

Register of Persons Holding a Controlled Interest in Land (RCI)

Presentation to SLE members
13 February 2024

Important note:

This presentation is intended as a brief summary. No responsibility can be accepted for any action taken in reliance of this presentation.

Registers of Scotland cannot provide legal advice, but recommend that our guidance is consulted.



Overview of RCI



Timeline



For more information visit: <https://www.ros.gov.uk/rci>

About RCI

- Show who has significant influence or control over the owner or tenant (for more than 20 years) of land and property in Scotland
- It may not be clear who makes the decisions about land and property – RCI aims to deliver this
- Responsibility to submit placed on owners and tenants
- Free to submit to and search the register
- Deadline for submissions of those in scope of RCI is 1 April 2024. Offence provisions come into effect for non-compliance, with those committing an offence being at risk of a fine of up to £5,000.



Language of RCI



Recorded person

A person that is the owner or tenant (under a long lease of more than 20 years) of the land according to a property register



Land

Land located within Scotland



Associate

A person with a controlling interest in the land

Will I need to register in RCI?



Considerations:

- If you own the land
- If you are the tenant of land under a registered or recorded lease
- If you have an associate
- If the existing owners or tenants are no longer associated with the land (see Regulation 23A of the RCI regulations)



RCI Categories

People who have significant influence or control are likely to fall in the following classifications

Owners or tenants of land or property where:

- persons who have certain **contractual or other arrangements with an individual** who owns or tenants land
- **partnerships** and persons who own or tenant land (under a long lease of more than 20 years) on their behalf
- **trusts** and persons who own or tenant land as trustees of a trust
- **overseas entities**
- **unincorporated bodies** and persons who own or tenant land on their behalf



Essential reading and online support



The Stages of RCI

1. Do I need to register?
2. What do I need to make an entry?
3. What do I need to prepare?
4. How do I make an entry?
5. What do I do after submitting?
6. 30 days - entry is published and searchable

+ Maintenance and updates



Essential reading

<https://kb.ros.gov.uk/>

Register of Persons Holding a Controlled Interest in Land (RCI)

[Do I need to register?](#)

Checklists and guides to help you check if you need to register for RCI.

[Categories of ownership or tenancy](#)

Find out how to register if you are a individual, partnership, trust, unincorporated or overseas entity.

[Before you create an entry](#)

Learn about duties and offence provisions in RCI, as well as the timings and interactions with other RoS Registers.

[How to create an entry](#)

Guidance on how to create an account, create an entry and describe the land.

[Managing an entry](#)

Find out how to add, update or remove details on an existing entry.

[Security Declarations](#)

Find out more about security declarations and RCI.

[Tell us](#)

Find out how to tell us if circumstances change. This may be for example because of change of situation, change of name or if someone has died.

[Help and support](#)

Get additional support through our range of tutorial videos, our decision support tool and RCI flow chart.

[Inaccuracies and appeals](#)

Find out how to notify or action an inaccuracies and appeals or referrals to the Land Tribunal for Scotland.

Help and support

All articles for this topic are listed below.

[RCI Glossary](#)

Understand the terminology used in relation to RCI.

[Decision support tool](#)

Use our online support tool to help provide you with an indication of whether you need to register in RCI.

[RCI Flow chart](#)

See the key stages you will need to follow at a glance.

[RCI Webinars](#)

Come along to one of our webinars to hear more about RCI and how to make your entry.

[RCI Video Tutorials](#)

Learn more about navigating through the RCI service with our short video tutorials.

[Article on RCI regulations by The Scottish Property Professional Support Lawyers Group](#)

Further guidance and support on RCI for practitioners in an article prepared by The Scottish Professional Support Lawyers Group (SPPSLG). 1 minute read.

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Presentation for Scottish Land &
Estates
February 2024

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Background

- Title to land in Scotland is either recorded in the “Sasine Register” or registered in the “Land Register”
- The person who is named as the owner in the Sasine Register or the Land Register may not be the person who actually makes decisions about the property
- The RCI contains details of who exercises (or who has the right to exercise) **significant influence or control** over the person who is named as the owner in the Sasine Register or the Land Register

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Interaction with the RCI



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When is registration in the RCI required?

- Where there is an Associate and information about the Associate is not publicly available elsewhere
- Individuals, Partnerships, Trusts, Unincorporated Associations and Overseas Entities
- Significant impact on estates, farms and other rural properties
- Not designed to catch normal leasing or mortgaging arrangements
- Exempt entities and transparency regimes

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1 April 2024 and beyond

- A breach of RCI duties is a criminal offence punishable by a fine of up to £5K
- Grace period for existing arrangements expires on 1 April 2024
- Duty to register in the RCI may be triggered by new arrangements
- Ongoing duties to keep any information submitted to the RCI up to date
- Challenges with complexities of (1) the legislation and (2) the process

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Example 1 – Blackmains Farm (some partners not named on the title)

- Adam is the person named in the Land Register as the owner of Blackmains Farm
- Adam is in a farming partnership with Brenda and Charlie
- Adam introduced Blackmains Farm into the farming partnership in terms of the partnership agreement
- The title is not updated and Adam is still named in the Land Register as the owner
- Adam must submit an entry to the RCI as the Recorded Person naming Brenda and Charlie as Associates

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Example 2 – Mossyhill Estate (all trustees named on the title are exempt entities)

