

Enforcement and Evasion in Beneficial Ownership Registers: Evidence from the UK

Summary

This note examines how UK companies and individuals responded when identity verification became a legal requirement for company directors and beneficial owners in November 2025, marking a shift from a beneficial ownership register built on unverified self-disclosure to one requiring proof of identity.

We find that the mandate substantially increased compliance. Once the requirement became binding, verification rates rose by 46.2 percentage points among beneficial owners who are also directors and by 12.8-53.0 percentage points among directors. This compliance response was accompanied by a significant avoidance response: companies were 5.4-12.6 percentage points more likely to use an administrative loophole, allowing them to defer identity verification by up to a year. This avoidance behavior is unevenly distributed across companies with different characteristics.

We further examine delegated verification through Authorised Corporate Service Providers (ACSPs), the professional intermediaries who can verify identities on behalf of others. Looking at their risk profiles, we find that higher-risk providers perform a disproportionate share of verifications of beneficial owners based abroad, particularly when compared to those based in the UK. ACSPs in the highest decile of the risk-score account for 40.7% of all delegated verifications of foreign-based beneficial owners.

These findings indicate that identity verification meaningfully improves the reliability of information on the UK's beneficial ownership register, but that its effectiveness is constrained by avoidance behavior and by heterogeneity in the quality of delegated verification. Therefore, we recommend that Companies House treat strategic early filing before the verification mandate as a risk signal for targeted enforcement, supervise ACSPs as delegated gatekeepers to prevent uneven verification standards across providers, and complement identity verification with risk-based monitoring of suspicious ownership patterns that identity verification alone cannot detect.

Jeanne Bomare is Postdoctoral Researcher at the London School of Economics (International Inequalities Institute), Matthew Collin is Senior Researcher at the International Tax Observatory and Skatteforsk - Norwegian Centre for Tax research, Eva Nappert is a Junior Researcher at the International Tax Observatory. This note has received funding from the Research Council of Norway (Grant 352151, "Investigative Economics and Illicit Finance").

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1 Introduction

Over the past decade, beneficial ownership transparency has become a central instrument in the global effort to combat economic crime. A beneficial owner is an individual who ultimately holds the right to a share of a corporate entity's income or assets, or the ability to control its activities. In principle, identifying beneficial owners allows regulators, tax authorities, law-enforcement agencies, journalists and civil society to see who stands behind companies and other legal vehicles. In practice, however, corporate ownership structures are often layered, cross-border and deliberately opaque. Anonymous companies have therefore featured prominently in cases of corruption, money laundering, sanctions evasion and tax evasion.

The United Kingdom (UK) has been at the forefront of an international move toward beneficial ownership transparency. In 2013, the UK committed to creating a public register of company beneficial ownership and in 2016 it introduced the People with Significant Control (PSC) register. The PSC register made information on individuals who ultimately own or control UK companies publicly accessible through Companies House and made the UK the first G20 country to implement a central public register of company beneficial owners.

Formally, this represented a major advance in corporate transparency. Yet, the case of the UK also exposed a central weakness of first-generation beneficial ownership transparency: public disclosure does not automatically produce reliable information. The PSC register created obligations to report ownership and control, but Companies House largely operated as a passive registrar. It received and published information submitted by companies, but had limited capacity to verify whether the individuals listed were real, correctly identified or genuinely exercising ownership or control. As a result, the register came to contain erroneous information and was repeatedly exploited by criminal actors using UK shell companies as vehicles for money laundering and tax evasion on an international scale (see Goodrich et al., 2022; Organized Crime and Corruption Reporting Project, 2017).

The Economic Crime and Corporate Transparency Act (ECCTA) in 2023 marked an attempt to address these shortcomings. The Act gives Companies House a more active role in the UK's economic crime regime, including stronger powers to query information, reject suspicious filings, share information with law-enforcement authorities and, most significantly, require identity verification for individuals associated with companies. The aim of this requirement was explicitly to increase transparency around the ownership of UK companies in order to "help deter, identify and sanction those who hide their interest in UK companies to facilitate illegal activities" (UK Parliament, 2015). The measure represents a move from making ownership information public toward making the register more reliable and enforceable. Companies House began voluntary identity verification in April 2025, and from 18 November 2025 identity verification became a legal requirement, with a 12-month transition period for existing directors and persons with significant control.

In this research note we provide quantitative evidence on firm responses to the introduction of the mandatory ID verification regime in the UK. Exploiting the discontinuity created by the policy's roll-out schedule, we estimate the causal effect of the mandate on two outcomes: the probability that PSCs and directors complete identity verification and the probability that a company engages in avoidance behavior to defer the requirement. We find that the mandate substantially increased compliance, but also generated a significant avoidance response, with the probability of affected companies taking steps to postpone identity verification by up to one year rising by 5.4-12.6

percentage points. We further examine a delegated verification channel by which individuals complete identity verification via authorized agents instead of Companies House directly. We find that delegated verification for foreign-resident PSCs is concentrated among agents that display larger signs of risk, with those in the highest risk-score decile performing 40.7% of all delegated foreign-based PSC verifications.

The rest of this note proceeds as follows. Section 2 explains the shift from public disclosure to identity verification in the UK beneficial ownership regime. Section 3 describes the roll-out of the identity verification mandate and the empirical strategy used to measure early firm responses. Section 4 presents evidence on compliance and potential avoidance behavior while Section 5 discusses potential weaknesses in delegated verification through third party agents. Section 6 outlines policy implications and Section 7 concludes.

2 From Public Disclosure to Identity Verification

2.1 The People with Significant Control register

The UK was one of the earliest adopters of public beneficial ownership transparency. Following commitments made in the G8 process, the UK introduced the People with Significant Control register, commonly referred to as the PSC register, through the Small Business, Enterprise and Employment Act 2015.¹ The register was launched in 2016 and made information on the beneficial owners of UK companies publicly accessible free of charge through Companies House, the agency responsible for incorporating companies and maintaining the public register of corporate information. The purpose of the register was to increase corporate transparency, strengthen trust in the business environment and help prevent the misuse of companies.

The PSC regime requires companies to identify the individuals who ultimately own or control them. In the most common cases, a person qualifies as a PSC if they hold more than 25% of a company's shares or voting rights, have the right to appoint or remove a majority of directors or otherwise exercise significant influence or control over the company. Companies must provide PSC information to Companies House, including the individual's name, date of birth, nationality, country of residence, service address, date of becoming a PSC and the nature of control exercised. This represented a major advance in beneficial ownership transparency. Before the PSC register, the public register showed company officers and shareholders, but often did not allow users to identify the natural persons who ultimately controlled a company. The PSC register therefore addressed a central problem in corporate transparency: the lack of public information on who stood behind UK companies.

However, the PSC register also reflected the limits of first-generation beneficial ownership transparency. It made ownership information visible, but it did not ensure that the information was accurate. Companies House largely operated as a passive registrar, receiving and publishing information submitted by companies rather than systematically verifying it before publication. As a result, the legal obligation to disclose beneficial ownership information was not matched by an equivalent capacity to test whether the disclosed person existed, whether their identity was correct or whether they genuinely exercised ownership or control. This created a gap between

¹We use the term "People with Significant Control" as a synonym for beneficial owner in this research note. HMRC documentation uses the term beneficial owners to qualify persons with significant control. See complete definition here: <https://www.gov.uk/guidance/people-with-significant-control-pscs> (last consulted February 20th, 2026).

transparency in form and transparency in substance: the register was public, but the reliability of the information it contained remained uncertain.

This gap matters because UK corporate entities had repeatedly appeared in large-scale cross-border financial crime schemes (Goodrich and Cowdock, 2017). In the Corporate Transparency and Register Reform White Paper (Department for Business, Energy and Industrial Strategy, 2022), the UK government identified this as a systemic vulnerability and described several cases in which UK-registered entities had played a central role in moving illicit wealth. For example, four UK-registered LLPs were used in the Azerbaijani Laundromat, through which USD 2.9 billion was laundered between 2012 and 2014. In these schemes, UK entities could be used as holders of overseas bank accounts, owners of assets or signatories to contracts, lending a veneer of legitimacy to activity whose substance occurred elsewhere.

The abuse of the register took several forms. One route was the use of UK companies and partnerships as reputational wrappers for offshore or illicit activity. A company incorporated in the UK could provide an appearance of legitimacy even when its real business activity, bank accounts, owners or assets were located elsewhere (Bowers et al., 2020). In some cases, ownership of UK partnerships was obscured by placing companies from secrecy jurisdictions above them in the ownership chain, allowing control to remain anonymous despite formal registration in the UK. This made UK legal entities attractive not only for domestic misuse, but also for cross-border structures designed to move or disguise illicit funds.

A second route was the filing of information that was formally compliant but substantively uninformative or implausible. Global Witness' analysis of PSC register data found hundreds of thousands of companies reporting no beneficial owner, thousands of companies controlled by beneficial owners who themselves controlled more than 100 companies, hundreds of circular ownership structures and thousands of companies naming another foreign company as their ultimate owner (Global Witness, 2018). These patterns do not prove criminality by themselves, but they show how a self-reported register can contain red flags that are difficult to resolve without verification, investigation and enforcement.

A third route involved identity and address misuse. If individuals listed as directors or PSCs were not systematically verified, the register could be exposed to false appointments, nominee arrangements, implausible identities or the misuse of real persons' details (see Jofre and Knobel, 2025). This matters because beneficial ownership transparency depends not only on the disclosure of a name, but on confidence that the named person exists, has been correctly identified and is genuinely connected to the company role recorded on the register.

The central lesson from these examples is that public beneficial ownership disclosure is not self-enforcing. A beneficial ownership register can be open and still be vulnerable if false or misleading information can enter the system, and if the registrar lacks the powers or resources to challenge what is filed.

2.2 The Economic Crime and Corporate Transparency Act

The ECCTA was designed to address this gap. The Act changes the role of Companies House from a mostly passive recipient of information into a more active agency within the UK's economic crime framework. It gives the registrar new objectives aimed at promoting the integrity of

the register and preventing companies and others from carrying out unlawful activities. It also strengthens the registrar's powers, including powers to require additional information, query information already on the register, reject filings that appear inconsistent, remove material more easily and share data with public authorities.

