

## EXPLANATORY NOTE

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

These Regulations make provision in relation to European public limited-liability companies (or “Societas Europaea” (“SEs”)) and modify aspects of the people with significant control (“PSC”) regime in its application to SEs. The PSC regime applies to SEs to the extent that it applies to public limited-liability companies. The PSC regime can be found in Part 21A of and Schedules 1A and 1B to the Companies Act 2006 and the Register of People with Significant Control Regulations 2016.

Part 2 amends the European Public Limited-Liability Company Regulations 2004 (“the SE regulations”) which implement Council Regulation 2157/2001/EC and make provision for the creation and registration of an SE in the United Kingdom. Regulation 3 amends the SE regulations so that those persons seeking to register an SE with the registrar of companies will be required to submit a statement of initial significant control alongside other documentation required to form an SE.

Part 3 modifies sections 12A and 790M of the Companies Act 2006 in their application to SEs. Section 12A is modified so that references to ‘incorporation’ are to be read in their application to SEs as ‘registration’. This allows for methods of formation of an SE which do not result in the incorporation of a new company but rather a change from one type of company to another. All methods of formation require registration of an SE with the registrar and therefore this modification enables sections 12A and 790M to be read consistently in their application to SEs.

Part 4 modifies regulations 27 and 38 of the Register of People with Significant Control Regulations 2016 so that in their application to SEs references to subscribers to a memorandum of association are to be read as references to a signatory to the statement of proposed members. The effect is that on formation of an SE, a signatory to a statement of proposed members can make an application to the registrar for the registrar to refrain from disclosing either information within section 790ZF(2) of the Companies Act 2006 or secured information.

Part 5 of these Regulations (regulation 10) also requires the Secretary of State to review the operation and effect of these Regulations and publish a report within the period that the Secretary of State is obliged to review and report on Part 21A of the Companies Act 2006 by section 82 of the Small Business, Enterprise and Employment Act 2015. These Regulations must then be reviewed within every five years after that.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

**Changes to legislation:**

There are currently no known outstanding effects for the The European Public Limited-Liability Company (Register of People with Significant Control) Regulations 2016.