

FATF





*Best Practices on Beneficial Ownership for Legal Persons,*

<b>ACRONYMS .....</b>	<b>3</b>
<b>Executive Summary .....</b>	<b>5</b>
<b>Section I - Introduction and key concepts.....</b>	<b>7</b>
Background and context .....	7
Scope of the paper.....	9
<b>Section II - Objectives .....</b>	<b>10</b>
FATF requirements.....	10
Relationship between R.24 and IO.5 .....	12
<b>Section III Common challenges.....</b>	<b>13</b>
Common challenges faced by countries .....	13
Challenges for specific approach.....	15
Registry Approach.....	15
Company Approach.....	17
Existing Information Approach.....	18
<b>Section IV The Suggested Effective System .....</b>	<b>21</b>
Multi-pronged approach .....	21
Roles and responsibilities of each key stakeholders .....	22
Suggested roles and responsibilities of each key stakeholder.....	23
<b>Section V Suggested key features of an effective system.....</b>	<b>26</b>
Risk assessment (relevant to core issue 5.2).....	27
Adequacy, accuracy and timeliness of information in beneficial ownership.....	31
Obliged parties to verify or/and monitor the accuracy of the information (relevant to core issue 5.3 and 5.4).....	31
Supplementary information platform in addition to company registry (relevant to core issue 5.3 and 5.4).....	37
Ongoing reporting at company level / to the reporting entities or company registry (relevant to core issue 5.3 and 5.4).....	40
Verification through different means (relevant to core issue 5.3 and 5.4).....	44
Enhanced measures for companies with foreign ownership/directorship (relevant to core issue 5.3 and 5.4).....	52
Highly effective law enforcement authorities with adequate resources (relevant to core issue 5.4) .....	55
Using technology to facilitate checking and validation (relevant to core issue 5.3 and 5.4) .....	56
Access by competent authorities ( <i>relevant to core issue 5.4</i> ).....	59
Forbidding or immobilising bearer shares and nominee arrangements ( <i>relevant to core issue 5.3</i> ) .	62
Effective, proportionate and dissuasive sanctions ( <i>relevant to core issue 5.6</i> ) .....	65
<b>Section VI Getting information on beneficial ownership of overseas entities.....</b>	<b>70</b>
<b>Section VII - Conclusion .....</b>	<b>72</b>

---

ANNEX 1: Detailed Arrangement of Mechanisms under R.24.....	73
Registry Approach .....	73
Collection and verification of information on beneficial ownership.....	73
Modalities of storage and access to that information .....	73
Supervision and enforcement of the relevant obligations .....	74
Company Approach .....	74
Collection and verification of information on beneficial ownership.....	74
Modalities of storage and access to that information .....	75
Supervision and enforcement of the relevant obligations .....	75
Existing Information Approach FIs/TCSPs and other DNFBPs.....	75
Collection and verification of information on beneficial ownership.....	75
Modalities of storage and access to that information .....	76
Supervision and enforcement of the relevant obligations .....	76
Existing Information Approach Competent authorities .....	77
Collection and verification of information on beneficial ownership.....	77
Modalities of storage and access to that information .....	78
Supervision and enforcement of the relevant obligations .....	78
Existing Information Approach Companies listed on a stock exchange.....	78
Collection and verification of information on beneficial ownership.....	78
Modalities of storage and access to that information .....	

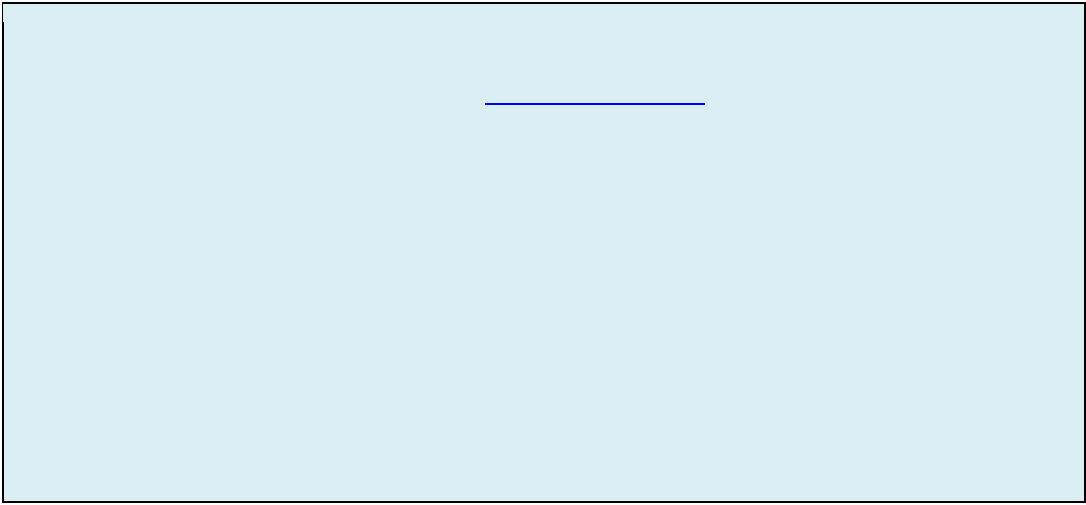




1





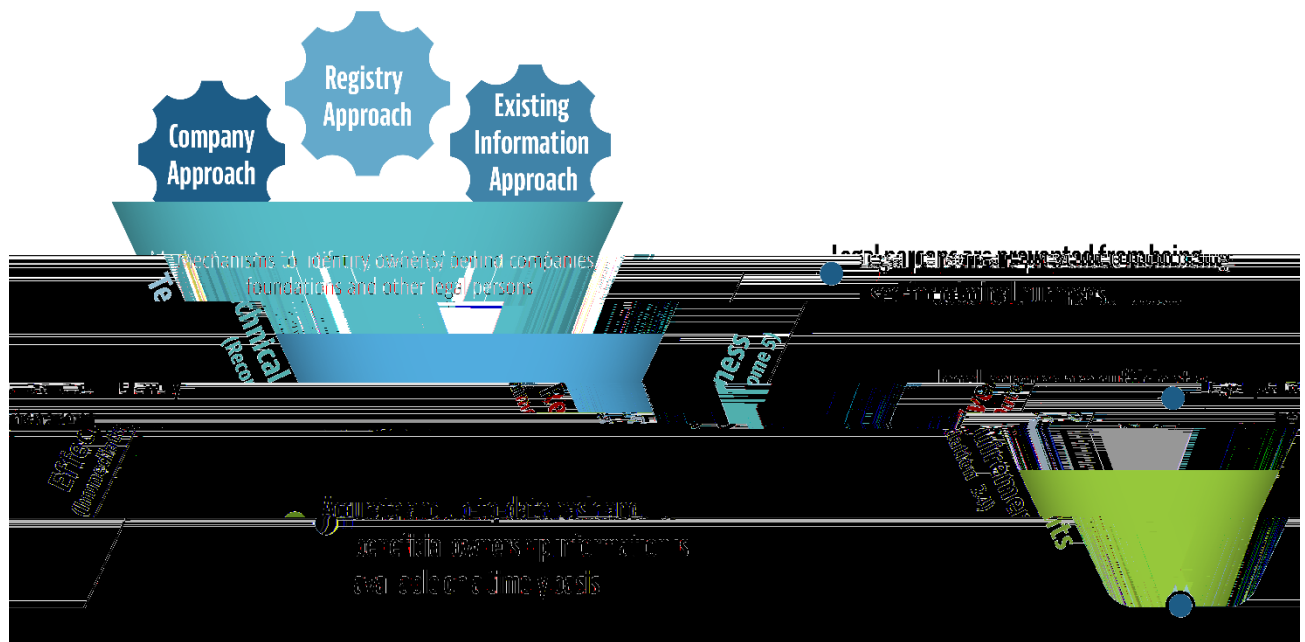






## FAIR Requirements

to identify the (beneficial) owner(s) behind legal persons, such as companies and foundations



