

Beneficial ownership register in Guernsey: an overview

Service area / [Corporate, Trusts and Private Wealth](#)

Location / [Guernsey](#)

Date / [August 2017](#)

In line with developing international standards in transparency and law enforcement, Guernsey has introduced a centralised register of the beneficial ownership of Guernsey legal persons.

In this note, we provide a practical overview of the beneficial ownership register (the “BO Register”), including what it will seek to achieve, who will be affected by its introduction, what information it will contain and how it will operate. A further briefing note will provide a more detailed analysis on the question of how to identify the beneficial owners whose details need to be registered.

Speed read:

- A centralised register of beneficial ownership is being introduced from 15 August 2017
- Guernsey companies, LLPs and foundations will need to register details of beneficial owners. Listed companies, GFSC regulated funds and GFSC licensees are exempt.
- Information on the register will not be available to the public but can be disclosed to appropriate law enforcement, regulatory and tax authorities.
- Broadly similar to regimes being introduced in Jersey, Isle of Man, BVI and Cayman Islands.

Background

Guernsey laws and regulations have, since 2001, required details of beneficial owners of legal persons to be collected and maintained. However, until now that information has been held on the island by certain designated persons and/or regulated businesses, and has not been collated in a central register.

In recent years there have been a number of international initiatives to improve access to beneficial ownership information, both onshore and offshore, including the EU’s Fourth Money Laundering Directive, recommendations and guidance published by FATF and principles agreed amongst the G20. In line with Guernsey’s ongoing commitment to international standards, and as part of a co-ordinated move taken by the UK, the British Overseas Territories and the Crown Dependencies, Guernsey has amended its regime so that beneficial ownership information will be held in a centralised, but not public, register.

The regime for the BO Register was introduced by the Beneficial Ownership of Legal Persons (Guernsey) Law, 2017 (the “BO Law”) and will come into force on 15 August 2017.

What is the purpose of the BO Register?

The BO Register is designed to ensure that Guernsey authorities have timely access to adequate, accurate and current information on beneficial owners of Guernsey legal persons.

The BO Register will not be publicly accessible, has enhanced security features and can only be accessed by a small number of designated persons at the Guernsey Registry, GFSC and Guernsey Financial Intelligence Service.

Other persons (in Guernsey or elsewhere) can ask for disclosure of information contained on the BO Register regarding identified persons, but any such request can only be made for a permitted purpose. Those purposes effectively limit disclosure to local and foreign law enforcement agencies, intelligence services, financial services regulators and tax authorities.

Under the existing regime, such information has been accessible to the Guernsey law enforcement authorities and the GFSC, and they in turn have a long-standing record of co-operating with overseas law enforcement agencies and tax authorities to disclose information when appropriate to do so. However, the addition of the centralised register will mean that the information can be accessed much more quickly than previously. In addition, the authorities will be able to access information on the BO Register without the subject of any investigation being aware that their information has been reviewed.

Which types of Guernsey legal person are subject to the BO Register?

The BO Register relates to the following types of legal person (each a “relevant legal person”):

- All types of Guernsey incorporated companies
- Guernsey registered limited liability partnerships (LLPs)
- Guernsey registered foundations

Under the existing regime, certain types of companies and LLPs are deemed to be sufficiently transparent as a result of other regulatory requirements, so that they do not also need to comply with the beneficial ownership regime. These include:

- Companies listed on a recognised stock exchange
- Companies / LLPs regulated by the GFSC as investment schemes
- Companies licensed by the GFSC under Guernsey regulatory laws
- Trading companies operated by the States of Guernsey

Such entities will be exempt from the BO Register, for the same reason. The States of Guernsey may in due course issue regulations specifying that certain classes of foundation are exempt from the BO Register.

The BO Register will not be a register of beneficial ownership of trusts.

Who is obliged to register information on the BO Register?

The obligation to provide information to the BO Register falls upon the resident agent of the relevant legal person. The resident agent may be a Guernsey resident person connected with the relevant legal person, or a Guernsey regulated corporate services provider.

In order to enable the resident agent to fulfil its obligations, the resident agent is empowered to require certain persons to provide specified information in relation to beneficial ownership (as listed below). Beneficial owners (and persons who have information about beneficial owners) are obliged to provide information in response to any such request. Beneficial owners are also obliged to volunteer information in certain circumstances.

What information will need to be submitted to the BO Register?

The following items of information (the “required particulars”) are to be registered in respect of each beneficial owner of a relevant legal person:

- Name
- Nationality
- Date of birth
- Principal residential address
- The date on which the beneficial owner became a beneficial owner (if after 15 August 2017)
- The grounds on which the beneficial owner is considered to be a beneficial owner

When does the BO Register come into effect?

The BO Register becomes active on 15 August 2017. Beneficial ownership information will need to be submitted in relation to any new companies, LLPs or foundations to be established on or after that date (unless they are exempt).

Companies, LLPs and foundations which are already in existence on 15 August 2017 can submit beneficial ownership information from that date. LLPs and foundations will need to have done so prior to 31 October 2017. Companies will need to have done so prior to submission of the next annual validation (for which the deadline will be 28 February 2018).

Thereafter, the BO Register must be kept updated with changes to beneficial ownership information, and confirmed as at the filing of each annual validation or annual renewal.

Continued

How will this affect me?

The effect of the BO Register will vary for different groups of persons:

International clients and intermediaries using Guernsey structures

Clients and intermediaries will notice very little change following the introduction of the BO Register.

Such persons are already required to provide beneficial ownership information for the purposes of preventing money laundering and terrorist financing, or as a result of the existing beneficial ownership regime. It may be necessary to provide some additional information, and clients may be asked annually to confirm the continued accuracy of the information provided.

Guernsey-based administrators, company secretaries, etc.

Guernsey firms administering Guernsey companies, limited liability partnerships or foundations will need to adjust their procedures so as to ensure that beneficial ownership information is registered on the BO Register at the required time.

The GFSC will be monitoring compliance with the BO Law as part of its ongoing supervision of regulated businesses in the island.

Whilst such firms will already be collecting and maintaining much of the required information in relation to structures that they administer, they will now need to undertake the following additional tasks in relation to entities of which they are the resident agent:

- Analysing the ownership structure to correctly identify the beneficial owners whose details need to be registered

- Establishing procedures designed to ensure that when the firm is aware of a change (or possible change) in the beneficial owners or their required particulars, updated information can be requested from beneficial owners and submitted within the statutory timeframes
- Ensuring that beneficial ownership information is confirmed annually in connection with the submission of annual validations and annual renewal filings
- Making online registrations of beneficial ownership information and retaining records of such filings

Guernsey-based users of Guernsey legal persons

Guernsey residents who use and operate Guernsey companies without engaging the services of a regulated administration firm (for example, self-administered local trading companies and property holding vehicles, etc.) will need to familiarise themselves with the new regime and the person who is the resident agent will need to make the necessary submissions to the BO Register within the statutory timeframes.

Further information

For questions regarding the practical details of submitting information to the BO Register and the completion of the online form, we recommend that you contact the Guernsey Registry at enquiries@guernseyregistry.com or 01481 743800.

For advice on the extent of statutory obligations in relation to the BO Register, or the interpretation of the BO Law and regulations, please get in touch with your usual contact in the Corporate or Fiduciary teams at Carey Olsen, or contact the following:



Key contacts

For further information or professional advice please contact our lawyers below:



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