader guidance.
 - BIS will make a recommendation to the Secretary of State on the statutory guidance before it is laid in Parliament.

Logistics

7. The working group will decide on the frequency of the meetings, but it is expected that the group will at least meet for around 2 hours every 6 weeks between February and September 2015.
 - Meetings will be held in London
 - Dial in facilities will be provided
8. The current intention is that the legislation on the PSC register will be commenced in two phases:
 - January 2016 for companies keeping their own registers, and
 - April 2016 for companies filing PSC information on the public register
9. All guidance will need to be published in October 2015, in order to ensure that companies are familiar with the legislation prior to it coming into force.

15th January 2015

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