

House of Commons: Written Statement (HCWS188)

Department for Business, Innovation and Skills

Written Statement made by: **Parliamentary Under Secretary of State for Employment Relations and Consumer Affairs (Jo Swinson)** on 15 Jan 2015.

Implementation of Company filing requirements and corporate transparency measures and the register of people with significant control ("PSC register")

I have today published our current plans for the implementation of Parts 7 ('Companies: Transparency') and 8 ('Company filing requirements') of the Small Business, Enterprise and Employment Bill.

These timings are obviously subject to the will of Parliament. However, we want to make sure those affected by reform have as much notice as possible. In summary, we intend to implement proposals in three main stages - two months after Royal Assent, October 2015 and April 2016. Companies will be required to keep a register of people with significant control from January 2016. They will need to file this information at Companies House from April 2016.

These are significant changes and we are thinking carefully about the secondary legislation, systems changes, guidance and communication requirements we will need to give effect to them.

In October 2014 I published a discussion paper on core elements of the PSC register policy, seeking views on the statutory and non-statutory guidance needed to support understanding of the new requirements; the way that a person's control over a company is recorded on the PSC register; and the process by which people at serious risk of harm can apply to have their information protected from public disclosure on the PSC register.

The paper closed on 9 December and I am grateful to all those who responded. I look forward to continued dialogue and engagement as we develop the draft regulations.

The responses confirmed the need for clear guidance to support implementation of the PSC register. I therefore intend to create a working group with a broad membership, including business representative bodies and civil society groups, to oversee the development of the general guidance required by companies and others. I have asked Peter Swabey of the Institute of Chartered Secretaries and Administrators (ICSA) to chair this working group, given ICSA's experience in developing company law guidance. I have today published the draft terms of reference for that group.

I also intend to ask a select group of experts, composed of company law specialists, to form an 'expert working panel' to draft the statutory guidance required to set out what is meant by "significant influence or control" in the context of the PSC register.

On the question of recording control on the PSC register, there was strong support for further Government regulation. I intend to adopt a business-friendly approach, requiring people to state which one or more of the "specified conditions" for being a person with significant control they meet. This will ensure consistency in terms of the information on the register and provide clarity for companies and others.

The process by which individuals may apply to have their information suppressed from public disclosure in exceptional circumstances is a key factor of the secondary legislation implementing the PSC register. The discussion paper sought views on a number of elements of the regime and we received a wide range of views. We will continue to develop this complex and important area

over the coming months.

I am minded to limit those able to apply for protection to individuals at serious risk of violence or intimidation as a result of a company's activities. We are continuing to consider this point. However, we do not anticipate extending the regime to cover purely economic risks.

I agree with the majority of respondents who felt that applications should be able to be made by third parties on behalf of people with significant control - such as the person's legal representative. We also agree there is merit in allowing people to apply in advance of becoming a PSC, so that they can ensure the protection will apply from day one.