



## **JOINT COMMITTEE ON THE DRAFT REGISTRATION OF OVERSEAS ENTITIES BILL**

### **Call for written evidence**

The Joint Committee on the Draft Registration of Overseas Entities Bill was appointed in February 2019 to consider the Government's draft Bill for the implementation of a register that would require overseas companies and other legal entities that own property (i.e. real estate) in the UK to identify their ultimate principal beneficial owners. The Committee invites interested individuals and organisations to submit written evidence to this inquiry. **The deadline for written evidence is 18 March 2019.**

The Committee will make recommendations in a report to both Houses by 10 May 2019. In the short time available to us, the Committee will focus on the content of the draft Bill and its scope. We will not consider the merits of individual cases which have been, or are now, subject to formal proceedings in courts or tribunals.

### **Draft Registration of Overseas Entities Bill**

The draft Bill would establish a public register of the beneficial owners of overseas entities that own or purchase land in the UK, and require overseas entities that wish to own UK land to:

- identify their beneficial owner(s);
- disclose that information to the register (held at Companies House); and
- update the information provided to the register annually.

### **Our aims**

In scrutinising the draft Bill we aim to:

- Clarify and examine the Government's policy objectives
- Assess whether the Bill as drafted would achieve the Government's objectives
- Identify any unintended consequences of the Bill
- Make recommendations to improve the drafting of the Bill

### **Areas of interest**

We shall explore and would welcome views on any, or all, of the key questions outlined below:

#### **Objectives & scope**

- Will the public register as established by the draft Bill effectively deliver the policy aim of preventing and combatting the use of land in the UK for the purposes of laundering money or investing illicit funds?
- Will the proposed register have a dampening effect on overseas investment into the UK property market? Is this a necessary consequence of increased transparency?

- Are the conditions for “registrable beneficial owners” appropriate? Are they sufficiently clear (i) for overseas entities with different ownership structures to be able to determine which individuals or legal entities are registrable, and (ii) to capture different types of legal entity?
- Should other types of entity (such as trusts) be included in the scope of the draft Bill?
- Are the proposed powers allowing the Secretary of State to exempt, or modify application requirements for, certain types of entities appropriate? Under what circumstances should these powers be exercised?

### ***Operation of the register***

- Are the information requirements sufficiently comprehensive? Are there other types of information that it would be useful to include? Conversely, do the requirements place an undue burden on entities?
- What controls should be in place to verify the information provided to the register?
- Does Companies House have sufficient capacity or resources to administer and monitor the register?
- Should entities which cannot identify, or provide full details of, their beneficial owners be allowed to register? Is it useful to hold the information of a managing officer in place of a beneficial owner? Is there any additional information that should be required from entities that are unable to give information about their beneficial owners?
- Does the draft Bill provide sufficient protections for individuals who could be put at risk by having information about them made publicly accessible?
- Should it be possible to appeal the suppression of information from public disclosure?

### ***Compliance & enforcement***

- Is a system of statutory restrictions and putting notes on the register, backed up by criminal offences, a comprehensive and practicable way to ensure compliance?
- How should the Government ensure that all prospective and existing overseas owners of qualifying estates are made aware of the new register and its requirements by the time the register is operational or before the end of the transition period?
- Will the draft Bill’s objectives be achieved in a consistent manner throughout the UK despite differences in how property is bought and sold – and in the draft Bill’s definitions of ‘qualifying estates – in the different jurisdictions? Will there be a level playing field across the UK?
- Are the exceptions to the restrictions on disposal sufficient to protect the rights of third parties? Should any other exceptions be included in the draft Bill?
- Are the sanctions for non-compliance with information requirements proportionate and enforceable?

### ***Delegated powers***

- Are the proposed delegated powers in the draft Bill appropriate?
- Do the procedures selected (affirmative/negative resolution) for each power provide for sufficient levels of parliamentary scrutiny?

## Guidance for submissions

Written evidence should be submitted online using the written submission form available at [www.parliament.uk/registration-of-overseas-entities-submission-form](http://www.parliament.uk/registration-of-overseas-entities-submission-form). If you have difficulty submitting evidence online, please contact the Committee staff by email at [jefferiese@parliament.uk](mailto:jefferiese@parliament.uk) or by telephoning 020 7219 0883.

The deadline for written evidence is **18 March 2019**.

Submissions should be short, concise, and of no more than six pages. Submissions of between four and six pages should include a one-page summary. Paragraphs should be numbered. Submissions should be dated, and should state clearly whether the submission is made in a personal capacity or on behalf of an organisation.

Where possible, comments on particular parts of the draft Bill should specify which clause they refer to.

All submissions made through the written submission form will be acknowledged automatically by email.

You do not have to address every question in our call for evidence. Submissions that have been published previously will not be accepted as evidence.

Submissions become the property of the Committee, which will decide whether to accept them as evidence. Evidence may be published by the Committee at any stage; when it is so published it becomes subject to parliamentary copyright and is protected by parliamentary privilege.

You will be contacted again to confirm whether your submission has been accepted as evidence; at this point you may publicise or publish your evidence yourself. In doing so you must indicate that it was prepared for the Committee, and you should be aware that your publication or re-publication of your evidence may not be protected by parliamentary privilege.

You should be careful not to comment on individual cases currently before a court of law. If you anticipate such issues arising, you should discuss with the Clerks of the Committee how this might affect your submission.

Personal contact details will be removed from evidence before publication but will be retained by the Committee Office and used for specific purposes relating to the Committee's work, for instance to seek additional information.

Persons who submit written evidence, and others, may be invited to give oral evidence. Oral evidence is usually given in public at Westminster and broadcast online; transcripts are also taken and published online. Persons invited to give oral evidence will be notified of the procedure to be followed and the topics likely to be discussed.

Substantive communications to the Committee about the inquiry should be addressed to the Clerks of the Committee, whether or not they are intended to constitute formal evidence to the Committee.

This is a public call for evidence. Please bring it to the attention of other groups and individuals who may not have received a copy directly.

You may follow the progress of the inquiry at [www.parliament.uk/business/committees/committees-a-z/joint-select/draft-registration-of-overseas-entities-bill/](http://www.parliament.uk/business/committees/committees-a-z/joint-select/draft-registration-of-overseas-entities-bill/).