



Guide to people with significant control

August 2025

Introduction

UK companies have since 2016 been required to maintain a register which records the identities of people with significant control and relevant legal entities (commonly known as a PSC register). While the Economic Crime and Corporate Transparency Act 2023 will remove the obligation for a company to maintain its own PSC register from 18 November 2025, companies will still be obliged to make filings with Companies House to notify changes to its registrable people with significant control and/or relevant legal entities and this information will still appear on the Companies House website. Similar rules apply to limited liability partnerships.

This note is intended to help companies identify their people with significant control and/or relevant legal entities. The relevant rules are complex and this note is intended for general introductory guidance only. This note does not cover every scenario - in the case of any doubt, please seek specific legal advice.

The government has published guidance¹ which can also help with interpretation and application of the PSC rules.

People with significant control (PSCs)

A person with significant control (**PSC**) is an individual who meets one or more of the following five conditions in relation to a company (each a **PSC condition**):

- **Condition 1:** the person directly or indirectly holds **more than 25% of the shares** in the company
- **Condition 2:** the person directly or indirectly holds **more than 25% of the voting rights** in the company
- **Condition 3:** the person directly or indirectly holds **the right to appoint or remove a majority of the board of directors** of the company

¹

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/993230/170623_NONS_TAT_GU_1_3_.pdf

- **Condition 4:** the person otherwise has the right to exercise, or actually exercises, **significant influence or control** over the company
- **Condition 5: where the company is owned or controlled by a trust or firm** which is not a legal entity (and the trust or firm would satisfy any of the first four conditions if it were an individual), the person has the right to exercise, or actually exercises, **significant influence or control over the activities of that trust or firm.**

A PSC will always be a natural person and not a legal entity (such as a company or a limited liability partnership).

Relevant legal entities (RLEs)

Unlike a PSC, an RLE will be a legal entity (such as a company or a limited liability partnership).

A legal entity is relevant (an **RLE**) in relation to a company if it:

- meets any of the five PSC Conditions set out above in relation to that company, and either:
 - it is subject to the UK PSC regime, or
 - it has voting shares admitted to trading on a regulated market in the UK or EEA or on specified markets in Switzerland, the USA, Japan and Israel.

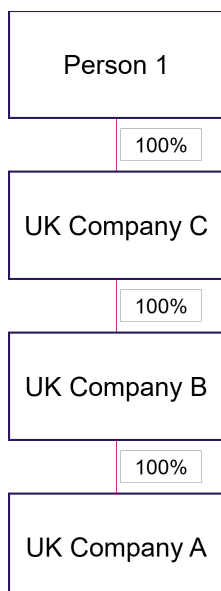
Registrable PSCs and RLEs

A PSC or RLE need only be included in a company's PSC filings at Companies House if it is **registrable** in relation to that company. Whether a PSC or RLE is registrable is determined by the following principles.

Chains of ownership

If a company is part of a chain of majority-controlled companies, it will only need to make a PSC filing to Companies House in respect of the next UK holding company up the chain. That UK holding company will then need to make a PSC filing in respect of the next UK holding company up the chain and so on until the top UK company in the corporate chain is reached. The diagram at [Example 1](#) below illustrates this point.

Example 1

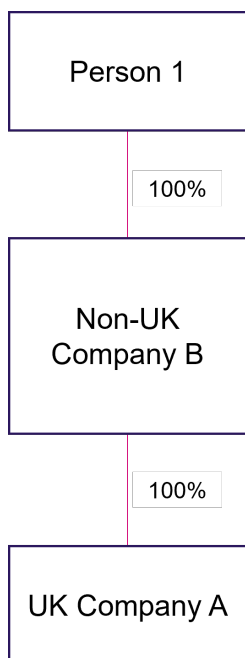


In Example 1, Company A only needs to make a PSC filing in respect of Company B and does not need to make a PSC filing in respect of either Company C or Person 1. Company B only needs to make a PSC filing in respect of Company C and does not need to make a PSC filing in respect of Person 1. However, since Company C is the top UK company in the corporate chain, Person 1 will need to be included in Company C's PSC filings.

Non-UK companies

It is worth noting that any non-UK company in a corporate chain will not be subject to the PSC regime and will therefore not be an RLE (unless its shares are listed on a specified stock market). Such companies will be "looked-through" for determining if an RLE or PSC higher up the ownership chain is registrable. Therefore, in Example 2 Company B is not an RLE with respect to Company A and therefore Person 1 is a registrable PSC with respect to Company A.

Example 2



Indirect interests – majority stake principle

A PSC or RLE will not be registrable with respect to a company if all of its interests in that company are held indirectly through a registrable RLE.

However, a PSC or RLE will be registrable with respect to a company if:

- it holds a majority stake in another entity,
- that other entity satisfies the PSC Conditions with respect to the company (such other entity (the **Intermediate Holding Entity**), and
- the Intermediate Holding Entity is not a registrable RLE.

The same principle applies where there is more than one entity between the PSC or RLE and the company, provided there is an unbroken chain of "majority control" through entities none of which are registrable RLEs.

