



Department for  
Business & Trade

# **Progress report on the implementation and operation of Parts 1 to 3 of the Economic Crime and Corporate Transparency Act 2023**

Presented to Parliament pursuant to clause 213 (1) of the  
Economic Crime and Corporate Transparency Act 2023.



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# 1. Foreword

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This is my first report to Parliament on progress on the implementation of Parts 1 to 3 of the Economic Crime and Corporate Transparency Act (“ECCTA” / “the Act”) 2023, which achieved Royal Assent on 26 October 2023.

Through reform of Companies House and associated measures in ECCTA the Government aims to safeguard our national security, reduce the economic and social costs of fraud, and deliver real benefits to the whole business community.

The Act enables us to improve the reliability of the companies register, a key piece of information infrastructure underpinning the economy. The register was accessed over 14.4 billion times in 2022 to 2023. This is an increase from 6.5 billion back in 2018 to 2019, when [Research commissioned by Companies House and the Department for Business, Energy and Industrial Strategy \(BEIS\)](#), found the value of the registers to be up to £3bn.

Meanwhile, the threat from economic crime continues to grow. Fraud accounted for an estimated 41% of all crime experienced by adults in England and Wales in the year ending September 2022. Register reform, alongside Companies House’s role in the second Economic Crime Plan will help to cut crime, protect our national security, and support the UK’s legitimate economic growth and competitiveness.

With total investment funding for transformation over 5 years of £108.1 million allocated across three Spending Review periods, Companies House has been investing in new capabilities to prepare for implementation of the reforms as part of their wider transformation programme. This includes transforming their systems, services, structures and culture.

In addition, the government has made available multiple year funding of £19 million awarded via the Economic Crime Levy for new intelligence cells in Companies House (CH) and the Insolvency Service (INSS), allowing both agencies to plan to step up their Anti Money Laundering work.

A significant amount of preparation has been undertaken to reach this point – including system development, recruitment and training. I am also grateful to Parliamentarians from both Houses for significant time and effort working on the Bill, which was lengthy and complex.

Core powers came into force on 4 March 2024, with Companies House putting them into immediate effect. The initial results are included in this report. But this is just the first step in a major implementation programme. Over the coming years new capabilities and requirements will be introduced. Strong partnerships are already being put in place with other public agencies and with the private sector, who I know are keen to support these reforms and reap the benefits.

The phased introduction of these changes will, over time, level the playing field for all businesses, ensuring the UK’s open economy remains a world class centre for

businesses to grow and prosper. They are another step towards us making the UK's economy the best regulated in the world.

I would like to thank:

The CEO and the teams at Companies House for their work in supporting the preparation of this report and its analysis.

A number of Government departments and agencies for their support, including the Home Office, Ministry of Justice, HM Treasury, the Serious Fraud Office, the Crown Prosecution Service, the National Crime Agency (NCA); and the Northern Ireland Executive and the Scottish and Welsh Governments.

A wide range of stakeholders, including public and private bodies who engaged with us.

Kevin Hollinrake MP

Minister of State in the Department for Business and Trade

## 2. Introduction

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### 2.1. Corporate transparency and register reform

Companies House performs two vital roles which underpin the UK's strong, transparent and attractive business environment. It facilitates the creation of limited companies and a range of other legal entities, which are vital building blocks of the modern economy. It provides a comprehensive suite of information about those entities, for the benefit of investors, providers of finance and other creditors, government agencies and the general public, ultimately promoting transparency. Companies must provide the Registrars of Companies with information on their ownership and financial position. This is a fundamental component of good governance for businesses in the UK.

However, by 2019 it was clear that there was a strong case for reforming the role and functions of Companies House – both to grasp opportunities to support the law-abiding majority of businesses, and to tackle bad actors. A wide-ranging consultation was run that year, and in 2020 the Government committed itself to reform. Further consultation on elements of detail were conducted before the Government's position on legislative reforms for Companies House was set out in the [White Paper](#) published 28 February 2022.

