

Consultation response

Department for Business, Energy and Industrial Strategy

Overseas companies and other legal entities beneficial ownership register: call for evidence

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Shelter helps millions of people every year struggling with bad housing or homelessness through our advice, support and legal services. And we campaign to make sure that, one day, no one will have to turn to us for help.

We're here so no one has to fight bad housing or homelessness on their own.

Introduction

Shelter welcomes the Government's proposals to introduce a register of beneficial ownership for overseas companies which own land and property in the UK. We have long identified a lack of transparency in the land and property market as a significant problem – both with regard to efficient housing market operation overall, and with regard to boosting housing supply in particular. Government has made significant strides in this area in recent years, from its overall commitment to open data and the introduction of the persons with significant control register, to the measures proposed for data release in the Housing White Paper. The proposals in this call for evidence are therefore a welcome addition, and will make a significant contribution to our understanding of the UK land and housing markets.

There will be those who argue that access to beneficial ownership information should be restricted to government agencies. But Shelter strongly believes that the beneficial ownership register should be public: the strong protection regime outlined in the call for evidence is sufficient safeguard in the case of individuals at risk of violence or intimidation. A public register will be in line with the information available on UK companies, and, as the call for evidence rightly notes, will increase ease of scrutiny by law enforcement bodies and transparency groups. We encourage the Government to maintain their commitment for this information to be recorded publically.

Shelter's response to the questions set out in the call for evidence

Shelter's position on the individual questions within the call for evidence is as follows; please note our responses are in relation to beneficial ownership of companies which own or purchase property, rather than those which participate in UK government procurement.

Question	Position
1	Yes, Shelter agrees that all legal forms that can hold properties should be in the scope of the new register's requirements
2	Shelter agrees with the proposed definition of leasehold
3	No position
4	Yes, Shelter agrees that the definition of beneficial owner for the new overseas register should be aligned to the definition of PSC in the PSC regime
5	Yes, Shelter agrees that entities that are not similar to UK companies limited by shares should use these adaptations to identify their beneficial owners
6	No position
7	No position
8	No position

9	<p>Shelter strongly believes that the proposed policy will:</p> <ul style="list-style-type: none"> • improve market efficiency by introducing transparency for homebuyers and sellers; • improve Government understanding of overseas investment in UK property; • enable local authorities to better understand who owns land in their area, improving their ability to plan strategically; • aid housebuilders, particularly in the SME sector, to access new sites for development. <p>Finally, the proposed policy serves the public interest, by enabling local communities to better understand who owns and controls land and property in their area. The proposed release of the Land Registry's corporate, commercial and overseas ownership datasets will be a welcome step closer to this improved understanding – and in that release, land and property owned by UK companies will also include information on beneficial ownership. It makes little sense for the same not to be true of overseas companies. Any difference between UK and overseas company disclosure requirements could also have the unintended consequence of incentivising UK-based companies to establish overseas-registered entities for the purposes of buying land and property.</p>
10	Yes, Shelter agrees that the duration of the period given to overseas entities to comply with the new requirements should be one year
11	Shelter agrees that a system of statutory restrictions and putting notes on the register, backed up by criminal offences, is a comprehensive way to ensure compliance
12	Yes, Shelter agrees that we should prevent any beneficial interest in the property passing to an overseas legal entity that does not have a valid registration number at completion or settlement
13	No position
14	No position
15	No position
16	Yes, Shelter agrees that the information on the new register for overseas entities should be the same as the information required under the PSC regime
17	Yes, Shelter agrees that entities unable to give information about beneficial owners should be asked to provide information about their managing officers
18	No position

19	Shelter believes that a requirement for an update every two years is appropriate
20	Shelter believes that a criminal offence would be an appropriate way of enforcing the requirement to update information
21	Shelter believes that the proposals achieve the right balance between ensuring compliance and enabling overseas entities to maintain existing assets
22	No position
23	Yes, Shelter thinks that this provides the correct balance between protecting individuals from harm and ensuring transparency of how properties are owned
24	No position
25	No position
26	No position
27	No position
28	No position

For more information, please contact:

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