---

4

5

6

7

---

4

5

6

7



## Community II

### Implementing effective beneficial ownership measures









15  
16

17

18

19

---

17

18

19







# Multi-pronged approach to identify the beneficial owner(s) behind legal persons, such as companies and foundations,











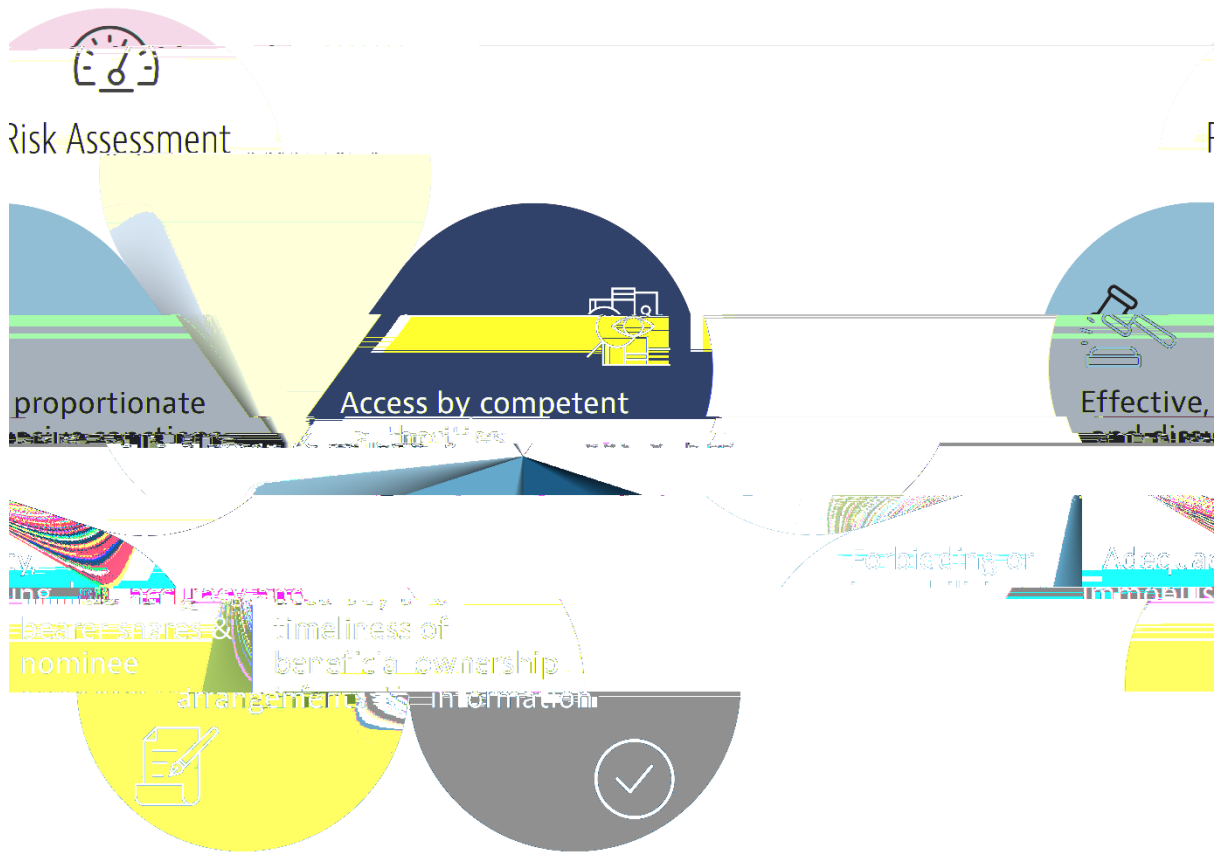


# Key features of an effective system

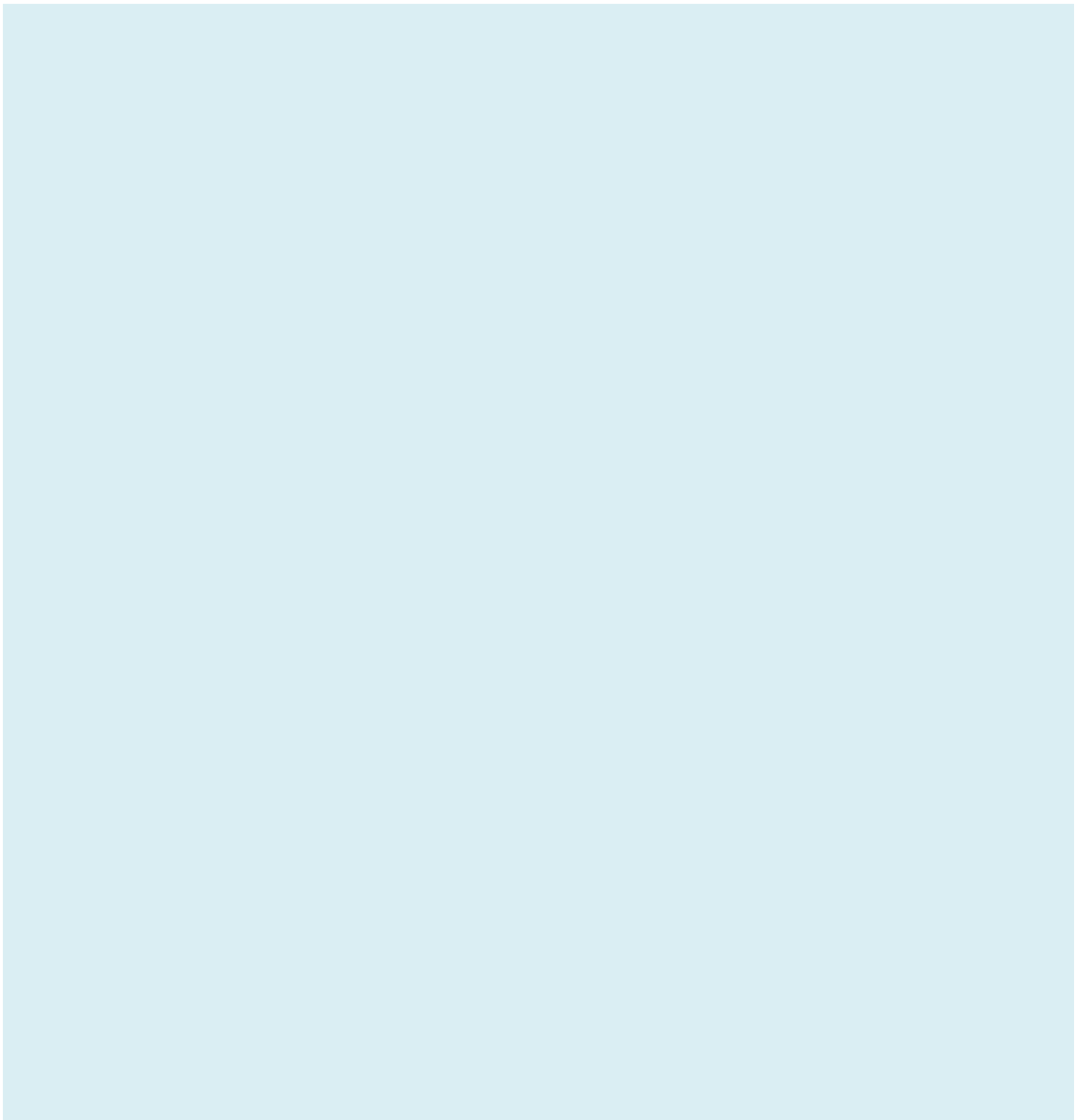
to identify the beneficial owner(s) behind legal persons,

