



Beneficial Ownership Working Group Report

Version 1.0

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1 Introduction

Corporate transparency and the accessibility of beneficial ownership and controller information has become a leading topic on the international business registry agenda. New regulations on anti-money laundering and the counter financing of terrorism require jurisdictions to increase the level and veracity of information, held centrally, and made available to obliged entities. This has a common and significant impact to ECRF members, many of which are responsible for the establishment and administration of the national beneficial ownership registers.

The European Parliament has adopted the Fourth EU Anti-Money Laundering Directive (EU 2015/849) (AMLD4), a law that will oblige European Union (EU) Member States to maintain central registers detailing the beneficial owners of companies. The directive took effect on 26 June 2015 and must be transposed into the national law of member states by 26 June 2017.

The registers of beneficial ownership that will be established as part of the new regulations will be accessible to the appropriate authorities; to 'obliged entities' such as financial institutions and counter crime agencies; and to others who can demonstrate legitimate reasons for access to the information.

Beyond the scope of AMLD4, the governments of the United Kingdom, Overseas Territories and Crown Dependencies recognise the importance of the provision of beneficial ownership information to prevent and detect corruption, money laundering and the finance of terrorism. In a collaborative initiative, they have signed arrangements to facilitate the timely, safe and secure access for tax and law enforcement authorities to beneficial owner and controller information.

In order to meet the requirements of the arrangements with the United Kingdom, the participating jurisdictions need to establish a central register of beneficial ownership and control that is adequate, current and accurate. Unrestricted and automatic access to the register must be provided to UK tax and law enforcement agencies with requests for information being serviced within one hour in certain situations.

1.1 ECRF Working Group

The ECRF Beneficial Ownership Working group was established to provide a forum for the ECRF members to exchange knowledge, experience and to discuss the common challenges faced with establishing and providing access to the beneficial ownership registers.

In order to capture and exchange valuable information, the working group has undertaken a consultation process with the participating members to better understand the underlying policy and technical issues faced within each jurisdiction. The consultation process was facilitated through a participant questionnaire.

The purpose of this document is to present the analysis and results from the working group questionnaire.

1.2 Objective

The purpose of the consultation was to capture information regarding the national beneficial ownership programmes of work. The objective is to produce a report that can be used as an implementation asset. The report should help to support decision making and benchmarking and further international discussion to address challenges at a national level.

1.3 Participation

A detailed questionnaire was prepared and distributed to all Working Group participants in April 2017. The following ECRF members have participated in the questionnaire.

	Czech Republic		Liechtenstein
	Denmark		Lithuania
	Estonia		Luxembourg
	Finland		Netherlands
	Gibraltar		Norway
	Ireland		Romania
	Italy		Sweden
	Jersey		United Kingdom
	Latvia		

We would like to thank all Working Group members for their contributions and responses to the questionnaire; and to the contributors of this report including Julian Lamb, Wanda Adam, Vito Giannella, Kevin Kerrigan and Paul Kerrigan.

1.4 Key Findings

An overview of the key findings are provided within this section. Further analysis, along with an individual synopsis for each participant is provided later within the report.



2.65

Average number of beneficial owners and controllers expected per legal entity

Volume of beneficial owners and controllers expected to change on an annual basis

6.7%



26%

Average volume of foreign beneficial owners anticipated

By the end of 2018, $\frac{3}{4}$ of members will have commenced Beneficial Ownership data collection

75%



TOP 3 Challenges



82%

Respondents indicated that achieving timely legislative amendments is a challenge



71%

Respondents indicated that the aggressive implementation timeline is a challenge



59%

Respondents indicated that it is a complex task for public/industry to determine their beneficial owners and controllers

2 Questionnaire

2.1 Scope

The purpose of the questionnaire was to collect information from ECRF members regarding their national programmes of work to establish central registers of beneficial ownership and control. The information collected within the questionnaire was then analysed and presented in this report for use by the ECRF Members, specifically the ECRF Beneficial Ownership Working Group.

The aim of the report is to present the experience of the different member jurisdictions; the challenges encountered and the outstanding issues that need to be addressed.

2.2 Questions

The questions specified in the distributed questionnaire were categorised under the following headings:

Status	<p>Status update of the beneficial ownership project by estimating the following milestone dates:</p> <ol style="list-style-type: none"> 1. Required national legislative amendments in place 2. Commencement of beneficial ownership data collection 3. Central register of beneficial ownership is adequate, current and accurate <p>Participants were asked to list the corporate and legal entities in scope; and to indicate what reporting channels will be available for the submission of beneficial owner information to the central register.</p>
Project Overview	<p>These questions related to an overview of the beneficial ownership project including the:</p> <ul style="list-style-type: none"> ➤ organisation responsible for the beneficial ownership central register ➤ number of Government organisations involved ➤ number of project participants (persons) ➤ estimated implementation cost ➤ number of live corporate and legal entities in scope ➤ estimated number of beneficial owners ➤ percentages through the various reporting channels ➤ volume of beneficial owner changes annually
Policy	<p>This section included policy questions relating to which entities were responsible for updating the register; what measures would be undertaken to endure the quality and integrity of the data; what measures would be taken to vet the beneficial owners; what volume of foreign beneficial owners are anticipated, and what challenges these present.</p>
Challenges	<p>These questions refer to the challenges experienced during the implementation of the central register of beneficial ownership.</p>
Definitions	<p>Participants were asked to provide their local definitions of terms in the context of beneficial ownership.</p>

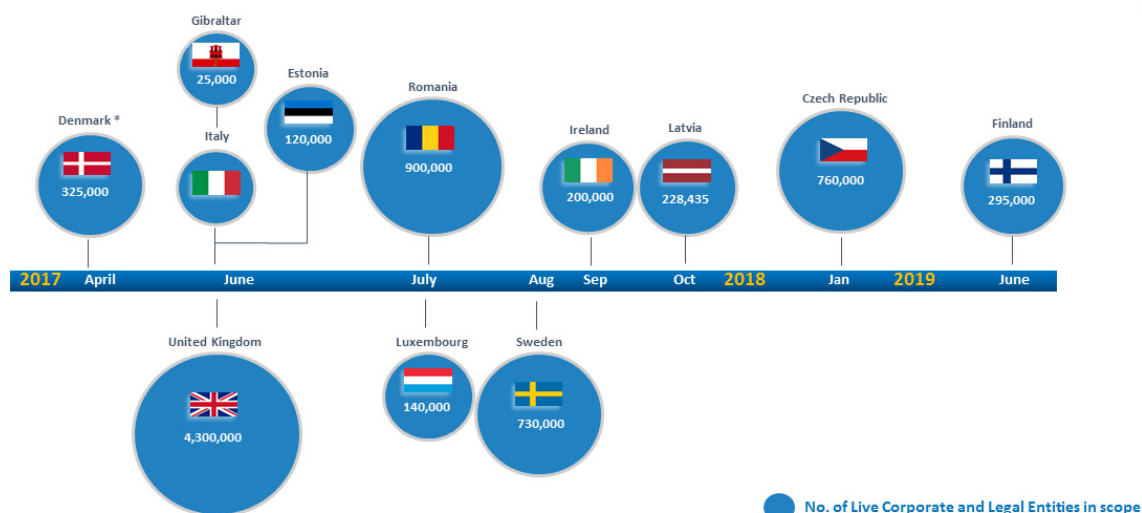
3 Beneficial Ownership Register Status

In order to gauge the current status and progress that jurisdictions have made in the establishment of a central register of beneficial ownership, participants were asked to supply the following milestones or timescales of delivery:

- Timeline for required national legislative amendments to be in place
- Timeline for the commencement of beneficial ownership data collection
- Timeline in which the central register of beneficial ownership is adequate, current and accurate.

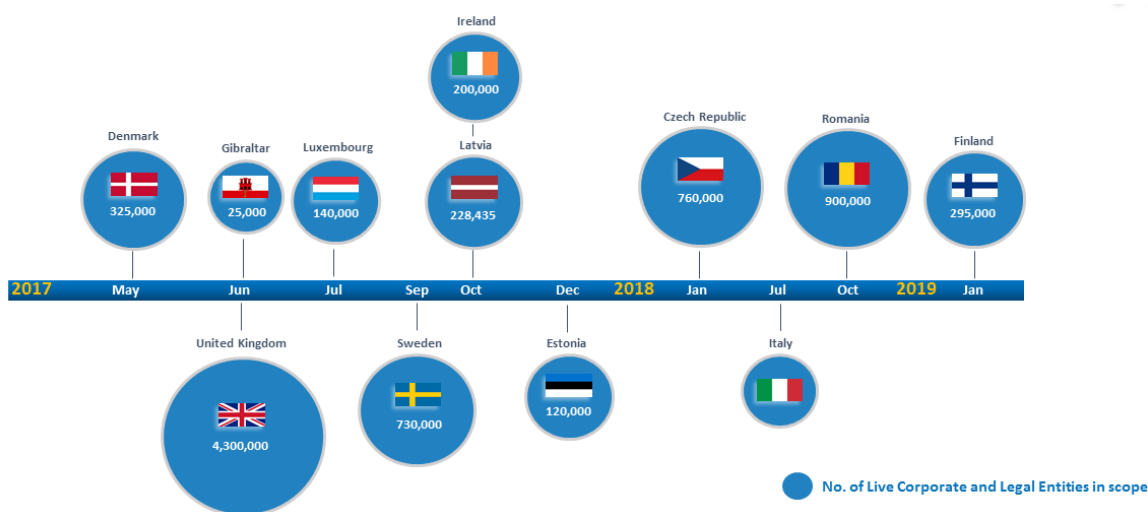
The provided milestone dates have been aggregated and are represented in the following sections.