The reforms set out in the White Paper would contribute to three key Government priorities:

- **Boosting enterprise:** The companies register is a key element of the information architecture of the UK economy and worth £1-3 billion to its users. Reform will make it more reliable and usable helping businesses across the UK economy make better decisions about their suppliers and creditors.
- **Protecting individuals and businesses from fraud:** Fraud against individuals and businesses, has grown rapidly to become one of the most prevalent crimes globally and is an organised transnational threat. In some countries, it is the most common crime type that citizens experience. The Home Secretary has recently secured a new international agreement with world leaders to tackle fraud at [the world's first Global Fraud Summit in March 2024](#).
- **National security, anti-corruption and organised crime:** Recent years have seen reports of thousands of UK companies and partnerships being misused by international money laundering networks. The reforms set out in the White Paper and since legislated for through ECCTA will help us bear down on organised criminals, kleptocrats and terrorists that use opaque companies to abuse our financial system and liberal democracy, and to support developing countries to stop theft of their public assets.

## 2.2. The wider context for reform

Companies House plays an essential role in supporting businesses and economic growth. The number of incorporations processed by Companies House each year continues to grow with over 5.1million companies on the register at the end of March 2023. This creates an opportunity to have a more powerful data set, comprising increasing volumes of accurate up-to-date data. Data which informs the business and lending decisions at the heart of a thriving and increasingly digitally based economy.

However, just as the economy rapidly evolves, so do the threats to the economy. Economic crime poses a rapidly growing, and increasingly complex, threat to UK national security and prosperity. Criminals continue to seek ways to commit, and benefit from, economic crime including fraud, money laundering, sanctions evasion and corruption.

The first Economic Crime Plan (2019 to 2022) represented a step change in the UK's response to economic crime. For the first time the government, law enforcement, supervisory agencies and the private sector jointly developed and delivered an ambitious range of activities as part of a shared strategy.

The Government published the second public-private [Economic Crime Plan 2023 to 2026 \("the Plan"\)](#) on 30 March 2023. The Plan has a shared focus on directing public-private resource towards agreed priorities, to maximise collective, "whole-system" impact against the threat. The Plan encompasses fraud through the [Fraud Strategy](#) and will ensure the public are empowered to protect themselves against fraud and the harm that comes with it.

The Plan also reflects commitments to strong and sustained economic growth. Its delivery will support business investment and is essential to the long-term competitiveness of our world-leading financial, professional services and growing technology sectors. Crucial to this is ensuring the UK remains one of the most transparent, safe, and open places for business.

Reform of Companies House and associated measures are core elements of the Plan – comprising its first three actions. The key actions to legislate for and then operationalise reform are the responsibility of the Department for Business and Trade and its agencies – Companies House and the Insolvency Service. But, as emphasised within the Plan, a much broader array of partners across the public and private sectors will be needed to ensure reform is a success.

The measures in both Economic Crime Acts provides Companies House with the powers and the legal framework to target the threats to the UK company registers through economic crime and other forms of criminality.

### 3. The Economic Crime and Corporate Transparency Act 2023 and the purpose of this report

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The Economic Crime and Corporate Transparency Act 2023 followed the Economic Crime (Transparency and Enforcement) Act 2022 (“2022 Act”) and similarly seeks to address the threat of illicit finance whilst maintaining the ease of doing business for legitimate commerce.

The Act is made up of six Parts:

- the first deals with amendments to the Companies Act 2006 to reform Companies House’s processes and furnish the Registrars with new statutory functions and objectives;
- the second makes reforms to bring the law applicable to limited partnerships up to date and in greater alignment with the law applicable to companies;
- the third introduces new provisions relating to the Register of Overseas Entities, which was introduced by the earlier 2022 Act.
- the fourth makes changes to the law relating to the seizure of crypto assets;
- the fifth makes further reforms to the legal framework that makes up the anti-money laundering regime; and
- the sixth and last contains general provisions.

This report is concerned with the implementation of Parts 1 to 3 of the Act only.

His Majesty’s Government recognises the strong interest in progress of these reforms, and so agreed to make a statutory commitment to report on progress, as set out in section 213 (1) of the ECCTA. This is the first such report. Further reports will follow every 12 months until 2030.

#### 3.1 Secondary legislation

A significant programme of secondary legislation is necessary to implement the reforms. Some 50 or more statutory instruments are likely to be needed to underpin all aspects of the operational roll-out. The Government intends to deliver these instruments in phases, designed to be closely aligned with the extensive operational transformation within Companies House.

Since Royal Assent of ECCTA, the Government has made swift progress delivering the first and second tranches of regulations. Thirteen statutory instruments have so far been laid in Parliament. The table below briefly describes the effect of these statutory instruments.

