

Economic Crime and Corporate Transparency Bill

AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

Clause 1

LORD JOHNSON OF LAINSTON

Page 2, line 2, leave out from “that” to end of line 3 and insert “information contained in the register is accurate and that the register contains everything it ought to contain.”

Member’s explanatory statement

Objective 2 currently focuses on the accuracy and completeness of documents delivered to the registrar. The amendment would expand it to refer to the accuracy and completeness of the register more generally. This would, for example, be relevant not only to the acceptance of documents for registration but also to their removal.

Page 2, line 10, at end insert—

“(2) In Objective 2 the reference to “the register” includes any records kept by the registrar under any enactment.”

Member’s explanatory statement

This amendment ensures that Objective 2 as amended applies not only in relation to the register of companies but also in relation to any other registers and documents kept by the registrar under legislation.

Clause 2

LORD JOHNSON OF LAINSTON

Lord Johnson of Lainston gives notice of his intention to oppose the Question that Clause 2 stand part of the Bill.

Member’s explanatory statement

New Clause (Information about subscribers)(which is inserted after Clause 4) would require an application for the formation of a company to include the full names of the subscribers and this notice is given in consequence of that.

Clause 4

LORD JOHNSON OF LAINSTON

Lord Johnson of Lainston gives notice of his intention to oppose the Question that Clause 4 stand part of the Bill.

Member's explanatory statement

The amendments made by Clause 4 are incorporated into new clause (Information about subscribers)(which is inserted after Clause 4).

After Clause 4

LORD JOHNSON OF LAINSTON

Insert the following new Clause –

“Information about subscribers

- (1) The Companies Act 2006 is amended as follows.
- (2) In section 9 (registration documents) –
 - (a) after subsection (3) insert –
 - “(3A) The application must contain –
 - (a) a statement of the required information about each of the subscribers to the memorandum of association (see section 9A),
 - (b) a statement that none of the subscribers to the memorandum of association is disqualified under the directors disqualification legislation (see section 159A(2)),
 - (c) if any of them would be so disqualified but for the permission of a court to act, a statement to that effect, in respect of each of them, specifying –
 - (i) the subscriber's name,
 - (ii) the court by which permission was given, and
 - (iii) the date on which permission was given, and
 - (d) if any of them would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect, in respect of each of them, specifying –
 - (i) the subscriber's name, and
 - (ii) the date on which it was issued and by whom it was issued.”;
 - (b) after subsection (6) insert –
 - “(7) In subsection (3A)(c)“permission of a court to act” means permission of a court under a provision mentioned in column 2 of the table in section 159A(2).”.
- (3) After section 9 insert –
 - “9A Required information about the subscribers

After Clause 4 - continued

- (1) The required information about a subscriber who is an individual is—
 - (a) name;
 - (b) a service address.
- (2) The required information about a subscriber that is a body corporate, or a firm that is a legal person under the law by which it is governed, is—
 - (a) corporate or firm name;
 - (b) a service address.
- (3) In subsection (1) “name” means the individual’s forename and surname.
- (4) Where a subscriber is a peer or an individual usually known by a title, that title may be stated in the application for the registration of the company instead of the subscriber’s forename and surname.
- (5) The Secretary of State may by regulations—
 - (a) amend this section so as to change the required information about a subscriber;
 - (b) repeal subsection (4).
- (5) Regulations under this section are subject to affirmative resolution procedure.”.
- (4) In subsection 10 (statement of capital and initial shareholdings), omit subsection (3).
- (5) In subsection 11 (statement of guarantee), omit subsection (2).”

Member’s explanatory statement

This expands the information that an application for the formation of a company must include about the subscribers and confers a power to amend that information (similar powers currently exist in sections 10(3) and 11(2) of the Companies Act 2006). The clause also incorporates material from Clauses 2 and 4.

Clause 6

LORD JOHNSON OF LAINSTON

Page 4, line 8, after second “permission” insert “of a court”

Member’s explanatory statement

This amendment is consequential on the amendments to Clause 40 that appear in the Minister’s name.

