

Navigating the Economic Crime and Corporate Transparency Act 2023: What it means for your business

The Economic Crime and Corporate Transparency Act 2023 (the Act) represents a significant shift in the UK's approach to combating economic crime, improving corporate transparency, and anti-money laundering frameworks.

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For businesses operating in the UK, the Economic Crime and Corporate Transparency Act 2023 represents a critical shift in regulatory responsibilities. From stricter fraud prevention requirements to heightened corporate reporting standards, the Act demands that businesses ensure compliance with new and more rigorous legal frameworks.

Notably, it establishes new corporate criminal offences, extends the powers of regulatory bodies, and introduces stronger scrutiny of companies' and directors' operations.

As a business owner, it is crucial to understand the changes this legislation brings and how it will impact your obligations moving forward. Here are some of the changes introduced by the Act that can affect you and your business and how we can help you navigate these changes and protect your business.

Enhanced regulatory powers: Greater oversight for registered companies

Under the Act, since 2024, Companies House has expanded powers to investigate and challenge information filed by companies. These powers include greater scrutiny of company addresses, corporate filings – including the date and accuracy of such filings – corporate structures, and more. A limited company may now be fined up to £1,500 per filing over six months late. [Read more on late filing penalties here.](#)

There are also increased reporting obligations for [Authorised Corporate Service Providers \(ACSPs\)](#) and [Trust And Company Service Providers](#) to conduct and provide enhanced due diligence information. Companies must have an 'appropriate address' as their registered office. Companies can no longer use a PO Box as their registered office address.

The Act mandates greater corporate transparency, which requires businesses to disclose more detailed information about their operations and ownership structures, such as submitting comprehensive details on directors, shareholders and beneficial owners. This enhanced information is particularly relevant for businesses involved in cross-border transactions or those operating with foreign entities.

Businesses must ensure their company records are accurate and up-to-date to avoid certain unlimited fines and penalties. More serious offences could result in director disqualification or potentially even criminal and civil prosecution, even yielding the risk of being struck off the company register.

The Company Registrar now has the power to add a notation on a company's record, which can, in turn, have reputational damage for the company and ultimately will be publicly available to the eyes of investors and other interested parties.

ID verification requirements: Upcoming changes you need to know

The Act introduces new identity verification requirements as part of the push for greater corporate transparency. From March 2025, individuals can 'voluntarily' apply directly via OneLogin to complete and verify their identity and obtain a Personal Code, free of charge. ACSPs can also register clients for identity verification and obtain their Personal Codes. Registering clients for identity verification purposes will later become mandatory. From Autumn 2025, all existing directors, Persons of Significant Control (PSC), and

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Limited Liability Partnership (LLP) members must verify their identities using their Personal Codes when filing the next confirmation statement due within 12 months. Moreover, stakeholders must provide their Personal Codes during new incorporations and when being appointed as a director, PSC, or LLP member.

In 2026, further requirements requiring anyone filing information with Companies House to verify their identity, including third-party agents who must register as ACSPs, will take effect. Companies House will also be able to reject documents from disqualified directors and require limited partnerships to submit more detailed information, promoting greater transparency in the register. These changes align with the Act's broader goals of increasing corporate accountability and transparency.

Act now to stay compliant

The Act brings new responsibilities for businesses across the UK. With stricter regulations and increased oversight, companies must act now to comply with the more stringent reporting obligations.

Our expert [corporate](#) and [commercial](#) team can help you:

- Review and update corporate records to align with the new regulations
- Ensure all directors, PSCs, and LLP members meet identity verification requirements
- Navigate regulatory complexities and avoid costly penalties

This article covers some of the key impacts of the Act. For tailored advice on how the Act may impact your operations, contact paralegal and author [Anam Mohammed](#) or [Victoria Holland](#), who heads up the Corporate and Commercial team at West End law firm RIAA Barker Gillette (UK).

Note: This article is not legal advice; it provides information of general interest about current legal issues.

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What they say...

Bibiana Farenzena, February 2025

"Victoria Holland and Evangelos Kyveris I want to thank you for your involvement and efforts on this case. You have been immensely helpful, and I appreciate all your knowledge and advice regarding this matter."

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