SI Title	Description	Date laid
The Economic Crime and corporate Transparency Act 2023 (Commencement No. 1 Regulations 2023	The Regulations commence section 214 of the Economic Crime and Corporate Transparency Act 2023, specifically that HMT can impose monetary penalties under the Policing and Crime Act 2017 for	10/11/23



	breaches of provisions which are supplemental to financial sanctions, thus strengthening the UK's financial sanctions regime and several Home Office, Serious Fraud Office and certain DBT measures.	
Register of Overseas Entities (Verification and Exceptions) (Amendment) Regulations	<p>Allows for large pension fund trusts to be exempt from in-year beneficiary information requirements and compliance with the anti-avoidance measures in relation to the Register of Overseas Entities.</p> <p>Also amends existing regulations, requiring overseas entities to deliver verified information about those who were beneficial owners during the transitional period. *</p>	18/12/23
The Limited Liability Partnerships (Application of Company Law) Regulations 2024	<p>Ensures that the commencement of reforms to company law made by the Economic Crime and Corporate Transparency Act 2023 also apply to the law governing limited liability partnerships. These reforms include provisions relating to names, registered office addresses and the annual confirmation of accuracy on the register.</p> <p>Further provisions will be applied by further instruments in due course as company-related provisions of the 2023 Act are commenced.</p>	18/12/23
The Registered Office Address (Rectification of Register) Regulations 2024	<p>Establishes the process by which the Registrar may change a company's registered office address to a "default address" nominated by her, either on her own initiative or following application from a third party.</p> <p>The instrument further provides a mechanism by which the Registrar can strike a company from the register where it fails to give timely notice of a new and "appropriate" office address. It also establishes criminal offences for companies and their officers in default where a company which has had its registered office changed by the Registrar to a default address does not change its registered office to an appropriate address within the compliance period.</p>	18/12/23
The Service Address (Rectification of	Directors and secretaries of companies, and persons with significant control over companies, are required to notify the	18/12/23

Register) Regulations 2024	<p>companies registrar of their service address.</p> <p>Establishes the process by which the registrar may change a registered service address to a “default address” nominated by her, either on her own initiative or following application from a third party.</p>	
The Principal Office Address (Rectification of Register) Regulations 2024	<p>Establishes the process by which the Registrar may change an address registered as the principal office of certain corporate persons to a “default address” nominated by her, either on her own initiative or following application from a third party. The power to change the address is available where the registrar is satisfied the address is not in fact their principal office.</p>	18/12/23
The Registrar (Annotation, Removal and Disclosure Restrictions) Regulations 2024	<p>Provides detail of the necessary administrative processes, e.g. applications, appeals and notices, that will underpin the expanded powers of removal of material from the companies register.</p> <p>The SI has also added a new annotation power which will be used to make explicable to the public why material that was once published has been taken down. The SI also serves to extend the removal processes and new annotation power to limited liability partnerships.</p>	18/01/24
The Register of Overseas Entities (Annotation and Removal) Regulations 2024	<p>As the Register of Overseas Entities falls within the ambit of the Registrar’s objectives, this SI designates mirror processes in respect of material to be removed or annotated there.</p>	18/01/24
The Economic Crime and Corporate Transparency Act 2023 (Consequential, Supplementary and Incidental Provisions) Regulations 2024	<p>This instrument makes minor and technical changes to ten pieces of primary and secondary legislation to ensure that the Registrar’s powers and objectives are applied consistently to all business entities which are registered at Companies House.</p>	30/01/24
The Registrar of Companies (Fees) (Amendment) Regulations 2024	<p>Varies the fees charged by Companies House, ensuring that it is able to fund its new work and functions brought in by the Economic Crime and Corporate</p>	19/02/24