Page 4, line 9, at end insert—

- “(7) Where any of the persons named as directors would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, the statement must also include a statement to that effect, in respect of each of them, specifying—
 - (a) the person’s name, and
 - (b) the date on which the licence was issued and by whom it was issued.”

Member's explanatory statement

This amendment is consequential on new clauses (Power to impose director disqualification sanctions), (Disqualification of persons designated under sanctions legislation: GB) and (Disqualification of persons designated under sanctions legislation: NI)(which are inserted after Clauses 36 and 38).

Clause 7

LORD JOHNSON OF LAINSTON

Page 4, line 26, at end insert – “, and

- (c) if any of them would be so disqualified by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect, in respect of each of them, specifying –
 - (i) the person's name, and
 - (ii) the date on which the licence was issued and by whom it was issued.”

Member's explanatory statement

This amendment is consequential on new clauses (Power to impose director disqualification sanctions), (Disqualification of persons designated under sanctions legislation: GB) and (Disqualification of persons designated under sanctions legislation: NI)(which are inserted after Clauses 36 and 38).

Page 4, line 29, after second “permission” insert “of a court”

Member's explanatory statement

This amendment is consequential on the amendments to Clause 40 that appear in the Minister's name.

Clause 36

LORD JOHNSON OF LAINSTON

Lord Johnson of Lainston gives notice of his intention to oppose the Question that Clause 36 stand part of the Bill.

Member's explanatory statement

New clauses (Power to impose director disqualification sanctions) and (Disqualification of persons designated under sanctions legislation: GB)(inserted after clause 36) would mean that it is an offence for persons subject to director disqualification sanctions to act as directors etc. in GB. This notice is given in consequence of that.

After Clause 36

LORD JOHNSON OF LAINSTON

Insert the following new Clause –

“Power to impose director disqualification sanctions

- (1) The Sanctions and Anti-Money Laundering Act 2018 is amended as follows.

After Clause 36 - continued

- (2) In section 1 (power to make sanctions regulations), in subsection (5), after paragraph (a) insert—
- “(ab) impose director disqualification sanctions (see section 3A);”.
- (3) After section 3 insert—
- “3A Director disqualification sanctions**
- (1) For the purposes of section 1(5)(ab) regulations “impose director disqualification sanctions” if they provide for designated persons (see section 9) to be persons subject to director disqualification sanctions for the purposes of—
- (a) section 11A of the Company Directors Disqualification Act 1986, and
- (b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.
- (2) As to the effect of such provision, see—
- (a) section 11A of the Company Directors Disqualification Act 1986, and
- (b) Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.”
- (4) In section 9 (“designated persons”)—
- (a) in subsection (1), for “3 and 4” substitute “3 to 4”;
- (b) in subsection (3), after “3,” insert “3A,”.
- (5) In section 15 (exceptions and licences), after subsection (3) insert—
- “(3A) Where regulations provide for designated persons to be persons subject to director disqualification sanctions for the purposes of section 11A of the Company Directors Disqualification Act 1986 and Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002, the regulations may—
- (a) create exceptions from subsection (1) of that section or paragraph (1) of that Article;
- (b) confer power on an appropriate Minister to issue a licence to authorise a designated person to do anything that would otherwise be prohibited by subsection (1) of that section or paragraph (1) of that Article.
- (3B) Regulations may, as respects any licences provided for under subsection (3A), make any provision mentioned (in relation to licences) in subsection (3).”

Member’s explanatory statement

This Clause would allow an appropriate Minister to designate a person as subject to “director disqualification sanctions” for the purposes of section 11A of the Company Directors Disqualification Act 1986 and Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.

Insert the following new Clause—

“Disqualification of persons designated under sanctions legislation: GB

- (1) The Company Directors Disqualification Act 1986 is amended as follows.

