

## Corporate Trustees and the Persons with Significant Control (PSC) Requirements

Since 6 April 2016, corporate trustees (like most UK limited companies and LLPs) have had to keep a register of persons (or legal entities) who have significant control over the corporate trustee (a PSC register). Changes had to be advised annually, through a confirmation statement, to Companies House.

From 26 June 2017, the PSC register must be updated within 14 days of obtaining the revised information. The corporate trustee then has a further 14 days to file the information with Companies House.

Corporate trustees should check that their PSC register is up to date and take any necessary actions in accordance with the change in requirements.

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### What are the Persons with Significant Control requirements?

Corporate trustees should ensure that:

1. Reasonable steps are taken to find out if there are people (or relevant legal entities) who have significant control over the corporate trustee.
2. These people are contacted, to confirm whether they meet one or more of the five conditions outlined below.
3. The relevant information is obtained, on confirmation that the conditions are met.
4. This information is put on the corporate trustee's PSC register<sup>1</sup>.
5. The information is filed at Companies House to be made available on a central public register.
6. The information is kept up to date.

Some corporate trustees will not have anyone who meets any of the conditions, whereas others will have several people who meet one or more of the conditions and are PSCs.

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<sup>1</sup> Eligible Scottish partnerships are not required to keep a PSC register but are required to deliver PSC information to Companies House for the central register. Refer to [guidance](#) from the Department for Business, Energy & Industrial Strategy for further information.

There is no definitive list of actions a corporate trustee should take to ensure it has made reasonable steps to check its PSC position. However, all of the readily available company documents and information should be checked to identify if a corporate trustee might have a PSC. The interests in a corporate trustee held by individuals, legal entities and trusts or firms (without legal personality) should be considered. In addition, consideration should also be given to any evidence of joint arrangements, or evidence of rights held through a variety of means, that might ultimately be controlled by the same person.

A corporate trustee which has identified that it does not have any PSCs will still need to keep a register. Where reasonable steps have been taken, and no PSCs have been found, the register must include a statement to confirm that:

*“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.”*

### What is a Person with Significant Control?

A PSC is someone who meets any one of the following conditions. [Guidance](#) from the Department for Business, Energy & Industrial Strategy includes a suggestion of what should be considered for each condition.

Condition	Considerations
Directly or indirectly holding more than 25% of the shares.	Review the register of members, articles of association and statement of capital to identify whether anyone holds more than 25% of the shares.
Directly or indirectly holding more than 25% of the voting rights.	Review the register of shareholders and articles of association to identify whether anyone holds more than 25% of the voting rights.  Identify any shareholder agreements which might result in shareholdings of more than 25% and consider whether voting patterns suggest some parties (for example members of the same family or groups of investors) might be acting together.
Directly or indirectly holding the right to appoint or remove the majority of directors.	Review any provisions in the articles of association or other covenants or agreements which concern the appointment or removal of directors holding the majority of votes at board level.
Otherwise having the right to exercise, or actually exercising, significant influence or control.	Consider whether anyone else who does not meet one or more of the above conditions has significant influence or control over the way the company is run, irrespective of any formal role.
Where a trust or firm would satisfy one or more of the first four conditions if it were an individual. Any individual holding the right to exercise, or actually exercising, significant influence or control over the activities of that trust or firm.	Consider whether there is a trust or firm which would have met any of the above conditions if it were an individual.  Where this is the case, the trustees would be entered on the PSC register and shown as meeting whichever of the above conditions apply. Consider whether anyone has significant influence or control over the activities of that trust or firm.

## Companies Owned by Legal Entities

Many corporate trustees are owned or controlled by a legal entity (such as a parent company), not an individual. A legal entity's details must be put on the PSC register if it is both relevant and registrable in relation to the corporate trustee.

To be relevant it meets any one or more of the conditions in the table above and:

- It keeps its own PSC register, or
- It has voting shares admitted to trading on a regulated market in the UK or EEA or on specified markets in Switzerland, the USA, Japan and Israel.

A relevant legal entity is registrable in relation to the corporate trustee if it is the first relevant legal entity in the corporate trustee's ownership chain. So, if the corporate trustee is wholly-owned by the sponsoring employer, then the corporate trustee would include the sponsoring employer on its PSC register.

## Information to be Included on the Register

A corporate trustee's PSC register must not be empty. While reasonable steps are being taken to complete the register, this must be noted. The register must confirm that:

*"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."*

Unless the required information can be identified immediately, corporate trustees that will come under the requirements from 26 June 2017 must enter this fact on their PSC register within 14 days of 24 July 2017 and file the information with Companies House within a further 14 days.

After 26 June 2017 a corporate trustee's PSC register must always contain information about its PSCs (or relevant legal entities) or its status in searching for its PSCs. Corporate trustees must enter any changes to PSC information on the PSC register within 14 days. The information must then be filed at Companies House within a further 14 days, where it will be entered on the central register. Failure to comply with these requirements is a criminal offence.

Where a PSC is identified, the following details need to be obtained, confirmed and entered onto the PSC register about the PSC:

- Name
- Date of birth
- Nationality
- Country, state or part of the UK where the PSC usually lives
- Service address
- Usual residential address (but if the residential address has already been given because it is also the service address, then this does not need to be restated, unless the service address is also the corporate trustee's registered office address)
- The date when the individual became a PSC in relation to the corporate trustee
- Which of the five conditions for being a PSC the individual meets, with quantification of the interest where relevant
- Any restrictions on disclosing the PSC's information that are in place

Information about a registrable relevant legal entity, unlike a PSC, does not need to be confirmed before it can go on the PSC register. The information must be accurate though.

- Name of the legal entity
- The address of its registered or principal office
- The legal form of the entity and the law by which it is governed
- If applicable, a register in which it appears and its registration number
- The date when it became a registrable relevant legal entity in relation to the corporate trustee
- Which of the five conditions for being a PSC it meets, with quantification of the interest where relevant

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