



THE REGISTER OF OVERSEAS ENTITIES YOUR QUESTIONS ANSWERED UPDATE

The Register of Overseas Entities (ROE) has been up and running for just over a year from 1 August 2022. The transition period during which any overseas entity owning a qualifying estate had to be registered by ended on 31 January 2023.

Why should I care?

If you have acquired a qualifying estate in the last 12 months and either still own it, have disposed of it or intend to dispose of it you should have complied with the new regime. Failure to do so is a criminal offence, and as of 23 June 2023, will result in a fine and/or a prison sentence for the company and its officers. Click [here](#) for our previous briefing on the requirement to register.

I did everything I was supposed to do last year. Why are you bothering me now?

As an overseas entity you have a duty to file an update of your registered information annually by way of an update statement though you can file more frequently if you want to. Your statement date is within a year of the date the overseas entity was registered, or within a year of the last update statement. You have 14 days from the statement date to file after which your filing will be considered late and you will be held in breach of your statutory obligations.

But what if nothing has changed?

You still need to file an update statement even if there have been no changes to the overseas entity or the beneficial ownership. Your statement must confirm that there have been no changes.

What if things have changed?

You will be asked to review all the information on the register about the overseas entity and its beneficial owners or managing officers. All information must be correct at the date of the statement. If there are any changes these changes must have been verified by a UK regulated agent no more than three months before the date of the update statement.

What if I don't want to?

If you don't file your update statement on time:

- The overseas entity and every officer in default will be committing a criminal offence and are at risk of prosecution or a fine.
- If you are at risk of receiving a fine, you may receive a warning notice from the registrar giving you 28 days to write to Companies House and rectify the issue. If you do not comply with the warning notice, you may become liable for a penalty and as such may receive a penalty notice which will set out the penalty type, any amounts payable (including interest) and what happens if the penalty is not paid.
- The fine may be a combination of a fixed penalty and a daily rate penalty of up to £2,500 (or one or the other) until the update statement is filed.
- Until the update statement is filed, your Overseas Entity ID will not be valid and you will not be able to buy,

sell, transfer, lease or charge your or others' property or land in the UK.

- Companies House will add a note to your public record that says you've not filed your update statement.

How can I submit an update statement?

Your update statement can be submitted online. You have to sign in to or create a Companies House account in order to do so.

What do I need?

You will need the following:

- your Overseas Entity ID;
- your overseas entity authentication code;
- the name and address of someone Companies House can contact about the update;
- information about the UK regulated agent that completed any verification checks if relevant;
- a credit card or debit card.

How much does it cost to submit an update statement?

The fee is £120 and this has to be paid with by a credit or debit card. You cannot currently pay with your Companies House payment account.

Can this all be done online?

Yes, it can unless there are trusts involved with the overseas entity or any beneficial owners or managing officers have their personal information protected at Companies House. This includes any trusts that the entity has already told Companies House about and any trusts that you need to tell Companies House about as part of the update statement. If trusts are involved, you have to file the overseas entity update statement on paper even if you do not need to make any changes to trust information.

What if I didn't register all my qualifying estates last year

From 5 September 2022 the Land Registry began adding restrictions to all registered qualifying estates in England and Wales where the overseas entity became the registered proprietor pursuant to an application made on or after 1 January 1999. The restriction prohibits any disposition of the qualifying estate unless the ROE regime has been complied with. Dispositions include transfers, the granting of a lease, the creation of easements and the granting of a charge over the property.

In addition, the regime imposes numerous criminal sanctions including initial fines (with interest set at 8%) for which there is no cap and depends on the value of the property/portfolio of properties, daily default fines of up to £2,500 and custodial sentences of up to two years. The fines apply to both the entity and every officer of the entity who is in default.

Is there anything else I should be aware of?

Yes, if you are carrying out a transaction and there may be relevant overseas entities involved with the other side make sure that they are also compliant with the obligations. If you know the name of the overseas entity you can check at Companies House when their updates are due. You will want to ensure that any contracts being drawn up provide protections in the event that they are not.

I don't really understand what I need to do, can I get help?

Of course, HFW are here and ready to advise you regarding your obligations under the ROE. Please get in touch if you'd like our guidance.

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