

Economic Crime and Corporate Transparency Act

Companies House reforms – identity verification and more

The Economic Crime and Corporate Transparency Act ([ECCTA](#)) received Royal Assent on 26 October 2023 with the first changes coming into force in late 2023. The changes have been coming in to force in stage and the implementation process is not expected to complete before the end of 2026. The ECCTA introduces a wide range of reforms and is a key part of the Government’s ongoing legislative strategy to tackle economic and financial crime. You can read about the changes to company law as they apply to limited liability partnerships [here](#). This summary focuses on the changes to company law (as they affect companies) that form part of the ECCTA. You can listen to more detail on the changes to corporate criminal law in our [webinar](#) and [podcast series](#).

The ECCTA introduces fundamental reforms to the role of the Registrar of companies including four new objectives for the Registrar designed to promote the integrity of the register. This includes:

- **Objective 1** – to ensure that any person who is required to deliver a document to the registrar does so (and that the requirements for proper delivery are complied with).
- **Objective 2** – to ensure that information contained in the register is accurate and that the register contains everything it ought to contain.
- **Objective 3** – to ensure that records kept by the registrar do not create a false or misleading impression to members of the public.
- **Objective 4** – to prevent companies and others from:
 - carrying out unlawful activities; or
 - facilitating the carrying out by others of unlawful activities.

These new objectives for the Registrar of companies represent a more active role for the Registrar and underpin the reforms to company law. The table below sets out a summary of the key changes, the implications for you and your business, and when we currently expect the relevant provisions will come into force.

This summary is an introductory overview. We will update it as and when the relevant statutory instruments and guidance are published. Please also see our more detailed [briefing](#) on the identity verification reforms introduced by ECCTA.



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Requirement	What is it and who does it apply to?	Comment	Timing
Identity verification	<p>The ECCTA will introduce new identity verification requirements (IDV) for all directors, persons with significant control (PSCs) and for all those delivering documents to the Registrar. Companies House has published guidance on when you need to verify your identity. The detail on each of these and the information we currently have on how identity can be verified is set out in the rows below.</p>	<p>The changes in respect of identity verification are perhaps the most significant reforms to company law introduced by the ECCTA. We have considered the reforms in more detail below and in our separate identity verification briefing.</p>	<p>The Companies House ECCTA transition plan (the Transition Plan) indicates a phased introduction of IDV. Further detail is set out in the relevant sections below.</p>
Identity verification - directors	<p>An individual is prohibited from acting as a director both new and existing) unless their identity has been verified. The company must ensure that a director does not act until their identity has been verified. An offence is committed by the individual and company when this requirement is not complied with. However, it will not affect the validity of an individual's appointment or acts as a director.</p> <p>In addition, a statement that the identity of the director(s) has been verified must be included on the following (as relevant):</p> <ul style="list-style-type: none"> • the statement of proposed officers delivered with the application for registration of a company; • the notification of appointment of a new director; and • the confirmation statement. <p>Identity verification requirements apply to both new and existing directors. Companies House has announced that there will be a 12 month transition phase (beginning on 18 November 2025) for existing directors to verify their identity and that companies will</p>	<p>Whilst verification of directors' identities will be largely an extra administrative task for companies, for groups with a large number of directors across multiple group entities the transition process (i.e. verifying the identity of all existing directors) could take a significant amount of time and resource.</p> <p>It will be important in the context of a transaction to ensure that the identity of any new director is verified sufficiently in advance so that there are no delays to the transaction timetable.</p> <p>It is also important to note that failure to verify an individual's identity will not affect the validity of the appointment or their acts as a director as this would have a number of consequences.</p>	<p>Companies House has permitted voluntary identity verification from 8 April 2025 and has now announced that identity verification will become compulsory for new directors on 18 November 2025. Identity verification for existing directors will need to be confirmed as part of the annual confirmation statement process.</p> <p>Identity verification for corporate directors will begin at a later date.</p>

