

### **A Register of Beneficial Owners of Overseas Companies and Other Legal Entities**

Scottish Land & Estates is a membership organisation representing landowners, land managers and rural businesses with various sizes of landholding throughout rural Scotland. We have worked closely with both UK and Scottish Governments on issues of transparency around landownership, including the review of limited partnerships, land reform legislation and voluntary land registration. Our landowners' commitment which can be located [here](#) sets out the need for all landowners to be open, inclusive, enabling and responsible. We welcome this opportunity to respond to the call for evidence and we are happy to discuss any points in further detail.

We have limited our comments on the call for evidence to general points as follows:

1. We welcome that the UK Government has undertaken to ensure that no entities will be required to report their information twice under the separate proposals being developed by the Scottish and UK Governments. It is important that the proposals do not overlap or duplicate each other. We are aware that there is a difference in both approach and objectives of the UK Government and Scottish Government. We note that the UK Government is considering "beneficial ownership" whereas the Scottish Government consultation related to "controlling interests". While the Scottish Government is seeking to find out who benefits from and controls the land in question, the UK Government, on the other hand, wants to uncover who ultimately controls the land-owning entity. Despite this, we believe, care should be taken to ensure there is a connect with the two policies prior to any implementation. Evidently, updated anti-money laundering regulations and persons of significant control have also been brought in recently too.
2. We note that the UK Government would be the first in the world to introduce this kind of register and there is obviously no model to work from. It will be important for the UK Government to continue to work closely with the Scottish Government and other devolved administrations as clearly changes will be required at Companies House and at different land registries. That liaison will be vital if proposals are to operate successfully. Additionally, while we are obviously considering this call for evidence in relation to any impact on our members, on a wider level there will require to be significant awareness-raising at government level in connection with international partners. We would urge the UK Government to work closely with professional bodies and through its own website and press communications
3. Linked to point 2 above and the need for liaison, it does appear that the call for evidence is designed with a view to English property transactions. We were pleased to be represented at the Department for Business, Energy & Industrial Strategy stakeholder event in Edinburgh hosted by the Law Society of Scotland, but what was very apparent from that meeting was the extent to which the Scottish property law system had not been adequately considered in terms of the approach being taken. This needs to be re-visited and we believe our professional members will be separately

commenting on these aspects from practice. Specifically, we understand that the date of settlement as opposed to the date of registration may be a more appropriate date.

4. It would seem to us that there are some fairly easy overrides in what is proposed, for instance around situations where a company is sold in certain situations, as opposed to the property. There are potential situations where the register is up-to-date and so still compliant, but a company is owned by completely different people. We consider these 'loopholes' need to be reviewed prior to implementation, otherwise there will be compliance issues which will reduce the worth of any new legislation. The call for evidence does recognise the need for government sensitivity around potential economic impact. We welcome this and feel that the best way to minimise that impact is to ensure that the provisions are clear and workable.
5. Related to point 4 and compliance, we are keen to ensure that any sanctions are proportionate and not draconian. Particularly we believe that there should be a grace period during any transition into the new regime.

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