



Home Office



Department for  
Business, Energy  
& Industrial Strategy

Seema Malhotra MP  
Public Bill Committee  
House of Commons  
London  
SW1A 0AA

By email:

24 October 2022

Dear Seema,

### **Economic Crime and Corporate Transparency Bill – Government Amendments**

The joint Home Office and Department for Business, Energy, and Industrial Strategy (BEIS) Economic Crime and Corporate Transparency (ECCT) Bill was introduced on 22<sup>nd</sup> September 2022 to the House of Commons.

The Bill includes BEIS measures to reform Companies House, to prevent abuse of limited partnerships and to amend the Economic Crime (Transparency and Enforcement) (ECTE) Act 2022, which established the Register of Overseas Entities, to maintain consistency with changes to the Companies Act 2006 and improve the effectiveness of the Register.

It also contains Home Office measures to create additional powers to seize cryptoassets more quickly and easily, reforms to support more effective and targeted information sharing to tackle money laundering and economic crime, new intelligence gathering powers for law enforcement and removing regulatory burdens on businesses.

The Bill as introduced is comprehensive. However, there are several measures that we plan to bring forward as Government amendments during the Bill's Committee stage in the House of Commons in order to refine the detail of the legislation and make it work as well as possible. We are therefore writing to bring to your attention the Government amendments being tabled today. Further detail on the specific measures included within each area summarised below can be found in Annex A.

1. **Companies House and limited partnership reform (BEIS)** – there are additional clauses relating to Companies House and limited partnership reform which are necessary to refine these aspects of the Bill and which for various technical reasons were challenging for Government legal teams to draft.
2. **Register of Overseas Entities (ROE) (BEIS)** – additional measures are required to align the Register of Overseas Entities with Companies House reform (where provisions in ECTE Act 2022 correspond to provisions in the

Companies Act that will be amended by the ECCT Bill) and to make small improvements to the operation of the Register of Overseas Entities. We have produced a new fact sheet, published at [this link](#), which provides further detail on these amendments and addresses wider concerns around 'beneficial ownership'.

3. **Cryptoassets (Home Office)** – we are adding a single clause and corresponding Schedule to the Bill to replicate certain changes made to proceeds of crime legislation in Part 4 of the Bill, which provide for the seizure and forfeiture of criminals' cryptoassets, in counter-terrorism (CT) legislation. These measures are vital to prevent individuals raising and moving cryptoasset funds for terrorist activities. Further background on these amendments can be found in the fact sheet at [this link](#). We are also tabling several small, more technical amendments to the wider cryptoasset provisions.

We look forward to continuing to engage with you and members of the Committee on this Bill as it progresses through the Commons Committee Stage. We will of course keep you informed of any further UK Government amendments.

A copy of this letter goes to Members on the Public Bill Committee and to the clerk of the Committee.



**Tom Tugendhat MP**  
**Security Minister**



**Jackie Doyle-Price MP**  
**Minister of State at the Department**  
**for Business, Energy and**  
**Industrial Strategy**

## Annex A

Department	Topic	Explanation
<b>Companies House reform</b>		
BEIS	Application of Companies House measures to other legal entities.	This amendment will introduce delegated powers allowing for application of the Companies House reform measures to entities other than companies, e.g. to extend identity verification requirements to equivalent officers of other entities (e.g. overseas companies that have registered particulars with the registrar under section 1046). We will also introduce a new power allowing for replacement and amendments of the Scottish Partnerships (Register of People with Significant Control) Regulations 2017, made under now repealed section 2(2) of European Communities Act. That will also allow for application of some of the Companies House reform measures to Scottish qualifying partnerships.
BEIS	Discrepancy Reporting.	Currently regulated professionals must only report discrepancies about People with Significant Control (PSCs). This amendment will take the form of a power to expand the existing discrepancy reporting regime, and require regulated professionals such as banks, lawyers and accountants to report to Companies House when they hold information about directors and registered addresses (for example) that is different from information recorded at Companies House.
BEIS	Moving service and principal office addresses to default addresses.	This will take the form of new powers (mirroring an existing provision already in the Bill allowing for the registered office addresses to be moved) to allow for secondary legislation that will authorise or require the Registrar to change a service address or principal office address, if satisfied that the address does not meet the criteria set out in the 2006 Act and associated regulations. The primary purpose is to provide a means to protect individuals whose private addresses have been “hijacked”. There are equivalent amendments for limited partnerships.
BEIS	Including Northern Ireland in the fee-raising power.	This amendment would amend the existing clause in the Bill on fees to include costs associated with enforcement activity undertaken in Northern Ireland as a factor to be taken into account in setting the level of Registrar’s fees. We consider it to be vital that fees are consistent across the UK. As drafted, the fee-raising power only enables costs associated with enforcement in England and Wales to be included when setting the fee.