3.1 Legislative Amendments Passed



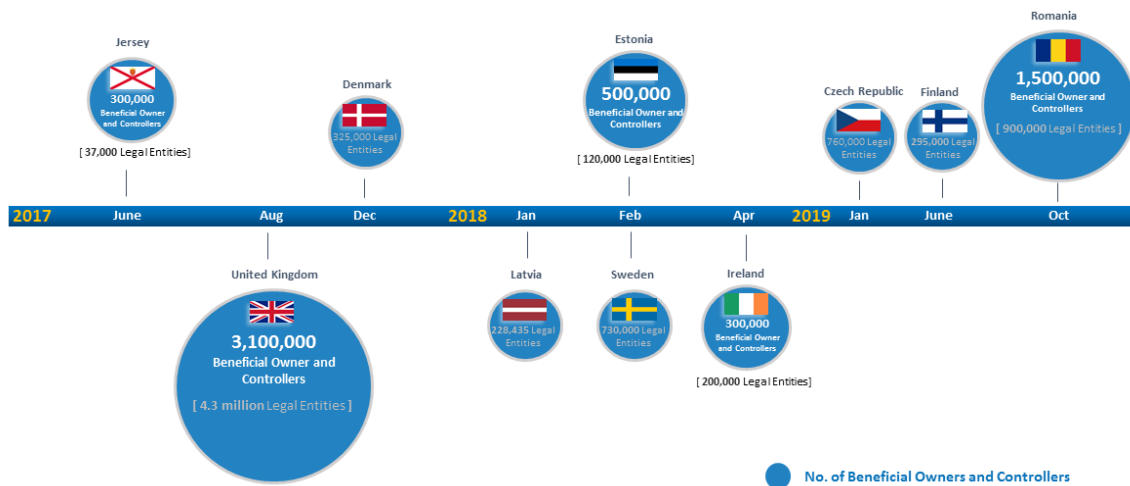
Timeline for required national legislative amendments to be in place

3.2 Data Collection Commences



Timeline for the commencement of beneficial ownership data collection

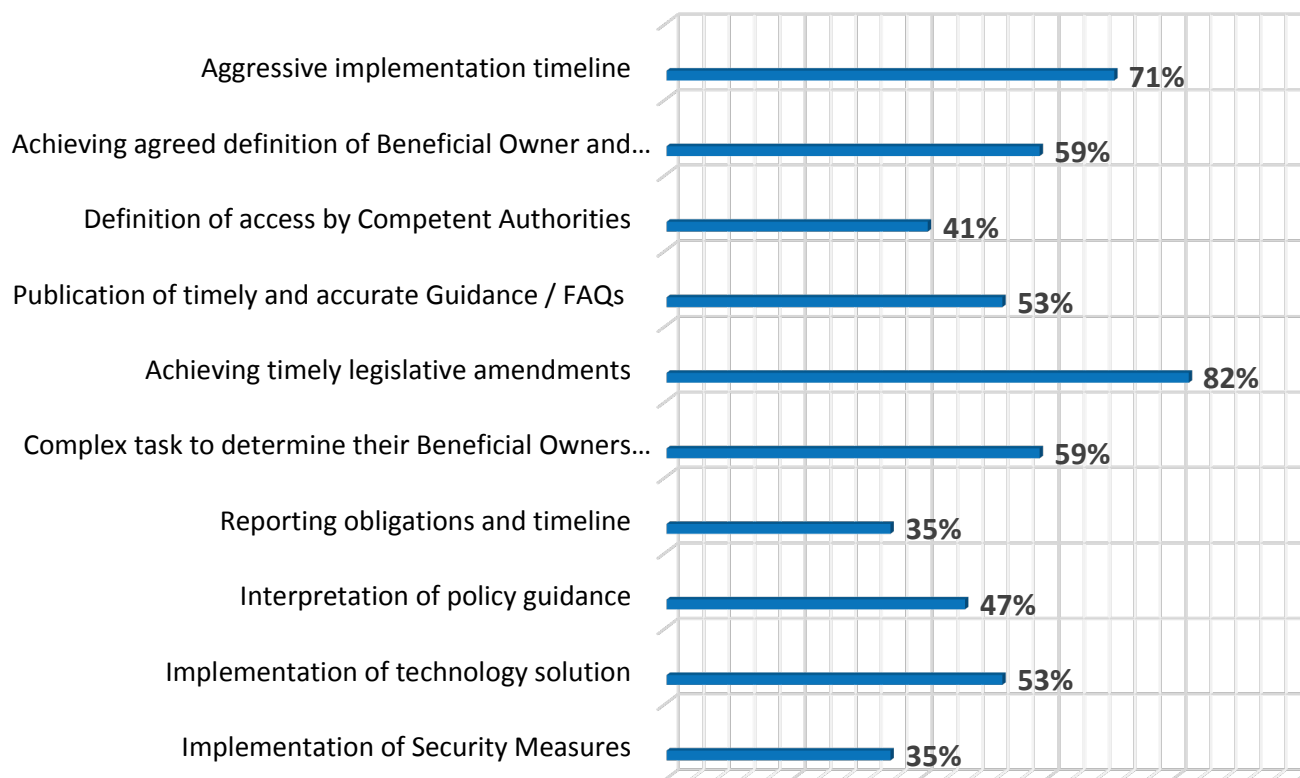
3.3 Current and Accurate Registers



Timeline in which the central register of beneficial ownership is adequate, current and accurate

4 Implementation Challenges

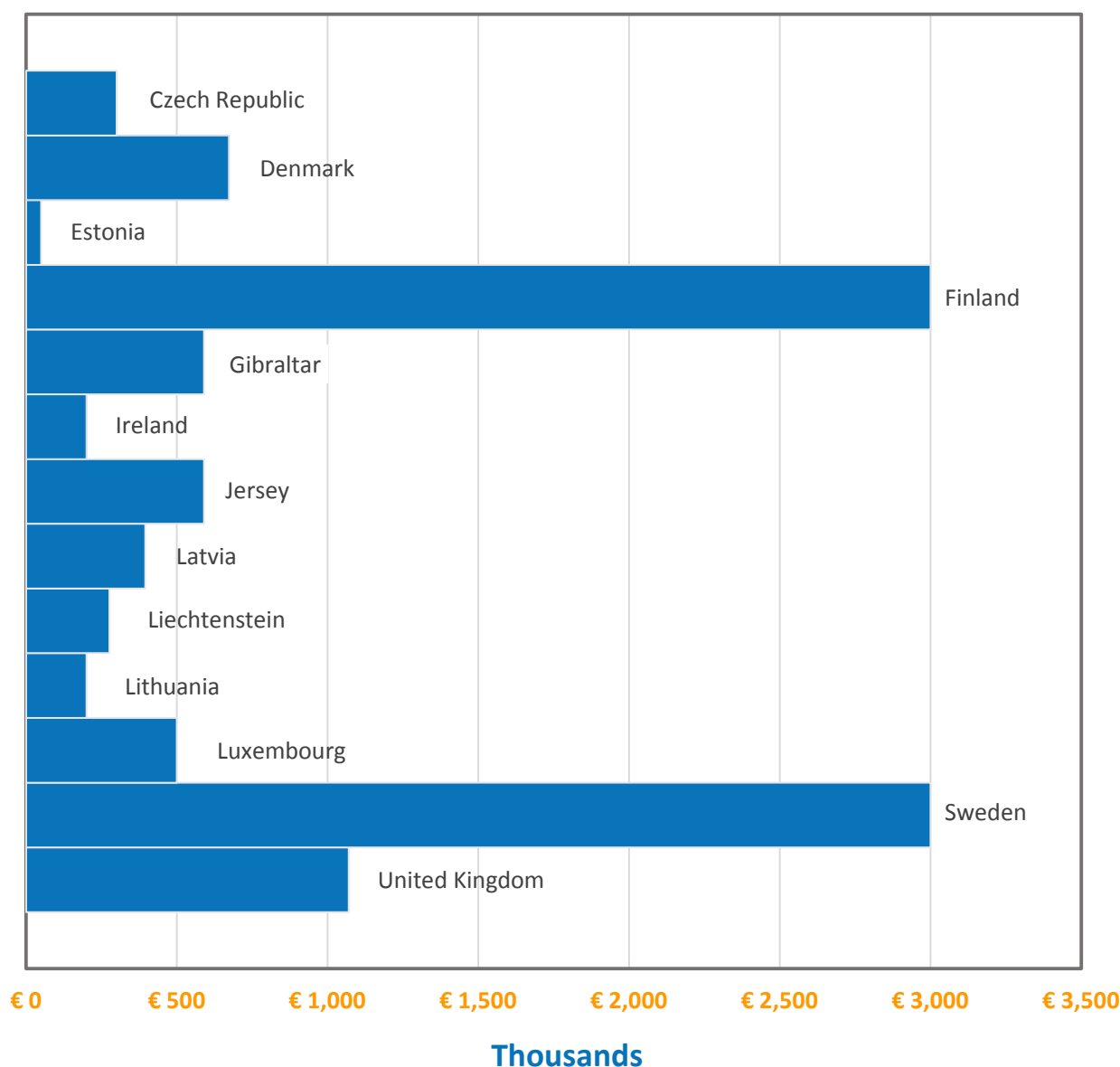
The vast majority of respondents indicated that the most challenging activities associated with the implementation of the central register of beneficial ownership is the aggressive implementation timeline; and the challenge of achieving the required national legislative amendments within a timely manner.



Implementation Challenges - Central Register of Beneficial Ownership and Control

5 Implementation Costs

The majority of participants provided the estimated costs associated with the implementation of the central register. The provided figures have been converted to Euro for comparison. The figures are provided for indication purposes only as a detailed cost specification was not undertaken.