After Clause 36 - continued

(2) After section 11 insert –

“11A Designated persons under sanctions legislation

- (1) It is an offence for a person who is subject to director disqualification sanctions to act as a director of a company or directly or indirectly to take part in or be concerned in the promotion, formation or management of a company (but see subsection (2)).
- (2) Subsection (1) does not apply –
 - (a) to the extent that an exception from subsection (1) has been created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, or
 - (b) to anything done under the authority of a licence issued by virtue of section 15(3A) of that Act.
- (3) It is a defence for a person charged with an offence under this section to prove that they did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions at the time at which they engaged in that conduct.
- (4) In this section “person who is subject to director disqualification sanctions” means a person who under regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 is a person subject to director disqualification sanctions for the purposes of this section (see section 3A of that Act).”

(3) In section 13 (criminal penalties), after “section 11” insert “or 11A ”.

(4) In section 14 (offences by body corporate), for subsection (1) substitute –

“(1) Where –

(a) a body corporate is –

- (i) guilty of an offence of acting in contravention of a disqualification order or disqualification undertaking or in contravention of section 12A or 12B, or
- (ii) guilty of an offence under section 11A, and

(b) it is proved that the offence occurred with the consent or connivance of, or was attributable to any neglect on the part of any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity,

the person, as well as the body corporate, is guilty of the offence and liable to be proceeded against and punished accordingly.”

(5) In section 15 (personal liability for company’s debts where person acts while disqualified) –

(a) in subsection (1)(a), after “section 11” insert “, 11A”;

(b) omit the “or” at the end of subsection (1)(a);

(c) after subsection (1)(b) insert “, or

(c) as a person who is involved in the management of the company, they act or are willing to act on instructions given in contravention of section 11A or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.”;

After Clause 36 - continued

- (d) after subsection (1) insert—
 “(1A) A person who is subject to director disqualification sanctions (within the meaning of section 11A) and is involved in the management of a company is not personally responsible under subsection (1)(a) for all of the relevant debts of a company if the person proves that they did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions at the time at which they were so involved.”;
- (e) in subsection (3)(b), after “(b)” insert “or (c)”.
- (6) In section 18 (register of disqualification orders and undertakings), in subsection (2A), after paragraph (c) insert—
 “(d) persons who are subject to director disqualification sanctions within the meaning of section 11A;
 (e) any licences issued by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018.”
- (7) In section 21 (interaction with Insolvency Act), in subsection (4), after “section 11” insert “, 11A”.

Member’s explanatory statement

This Clause provides that any person who has been designated as being subject to director disqualification sanctions will be committing an offence if they act as a director etc. in GB, unless they have been issued with a licence or unless an exception applies.

Clause 38

LORD JOHNSON OF LAINSTON

Lord Johnson of Lainston gives notice of his intention to oppose the Question that Clause 38 stand part of the Bill.

Member’s explanatory statement

New Clauses (Power to impose director disqualification sanctions) and (Disqualification of persons designated under sanctions legislation: NI)(inserted after Clauses 36 and 38) create an offence where persons subject to director disqualification sanctions act as directors etc in NI. This notice is given in consequence of that.

After Clause 38

LORD JOHNSON OF LAINSTON

Insert the following new Clause—

“Disqualification of persons designated under sanctions legislation: NI

- (1) The Company Directors Disqualification (Northern Ireland) Order 2002 (S.I. 2002/3150 (N.I. 4)) is amended as follows.
- (2) After Article 15 insert—
“15A Designated persons under sanctions legislation

