

Persons with significant control checklist

Guidance note

If you have any feedback on the content of these resources, or additional questions that you'd like to discuss, please contact the SGA:
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Persons with significant control checklist

A person with significant control (PSC) is anyone in a company who meets at least one of the four conditions set out in the Register of People with Significant Control Regulations 2016 (SI 339/2016). Companies may have none, one or several PSCs.

Significant influence or control is considered to exist if:

- a person can direct the activities of a company, trust or firm, this would be indicative of 'control' of that organisation; and
- a person can ensure that a company trust or firm generally adopts the activities which they desire, this would be indicative of that person holding "significant influence" over the operations of that organisation.

A PSC is a person who:

- i. holds, directly or indirectly, more than 25% of the shares;
- ii. holds, directly or indirectly, more than 25% of the voting rights;
- iii. holds the right, directly or indirectly, to appoint or remove a majority of directors;
- iv. otherwise has the right to exercise, or actually exercises, significant influence or control over the company;
- v. 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 person, the trustees or members of which would satisfy any of the four conditions above.

There are prescribed statements to be used to describe the nature of control in respect of each of the five conditions, and these are set out in Schedule 2 of the Register of People with Significant Control Regulations 2016.

The register of people with significant control (the PSC Register) was introduced to provide greater transparency of ownership of UK companies. Prior to its introduction, the majority of UK companies needed to disclose details only of the registered holder of their shares and not of beneficial ownership.

All companies other than those qualifying for exemption are required to keep a PSC Register. If your organisation is a registered company, this requirement applies to you. Listed companies are exempt from the PSC requirements since they are required under the Listing Rules to disclose all interests in their shares of 3% or more.

As noted above, the purpose of the PSC Register is to increase transparency in ownership and accordingly the register is of natural persons. As a result, where the immediate ownership is through another corporate entity or a trust, companies are required to move up to the next layer of ownership until the ultimate owner(s) are identified.

Procedure

- An officer of the company is required to
 - identify the people with significant control (PSCs) over the company and confirm their information. If this is not immediately known, reasonable steps must be taken to ascertain the necessary information.
 - record the details of the PSC on the company's own PSC register
 - provide this information to Companies House as part of the annual Confirmation Statement, and

- update the information on the company's own PSC register when it changes, and update the information at Companies House when the next Confirmation Statement is made.
- The information to be recorded on the register includes:
 - Name
 - date of birth
 - nationality
 - country, state or part of the UK where the PSC usually lives
 - service address
 - usual residential address (this must not be disclosed when making your register available for inspection or providing copies of the PSC register)
 - the date he or she became a PSC in relation to the company (for existing companies the 6 April 2016 should be used)
 - which conditions (defined above) for being a PSC are met
 - for conditions (i) and (ii) this must include the level of their shares and voting rights, within the following categories:
 - Over 25% up to (and including) 50%
 - More than 50% and less than 75%
 - 75% or more
 - the company is only required to identify whether a PSC meets condition (iv) if they do not exercise control through one or more of conditions (i) to (iii)
 - whether an application has been made for the individual's information to be protected from public disclosure.
- A company is required to take reasonable steps to contact its PSCs and confirm the information for the register. If someone refuses to provide the information they will commit a criminal offence. A company may also approach people who it believes have knowledge of who its PSCs are. Failure to comply is a criminal offence.
- If a company does not have a PSC or has been unable to obtain confirmed details of their PSCs, one of a number of permitted statements must be entered into the PSC Register and updated as required.
- It may be perfectly obvious who the beneficial owner(s) is and no further steps are needed to identify them. For instance, for a private company with a sole shareholder and director, no investigation will be required. However, where the share structure is more complex or where there are trust or corporate members, it may be necessary for enquiries to be made of those members to establish beneficial ownership.
- The PSC Register can never be blank and in circumstances where beneficial ownership has not yet been established, there are a number of permitted statements to describe the position, which will require updating as the enquiries continue. These permitted statements are as follows:
 - The company knows or has reasonable cause to believe that there is no registrable person or registrable relevant legal entity in relation to the company.
 - The company knows or has reasonable cause to believe that there is a registrable person in relation to the company but it has not identified the registrable person.
 - The company has identified a registrable person in relation to the company, but all of the required particulars of that person have not been confirmed.
 - The company has not yet completed taking reasonable steps to find out if there is anyone who is a registrable person or a registrable relevant legal entity in relation to the company.
 - The company has given a notice under section 790D of the Act which has not been complied with.

- The addressee has failed to comply with a notice given by the company under section 790E of the Act.
- The company has issued a restrictions notice under paragraph 1 of Schedule 1B to the Act.
- Companies will need to make their own PSC register available for inspection on request at the company's registered office or provide copies on request. When making the PSC register available for inspection or providing copies of it the PSC's usual residential address must not be included.
- Individuals who may be at risk of violence or intimidation as a result of being on the register can apply to Companies House to have their information protected.
- Where an organisation is wholly or partly owned or significantly controlled by another legal entity rather than by one or more people, then that relevant legal entity (RLE) must be recorded in the PSC register.

For directors to consider

- Have you reviewed the PSC register and its control implications for the company where you are a director?
- Do you consider yourself to be a PSC? If so, are your details recorded correctly on the register?
- Does your company keep its own PSC register or just maintain the public record at Companies House?
- Ensuring that accurate PSC information is held correctly as part of your director accountability.

Date of approval

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Date of next review

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