

The Register of Overseas Entities

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By Zoe Miller

A new register giving details of the beneficial ownership of all overseas entities who own UK property whether commercial or residential is to be introduced. This will directly affect any overseas entities which currently own or acquire UK land, or which disposed of UK land after 28 February 2022 but will also indirectly affect any entity entering into a sale and purchase, lease or charge with an overseas entity in connection with UK land. [Read more](#)

The Economic Crime (Transparency and Enforcement) Act 2022 (the “Act”) is not yet in force but given the timescales for compliance and penalties for non-compliance here are our *Five Practical Tips* to get ahead

1. **Collect information:** If you are an overseas entity or use overseas entities to invest in UK real estate then consider:
 - the existing legal owners of any interest in UK land and identify any registrable beneficial owners of each overseas entity so that you can start collating the relevant information required for registration. The rules apply to land acquired in England and Wales since 1 January 1999 (different time periods apply in Scotland and Northern Ireland).
 - any disposals of UK land made since 28 February 2022. This applies to all overseas entities, even if after the disposal, the overseas entity no longer has any interest in UK land.
2. **Plan:** If you are considering an acquisition of UK land with an overseas entity purchaser, incorporate the overseas entity as soon as possible so that you are ready to apply for the ID immediately once the new rules take effect.
3. **Review existing contractual arrangements:** If you have previously entered into any contractual arrangements involving overseas entities and UK land, for example, any conditional contracts, options, rights of pre-emption, agreements for lease or facility agreements, consider the impact the Act may have on any such arrangements. The overseas entity’s registration requirements are likely to fall into the transitional arrangements in connection with such existing arrangements as they were entered into before the Act came into force, but any variation to such arrangements after the Act is in force may change this and trigger the immediate registration requirement before the relevant disposition or acquisition can be made.

4. **Timing:** It is not clear how quickly Companies House will deal with any application to register on the ROE, therefore if you are currently dealing or negotiating with an overseas entity on a deal which involves UK land, for example in connection with a sale, acquisition, letting, financing or as a joint venture, it is prudent to bear in mind that the need to register at Companies House may impact on timings and that this will not be within the overseas entity's control.

5. **Financing:** If you are dealing with any overseas entity in relation to UK land ensure that you obtain evidence of the overseas entity's registration status and include contractual protections to ensure that the overseas entity applies and remains registered and if applicable complies with its annual updating obligation. A mortgagee's remedies will be exercisable even if an overseas owner is not registered, so existing mortgagees (or a receiver appointed by them) will still be able to exercise a power of sale or leasing conferred on them pursuant to a legal charge. However, once the Act is in force, any new legal charges over UK land granted by an overseas entity will only be registered at the applicable land registry once the overseas entity is registered on the ROE.