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	<p>need to confirm as part of the annual confirmation statement filing that the relevant directors have had their identity verified.</p> <p>Please refer to <i>how identity is verified</i> below for information on what identity verification involves.</p>	<p>However, companies and directors will still want to ensure that a directors' identity has been verified so that they do not commit an offence.</p>	
<p>Identity verification (PSCs)</p>	<p>All new and existing registrable persons will be required to have their identities verified. In respect of registrable relevant legal entities (RLEs), they must name an individual as a “relevant officer” and confirm that their identity is verified.</p> <p>Companies yet to be incorporated may name the registrable person/relevant officer of the RLE in their application for registration and confirm that their identity is verified. If they do not the Registrar must direct them to deliver a statement to that effect.</p> <p>For PSCs who are individuals, the requirements are as follows:</p> <ul style="list-style-type: none"> • for existing PSCs who are also directors of the company on 18 November 2025, the PSC has 14 days from the company’s confirmation statement date to submit a statement to Companies House confirming that they have verified their identity, along with their personal code. This is separate from the requirement to verify their identity as a director which will be done through the confirmation statement • for existing PSCs who are not directors of the company on 18 November 2025, the PSC must provide their statement and personal code within 14 days of the first day of the individual’s birth month 	<p>As with identity verification requirements for directors, this will largely be an administrative task but may still be time consuming, particularly for large groups. It also has the potential to impact a transaction timetable if the identity of any new PSCs or “relevant officers” has not been verified in advance.</p>	<p>Companies House has announced that identity verification will become compulsory for new PSCs from 18 November 2025. There will be a transition period of up to 12 months from 18 November for existing PSCs to verify identity.</p> <p>Identity verification for RLEs will commence at a later date.</p>

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	<ul style="list-style-type: none"> for new PSCs after 18 November 2025, the PSC has 14 days from the date of their registration with Companies House to provide their statement and personal code. <p>Identity verification status must be maintained for as long as the PSC remains registrable.</p> <p>It will be an offence to fail to comply with identity verification provisions.</p> <p>Please refer to <i>how identity is verified</i> below for information on what identity verification involves.</p>		
<p>Identity verification – delivering documents to the Registrar</p>	<p>Any individual delivering documents on their own behalf to Companies House must have their identity verified.</p> <p>An individual may only deliver documents on behalf of another person if:</p> <ul style="list-style-type: none"> they are an Authorised Corporate Service Provider (ACSP) (see row below for detail); they are an employee or officer of an ACSP; or they are an individual whose identity has been verified. <p>Different requirements apply depending on the facts. For example, where an individual (A) who is an employee or officer of an ACSP delivers documents on behalf of another person (B), A must confirm that (1) they are an officer or employee of an ACSP and (2) that they are delivering documents on behalf of (B).</p>	<p>This is another significant change and will require all corporate service providers and professional advisers who regularly file documents on behalf of clients to become an ACSP (see row below). Failure to register as an ACSP will mean that law firms will be unable to make routine (e.g. allotment of shares) or more complex (e.g. reduction of capital) filings on behalf of clients.</p> <p>See False Statement offence below for detail of the consequences of delivering misleading documents to the registrar on behalf of another person.</p>	<p>The Transition Plan indicates that the identity verification (and related requirements) in respect of filing documents should become compulsory in spring 2026.</p>

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<p>Identity verification – how identity is verified</p>	<p>There will be two methods of identity verification and these will apply to any person whose identity needs to be verified under the ECCTA:</p> <ul style="list-style-type: none"> • direct verification by the Registrar; or • verification by an ACSP evidenced by a verification statement delivered by the ACSP to the Registrar. <p>Please refer to our identity verification briefing for more detail about evidence that must be provided as part of the process. Verification will, in most cases, be a one off requirement.</p> <p>A person may apply to be an ACSP if they are a “relevant person” under money laundering regulations in the UK. This includes, for example, law firms, accountancy firms and company formation agents. Companies House has published guidance on registering to be an ACSP.</p> <p><i>Verification by the Registrar</i></p> <p>The statutory instrument and Registrar’s (Identity Verification by the Registrar) Rules relating to identity verification indicate that identity verification by the Registrar may be carried out using three different methods:</p> <ul style="list-style-type: none"> • using the GOV.UK One Login app • using the GOV.UK One Login web service • using the GOV.UK One Login face to face service (at a Post Office) <p>Companies House has also now published guidance on how to verify your identity. The first two methods noted above will be conducted entirely on the app or online (as relevant). The third method will begin</p>	<p>It is helpful to see further detail on the identity verification process and we expect that most individuals will have identity evidence capable of satisfying the relevant requirements. Generally speaking, where organisations are looking to verify the identity of a significant number of individuals, we expect that they may find it easier to go down the ACSP route.</p>	<p>Companies House opened the registration process for ACSPs on 18 March 2025 and individuals have been able to voluntarily verify their identity since 8 April 2025.</p>