After Clause 38 - continued

- (1) It is an offence for a person who is subject to director disqualification sanctions to act as a director of a company or directly or indirectly to take part in or be concerned in the promotion, formation or management of a company (but see paragraph (2)).
- (2) Paragraph (1) does not apply –
 - (a) to the extent that an exception from paragraph (1) has been created by virtue of section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018, or
 - (b) to anything done under the authority of a licence issued by virtue of section 15(3A) of that Act.
- (3) It is a defence for a person charged with an offence under this Article to prove that they did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions at the time at which they engaged in that conduct.
- (4) In this Article “person who is subject to director disqualification sanctions” means a person who under regulations under section 1 of the Sanctions and Anti-Money Laundering Act 2018 is a person subject to director disqualification sanctions for the purposes of this Article (see section 3A of that Act).”
- (3) In Article 18 (criminal penalties) –
 - (a) omit “15,”;
 - (b) for “and” substitute “; and any person guilty of an offence under this Article or Article 15 or 15A”.
- (4) In Article 19 (personal liability for company’s debts where person acts while disqualified) –
 - (a) in paragraph (1)(a), after “Article 15” insert “, 15A”;
 - (b) omit the “or” at the end of paragraph (1)(a);
 - (c) after paragraph (1)(b) insert “, or
 - (c) as a person who is involved in the management of the company, they act or are willing to act on instructions given in contravention of Article 15A or section 11A of the Company Directors Disqualification Act 1986.”;
 - (d) after paragraph (1) insert –

“(1A) A person who is subject to director disqualification sanctions (within the meaning of Article 15A) and is involved in the management of a company is not personally responsible under paragraph (1)(a) for all of the relevant debts of a company if the person proves that they did not know and could not reasonably have been expected to know that they were subject to director disqualification sanctions at the time at which they were so involved.”;
 - (e) in paragraph (3)(b), after “(1)(b)” insert “or (c)”.

Member’s explanatory statement

This Clause provides that any person who has been designated as being subject to director disqualification sanctions will be committing an offence if they act as a director etc. in NI, unless they have been issued with a licence or unless an exception applies.

Clause 40

LORD JOHNSON OF LAINSTON

Page 27, line 5, column 2, after “court” insert “or the authority of a licence, or in respect of which an exception applies,”

Member’s explanatory statement

This amendment is consequential on new Clauses (Power to impose director disqualification sanctions), (Disqualification of persons designated under sanctions legislation: GB) and (Disqualification of persons designated under sanctions legislation: NI)(which are inserted after Clauses 36 and 38).

Page 27, leave out lines 14 to 17 and insert –

“P is subject to director disqualification sanctions within the meaning of section 11A of the Company Directors Disqualification Act 1986.

Section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018 (exceptions and licences).”

Member’s explanatory statement

This amendment is consequential on new clauses (Power to impose director disqualification sanctions) and (Disqualification of persons designated under sanctions legislation: GB)(which are inserted after Clause 36).

Page 28, leave out lines 11 to 15 and insert –

“P is subject to director disqualification sanctions within the meaning of Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002.

Section 15(3A) of the Sanctions and Anti-Money Laundering Act 2018 (exceptions and licences).”

Member’s explanatory statement

This amendment is consequential on new Clauses (Power to impose director disqualification sanctions) and (Disqualification of persons designated under sanctions legislation: NI)(which are inserted after Clauses 36 and 38).

Clause 46

LORD JOHNSON OF LAINSTON

Lord Johnson of Lainston gives notice of his intention to oppose the Question that Clause 46 stand part of the Bill.

Member's explanatory statement

The substantive effect of the amendments made by Clause 46 is incorporated into new Clause (Register of members: information to be included and powers to obtain it)(which is inserted after Clause 46).