Implementation Costs - Central Register of Beneficial Ownership and Control

6 Definitions


Participants were requested to provide local definitions for the following terms in the context of beneficial ownership information, central registers and the provision of access to such information:



1. Beneficial Owner
2. Controller
3. Politically Exposed Person
4. Competent Authority
5. Legitimate Interest / Obligated Entities


The definition responses are grouped by jurisdiction in the following tables:


 Czech Republic	
Beneficial Owner	<p>Beneficial owner shall mean a natural person having factual or legal possibility to realize directly or indirectly decisive influence in legal person, trust or other legal arrangement. It shall be considered that according to conditions stipulated in first sentence the beneficial owner is</p> <p>a) for a business corporation a natural person, who</p> <ol style="list-style-type: none"> 1. alone or in connection with other persons acting in concert with the natural person handle more than 25 per cent of voting rights of the business corporation, or has more than 25 per cent share in ordinary stock, 2. alone or in connection with other persons acting in concert with the natural person controls person stipulated in point 1, 3. should be recipient of at least 25 per cent of profit of business corporation, or 4. is a member of a statutory body, representative of legal person in such body and/or in position similar to member of statutory body if there is no beneficial owner or it is not possible to determine it in accordance to point 1 to 3, <p>b) for an association, public service company, owners association, church, religious society or other legal person under the Act regulating position of churches and religious society a natural person, who</p> <ol style="list-style-type: none"> 1. handle more than 25 per cent of its voting rights, 2. should be recipient of at least 25 per cent of distributed funds, or 3. is a member of a statutory body, representative of legal person in such body and/or in position similar to member of statutory body if there is no beneficial owner or it is not possible to determine it in accordance to points 1 and 2, <p>c) for a foundation, institute, trust or other legal arrangement a natural person or beneficial owner of legal person, who is in a position of</p> <ol style="list-style-type: none"> 1. a founder, 2. a trustee, 3. a beneficiary,

	<p>4. a person in whose interests was the foundation, institute, trust or other legal arrangement established or is functioning, if the beneficiary is not determined, and</p> <p>5. a persons allowed to maintain supervision on administration of the foundation, institute, trust or other legal arrangement.</p>
Politically Exposed Person	<p>Politically exposed person shall mean</p> <p>a) a natural person, who is or was in a prominent public function with nation-wide or regional responsibilities, such as a head of State, a head of government, a minister and deputy or assistant minister, a member of parliament, a member of governing bodies of political parties, a leading representative of local government, a member of Supreme court, a Constitutional court and other high-level judicial body, decisions of which are not subject to further appeal, except in exceptional circumstances, a member of central bank board, high-ranking military officer, a member or representative of a member which is a legal person of statutory body of state-owned business corporation controlled by the State, an ambassador or chargé d'affaires, and/or a natural person, who is or was in similar function in other state or in European Union body and/or in international organisation,</p> <p>b) a natural person who is</p> <ol style="list-style-type: none"> 1. a person known to be a close associate to the person stipulated in para a), 2. a natural person who is associate or beneficial owner of the same legal person, trust or legal arrangement as a natural person stipulated in para a) or who is known to be in any other close business relations with a natural person stipulated in para a), or 3. who is a beneficial owner of legal person, trust or legal arrangement which is known to the obliged subject to have been set up for the de facto benefit of a person stipulated in para a).
Competent Authority	<p>List of the subjects (authorities) that will have access to the beneficial ownership registry:</p> <ul style="list-style-type: none"> • courts for court proceedings purposes, • law enforcement authorities for criminal proceedings purposes and to Public Prosecutor's offices also for other than criminal purposes, • administrators of taxes, fees and other similar monetary performance for the purposes of exercising their administration, • intelligence agency for the purposes of fulfilling the objects according to the act that governs intelligence agencies, • Financial Analysis Office, Czech National Bank and other bodies if they perform activities within the scope of the Act on Measures against Legalization of Proceeds from Offences and Financing of Terrorism or the Act on Carrying Out of International Sanctions imposed for the purpose of maintaining international peace and security, protecting fundamental human rights and fighting terrorism, • Czech National Bank if it performs a supervision over persons operating on the financial market and also if it performs activities within the scope of the Act on Recovery and Resolution in the Financial Market,

	<ul style="list-style-type: none"> • National Security Authority, Ministry of the Interior or an intelligence agency for the purposes of a security administration according to an act that governs the security of secret information and security capacity, • Supreme Audit Office for the purposes of exercising its responsibilities according to other another legal regulation, • obliged entities according to the Act on Measures against Legalization of Proceeds from Offences and Financing of Terrorism in respect of performing a client identification and check, • state financial aid provider according to the Financial control act, • managing authority, intermediate body, certifying authority and auditing authority for the purposes of exercising their responsibilities according to the Regulation (EU) No 1303/2013 of the European Parliament and of the Council, • paying agency and certification body for the purposes of exercising their responsibilities according to the Regulation (EU) No 1306/2013 of the European Parliament and of the Council, • anyone who is entitled according to another statute. • Public procurement Act entitles contracting authority and Office of Fair Trading.
Legitimate Interest /Obligated Entities	Legitimate interest is interest in connection with prevention from offences Participation, Negligent Participation, Money Laundering, Money Laundering out of Negligence, predicative offences of mentioned offences, and offence Terrorist Attack according to the sec. 311 par. 2 third alinea of the Criminal Act (40/2009 Coll.) [that means offence financing terrorism].
 Estonia	
Beneficial Owner	As defined in Directive 2015/849
Politically Exposed Person	As defined in Directive 2015/849
Competent Authority	No specific definition. The competent authorities are considered to be: FIU, Tax and Customs Board, Police and Border Guard Board, Prosecutors Office, the courts, FSA.
Legitimate Interest / Obligated Entities	<u>Obligated entities:</u> credit institutions; financial institutions; organisers of games of chance; persons who carry out or act as intermediaries in transactions with real property; traders for the purposes of the Trading Act, if a cash payment of more than 10 000 euros or an equal amount in another currency is made to the trader, regardless of whether the financial obligation is performed in the transaction in a single payment or in several linked payments, unless otherwise provided by law; providers of virtual currency services providers of custodian wallet services for virtual currencies

	<p>pawnbrokers;</p> <p>persons engaged in the buying-in or wholesale of precious metals, precious metal articles or precious stones, except precious metals and precious metal articles used for production, scientific or medical purposes;</p> <p>auditors and providers of accounting services;</p> <p>providers of accounting or tax advice services;</p> <p>providers of trust and company services;</p> <p>non-profit associations and foundations for the purposes of the Non-profit Associations and Foundations Act, if a cash payment of more than 5 000 euros or an equal amount in another currency is made to them, regardless of whether the financial obligation is performed in the transaction in a single payment or in several linked payments, unless otherwise provided by law.</p> <p>notaries, attorneys, enforcement officers, bankruptcy trustees, interim bankruptcy trustees and providers of other legal services</p> <p>providers of services of cross-border transfer of cash and securities</p> <p>registrar of securities if it organises opening securities accounts and provides services relating to register operations without mediation by an account administrator.</p> <p>Central Bank of Estonia (as far as it provides certain services)</p>
 Finland	
Beneficial Owner	Definition follows the definition stated in the Directive
Politically Exposed Person	A person that is or has acted in a public position of a: head of state, minister, deputy minister, member of the parliament, member of a governing body of a political party, member of the highest courts, constitutional court or equivalent to these....ETC.
Competent Authority	Finnish Patent and Registration office regarding Beneficial Owners. Other competent authorities in other roles of supervision stated in the Money Laundering Act are: Financial Supervisory Authority, National Police Board and Southern Finland's Regional State Administrative Agency.
Legitimate Interest / Obligated Entities	Co-operative, Foundation, General partnership, Housing company, Insurance company, Limited liability company, Limited partnership, Mutual insurance company, Private trader, Tenant-owners' society, Associations, Co-operative bank, Savings bank, Insurance association, Public limited company, European economic interest group, European company (SE), Mortgage society, European Co-operative, Foreign Trust
 Ireland	
Beneficial Owner	<p>The Department of Finance's draft Statutory Instrument (SI) states as follows:</p> <p>"Beneficial owner" has the meaning given to it by the portion of the Directive's definition of "beneficial owner" relevant to these Regulations, that is to say – point (6)(a) of Article 3 on the Directive</p>

Competent Authority	<p>The Department of Finance is drafting an SI that deals with the setting up of a central register of beneficial ownership of companies and industrial & provident societies. It is proposed that the SI will limit access to data on this Register to FIUs and state competent authorities only.</p> <p>It is proposed that the definition of “State competent authorities” in the SI is a state competent authority under section 62 of the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (see below).</p> <p>62.— (1) In this Part, a reference to a State competent authority is a reference to one of the following competent authorities:</p> <p>(a) the Central Bank and Financial Services Authority of Ireland;</p> <p>(b) the Minister for Justice & Equality;</p> <p>(c) such other competent authority as is prescribed (see below).</p> <p>The Property Services Regulatory Authority is also a State competent authority under the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (Competent Authority and State Competent Authority) Regulations 2016 (S.I. No. 453 of 2016).</p> <p>In Ireland, the FIU is embedded within the Garda National Economic Crime Bureau (GNECB – formerly the GBFI or Garda Bureau of Fraud Investigation).</p>
Legitimate Interest / Obligated Entities	It is proposed that this SI will restrict access to data in the central register to FIUs and state competent authorities only in the first phase. There are no definitions for Legitimate Interest / Obligated Entities in the SI therefore.
 Italy	
Beneficial Owner	Natural person, other than the client, in whose interest the ultimate relationship is established, the professional performance is given or the operation is carried out. In the event that the customer is not a natural person, beneficial owner is the natural person(s) who, ultimately, owns or exercises direct or indirect control over the customer;
Politically Exposed Person	There is a long list in Italian draft law. In synthesis: all natural persons who occupy or have occupied important public office, their parent and relatives and natural person with whom they have strict relationship.
Competent Authority	"Competent Authorities": Ministry of the Economy and Finance, supervisory authorities of the sector, the Financial Information Unit for Italy, the Anti-Mafia Investigation Directorate, the Financial policy,
Legitimate Interest / Obligated Entities	A very long list of entities. In synthesis: bank, credit institutions; financial institutions; natural or legal persons acting in the exercise of their professional activities: auditors, external accountants and tax advisors; notaries (for some transaction); estate agents; other persons trading in goods to the extent that payments are made or received in cash in an amount of EUR 10 000 or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked; providers of gambling services.