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	<p>online but will also require an applicant to attend a Post Office (of their choice) to submit their application and provide the “required information” and evidence referred to above.</p> <p>Verification by an ACSP</p> <p>In order for an ACSP to verify identity, an individual must provide the ACSP with certain specified identity evidence <u>and</u> the ACSP must be satisfied that the required personal information is true.</p> <p>An ACSP must check that the person whose identity they are verifying physically matches the photo on their identity evidence. Guidance confirms that this can be done remotely (i.e. via video call.)</p> <p>After an ACSP has verified an individual’s identity, it must deliver a verification statement to the Registrar. Following receipt of this, the Registrar will notify the individual of the unique identifier or personal code allocated to them.</p> <p>An ACSP will commit a criminal offence (punishable by up to two years in prison) if they fail to comply with the procedures to be set out in the regulations when verifying a person’s identity or if they fail to keep appropriate records.</p>		
<p>New powers of the Registrar</p>	<p>The Registrar has been given a number of new powers with the aim of “promoting the integrity of the register”:</p> <ul style="list-style-type: none"> • Power to reject – the registrar will have the power to reject documents that appear inconsistent with other information held by or available to the registrar if there are reasonable grounds to doubt whether the document complies with requirements as to its 	<p>The government factsheet on these new powers indicates that the powers are aimed at catching anything which undermines the integrity of the register or which enables individuals to pursue “illicit activity”. It also confirms that the registrar will exercise the power with</p>	<p>The provisions relating to the powers of the Registrar came into force on 4 March 2024.</p>

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	<p>content and the registrar will also be given broader powers to issue notices to resolve inconsistencies;</p> <ul style="list-style-type: none"> • Power to query – they will also have power to require additional information be provided to determine whether applicable filing obligations have been complied with. Any failure to comply with such a request, without reasonable excuse, will be a criminal offence; • Power to remove information from the register - the registrar’s power to remove information from the register will be extended so that they may remove anything which was accepted for registration despite not meeting the requirements for proper delivery or any “unnecessary material”. Information may be removed on the registrar’s own motion or on application from an interested party. Currently the registrar cannot remove any material where the registration of that material had legal consequences. This prohibition has been removed provided that the registrar is satisfied that the interest of the company or the applicant in removing the material outweighs the interest of any other person in the material continuing to appear on the register. The registrar must give notice to affected persons prior to removal and they will have a right to object. Where information has been removed the court has the power (on application from a person with “sufficient interest”) to make any consequential orders as to the legal effects of the material being included on the register or its removal; and • Power to rectify – in light of the expanded powers above, the registrar’s existing power to rectify the register will be removed, 	<p>discretion using a “risk based approach”. We know that Companies House is preparing for the changes being brought in by the ECCTA. However, the extent to which they will be able to exercise these new powers will depend on being sufficiently well resourced.</p> <p>We expect that the new powers will be used sparingly and therefore most routine filings and matters will not be queried or rejected.</p>	

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	<p>but new powers will be introduced to allow the registrar greater powers to change a company's office address where it is not satisfied that the address on record is an "appropriate address" (see Registered office below).</p>		
<p>False statement offence</p>	<p>The current offence of delivering false statements to the registrar will be split into two offences:</p> <ul style="list-style-type: none"> • a new basic offence of, without reasonable excuse, delivering any false or misleading document or making any false or misleading statements, punishable, on summary conviction, by a fine; and • an aggravated offence of "knowingly" delivering false or misleading documents or making false or misleading statements punishable on indictment by a fine and/or up to two years in prison. 	<p>Explanatory notes to the ECCTA confirm that the reasonable excuse element is intended to ensure that the offence is not engaged where a company reasonably relies on information provided by others which turns out to be untrue and prevents UK professionals from being prosecuted where an honest mistake has been made.</p>	<p>The new offences came into force on 4 March 2024.</p>
<p>Notification of director appointment and changes</p>	<p>An individual must not act as a director unless notice of their appointment has been provided within the required period (14 days) (currently notice must be provided but directors are not prohibited from acting if notice is not provided). A person who does not comply with this requirement commits an offence. However, it does not affect the validity of their acts as a director.</p> <p>A company must also give notice to the registrar of any changes in the information they are required to provide about directors, for example if their service or residential address changes. Notice must be provided within 14 days of the change occurring. An offence will be committed by the company and every officer in default if there is any failure to notify without reasonable excuse.</p>	<p>The notice period for changes in the required information runs from the date of the change rather than the date the company receives notice of the change which means that a company may commit an offence even where it is not aware that a change has occurred. For this reason, we expect that "reasonable excuse" in this context would include the company not being made aware of any change.</p>	<p>It is expected that these provisions will come into force on 18 November 2025.</p>

