ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT 2023 ("ECCTA")

IDENTITY VERIFICATION (IDV)

ECCTA introduces a new requirement for identity verification of:

- Company directors and officers (both existing and newly appointed)
- People with Significant Control (PSCs) and nominated individuals of Relevant Legal Entities (RLEs)
- Anyone filing documents with Companies House

IDV requirements for directors and PSCs are expected to take effect in autumn 2025 (with a transition period for existing directors and PSCs). The requirement for those filing documents is expected to take effect from spring 2026.

Individuals can choose to have their identity verified in advance, if they wish.

Each verified individual will be issued a personal IDV code by Companies House. This code is essential for future appointments, filings, and any formal role tied to corporate records.

There are two main ways to complete IDV:

- through Companies House directly
- through a registered Authorised Corporate Service Provider (ACSP), such as JTC

What does this mean for Individual Directors?

The IDV requirements will apply to all individual directors of new company incorporations, new director appointments and existing directors. For existing directors, once the law takes effect, companies will need to confirm that their directors have had their identity verified in their next confirmation statement.

It is encouraged that directors verify their identity soonest to avoid financial penalties for late filing of the confirmation statement. The IDV requirement is also expected to be extended to directors of overseas companies with a UK establishment registered at Companies House.

It is important to note that an individual will be prohibited from acting as a director if their identity has not been verified (unless exempt). While breach does not affect the validity of their acts as a director, in practice the prohibition means that a director should not act on behalf of a company in their capacity as a director until their identity has been verified. The offence can attract an unlimited fine.

Companies will also have a duty to ensure that individuals do not act as directors unless their identity has been verified. A breach could lead to fines for the company and its directors.

What does this mean for PSCs and RLEs?

Registrable PSCs will need to have their identity verified. Registrable relevant legal entities (RLEs) will need to nominate a director as a 'relevant officer' who must have their identity verified.

- **On incorporation:** From autumn 2025, proposed persons with initial significant control will need to have their identity verified: this can be done before incorporation or within a specified period afterwards.
- **Becoming a registrable PSC or RLE:** When a company notifies Companies House of a confirmed registrable PSC or RLE, it will have the option of confirming that the identity of the PSC or relevant officer of the RLE has already been verified. If this confirmation is not given, Companies House will send a notice to the PSC or RLE, requiring them to confirm their identity (or their relevant officer's identity) has been verified within 14 days (for a PSC) or 28 days (for a relevant officer of an RLE).
- **Existing registered PSCs or RLEs:** Under transition provisions to be confirmed, all registered PSCs will be required to confirm that their identity has been verified within a specified period. Registered RLEs will need to name a person as their relevant officer and confirm their identity has been verified.

Failure to comply will be an offence for the PSC or RLE, punishable with a fine. Companies do not have a duty to ensure a PSC or RLE complies, but may wish to inform them of the requirements as part of their shareholder engagement.

What does this mean for LLP members?

All LLP members will need to have their identity verified. The timing is expected to be similar to the requirements for companies. On registration of a new LLP, proposed members will need to have their identity verified before the application for registration. Members of an existing LLP will need to have their identity verified before the LLP's next confirmation statement date.

When is identity verification completed?

Individuals should not act as a director until their identity has been verified, it is important to know when this has been completed. Where an individual verifies their identity directly with Companies House, they will be treated as having their identity verified from the date of the Companies House confirmation. Where an individual has their identity verified by JTC, JTC will file a verification statement at Companies House and the individual will be treated as having their identity verified from the date on which the statement is filed.

How can JTC help?

JTC (UK) Limited is a registered Authorised Corporate Service Provider ("ACSP") with Companies House and we are able to assist with the verification of individuals.

JTC are committed to professionalism, integrity and independence, offering a tailored outsourced company secretarial service to a broad range of global corporate clients.

With a global presence and deep understanding, JTC provides high-quality corporate secretarial services that are relevant and customised to your specific requirements.

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ABOUT JTC

JTC is a publicly listed, global professional services business with deep expertise in fund, corporate and private client services.

Every JTC person is an owner of the business and this fundamental part of our culture aligns us with the best interests of all of our stakeholders.

Our purpose is to maximise potential and our success is built on service excellence, long-term relationships and technology capabilities that drive efficiency and add value.

We value shared ownership

- We operate around the principle that if our people have a stake in the business, they will do a better job for our clients.

We value relationships

- We aim to work with clients who share our belief in the importance of building strong relationships over time.

We invest in our people

- Over 83% of our employees hold a relevant professional qualification or are working towards this through our dedicated JTC Academy.

We embrace technology

- We operate a variety of best-in-class systems to deliver and maintain an impeccable standard of administration and use technology to innovate in both service delivery and efficiency.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

PRI Principles for Responsible Investment

Carbon Neutral Organisation

- Our environmental, social and governance (ESG) framework has at its heart our culture of shared ownership and is informed by our purpose, which is to help maximise the potential of every client, colleague and partner with whom we work.
- We believe that we will thrive as a business by working in a sustainable way, operating within constantly evolving legal and regulatory frameworks, respecting the natural environment and creating a positive impact for the communities where we live and work.
- We understand the ESG risks and opportunities our clients face and as a listed professional services business with expertise across a wide range of sectors, geographies and asset classes, we are ideally placed to support our clients with a range of solutions that help them meet their own ESG commitments and goals.

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