

Update on Jersey register of beneficial owners, controllers and significant persons

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This briefing provides a high-level update on the proposed new Jersey register of beneficial owners, controllers and significant persons.

Background

The Jersey Government is committed to ensuring that Jersey is and remains recognised as a leading centre for international financial services which adopts the highest levels of compliance with international standards on anti-money laundering and counter terrorist financing.

In 2016, Moneyval issued a report on Jersey's compliance against the Financial Action Task Force (FATF) 2012 recommendations on International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation.

Whilst Jersey achieved an impressive rating in the 2016 report, one area Moneyval identified as requiring some additional work in order to ensure that Jersey continued to lead in terms of developing standards was in relation to FATF Recommendation 24 on beneficial ownership of legal persons.

Following a consultation, on 2 June 2020 a draft Financial Services (Disclosure and Provision of Information) (Jersey) Law 202- was lodged for consideration by the States of Jersey (Jersey's parliament). The draft law seeks to:

- Deal with FATF Recommendation 24 on beneficial ownership of legal persons
- Support the development of a more modern, fully digital, future-ready companies registry.

What you need to know

We have worked closely with Government and Jersey Finance throughout the consultation process with a view to ensuring that the new law will be fit for purpose and enable Jersey to be well-positioned to deal with changes to international standards. It is hoped that the new law will be finalised and come into force in Q4 2020.

Jersey already has a central register of beneficial owners and controllers of entities, so the initial impact of the new law will be relatively minimal:

- The entity types within the scope of the new law will be companies, foundations, LLCs, LLPs and incorporated and separate limited partnerships (but not limited partnerships)
- Certain information gathering that is already mandatory under Jersey law will be moved to sit within the new law
- The information contained on the central register will extend to all 'significant persons', which includes company directors
- Nominee shareholders will have to be disclosed (in practice they should already be disclosed under the current regime, which 'looks through' legal ownership)
- Foundations will need to file an abridged version of their regulations (which will be publicly available)
- Entities will need to appoint a locally resident nominated person to act as the main interface between the Jersey Financial Services Commission (JFSC) and the entity – for most international clients, this is expected to be their current regulated corporate services provider (i.e. it will not be necessary to engage additional local representatives)
- Entities will need to file an annual confirmation statement confirming the accuracy of the information on the register

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- The remedies available for non-compliance are enhanced compared to the current regime, and will include the ability to strike an entity off the register.

Importantly:

- The central register will be split into a public and a private section
- Information on significant persons (at least company directors) is likely to become publicly available reasonably soon following enactment of the new law (for example in Q1 2021)
- Beneficial ownership information will remain private until international consensus is reached on the level and type of public information disclosure
- The JFSC will issue guidance on the application of the definition of beneficial ownership
- It will be possible to apply for dispensations to the public disclosure of information.

Resources

- [The Government's joint statement \(with Guernsey and the Isle of Man\) on public disclosure of beneficial ownership information.](#)



FIND US

Carey Olsen Jersey LLP
47 Esplanade
St Helier
Jersey JE1 0BD
Channel Islands

T +44 (0)1534 888900

E jerseyco@careyolsen.com



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Visit our corporate team at
careyolsen.com



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