		An argument could be made that companies in Northern Ireland are therefore subsidising prosecutions in England and Wales. While the same argument could be made by companies in Scotland, the nature of prosecutions under Scottish law means that it would be inappropriate for the power to extend to include these costs.
BEIS	Narrowing the definition of a designated person under the application of director disqualification to persons subject to an asset freeze under section 3(1)(a) of the Sanctions and Anti-Money Laundering Act (SAML) 2018.	The previous definition covered any designated person subject to the designation powers under section 9 of SAML 2018 (financial, trade, immigration etc), whereas only financial sanctions affect someone's ability to manage, form or promote a company. In the new narrower definition we include only designated persons subject to asset freeze, which are the most common financial sanctions imposed. Since only designation allows for identification of a sanctioned person, focusing on the asset freeze only is the most appropriate, proportionate and practically enforceable solution.
<b>Limited partnership reform</b>		
BEIS	Linking the Limited Partnerships Act to the Company Directors Disqualification Act and the Company Directors Disqualification (Northern Ireland) Order 2002.	This change will enable the Secretary of State to make regulations to apply the Company Directors Disqualification Act and the Company Directors Disqualification (Northern Ireland) Order 2002 to limited partnerships (as well as limited liability partnerships and Scottish qualifying partnerships). This means that general partners can be disqualified for their conduct in relation to limited partnerships.

<b>Register of Overseas Entities (ROE)</b>		
BEIS	Add personal details of verifiers and overseas entity email addresses to material hidden from public.	To ensure that certain personal details of verifiers and email addresses submitted to the Register of Overseas Entities cannot be made available for public inspection, to protect the privacy of the individual concerned.
BEIS	Amend details required about trusts to capture all corporate trustees	Trusts are in scope of ROE, but there are two minor gaps that we would like to close in relation to corporate trustees. Regulations made before go-live brought most corporate trustees into scope; these amendments will revoke those regulations and ensure that all types of corporate trustee are registerable beneficial owners, whether or not they are subject to their own disclosure requirements and even if a legal entity which is subject to its own disclosure requirements sits below them in a chain of ownership.
BEIS	Extending Registrar's new powers over ROE	This set of amendments is to align ROE with Companies House Reform.
BEIS	Overseas entities to provide Companies House with the Land Registry numbers of all land they hold.	This amendment would enable HM Land Registry, Registers of Scotland, and Land Registers of Northern Ireland to quickly identify all land owned by a specific entity and would assist Companies House if an overseas entity makes an application for removal from the list of overseas entities
BEIS	Managing officer age limits	This change would ensure that overseas entities registering managing officers that are under 16 years old, and registering managing officers who are entities, must also provide details of a contact person who is over 16 years old. Companies House has been criticised in the past for allowing minors to be registered as directors. The reputational risk of this happening with ROE registrations is high.
<b>Cryptoassets</b>		
Home Office	Cryptoasset Counter-Terrorism Mirroring	The introduction of a clause and related schedule to mirror the cryptoasset forfeiture provisions made to the Proceeds of Crime Act 2002 that are already in Part 4 of the Bill, in counter-terrorism legislation, specifically to amend the Anti-Terrorism Crime and Security Act 2001 and the Terrorism Act 2000.

Home Office	Cryptoasset Freezing Orders	Allow a freezing order to continue pending an appeal against a decision of the High Court or Court of Session (the current Bill only covers instances of appeal from the magistrates' court or sheriff.)
Home Office	Cryptoasset Minor Wording Changes	Minor changes to wording around – <ol style="list-style-type: none"><li>a. the prevention of release of cryptoassets before proceedings are over;</li><li>b. release of property to victims,</li><li>c. certain powers being exercisable by (not just with the approval of) a senior officer;</li><li>d. cryptoassets either being, or representing, criminal property.</li></ol>