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Directors	<p>A director will cease to hold office if they have been disqualified under directors' disqualification legislation.</p> <p>Confirmation will need to be given on incorporation and in respect of any subsequent appointments that proposed directors have not been disqualified.</p> <p>A government factsheet on the ECCTA also indicates that the government will use existing powers to introduce legislation to restrict the use of corporate directors. Only corporate entities with legal personality may be appointed as a corporate director and all directors of corporate directors must be natural persons. Companies with existing corporate directors will be given 12 months from the date the legislation comes into force to comply.</p>	<p>We await further legislation for exact details on the restrictions to be introduced in respect of corporate directors. The expected 12 month transition period will be needed by many businesses in order to conduct a review of their group structures and ensure that any corporate directors comply with the new requirements.</p>	<p>The provisions relating to director disqualification came into force on 4 March 2024. There has been no indication of timing in respect of the other provisions at the date this summary was last updated.</p>
Company formation	<p>The ECCTA introduces a number of new requirements which must be included on the application to register a company:</p> <ul style="list-style-type: none"> • a statement that the subscribers wish to form the company for lawful purposes; • a statement setting out the name and service address of each subscriber; and • a statement that none of the subscribers is disqualified under director disqualification legislation (or if they are disqualified details of the permission given by the court to be a subscriber). <p>Applications must also confirm that: (i) the proposed directors have verified their identity; (ii) no director is disqualified from acting as a</p>	<p>These changes are part of increasing the integrity of the register of companies and should have little impact on most applications. With the exception of the statement as to lawful purpose, the changes set out in this section reflect other changes being introduced by the ECCTA.</p>	<p>The requirement to state that the company is being formed for lawful purposes came into force on 4 March 2024. Timing in respect of the other changes to company formation is still to be confirmed.</p>

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	<p>director; and (iii) that the company's PSCs (see above for definition) are not disqualified.</p>		
<p>Company names</p>	<p>Greater controls will be introduced in respect of company names by increasing the range of circumstances in which names can be prohibited. Additional circumstances are:</p> <ul style="list-style-type: none"> • names which are intended to facilitate a criminal purpose; • names which give the false impression of a connection with a foreign government or international organisation; • names containing computer code; and • names which another company has been directed to change. <p>The Registrar will also be given the power to direct companies to change their name if it appears to breach any of the above or, in the case of names containing a computer code, to determine a new name.</p> <p>An offence will be committed by the company and its officers where a direction to change a name has been given and not complied with.</p>	<p>Existing powers of the registrar and secretary of state to prevent names being registered are limited. The ECCTA greatly increases those powers. However, we do not know how widely the Registrar will exercise these powers, as it will depend on being sufficiently resourced.</p>	<p>The company name provisions came into force on 4 March 2024.</p>
<p>Registered office</p>	<p>The current requirement for a company to have a registered office will be changed to a requirement to have a registered office at an "appropriate address". This is defined as an address at which a document, either delivered by hand or by post, would be expected to come to the attention of a person acting on behalf of the company and where delivery of documents is capable of being recorded by delivery acknowledgment. Breach of this requirement, without</p>	<p>It's not clear what a "reasonable excuse" in this context would be. There may be further clarification if guidance is published by the Government or if this point is covered in the Explanatory Notes to the Act (when published).</p> <p>The Companies House Blog published at the time that the Act received Royal</p>	<p>This requirement came into force on 4 March 2024.</p>