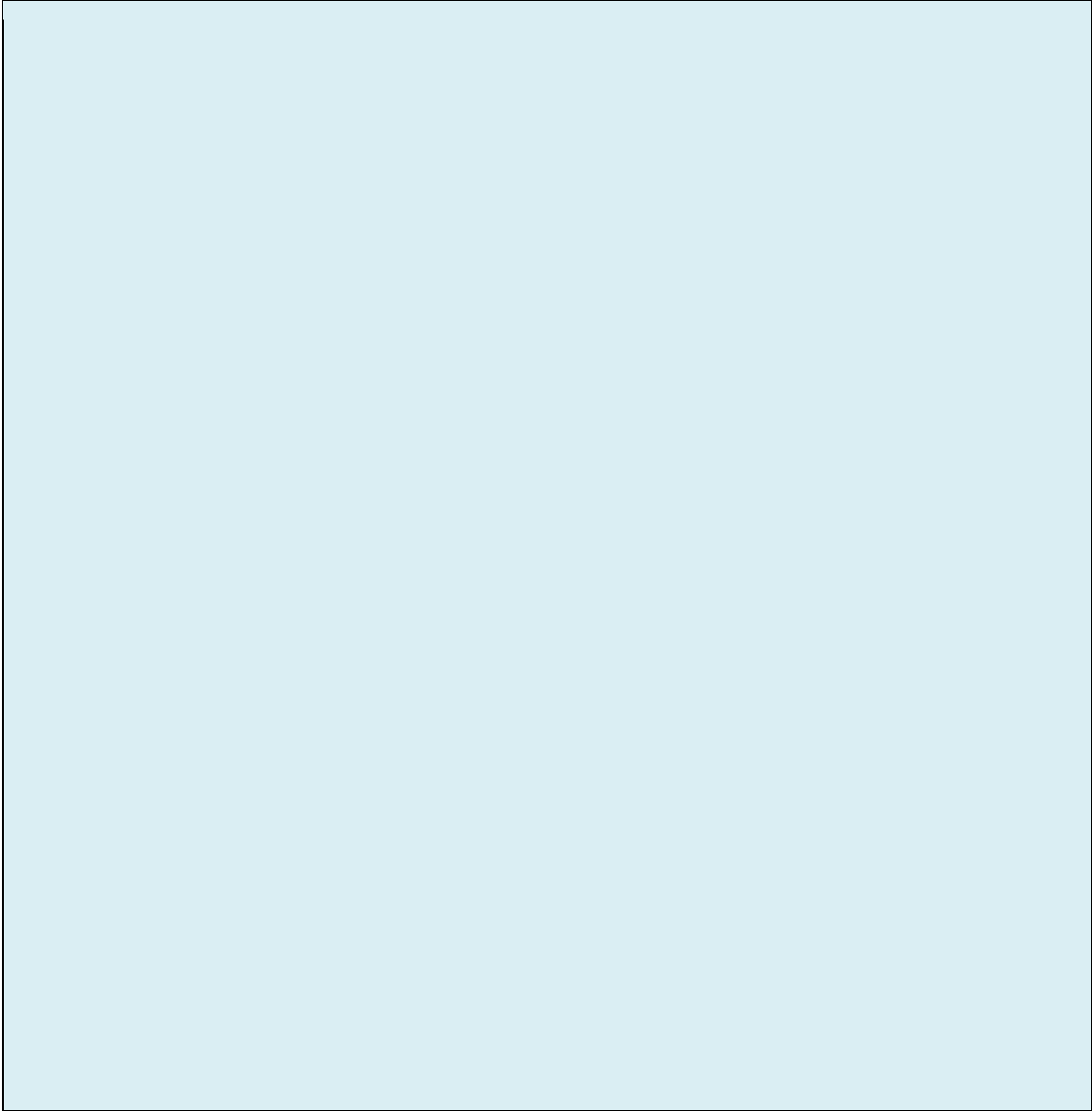
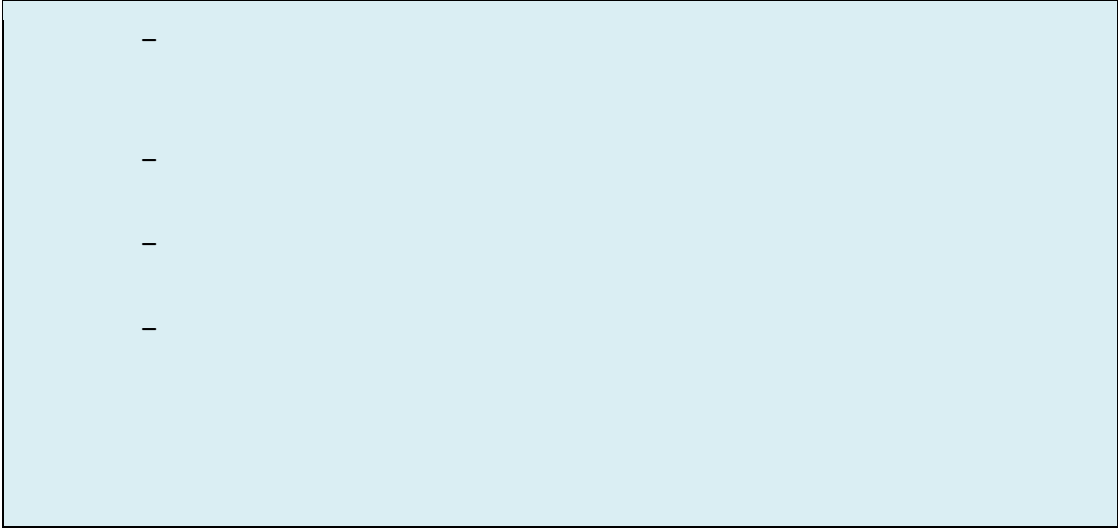
companies and foundations

