

JERSEY BENEFICIAL OWNERSHIP AND CONTROL REGISTER

OCORIAN BRIEFING

June 2017

The Companies Registry at the Jersey Financial Services Commission ("JFSC") is making changes to the way it collects information concerning beneficial ownership and control ("BO&C"). Jersey has made an international commitment to maintain an up to date and current (but non-public) centralised BO&C register. The United Kingdom has recently introduced a Register of People with Significant Control (PSC), and all Crown Dependencies and Overseas Territories have signed up to an equivalent agreement with the United Kingdom.

The requirement to notify Jersey's Companies Registry of the identity of all beneficial owners and controllers of Jersey registered companies (public and private) (the "Company/Companies") and all Jersey registered LPs, LLPs, ILPs and SLPs (the "LPs") will become codified in legislation in late 2017 or early 2018.

Who has access to the register?

The beneficial owners and controller information collected is not publicly available and will be stored on a secure and private register by Jersey's Companies Registry. This information will only be exchanged with law enforcement and tax authorities. In all other circumstances, under the data protection laws, Companies Registry is unable to disclose the names of the beneficial owners and controllers without the consent of the individuals concerned.

What action is required?

Every Jersey registered Company and LPs registered with the JFSC as at 1 January 2017 is required to file a return to confirm its current beneficial ownership and control by 30 June 2017. Even if there is no change to BO&C information since incorporation, Companies must file a return. It is intended that foundations will be captured under a similar regime (however, further information regarding this is not yet available from the Registry).

Following submission of the return, the Companies Registry must be notified of any subsequent changes to BO&C within 21 days of the change.

Non-submission of the return is a criminal offence.

Who is a beneficial owner and controller?

The Companies Registry applies the Financial Action Task Force (FATF) standards in respect of BO&C. For beneficial ownership, a general threshold of 25% or more shall be applied for Companies and LPs assessed as representing a lower risk. In all cases a 'three tier' approach as documented in the JFSC's handbook will be applicable. In summary, the approach follows these principles:

- Each individual with a material controlling interest in the capital of the Company or LP, either through direct or indirect holdings of interests, or through voting rights, or who exerts control of the Company or LP through other ownership means;
- If no individual exerts control through ownership, any other individual exercising control over the Company or LP through other means; and
- Where no individual is identified, an individual who exercises control of the Company or LP through positions held, for instance, as a senior managing official.

What actions have Ocorian undertaken?

Ocorian have experience in meeting similar requirements introduced by the United Kingdom to maintain the Register of PSCs. Consequently we currently have in place an effective operating model in which we are able to anticipate similar requirements in all jurisdictions where we have a presence.

Our client teams are currently assessing all guidance and FAQs issued by Companies Registry to ensure that Companies under our administration will be compliant with the new legislation.

As part of this process, our teams have reviewed the ownership and control of all relevant Jersey incorporated entities under our administration and will be providing the required information to the Companies Registry in accordance with these requirements.

Costs

Following the introduction of new legislation of this nature there are likely to be additional costs for affected Companies and LPs. We are actively developing an impact assessment (which includes this notification to clients) to ensure the cost of compliance is kept as low as possible. We will also be taking advantage of automation tools we have at our disposal in order to manage these costs.

In the meantime if you have any questions or concerns relating to this briefing please speak your usual Ocorian point of contact, or [click here](#) to review the FAQ's issued by Companies Registry.

KEY CONTACTS



GRANT BARBOUR
Managing Director
 T +44 (0)1534 507343
 E grant.barbour@ocorian.com



PAUL BUTEL
Managing Director
 T +44 (0)1534 507341
 E paul.butel@ocorian.com



SHANE HOLLYWOOD
Managing Director
 T +44 (0)1534 507019
 E shane.hollywood@ocorian.com



SIMON BURGESS
Managing Director
 T +44 (0)1534 507130
 E simon.burgess@ocorian.com

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