- Mossyhill Limited and Big Field Limited are the trustees of Mossyhill Estate Trust
- They are both named as the owners in the Land Register
- They assume Vladimir as a trustee but the title is not updated
- No RCI entries are required because the two companies are exempt entities

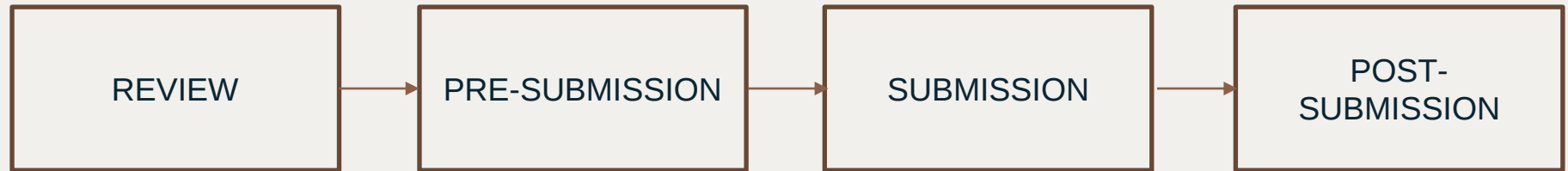
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Example 3 – Greenside Farm (property introduced to partnership via accounts)

- Beau and Philip are the partners of the Woolly Sheep Farming Partnership
- Beau is named in the Sasine Register as the owner of Greenside Farm
- He introduces Greenside Farm into the Woolly Sheep Farming Partnership via the partnership accounts and as a result Greenside Farm is partnership property
- Beau must submit an entry to the RCI as the Recorded Person naming Philip as an Associate

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Process



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Example – Blackmains Farm (process)

- Adam, Brenda and Charlie are longstanding clients of a law firm
- The law firm put the existing partnership arrangements in place, and originally acted in the title transfer of Blackmains Farm when Adam's father died but this was some time ago
- RCI may be relevant and Adam, Brenda and Charlie have instructed the law firm to review the ownership and deal with any RCI submissions
- The title is reviewed and it is established Adam is the registered owner
- The partnership arrangements are also reviewed and it is established that (1) Adam introduced Blackmains Farm into the farming partnership and (2) Adam, Brenda and Charlie are the current partners of the farming partnership
- It is concluded that RCI is relevant because Adam is named on the title but Brenda and Charlie are not

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Example – Blackmains Farm (process) (continued)

- Adam as Recorded Person must first verify Brenda and Charlie's details with them
- One entry is submitted to the RCI on behalf of Adam as Recorded Person naming Brenda and Charlie as Associates
- Adam must issues the post-submission notice(s) as Recorded Person to Brenda and Charlie as Associates within seven days
- The entry appears in the RCI 30 days after submission (this is to allow the Associate to make what is known as a “security declaration”)
- There can be a bit of work around communication and pulling together all necessary information for the notices and the submission

Timescales – new arrangements

- Recorded Person must submit an entry within 60 days from the date the Associate becomes their Associate
- Associate must notify the Recorded Person as soon as reasonably practicable if they have not been notified by the Recorded Person of an RCI submission within 67 days of the date on which the association started
- Examples:
 - Assumption of a new trustee or partner
 - Introduction of a property into a trust or partnership arrangement
 - Vesting of the trust in a beneficiary
 - Putting in place a nominee arrangement or deed of gift
 - Acquisition by a trust or partnership of land

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Timescales – changes to information on the RCI (Recorded Person)

- Recorded Person becomes aware that a person notified as an Associate ceases to be an Associate
- Recorded Person ceases to be a Recorded Person of the land
- Recorded Person becomes aware that any other information previously supplied to RCI about them has changed

Recorded Person must update the RCI within 60 days

- Examples:
 - Change of address of Recorded Person or Associate
 - Formal conveyance of the land e.g. sale or gift resulting in change of ownership on title
 - Death of Associate
 - Retiral of Associate as partner or trustee
 - Arrangement otherwise comes to an end

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Timescales – changes to information on the RCI (Associate)

- If any of the required details for RCI change or if the Associate ceases to be an Associate, they must notify the Recorded Person as soon as reasonably practicable
- The Recorded Person must then update the RCI
- Examples:
 - Change of address of Associate
 - Associate retires as trustee or partner
 - Formal conveyance of the land e.g. sale or gift resulting in change of ownership on title
 - Arrangement otherwise comes to an end

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Key points

- The title is always the starting point
- Registration may be required where there is a “mismatch” between the ownership as per the recorded or registered title and the underlying ownership
- Individuals, partnerships, trusts, unincorporated associations and overseas entities
- Some entities are exempt as Recorded Persons where subject to transparency regimes, even if they have complex ownerships (but they can still be Associates)
- Process: review, pre-submission notice, submission, post submission notice
- The interaction between the RCI, the Recorded Person and the Associate
- Advice should be sought in respect of (1) existing arrangements to ensure compliance before expiry of grace period on 1 April 2024 and (2) any changes to information submitted to the RCI and/or new arrangements which are put in place

Important note: This presentation is intended as a brief summary of the Register of Persons Holding a Controlled Interests in Land. No responsibility can be accepted for any action taken in reliance of this presentation and specialist advice should be taken in every case.

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