 Netherlands	
Beneficial Owner	The definition in our draft bill is 'any natural person(s) who ultimately owns or controls a corporate entity or legal person'.
Politically Exposed Person	<p>Our current definition in our Money Laundering and Terrorism Financing (Prevention) Act is 'a person as referred to in article 2, first paragraph, of Commission Directive 2006/70/EC'.</p> <p>As said, we're currently in the process of implementing the provisions of AMLD4 in our anti-money laundering legislation. We do not have a new definition yet, but we plan on defining a PEP according to article 3 AMLD4.</p>
Legitimate Interest /Obligated Entities	<p>-Legitimate interest: not applicable</p> <p>-Obligated entity (unofficial translation of our Money Laundering and Terrorism Financing (Prevention) Act):</p> <p>1°. a bank as referred to in Article 1:1 of the Financial Supervision Act and registered pursuant to Article 1:107 (2) (a), under (1°) to (4°) inclusive of that Act;</p> <p>2°. a financial institution as referred to in Article 1:1 of the Financial Supervision Act;</p> <p>3°. an enterprise, not being a bank or financial institution, that performs activities listed in Article 14 of Annex I to Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast) (OJ L 177);</p> <p>4°. a money transfer office as referred Article 1:1 of the Financial Supervision Act to the extent that this office conducts money transfers as referred to under (a) and (c) of the definition of money transfer in that Article;</p> <p>5°. a life insurer as referred Article 1:1 of the Financial Supervision Act, with the exception of a life insurer that conducts solely the business of a funeral service insurer as referred to in that Article;</p> <p>6°. an investment firm as referred to in Article 1:1 of the Financial Supervision Act;</p> <p>7°. an investment institution as referred to in Article 1:1 of the Financial Supervision Act;</p> <p>8°. a financial service provider as referred to in Article 1:1 of the Financial Supervision Act to the extent that this provider acts as an intermediary in life insurance;</p> <p>9°. a branch in the Netherlands of a financial enterprise as referred to under (1°) to (8°) inclusive, (20°) or (22°) with its registered office outside the Netherlands;</p> <p>10°. a trust service provider as referred to in Article 1 (a) of the Supervision of Trust Offices Act;</p> <p>11°. a natural person, legal person or company that performs independent autonomous professional activities such as forensic accountancy in the capacity of an external chartered</p>

	<p>accountant or external accounting consultant, or a natural person, legal person or company to the extent that they perform comparable independent autonomous activities in another professional or business capacity;</p> <p>12°. a natural person, legal person or company that provides advice or assistance as a lawyer, civil-law notary or junior civil-law notary or in the course of a comparable legal profession in a independent autonomous professional or business capacity in connection with:</p> <ul style="list-style-type: none"> a. the purchase or sale of registered property; b. the management of money, securities, coin, banknotes, precious metals, precious stones or other valuables; c. the incorporation or management of companies, legal persons or similar bodies as referred to in Article 2 (1) (b) of the State Taxes Act; d. the entire or partial purchase or sale of an enterprise in so far as the person who does not qualify as the ultimate beneficial owner of the enterprise becomes the ultimate beneficial owner of the enterprise; e. activities in the tax area that are comparable with the activities of the professional groups referred to under (11°); f. establishing a right of mortgage on registered property; <p>13°. a natural person, legal person or company acting as a lawyer, civil-law notary or junior civil law notary or in the course of a similar legal profession in the name and at the expense of a client in any form of financial transaction or immoveable property transaction;</p> <p>14°. an intermediary as referred to in Article 62 of the Commercial Code, insofar as this intermediary provides brokerage services in the establishment and conclusion of agreements on immovable property and rights attached to immovable property;</p> <p>15°. a seller of goods acting in the course of a business or profession, insofar as payment for these goods is made in cash for an amount of €15,000 or more and regardless of whether the transaction is completed in one operation or in several related operations;</p> <p>16°. a natural person, legal person or company operating a casino within the meaning of Article 27g (2) of the Betting and Gaming Act in the course of a business or profession;</p> <p>17°. a natural or legal person belonging to a category of professions or businesses to be designated by an Order in Council;</p> <p>18°. a payment service agent as referred to in Article 1:1 of the Financial Supervision Act;</p> <p>19°. a natural person or legal person that in the performance of the payment services as referred</p>
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	<p>to in Article 1:1 of the Financial Supervision Act acts on the account of a payment service provider with a registered office in another Member State that possesses a licence to conduct the business of payment service provider issued by the supervisory authority of that Member State;</p> <p>20°. a payment service provider as referred to in Article 1:1 of the Financial Supervision Act;</p> <p>21°. a natural person, legal person or company that makes an address or postal address available in a professional or business capacity;</p> <p>22°. an electronic money institution as referred to in Article 1:1 of the Financial Supervision Act in so far as the institution carries out transactions other than those referred to in Article 1:5a (2) (k) of that Act;</p> <p>23°. a natural person, legal person or company that performs independent autonomous professional activities in the capacity of a tax consultant, or a natural person, legal person or company to the extent that they perform comparable independent autonomous activities in another professional or business capacity;</p> <p>24°. a natural person or legal person that carries out valuations of immovable property and rights attached to immovable property in the course of the performance of the profession or business;</p> <p>25° . ICBE as referred to in article 1.1 Financial Supervision Act;</p> <p>26° . Pawn shop as referred to in article 131, under (a), of Book 7 of the Civil Code.</p>
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Romania

Beneficial Owner	Real beneficial owner means any natural person who ultimately owns or controls the customer and / or the individual on behalf of or in the interest of which a transaction, operation or activity is directly or indirectly made.
Controller	Is not defined in the Directive or the term "controller" requires more clarification.
Politically Exposed Person	Politically exposed persons are individuals who exercise or have exerted important public functions.
Competent Authority	Authorities with responsibilities in the area of prevention and combating money laundering, associated predicate offenses and terrorism financing at national level: National Office for the Prevention and Combating of Money Laundering, Criminal Investigation Bodies Related to Money Laundering / Terrorist Financing Crime, established according to Legislation, autonomous administrative authorities and public or private institutions with regulatory role, sectoral oversight and control of reporting entities, national intelligence services, public institutions and

	information structures, the courts competent to hear cases relating to the commission of the offense Money laundering or terrorist financing.
Legitimate Interest /Obligated Entities	Law no. 677/2011 establishes the conditions for legitimacy regarding the processing of data, stating that any processing of personal data, with the exception of processing referring to data from the categories mentioned in art. 7 par. (1) (personal data relating to racial or ethnic origin, of political beliefs, religious, philosophical or similar beliefs, of trade union membership, as well as personal data concerning the state of health or sexual life), art. 8 (personal numeric code or other personal data having a identification function with general applicability) and art. 10 (personal data relating to the commission of criminal offenses by the data subject or to criminal convictions, safety measures or administrative or contravention sanctions, applied to the data subject), may only be made if the data subject self explicitly and unambiguously consented to that processing.



Sweden

Beneficial Owner	According to the directive
Controller	We have not defined anything other than the beneficial owner. And according to the directive one can have "Beneficial ownership" through control.
Politically Exposed Person	Out of scope for Swedish legislation
Competent Authority	Not defined in detail, Swedish Tax authority, Police, Financial inspection, etc.
Legitimate Interest /Obligated Entities	The information in the register will be open to the public in terms of searching on a legal person. The obliged entities will be treated as public in the short run. Possible with API-solutions later on.



United Kingdom

Beneficial Owner	In the UK we use the term person with significant control (PSC). This covers both ownership and control. The criteria are as follows: <ul style="list-style-type: none"> • A person holds, directly or indirectly, more than 25% of shares in a company • A person holds, directly or indirectly, more than 25% of voting rights in a company • A person holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of a company • A person has the right to exercise, or actually exercises, significant influence or control over a company • Right to exercise significant influence or control over a trust or firm (where trust or firm would be a PSC, were it an individual)
Controller	See above
Competent Authority	Our definition is as per Article 30 of 4MLD. We interpret them as domestic only. In the UK, these authorities are HMRC, Financial Conduct Authority,

	Prudential Regulation Authority, Serious Fraud Office and Treasury. They're included in the list of Specified Public Authorities in Schedule 2 the People with Significant Control Regulations 2016.
Legitimate Interest /Obligated Entities	As per Article 30 of 4MLD. Obligated entities will be able to access all information on the public register, without needing to demonstrate a legitimate interest.

7 Questionnaire Synopsis

This section provides a synopsis of the individual questionnaire responses provided by the participant jurisdictions. Any 'definitions' provided as requested in round 2 of the questionnaire are not included in this section and are listed in section 6.



Summary

According to the amendment to Act. No. 304/2013 Coll. (the Public Registry Act), which was adopted in November 2016, the Register of the beneficial owners will be constituted. This register will be functional as of 1 January 2018. All registered corporations and other legal entities and trusts will be required to provide information on their beneficial ownership to the Register. Since the Register has not been in work yet, there is no practical experience with the usage of the mentioned Register. At this moment, we are dealing with implementing legislation and creating the system of the Register (including the issue of accessing the non-public register).

Legal Entities

Join-stock company, limited liability company, limited partnership, unlimited partnership, cooperative, association, foundation, endowment fund, institute, association of unit owners.

Project Overview



The Register will be maintained by register courts, administrator of the system of register will be Ministry of Justice. No organization will be responsible for control.



Government Organisations involved in project: mainly Ministry of Justice and Financial Analytical Office



5 people have been participating on legislative acts



Implementation Costs: €300,000 plus €80,000 per annum



Approximately 760,000 live corporate and legal entities in scope

Milestones



Required national legislative amendments are in place



Beneficial Ownership data collection commences



* Central register is adequate, current and accurate

*1st Jan 2019 for Business Corporations
1st Jan 2021 for other Entities

Reporting Channels



Paper



e-filing

Policy

- Czech Republic has an agreed definition of Beneficial Owner
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- Adequacy, accuracy and currency of registered data depend on the activity of registered entities (legal persons and trusts). The register court does not investigate whether the natural person designated as the beneficial owner is in fact the beneficial owner (however, legal person has to file documents from which follows who the beneficial owner is).
- The vetting process of beneficial owners consists only of confirmation of an existence of designated natural person. There is no other formal or material control of provided data.
- In case of registration of a new company (and in case of change of information on registered company), the register court checks if the submitted information results from documentation, which has to be attached to the application.
- Penalties: Law does not impose fines or other sanctions regarding the Register – no sanctions on registered person or beneficial owners for omission to file/wrong filing the Register; despite that, secondary negative effects (for the registered person) of wrong filing the register could be identified. Firstly, false (not true) data could enhance the interest of FIU, which could start to investigate the subject. Secondly, for example in case of public procurement criminal consequences could arise when the legal person obtains the contract as a result of wrong/false filing the evidence.

