

*Status: Point in time view as at 04/03/2024.*

*Changes to legislation: There are currently no known outstanding effects for the Economic Crime (Transparency and Enforcement) Act 2022, SCHEDULE 5. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 5

Section 33(3)

#### LAND OWNERSHIP AND TRANSACTIONS: NORTHERN IRELAND

1 The Land Registration Act (Northern Ireland) 1970 is amended as follows.

#### Commencement Information

- I1** Sch. 5 para. 1 not in force at Royal Assent, see [s. 69](#)  
**I2** [Sch. 5 para. 1](#) in force at 5.9.2022 by [S.I. 2022/876](#), [reg. 4\(c\)](#)

2 After section 61 insert—

#### “61A Overseas entities

Schedule 8A is about the ownership of registered land by overseas entities and about registrable dispositions made by them.”

#### Commencement Information

- I3** Sch. 5 para. 2 not in force at Royal Assent, see [s. 69](#)  
**I4** [Sch. 5 para. 2](#) in force at 5.9.2022 by [S.I. 2022/876](#), [reg. 4\(c\)](#)

3 After Schedule 8 insert—

#### “SCHEDULE 8A

Section 61A

#### OVERSEAS ENTITIES

#### PART 1

#### REGISTRATION AND DISPOSITIONS

#### Meaning of “qualifying estate”

- 1 In this Schedule “qualifying estate” means—
- a freehold estate in land, or
  - a leasehold estate in land granted for a term of more than 21 years from the date of grant.

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## **Registration**

- 2 No application may be made to register an overseas entity as the owner of a qualifying estate unless, at the time of the application, the entity—
- (a) is a registered overseas entity, or
  - (b) is an exempt overseas entity.

## **Restrictions on disposal**

- 3 (1) The Registrar must enter an inhibition (“an overseas entity inhibition”) against the title of the registered owner of a qualifying estate if satisfied that—
- (a) the registered owner is an overseas entity, and
  - (b) the entity became registered as the owner in pursuance of an application made on or after the date on which paragraph 2 comes into force.
- (2) No fee is to be charged for the entry of an overseas entity inhibition.
- (3) From and after the entry of an overseas entity inhibition, none of the dispositions mentioned in sub-paragraph (4) affecting the land in question are to be entered on the title register, unless one of the conditions in sub-paragraph (5) is met.
- (4) The dispositions are—
- (a) a transfer of the owner’s estate,
  - (b) a grant of a leasehold estate where the term granted exceeds 21 years, and
  - (c) the creation of a charge on the land.
- (5) The conditions are that—
- (a) the entity is a registered overseas entity, or is an exempt overseas entity, at the time of the disposition,
  - (b) the disposition is made in pursuance of a statutory obligation or court order, or occurs by operation of law,
  - (c) the disposition is made in pursuance of a contract made before the inhibition is entered in the register,
  - (d) the disposition is made in the exercise of a power of sale or leasing conferred on the owner of a registered charge or a receiver appointed by such an owner, or
  - (e) the disposition is made by a specified insolvency practitioner in specified circumstances.
- (6) In sub-paragraph (5), in paragraph (e)—
- “specified circumstances” means circumstances specified in regulations made by the Department of Finance for the purposes of that paragraph;
- “specified insolvency practitioner” means an insolvency practitioner of a description specified in regulations made by the Department of Finance for the purposes of that paragraph.

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(7) Regulations made under sub-paragraph (6) are subject to the negative resolution.

### **Registrable dispositions by overseas entity entitled to be registered (but not registered)**

- 4 (1) This paragraph applies where—
- (a) an overseas entity is entitled to be registered as the owner of a qualifying estate,
  - (b) the overseas entity became entitled to be registered as the owner of that estate on or after the day on which this paragraph comes into force, and
  - (c) the entity makes a disposition mentioned in subparagraph (2).
- (2) The dispositions are—
- (a) a transfer of the owner’s estate,
  - (b) a grant of a leasehold estate where the term granted exceeds 21 years, and
  - (c) the creation of a charge on the land.
- (3) The disposition must not be registered unless—
- (a) the entity is a registered overseas entity, or is an exempt overseas entity, at the time of the disposition,
  - (b) the disposition is made in pursuance of a statutory obligation or court order, or occurs by operation of law,
  - (c) the disposition is made in pursuance of a contract made before the overseas entity became entitled to be registered,
  - (d) the disposition is made in the exercise of a power of sale or leasing conferred on the owner of a registered charge or a receiver appointed by such an owner, or
  - (e) the disposition is made by a specified insolvency practitioner in specified circumstances.
- (4) In sub-paragraph (3)(e) “specified circumstances” and “specified insolvency practitioner” have the meanings given by paragraph 3(6).

### **Making dispositions that cannot be registered**

- 5 (1) An overseas entity must not make a registrable disposition of a qualifying estate if the registration of the disposition is prohibited by—
- (a) an inhibition entered under paragraph 3, or
  - (b) paragraph 4.
- (2) If an overseas entity breaches sub-paragraph (1) an offence is committed by—
- (a) the entity, and
  - (b) every officer of the entity who is in default.
- (3) Nothing in this paragraph affects the validity of a disposition made in breach of sub-paragraph (1).

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- (4) Sections 1121 to 1123 of the Companies Act 2006 (liability of officers in default: interpretation etc) apply for the purposes of this paragraph as they apply for the purposes of provisions of the Companies Acts.
- (5) In those sections as applied, a reference to an officer includes a person in accordance with whose directions or instructions the board of directors or equivalent management body of an overseas entity are accustomed to act.
- (6) A person is not to be regarded as falling within sub-paragraph (5) by reason only that the board of directors or equivalent management body acts on advice given by the person in a professional capacity.
- (7) A person guilty of an offence under this paragraph is liable—
  - (a) on summary conviction, to imprisonment for a term not exceeding 6 months or a fine not exceeding the statutory maximum (or both);
  - (b) on conviction on indictment, to imprisonment for a term not exceeding 5 years or a fine (or both).
- (8) Proceedings for an offence under this paragraph may only be brought by or with the consent the Secretary of State or the Director of Public Prosecutions for Northern Ireland.

### Interpretation etc

- 6 In this Schedule—
  - “exempt overseas entity” means an overseas entity of a description specified in regulations under section 34(6) of the Economic Crime (Transparency and Enforcement) Act 2022;
  - “overseas entity” has the meaning given by section 2 of the Economic Crime (Transparency and Enforcement) Act 2022;
  - “qualifying estate” has the meaning given by paragraph 1;
  - “register of overseas entities” means the register kept under section 3 of the Economic Crime (Transparency and Enforcement) Act 2022;
  - “registered overseas entity” means an overseas entity that is registered in the register of overseas entities (but see paragraph 7).
- 7
  - (1) For the purpose of this Schedule, an overseas entity that fails to comply with the duty in section 7 of the Economic Crime (Transparency and Enforcement) Act 2022 (updating duty) is not to be treated as being a “registered overseas entity” until it remedies the failure.
  - (2) For the purpose of sub-paragraph (1), an overseas entity “remedies” the failure when it delivers the statements and information mentioned in section 7(1)(a), (b) and (c) of the 2022 Act.”

#### Commencement Information

- I5** Sch. 5 para. 3 not in force at Royal Assent, see [s. 69](#)
- I6** Sch. 5 para. 3 in force at 5.9.2022 by [S.I. 2022/876](#), [reg. 4\(c\)](#)

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