



BENEFICIAL OWNERSHIP AND OTHER REGISTERS - JERSEY DECLARES ITS HAND

NOVEMBER 2016

Following the public consultation launched earlier in the year on **beneficial ownership registers** and **registers of directors of Jersey corporate and legal entities** the Jersey Government published its [policy document](#) on 2 November 2016.

The corporate and legal entities affected are:

- companies;
- foundations;
- limited partnerships (including incorporated and separate limited partnerships); and
- limited liability partnerships

registered in Jersey (each an **Entity**) and administered by Jersey trust and company service providers (**TCSPs**).

Key policy decisions

Updating of beneficial ownership information

Entities with TCSPs contracted to act on their behalf will be required to update the central register within **21 days of knowledge** of a change of beneficial ownership.

The obligation to notify a change of beneficial ownership will not be driven by a fixed percentage or threshold. Rather, the question of whether a change in the ownership and control structure of a corporate or legal entity amounts to a change in beneficial ownership (and hence requires reporting to the registry) will continue to be determined by the TCSPs' own internal procedures further to the Risk Based Approach and the guidance contained in the AML/CFT Handbook.

It is expected that the new policy will be fully implemented by **30 June 2017**.

In order to ensure that there is a single point in time when the central register is required to be updated in respect of all Entities, confirmation of beneficial ownership must be made to the Companies Registry between 1 January 2017 and 30 June 2017. After such confirmation the Registrar intends to issue a new consent under the Control of Borrowing (Jersey) Order 1958 that will be conditioned to require updating changes of beneficial ownership information to the Registrar within 21 days of knowledge.

Use of technology

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The public consultation had revealed that there was broad industry support for the use of technology for updating beneficial ownership information on the central register, with the appropriate cyber security measures in place to protect such potentially sensitive information. This aligns with Jersey's fintech aspirations. The Companies Registry will lead discussions with industry in the coming months to explore the use of technology for this purpose. The cost of implementation of technology will be borne by individual industry firms but the Companies Registry will make available appropriate and secure interfaces to ensure reasonable solutions can be developed.

Register of Directors

A centrally held register of directors in the Companies Registry will be created by **mid 2018**. The register will be accessible to law enforcement and tax authorities on request, and on the same basis as the register of beneficial ownership. It is not currently intended that the register will be held publically. The Jersey Government intends to keep this position under review as and when making the register of directors publically available becomes a global standard.

Concerns have been raised as to whether the register would be searchable by directors' names or under the company name. Whilst it is not necessary to resolve this point immediately as the register will be held privately, the Government has indicated that should the register become publically available, searches will only be possible against the company name.

The register of directors must be updated within **21 days** of a change of director.

In summary, the key message in Jersey, in the words of the author of the policy document:

"The Government has seen nothing in the responses to the consultation to justify departing from a policy of continuing to develop the effectiveness of the central register and regulation of TCSP model to ensure that Jersey provides adequate, accurate and current/timely information to law enforcement and tax officials.

"At the present time up-to-date information is held by the TCSPs and is obtained by law enforcement and tax authorities on request. Having this information held in a secure central register will enable the same information to be exchanged on request on a quicker timeline."

The focus therefore has been on improving the register and the delivery of information, rather than to move towards a publically accessible register.

It appears that Jersey has (boldly) put some distance between its beneficial ownership register regime and the UK's register of persons with significant control (PSC).

What about Guernsey?

Despite launching its consultation (which closed in July) on the introduction of a beneficial ownership register, no formal outcome has been published by Guernsey's government. For a summary of the issues raised in the Guernsey consultation [see our note](#).

Watch this space.

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