

UK implementation of the G20 High Level Principles on Beneficial Ownership Transparency

The UK is fully committed to implementing the Financial Action Task Force (FATF) Recommendations, and in particular recognises the importance of transparency of beneficial ownership information.

To deliver G20 Leaders' St Petersburg commitment to lead by example in meeting the FATF standards regarding beneficial ownership, and their Brisbane commitment to implement the G20 High Level Principles on Beneficial Ownership Transparency, the UK:

- 1) Has published a national risk assessment of money laundering and terrorist financing in full consultation with the private sector and civil society, as well as with UK law enforcement agencies, supervisors and policy makers across Government.
- 2) Will ensure Company Law and UK Money Laundering Regulations clearly define the criteria for ownership and control that identify a natural person as the 'beneficial owner' of a company. This legislation will oblige companies to know who owns and controls them, by requiring that companies obtain and hold adequate, accurate and current information on their beneficial ownership. Companies will also be required to make this information accessible to domestic competent authorities.¹
- 3) Will also require companies to report beneficial ownership information to a central register. This information will be adequate, accurate and current, and accessible to domestic competent authorities without alerting companies. Following a consultation, the UK has committed to make this register publicly accessible; the public register is expected to become operational in June 2016.
- 4) Will ensure trustees of express trusts obtain and hold adequate, accurate and current beneficial ownership information for their trusts, including the settlor(s), trustee(s) and beneficiaries. Mechanisms will be put in place to ensure that domestic competent authorities have access to this information.
- 5) Will hold in a central register the beneficial ownership information of trusts that generate tax consequences in the UK. Domestic competent authorities will be able to access this information.
- 6) Will ensure that financial institutions and designated non-financial businesses and professions (DNFBPs) undertaking customer due diligence are able to access information held on the central register of company beneficial ownership information. Trustees of express trusts will disclose their status, and provide beneficial ownership information of their trusts, when acting in their capacity as a trustee.
- 7) Will put in place effective mechanisms to share beneficial ownership information, in line with bilateral and multilateral agreements, and work to improve international cooperation—including the timely and effective exchange of information with foreign competent authorities.
- 8) Has committed to further action to improve company transparency, and following consultations has amended Company Law to:
 - Prohibit UK companies from issuing bearer shares and require existing bearer shares to be surrendered and exchanged for registered shares, or cancelled and compensated.
 - Prohibit use of corporate directors, with exceptions, and update how legal duties apply to shadow directors to align more closely with legal duties for individual directors.
- 9) Has committed to consult on extending beneficial ownership transparency to foreign companies investing in high value property or bidding on UK public contracts.

Unless otherwise stated, these commitments will be implemented in 2017 through new UK Money Laundering Regulations, which will transpose the requirements of the 4th EU Anti-Money Laundering Directive. This Directive reflects the 2012 revised FATF Recommendations.

¹ Including law enforcement, tax authority, supervisory authorities and financial intelligence unit.