

Overseas companies with UK property are on a countdown

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Time is ticking for overseas companies with property interests in the UK to comply with new money laundering legislation.

Any overseas entity planning to buy, sell or transfer property or land in the UK or that owns property in the UK must now be verified and registered at Companies House with annual reporting obligations.

The legislation applies to any legal entity, such as a company or other organisation, governed by the law of a country or territory outside the UK. For the purposes of the legislation, The Republic of Ireland is an overseas jurisdiction.

The requirement to register is not just for future sales and purchases but also applies to disposals completed in the last year. The sanctions for non-compliance are significant and can include restricting future transactions of any UK-owned land or property.

The [Register of Overseas Entities](#) came into force in the UK on 1 August 2022 through the [Economic Crime \(Transparency and Enforcement\) Act 2022](#) and requires overseas entities that own land or property in the UK to declare their beneficial owners and/or managing officers.

The requirement applies to all overseas entities who bought property or land in England and Wales since 1 January 1999, or 8 December 2014 in Scotland, and on or after 1 August 2022 in Northern Ireland. In addition, any overseas entity that disposed of property or land since 28 February 2022 will need to be registered.

Before the registration can take place, an agent must complete verification checks on all beneficial owners and managing officers to be named. The agent must be based in the UK and supervised under the [Money Laundering, Terrorist Financing and Transfer of Funds Regulations](#)

2017. They can be individuals or corporate entities, such as financial institutions or legal professionals.

Once registered, the overseas entity will get a unique Overseas Entity ID required by the UK Land Registry when there is a purchase, sale, transfer, lease or charge over UK property or land.

Head of Property, [Ben Marks](#) said:

“This isn’t a one-off requirement, as the overseas entity must file an annual update to confirm its current information or to notify changes. Because of the need to keep up to date with legislation and reporting requirements, ideally, any overseas company with UK property interests will be using a UK-based professional to ensure they keep abreast of the situation.

The aim of the legislation is to achieve greater transparency and allow law enforcement to more easily identify and tackle situations where there are suspicions over sources of wealth and funding.”

For more information, call [Ben Marks](#) today.

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Note: This article is not legal advice; it provides information of general interest about current legal issues.