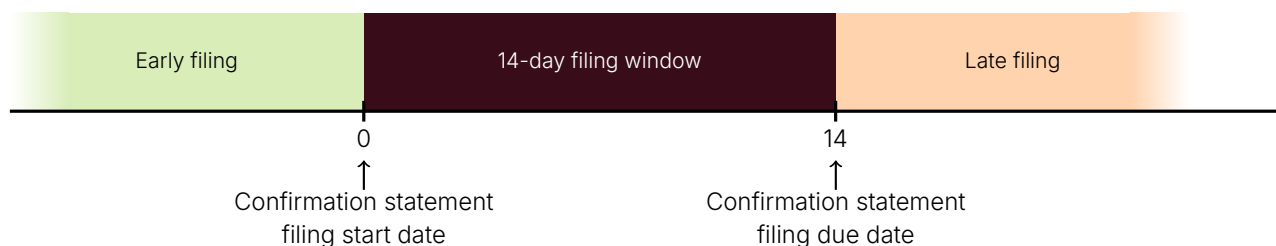
Identity verification is the most direct expression of this extended mandate. Under the new regime, individuals setting up, running, owning or controlling a company in the UK must prove that they are who they claim to be. Companies House states that the purpose of identity verification is to deter the illegal use of companies, reduce fraud risk and improve the transparency, trust and accuracy of information on the register (Companies House, 2025). However, this is bounded in an important respect. While identity verification confirms that a named director or PSC is a real person who matches the identity documents submitted, it does not verify whether that individual is genuinely the ultimate owner or controller of the company, or whether the ownership and control information filed alongside their identity is accurate.

The roll-out of identity verification has been phased, with voluntary participation beginning in April 2025 and the first mandatory requirements taking effect on 18 November 2025. The regime applies to several categories of individuals associated with UK companies and related entities, although the applicable deadlines differ across groups.² Once completed, identity verification is generally intended to satisfy the requirement on a one-off basis for each individual, regardless of the number of entities with which that person is associated. More precisely, once their identity has been verified, officers receive a unique code that they can use when completing each filing requirement for every company with which they are associated.

For **company directors**, identity verification is linked to the company's confirmation statement. Confirmation statements are annual documents to be filed by companies, confirming that the information held by Companies House on its directors, secretaries, PSCs, registered address and contact details is correct. Confirmation statements are mandatory for every company, including dormant and non-trading companies. They have to be filed at least every year, within a 14-day filing window (see Figure 1). Each company has a specific confirmation statement filing cycle and due date, depending on their incorporation and filing history. Existing directors must complete verification by the time the company files its next confirmation statement following the introduction of the regime on 18 November 2025. Newly appointed directors must verify their identity before their appointment can be registered.

²Not all categories of persons associated with UK entities are covered in the first wave of reforms. Several groups will only be brought within the scope of the identity verification regime at a later stage. These include officers of corporate directors, officers of UK limited partnerships and officers of UK LLPs (UK Government, 2024).

Figure 1: Filing Timeline for Confirmation Statements



Notes: This figure shows the timeline for UK companies to file their confirmation statements. Confirmation statements are annual documents to be filed by companies, confirming the information held by Companies House on its directors, secretaries, PSCs, registered address and contact details are correct. Confirmation statements are mandatory for every company, including dormant and non-trading companies. They must be filed at least once every 12 months, within a 14-day filing window that begins on the anniversary of the company's previous confirmation statement date (or, for newly incorporated companies, the date of incorporation). Filing a confirmation statement establishes a new confirmation statement date, from which the next 12-month review period is calculated.

For PSCs, the deadlines operate differently. For existing PSCs, the deadline depends on whether the PSC is also a director of the same company. Where the individual is both a PSC and a director, identity verification must be completed within 14 days of the company's confirmation statement due date. By contrast, where the PSC is not also a director, verification must be completed within 14 days from the first day of the PSC's birth month. New PSCs registered after 18 November 2025 must complete identity verification within 14 days of registration.

The regime also introduces a delegated verification channel through Authorised Corporate Service Providers (ACSPs). Individuals can verify their identity directly with Companies House online, or through an ACSP such as an accountant, solicitor or formation agent. ACSPs must be registered with Companies House and supervised by a UK anti-money-laundering supervisory body. This channel may increase compliance capacity and convenience, especially for companies already relying on professional intermediaries, but it also makes the quality and oversight of delegated verification an important part of the new transparency regime.

3 Measuring Responses to the Identity Verification Mandate

Identification Strategy. The introduction of mandatory identity verification did not affect all existing companies at the same time. Although 18 November 2025 marked the start of the legal requirement, existing directors and PSCs were brought into scope according to their companies' filing cycles and individual deadlines.

For directors, the relevant trigger is the company's next confirmation statement filing window. From 18 November 2025, directors must provide their Companies House personal code as part of the company's confirmation statement filing. PSCs face a different trigger, depending on whether they also have a director role or not. A PSC who is also a director of the same company must provide their Companies House personal code twice, once in each capacity. From 18 November 2025, they must verify as a director, through the confirmation statement filing, and as a PSC, through a separate online service, within 14 days starting the day after the confirmation statement date. A PSC who is not a director has a trigger tied to their date of birth. They must verify within the first 14 days of their birth month. Newly appointed directors or PSCs must verify as part of the company's registration filing or within 14 days of being added to the register.

This institutional feature creates a discontinuity in the timing of exposure to the mandate across otherwise similar companies. Companies whose confirmation statement cycles fell immediately before 18 November 2025 were not required to verify their directors' and PSCs' identities at their next filing, whereas companies whose cycles fell immediately after the cutoff faced the new requirement.

We exploit this variation using a regression discontinuity design to estimate the causal effect of the mandate on company and officers behavior. We use the 18 November 2025 cutoff and compare outcomes measured in July 2026 for companies close to the threshold on either side of the implementation date. Our preferred specification uses local linear regression with an MSE-optimal bandwidth and robust bias-corrected inference following Calonico et al. (2014).

This design captures the short-run response to being exposed to the mandate at the first relevant confirmation statement after verification became compulsory. The estimates should be interpreted as local effects for companies whose confirmation statement cycles placed them close to the start of the mandatory regime. We do not estimate the eventual full effect of identity verification after the entire 12-month transition period. Rather, we measure how companies and directors responded when the requirement first became binding for firms around the roll-out threshold. This is the relevant population for studying the immediate roll-out of the policy: firms near the cutoff were the first existing companies for which the confirmation statement cycle created a sharp distinction between being immediately subject to the mandate and not being subject to it for another year.

The key identifying assumption is that, absent the mandate, companies just before and just after the cutoff would have followed similar trends in identity verification and filing behavior. This assumption is plausible because the timing of a company's confirmation statement cycle is pre-determined by its incorporation and filing history, rather than by the November 2025 implementation date. Thus, officers could not manipulate whether a company's confirmation statement due date lies before or after the 18 November 2025 cutoff when the policy was announced. To further check if companies could influence which side of the threshold they fall on, we examine whether firms on either side of the cutoff are similar in terms of observable characteristics. Appendix Table 7 reports balance tests for a range of financial variables, for companies whose confirmation statement date lies within 6 months on each side of the cut-off. The results show that companies on either side of the cutoff are broadly similar across these characteristics, with most differences statistically insignificant.

Outcomes. We examine two main margins of response. The first is a compliance margin: we study the probability of verification of the identity of officers. This captures whether a director or PSC associated with a company has completed identity verification and linked their verified identity to the relevant company role. This outcome captures the direct effect of the reform on the behavior it was designed to induce. This margin of response is measured at the officer level, separately for directors and PSCs. For PSCs, we restrict the analysis to those who are also directors, for whom the relevant cutoff date is 18 November 2025. PSCs who are not directors are instead brought into the identity verification regime according to their month of birth, implying a separate cutoff for each birth month. Given the size and timing of our July 2025 dataset, we do not have sufficient observations to estimate effects separately across these twelve cutoffs. We therefore focus on PSCs who are also directors and leave the analysis of non-director PSCs

to future work. As almost 86% of the PSCs are also directors of companies, this analysis covers most of the PSCs.

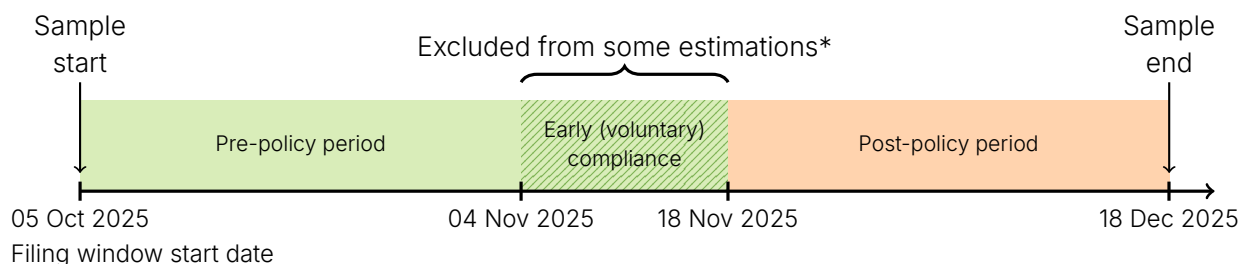
The second channel of response is an avoidance or delay margin. The outcome we study is early confirmation statement filing. Companies can file a confirmation statement before the expected date. If they did so before 18 November 2025, they could reset their confirmation statement cycle and defer the point at which identity verification would become necessary. Early filing is therefore a strategic timing margin that could allow companies to postpone the point at which identity verification would become necessary. It is legally permitted and not necessarily evidence of illicit intent, but it can delay the practical effect of the mandate.³ This margin of response is measured at the company level, as confirmation statements are completed by entities and not by individuals.

Sample Construction. Our sample is drawn from the Companies House register. We select companies with a confirmation statement date falling within a 6-month window on either side of 18 November 2025. This focuses the analysis on companies close to the policy threshold, where comparison between treated and control firms is most credible. Because of data availability, we further restrict the sample to companies falling within a 60-day window on either side of the threshold for results on directors and at the company level.⁴ The running variable is the distance, in days, between a company's confirmation statement date and 18 November 2025. Companies to the left of the cutoff had a confirmation statement cycle falling before the mandatory regime began and thus their directors did not need to verify their identity when filing. Companies to the right of the cutoff had a confirmation statement cycle falling after the regime began and were therefore exposed to the new verification requirement at their next filing.

³Since companies could strategically alter their confirmation statement filing cycles to postpone identity verification, we measure confirmation statement dates using a snapshot of the Companies House register from July 2025, before the details of the policy were announced. This ensures that treatment is assigned using pre-policy filing schedules, rather than filing dates that may themselves have been affected by the policy.