After Clause 46

LORD JOHNSON OF LAINSTON

Insert the following new Clause—

“Register of members: information to be included and powers to obtain it

- (1) The Companies Act 2006 is amended as follows.
- (2) In section 112 (the members of a company), at the end insert—
 - “(4) Where an individual’s name is entered in a company’s register of members but is not in the form required by section 113A, that does not affect the person becoming a member of the company by virtue of subsection (2).”
- (3) For the italic heading “General” at the beginning of Chapter 2 of Part 8 substitute “Duty to keep register”.
- (4) In section 113 (register of members)—
 - (a) for subsection (2) substitute—
 - “(2) There must be entered in the register, in respect of each person who is a member—
 - (a) the required information (see sections 113A and 113B), and
 - (b) the date on which the person was registered as a member.
 - (2A) Where a person ceases to be a member there must be entered in the register the date at which the person’s membership ceased.”;
 - (b) in subsection (3), omit “, with the names and addresses of the members,”;
 - (c) in subsection (5), after “show a single” insert “service”;
 - (d) in subsection (6), omit “, with the names and addresses of the members,”;
 - (e) after subsection (6) insert—
 - “(6A) Where any of the information required to be entered in a company’s register of members changes—
 - (a) that does not relieve the company from the obligation to include the old information in the register if it has not already done so,
 - (b) the old information must be retained in the register until its removal is authorised by section 121 or by court order under section 125, and
 - (c) a note must be included in the register recording the date on which the information changed and the date on which the change was entered in the register.”;
 - (f) in subsection (7), after “If” insert “, without reasonable excuse,”.
- (5) After section 113 insert—
 - “(113A) **Required information about members: individuals**
 - (1) The required information about a member who is an individual is—

After Clause 46 - continued

- (a) name;
 - (b) a service address.
- (2) In this section “name” means forename and surname.
- (3) Where a member is a peer or an individual usually known by a title –
- (a) any requirement imposed by section 113D or 113E, or by a notice under section 113F, to provide their name may be satisfied by providing their title instead;
 - (b) the title may be entered in the register of members instead of their forename and surname (and references in any enactment to the name of a person entered in a company’s register of members are to be construed accordingly).

113B Required information about members: corporate members and firms

The required information about a member that is a body corporate, or a firm that is a legal person under the law by which it is governed, is –

- (a) corporate or firm name;
- (b) a service address.

113C Power to amend the required information

- (1) The Secretary of State may by regulations –
- (a) make provision changing the required information about a member for the purposes of this Chapter;
 - (b) repeal section 113A(3).
- (2) The provision that may be made in regulations under subsection (1)(a) includes provision amending this Chapter.
- (3) The consequential provision that may be made in regulations under subsection (1)(a) by virtue of section 1292(1) also includes provision amending section 51 of the Economic Crime and Corporate Transparency Act 2023.
- (4) Regulations under subsection (1) are subject to affirmative resolution procedure.

113D Duty on new members to notify required information

- (1) A person who becomes a member of a company must provide the company with the required information about the member (see sections 113A and 113B).
- (2) Subsection (1) does not apply if or to the extent that –
- (a) the person has already provided the information to the company, or
 - (b) the person becomes a member of the company on its incorporation and the information is contained in the application for the registration of the company.
- (3) A person must comply with this section within the period of two months beginning with the date on which the person became a member.

113E Duty on member to notify changes to required information

- (1) A person who is a member of a company must give notice to the company of any change in the required information about the member (see sections 113A and 113B).
- (2) The notice must specify the date on which the change occurred.

After Clause 46 - continued

- (3) A person must comply with this section within the period of two months beginning with the date on which the change occurred.

113F Power for company to require information from members

- (1) A company may, for the purposes of ensuring that its register of members includes the information that it is required to include, require a member or former member of the company to provide any of the required information about the member or former member (see sections 113A and 113B).
- (2) The notice must require the recipient to comply with it within the period of one month beginning with the date on which the notice is given.

113G Failure to comply with section 113D , 113E or 113F

- (1) A person who, without reasonable excuse, fails to comply with section 113D or 113E commits an offence.
- (2) A person who, without reasonable excuse, fails to comply with a notice under section 113F commits an offence.
- (3) Where an offence under subsection (1) or (2) is committed by a firm, the offence is also committed by every officer of the firm who is in default.
- (4) A person guilty of an offence under this section is liable –
- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction –
 - (i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates' court or a fine (or both);
 - (ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum;
 - (iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum.