	Transparency Act 2023 and subsequent statutory instruments.	
The Registrar of Companies (Register of Overseas Entities) (Fees) Regulations 2024	Sets out in regulations the fees that Companies House are charging to cover the costs of the Register of Overseas Entities, which was brought into effect following the Economic Crime (Transparency and Enforcement) Act 2022.	19/02/24
Economic Crime and Corporate Transparency Act 2023 (Financial Penalties) Regulations 2024	This instrument confers a power on the Registrar to impose a financial penalty on a person if satisfied, beyond reasonable doubt, that the person has engaged in conduct amounting to a relevant offence under the Companies Act 2006. It adds to the tools available to the Registrar to promote compliance and maintain the integrity of the UK companies register, so that in all cases the Registrar will have the discretion to choose to impose a financial penalty or pass to law enforcement to consider criminal prosecution.	19/02/24
The Economic Crime and Corporate Transparency Act 2023 (Commencement No. 2) and Transitional Provision) Regulations 2024	Bring into force provisions in the Economic Crime and Corporate Transparency Act which switch on the Company Registrar's core powers. The Regulations also commence provisions for the Ministry of Justice to strengthen the powers of legal services regulators in tackling economic crime and commence certain Home Office-led reforms of the rules around seizure of crypto-assets under proceeds of crime legislation.	01/03/24

We plan to lay further regulations throughout 2024, with a third tranche expected before the summer which will include regulations to:

- specify certain insolvency Office Holders with whom the Registrar may choose to share targeted information with, under specific circumstances. The regulations are aimed to support those Office Holders with the exercise of their public functions.
- enable individuals to "protect" their usual residential address where it appears on the companies register in more cases than is currently possible. This includes certain cases in which a usual residential address is used as a registered office address. This means the Registrar must not display the address publicly.
- set out the procedure for identity verification via Companies House or via Authorised Corporate Service Providers (ACSPs), along with the legal test that must be met to qualify as an individual whose identity is verified, and the framework for the suspension and deauthorisation of ACSPs.
- enable Ministers to designate persons for the purposes of director disqualification sanctions in accordance with the designation process established by the Sanctions and Anti-Money Laundering Act 2018. A designated person subject to director disqualification sanctions will commit an offence if they act as a director of a company or directly or indirectly take part in the management, formation or promotion of a company.
- expand the Register of Overseas Entities (ROE) protection regime so any individual whose information may be published or otherwise disclosed in connection with the ROE can apply for that information to be protected from the public. This will allow individuals such as parties to a trust (settlers, trustees, beneficiaries etc), minors or people who lack capacity to have their information protected.
- set out information on who and how to apply for access to trust information that is suppressed from public inspection and held on the ROE.
- require overseas entities that have a beneficial owner that is another legal entity subject to its own disclosure requirements, to provide Companies House with more information about where ownership and control particulars of the legal entity can be found.



## 3.2 Implementing Register Reform

An important facet of preparing for the reforms is the scale needed to develop existing infrastructure to provide more modern, responsive and connected systems. Companies House has bolstered its own delivery resources with a four-year deal with a digital delivery partner to provide additional capacity across several functions including business analysis, software development and user centred design. The work will include digitising and automating where possible or removing legacy systems, as well as delivering new systems.

Investment in advanced analysis and new data sharing gateways is also underway and is enabling Companies House and their partners to derive even greater value from the valuable data they hold. Plans for continued investment are in place and will underpin Companies House participation as a key enabler in implementing the new legislation that underpins the government's [Economic Crime Plan](#).

The Companies House Intelligence Hub embeds an intelligence led approach to rooting out high-risk activity on the register. To increase the development and delivery of specialist capabilities this year they have recruited an additional 43 to establish the hub with a handful of new positions left to fill in the future. This capability has allowed them to begin proactively sharing intelligence with law enforcement and other partners to counter economic crime threats. The implementation of the Register of Overseas Entities has already given law enforcement an incredibly valuable new data set.

To support the above Companies House has transformed their structure to allow them to scale and flex their operations with increased agility and the ability to creatively respond to change. This is strengthened by investing in the size and shape of their workforce to ensure they have the right skills to deliver the scale and ambitions of the reforms.

The first phase of implementation was delivered on 4 March 24, encompassing the systems, process and organisational change needed to operate the new Registrars objectives and powers and new legal requirements for companies. Over 174 additional FTE have already been recruited to implement reform and over 700 operational delivery staff have been trained to support the changes required and additional recruitment is underway.

Stakeholder and user insight was built into their development through user research sessions with 400 real users such as UK-regulated agents, company directors and other stakeholders (including those with accessibility needs and low digital skills).

In parallel to delivering the changes for 4 March 2024, Companies House continues with its programme of work to develop the system and process changes for the next phases of the legislation including identity verification and limited partnership reforms.

