

By email: Trevor.Smith@businessandtrade.gov.uk

17 April 2026

Dear Trevor

In the follow-up email after the Companies House Company Law, Corporate Services and Governance forum on 25 March, attendees were asked to give you our views on how Companies House and the Department for Business and Trade might best implement shareholder reforms following the Economic Crime and Corporate Transparency Act 2023 ("ECCTA").

I hope that the following thoughts will be useful.

By way of background, the Chartered Governance Institute (the Institute) is the professional body for governance and the qualifying and membership body for governance professionals across all sectors. Its purpose under Royal Charter is to lead effective governance and efficient administration of commerce, industry, and public affairs working with regulators and policymakers to champion high standards of governance and providing qualifications, training, and guidance. As a lifelong learning partner, the Institute helps governance professionals achieve their professional goals, providing recognition, community, and the voice of its membership.

One of nine divisions of the global Institute, which was established 135 years ago, The Chartered Governance Institute UK & Ireland represents members working and studying in the UK and Ireland and many other countries and regions including the Caribbean, parts of Africa and the Middle East.

We welcome the opportunity to comment on the usefulness, accessibility and future development of shareholder information held and displayed by Companies House (CH). As the professional body that qualifies Chartered Secretaries and Chartered Governance Professionals, our members have a uniquely privileged role in companies' governance arrangements. They operate at the forefront of corporate governance across listed and private companies, not-for-profits, financial services and professional services. They routinely rely on Companies House data when advising boards, investors and regulators and are therefore well placed to understand the issues raised by this enquiry. In preparing our response we have consulted, amongst others, with our members. However, the views expressed in this response are not necessarily those of any individual members, nor of the companies they represent.

Our views on the questions asked in the email from Companies House are set out below, together with some general comments on the issues raised.

Implementation of ECCTA Shareholder Transparency Reforms – Feedback on Shareholder Information

General comments

We recognise the scale of reform introduced by the Economic Crime and Corporate Transparency Act (ECCTA) and support the ambition, set out at the March 2026 Company Law, Corporate Services and Governance Forum, to establish the UK corporate register as the global gold standard for transparency, reliability and trust.

1. Usefulness of Shareholder Information for Our Organisation and Members

Shareholder information underpins effective corporate governance. Institute members use it regularly to:

- understand ownership and control structures;
- advise on conflicts of interest, related-party transactions and takeover risk;
- conduct governance, ESG and economic crime due diligence; and
- support investor engagement and stewardship obligations.

However, the current usefulness of shareholder information on the public register remains limited. As the ECCTA implementation paper acknowledges, shareholder data sits across multiple filings, appears in inconsistent formats, and often requires manual reconstruction before it becomes intelligible. This fragmentation undermines confidence in the register as a single, reliable source of truth.

The ECCTA reforms, particularly the one-off submission of a full shareholder list or, for traded companies, a list of those shareholders holding 5% or more of issued capital, and the requirement to provide full names, represent clear improvements. These measures will increase baseline visibility and reduce uncertainty, especially for non-traded companies where ownership structures are otherwise opaque. That said, without effective mechanisms to keep information current and to distinguish between individuals with common names, the benefits of these reforms will remain partial and may diminish rapidly over time.

2. How Shareholder Information Displayed by Companies House Supports Economic Growth and Tackles Economic Crime

Accurate and accessible material shareholder information is a public good. It supports both economic growth and the prevention of economic crime.

Well-designed ownership transparency strengthens economic growth by:

- increasing market confidence and reducing due diligence costs for investors and lenders;
- supporting cross-border investment by reinforcing trust in UK corporate structures; and
- enabling professional advisers to onboard clients and assess risk more quickly and at lower cost.

From an economic crime perspective, shareholder information plays a critical role alongside identity verification of directors and PSCs. It helps to:

- expose opaque or concealed ownership chains;
- support law enforcement, journalists and civil society in identifying misuse of corporate vehicles; and
- increase the legal and reputational risk for those who seek to conceal ownership through nominees or fragmented disclosures.

The Institute welcomes Companies House's focus on proportionality and minimising unnecessary burdens on business. We also support its commitment to balancing crime prevention with usability. However, shareholder



data that is incomplete, out of date or not uniquely identifiable risks creating only the appearance of transparency, while remaining difficult to scrutinise or rely upon in practice.

3. Improvements We Would Like to See in How Companies House Collects and Displays Shareholder Data

Based on long-standing member experience, the Institute encourages Companies House to prioritise the following improvements.

a. Structured and searchable shareholder data

Companies House should collect and present shareholder information as structured data rather than embedded PDFs. This change would significantly improve usability for legitimate users and strengthen analytical capability for enforcement bodies.

b. More regular confirmation of shareholder information

The one-off shareholder list is a positive step, but ownership can change frequently. Companies House should require companies, as part of the confirmation statement, to confirm whether shareholder information has changed since the previous filing, with a simple “no change” option where appropriate.

c. Greater scope for unique identification

We recognise the sensitivity of personal information. However, the persistent problem of common names materially limits the effectiveness of the reforms. Strong governance arguments support the use of additional identifiers held by Companies House but not displayed publicly, such as partial dates of birth or verified reference numbers, subject to rigorous data protection safeguards. Of course, this should only apply to traded companies where the shareholder has a material interest in the company; there is little to no value in the identification of retail shareholders with a negligible interest in a traded company.

d. Clear alignment with the register of members

ECCTA rightly strengthens the reliability of the company register of members (RoM). Companies House guidance and systems should actively promote consistency between the RoM and filings to avoid divergence that increases legal and operational risk for companies and advisers.

e. Improved guidance and context for users

Many users, particularly SMEs and overseas stakeholders, struggle to interpret shareholder disclosures. Clear explanatory notes, explicit warnings on data currency, and consistent definitions would materially improve understanding and confidence in the register.

4. Challenges Companies Face in Contacting Shareholders

Companies already face well-established difficulties in contacting shareholders, particularly where they have:

- historic or inherited shareholder bases;
- overseas or nominee shareholders;
- dematerialised or indirectly held shares; or
- outdated service addresses.

Institute members regularly report:

- returned correspondence and unresponsive shareholders;
- difficulty obtaining updated personal information; and



- resistance from some shareholders to providing additional data, especially where the purpose is unclear or privacy concerns are not adequately addressed.

These issues will intensify as companies are required to obtain additional information to comply with ECCTA.

Companies therefore need:

- clear statutory authority and practical guidance to support information requests;
- proportionate enforcement against shareholders who fail to respond; and
- realistic expectations of what companies can achieve without disproportionate cost or disruption.

Identity verification has been introduced on a phased basis with substantial guidance and support. The Institute strongly encourages the same pragmatic and proportionate approach to shareholder-related obligations.

Concluding Remarks

The Institute supports the strategic direction set by Companies House and the Department for Business and Trade. Shareholder transparency is central to effective governance, trusted markets and long-term economic resilience.

For the reforms to succeed, policymakers must focus not only on what data companies provide, but on how they keep it up to date, how users interpret it, and how regulators use it in practice. The Institute and its members would welcome continued engagement as these reforms develop and are implemented.

If you would like to discuss any of the above comments in further detail, please do feel free to contact the Policy Department at policy@cgi.org.uk.

Yours faithfully,

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