

Guernsey Registry Update for Industry - Register of Beneficial Ownership

You have received this Industry Update because you are currently registered as a corporate service provider (CSP) or Regulated Presenter on the Guernsey Registry Online Services Portal.

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Introduction

At the February States Meeting, the States of Deliberation agreed to the establishment of a central register of beneficial ownership.

Details of what was considered can be found at this link: [Register of Beneficial Ownership](#)

A draft copy of The Beneficial Ownership of Legal Persons (Guernsey) Law, 2017 is available to view at this link: [Beneficial Ownership Law](#)

The purpose of this update is to outline the details of the preparations we are making at the Registry to implement the beneficial ownership register, along with the anticipated timescales and requirements for registration.

An industry event regarding beneficial ownership will be held by the Guernsey Association of Trustees on 7 June; further information is available here: [Industry Event Details](#)

In addition, the Registry will be providing system demonstrations on 9 and 12 June. Further information is available here: [Beneficial Ownership System Demos](#).

We will continue to provide updates as the initiative progresses.

Alan Bougourd, Registrar

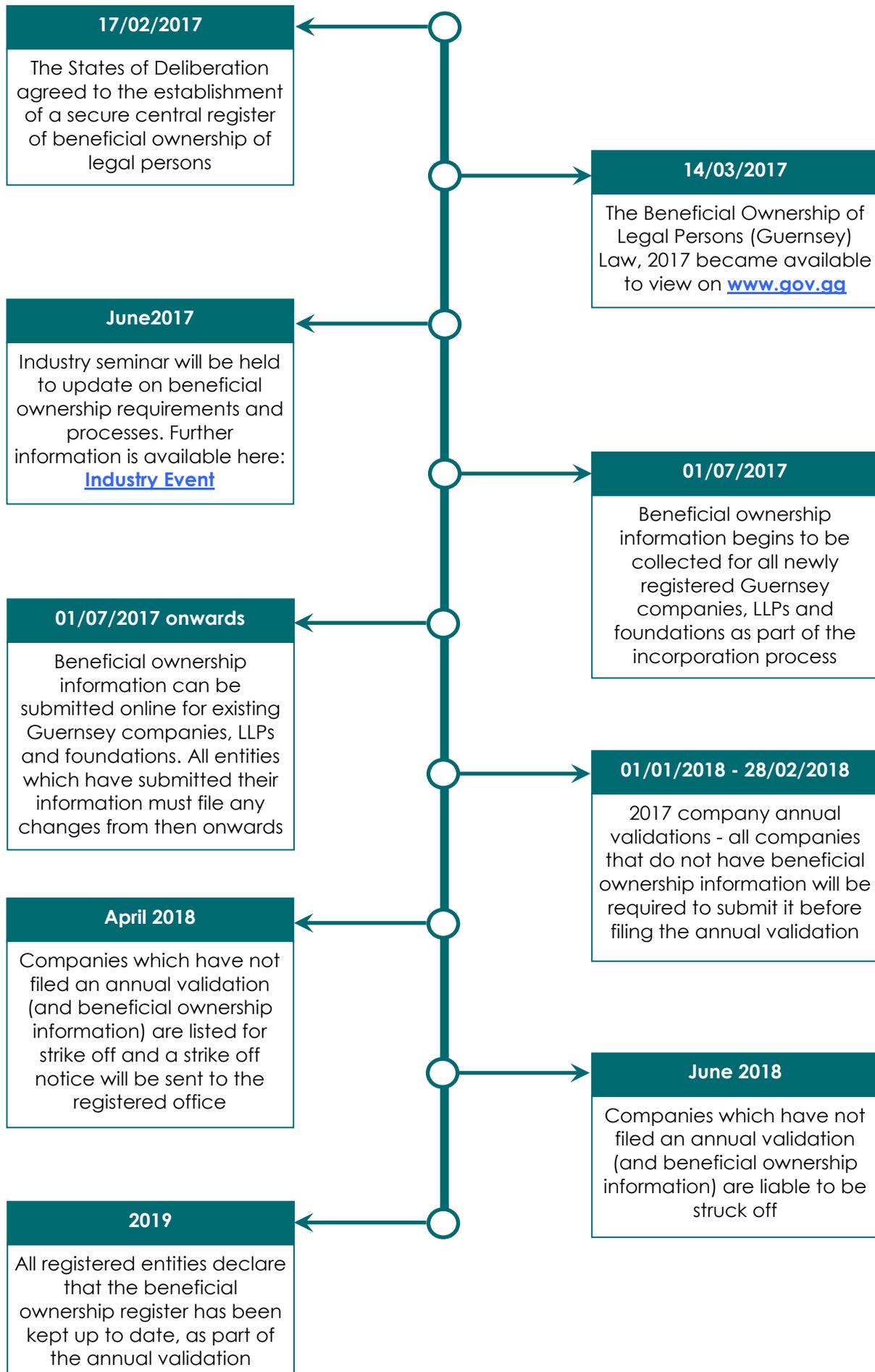
Disclaimer

The purpose of this document is to provide information and guidance for Registry users. This is subject to change as the initiative develops.