These are significant changes which will be implemented over the course of the next two years. Each implementation and phase of delivery will provide a further tool to

tackle economic crime. To ensure each delivery achieves the governments ambition of reforms Companies House is working closely with stakeholders and users to achieve the right balance between easy-to-use services and targeting key areas of risk. Companies House will also continue to build its capabilities with each phase ensuring the right resources are in place.

To ensure this momentum is sustainable Companies House has also fundamentally overhauled their fees and funding model. This will fund the new and existing functions as well as additional costs such as funding the cost of additional criminal referrals to the Insolvency Service.

Subject to the Parliamentary timetable and passage of secondary legislation, we anticipate that Authorised Corporate Service Providers will be able to register this winter; Identity verification (IDV) will commence during the first half of 2025 and Limited Partnership reforms will be introduced during 2026.

A full implementation timetable will be published shortly.

### 3.3 Part 1: Companies House reform

The ECCTA amends the Companies Act 2006 to reform Companies House's processes and furnish the Registrars with new statutory functions and objectives.

The ECCTA expands the statutory role of the Registrar of Companies for England and Wales (and equivalents in Scotland and Northern Ireland) beyond their previous remit of registering company information. The Registrars are now tasked with doing more to protect the integrity of the information on the register and seeking to prevent companies and others from carrying out unlawful activities. To support this the ECCTA equips them with new powers. This includes powers to query suspicious appointments or filings, request further evidence or reject filings.

On 4 March 2024 the first ECCTA measures came into force, which:

- introduced the Registrars' new objectives
- tightened requirements around company and business names, including restricting the use of names for criminal purposes or which might be otherwise misleading, and prohibiting companies from re-registering names they have been directed to change. The Registrar was granted additional powers in respect of changing unsuitable names.
- introduced additional requirements for registered office addresses and email addresses.
- furnished the Registrars with more effective investigation and enforcement powers including a power to reject documents for inconsistency, for the informal correction of documents, for administrative removal of information from the register;
- granted the Registrars a new function of information analysis for the purpose of crime prevention and detection.
- Introduced a number of new criminal offences with civil penalty regulations to criminal sanctions to support these amendments.

Immediate priorities have been to:

- target false or misleading information across several areas including where names and addresses have been used without consent
- tackle companies whose registered office address has been changed to a default address, due to that address being inappropriate or having been used without consent
- ensure existing companies with PO Box Addresses provide an appropriate registered office address
- resolve discrepancies in directors' data

From 4 March to 1 April 2024, Companies House has:

- commenced the process to remove names and addresses used without consent. This includes removals of People of Significant Control (PSC) and



shareholders - previously those wishing to have their details removed would have had to apply to the courts.

- removed 4,000 registered office addresses
- removed 2,100 officer addresses and 2,300 PSC addresses
- redacted 3,600 incorporation documents to remove personal data used without consent
- removed 1,250 documents from the register, including 800 false mortgage satisfaction filings which would have previously required a court order
- contacted 3,800 companies with PO Boxes as their registered office address, to make them aware that this would no longer be legally compliant and requiring them to provide an alternative appropriate address. As of 1 April 2024, the number of companies on the register using a PO box has reduced to 1,900.

Where a company's registered office is not appropriate, such as in instances of fraudulent use, Companies House will change the address to a default address. These companies will be struck off the register unless they can provide an appropriate address with evidence that they are entitled to use that address.

There were 26,800 companies with a defaulted registered office address on the register on 4 March. On 1 April, this had increased to 28,800 due to Companies House changing 4,000 company addresses to a default address. This is to protect personal address information which has been misused. Despite this increase, the following progress has been made in ensuring companies provide an appropriate address:

- 1,400 default addresses are no longer in scope due to the company entering liquidation, starting on the path to dissolution, or becoming dissolved, and
- 600 default addresses were removed due to the company providing an appropriate registered office address.

**Case study** *A technology firm in the UK advised Companies House of fraudulent filings on the company register early in March, which was having a negative impact on a due diligence process being undertaken by potential investors. Using the registrar's new powers Companies House investigated and removed the false information and annotated the register, ensuring the accuracy of the data supporting business decisions for growth.*

These reforms are supported by further changes to require those setting up, managing, and controlling companies and other registrable entities to have a verified identity with Companies House, or have registered and verified their identity via an anti-money laundering supervised third-party agent. This will make anonymous

filings harder and discourage those wishing to hide their company ownership through nominees or opaque corporate structures.

