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# Beneficial Ownership – Obligated Entities, and access to the Central Register

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16 November 2022

Gouvernement d'Jèrri

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# Beneficial ownership: Developing a resilient policy

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# Beneficial Ownership – Resilience (1)

- Long term development of beneficial ownership policy – Jersey has been involved in developing every international standard in this area by the FATF and the OECD. It has also been a story of policy development over 30 years
- Key Milestones:
  - 1989 Establishment of the Jersey Central Register of Company Beneficial Ownership
  - 1999 POCL - all crimes approach
  - 2003 TCSPs supervised
  - 2015 MONEYVAL evaluation
  - 2016 Exchange of Notes with UK  
Direct access to FIU - 2016
  - 2017 Beneficial ownership refresh



# Beneficial Ownership – Resilience (2)

## Key Milestones:

- 2020 - Disclosure and provision of information law
- 2021 - Digitalised Registry
- 2022 - Registry Supervision
  - Direct Access to more agencies
  - Obligated Entities access consultation



# Beneficial Ownership – Resilience (3)

- Key Jersey now operates a four-prong approach (in accordance with international best practice as set out by the FATF):

|   |  |
|---|--|
| <b>Regulation of TCSPs:</b><br>In place since 2003 –<br>regularly improved and<br>monitored<br>– thematic reviews published | <b>Disclosure and Provision<br/>of Information Law:</b><br>- Nominated person required<br>in Jersey, 21 day update<br>- and annual<br>confirmation statement |
| <b>Money Laundering Order<br/>Obligations</b><br>In place since 2008<br>– apply to all FIs and DNFBPs                       | <b>Companies Registry<br/>Supervision</b><br>In place since 2022<br>– risk based at entity level   |



# Beneficial Ownership – Resilience (4)

In June 2019 Jersey, together with the Isle of Man and Guernsey, made a commitment to enable public access to Jersey's register of beneficial ownership of companies:

*“4. We are committed to the following staged approach:*

*During 2021, to work collaboratively with the EU on the interconnection of the Islands' central registers of the beneficial ownership of companies with the registers in the EU. This is part of existing political commitments made by each of us to the EU to ensure that, on a reciprocal basis, legal and beneficial ownership information can be shared with EU designated competent authorities and Financial Intelligence Units (FIUs).*

*To **enable access to our central registers of beneficial ownership of companies to obliged entities for due diligence purposes** as soon as reasonably practicable following this interconnection referenced in (a) above and, in any event, before the end of 2022.*

...



# Beneficial Ownership – Resilience (5)

“

...

*The EU is due to publish an Implementation Review of the 5th AMLD in January 2022. Within 12 months of that publication, we will each bring forward to our own parliament legislative proposals to establish public access to beneficial ownership data of companies held on a central register, in line with the principles of the EU’s 5th AMLD.*

*5. In order to develop and implement the legislation referenced in 4(c) above, we will be informed by global best practice including the progress being made in EU Member States to introduce processes to verify, vet and regulate trust and company service providers and the submission of beneficial ownership information.”*



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# Obligated Entities Access – consultation and potential amendments

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# Obligated entities: Consultation and responses (1)



- Consultation proposed a phased approach to access – which remains the intention
- The following fields be made available to obligated entities:
  - a) Full name**
  - b) Full date of birth**
  - c) Country of residence**
  - d) Nationality**
  - e) Full extent of beneficial owner or controller information held (eg percentage/nature)**
  - f) Residential address**
- The Consultation noted the sensitivities concerning residential address
- Access will be permitted for obligated entities where CDD is required to be conducted on island
- Definition of “obliged entity” aligned to the FATF definitions of “Financial Institution” and “Designated non-financial businesses and professionals” (“DNFBPs”).
- May be delivered in phases depending on operational delivery through the Companies Registry.
- Questions around Nominated Person being notified of access
- Questions around reason for access and sanctions for unlawful use

# Obligated entities: Consultation and responses (2)



Consultation ran 14<sup>th</sup> October to 7<sup>th</sup> November 2022 - 8 responses received

Main themes:

- Security of data
- Potential confusion between obliged entity and obliged person (MLO definition)
- Generally supportive of some kind of notification being sent to Nominated Person when information accessed
- Compliance with data protection legislation

Next steps:

- Continue to analyse feedback and work with JFSC/Registry on a workable solutions
- Prepare legislation
- Phased approach
- Access ensuring appropriate levels of security
- Introduction of offences/further deterrents
- Continue to work with CDs on approach