Access:

- The evidence is designed as non-public (part of the information held in the evidence will be accessible to the person or organization that can demonstrate a legitimate interest in connection with AML). The direct access will be provided to competent authorities (state agencies, obliged entities according to AML Act etc.).
- Generally, the beneficial ownership information will be (directly) accessible for competent authorities via internet application. Information on beneficial ownership will be displayed immediately. The (limited) access based on demonstrating a legitimate interest will be provided by the register court.
- There will be probably the fee for providing the access to register in case of obliged entities (in sense of AML legislation).
- Fees: All registered entities and trusts are exempted from paying the court fee when the update is performed (the application is filed) within the first year of operation of the Beneficial Owners' Register (between 1 January 2018 a 31 December 2018). After this time period lapses, only business corporations will be obliged to pay a court fee for submitting the information on beneficial ownership (however, there are some exceptions – no fee will be charged when the name of a beneficial owner does not change, but size of his share changes); other legal entities and trusts are not charged at all.
- Register court will update the content of register within 5 days from filing the application by obliged company.
- Request made by foreign authority will be processed by correspondent Czech authority (which will have access to the register), not by register. We do not have information on how quick will be the response in all cases. For example, the Czech FIU will respond to a request from foreign FIU usually within five days, in cases of emergency in no time.

Challenges



Aggressive Implementation Timeline



Agreed definition Beneficial Owner



Definition of Access



Achieving timely Legislative Amendments



Identify Beneficial Owners & Controllers



Reporting Obligations & timeline



Interpretation of policy guidance



Implement Technology Solution



Implement Security Measures

Summary

Legislation:

Act 262/2016 on beneficial owners adopted 16 March 2016. The act comes into force on May 23, 2017. The executive order, which sets out the rules for registration and publication of owners, will enter into force on 23 May 2017.

Registration solution:

Certain companies, such as public limited companies, already have to register information about legal owners in the Danish Business Authority's IT system as a part of the company registration.

Companies that have to register beneficial owners must also register the information in Danish Business Authority's IT system as a part of the company registration.

Status

The solution for registering Beneficial Owners are completed, but had to be modified at the last minute because as the solution could not pass our internal user test.

All mandatory self-service solutions must be reviewed by a common user test and pass the test. The purpose is to ensure that the relevant target group can carry out a relevant task with a minimum of waste of time and in a satisfactory manner.

The details of the beneficial ownership have been simplified. Special registration of the owner chain was very difficult and was deleted from the solution based on the results of the user tests.

Communication efforts

A number of measures are planned to inform and advise on the registration of beneficial owners during 2017. Since the requirement for registration of beneficial owners covers a very wide range of companies etc., the considerations of information efforts is an ongoing process.

Milestones

1	Required national
APR	Legislative amendments
2017	are in place
23	Beneficial Ownership
MAY	data collection
2017	commences
1	Central register is
DEC	adequate, current
2017	and accurate

Reporting Channels



Paper



e-filing

Project Overview



The Danish Business Authority which belongs to the Ministry of Industry, Business and Financial Affairs is responsible for the central register



The Danish Business Authority and the Financial Supervisory Authority which belongs to the Ministry of Industry, Business and Financial Affairs and the Ministry of Justice and the Department of Civil Affairs which belongs to the Ministry of Business



The project group consist of 9 members and the internal steering committee consist of 4 members from the Danish Business Authority and the external steering committee also include 4 people from the one of the companies that should develop the it-solution. (Also 15 persons from IT companies involved)



Implementation Costs: Approx. 5 mio DKK



325,000 live corporate and legal entities in scope



Number of beneficial owners: It has not been estimated. However, certain companies are already obliged to register legal owners and these registrations show that 60 per cent of the companies has 1 owner, and 90 per cent have 1-2 owners



Channels: 100% of companies and I&Ps to file electronically.

Policy

- Denmark has an agreed definition of Beneficial Owner
- Companies are required to keep the information updated at all times, but there is no requirement for the information to be verified in the it-solution
- Corporate and legal entities are responsible for updating the central register
- In Denmark, it has been decided to keep the it-solution simple to ensure that the solution is user-friendly and that better data will be registered
- Foreign beneficial owners:
 - If a Danish company is owned directly by a foreign beneficial owner, the company will have the information about the person. If the company is owned indirectly by a foreign beneficial owner and through foreign companies, it might be more difficult to find out who is the beneficial owner
 - It is said in the statutory remarks that companies must make all reasonable efforts. If the company still cannot identify the beneficial owner; it has to state that in the it-solution and register its management as beneficial owners.

Documentation for the attempt to identify the beneficial owners must be stored for a number of years

- Periodic penalty payments are applicable
- Access:
 - The central register will be publicly available to everyone on the Danish Business Authority's webpage: Virk/data
 - No charges/fees apply
- There are no fees charged for updating the central register
- In Denmark, we will be producing guidance for registering beneficial owners. The guidance is expected to cover all types of companies involved
- Companies are required to update the register on beneficial ownership as quickly as possible when the company become aware of a change in the ownership, and will probably have to consider the information registered 1-2 a year
- The companies that have to register beneficial owner have a period from 23 May to 1 December to register information on beneficial ownership.
- Information requests from foreign law enforcement/tax authorities will be responded to as soon as possible

Challenges



Aggressive
Implementation
Timeline



Agreed
definition
Beneficial
Owner



Definition of
Access



Achieving
timely
Legislative
Amendments



Identify
Beneficial
Owners &
Controllers



Reporting
Obligations
& timeline



Interpretation of
Policy Guidance



Implement
Technology
Solution



Implement
Security
Measures

Summary

Draft law on Money Laundering and Terrorist Financing Prevention Act is currently under discussion at the Estonian Parliament.

Developments are starting as soon as possible, but we have to be ready to collect BO data in the beginning of December (these provisions come into force 1st of December). As of this date, entities have 2 months to submit the data about their BO-s.

Entities can submit their BO data in electronic form using our Company Registration Portal. The data is made available in e-Business register website – free of charge for obligated persons; small fee for everyone else.

Milestones

1 JUN 2017	Required national legislative amendments in place
1 DEC 2017	Beneficial Ownership data collection commences
1 FEB 2018	Central register is adequate, current and accurate

Legal Entities

Companies, partnerships, non-profit associations, foundations.

Reporting Channels



Project Overview



The data is collected using the information system of Business Register, therefore the organisation responsible is Ministry of Justice (owner of the Business Register information system)



Participation: Ministry of Justice (+ Centre of Registers and Information Systems), Ministry of Finance, Ministry of the Interior (+ Financial Intelligence Unit) are involved in this project



Project Team: 6



€50,000 - Estimated cost of implementation of the register



120,000 live corporate and legal entities in scope



500,000 - Estimated number of beneficial owners and controllers



Channels: 98% Electronic Filing; 2% Web filing;



Volume of changes anticipated annually: Difficult to say, but there are about 10 000 ownership changes per year concerning the private limited companies, which is the most popular legal entity in Estonia.

Policy

- Estonia has an agreed definition of Beneficial Owner
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- Quality and Integrity measures: Automatic data quality checks
- Measures taken to vet Beneficial Owners and controllers: Automatic checks from Business Register, third party checks
- About 15% volume of foreign beneficial owners is anticipated
- It is more difficult to contact foreign beneficial owners
- The challenges associated with foreign beneficial owners is regulated by law
- Penalties: Non-compliance is determined as a misdemeanour, fine up to €32,000
- Access:
 - Public Access is available via e-Business Register website, x-Road
 - Free of charge for obligated persons, small fee for everyone else
 - No fees are charged for public/industry to update the central register
- Our parent department, BEIS, are responsible for guidance.
- Guidance will be produced in the form of Instructional materials, user support etc.
- The central register must be updated after a change of beneficial ownership within 30 days
- An information request from a foreign law enforcement/tax authority will be responded to within a few hours or up to 1-2 days

Challenges



Aggressive Implementation Timeline



Guidance/ FAQs Publication



Achieving timely Legislative Amendments



Identify Beneficial Owners & Controllers



Reporting Obligations & timeline



Interpretation of Policy Guidance



Implement Technology Solution

Other Challenges

We had problems deciding who exercises the supervision over BO data. Result: Failure to submit data or submitting false information is a misdemeanour and punishable with a fine up to 32 000. Proceedings are carried out by Police and Border Guard Board.



Summary

In Finland, the Legislation is not in force yet. Biggest obstacles are the system changes because the BO's are not registered in one particular register. BO's are registered in together to three so called ground registers which are Trade Register (companies), Register of Associations and Register of Foundations. Registration of the BO's however shall be done through The Business Information System (www.ytj.fi). Requirement for this is that all the registered associations will be given a business id like all companies and foundations already have.

Milestones

1 JUN 2019	Required national legislative amendments in place
1 JAN 2019	Beneficial Ownership data collection commences
1 JUN 2019	Central register is adequate, current and accurate

Legal Entities

Co-operative, Foundation, General partnership, Housing company, Insurance company, Limited liability company, Limited partnership, Mutual insurance company, Private trader, Tenant-owners' society, Associations, Co-operative bank, Savings bank, Insurance association, Public limited company, European economic interest group, European company (SE), Mortgage society, European Co-operative, Foreign Trust

Reporting Channels



Project Overview



The Finnish Patent and Registration Office is responsible for the central register of beneficial ownership and control.



Implementation Costs: Building up the register approx. €3,000,000 (extra estimate. of €1,000,000 for 2018)



Estimated 295,000 (Trade register) *



Volume of changes anticipated annually: Estimated 40 000 (Trade Register)



Channels: All will be done electronically

Policy

- Finland has an agreed definition of Beneficial Owner
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- Quality and Integrity measures: Personal Data Act and forthcoming GDPR gives the guidelines, sanctions for announcing falsified information or not informing BO's.
- Penalties: Possible fine if corporate/legal entity wilfully neglects to inform the BO's
- Access:
 - Access is determined from the legislation of three ground registers
 - It is unclear whether there be charges/fees associated with accessing the central register
- No fees are charged for public/industry to update the central register
- The central register must be updated without delay after a change of beneficial ownership
- A foreign law enforcement/tax authority can retrieve basic information directly from www.ytj.fi. Access to delicate information cannot be estimated.