113H Basic false statement offences in connection with sections 113D to 113F

- (1) A person commits an offence if, in purported compliance with section 113D or 113E and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.
- (2) A person commits an offence if, in purported compliance with a notice under section 113F and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.
- (3) Where an offence under subsection (1) or (2) is committed by a firm, the offence is also committed by every officer of the firm who is in default.
- (4) A person guilty of an offence under this section is liable –
- (a) on summary conviction in England and Wales, to a fine;
 - (b) on summary conviction in Scotland, to a fine not exceeding level 5 on the standard scale;

After Clause 46 - continued

- (c) on summary conviction in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

113I Aggravated false statement offences in connection with sections 113D to 113F

- (1) A person commits an offence if, in purported compliance with section 113D or 113E, the person makes a statement that the person knows to be misleading, false or deceptive in a material particular.
- (2) A person commits an offence if, in purported compliance with a notice under section 113F, the person makes a statement that the person knows to be misleading, false or deceptive in a material particular.
- (3) Where an offence under subsection (1) or (2) is committed by a firm, the offence is also committed by every officer of the firm who is in default.
- (4) A person guilty of an offence under this section is liable –
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction –
 - (i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates’ court or a fine (or both);
 - (ii) in Scotland, to imprisonment for a term not exceeding 12 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum;
 - (iii) in Northern Ireland, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both) and, for continued contravention, a daily default fine not exceeding one-fifth of the statutory maximum.

Duty to keep index of members”.

- (6) Section 115 (index of members) –
 - (a) is moved to after the italic heading “Duty to keep index of members” inserted by subsection (5) of this section, and
 - (b) is renumbered section 113J.
- (7) In that section as renumbered –
 - (a) in subsection (1), for “names of the members of the company” substitute “names or titles of the members of the company (to be known as “the index of members’ names”)”;
 - (b) for subsection (3) substitute –
 - “(3) The index must include the same details of a person’s name or title as are entered in the register of members.”
- (8) Before section 114 insert –

“Inspection etc of register and index of members”.
- (9) Before section 121 insert –

“Removal of entries from register of members”.
- (10) In section 123 (single member companies) –

After Clause 46 - continued

- (a) in subsection (1), omit “, with the name and address of the sole member,”;
 - (b) in subsection (2), omit “, with the name and address of the sole member”;
 - (c) in subsection (3), omit “, with the name and address of the person who was formerly the sole member”.
- (11) In section 771 (procedure on transfer being lodged), after subsection (1) insert—
- “(1A) The company may not register the transfer under subsection (1)(a) unless satisfied that it has the information that it is required to enter in its register of members in relation to the transferee.”

Member’s explanatory statement

This Clause confers a power to amend the information that must be kept in a company’s register of members. It also creates an express duty for companies to retain old information about members (eg former address information).

Clause 47

LORD JOHNSON OF LAINSTON

Lord Johnson of Lainston gives notice of his intention to oppose the Question that Clause 47 stand part of the Bill.

Member’s explanatory statement

Clause 47 confers a regulation-making power on the Secretary of State to change the information that must be included in the register of members. This is incorporated into new clause (Register of members: information to be included and powers to obtain it)(inserted after Clause 46).

Clause 49

LORD JOHNSON OF LAINSTON

Page 33, leave out lines 19 to 33 and insert—

- “(1) The Secretary of State may by regulations—
- (a) require a company to refrain from using, or refrain from disclosing, individual membership information except in circumstances specified in the regulations;
 - (b) confer power on the registrar, on application, to make an order requiring a company to refrain from using, or refrain from disclosing, individual membership information except in circumstances specified in the regulations.”

Member’s explanatory statement

This allows the Secretary of State to make regulations requiring a company to refrain from using or disclosing membership information, whether or not a member applies for protection.

Page 33, line 39, leave out “this section” and insert “subsection (1)(b)”

Member's explanatory statement

This is consequential on the other amendment to Clause 49 that appears in the Minister's name.

Clause 51

LORD JOHNSON OF LAINSTON

Page 35, line 16, leave out “section 46(3) comes fully into force” and insert “the appointed day”

Member's explanatory statement

This severs the link between the operation of clause 51 and the commencement of Clause 46. The appointed day could be later than the commencement of Clause 46, allowing a company more time to obtain the information it has to provide to the registrar.