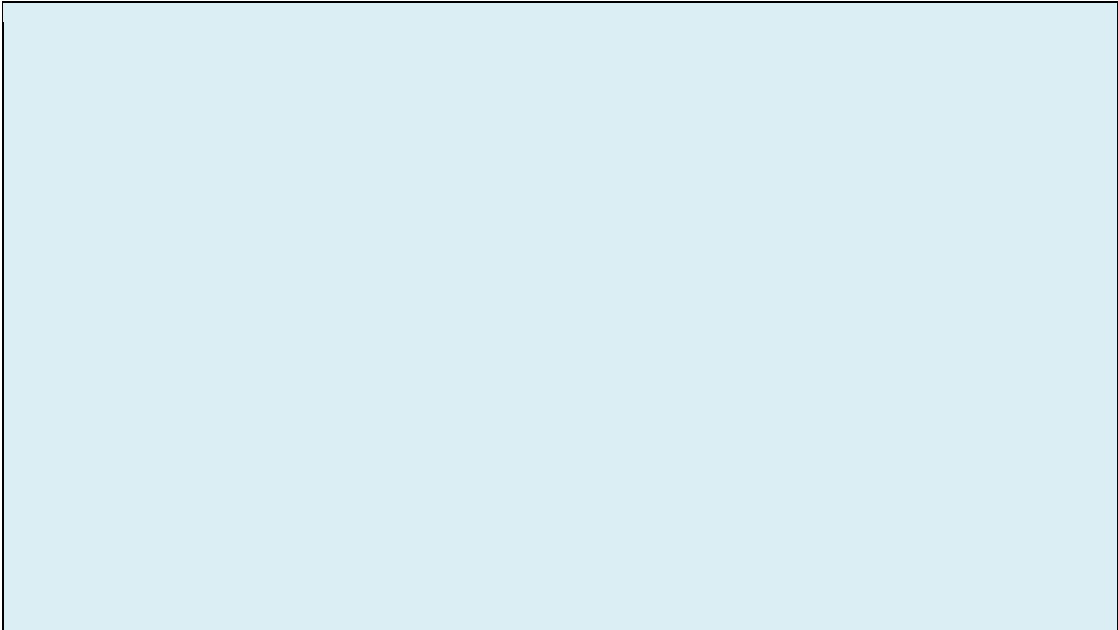
such as co





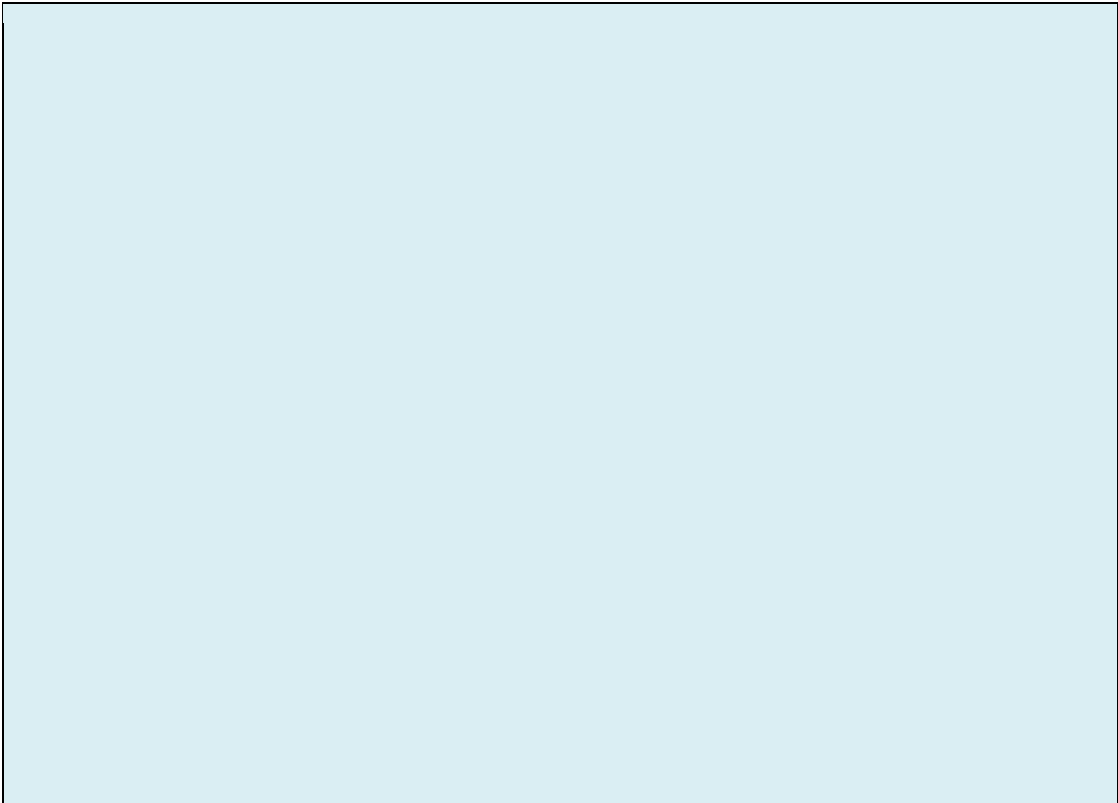




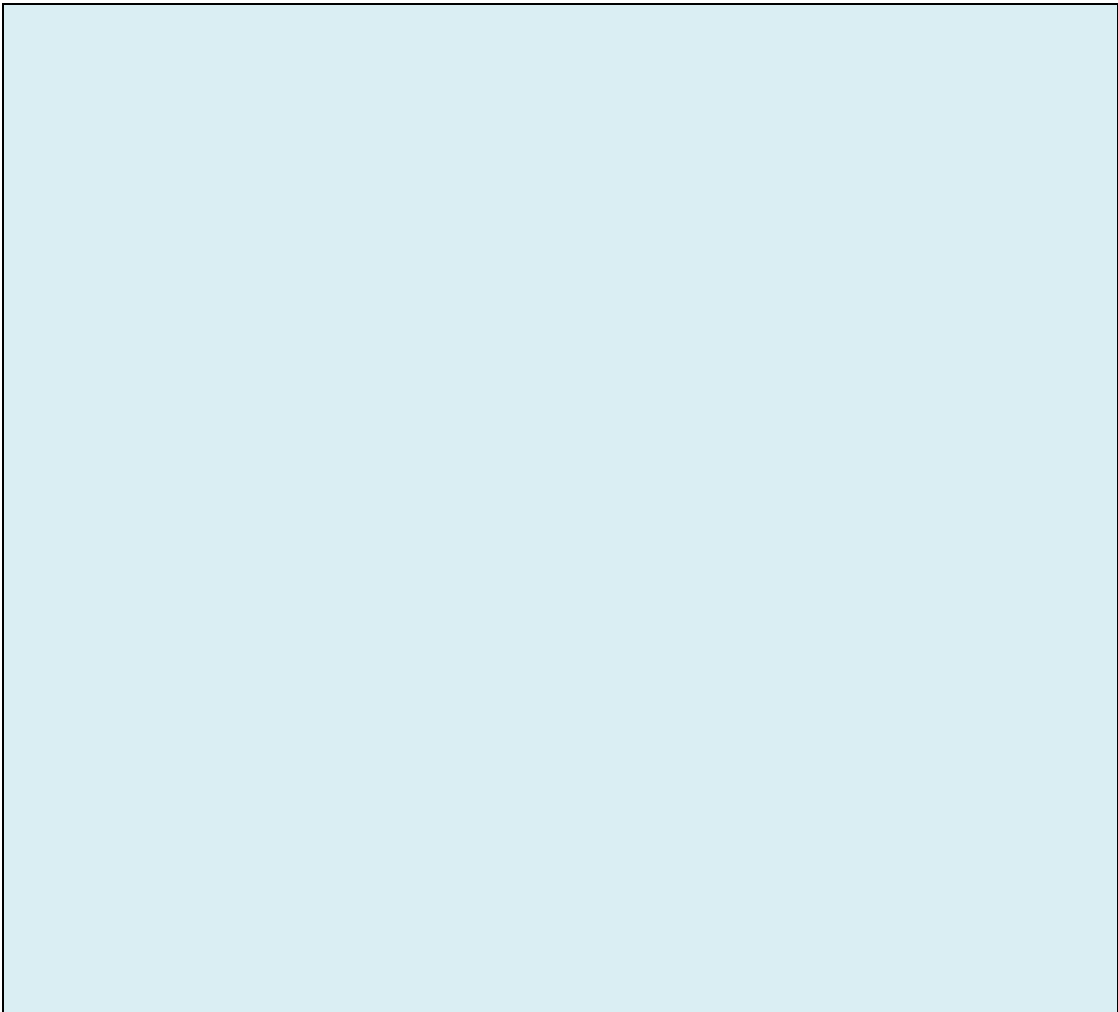
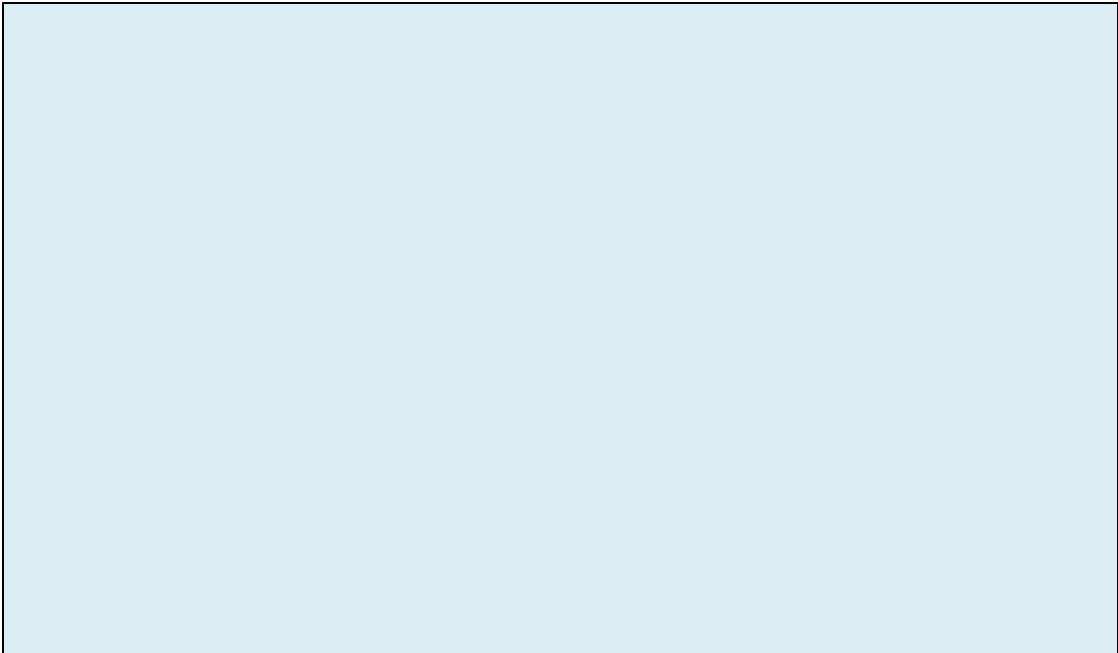