⁴The variable for ID verification is available for PSCs but not for directors in the bulk data provided by Companies House. To get information on the ID verification status for directors, we thus have to rely on the Companies House API, which has limited rates constraining how much data we can extract.

Figure 2: Identity Verification Policy Timeline and Sample Construction



Notes: This figure shows the timeline for the implementation of the Identity Verification policy. The horizontal axis measures the filing window start date, i.e. the date on which a company's confirmation statement date falls. Companies with a filing window start date before 4 November 2025 fall in the pre-policy period, during which directors were not yet required to verify their identity as part of their confirmation statement filing. Companies with a filing window start date between 4 November 2025 and 18 November 2025 fall within the 14-day donut window immediately preceding the mandate. Because these companies' filing windows straddle the 18 November 2025 cutoff, treatment status cannot be cleanly assigned from the filing window start date alone, and these observations are excluded from the estimation samples that are labelled as "donut" specifications (*). Companies with a filing window start date on or after 18 November 2025 fall in the post-policy period, in which directors were required to provide their Companies House personal code when filing their confirmation statement.

For results on ID verification for directors, we exclude companies whose confirmation statement date falls within the 14 days immediately preceding the cutoff. This exclusion is necessary, since the director identity verification requirement is triggered by the *filing* of the confirmation statement rather than by the opening of the confirmation statement filing window. Following the opening of the filing window, companies have a 14-day statutory period within which to file (see Figure 1). Consequently, a company whose 14-day filing window opens shortly before 18 November 2025 may nonetheless file on or after that date, thereby becoming subject to the new verification requirement despite having a confirmation statement start date that precedes the cutoff. As the start of the filing window approaches the cutoff, an increasing share of the window falls on or after 18 November 2025, so the probability of exposure to the new requirement rises smoothly rather than discontinuously in the days preceding the threshold. We apply the same exclusion when estimating avoidance responses at the company level, as the treatment is defined using the same cut-off date.

For the main results on directors and companies, we thus adopt a "donut" approach, excluding the companies in the 14 days immediately preceding 18 November 2025 for which exposure to the mandate is not cleanly defined, and focus the comparison on companies whose filing periods fall clearly before or clearly after the introduction of mandatory verification.⁵ We present results of all specifications including the whole sample of observations in the appendix.

The PSC verification requirement differs in that it is triggered directly by the date the confirmation statement window opens rather than by the filing date. A PSC's verification obligation is therefore determined at the moment the confirmation statement date is set, independent of when the associated filing subsequently occurs. As a result, a delay in filing does not retroactively bring PSCs whose confirmation statement date preceded 18 November 2025 within the scope of the new regime. Because there is no analogous channel through which filing behavior can affect treatment assignment for PSCs, the cutoff for this group remains sharp, and the donut exclusion

⁵To ensure that our estimates capture the discontinuity in identity verification and early filing rates at the cut-off, we impute the outcome values for the excluded 14-day window using information from the pre-cutoff period. We then estimate the treatment effect as the difference between the inferred outcome immediately before the cutoff and the estimated outcome immediately after the cutoff.

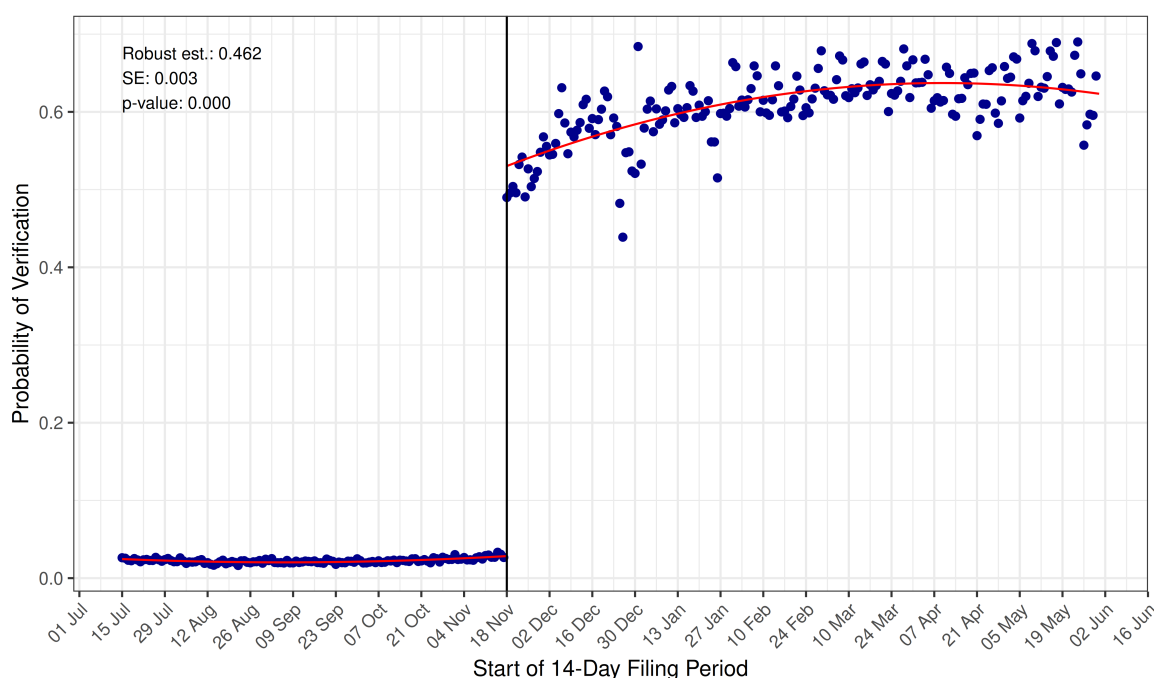
applied to the director sample is not required for the PSC analysis.

4 Early Estimates of Firm Responses to the Identity Verification Mandate

4.1 Compliance: Identity Verification

We first estimate how much the introduction of the mandate increased identity verification among affected PSCs and directors. We find a large and statistically significant effect for PSCs. Figure 3 shows that verification rates were below 5% throughout the pre-cutoff window, before jumping discontinuously to about 50% for companies on the right-side of the 18 November 2025 threshold. The RD estimate confirms that being subject to the mandate significantly increases the probability that a PSC has verified their identity by 46.2 percentage points as of July 2026.

Figure 3: Effect of ID Verification Requirement on Verification among PSCs



Notes: This figure plots the probability that a PSC (who is also a director) has verified their identity against the start of their 14-day filing period, relative to the 18 November 2025 cutoff. Solid lines show fitted values from a global quadratic polynomial estimated separately on each side of the cutoff. The RD estimate is instead estimated by local linear regression within an MSE-optimal bandwidth, with robust bias-corrected inference (Calonico et al., 2014), and should be interpreted as a local effect on a narrower window than shown here.

Available evidence suggests that UK companies with foreign PSCs and directors are more likely to show characteristics associated with fraud (Tax Policy Associates, 2025). Companies House similarly highlights the use of foreign nationals' personal details to potentially facilitate criminal activity (Companies House, 2024), while the ID verification of PSCs based overseas may be more difficult to enforce in practice because they are outside the UK's jurisdiction (UK Parliament, 2025). In the past, this has been exploited, for example, by companies who provided secretary and registration services to clients based predominantly in China. They created the false impression that their client companies had a UK presence, thereby operating outside anti-

money laundering rules. This attracted targeted enforcement action by Companies House (The Insolvency Service and Companies House, 2026).

To investigate heterogeneity in the effects of the identity verification mandate along this dimension, we further examine the results across different sub-samples. Appendix Table 2 first provides descriptive evidence on average identity verification rates by PSCs' country of residence. The results suggest substantial differences across countries. PSCs based in the UK have one of the highest verification rates, with more than 62% having completed identity verification. At the other end of the distribution, PSCs based in Pakistan, Morocco, Egypt, and China, among others, have verification rates below 50%. Appendix Table 3 shows estimates from the RD for different sub-samples of PSCs: UK PSCs, foreign PSCs, PSCs from tax havens and PSCs from China. We report China separately given its prior history of Companies House enforcement action. In addition, it is the country with one of the lowest verification rates according to Table 2 in the Appendix, while it accounts for a significant share of the foreign directors. The results show that the ID verification mandate had significant effects on the verification rates for PSCs across all sub-samples. The effect is largest for UK PSCs (47.1 pp), and smaller for foreign sub-groups: foreign PSCs overall (30.4 pp), PSCs from tax havens (39.9 pp), and PSCs from China (26.7 pp).

We find a smaller, though still large and statistically significant, effect for directors. The estimates in Table 4 in the Appendix indicate that being subject to the mandate significantly increases the probability that a director has verified their identity by 12.8-53.0 percentage points. It also shows that director verification rates rose gradually between 60 and 14 days before the 18 November 2025 cutoff, reaching approximately 20% just before the excluded donut window (see Figure 7 in the Appendix). This pattern is consistent with growing voluntary uptake of identity verification as companies' confirmation statement dates approach the mandate's introduction: voluntary verification had already been available for several months by this point, so directors whose confirmation statement date fell later in 2025 had more time for voluntary compliance before their next filing.⁶

Overall, these results indicate that the identity verification mandate produced a large and immediate compliance response among affected PSCs and directors. PSCs reacted sharply at the threshold, consistent with limited voluntary uptake and a clean discontinuity in treatment assignment. Directors show a combination of voluntary early compliance and a clear discontinuous increase once the requirements became binding.