The interpretation of legislation is a matter on which the Guernsey Registry cannot advise and individuals will need to form their own view on compliance.

Independent legal advice is advised where there is any uncertainty.

Register of Beneficial Ownership - Proposed Timeline



Register of Beneficial Ownership - Information

Background

It is anticipated that The Beneficial Ownership of Legal Persons (Guernsey) Law, 2017 will come into force on 1 July 2017. A draft copy of the law is available to [view here](#).

The register will be highly secure and will be maintained within the States of Guernsey secure IT systems. The information contained within it will only be accessible to a limited number of authorised Guernsey persons for Law Enforcement purposes and GFSC supervisory activities.

Record of beneficial owners and responsibility for filing

The **resident agent** of an entity will be required to ascertain the identity of the beneficial owners of that entity, and must keep a record of the required particulars of the beneficial owners of that entity. This is referred to as the '**record of beneficial owners**'.

The required particulars of a beneficial owner as stated in the draft regulations are:

- Name
- Nationality
- Date of birth
- Principal residential address
- The date on which they became a beneficial owner of the entity
(*only applicable if the individual becomes a beneficial owner after 1 July 2017*)
- The grounds on which they are considered to be a beneficial owner

A list of all fields on the form and the possible options is available on the next page.

If any of the particulars contained in an entity's record of beneficial owners change, the resident agent must notify the Registrar by filing a submission on the Online Services Portal.

When a submission is made online, the system will generate a PDF confirmation of the change. This PDF will only be generated once, and should be kept by the resident agent for audit purposes. Submissions will not be saved to the presenter's workspace on the Online Services Portal.

Submissions will be required within **14 days** of the resident agent updating the entity's record of beneficial ownership.

Resident agent exempt companies

Resident agent exempt companies **will not** be required to file beneficial ownership information.

CSPs must ensure that all Guernsey companies that have claimed resident agent exempt status previously still meet the requirements to be resident agent exempt.

The Registry will be performing a check on all resident agent exempt companies before the year end to ensure they meet the requirements for resident agent exemption. Where there is any doubt, the Registry will request that information is provided about the grounds on which they have claimed exemption. All companies incorporated from 1 July 2017 will be required to state the grounds for exemption on the incorporation form.

Definition of beneficial ownership

The definition of beneficial ownership will be set by the Beneficial Ownership Regulations, which are currently being consulted on with GIBA, GAT and the Bar Council.

The beneficial owner of an entity is almost always a natural person (or natural persons) i.e.

The beneficial owner of an entity is the person (or persons) who control the company through ownership. In relation to a company, ownership is defined as any one or more of the following:

- Where a member holds more than 25% of the company's shares (or 10% for companies considered to be high risk)
- Where a member holds more than 25% of the voting rights in a company (or 10% for companies considered to be high risk)
- Where a member holds the right to appoint or remove a majority of the board of directors

The definitions of ownership in relation to foundations or LLPs will be available in the regulations.

If there are no individuals that meet any of the above criteria, then the beneficial owner is considered to be the person (or persons) who control the entity through other means, for example in a nominee capacity.

If none of the above criteria apply, then the beneficial owner is the person (or persons) who are senior managing officials of the entity (such as a director).

Joint arrangements

If there is an arrangement in place between two or more members that they will act jointly (i.e. vote the same way on resolutions, or exercise any other rights they have as shareholders) and their combined shares or voting rights are more than 25%, then all of those members are required to register.

For example:

- If three shareholders of a company (who each hold 10% of the shares) have an agreement to act together, then **all three would be required to register as beneficial owners**, as their combined shareholding is greater than 25%.

However -

- If two shareholders of a company (who each hold 5% of the shares) have an agreement to act together, then **neither would be required to register as beneficial owners**, as their combined shareholding is less than 25%.

The above applies only to 'stable' arrangements and not to one-off agreements.

Corporate beneficial owners

Where a company listed on a stock exchange ultimately controls an entity through ownership, that listed company will be required to be entered in the beneficial ownership register (referred to as a "corporate beneficial owner").

Information to be collected on 'Add beneficial owners' form

Subject to responses from the consultation, the information collected on the add/remove beneficial owners form for individuals is likely to be:

Individual Beneficial Owner Details		
Field	Mandatory?	Possible options
Person number (if known)	No	6 digit ID number
Name	Yes	Free text
Former/previous name	No	Free text
Residential address	Yes	Free text (split into line 1, line 2, line 3, city/town, county/state, post code) and drop down list of countries
Date of birth	Yes	Date
Nationality	Yes	Drop down list of countries
Any other nationalities	No	Drop down list of countries
Beneficial ownership category	Yes	Drop down list: <ul style="list-style-type: none"> • Direct ownership (shares) - sole personal capacity • Direct ownership (voting rights) - sole personal capacity • Direct ownership (right to appoint/remove directors) - sole personal capacity • Direct ownership (shares) - joint arrangement • Direct ownership (voting rights) - joint arrangement • Direct ownership (right to appoint/remove directors) - joint arrangement • Indirect ownership through a chain • Control through other means • Senior managing official
Capacity in which shares or rights held	Only if ' <i>Indirect ownership through a chain</i> ' is selected in ' <i>Beneficial ownership category</i> '	Drop down list: <ul style="list-style-type: none"> • By controlling exercise of rights held by another person in his/her personal capacity • Through a trust or other legal arrangement (as individual trustee/member) • Through a trust or other legal arrangement (by exercising or having the right to exercise significant influence or control over trust/other legal arrangement) • As a nominee (in the case of shares only) - Licenced Guernsey TCSP • As a nominee (in the case of shares only) - Other licenced TCSP • As a nominee (in the case of shares only) - Non-licenced TCSP • As a nominee (in the case of shares only) - Family relationship • As a nominee (in the case of shares only) - Other

Individual Beneficial Owner Details - continued		
Field	Mandatory?	Possible options
Percentage of shares or voting rights held	Yes	Drop down list: <ul style="list-style-type: none"> Up to 25% More than 25% and up to 50% More than 50% and up to 75% More than 75% and up to 99% 100%

The add/remove beneficial owners form will collect the following information for corporate beneficial owners (see definition of beneficial ownership for information on when this would be used):

Corporate beneficial owner details		
Field	Mandatory?	Possible options
Type of corporate beneficial owner	Yes	Drop down list: <ul style="list-style-type: none"> Listed company Licensed corporate trustee/corporate member States trading company
Corporate beneficial owner name	Yes	Free text
Corporate beneficial owner registration number	Yes	Number
Jurisdiction of incorporation	Yes	Drop down list of countries
Percentage of shares or voting rights held	Yes	Drop down list: <ul style="list-style-type: none"> Up to 25% More than 25% and up to 50% More than 50% and up to 75% More than 75% and up to 99% 100%
Registered office address	Yes	Free text (split into line 1, line 2, line 3, city/town, county/state, post code) Drop down list of countries

Bulk upload

The Registry is currently investigating the possibility of offering a bulk upload facility to enable the beneficial ownership register to be populated for multiple entities without the need to file separate submissions for each entity.

This will not be available at launch but we will provide updates to CSPs on this functionality as more information becomes available.

Next Steps

Incorporation of new entities

From 1 July 2017, beneficial ownership information will be collected on all Guernsey company, limited liability partnership and foundation registration submissions.

Existing (pre 1 July 2017) entities

Beneficial ownership information will be able to be entered into the system for all existing (pre 1 July 2017) companies, LLPs and foundations from 1 July 2017.

Guidance will be published on the Registry website and a guidance note on beneficial ownership will be sent to all non-regulated companies during November, advising them of their obligations.

Beneficial ownership information for existing entities will be entered by filing an 'Add/remove beneficial owners' form on the Online Services Portal.

Prior to March 2018, there will be no filing fee to make the submission. Any fees introduced after March 2018 will be subject to a consultation process.

Once the beneficial ownership information has been populated for an entity, any changes must be notified to the Registry within 14 days of any change to the entity's record of beneficial ownership.

Please note that historic beneficial ownership information is not being collected, and submissions must contain only the most up to date beneficial ownership information.

Limited liability partnerships & foundations

The Registry intends to contact all LLPs and Foundations in September 2017 to request that the beneficial ownership register be populated before **31 December 2017**.

Companies

The Registry will advise companies of the requirement to file beneficial ownership information as part of the normal annual validation reminder process.

It is expected that companies will not be able to file an annual validation in 2018 until they have filed their beneficial ownership information using the 'Add/remove beneficial owners' online form and that the annual validation period will be extended until 28 February 2018 to facilitate this process.

Companies that have not filed their annual validation will be listed for strike off during April 2018, and a strike off notice will be sent to the registered office address. Companies that have not filed their annual validations will become liable to be struck off during June 2018.

Changes to beneficial ownership information

Any change to the beneficial ownership information held in the company's record of beneficial owners, i.e.

- A person becomes a beneficial owner of an entity
- A person ceases to be a beneficial owner of an entity
- A change to a beneficial owner's personal details (name, address etc.)

Must be notified to the Registry **within 14 days** of the change being made to the record of beneficial owners.

This requirement begins as soon as the company has submitted its beneficial ownership information - either on incorporation for entities registered from 1 July 2017, or when a resident agent submits the first 'Add/remove beneficial ownership' form for a particular entity.

Procedure where the resident agent is unsure of the information held by the Registrar

Due to the private, secure nature of the register, it is not possible for resident agents to see the information currently held on the beneficial ownership register using the Online Services Portal.

If there is any doubt as to the information currently held, a new declaration of beneficial ownership can be filed by ticking the '*File a new statement of beneficial ownership*' option on the 'Add/remove beneficial owner' form. This will replace the data currently held with the new details entered on the form.

Contact us

Should you have any queries or comments, please do not hesitate to contact us:

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9:30am - 4pm Monday to Friday (with the exception of Wednesday when the office opens at 10am due to staff training).

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