

---

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision about identity verification, authorised corporate service providers (“ACSPs”, defined in section 1098A of the Companies Act 2006 (“the 2006 Act”)) and unique identifiers (defined in section 1082 of the 2006 Act).

Part 2 makes provision for and in connection with verification or reverification of an individual’s identity in accordance with section 1110A of the 2006 Act. Under section 1110A(1) of the 2006 Act, the individual’s identity is verified for the purposes of the 2006 Act if the individual’s identity has been verified by the registrar in accordance with regulations made under section 1110B of the 2006 Act or a “verification statement” in respect of the individual has been delivered to the registrar by an ACSP, and the individual has not since then ceased to be an individual whose identity is verified by virtue of regulations under section 1110A(4) of the 2006 Act. A verification statement is defined in section 1110A(2) of the 2006 Act as a statement by an ACSP confirming that it has verified an individual’s identity in accordance with regulations under section 1110B of the 2006 Act. This Part sets out the procedure for verifying or reverifying an individual’s identity:

- (a) Chapter 2 confers a power on the registrar to impose additional requirements by registrar’s rules;
- (b) Chapter 3 sets out the requirements an individual must comply with to successfully have their identity verified or reverified by the registrar and the procedure that the registrar must follow;
- (c) Chapter 4 provides for conditions that must be met for an ACSP to deliver a verification statement or reverification statement to the registrar, specifies the necessary contents of verification statements and prescribes additional information to be delivered with them;
- (d) Chapter 5 provides for circumstances in which someone ceases to be an individual whose identity is verified and sets out the procedure for reverifying an individual’s identity;
- (e) Chapter 6 makes provision about the records that a person who is or has been an ACSP is required to keep in connection with the verification or reverification of an individual’s identity and contains an offence for failure to comply with the record-keeping duty.

Part 3 makes provision concerning ACSPs. Chapter 1 provides for circumstances in which a person ceases to be an ACSP and sets out the procedure for issuing notices suspending and terminating an ACSP’s status. Chapter 2 imposes duties on ACSPs to provide the registrar with information and update required information delivered under section 1098C of the 2006 Act, backed by criminal offences.

Part 4 sets out the procedure for allocation and discontinuation of unique identifiers for verified individuals and ACSPs. It also requires delivery of a statement about an allocation of a unique identifier to an ACSP with the application to become an ACSP made under section 1098B of the 2006 Act.

Part 5 specifies when notices given under these Regulations are validly sent or supplied to individuals and ACSPs.

Part 6 makes provision requiring the Secretary of State to review the operation and effect of these Regulations and publish a report within 5 years after they come fully into force and within every 5 years after that. Following a review it will fall to the Secretary of State to consider whether these

**Draft Legislation:** This is a draft item of legislation and has not yet been made as a UK Statutory Instrument.

Regulations should remain as they are, or be revoked or be amended. A further instrument would be needed to revoke these Regulations or to amend them.

A full impact assessment of the effect that this instrument will have on the costs of business, the voluntary sector and the public sector is available and is published with the Explanatory Memorandum alongside this instrument. A hard copy may be obtained from the Department for Business and Trade, Old Admiralty Building, London SW1A 2DY.