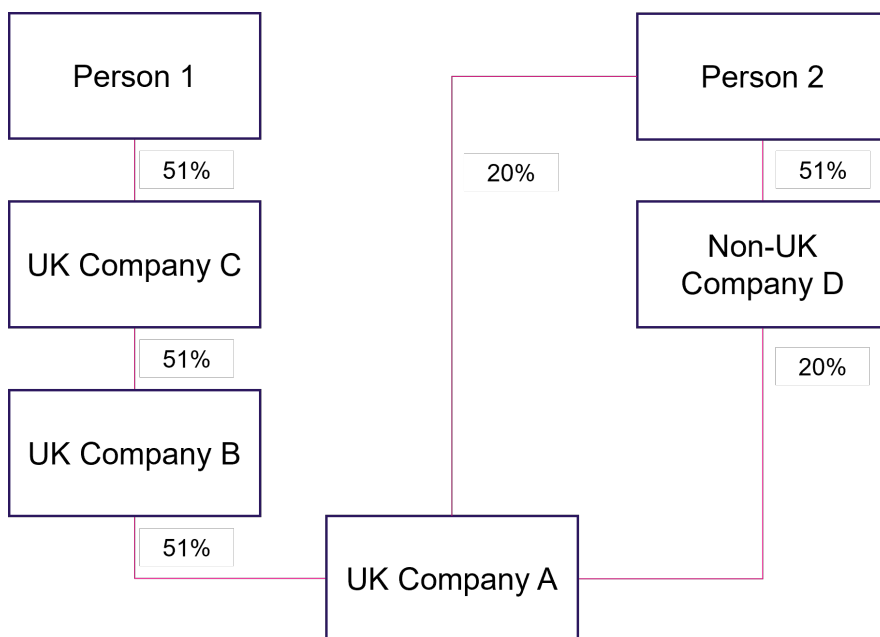
A person or entity will hold a majority stake in another entity if:

- they hold a majority of the voting rights,

- they are a member of the legal entity and they have the right to appoint or remove a majority of its directors,
- they are a member of the legal entity and they control a majority of the voting rights by agreement with other shareholders or members, or
- they have the right to exercise or actually exercise dominant influence or control.

In Example 3, Person 1 would be a PSC of UK Company A as Person 1 holds a majority stake in Company C which in turn holds a majority stake in Company B which in turn satisfies the PSC Conditions with respect to Company A (where neither Company B or C are RLEs).

Example 3



Aggregation of direct and indirect interests

Indirect interests that are held in a company on the majority stake basis through one or more intermediate entities (whether or not RLEs) will also need to be aggregated with any direct interests held in the company for the purpose of determining whether the PSC conditions are satisfied and whether the interests are registrable. Therefore, in Example 3, Person 2 would also be a PSC of Company A as their 20% direct interest must be aggregated with the 20% interest they indirectly hold through Company D.

Meaning of “significant influence or control”

Condition 4 of the PSC Conditions provides that a person will be a PSC with respect to a company if they have the right to exercise, or are actually exercising, “significant influence or control” over that company. Whilst this might seem like a circular definition, it is expected that this condition will only apply in limited circumstances. The same formulation of words is used in Condition 5 of the PSC Conditions.

The government has published [statutory guidance](#) which can be consulted when determining whether a person or entity exercises significant influence or control for the purpose of Condition 4 or Condition 5 of the PSC Conditions.

Key points from the statutory guidance

- A person being able to direct the activities of a company, trust or firm is indicative of “control” and a person being able to ensure that a company, trust or firm generally adopts the activities which they desire is indicative of “significant influence”. The “control” and “significant influence” do not have to be exercised by a person with a view to gaining economic benefits from the policies or activities of the company, trust or firm.
- The right to exercise significant influence or control may be conferred by provisions of a company’s constitution, the rights attached to the shares which a person holds, a shareholders’ agreement, some other agreement or otherwise.
- Any right to exercise significant influence or control over a company may result in the person holding the right being a PSC whether or not they actually exercise the right.
- A person could also satisfy Condition 4 or Condition 5 if they actually exercise significant influence or control without having any contractual right to do so, and even if there are one or more companies or other vehicles between them and the relevant company.
- Examples of a person exercising significant influence or control include:
 - a person who has absolute decision or veto rights over decisions related to the running of the business of the company (eg adopting or amending the company’s business plan). However, veto rights designed to protect minority interests in the company (eg to prevent unapproved changes to the company’s constitution or dilution of shares or rights) are unlikely, on their own, to constitute significant influence or control over the company
 - a person who holds absolute veto rights over the appointment of the majority of the board of directors
 - a director who also owns important assets or has key relationships that are important to the running of the business (eg intellectual property rights) and uses this additional power to influence the outcome of decisions related to the running of the business of the company
 - a person who is significantly involved in the management and direction of the company (eg a person who is not a member of the board of directors, but regularly or consistently directs or influences a significant section of the board, or is regularly consulted on board decisions and whose views influence decisions made by the board)
 - a person whose recommendations are always, or almost always, followed by shareholders who hold the majority of the voting rights in the company when they are deciding how to vote (eg a company founder who no longer has a significant shareholding in the company they started but makes recommendations to the other shareholders on how to vote and those recommendations are always or almost always followed).
- Professional advisers, suppliers, customers, lenders, directors and employees will not be considered to be exercising significant influence or control as a result of their roles or relationships on their own.