4.2 Avoidance: Early Confirmation Statement Filing

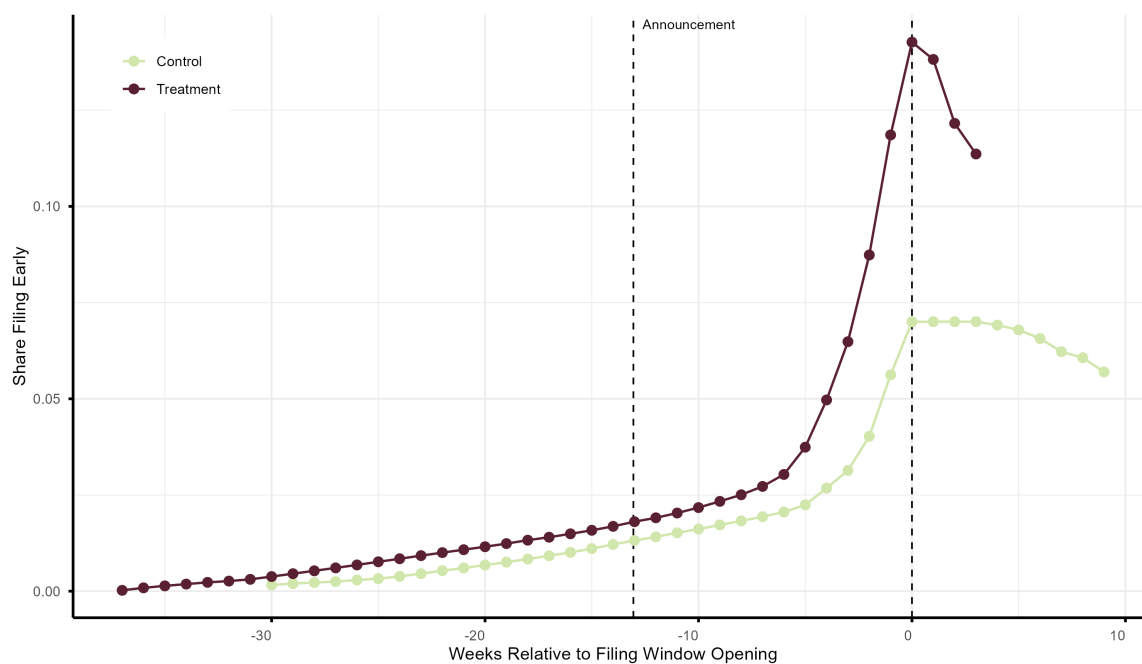
Beyond compliance, the mandate may have induced a second behavioral response: companies facing the new verification requirement could file their confirmation statement early before the start of their filing window. If this resulted in the confirmation statement being filed before the cutoff date of 18 November 2025 by companies who originally had their filing window after the cutoff, it allowed them to reset their confirmation statement cycle and defer identity verification by up to twelve months. Since early filing is legally permitted and costless, it represents an

⁶Voluntary identity verification became available on 8 April 2025, either directly through Companies House via GOV.UK One Login or through an Authorised Corporate Service Provider. The corresponding PSC-role verification service, by contrast, was still in early-stage testing as of mid-2025 and only became generally usable close to the November 2025 launch. This is why we do not observe a comparable pre-trend for the PSC-role outcome.

accessible avoidance strategy for any company whose confirmation statement period had not yet begun at the time of the policy announcement.

To investigate this potential avoidance response in reaction to the ID verification requirements, we first plot the share of companies filing their confirmation statement early, i.e. before the start of their filing window, across weeks relative to their filing window opening (Figure 4). We plot these shares separately for companies that fall on either side of the 18 November 2025 threshold. While early filing rates for the two groups of companies follow a similar trend until about 6 weeks before the filing window opens, they begin to diverge afterwards. Early filing rates increase for both groups as the filing window approaches, but the increase is substantially larger among companies subject to the identity verification requirement. To formally test the effect on the two groups, we estimate a difference-in-differences specification comparing early filing rates before and after the mandate's start date on 18 November 2025. This yields an estimate of 7.48 percentage points ($p < 0.001$) (see Table 9 in the Appendix), indicating that companies subject to the mandate are 7.48 percentage points more likely to file their confirmation statement before their filing window, relative to control companies, after the mandate took effect. This pattern is consistent with companies responding to the mandate by bringing forward their confirmation statement filings to postpone the identity verification requirements for the current filing cycle.

Figure 4: Early Confirmation Statement Filing Over Time

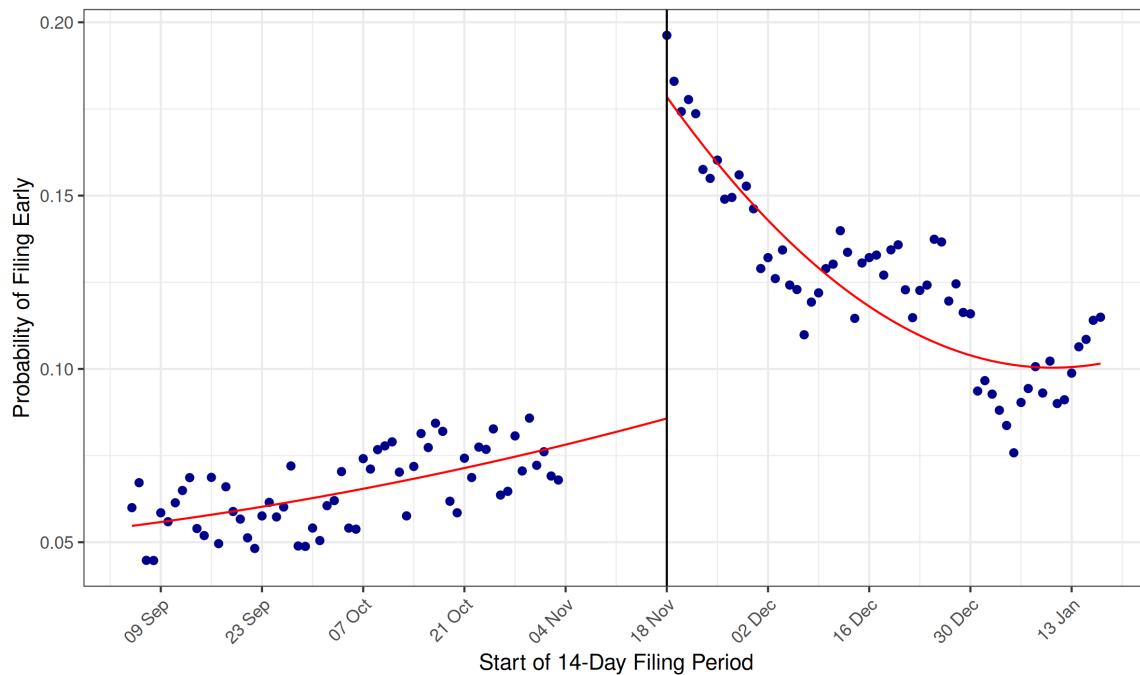


Notes: This figure plots the share of companies filing their confirmation statement early against event time, defined as weeks relative to the opening of each company's own 14-day filing window (event week 0). Treated companies are those whose confirmation statement due date falls on or after 18 November 2025 and are therefore subject to the identity verification requirement, control companies have a due date before this date. The vertical dashed line at event week 0 marks the opening of the filing window, the second vertical dashed line marks the policy announcement of 1 August 2025, converted to event time using the average filing-window opening date across companies, since this correspondence varies by company.

As filing windows are defined over different periods for the two groups of companies, we turn to the RDD to obtain causal estimates. Figure 5 plots the share of companies filing early according to the confirmation statement filing dates, for companies on either side of the cutoff. As for the

directors analysis, we exclude the observations in the 14 days immediately preceding the cutoff, as some companies will likely be exposed to the new verification requirements. While less than 10% of the firms file early before the 18 November 2025 threshold, this share jumps to more than 17% for companies whose confirmation statement period begins immediately after 18 November 2025.

Figure 5: Effect of ID Verification Requirement on Early Filing



Notes: This figure plots the probability that a company filed its confirmation statement early (i.e. before their confirmation statement start date) against the start of their 14-day filing period, relative to the 18 November 2025 cutoff. Solid lines show fitted values from a global quadratic polynomial estimated separately on each side of the cutoff. Observations within the 14-day “donut” window immediately preceding the cutoff are excluded from the estimation sample, as described in Section 3.

The RD estimate indicates that being subject to the mandate significantly increases the probability that a company files their confirmation statement early by 12.3 percentage points as shown in Table 1. To assess whether the main estimate is sensitive to methodological choices resulting from the “donut” design, we report the discontinuity under three variations of this design, differing in how the excluded window is handled and how the bandwidth is selected, alongside an additional specification that measures the effect without excluding the “donut” window. The estimated effect remains positive and statistically significant in all specifications, indicating that the result is not an artifact of any specific implementation choice. Additionally, Figure 8 in the Appendix presents the results of the RD including the 14-day period just before the cutoff. Consistent with some companies over this window being exposed to the new requirements, we observe a larger jump in the early filing rates at the 4 November 2025 threshold than at the 18 November 2025 cutoff.

Table 1: Regression Discontinuity Estimates: Effect of ID Verification Requirement on Early Filing

Specification	Conventional Estimate	Robust 95% CI	h	N Left	N Right	Eff. N Left	Eff. N Right
Asymmetric "Donut", Non-Recentered	0.123***	[0.204, 0.383]	25	679, 043	626, 906	114, 324	278, 210
Asymmetric "Donut", Recentered	0.126***	[0.121, 0.136]	7.289	679, 043	626, 906	83, 183	85, 190
Symmetric "Donut", Non-Recentered	0.081***	[0.296, 0.544]	25	679, 043	472, 005	114, 324	123, 309
Symmetric "Donut", Recentered	0.066***	[0.060, 0.078]	4.651	679, 043	472, 005	51, 511	56, 439
Non-"Donut"	0.054***	[0.048, 0.063]	5.594	679, 043	783, 255	62, 664	68, 499

Notes: The five rows report the same regression discontinuity design under five variations in how the estimation sample is constructed around the policy cutoff, grouped into an asymmetric-donut pair (rows 1-2), a symmetric-donut pair (rows 3-4), and a no-donut baseline (row 5). Rows 1-2 exclude observations from the two weeks immediately preceding the cutoff only (the control-side anticipation band). Rows 3-4 extend this to a symmetric two-week exclusion on both sides of the cutoff. Within each pair, the first row (1, 3) leaves the resulting gap in the running variable unadjusted, while the second row (2, 4) shifts the remaining observations on the affected side(s) to close the gap. Row 5 uses the full sample with no exclusion. All five rows use rdrobust with robust bias-corrected inference, a local-linear (order 1) specification, a triangular kernel, and a mass-points adjustment; rows 1 and 3 use a fixed bandwidth ($h=25$), while rows 2, 4, and 5 use MSE-optimal CCT bandwidth selection. The estimate reported is the conventional point estimate; the 95% CI, significance stars, and p-values use the robust bias-corrected inference. 95% CI in brackets. *** $p<0.01$, ** $p<0.05$, * $p<0.1$.

As for the ID verification results, we further investigate the avoidance response across different sub-samples in Table 5 in the Appendix. Though the results of the sub-samples have to be interpreted with caution due to their sensitivity to the selected bandwidth, the estimates indicate that early filing seems to be more prevalent among some company populations than others.

