



# A CENTRAL REGISTER OF BENEFICIAL OWNERSHIP FOR GUERNSEY - THE THIN END OF THE WEDGE?

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The newly formed Policy and Resources Committee of the States of Guernsey has recently published a [consultation paper](#).

The stated objective of such a register is to bring Guernsey in line with international standards on transparency.

Currently, information on beneficial owners is collected and lodged by resident agents with the Registrar of Companies and Limited Liability Partnerships. In addition, resident agents have information gathering powers exercisable against members, which are balanced by safeguards (court sanctions). The information is available to law enforcement agencies, the GFSC and HM Procureur on request and for certain purposes. Whilst it is acknowledged that beneficial ownership information is available via resident agents, the absence of a central register is seen as a weakness in the system. This could result in difficulties and delay in accessing information where circumstances may call for a more expeditious approach.

It is proposed that a central register (**Register**) be established and maintained by a Registrar of Beneficial Ownership. Information on the Register will be confidential and encrypted. Unlike the PSC Register (register of persons with significant interest) in the UK it will not be open to the public. Guernsey authorities may access the information and in some circumstances, share the information with authorities outside the Island. The purposes for which information may be shared cover a wide range, including investigation, prevention, prosecution of offences, collection of taxes and assistance with functions related to intelligence services.

The creation of a Register raises a few issues:

- Data security and the risks of cyber theft and other unauthorised disclosures.
- Costs of maintaining the Register and funding of the role of the Registrar.
- Additional administrative burdens on industry and clients in maintaining the currency of the information held.

The paper appears to have lifted a chunk of the UK legislation governing the framework for the PSC Register, especially in the "control" test. Whilst the PSC register provides a useful template, it is far from perfect and has resulted in a number of unintended consequences.

Clearly it is not in Guernsey's interest to adopt the UK approach and it is widely accepted that if we have to live with a central register, it would be preferable to look to the Jersey model. Much more work needs to be undertaken to address the concerns around such a

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register.

**The consultation period ends on 8 July 2016.**

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