Page 35, line 19, leave out “the day on which section 46(3) comes fully into force” and insert “the appointed day”

Member's explanatory statement

This amendment is consequential on the amendment to Clause 51, page 35, line 16, which is tabled in the Minister's name.

Page 35, line 44, at end insert –

““the appointed day” means such day as the Secretary of State may by regulations appoint for the purposes of this section;”

Member's explanatory statement

This amendment is consequential on the amendment to Clause 51, page 35, line 16, which is tabled in the Minister's name.

Schedule 2

LORD JOHNSON OF LAINSTON

Page 177, line 26, at end insert –

“(f) if the person would be disqualified under the directors disqualification legislation by virtue of section 11A of the Company Directors Disqualification Act 1986 or Article 15A of the Company Directors Disqualification (Northern Ireland) Order 2002 (designated persons under sanctions legislation) but for the authority of a licence of the kind mentioned in that section or Article, a statement to that effect specifying –

- (i) the date on which the licence was issued, and
- (ii) by whom it was issued.”

Member's explanatory statement

This amendment is consequential on new Clauses (Power to impose director disqualification sanctions), (Disqualification of persons designated under sanctions legislation: GB) and (Disqualification of persons designated under sanctions legislation: NI) (which are inserted after Clauses 36 and 38).

Page 177, line 27, after second “permission” insert “of a court”

Member’s explanatory statement

This amendment is consequential on the amendments to Clause 40 that appear in the Minister’s name.

After Clause 53

LORD JOHNSON OF LAINSTON

Insert the following new Clause—

“False statements about persons with significant control

- (1) Schedule 1B to the Companies Act 2006 (enforcement of disclosure requirements in relation to persons with significant control) is amended as follows.
- (2) In paragraph 13, in sub-paragraph (1), omit paragraph (b) and the “or” before it.
- (3) In paragraph 14, in sub-paragraph (1), omit paragraph (b) and the “or” before it.
- (4) After paragraph 14 insert—

“False statements: basic offence

14A(1) A person commits an offence if, in purported compliance with a notice under section 790D or 790E or in purported compliance with a duty imposed by section 790G or 790H, and without reasonable excuse, the person makes a statement that is misleading, false or deceptive in a material particular.

 - (2) Where the person is a legal entity, an offence is also committed by every officer of the entity who is in default.
 - (3) A person guilty of an offence under this paragraph is liable on summary conviction—
 - (a) in England and Wales, to a fine;
 - (b) in Scotland, to a fine not exceeding level 5 on the standard scale;
 - (c) in Northern Ireland, to a fine not exceeding level 5 on the standard scale.

False statements: aggravated offence

- 14B(1) A person commits an offence if, in purported compliance with a notice under section 790D or 790E or in purported compliance with a duty imposed by section 790G or 790H, the person makes a statement that the person knows is misleading, false or deceptive in a material particular.
- (2) Where the person is a legal entity, an offence is also committed by every officer of the entity who is in default.
- (3) A person guilty of an offence under this paragraph is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine (or both);
 - (b) on summary conviction—
 - (i) in England and Wales, to imprisonment for a term not exceeding the general limit in a magistrates’ court or to a fine (or both);

After Clause 53 - continued

- (ii) in Scotland, to imprisonment for a term not exceeding twelve months or to a fine not exceeding the statutory maximum (or both);
- (iii) in Northern Ireland, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum (or both).”

Member’s explanatory statement

This is about the provision of false or misleading information about persons with significant control. The current offences require the prosecution to prove knowledge or recklessness in all cases. The amendment replaces that with a strict liability offence (not dependent on knowledge) and an aggravated offence (where there is knowledge).

Clause 81

LORD JOHNSON OF LAINSTON

Page 62, line 14, leave out from “any” to end of line 20 and insert “information contained in a document received by the registrar falls within section 1080(1)(a)”

Member’s explanatory statement

This amendment enables the registrar to require a person to provide information not only to determine whether the document is properly delivered but more generally to determine whether it is a document that must be registered.