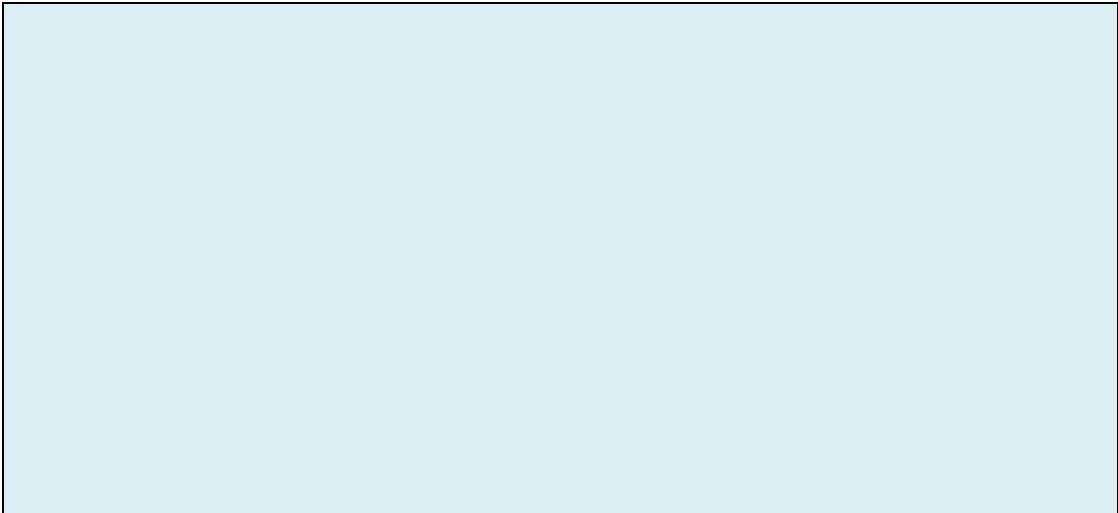
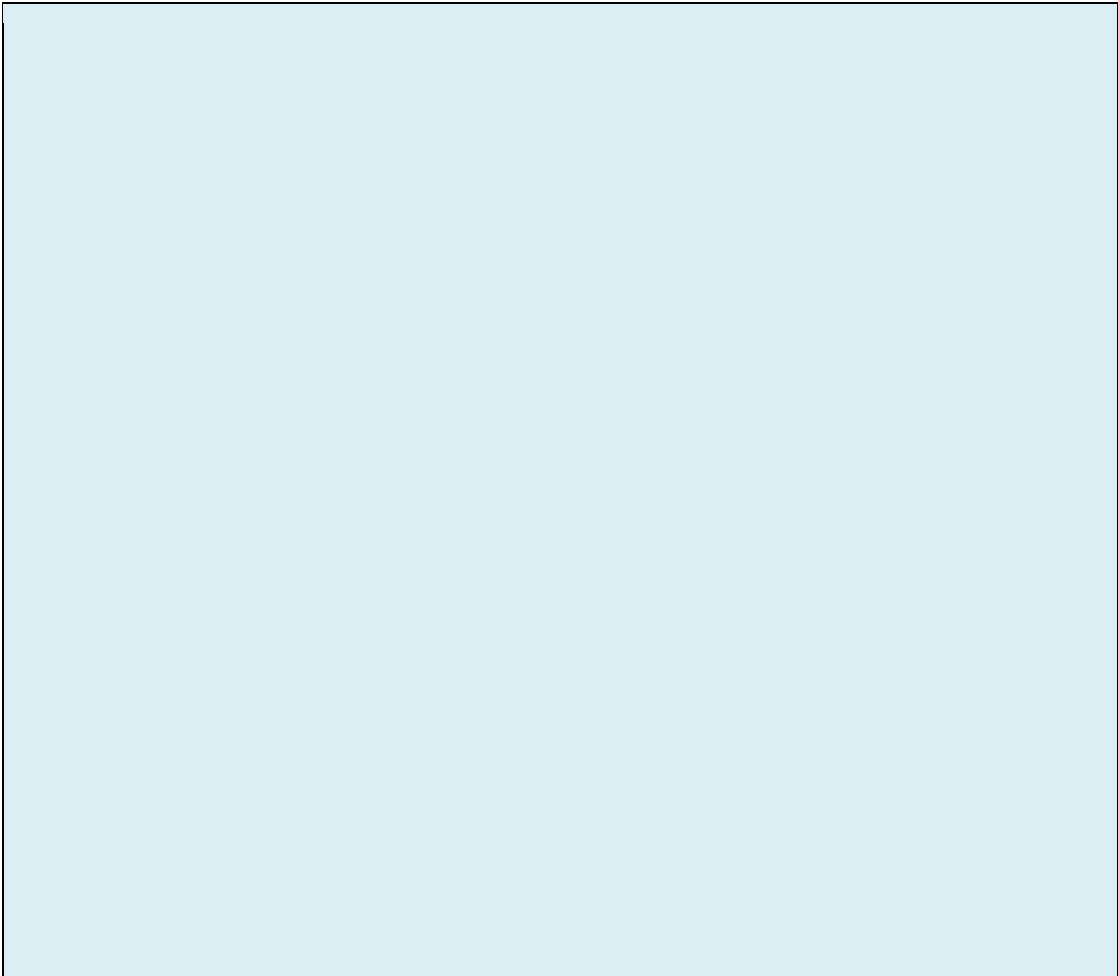




