



Centralised Platform of Beneficial Ownership Information

7th Dec. 2016

1

Outline

- ▶ Exchange of Notes & Technical Protocol
- ▶ Legislation
 - ▶ Companies (Amendment) Bill 2017
 - ▶ Limited Liability Companies (Amendment) Bill 2017
 - ▶ Companies Management (Amendment) Bill 2017
- ▶ Technology
- ▶ Consultation Questions

Short History

- ▶ 2013: UK's presidency of the G8
- ▶ 2014: G20 High-level Principles on BO Transparency
- ▶ 2015: Joint Ministerial Council – 'similarly effective systems'
- ▶ 2016
 - ▶ Visit by NCA
 - ▶ CDOT's sign Exchange of Notes
 - ▶ Anti-Corruption Summit
 - ▶ Ongoing implementation discussions

Exchange of Notes

- ▶ Concern:
 - ▶ Prevention and detection of corruption, money laundering, terrorism financing, proliferation financing, other serious and organised crime.
- ▶ Context:
 - ▶ 4th AMLD
 - ▶ FATF Recommendations
 - ▶ UK's public central register
- ▶ Commitment:
 - ▶ Participants will hold adequate, accurate and current beneficial ownership information for corporate and legal entities incorporated in their own jurisdiction.

Technical Protocol

- ▶ Obligations:
 - ▶ Cayman's centralised platform will be held electronically and will be searchable by both name of corporate and legal entity and name of individual.
 - ▶ Requests submitted to one designated point of contact (DPC)
 - ▶ Information provided within 24-hours or 1-hour in special circumstances (automatic access)
 - ▶ DPC has full authority to respond to requests
 - ▶ Searches are not disclosed (no tipping-off)
 - ▶ Arrangement to come into effect no later than 30th June 2017

Legislative Amendments

- ▶ Amendments necessary to the Companies Law and the Limited Liability Companies Law
- ▶ Companies Management Law amendment to expand definition of companies management to include the provision of services relating to the establishment and maintenance of a beneficial ownership register on behalf of a company or limited liability company.
- ▶ Partnerships
- ▶ Foundations

Framework

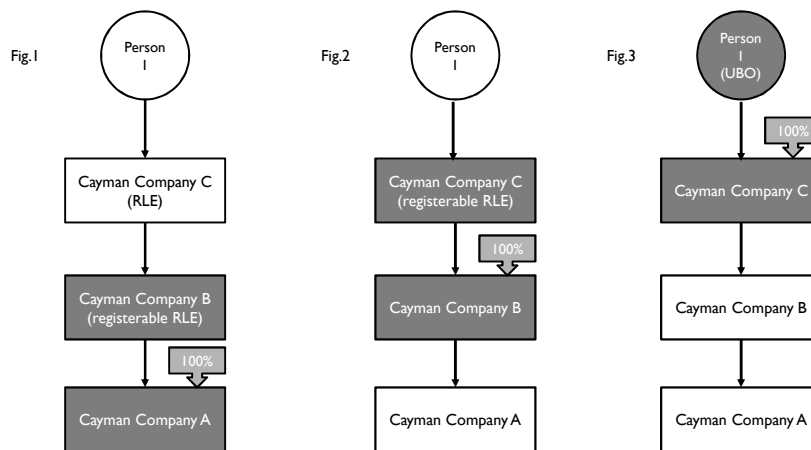
- ▶ Exceptions
 - ▶ Listed on an approved stock exchange
 - ▶ Registered or licenced under a regulatory law
 - ▶ Funds
- ▶ Identifying Beneficial Owners
- ▶ Establishing Beneficial Ownership Registry
 - ▶ Must be done through a corporate services providers
 - ▶ Ordinary resident company may use Registrar
- ▶ Access to Beneficial Ownership Information
 - ▶ Competent authority
- ▶ Enforcement
- ▶ Transition
 - ▶ No prosecution for one year

Identifying the BO

- ▶ ‘Relevant legal entity’ & ‘significant influence or control’
 - ▶ Further expansion of definition possible through regulations
- ▶ Examination of ownership chain
 - ▶ Based on U.K. legislation (see the UK guidance notes)
 - ▶ Not necessary to record intermediate entities in chain
 - ▶ Not necessary to go all the way through the ownership chain

Identifying the BO

▶ Examination of ownership chain



Technology Platform

- ▶ Concerns & Options ...
 - ▶ Security & cyber-security
 - ▶ Limited access
 - ▶ Not networked
 - ▶ Search log
- ▶ BO Registers to be held by service providers and not the Government
- ▶ Centralised platform as a 'search engine' to query BO registers
- ▶ To be designed...

Consultation Questions

- ▶ Public consultation to be extended until 2nd January
- ▶ Comments welcomed on the draft legislation
 - ▶ New Bills to be published on the 16th December
- ▶ Questions for feedback
 - ▶ 10% vs. 25%
 - ▶ UK suggestion for record keeping to be for 20yrs
 - ▶ Technology concerns