Clause 89

LORD JOHNSON OF LAINSTON

Page 68, line 31, at end insert –

- “(1A) The Secretary of State may by regulations make provision requiring the registrar –
- (a) not to make available for public inspection any information on the register relating to an individual;
 - (b) to refrain from disclosing information on the register relating to an individual except in specified circumstances.”

Member’s explanatory statement

This allows the Secretary of State to make regulations requiring the registrar to refrain from using or disclosing information relating to an individual irrespective of whether the individual makes an application.

Page 68, line 32, leave out “The regulations” and insert “Regulations under subsection (1)”

Member’s explanatory statement

This is consequential on the amendment to Clause 89, page 68, line 31 that appears in the Minister’s name.

Page 69, line 3, at end insert “or (1A)(b)”

Member's explanatory statement

This is consequential on the amendment to Clause 89, page 68, line 31 that appears in the Minister's name.

Page 69, line 7, after "(1)(b)" insert "or (1A)(b)"

Member's explanatory statement

This is consequential on the amendment to Clause 89, page 68, line 31 that appears in the Minister's name.

Clause 94

LORD JOHNSON OF LAINSTON

Page 72, line 40, leave out from beginning to end of line 10 on page 73 and insert –

- “(1) The Secretary of State may by regulations –
- (a) require a company to refrain from using, or refrain from disclosing, relevant PSC particulars except in circumstances specified in the regulations;
 - (b) confer power on the registrar, on application, to make an order requiring a company to refrain from using, or refrain from disclosing, relevant PSC particulars except in circumstances specified in the regulations.”

Member's explanatory statement

This brings the drafting of the amendments made by Clause 89 into line with the drafting of the amendment to Clause 49, page 33, line 19 that appears in the Minister's name.

Page 73, line 19, leave out “this section” and insert “subsection (1)(b)”

Member's explanatory statement

This is consequential on the amendment to Clause 94, page 72, line 40 that appears in the Minister's name.

After Clause 155

LORD JOHNSON OF LAINSTON

Insert the following new Clause –

“Verification of registrable beneficial owners and managing officers

- (1) Section 16 of the Economic Crime (Transparency and Enforcement) Act 2022 (verification of registrable beneficial owners and managing officers) is amended as follows.
- (2) In subsection (2) –
 - (a) after paragraph (a) insert –
 - “(aa) about how the information is to be verified (including provision about the kinds or sources of evidence to be used);
 - (ab) about the standard to which verification is to be carried out;”;
 - (b) after paragraph (b) insert –

After Clause 155 - continued

“(ba) about the records that must be kept in connection with verification;”.

(2) After subsection (2) insert –

“(2A) Regulations under this section may create offences in relation to failures to comply with requirements imposed by virtue of subsection (2)(ba).

(2B) The regulations must provide for any such offence to be punishable –

- (a) on summary conviction in England and Wales, by a fine;
- (b) on summary conviction in Scotland, by a fine not exceeding level 5 on the standard scale;
- (c) on summary conviction in Northern Ireland, by a fine not exceeding level 5 on the standard scale.”

Member’s explanatory statement

This amendment makes it clear that regulations about verification can make provision about how it is carried out and the standard to which it is carried out. It also allows requirements imposed about the retention of records to be enforced by the creation of a summary-only offence.

Clause 189

LORD JOHNSON OF LAINSTON

Page 173, line 37, at end insert –

“(4A) But subsection (4) does not apply to a statutory instrument that only contains regulations appointing the appointed day for the purposes of section 51.”

Member’s explanatory statement

This amendment ensures that the regulation-making power to specify an appointed day for the purposes of Clause 51 is not subject to any procedural requirements since it is similar to a commencement power.

Economic Crime and Corporate Transparency Bill

AMENDMENTS
TO BE MOVED
IN GRAND COMMITTEE

20 March 2023