How many companies in aggregate managed to delay their ID verification by verifying early? As our regression discontinuity design only provides estimates for the area immediately around the verification mandate cutoff, we instead use a difference-in-differences specification to estimate average treatment effects on the treated (ATT) for a wider population. In Figure 9 in the Appendix, we calculate early filing rates for four separate periods (2022/23 until 2025/26) for both our treated and partially-treated groups we defined above (those with confirmation statement filing periods that started on or after November 4th, 2025) and all other companies, restricting our sample to two months on either side of our cutoff.⁷ We find an overall treatment effect of a 7.5% increase in early filing, with dormant companies slightly more likely to engage in early filing (8.78%) than other types. Taking this 7.5% increase and applying it to the population in the treatment window (442,000 firms) implies that at least 33,000 firms used early filing to delay their ID verification for another year. This is likely to be an underestimate, as it does not cover firms with windows beginning after January, which would also have an incentive to file before November 18th.⁸

5 Potential Weaknesses in Third Party Verification

The identity verification regime introduced under the ECCTA 2023 does not rely exclusively on verification conducted directly by Companies House. Individuals may also be verified by an Authorised Corporate Service Provider (ACSP), such as an accountant, solicitor or company formation agent. They provide an alternative route through which individuals can complete identity verification, since authorised agents such as accountants or solicitors can verify identity on

⁷We have to impose this restriction as we only have company data for early September in one of the periods we consider, preventing us from using earlier confirmation statement due dates.

⁸We would expect this incentive to be declining the further away the 14 day filing window is from Nov 18th, as the amount of extra time the strategy provides declines as the original filing window approaches November 2026.

behalf of clients if they are registered with Companies House and supervised for anti-money-laundering purposes. This channel is relevant because it may shape the quality of verifications. ACSPs conducting identity checks must apply the identity verification standard prescribed by Companies House, confirm that the person is who they claim to be and retain the underlying records. The ACSP route is intended to preserve access to professional intermediaries while ensuring that those intermediaries are identifiable, supervised and accountable for the quality of the checks they perform (UK Government, 2024).

This delegated model may increase the capacity and accessibility of identity verification. Companies and their officers frequently have existing relationships with accountants, solicitors and formation agents, and some individuals may find professional verification more convenient than the direct digital route. At the same time, delegation creates an additional layer of risk. The reliability of the register partly depends on the willingness and ability of ACSPs to apply the required verification standard consistently. This is especially relevant because ACSPs were brought into the ID verification regime in the same way as all other companies, having to verify their PSCs' and directors' identities within the same deadlines. As a consequence, a significant number of third party verifications were likely carried out by ACSPs who had not verified the identities of their own PSCs and directors at that point in time. Weaknesses among a small number of high-volume intermediaries could affect a large number of company records.

We therefore complement the causal estimates presented in the preceding section with a descriptive analysis of the emerging ACSP regime. We examine whether identity verification activity is concentrated among ACSPs with different observable risk profiles. This additional analysis helps characterize the emerging role of intermediaries in the new regime and assesses whether ACSP-based verification is concentrated among companies with higher-risk profiles. To do so, we construct a relative risk measure based on two administrative outcomes among companies previously associated with each provider. We classify a company as associated with a provider if it is registered at the same address as the ACSP. We exclude providers that share their registered address with another ACSP, to ensure that the matched address corresponds to the provider's own registered address.

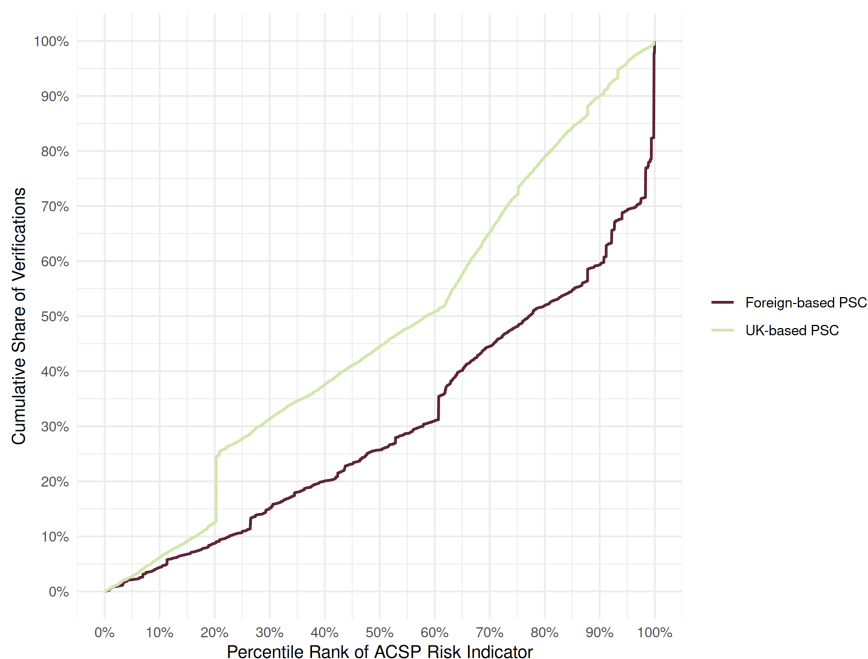
The first indicator is the share of associated companies that have been involuntarily struck off the Companies House register. Involuntary strike-off may occur for several reasons but is typically driven by instances where the company stops operating without informing the Registrar, or instances where Companies House has decided to remove the company due to misleading or false statements. Consequently, an unusually high share of struck-off companies may indicate that an ACSP is associated with many short-lived companies or companies with poor filing compliance. The second indicator is the share of associated companies that have been assigned a Companies House default address. A default address may be assigned where a company cannot continue to use its registered address or where the address does not meet the legal requirements. A high share of such cases may therefore indicate weaknesses in the address information submitted by companies associated with the provider. This is illustrated by an enforcement operation in which UK authorities struck off 11,500 companies from the register in 2025 for breaching registered office requirements, including one London address that had been used to register several thousand businesses with no actual presence there (National Crime Agency, 2025).

For each ACSP, we calculate the total number of distinct associated companies, the number that were involuntarily struck off and the number that received a default address. We then calculate

the proportion of associated companies displaying at least one of the two outcomes and convert this proportion into a percentile rank. This shows the relative position of each ACSP compared with all other providers, creating a composite risk score ranging from zero to one. A higher score indicates that the ACSP is associated with comparatively high shares of struck-off companies, companies with default addresses, or both. We then link the risk score to identity verification data and calculate the number of PSC verifications attributed to each provider, differentiating between PSCs residing in the UK and those residing in a foreign country. Separating by country of residence allows us to assess whether the concentration of verification activity across the ACSP risk distribution differs systematically between domestic and foreign beneficial owners, similar to the preceding analyses.

Figure 6 plots the cumulative share of ACSP-based PSC verifications against the percentile rank of the composite risk score, separately for UK-resident and foreign-resident PSCs. For UK-resident PSCs, verification activity is allocated relatively evenly across the risk distribution, with no strong concentration among the highest-risk ACSPs. The pattern for foreign-resident PSCs differs markedly. At the bottom of the distribution, the pattern is qualitatively similar to the UK case but at a slightly lower level. At the top of the distribution, however, the concentration is substantially larger. 40.7% of foreign-PSC verifications are conducted by ACSPs in the highest-risk decile, more than five times the corresponding UK share of 10.0%. This asymmetry suggests that foreign beneficial owners are disproportionately verified by a small number of high-risk ACSPs relative to their UK counterparts.

Figure 6: Cumulative PSC Verifications by ACSP Risk Percentile



Notes: This figure plots the cumulative share of ACSP-based PSC verifications against the percentile rank of the ACSP composite risk score. The risk score is constructed for each ACSP as the share of associated companies that were either involuntarily struck off following a proposal to strike off, or reassigned to the Companies House default address. ACSPs sharing a registered address with another ACSP are excluded, so that the address used to identify associated companies corresponds uniquely to the provider's own registered address.

These results do not establish any causal relationships, nor do they show that higher-risk ACSPs perform weaker identity checks. They show only where delegated verification activity is concentrated. However, the highest-risk decile is composed of ACSPs among which at least 22.6% of associated companies were either involuntarily struck off or reassigned to the Companies House default address. Consequently, an ACSP that combines a comparatively high-risk company portfolio with a large number of identity verifications may warrant closer supervisory attention because weaknesses in its procedures could affect many company records.

6 Policy Implications

The evidence in this note suggests that mandatory identity verification can substantially increase compliance, but also that the design of the transition to verification matters. The reform changed behavior on the intended margin: directors and PSCs became much more likely to verify once the mandate applied, although compliance is not yet perfect. At the same time, the early-filing response shows that companies also adjusted the timing of their actions strategically. This indicates that regulated actors respond to the precise design of compliance deadlines. Additionally, verifications that were conducted by third-party verifiers were slightly concentrated among those with higher-risk profiles. For beneficial ownership transparency to be effective, verification requirements must therefore be designed to reduce opportunities for delay, avoidance, and inconsistent enforcement.

Recommendation 1: Treat strategic early filing as a risk signal for enforcement efforts

The early-filing response documented in this note suggests that the companies most willing to avoid or delay identity verification may be precisely those that require closer scrutiny. Identity verification is intended to improve the reliability of the register, but its deterrent effect is weakened if firms can use procedural filing choices to delay exposure. Early filing identifies a subset of companies that actively adjusted their behavior around the mandate. Companies House should therefore not regard early filing around the implementation date as a neutral administrative event but rather as a risk signal for enforcement of the verification requirement. This does not mean that every company filing early should be presumed suspicious. Companies may have legitimate administrative reasons to file before the start of their filing period. However, when early filing occurs immediately before the start of a major transparency obligation, it provides observable evidence of strategic timing and should trigger closer monitoring.

Companies House should adopt a risk-based enforcement response. Companies that filed early after the implementation date became known should be flagged as a priority compliance cohort during the transition period. This group should receive targeted reminders, earlier compliance prompts, and closer scrutiny of subsequent changes in directors, PSCs, registered addresses, service addresses, ACSP involvement, or ownership structures. Where early filing coincides with other red flags, such as foreign corporate chains, repeated use of nominee-like individuals, high-volume officers, tax-haven links, or mega addresses, Companies House should prioritize these companies for verification checks and follow-up.