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	<p>reasonable excuse, will be an offence for which both companies and officers will be liable.</p> <p>The Registrar will also have greater powers to change registered office addressed as referred to above in <i>New powers of the Registrar.</i></p>	<p>Assent and the Government’s ECCTA website state that companies will not be able to use a PO Box number as their registered office address.</p>	
<p>Registered email address</p>	<p>A new company must on incorporation provide a registered email address which must be an appropriate email address. This is an email address which (i) is not a personal email address and (ii) if the Registrar used it to communicate with the company would come to the attention of a person acting on behalf of the company.</p> <p>Companies that are already incorporated will need to provide the email address with their next confirmation statement. There will also be a duty for companies to maintain a registered email address with breach of this requirement, without reasonable excuse, being an offence for which both companies and officers will be liable.</p>	<p>It is important to note that the email address will not be made publicly available.</p> <p>As with the section above, it is not clear what a “reasonable excuse” would be in this context. Presumably it is intended to refer to unforeseen events such as an email address not working or emails being blocked. There may be further clarification if guidance is published by the Government.</p>	<p>This requirement came into force on 4 March 2024.</p>
<p>Local registers</p>	<p>The ECCTA abolishes the requirement for companies to keep local registers of directors, directors’ residential addresses, secretaries and persons with significant control (PSCs). Instead, companies will be required to file specified information relating to each of these with Companies House. Private companies will no longer have the option to elect to keep certain information on a central register.</p>	<p>For most companies, this will remove one administrative task. The information that they are required to file in respect of each of these categories has not significantly changed and they are no longer required to ensure that local registers are kept up to date.</p>	<p>Companies House has announced that the requirements to keep local registers will be abolished from 18 November 2025.</p>

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Register of members	<p>A number of changes will be introduced in respect of the register of members:</p> <ul style="list-style-type: none"> • requirement for register to include forename and surname of each member who is an individual, rather than simply a “name” (note for members who are peers their title may be included instead), along with a service address • requirement for register to include corporate name for each member who is a body corporate, along with a service address. <p>The ECCTA also introduces a new duty on members to notify the information set out above along with any changes to that information within two months of be-coming a member/change in details. A person who fails to comply (without reasonable excuse) commits an offence punishable by up to two years imprisonment or a fine.</p> <p>It is also an offence to make any false or misleading statements in connection with these requirements.</p> <p>Companies will be restricted from registering a transfer of shares unless they are satisfied they have the necessary information on the proposed transferee. However, where a name is entered in the register of members but not in the prescribed form, it does not affect the person becoming a member of the company.</p> <p>For existing companies, the first confirmation statement filed after this section comes into force must contain:</p> <ul style="list-style-type: none"> • in respect of non-traded companies, the names of each member and the number of shares of each class held by them; and 	<p>The Companies Act at the moment does not include a definition of “name”. Therefore subscribers and members are free to include a name in any format they want. Adding more detail about what a “name” is aims to promote transparency around the ownership of companies.</p> <p>Currently only members who are subscribers are required to provide an address. This will enable more information to be collected about members. However, in recognition of this, the ECCTA also creates new powers for the Secretary of State to make regulations protecting members information and to require a company to refrain from using the information (except in certain circumstances to be specified in the regulations).</p>	<p>There has been no indication of when these provisions will come into force.</p>

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	<ul style="list-style-type: none"> in respect of traded companies, the name and address of each person who holds at least 5% of the issued shares of any class of the company and the number of shares they hold. 		
Confirmation statement	<p>Companies will continue to be required to provide an annual confirmation statement to the Registrar but following the relevant provision of the ECCTA coming into force, the confirmation statement must also include a statement that the intended future activities of the company are lawful.</p>	<p>Whilst this will not trouble the large majority of companies, the annual confirmation as to lawful activities will require this to be considered on an annual basis and may provide greater opportunity for prosecution in respect of any false statement made as to lawful activities.</p>	<p>This requirement came into force on 4 March 2024.</p>

Comment

- Much of the detail in respect of the company law changes is still to be confirmed. The ECCTA introduces the key changes but secondary legislation and government guidance is required to confirm how all of this will operate in practice. The detail in the legislation is therefore key in determining how big an impact the reforms set out in the ECCTA will have on the day to day operations of companies.
- Companies House must be sufficiently well resourced to enable them to develop and upgrade systems and operations, hire and upskill staff and put in place new processes and procedures, all of which will be necessary to allow them to perform the more active role that the ECCTA gives them.
- Many new criminal offences are introduced by the ECCTA, however, in practice we expect that only the most serious Companies Act breaches will result in a custodial sentence.