

Statutory Notice to RLEs

[<<Insert Company Name Limited>>] (the “Company”)

<<Insert Date>>

[By post/email]

Dear <<Insert Name>>¹ on behalf of <<Insert RLE Company Name>>,

Statutory Notice: Register of People with Significant Control – notice to a relevant legal entity (“RLE”) under section 790D of the Companies Act 2006

In accordance with Part 21A of the Companies Act 2006 and the Register of People with Significant Control Regulations 2016 (the “Legislation”), the Company is under a duty to investigate, obtain information and give notice to any entity the Company has reasonable cause to believe may be a registrable RLE under the Legislation. The Company has reasonable cause to believe that <<Insert RLE Company Name>> is a registrable entity under the Legislation.

For your information, further brief details regarding the Legislation and registrable interests are attached as Annex 2 to this letter in order for you to better understand the context of this notice and why we are writing to you.

We therefore require you to confirm in writing [including by email to the address shown above] to the Company as soon as possible and in any event by <<Insert Date>>, being one calendar month after the date of this Notice, the following information concerning your interest, if any, in the company:

- whether <<Insert RLE Company Name>> is a registrable RLE within the meaning of the Legislation;
- if so, whether <<Insert RLE Company Name>> holds the interest on its own behalf;
- whether the required particulars attached as Annex 1 to this Notice setting out <<Insert RLE Company Name>>’s registrable interest are accurate, correct and complete; and
- if Annex 1 is incorrect or incomplete, the correct and complete information.

If <<Insert RLE Company Name>> holds its interest on behalf of another party², please provide us with the relevant contact details for that party.

If <<Insert RLE Company Name>> is not such a registrable legal entity, please inform us whether you know the identity of anyone who is a legal entity or a registrable person within the meaning of section 790D(6) of the Companies Act 2006, or of anyone likely to have that knowledge and, in either case, please provide any of the above particulars that are within your knowledge, stating whether or not these particulars are being supplied with the knowledge of each of the persons or legal entities concerned.

You should be aware that failure to provide the information required by this notice, or to disclose false information, is an offence under paragraph 13 of Schedule 1B to the

¹ This will most likely be addressed to a director of the RLE.

² This may be an individual or a relevant legal entity.

Companies Act subject to a penalty of up to two years imprisonment, or a fine (or both). In addition, the Company may take action to restrict your control rights until such time as you have complied with this notice or provided a valid reason sufficient to justify your failure to do so.

Full details of your obligations can be found on the www.gov.uk website.

We enclose a pro-forma reply slip with this letter in order to assist you in responding to us as promptly as possible.

We look forward to hearing from you.

Yours faithfully,

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For and on behalf of³:

<<Insert Company Name Limited>>

³ This must be signed by a director or secretary of the Company.

Annex 1 to Statutory Notice

Required Particulars for <<Insert RLE Company Name>>

Name of legal entity, i.e corporate or firm name	<<Insert Relevant Details>>
Registered or principal office address	<<Insert Relevant Details>>
Legal form of entity and law by which it is governed	<<Insert Relevant Details>>
If applicable, any register in which it appears (including details of the state) and its registration number⁴	<<Insert Relevant Details>>
Date RLE first became registrable⁵	<<Insert Relevant Details>>
Nature of control⁶	<<Insert Relevant Details>>

⁴ If the RLE is entered on another register in the UK, e.g the Charity Commission register, or overseas (the central public register of companies in another country), this must be noted.

⁵ For companies incorporated prior to the regime coming into force, the date to be recorded will be 6th April 2016.

⁶ There are 5 conditions set out in the legislation for identifying PSCs. The PSC register must identify which of the conditions are relevant and include all of these. For information on relevant conditions, please see our PSC Guidance Note. The official wording must be used.

Annex 2

Brief overview of the Legislation and registration of people with significant control (“PSCs”)

The below is a brief summary of the main provisions relating to the keeping of a register of people with significant control. This is provided to assist you in replying to the notice we have sent you and is for information only. This is not legal advice and should not be relied on as such. If in doubt contact a solicitor who will be able to advise you.

Further information is available the www.gov.uk website.

- The Small Business, Enterprise & Employment Act 2015 (“SBEA”) has materially reformed UK company law. One of the most significant changes inserted by the SBEA into the Companies Act 2006, is the need from 6th April 2016, for all UK companies (& LLPs) to collect and keep information about people with significant control over them. This aims to increase transparency about the ownership of UK companies as well as tackle tax evasion and money laundering.
- The statutory PSC register will ensure that the individuals who ultimately own and control a company are identified and details of their holdings made public.
- Broadly the only exempt companies are those with their shares listed on the London Stock Exchange (and AIM), who are subject to their own stringent set of disclosure and transparency rules.

The **new requirements** require companies to:

- Keep a PSC register;
- Take reasonable steps to identify those who should be registered on the PSC register;
- Record the PSC’s details and keep the register up to date;
- Make the register available for public inspection; and
- From 30th June 2016, provide all this information to Companies House.

Even if a company has no interests to be registered (or is dormant), it must still keep a register. Criminal sanctions apply for non-compliance.

Identifying PSCs

A PSC is an individual who satisfies any of the following conditions:

- directly or indirectly holds more than 25% of the shares in the company;
- directly or indirectly holds more than 25% of the voting rights in the company;
- directly or indirectly holds the right to appoint or remove a majority of the board of directors of the company;
- has the right to exercise, or actually exercises, significant influence or control over the company; or
- has the right to exercise, or actually exercises, significant influence or control over the activities of a trust or firm that is not a legal entity which would itself satisfy any of the first four tests in relation to the company if it were an individual.

The Government has provided statutory guidance on the meaning of significant control which can be accessed at www.gov.uk

The provisions also recognise that there may be legal entities (as opposed to individuals) with control, if such a legal entity would satisfy one or more of the conditions listed above in relation to the company if it were an individual. If the legal entity is subject to its own disclosure requirements, it must be included in the company's PSC register.

The details of what needs to be recorded in a company's PSC register in relation to a relevant legal entity are set out in Annex 1.

Why are we sending you this notice?

A company must take reasonable steps to identify and confirm registrable PSCs and RLEs, including by giving notice to any registrable PSC or RLE the company knows or has reasonable cause to believe to be registrable. This can also include giving notices requesting information on anyone who the company knows or has reasonable cause to believe knows the identity of a PSC/RLE or knows someone likely to have that knowledge.

PSCs/RLEs are also under an obligation themselves to notify the company of their status and keep the company up to date.

Failure to comply with such duties is a criminal offence.