Recommendation 2: Monitor ACSPs as delegated verifiers

The ACSP regime creates an important second compliance channel. ACSPs can make identity verification more accessible, especially for companies that already rely on accountants, solicitors, or formation agents. This may increase compliance capacity and reduce administrative friction. However, delegating verification also creates a supervisory challenge, as the quality of identity verification should not depend on which intermediary performs it. The risk is not that ACSPs are inherently problematic but that delegated verification may create uneven standards if different providers apply different levels of diligence or vary in their willingness to reject questionable clients. If some ACSPs become known as easier channels for verification, the regime could reproduce one of the weaknesses of the previous system: formal compliance without consistent substantive scrutiny.

Companies House and AML supervisors should therefore monitor ACSPs as part of the integrity of the verification regime. This should include regular analysis of verification volumes by provider, rejection rates, error rates, links to companies with higher-risk characteristics, and unusual concentration of clients around particular ACSPs. Supervisors should also examine whether certain ACSPs disproportionately verify individuals connected to complex ownership structures, repeated service addresses, foreign corporate chains, or companies with prior compliance issues. At minimum, Companies House should track how many verifications are completed directly versus through ACSPs, how often ACSP-submitted information is queried or rejected, and whether risk indicators differ systematically between direct and intermediated verification. Verification standards should be uniform regardless of the route used. ACSPs should therefore be treated not only as service providers, but as gatekeepers whose performance affects the reliability of the register as a whole.

Recommendation 3: Complement identity verification with risk-based checks on suspicious ownership patterns

Identity verification is a major improvement over a purely self-reported register, but it is not equivalent to full beneficial ownership verification. It confirms that a listed person has verified their identity. However, it does not, by itself, prove that this person is the true beneficial owner, that they exercise genuine control, or that the ownership structure accurately reflects the economic reality of the company. A verified identity can still be used in a misleading ownership structure. For example, a verified person may act as a nominee, appear across an unusually large number of companies, be connected to companies with no clear economic activity, or sit within a chain involving offshore entities and opaque legal arrangements. Identity verification reduces the use of fictitious or stolen identities, but it does not eliminate the possibility that real, verified individuals are used to obscure control.

Companies House should therefore complement identity verification with systematic, risk-based checks. These checks should focus on patterns that are difficult to assess from a single filing but become visible across the register. Examples include individuals listed as directors or PSCs of unusually large numbers of companies, repeated use of the same service addresses, circular ownership structures, companies reporting no registrable PSC despite indicators of control, sudden changes in PSC status around compliance deadlines, and ownership chains involving high-risk jurisdictions or corporate entities that obscure control by natural persons. This would

move the regime closer to verified transparency in substance, rather than merely verified identity at the point of filing.

7 Conclusion

This note provides early quantitative evidence on how UK companies responded to the introduction of mandatory identity verification under the Economic Crime and Corporate Transparency Act. Exploiting the discontinuity created by the mandate's roll-out starting on 18 November 2025, we find that the requirement substantially increased compliance: PSCs who are also directors became 46.2 percentage points more likely to verify their identity, and directors became 12.8-53.0 percentage points more likely to do so, both effects significant at the 1% level. These estimates should be read as local effects for companies whose confirmation statement cycles placed them close to the roll-out threshold, capturing the immediate compliance response to the mandate rather than its full effect after the 12-month transition period.

Alongside this compliance response, we document a meaningful avoidance margin. Companies were 5.4-12.6 percentage points more likely to file their confirmation statement early in order to defer the point at which identity verification would become necessary. Taken together, these two results suggest that mandatory identity verification is effective at inducing compliance once it binds, but that its impact can be narrowed by companies actively timing their filings to defer exposure to the requirement by up to a year. Preliminary evidence further suggests that this avoidance response is not uniform across companies. Effects vary by officer subgroup and appear particularly pronounced among Chinese officers, a pattern that merits closer investigation in future work.

We also examine the delegated verification channel through ACSPs, who play a central gate-keeping role in the new regime. Verification activity is not evenly distributed across the risk profile of ACSPs. Providers in the highest decile of our composite risk score, based on the share of associated companies that have been struck off or assigned a default address, account for 40.7% of all ACSP verifications of PSCs based abroad, compared with 10.0% for PSCs based in the UK. This concentration does not necessarily mean that higher-risk ACSPs perform weaker checks. However, it does indicate that a meaningful share of delegated verification activity flows through providers whose associated companies exhibit weaker administrative outcomes. This pattern may warrant closer supervisory attention given the number of records a single high-volume provider can affect.

These findings speak directly to the broader shift in the UK's beneficial ownership regime, which previously relied on unverified public disclosure and now requires identity verification. The results indicate that this shift has a behavioral bite: reported compliance rose sharply once verification became mandatory, addressing one of the central weaknesses of the PSC register's first decade. At the same time, identity verification only confirms who is behind a company role, not whether that person is genuinely the company's ultimate beneficial owner, nor whether the ownership and control information filed alongside their identity is accurate.

The avoidance response we document, together with the concentration of delegated verification among higher-risk ACSPs, shows that the effectiveness of a verification mandate depends not only on the credibility of the identity check itself, but on the absence of low-cost margins through which companies can defer exposure to it, and on consistent application of the verification stan-

dard by the intermediaries responsible for carrying it out. As the transition period progresses, monitoring both compliance and avoidance margins, as well as their heterogeneity across officer characteristics and jurisdictions, will be important for assessing whether the ECCTA reforms close the gap between transparency in form and transparency in substance that characterized the PSC register's first phase.

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Appendix

Table 2: Average PSC ID Verification Rate Per Country

Country	N	Verification Rate	95% CI
Full Sample	2,741,723	61.2%	[61.2%, 61.3%]
Hong Kong	3,261	70.2%	[68.7%, 71.8%]
Singapore	1,834	69.0%	[66.9%, 71.1%]
United Kingdom	2,609,724	62.2%	[62.1%, 62.2%]
Portugal	2,168	62.0%	[59.9%, 64.0%]
Australia	2,751	59.9%	[58.1%, 61.7%]
Greece	1,282	58.2%	[55.5%, 60.9%]
Israel	1,135	58.1%	[55.3%, 61.0%]
Ireland	4,260	57.7%	[56.2%, 59.2%]
Netherlands	2,519	57.5%	[55.6%, 59.4%]
Cyprus	1,102	55.1%	[52.1%, 58.0%]
Switzerland	2,373	54.7%	[52.7%, 56.7%]
Poland	2,494	54.4%	[52.4%, 56.3%]
United States	7,332	53.6%	[52.5%, 54.8%]
Spain	4,219	52.2%	[50.7%, 53.7%]
South Africa	1,809	50.8%	[48.5%, 53.1%]
Italy	3,858	49.3%	[47.7%, 50.9%]
Belgium	1,379	48.4%	[45.8%, 51.1%]
France	6,309	46.6%	[45.4%, 47.9%]
Canada	1,709	46.2%	[43.8%, 48.5%]
Sweden	1,541	45.0%	[42.6%, 47.5%]
Germany	5,169	44.3%	[42.9%, 45.6%]
Ukraine	1,201	43.7%	[40.9%, 46.5%]
United Arab Emirates	4,567	43.5%	[42.1%, 45.0%]
Norway	1,415	37.9%	[35.4%, 40.4%]
China	19,393	35.9%	[35.2%, 36.6%]
Saudi Arabia	2,119	31.5%	[29.5%, 33.5%]
India	3,915	29.0%	[27.6%, 30.4%]
Turkey	5,825	26.9%	[25.7%, 28.0%]
Egypt	1,392	15.8%	[13.9%, 17.7%]
Morocco	2,323	13.3%	[12.0%, 14.7%]
Pakistan	5,937	13.0%	[12.2%, 13.9%]

Sample: PSCs matched to a director record, with confirmation statement due dates between 2025-12-02 and 2026-06-29. Raw (non-RD) mean of ID verification variable. Full Sample row shown first; country rows restricted to N>1000 and ordered by verification rate.

Table 3: Regression Discontinuity Estimates: Effect of ID Verification Requirement on Verification among PSCs

Specification	Estimate	95% CI	h	N Left	N Right	Eff. N Left	Eff. N Right
Full Sample	0.463***	[0.457, 0.467]	17.366	1, 616, 381	2, 741, 723	226, 281	234, 832
UK PSCs Only	0.471***	[0.466, 0.477]	18.141	1, 536, 476	2, 609, 724	231, 780	233, 852
Foreign PSCs	0.304***	[0.286, 0.315]	36.225	79, 729	131, 713	24, 073	23, 528
PSCs from Tax Havens	0.399***	[0.353, 0.432]	37.809	12, 372	21, 001	3, 706	3, 758
PSCs from China	0.267***	[0.230, 0.294]	49.471	11, 400	19, 393	4, 912	4, 680

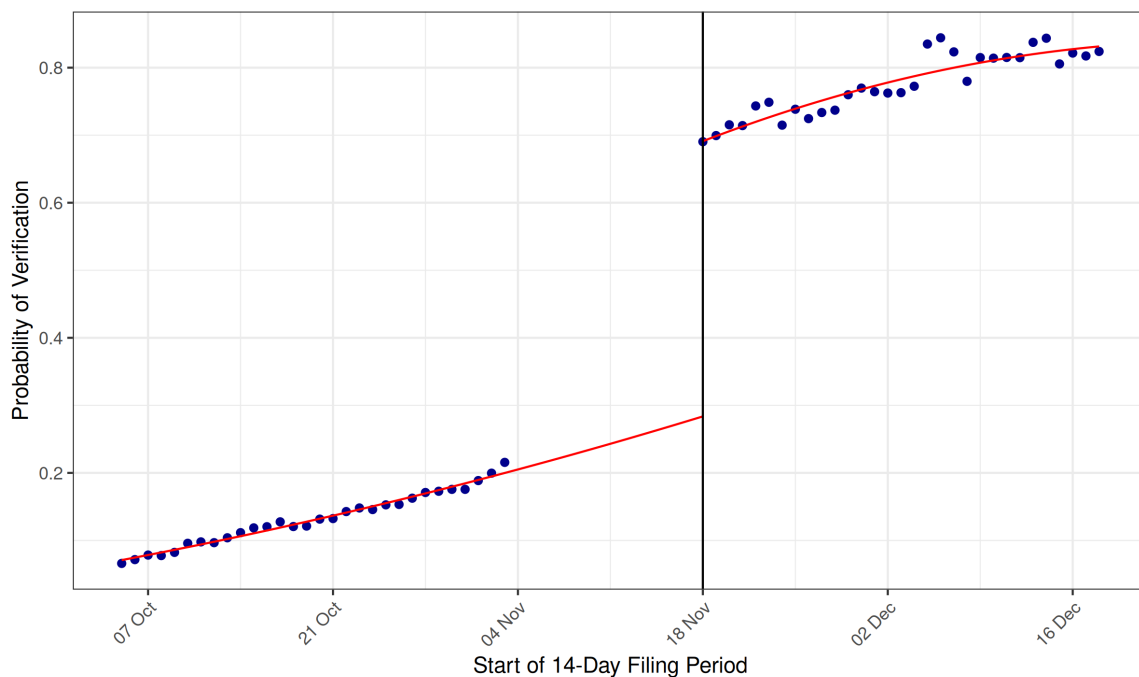
All specifications: rdrobust with robust bias-corrected inference, local-linear (order 1), triangular kernel, masspoints adjustment, MSE-optimal (CCT) bandwidth selection. Sample: PSCs matched to a director record. SE in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table 4: Regression Discontinuity Estimates: Effect of ID Verification Requirement on Verification among Directors