Changes will also be introduced to improve the financial information on the register. These are intended to lead to better financial management practices within small to medium sized enterprises, promote the transition to digital reporting, support better business and credit decisions, and help wider efforts to combat economic crime.

Preparations for the next phases of implementation are set out in Companies House 2024 to 2025 Business Plan. These include introducing the technical capability to verify an individual's identity and the introduction of a registration process for third party agents to become authorised corporate service providers (ACSPs).

### 3.4 Part 2: Limited Partnership reform

The law governing limited partnerships (LPs) dates back to 1907 and apart from some amendments made in 2015 to cater for “private fund limited partnerships”, has not kept up with the regulatory framework that applies to companies and other forms of business association such as limited liability partnerships (LLPs).

Under measures introduced by the Economic Crime and Corporate Transparency Act 2023, limited partnership information will be more accessible and transparent.

When the measures come into force, LPs must:

- provide partners’ names, date of birth and usual residential address;
- verify the identity of general partners;
- provide a registered office within the UK;
- provide a standard industrial classification (SIC) code; and
- file an annual confirmation statement.

LPs will need to file their information through an authorised agent (also known as an Authorised Corporate Service Provider) that’s registered with Companies House. This is to make sure these data are trustworthy and fit for purpose.

There will be new powers to:

- close and restore limited partnerships;
- apply sanctions;
- protect partners’ information; and
- operate a statutory compliance process.

This wider reform to limited partnerships is linked to and dependent on delivery of other aspects on reform not least the introduction of identity verification. This is a complex area requiring secondary legislation, detailed guidance and development of Companies House systems to ensure that legitimate users (pension funds, venture capital etc.) can continue to operate.

## 3.5 Part 3: Register of Overseas Entities

The [Register of Overseas Entities](#) forms an important part of the government's strategy to tackle global economic crime and strengthen the UK's reputation as a place where legitimate businesses can thrive. The register is the first of its kind in the world and builds upon the UK's global leadership in tackling corruption.

The aim of the register is to increase transparency and reveal the beneficial owners of overseas entities that own property or land in the UK.

The register was introduced via the Economic Crime (Transparency and Enforcement) Act (ECTEA) receiving Royal Assent on 1 March 2022 and came into force in the UK on 1 August 2022 - having been built and launched in 109 working days. Overseas entities in scope who already owned property or land in the UK needed to register within a 6-month transition period, by 31 January 2023. From 01 August 2023 every overseas entity that has registered, must file an update statement, and more than 23,900 update statements have been filed so far.

The ECCTA makes amendments to the previous legislation that will bring the requirements for ROE into line with the new requirements for companies. For instance, the application of the requirements around identity verification and the registrars' new powers will apply to ROE. The ECCTA further includes measures relating to the provision of additional information when a managing officer is below 16, the provision of additional information about trusts and their beneficiaries and the provision of information about beneficial owners during the transitional period but before the date upon which the entity registered. The ECCTA also include provisions relating to access to trust data along with the introduction of an associated protection regime. As detailed in section 3.1 further secondary legislation will be required to implement a number of these measures.

Overseas entities that have not registered with Companies House, or have failed to comply with the updating duty, will now face restrictions on selling, transferring, leasing or raising charges against their property or land. Overseas entities also cannot buy any new UK property or land without an Overseas Entity ID. Companies House continue to scrutinise information on the register, working with the UK Land Registry and other agencies to identify those that have failed to comply with their obligations.

The register has had a significant impact since it was launched with 30,000 overseas entities registered out of the estimated 32,000 in scope and the data on the register has been accessed more than 1 million times.

From the 27 December 2023 to 21 February 2024, the Government consulted on [the transparency of land ownership when trusts are involved in the ownership structure](#). This consultation sought views on improving transparency of land ownership involving trusts. It sought specific views on options to widen access to trust information held on the Register of Overseas Entities (ROE) and general views on how ownership of land involving trusts can be made more transparent.

### Enforcing compliance

Companies House [guidance](#) on the approach to enforcement was published in July 2023 to encourage compliance with the Register of Overseas Entities.

Where help and advice does not secure compliance with regulatory requirements, Companies House uses a consistent and proportionate approach to enforcement.