Challenges



Aggressive Implementation Timeline



Agreed definition Beneficial Owner



Achieving timely Legislative Amendments



Implement Technology Solution

Other Challenges

*It is estimated that collecting information to build BO-register requires approximately 295.000 notifications to PRH. In total approximately 710.000 live entities are in scope. We would like to note that majority of the entities do not need to make a notification since BO's for example regarding Private Traders, Housing Companies, Associations...etc. are marked by default. (Private Trader=BO, Housing Companies, Associations=Board of directors are BO's)



Summary

Gibraltar will implement a Central Beneficial Ownership Registry according to the 4MLD and to meet the reporting requirements agreed with the UK. It will be done by Regulation (secondary legislation) to expedite the matter and legislation will be in place by the 27th June 2017. The Central Registry will be managed by the Finance Ministry.

Milestones

27 JUN 2017	Required national legislative amendments in place
27 JUN 2017	Beneficial Ownership data collection commences

Legal Entities

Companies, Partnerships and Foundations

Reporting Channels



Project Overview



Ministry of Finance is responsible for the central register of beneficial ownership



Participation: 2 Government organisations are involved in this project: Ministry of Finance and Companies House



Project Team consists of 10 colleagues



£500,000 implementation costs



25,000 live corporate and legal entities in scope



30,000 estimated number of beneficial owners and controllers



Channels: Paper (50%); Electronic (50%)



2,000 changes are anticipated annually including new incorporations

Policy

- Quality and integrity measures: Financial Services Commission random checks on licensed company managers
- Measures to vet Beneficial Owners: Financials Services Commissions checks
- It is anticipated that 25% of entities will be foreign owned
- Foreign beneficial owners will be managed by licensed company managers
- Penalties: Criminal Offence
- Access:
 - Law enforcement agencies a tax authorities
 - Obligated entities and persons with a legitimate interest
- No fees charged for public/industry to update the central register
- Guidance will be produced for registering complex legal entities
- Central register updated must be updated within 30 days after a change of beneficial ownership
- Information requests from foreign authorities will be responded to within 24 hours



Summary

Article 30(1) of the Directive, requiring corporate and other legal entities to hold adequate, accurate and current information on their beneficial owners, was transposed into Irish law by Statutory Instrument (SI) No 560 of 2016 which was signed by the Minister for Finance on 9/11/16 and the regulations came into effect on 15/11/16.

It is expected that the Department of Finance will shortly make a further SI in relation to the central register required by Article 30(3). This SI will, inter alia, establish a new position of "Registrar of Beneficial Ownership of Companies and Industrial and Provident Societies". The Registrar and associated staff will operate out of the offices of the Irish Companies Registration Office (CRO), and will be responsible for establishing and maintaining a Central Register of Beneficial Ownership Information of Companies and Industrial and Provident Societies ("central register").

CRO has been making good progress in developing an online portal for the beneficial ownership data to be filed and a beneficial ownership website and are confident that these will be in place in Q4 2017.

Milestones

1
SEP
2017

Required national legislative amendments in place

1
OCT
2017

Beneficial Ownership data collection commences

1
APR
2018

Central register is adequate, current and accurate

Reporting Channels



e-filing

Project Overview



The Companies Registration Office (CRO) is responsible for companies and industrial & provident societies (I&Ps).



Participation: Department of Finance; Department of Jobs, Enterprise and Innovation; Department of Justice; An Garda Síochána (Irish police force)



In CRO, one person full-time and four people part-time. Officials from other State authorities from the bodies are participating as appropriate.



Implementation Costs: Approximately €200,000 with annual running costs estimated at €250,000.



200,000 live corporate and legal entities in scope



300,000 estimated number of beneficial owners and controllers



Channels: 100% of companies and I&Ps to file electronically.



Estimated 50,000 individual changes are anticipated annually

Policy

- Ireland has an agreed definition of Beneficial Owner
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- Options to verify the beneficial ownership information filed with the central register are being considered
- It is proposed that legislation will require companies to update data on the central register within 14 days of the change
- CRO plans to e-mail all companies and I&Ps once a year requiring them to check that their data is correct and if necessary to correct the data
- There are upwards of 32,000 non-resident company directors on the CRO data base

- It is proposed that cases of non-compliance will be forwarded to the Garda Síochána (FIU)
- It is proposed that FIUs and state competent authorities will initially have access to the central register
- Initially the FIUs will send an e-mail to a dedicated secure e-mailbox and staff of the CRO returning the data sought, subject to the applicant having been pre-approved and the request complying with data protection rules. This is likely to be an interim solution until EBOCS is ready
- No charge for FIUs and state competent authorities to access the central register. CRO is proposing a small fee be charged to others if access in the future extends beyond FIUs and state competent authorities
- The timeframe to have the central register updated after a change of beneficial owner is not yet decided but may be 14 days

Challenges



Aggressive Implementation Timeline



Agreed definition Beneficial Owner



Definition of Access



Guidance/ FAQs Publication



Achieving timely Legislative Amendments



Identify Beneficial Owners & Controllers



Reporting Obligations & timeline



Interpretation of Policy Guidance



Implement Technology Solution



Implement Security Measures

Other Challenges

Apart from a beneficial owner who owns or controls more than 25% of the shares, many of the other means of owning or controlling a company referred to in Article 3(6)(a) of 4AMLD are vague and open to interpretation.

The short timescale provided is likely to result in the implementation of central registers being rushed which runs the risk of the registers not being as effective as they would be if more time was provided.



Summary

National law into force but it is necessary to have two different decrees for implementation. One it is a general framework, in which it is established that BO information are collected in the BR: this decree (no 90/2017) was adopted at the end of May and is in force since the 4th July. This decree gives 12 months to the Ministry of Economy to adopt the implementing decrees.

Milestones

1
JUN
2017

Required national legislative amendments in place

1
JUL
2018

Beneficial Ownership data collection commences

Legal Entities

Companies, association/foundations, trust

Reporting Channels



e-filing

Project Overview



The Ministry of development, Chambers of commerce are responsible for the central register



Participation: The Ministry of Economy; Ministry of Development are involved in this project



Project Team: At the moment 5; to be defined after implementing decree



Implementation Costs: No cost for public finance



200,000 live corporate and legal entities in scope



Channels: only electronic filing

Policy

- Italy has an agreed definition of Beneficial Owner
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- Measures to ensure quality and integrity: The same for BR, that assure a high level of quality and integrity
- Measures to vet beneficial owners: different measure that depend on the type of BO, but there will always be a check
- Penalties: The same from civil code and they are under modification in order to implement the directive. For BR in particular art. 2630 (administrative penalties)
- Access:
 - Competent authorities, tax agencies will have access to the central register
 - Access will be provided automatically by agreement
 - No fees apply when accessing the central register
- Fees will apply to update the register; to be defined
- Guidance: According to our policy, when there are some new duties for companies Unioncamere, InfoCamere and Chambers of commerce always prearrange information
- Timeframe to have the central register updated: By law, when receiving a registration BR must be updated in not more of 5 days: normally less
- Response times to information requests from foreign authorities depends on the relationship between authorities

Challenges



Aggressive Implementation
Timeline



Summary

Our policy and guidance is in place and we have undertaken significant public and industry engagement to ensure that the central register of beneficial ownership will be current and accurate as at 30 June 2017. Our Customer Portal has been enhanced with electronic forms to update the central register and our Registry API is due to go-live in the coming weeks.

We have completed the development of an Intelligence Access Point that will provide our local FIU with automatic secure access to beneficial ownership information on a 24/7 basis to service UK law enforcement and tax authority queries within 1 hour.

Milestones

30
JUN
2017

Central register is adequate, current and accurate

Reporting Channels



e-filing



API



Paper

Project Overview



The Jersey Financial Services Commission (JFSC, which encompasses Jersey's Companies Registry) is responsible for the central register of Beneficial Ownership



The project team consists of 20 colleagues



37,000 live corporate and legal entities in scope



Channels: 0.45% Paper; 49.5% API; 50% Portal



Participation: Chief Ministers department and JFSC are involved in this project



Estimated cost of implementation is £500,000



300,000 estimated number of beneficial owners and controllers



500 individual changes are anticipated annually

Policy

- Jersey has an agreed definition of Beneficial Owner
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- Manual sample checking and automatic data quality checks are undertaken to ensure the quality and integrity of the central register
- On initial mass update, vetting BO details to third party databases including internet searches and sample checks are undertaken
- All changes to the register will be subject to vetting checks
- 60% of the registered legal entities will be foreign owned
- Foreign beneficial owners are managed through the regulated TCSPs
- Access will be provided to Law enforcement and tax agencies upon request
- Automatic by agreement with UK and via production order from the Jersey Court for other law enforcement agencies.
- No charge or fees associated with access or updates to the register
- Guidance for registering complex structure will be provided
- The UK within one hour, others within agreed time scales
- Guidance for complex structures provided
- Within 21 days of knowing of the change the legal entity must update the central register.
- Central register will be updated within 21 days of notification
- Responses to information requests from foreign law enforcement/tax authorities will be within one hours for the UK and within agreed timescales with other jurisdictions

Challenges



Aggressive
Implementation
Timeline



Agreed
definition
Beneficial
Owner



Definition
of Access



Guidance/
FAQs
Publication



Achieving
timely
Legislative
Amendments



Identify
Beneficial
Owners &
Controllers



Reporting
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& timeline



Interpretation
of Policy
Guidance



Implement
Technology
Solution



Implement
Security
Measures



Summary

In the Republic of Latvia work on the adoption of the related laws and regulations continues. It is forecasted that adoption could be delayed and regulation can only come into force in October 2017. Register of Enterprises of the Republic of Latvia has started the work on the system adjustments both – to collect and to issue Beneficial Ownership information but as the adoption of regulation is delayed also the work on the Information System of the Register of Enterprises of the Republic of Latvia adjustments is delayed. It should be noted that there are no plans in Republic of Latvia to create a separate register of Beneficial Owners - information regarding Beneficial Owners will be integrated in already existing registers of corporate and legal entities held by the Register of Enterprises of the Republic of Latvia.

Milestones

1	Required national legislative amendments in place
OCT 2017	
1	Beneficial Ownership data collection commences
OCT 2017	
1	Central register is adequate, current and accurate
JAN 2018	

Legal Entities

General partnerships, limited partnerships, private limited liability companies, public limited liability companies, co-operative societies, associations, foundations, trade unions, individual enterprise, farm, fishermen farm

Reporting Channels



Paper



e-filing

Project Overview



Responsibility: Register of Enterprises of the Republic of Latvia will be the register mentioned in Article 30 (3).