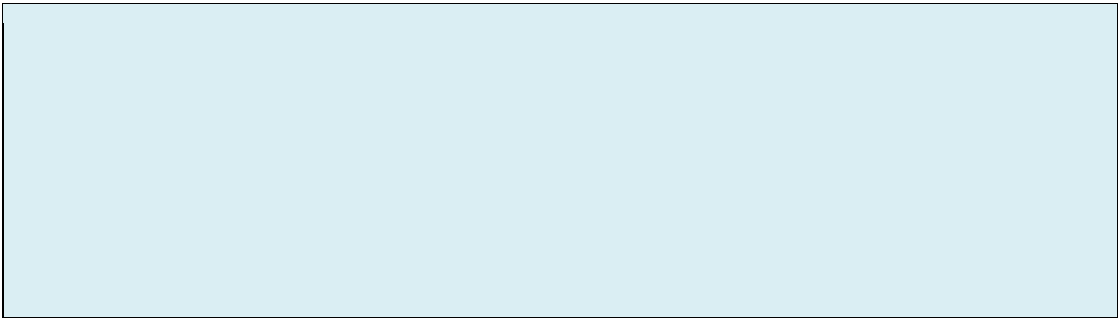




\*

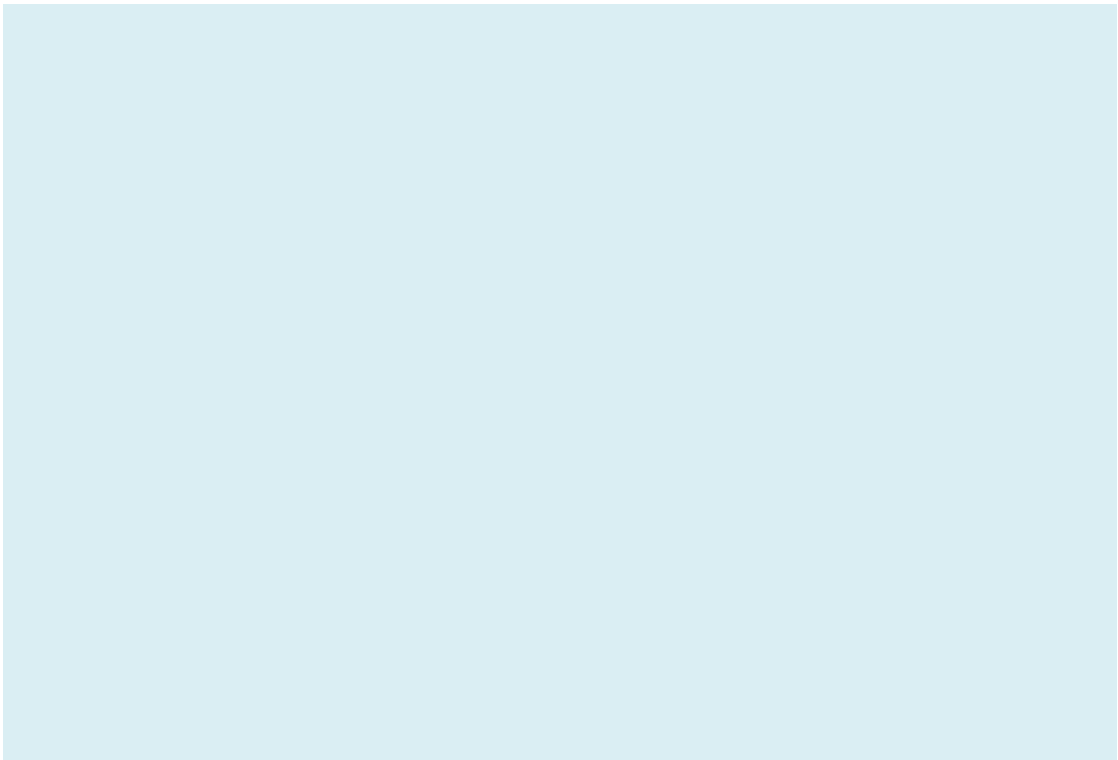


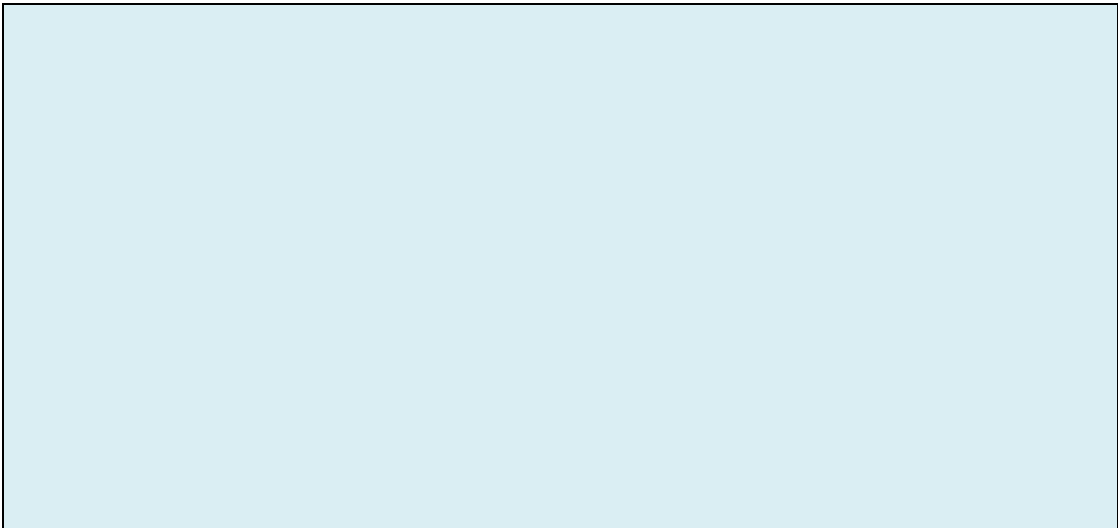
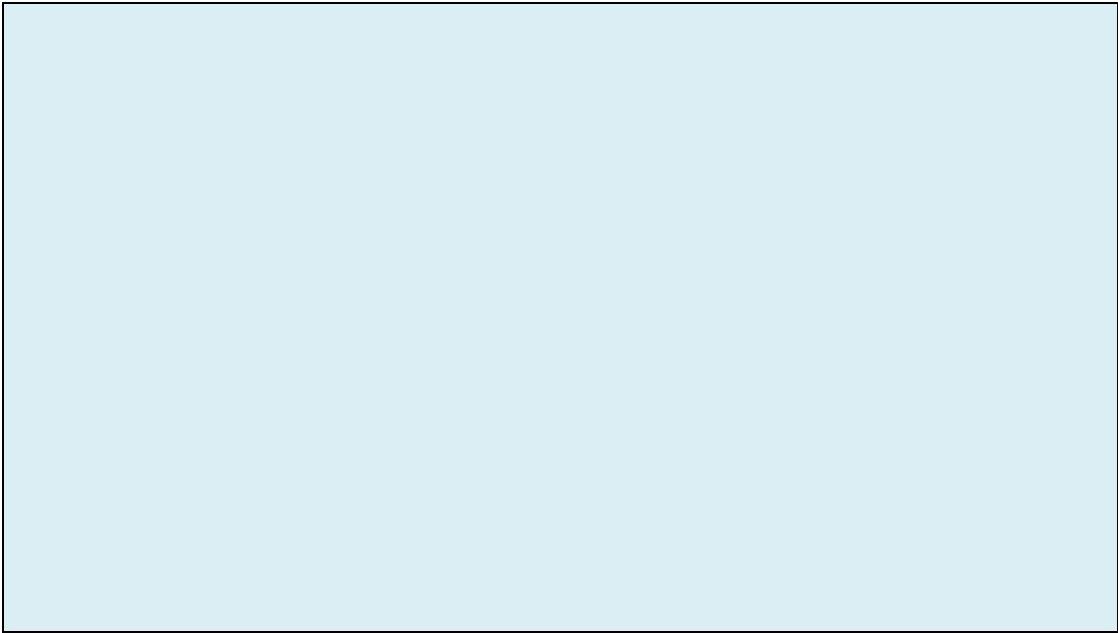


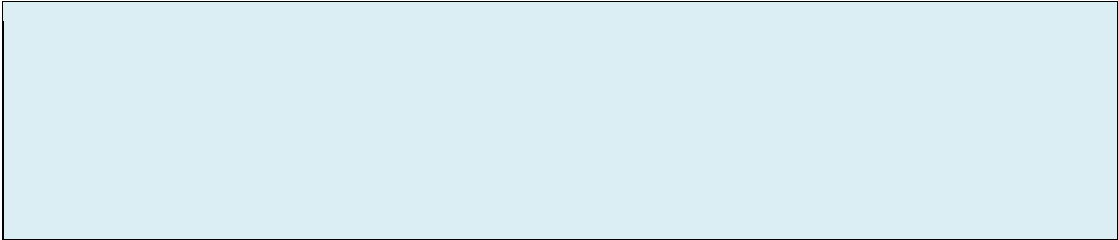
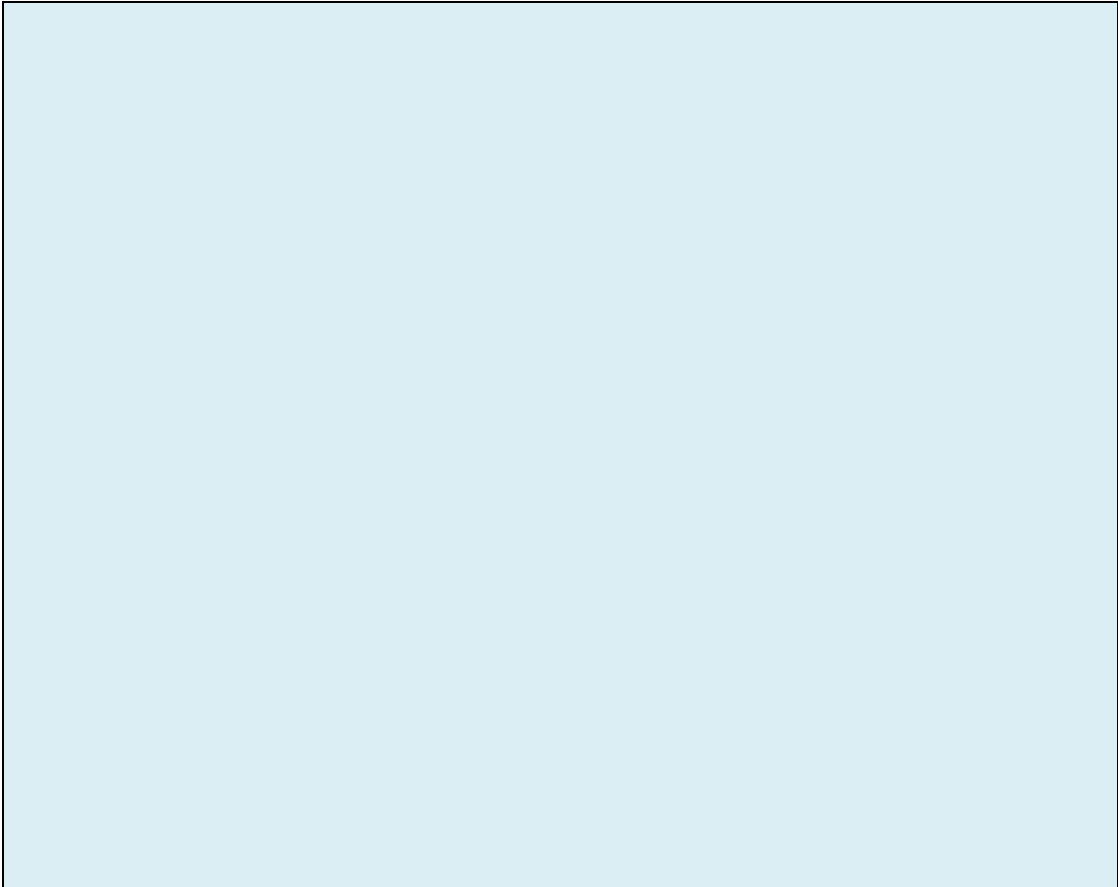
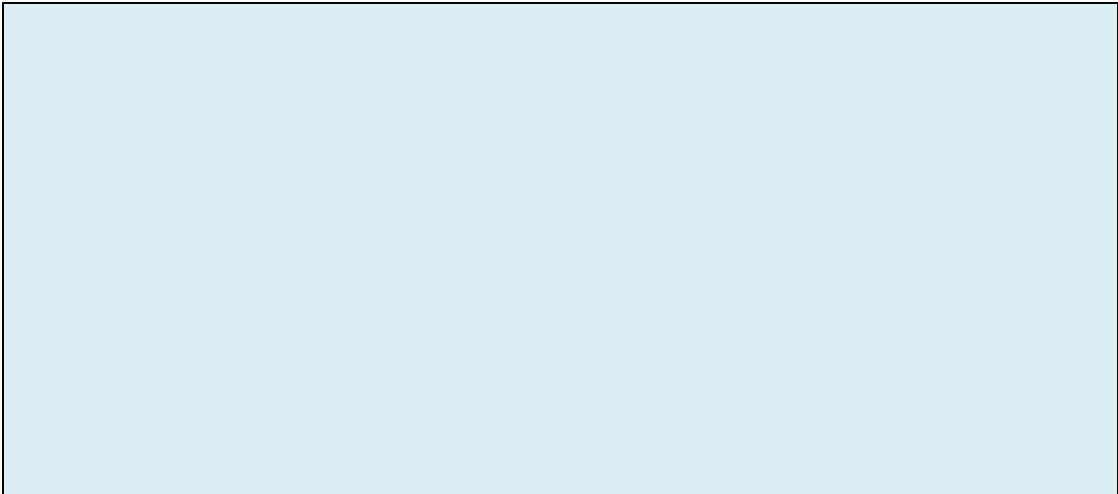