This includes, where necessary:

- restrictions on properties
- issuing civil financial penalties
- prosecution of criminal activity

Companies House take account of and balance:

- the risk posed to people and the economy
- the seriousness of the breach of the law
- the impact on the economy, people or the integrity of the register
- the cost and benefit of taking enforcement action and whether it is in the public interest

Resources are prioritised according to intelligence, focusing on offences where there has been persistent, repeated and wilful non-compliance. Where appropriate, alternatives to criminal prosecution may be considered to secure compliance with regulations.

## **Restrictions**

Entities that have failed to register with Companies House, or which fail to comply with the updating duty, face restrictions on selling, leasing or raising charges over their land. Overseas entities cannot purchase any new UK property without a valid registration.

## **Civil financial penalties**

The Registrars may impose a civil financial penalty when satisfied beyond reasonable doubt that an offence has been committed.

Depending on the offence, this can be:

- a fixed penalty;
- a daily rate penalty; or
- a combination of both.

The next stage of activity is the application of charges to secure debt recovery where non-compliance continues.

## **Prosecution**

Companies House may refer non-compliance with regulatory requirements for the Register of Overseas Entities, to The Insolvency Service and other law enforcement agencies to be considered for prosecution. Prosecution will usually be considered for the most serious cases. Once a case has been referred, all decisions in respect of investigation, charging and prosecution rest with the prosecuting authority.

When considering whether to prosecute, prosecutors will follow the [Code for Crown Prosecutors](#) (or [Prosecution Code](#) in Scotland, or [The Code for Prosecutors](#) in Northern Ireland) in all cases.

### **3.6 Partnership working to combat economic crime**

Companies House has also increased its role in combatting economic crime by:

- Introducing more extensive legal gateways for data sharing with law enforcement, other government bodies and the private sector. This has already meant more efficient sharing of suspicious activity with law enforcement and establishment of feedback loops with other government bodies, businesses in the anti-money laundering (AML) regulated sector (such as banks, law firms and accountants).
- developing an internal intelligence hub to identify strategic and tactical threats of economic crime and fraud on the registers. With the benefit of new measures, the intelligence hub will help Companies House provide faster and comprehensive support to law enforcement investigations throughout the UK and increase the impact they can have on tackling economic crime.
- being a member of the Joint Money Laundering Intelligence Taskforce (JMLIT), a NECC-led partnership between law enforcement and the financial sector to exchange and analyse information relating to money laundering and wider economic crime threats. Additionally, they play an active role in several public-private threat groups and time-limited cells.

Companies House also works closely with those in the AML regulated sectors, playing an active role in the Anti Money Laundering Supervisory Forum as well as engaging with the legal and accountancy intelligence sharing expert working group. In advance of the commencement of new and tailored new powers, they began sharing information using Regulation 52 of The Money Laundering Regulations. This sharing is already supporting work to Improve the integrity of the Register of Overseas Entities.

The Insolvency Service is a key partner in the reforms, important steps have already been taken including the creation of Anti Money Laundering cells funded by the Economic Crime Levy, establishing a Memorandum of Understanding with Companies House to enable funding to flow into more complex investigation and prosecutions.

### **3.7 Informing customers and stakeholders**

[The changes to UK company law](#) campaign site was launched in November 2023, and is the central hub for customers and stakeholders to find out about the upcoming changes and how to comply with the new requirements.

Companies House has published a regular drumbeat of communication on their digital channels, including press notices with the Department for Business and Trade and Home Office, and 12 blog posts on GOV.UK focusing on different areas of the legislation.

Stakeholders have been kept updated and provided with opportunities to engage with Companies House around the changes. 26 separate industry-themed forums (accountancy, finance, civil society, law, data users, software providers) 24 stakeholder conferences and 13 bilateral meetings with key senior stakeholders have taken place. A video summarising the reforms with key messages around the phased implementation approach was shared by 87 stakeholders and partners.

In addition, a technical briefing raised awareness with trade press and consumer affairs journalists. Companies House issued 20 stakeholder newsletters to 615 stakeholders on their mailing lists and their annual reputation survey found that stakeholder support was high.