Participation: 3 Government organisations involved: Register of Enterprises of the Republic of Latvia, Ministry of Justice and Ministry of Finance



The project team consists of approximately 20 colleagues



Implementation Costs: €394,928



228,435 live corporate and legal entities in scope

Policy

- Latvia does not have an agreed definition of Beneficial Owner
- Corporate and legal entities are responsible for updating the central register
- Measures to ensure quality and integrity: Checks defined by law of submitted information by state notary of Register of Enterprises of the Republic of Latvia and automatic data quality checks
- Penalties:
 - Section 166.3 of the Latvian Administrative Violations Code provides administrative liability for violation of the provisions regarding submission of information and documents to the Enterprise Register. The Enterprise Register draws up administrative violation protocols regarding the detected violations of laws and regulations, examines administrative violation cases and imposes punishments.
 - Section 272 of the Criminal Law provides criminal liability for submission of false information to state institution, including to the Enterprise Register. If the Enterprise Register receives any information about the fact, that someone has given false information the Enterprise Register, the Enterprise Register notifies the relevant authorities regarding possible violations of laws and regulations.
 - Section 272 of the Criminal Law provides criminal liability for submission of false information to state institution, including to the Enterprise Register.

If the Enterprise Register receives any information about the fact, that someone has given false information the Enterprise Register, the Enterprise Register notifies the relevant authorities regarding possible violations of laws and regulations.

- Laws also provides criminal liability for non-provision of the information specified in law regarding the beneficial owner or provision of knowingly false information to a legal person which is not a State institution, for example, to FIs and DNFBPs (Section 195.1 of the Criminal Law).
- Access:
 - Competent authorities and FIUs, obliged entities within the framework of customer due diligence and corporate and legal entities about themselves
 - It is planned to provide information WEB and WS.
 - Fees will apply for accessing the central register; not exceeding administrative costs
- Updating the central register will incur a state fee amount as for any registration on information in registers held by Register of Enterprises of the Republic of Latvia
- The central register must be updated after a change of beneficial owner within 14 days

Challenges



Aggressive Implementation Timeline



Agreed definition Beneficial Owner



Guidance/ FAQs Publication



Achieving timely Legislative Amendments



Identify Beneficial Owners & Controllers



Interpretation of Policy Guidance



Summary

In autumn 2016, a draft implementation legislation with respect to Art. 30 and 31 of the 4th AMLD was published by the Liechtenstein Government. Due to the ongoing talks on the new 5th AMLD, the project has been put on hold for now.

Legal Entities

Association, private liability company, public limited company, limited partnership with share capital, co-operative, SE, EWIV, SCE, co-operative association with limited liability, Mutual insurance associations and similar associations, foundation, trust, establishment, trust enterprise

Project Overview



Office of Justice is responsible for the central register of Beneficial Ownership



Participation: Minister of General Government Affairs, Office of Information Technology, Office of Justice are involved in this project



The project team consists of 6 colleagues



Implementation Costs: CHF: 300,000



35,000 live corporate and legal entities in scope



7,000 individual changes are anticipated annually

Policy

- Liechtenstein has an agreed definition of Beneficial Ownership which is in line with the relevant FATF-recommendations as well as the EU-AMLD
- Beneficial owners/controllers cannot opt-out of updating the central register
- Corporate and legal entities are responsible for updating the central register
- Penalties: Non-compliance with the obligation to register can be punished with up to an imprisonment of six months or equivalent fine.
- Access:
 - Access method is not yet decided
 - Fees will apply to access the central register
- Fees will apply when updating the central register
- Guidance will be produced for registering complex legal entities
- Central register must be updated within 30 days of a change of BO
- An information request for a foreign authority will be responded to within 1-2 working days

Challenges



Aggressive
Implementation
Timeline



Agreed
definition
Beneficial
Owner



Definition
of Access



Guidance/
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Identify
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Interpretation
of Policy
Guidance



Implement
Technology
Solution



Implement
Security
Measures

Other Challenges

To communicate the necessary obligations to the average man in the street.



Summary

Project of the Law on the Prevention of Money Laundering and Terrorist Financing No. VIII-275.

Legal Entities

All types (legal forms) of legal entities, established in Lithuania, except those legal entities, which member is state or municipality.

Reporting Channels



e-filing

Project Overview



The State Enterprise Centre of Registers – responsible for the registration; Financial Crime Investigation Service under the Ministry of the Interior of the Republic of Lithuania – responsible for the prevention of money laundering and terrorist financing;
The Ministry of the Interior of the Republic of Lithuania – responsible for the implementation of the Directive;
The Ministry of Economy of the Republic of Lithuania – responsible for the legislation;
The Ministry of Justice of the Republic of Lithuania – responsible for the legislation



Implementation Costs: €200,000 ex. VAT



Channels: 100% Electronic Filing

Policy

- Lithuania has an agreed definition of Beneficial Owner
- Corporate and legal entities are responsible for updating the central register
- Under the project of the Law on the Prevention of Money Laundering and Terrorist Financing 10 days are set for submission of data changes to the Information System of Participants of Legal Entities.
- Penalties: The Code of Administrative Offenses sets a fine from 30 to 1450 Eur for submission of incorrect data of legal entities or non-submission of data of legal entities to the Information System of Participants of Legal Entities.

Challenges



Agreed definition Beneficial Owner



Definition of Access



Guidance/ FAQs Publication



Achieving timely Legislative Amendments



Implement Technology Solution

Other Challenges

No decisions, no regulation.



Summary

Legislative process and IT developments in progress.

Reporting Channels



e-filing

Milestones

1	Required national legislative amendments are in place
JUL	
2017	
1	Beneficial Ownership data collection commences
JUL	
2017	

Project Overview



RCSL is responsible for the central register of beneficial ownership



Participation: Two Government Organisations are involved in this project



Six colleagues are participating within the project team



€500,000 estimated cost of implementing the central register



140,000 live corporate and legal entities in scope



Channels: 100% Electronic Filing

Policy

- Luxembourg has an agreed definition of Beneficial Owner
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- Quality and Integrity measures: Criminal Sanctions
- Vetting measures: Obligation lies with the declaring entity which is subject to criminal sanctions in case of non-declaration or false or incomplete declaration
- Penalties: Criminal Sanctions
- Access:
 - Access is provided to all competent authorities / Obligated entities within the framework of their CDD/ any person or organisation that can demonstrate a legitimate interest
 - Access via web site
 - No fees/charges associated with accessing the central register
- Fees will be charged for public/industry to update the central register
- The central register must be updated within one month after a change of beneficial ownership
- An information request from a foreign law enforcement/tax authority will be dealt with quickly

Challenges



Aggressive Implementation Timeline



Achieving timely Legislative Amendments



Summary

Please note the following: In the Netherlands, we're currently still in the process of implementing the provisions of AMLD4 in our anti-money laundering legislation. For that reason, some questions can't be answered at this moment. The answers given below are based upon our draft bill for the transposition of article 30 of ALMD4. The draft bill has yet to be approved by our parliament.

At the moment, our draft bill is published on the internet for public consultation. After that, our final draft bill is sent to our Council of State and our parliament.

Legal Entities

The following entities have to register their UBO('s) in the Dutch BO-register:

Private Limited Liability Company, Public Limited Liability Company, Limited Partnership, Limited Partnership with legal capacity, Cooperative, European Economic Interest Grouping (EEIG), European cooperative Company (ECC), European company (SE), Partnership, Mutual Insurance Society, Foundation, Shipping company, Partnership Firm, Association.

Project Overview



Chamber of Commerce is responsible for the central register of beneficial ownership



Participation: 4 Government Organisations: - Ministry of Finance, Ministry of Security and Justice, Ministry of Economic Affairs and the Chamber of Commerce.



Project Team: Within the ministries of Finance, Security and Justice and Economic Affairs: about 12-15.



Between 1.5 and 2 million beneficial owners



About 1.5 million



Between 3 and 5% anticipated changes



Channels: Paper: 30%, Electronic Filing: 70%

Policy

- Netherlands has an agreed definition of Beneficial Owner
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register; Beneficial owners are responsible in an indirect way; they have to provide their information to legal persons and legal entities, so that they in turn can update the register.
- Legal persons and legal entities have the obligation to inform the Chamber of Commerce of any changes in the BO-information. Beneficial owners have the obligation to provide the correct information, in a timely manner, to legal persons and legal entities, in order for the legal persons and legal entities to fulfil their obligations. That way we ensure that the register is adequate, current and accurate
- An exemption to the access of the public to the BO-information can be granted on a case-by-case basis in exceptional circumstances, where such access would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation, or where the beneficial owner is a minor or otherwise incapable. If such a request is granted, almost all information in the public part of the register can't be accessed by the public (only the competent authorities and the FIU can still access the BO-information). But this does not mean that the beneficial owner or the legal person or legal entity can opt-out of updating the register
- Central register will be required to be updated within 7 days of a change of beneficial ownership
- Penalties: Not complying with the obligation to register BO-information is an offense under our Companies Register Act. The maximum fine is 20.500 euros and/or imprisonment up to 6 months and/or community service
- Access
 - Our BO-register for legal entities will consist of two parts: a publicly accessible part and a non-public part. The public part of the register is accessible for everyone. The information in this part of the register consists of the data listed in article 30, para 5 of the Directive: name, the month and year of birth, the nationality and the country of residence of the beneficial owner as well as the nature and extent of the beneficial interest held. The information in the non-public part can only be accessed by competent authorities and the FIU. The BO-information in this part of the register consists of: day, place and country of birth, address, (Dutch) social security number or (foreign) Tax Identification Number (TIN), a copy of the passport or ID-card with which the identity of the BO has been verified and a copy of documentation (proof) regarding the nature and extent of the beneficial interest held
 - In order to access the BO-register you first have to register and you have to pay a fee
- No fees apply for public/industry to update the central register
- Guidance for registering complex legal entities will be produced
- Article 31 of the Directive refers to "trustees of any express trust governed under their law". The concept of an express trust or a legal arrangement similar to an express trust is unknown to the Dutch legal system. Therefore, article 31 of the Directive will not be transposed into our national legislation. So there will be no BO-register for trusts or similar legal arrangements, only for legal persons and legal entities

Challenges



Aggressive Implementation
Timeline



Agreed definition
Beneficial Owner



Guidance/ FAQs
Publication



Achieving timely Legislative
Amendments

Summary

An expert group delivered their proposal for legislative provisions that facilitate the establishment of a central register of beneficial ownership to the Ministry of finance on the 16th of December 2016.