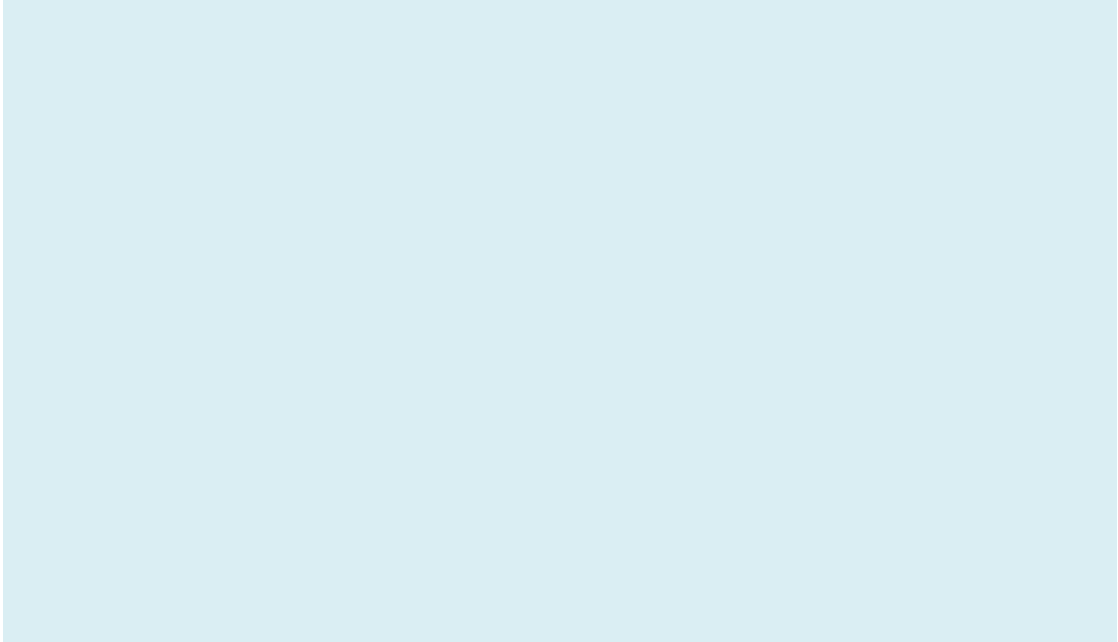






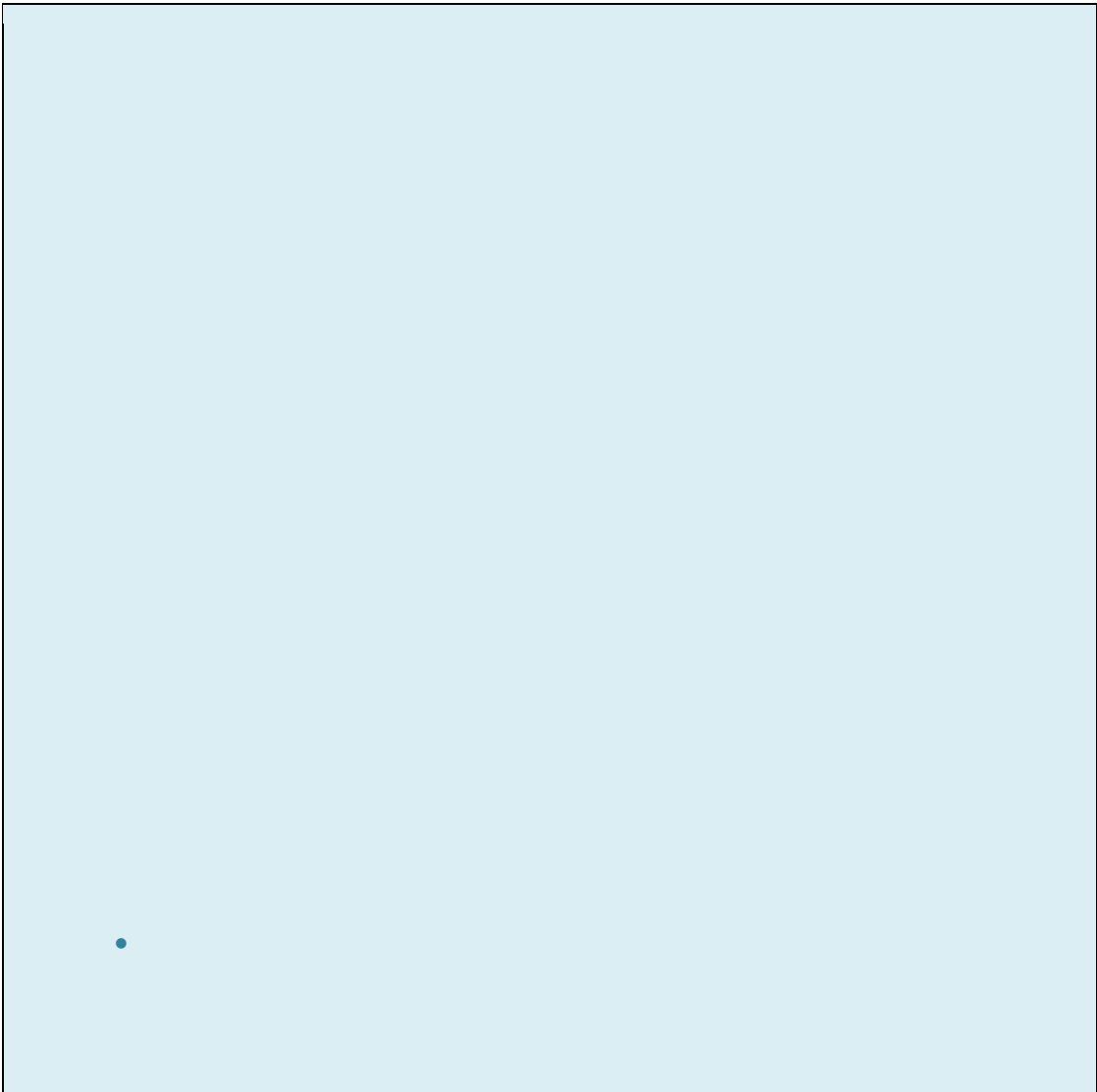
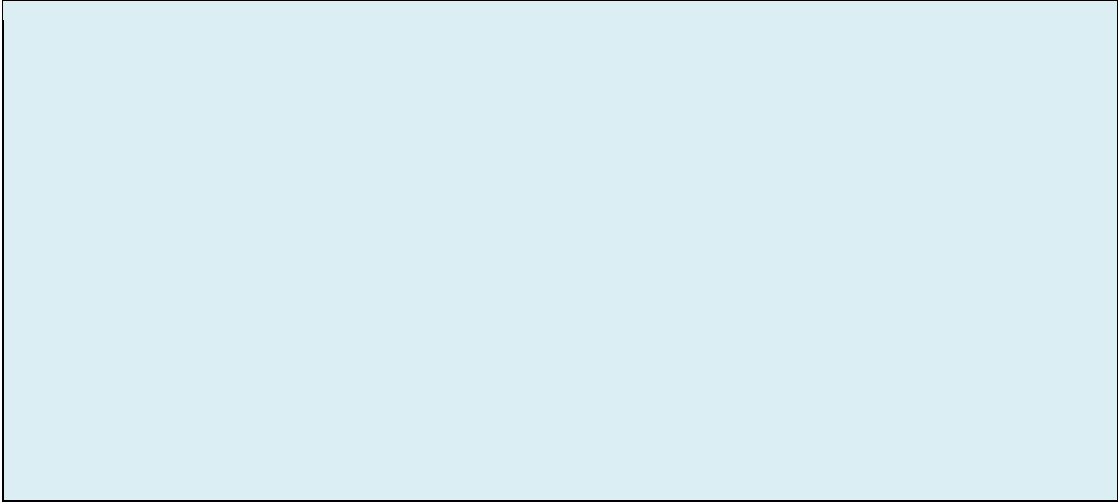