Other promotional activities included:

- advertisements and advertorials in the trade press spanning multiple sectors including accountancy, legal, business, and construction.
- updating more than 50 pages on GOV.UK by 4 March providing guidance for the public.
- using **social media** (X, Facebook, LinkedIn, YouTube) to reach company directors and agents. Companies House's social media posts have had nearly 2 million impressions since the Economic Crime and Corporate Transparency Bill was introduced in Parliament. This resulted in nearly 55,000 new subscribers for their email newsletters, taking the total number to 546,139.
- 19 **newsletters** have been sent to subscribers to encourage readiness and compliance. Most subscribers are company directors, with a smaller numbers of stakeholders, partners and interested citizens.
- producing an **explainer video series** published on YouTube and embedded across the Companies House channels. The animated series covers key changes relating to the ECCT Act, including the actions required from 4 March. The first four videos in the series have received 2,631 views in total to 15 March 2024.
- delivering live webinars targeted at company directors and intermediaries to support readiness and compliance with the first tranche of changes. Reaching 1077 attendees and a further 2,195 views of the recorded presentation post-webinar.



- Approximately 6,000 customers have been contacted to advise them of specific actions they need to take.

In December 2023 Companies House received the results of their first YouGov poll to track awareness among business leaders. This was at an average of 22% and will be measured again in late March 2024.

## **4. Monitoring and evaluation**

### **4.1. Policy evaluation in government**

Evaluation is a key part of how the government designs and delivers policy. The Department for Business and Trade is expected to undertake comprehensive, robust and proportionate evaluations of their policy interventions in order to understand how government policies are working and to ensure the best value for public money.

[The Department for Business and Trade's \(DBT\) strategy 2023 to 2026](#) for monitoring and evaluating its activities sets out:

- why monitoring and evaluation are important for DBT
- how monitoring and evaluation will be used to support policy delivery and inform decisions on whether to continue, stop or amend our interventions
- the main principles and commitments that will guide monitoring and evaluation work in the department going forward
- how we plan to roll our strategy in practice and embed monitoring and evaluation in the policy and programming cycle
- how we will track progress over time

### **4.2. Approach to evaluation: process evaluation plans**

Companies House have allocated resource to set up and deliver a process evaluation, reviewing the baselines in place to ensure learning from early implementation and enhance the impact of the reforms.

As part of the process evaluation programme of work, Companies House have been working to establish the critical research questions that will need to be answered in order to understand how successfully the ECCTA has met its policy objectives.

### 4.3. Legislative Monitoring and Evaluation Requirements

By March 2024	April 2024 Onwards
Collection and mapping of metrics currently available	Initial reporting of research, base lining the value of the register for law enforcement
Finalise and iterate metric dashboards	Field work for establishing future base line projects and re iteration of the dashboards
Gap analysis for base lines	Annual reports to parliament

### 4.4. Monitoring

The first data products will be developed once there has been a reasonable accumulation of data and new processes have stabilised.

These will include counts of actions relevant to the new powers such as queries raised by Companies House, information removed from the register and company names and addresses which have not been accepted.

The Insolvency Service is implementing a process that will allow referrals from Companies House in respect of ECCT offences to follow through existing case pipelines. This will enable the delivery of the current metrics (case numbers, time to decisions, outcomes) for these cases.

The Insolvency Service will be able to quantify how many ECCT criminal referrals have been received in any given period, how many of each offence type have been referred, how many have been accepted for investigation moving on to how many of the ECCT referrals result in prosecutions.

Refinement and improvement of these reports is a continuous cycle and will be led by an Analyst Business partner at the Insolvency Service. This will include the bespoke design and consultation on metrics and data which will play a significant part in enabling us to monitor the effectiveness of these reforms.

Data products with accompanying key messages will be regularly collated for sharing with The Department for Business and Trade.

## 5. Next steps

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1. Companies House Business Plan 2024 to 2025 sets out what they will deliver in the next financial year.
2. [Official statistics on Companies register activities from April 2023 to March 2024 will be released 27 June 2024](#), providing information about the companies register, including incorporations, removals, insolvencies and liquidations, and other corporate body types. These statistics provide the baseline from which to monitor annual changes to the register as the implementation of the Economic Crime and Corporate Transparency Act 2023 progresses.
3. Information on the performance and expenditure of Companies House from 1 April 2023 to 31 March 2024 is published in their Annual Report and Accounts, which includes a performance report on all the activities of the business.
4. The second report to Parliament on progress on the implementation and operation of Parts 1 to 3 of the Economic Crime and Corporate Transparency Act 2023 will be within 12 months of the laying date of this first report.
5. The duty to prepare and lay reports under section 213 (1) of the Economic Crime and Corporate Transparency Act 2023 ceases with the laying of the first report on or after 1 January 2030.

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