Specification	Conventional Estimate	Robust 95% CI	h	N Left	N Right	Eff. N Left	Eff. N Right
Asymmetric "Donut", Non-Recentered	0.384	[-0.045, 0.249]	25	633, 976	642, 344	215, 876	526, 324
Asymmetric "Donut", Recentered	0.461***	[0.437, 0.473]	3.268	633, 976	642, 344	67, 228	84, 227
Symmetric "Donut", Non-Recentered	0.363***	[-0.717, -0.336]	25	633, 976	349, 359	215, 876	233, 339
Symmetric "Donut", Recentered	0.530***	[0.504, 0.555]	2.654	633, 976	349, 359	40, 418	64, 984
Non-"Donut"	0.128***	[0.104, 0.152]	4.261	927, 623	642, 344	82, 973	104, 441

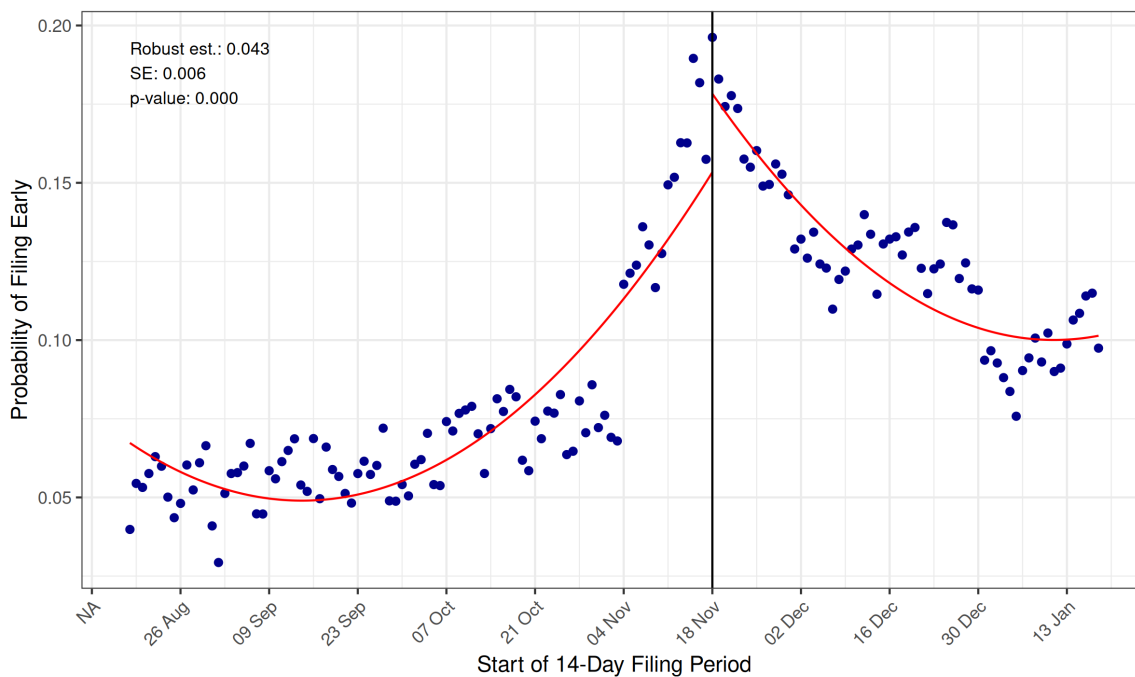
Notes: The five rows report the same regression discontinuity design under five variations in how the estimation sample is constructed around the policy cutoff, grouped into an asymmetric-donut pair (rows 1-2), a symmetric-donut pair (rows 3-4), and a no-donut baseline (row 5). Rows 1-2 exclude observations from the two weeks immediately preceding the cutoff only (the control-side anticipation band). Rows 3-4 extend this to a symmetric two-week exclusion on both sides of the cutoff. Within each pair, the first row (1, 3) leaves the resulting gap in the running variable unadjusted, while the second row (2, 4) shifts the remaining observations on the affected side(s) to close the gap. Row 5 uses the full sample with no exclusion. All five rows use rdrobust with robust bias-corrected inference, a local-linear (order 1) specification, a triangular kernel, and a mass-points adjustment; rows 1 and 3 use a fixed bandwidth (h=25), while rows 2, 4, and 5 use MSE-optimal CCT bandwidth selection. The estimate reported is the conventional point estimate; the 95% CI, significance stars, and p-values use the robust bias-corrected inference. 95% CI in brackets. *** p<0.01, ** p<0.05, * p<0.1.

Figure 7: Effect of ID Verification Requirement on Verification among Directors



Notes: This figure plots the probability that a director has verified their identity against the start of their 14-day filing period, relative to the 18 November 2025 cutoff. Solid lines show fitted values from a global quadratic polynomial estimated separately on each side of the cutoff. Observations within the 14-day “donut” window immediately preceding the cutoff are excluded from the estimation sample, as described in Section 3.

Figure 8: Effect of ID Verification Requirement on Early Filing (Non-Donut Version)



Notes: This figure plots the probability that a company has filed its confirmation statement before the start of its 14-day filing period, relative to the 18 November 2025 cutoff. Solid lines show fitted values from a global quadratic polynomial estimated separately on each side of the cutoff. The RD estimate is instead estimated by local linear regression within an MSE-optimal bandwidth, with robust bias-corrected inference (Calonico et al., 2014), and should be interpreted as a local effect on a narrower window than shown here.

Table 5: Regression Discontinuity Estimates: Effect of ID Verification Requirement on Early Filing

h	Estimate	SE	N Left	N Right	Eff. N Left	Eff. N Right
<i>Panel: Full Sample</i>						
20	0.166	(0.196)	856,915	637,312	62,664	221,545
25	0.123***	(0.046)	856,915	637,312	114,324	278,210
30	0.112***	(0.021)	856,915	637,312	170,225	327,796
35	0.106***	(0.013)	856,915	637,312	226,692	377,202
<i>Panel: UK Officers Only</i>						
20	0.182	(0.198)	794,796	583,472	57,713	203,537
25	0.127***	(0.046)	794,796	583,472	105,726	255,305
30	0.112***	(0.022)	794,796	583,472	157,589	300,466
35	0.105***	(0.013)	794,796	583,472	209,912	345,106
<i>Panel: Foreign Officers</i>						
20	-0.129	(1.020)	54,050	41,145	4,282	14,232
25	0.060**	(0.235)	54,050	41,145	7,429	18,072
30	0.116	(0.114)	54,050	41,145	10,925	21,501
35	0.124	(0.066)	54,050	41,145	14,511	24,919
<i>Panel: Officers from China</i>						
20	0.798	(3.995)	4,652	3,497	330	1,164
25	0.649**	(0.951)	4,652	3,497	624	1,511
30	0.446***	(0.460)	4,652	3,497	950	1,785
35	0.287***	(0.255)	4,652	3,497	1,301	2,006
<i>Panel: Officers from Tax Havens</i>						
20	-0.861*	(2.367)	13,074	9,989	1,035	3,533
25	-0.347***	(0.555)	13,074	9,989	1,759	4,419
30	-0.172***	(0.267)	13,074	9,989	2,549	5,264
35	-0.075***	(0.153)	13,074	9,989	3,387	6,104
<i>Panel: Mega Addresses</i>						
20	0.126*	(0.701)	96,697	72,771	6,969	24,904
25	0.079	(0.171)	96,697	72,771	12,923	31,597
30	0.081	(0.078)	96,697	72,771	19,317	37,309
35	0.083	(0.045)	96,697	72,771	25,734	42,919
<i>Panel: Dormant Companies</i>						
20	0.231	(1.330)	19,930	14,133	1,530	4,889
25	0.199*	(0.305)	19,930	14,133	2,754	6,171
30	0.161**	(0.146)	19,930	14,133	4,017	7,335
35	0.147***	(0.085)	19,930	14,133	5,330	8,418

All specifications: local-linear (order 1) regression, triangular kernel, masspoints adjustment, fixed bandwidth h in {20, 25, 30, 35}. Estimate is the conventional point estimate; SE, significance stars, and p-values use the robust bias-corrected inference. SE in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 6: Placebo Regression Discontinuity Estimates of Early Filing Outcome

Specification	Estimate	95% CI	h	N Left	N Right	Eff. N Left	Eff. N Right
Asymmetric "Donut", Non-Recentered	0.006	[-0.129, 0.036]	25	675,535	632,514	117,061	276,655
Asymmetric "Donut", Recentered	-0.015***	[-0.024, -0.009]	4.226	675,535	632,514	54,978	54,770
Symmetric "Donut", Non-Recentered	-0.040***	[-0.511, -0.306]	25	675,535	476,627	117,061	120,768
Symmetric "Donut", Recentered	-0.015***	[-0.024, -0.008]	3.946	675,535	476,627	39,010	43,962
Non-"Donut"	-0.016***	[-0.023, -0.011]	6.642	675,535	788,245	74,671	79,061