The legislation requires further regulatory regulation. The expert group did not propose supplementary regulations as these are of a register-technical nature.

The Brønnøysund Register Centre did not participate in the expert group.

The proposal has been on public consultation until the 1st of April 2017.

Legal Entities

Limited companies, Partnerships, Limited Partnership, House Building Cooperative, Mutual Insurance Company, Jointly Owned Shipping Company, Savings Bank, SE European Company, State Company, Foundations, Housing Cooperative, Association (when register in a public Register), Property Unit Ownership (when register in a public Register), Securities Fund

Reporting Channels

The Ministry provides in regulations detailed rules for notification to the register, including any obligation to submit electronic documents.

Project Overview



The expert group proposed that The Brønnøysund Register Centre should be responsible. It is not decided yet.



450,000 live corporate and legal entities in scope

Policy

- Corporate and legal entities are responsible for updating the central register
- Foreign beneficial owners provide identification challenges

Challenges *



Aggressive
Implementation
Timeline



Agreed
definition
Beneficial
Owner



Definition
of Access



Guidance/
FAQs
Publication



Achieving
timely
Legislative
Amendments



Identify
Beneficial
Owners &
Controllers



Reporting
Obligations
& timeline



Interpretation
of Policy
Guidance



Implement
Technology
Solution



Implement
Security
Measures

Other Challenges

* We will face most of these challenges in due time.



Summary

On this date, the draft law on preventing and combating money laundering and terrorist financing, which transposes Directive (EU) 2015/849, technically finalized by the working group set up at the National Office for the Prevention and Control of Money Laundering (ONPCSB) was submitted to the competent authorities for approval and is due to be approved by the Government in early May, after which it will enter parliamentary procedure.

The registration, in a central register organized at the level of the National Trade Register Office, of the real beneficiaries for the companies registered in the Trade Register is subject to the amendment of the relevant legislation in the field of registration in the trade register.

Milestones

1 JUL 2017	Required national legislative amendments in place
1 OCT 2018	Beneficial Ownership data collection commences
1 OCT 2019	Central register is adequate, current and accurate

Legal Entities

Companies

Reporting Channels



Paper



e-filing



API

Project Overview



Responsibility: National Trade Registry Office (for companies), Ministry of Justice (for associations and foundations), National Agency of Fiscal Administration (for fiduciaries), Central Depository (for companies traded on a regulated market)



Participation: The National Office for Prevention and Combating Money laundering, the Ministry of Justice, the Prosecutor's Office attached to the High Court of Cassation and Justice, the General Police Inspectorate, the Ministry of Foreign Affairs, the National Trade Registry Office, the Financial Supervision Authorities, the National Bank of Romania, the Romanian Intelligence Service



Project Team consists of 22 colleagues



Approximately 900,000 live corporate and legal entities in scope



Approximately 1,500,000 estimated number of beneficial owners and controllers



Channels: Paper (90%); Electronic Filing (10%)



Approximately 150,000 individual changes are anticipated annually

Policy

- Romania has an agreed definition of Beneficial Ownership
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- The information contained in the register should be accurate and up-to-date. Authorities that have control competences check these issues and communicate to the registry owner any inconsistencies found.
- Measures taken: Data verification will be based on records existing in the Trade Register. All changes will be subject to verification procedures.
- Anticipate 15% of registered legal entities will be owned by foreigners
- Penalties: The bill establishes a violation of the law as a contravention sanctioned by a fine, to which complementary contravention sanctions may be added.
- Access: The competent authorities and the National Office for the Prevention and Control of Money Laundering without any restrictions and the reporting entities when applying the customer identification measures
- No charge or cost-per-case associated with accessing the register
- Fees charged for register updates will be set in the process of amending the relevant legislation
- Guidance will be produced
- Central register updated must be updated within 15 days after a change of beneficial ownership
- Information requests from foreign authorities responded to within a maximum of 30 days

Challenges



Aggressive
Implementation
Timeline



Agreed
definition
Beneficial
Owner



Definition
of Access



Guidance/
FAQs
Publication



Achieving
timely
Legislative
Amendments



Identify
Beneficial
Owners &
Controllers



Reporting
Obligations
& timeline



Interpretation
of Policy
Guidance



Implement
Technology
Solution



Implement
Security
Measures



Summary

The legislation is planned to come into force on 2 August 2017. Our e-service will open approximately one month later for legal entities registered with Bolagsverket (the Swedish Companies Registration Office). A manual process for paper filing is planned for December along with support for the remaining legal entities. The register will be completed by 2 February 2018.

Mandatory e-filing with few exceptions.

Full access to information from the register.

Fees will be enforced from 2 February 2018 but we still haven't figured out how or the level of fees.

The differences in the national legislative amendments will be a challenge when we connect via BRIS.

Milestones

2	Required national legislative amendments in place
AUG	
2017	
1	Beneficial Ownership data collection commences
SEP	
2017	
1	Central register is adequate, current and accurate
FEB	
2018	

Legal Entities

Almost all Swedish legal entities and third country legal entities with operations in Sweden. The few exceptions include government owned companies and bankrupt estates.

Reporting Channels



Paper



e-filing

Project Overview



Bolagsverket (the Swedish Companies Registration Office) is responsible for the central register of beneficial ownership and control



Participation: Several Government organisations: The Ministry of Finance is handling the legislative work and it will be executed by the Ministry of Enterprise and Innovation. Bolagsverket is cooperating with the Swedish Tax Agency and law enforcement authorities.



Project Team: +100



Implementation Costs: Approx. €3,000,000



730,000 live corporate and legal entities in scope



We estimate that 50% of limited companies only have one BO.



Channels: Electronic Filing (99%); Paper (1%);



150,000 changes are anticipated annually

Policy

- Sweden has an agreed definition of Beneficial Ownership
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- Quality and Integrity measures: Automatic data quality check
- Vetting measures: Personal Identification Number validates name and address Identification of foreign beneficial owners is a challenge. This is managed by technical keys in the register
- Penalties are not defined yet but will be in place by mid-2018.
- Access: The register will be public with access via e-service, with different search possibilities for government and public users
- Fees will be charged for public/industry to update the central register after the 6 month grace period. Amount is not defined yet
- Guidance will be provided
- Central register must be updated without delay (4 weeks for new legal entities) after a change of beneficial ownership
- Law enforcement and tax authorities will have full access 24/7

Challenges



Aggressive Implementation
Timeline



Definition of Access



Achieving timely
Legislative Amendments



Identify Beneficial Owners &
Controllers



Summary

The UK has had a central register of beneficial owners in place since June 30th 2016. The project in the UK is making amendments to the register in order to ensure compliance with the Directive.

Development is underway to bring new entity types into scope of the regime and increase the frequency of reporting requirements for all entities from an annual one to event driven. We are also making provision for the requirements on access to PSC information as set out in the Directive.

We are making amendments to primary and secondary legislation; these are currently in draft and we're liaising with our parent department (BEIS).

We've had some challenges in that much of the development has been planned and carried out based on assumptions, in the absence of settled legislation.

Milestones

26 JUN 2017	Required national legislative amendments in place
26 JUN 2017	Beneficial Ownership data collection commences
7 AUG 2017	Central register is adequate, current and accurate

Legal Entities

Limited companies (including some charities), unregistered companies, limited liability partnerships, sociedades europeas (SEs), Scottish limited partnerships, qualifying Scottish partnerships and investment companies with variable capital.

Reporting Channels



Project Overview



Companies House is responsible for the central register of beneficial ownership and control



Project Team: 72 – this is for the current project to amend the PSC register.



Participation: Three Government Organisations are involved in this project: Companies House, BEIS and Treasury

Implementation Costs: £905K (this is for the current project to amend the PSC register). The original PSC register implementation was part of a large programme of work to implement the Small Business, Enterprise and Employment Act. It isn't possible to separate costs for the PSC register



Approximately 4.3 million live corporate and legal entities in scope



Channels: 26% Software Filing; 69% Web filing; 5% Paper filing



We currently have approximately 3.1 million PSCs. We should have a fully populated register by 7th August.

Policy

- UK has an agreed definition of Beneficial Ownership
- Beneficial owners/controllers cannot opt-out of updating the register
- Corporate and legal entities are responsible for updating the central register
- Quality and Integrity measures:
 - We carry out multiple checks on information filed with us and reject filings if they fail these checks. We also make sure our filing services are as user friendly as possible and provide lots of detailed guidance
 - Our Integrity Unit works with others across law enforcement to help build trust and confidence in our data. For example, we regularly send suspicious activity reports for them to investigate
 - Our information is available in a variety of formats. We are currently receiving approximately 15 million requests for information per day. We receive very few complaints that information is false, but when we do receive complaints we investigate with the entity concerned. The more open our data is, and the more it is viewed, the more people will be highlighting and challenging inaccuracies and inconsistencies, improving trust and transparency
- It is the entity's responsibility to identify their beneficial owners
- Foreign Beneficial Owners:
 - We will have the same issues that we already have with foreign directors, which is that it can be difficult to overcome jurisdictional issues when it comes to prosecution.
 - We refer cases to BEIS and actions vary depending on the seriousness of the offence.
- There are various offences associated with non-compliance in respect of the requirement for entities to identify, record and report who their beneficial owners are. Depending on the seriousness of the offence, upon conviction some may incur a fine and some may incur up to two years imprisonment.
- Access:
 - The UK's register is public, with limited exceptions for those who've proven they're at serious risk if their information is disclosed. Therefore in most cases anyone can access the register <https://www.gov.uk/get-information-about-a-company>
 - Information on the public register is free to access
- No fees charged to update the central register
- Our parent department, BEIS, are responsible for guidance.
- Companies will have 14 days to update their own register with changes and then 14 days to report that information to Companies House
- Foreign law enforcement/tax authorities can access information on the public register immediately

Challenges



Achieving timely Legislative Amendments



Identify Beneficial Owners & Controllers



Interpretation of Policy Guidance



Implement Security Measures