Note: Confirmation statement due dates are sourced from the July 2024 snapshot and filing dates from the July 2025 snapshot, and the cutoff is shifted back one year to Nov 18, 2024. The five rows report the same regression discontinuity design under five variations in how the estimation sample is constructed around the placebo cutoff, grouped into an asymmetric-donut pair (rows 1-2), a symmetric-donut pair (rows 3-4), and a no-donut baseline (row 5). Rows 1-2 exclude observations from the two weeks immediately preceding the cutoff only (the control-side anticipation band). Rows 3-4 extend this to a symmetric two-week exclusion on both sides of the cutoff. Within each pair, the first row (1, 3) leaves the resulting gap in the running variable unadjusted, while the second row (2, 4) shifts the remaining observations on the affected side(s) to close the gap. Row 5 uses the full sample with no exclusion, defining the cutoff at the 04 November 2024 filing-period start date rather than the 18 November 2024 due date used in rows 1-4. All five rows use rdrobust with robust bias-corrected inference, a local-linear (order 1) specification, a triangular kernel, and a mass-points adjustment; rows 1 and 3 use a fixed bandwidth ($h=25$), while rows 2, 4, and 5 use MSE-optimal CCT bandwidth selection. The estimate reported is the conventional point estimate; the 95% CI, significance stars, and p-values use the robust bias-corrected inference. 95% CI in brackets. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

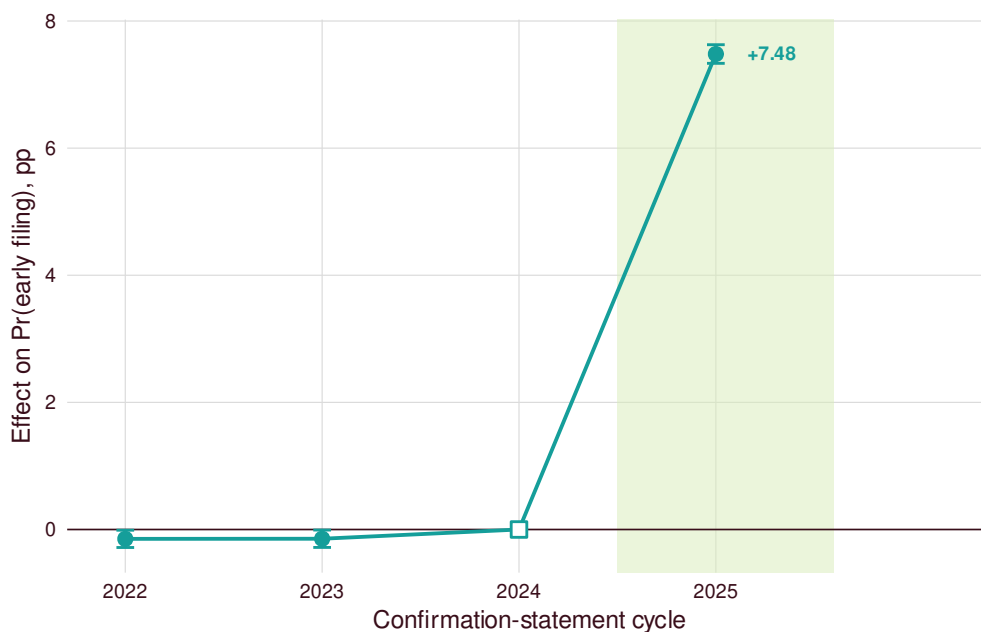
Table 7: RDD Balance Test: Financial Covariates by Accounts Category

Outcome	Accounts category	RD coefficient	Robust SE	p-value	Missing (%)	N (control)	N (treatment)
Number of employees	FULL	-20.32	42.639	0.634	35.300	3,938	4,605
Number of employees	GROUP	116.62	240.746	0.628	7.500	1,969	2,246
Number of employees	MEDIUM	-37.21	87.595	0.671	8.100	239	235
Number of employees	MICRO ENTITY	0.06	0.065	0.356	31.800	89,035	85,015
Number of employees	SMALL	-1.15	3.216	0.722	32.400	3,551	4,006
Number of employees	TOTAL EXEMPTION FULL	0.72*	0.326	0.026	24.900	74,369	74,791
Number of employees	UNAUDITED ABRIDGED	0.69	1.001	0.490	23.300	9,385	9,489
Net assets (GBP)	AUDIT EXEMPTION SUBSIDIARY	17,485,761.45	12,103,687.000	0.149	2.800	2,281	2,274
Net assets (GBP)	DORMANT	-1,486.51	3,443.919	0.666	10.100	45,044	43,546
Net assets (GBP)	FULL	-52,735,605.22	34,089,650.000	0.122	1.300	6,183	6,858
Net assets (GBP)	GROUP	70,741,906.77*	28,697,742.000	0.014	0.100	2,122	2,433
Net assets (GBP)	MEDIUM	-5,430,685.25	5,151,255.000	0.292	0.400	259	255
Net assets (GBP)	MICRO ENTITY	9,833.44**	3,737.460	0.009	2.500	126,797	122,199
Net assets (GBP)	SMALL	390,419.91	1,070,689.000	0.715	1.200	5,137	5,919
Net assets (GBP)	TOTAL EXEMPTION FULL	73,601.19*	29,826.600	0.014	1	97,494	99,090
Net assets (GBP)	UNAUDITED ABRIDGED	7,158.25	50,062.260	0.886	0.600	12,184	12,262
Turnover (GBP)	FULL	-41,636,422.84**	15,079,921.000	0.006	26.800	4,635	5,029
Turnover (GBP)	GROUP	21,481,205.42	38,738,307.000	0.579	7	1,967	2,272
Turnover (GBP)	MEDIUM	633,494.94	6,915,202.000	0.927	10.500	235	227
Profit before tax (GBP)	FULL	-9,096,669.29*	4,004,253.000	0.023	7.900	5,774	6,385
Profit before tax (GBP)	GROUP	-984,363.92	3,821,190.000	0.797	3.900	2,042	2,337
Profit before tax (GBP)	MEDIUM	213,057.79	832,317.900	0.798	6.600	246	236
Positive net assets (=1)	AUDIT EXEMPTION SUBSIDIARY	-0.01	0.056	0.845	2.800	2,281	2,274
Positive net assets (=1)	DORMANT	0.00	0.010	0.694	10.100	45,044	43,546
Positive net assets (=1)	FULL	-0.02	0.070	0.817	1.300	6,183	6,858
Positive net assets (=1)	GROUP	0.11	0.063	0.081	0.100	2,122	2,433
Positive net assets (=1)	MEDIUM	-0.07	0.064	0.269	0.400	259	255
Positive net assets (=1)	MICRO ENTITY	0.01	0.011	0.637	2.500	126,797	122,199
Positive net assets (=1)	SMALL	0.03	0.043	0.528	1.200	5,137	5,919
Positive net assets (=1)	TOTAL EXEMPTION FULL	0.01	0.012	0.480	1	97,494	99,090
Positive net assets (=1)	UNAUDITED ABRIDGED	0.05	0.030	0.130	0.600	12,184	12,262
Positive profit before tax (=1)	FULL	-0.08	0.051	0.117	7.900	5,774	6,385
Positive profit before tax (=1)	GROUP	0.20*	0.091	0.030	3.900	2,042	2,337
Positive profit before tax (=1)	MEDIUM	0.19	0.265	0.464	6.600	246	236

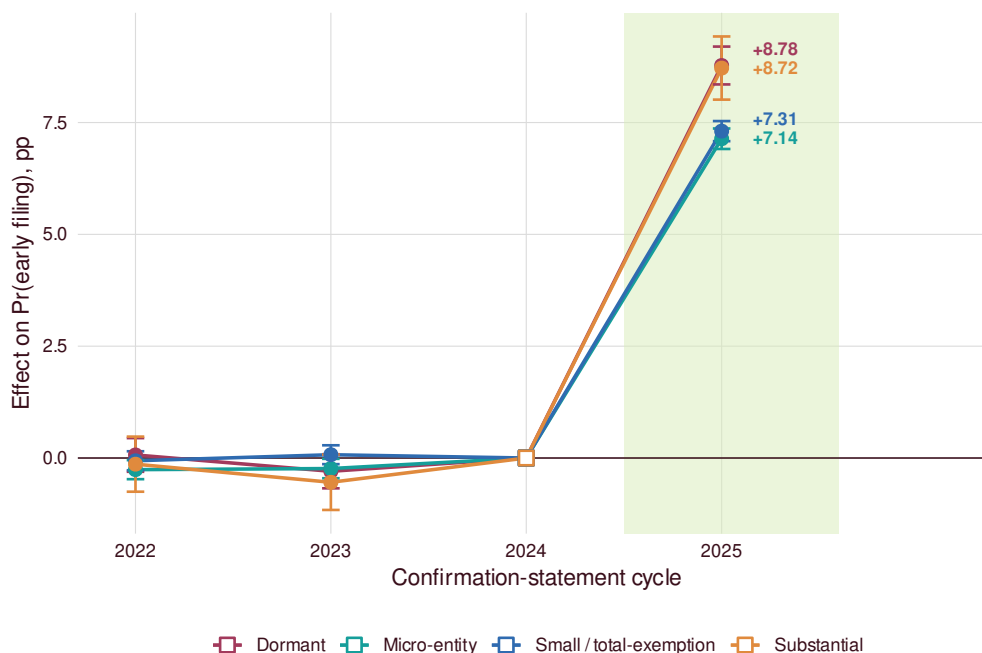
Note: Financial covariates winsorized at the 1st/99th percentile within accounts category before estimation. RD coefficients estimated using rdrobust with robust bias-corrected standard errors and masspoints adjustment. Only categories with total $n \geq 500$ and variable missingness $\leq 40\%$ within category are included. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Figure 9: Effect of ID Verification Requirement on Early Filing Rates: difference-in-difference results

(a) All companies



(b) By company size



Notes: This figure plots the event study coefficients from the estimate of the ID verification requirement on the probability that a company files its confirmation statement early. The sample are 940,000 firms that existed in each of the following Companies House snapshots: 2022-09-01, 2023-08-01, 2024-07-01, 2025-07-01 and 2026-07-01 (the ones closest to July of every year that we could retrieve from Companies House), and have a confirmation statement window starting within 60 days of November 4th, 2025, as measured in July, 2025. For each period, we calculate the following: a variable = 1 if, between snapshot t and the next snapshot $t + 1$, the company files its confirmation statement *early*, that is, before the start of its scheduled filing window. Our sample is divided into the following: treated firms are those whose confirmation statement filing window started on or after Nov 4, 2025 (including both the fully and partially-treated units), and control units are those whose filing window started before this point. Treatment begins in the 2025/2026 cycle, so that the event study measures the relative difference in the probability of early filing between the two groups, the former being affected by the ID verification mandate. Panel (a) shows the event study estimates for the entire sample and Panel (b) runs the same estimation separately for companies of different sizes: dormant, micro, small/exemption (partial/total exemption full/small and abridged) and substantial (medium, group and full accounts). * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$