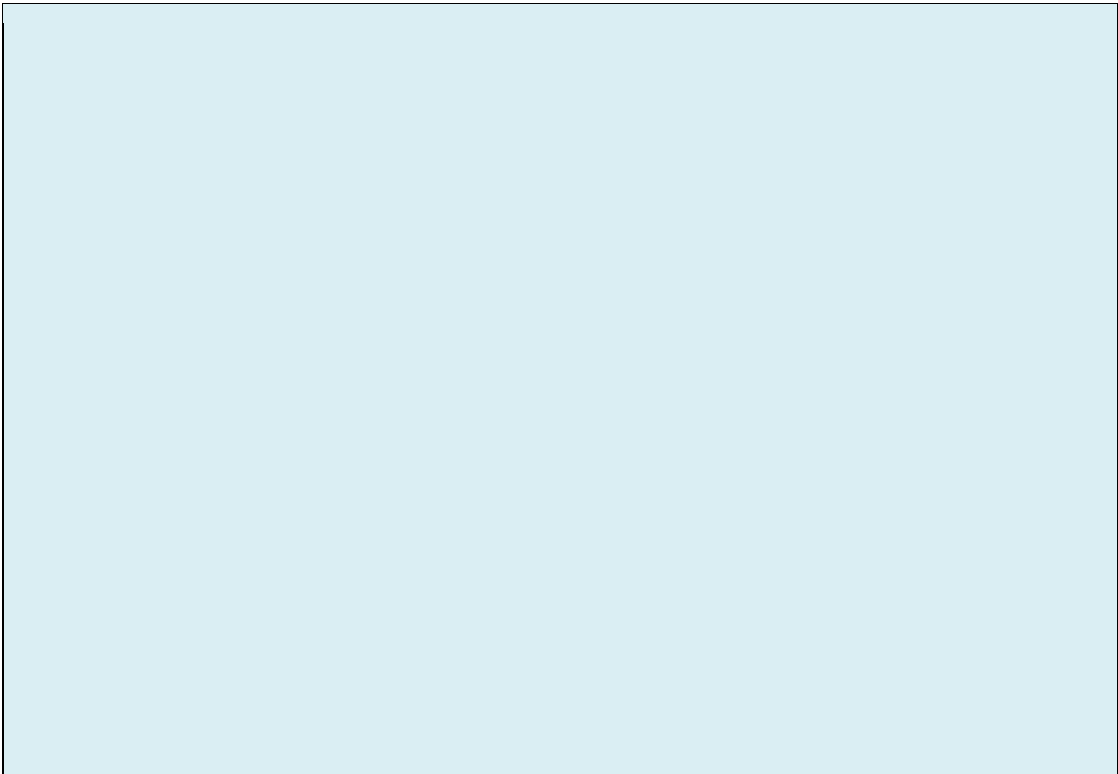


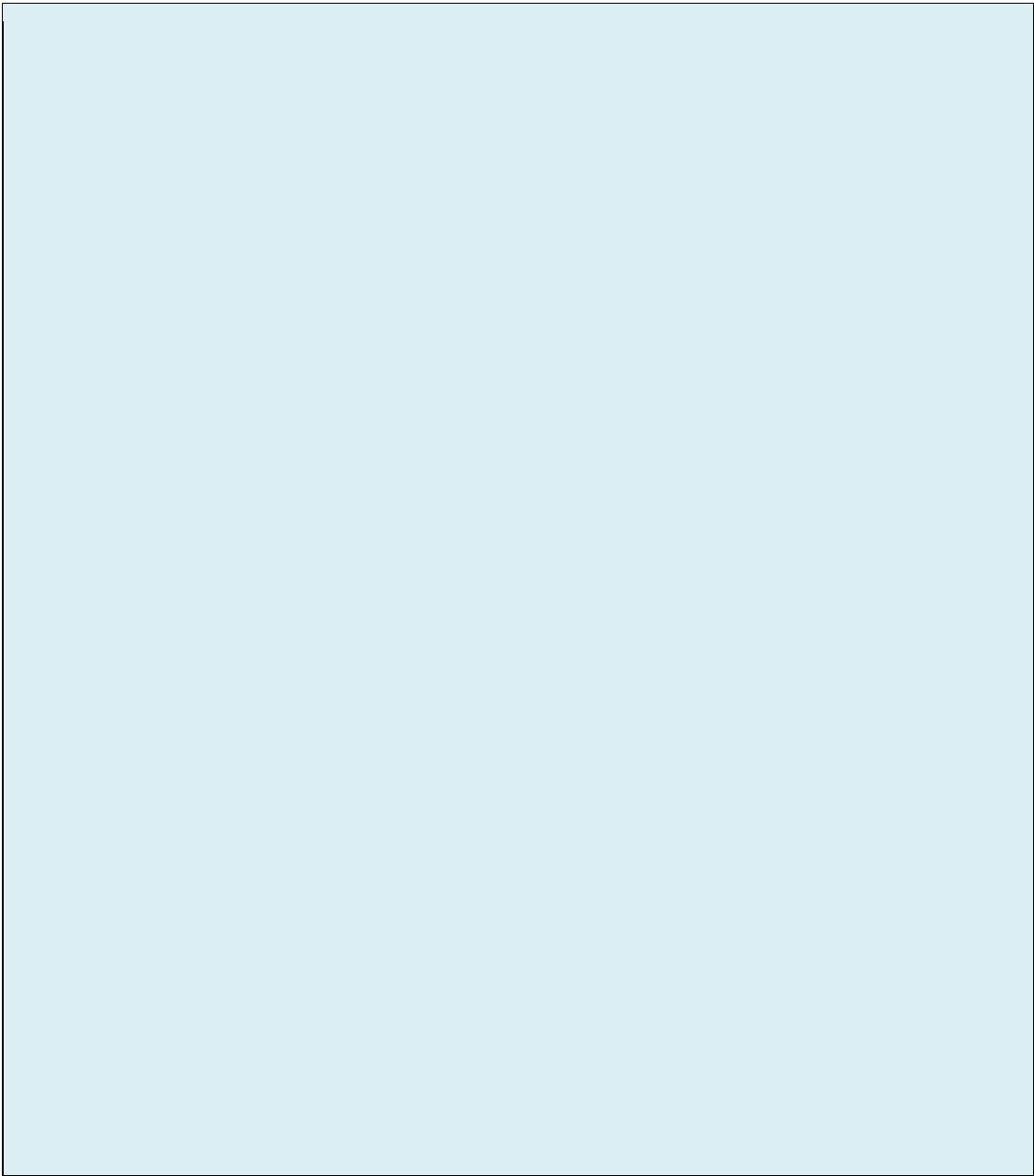
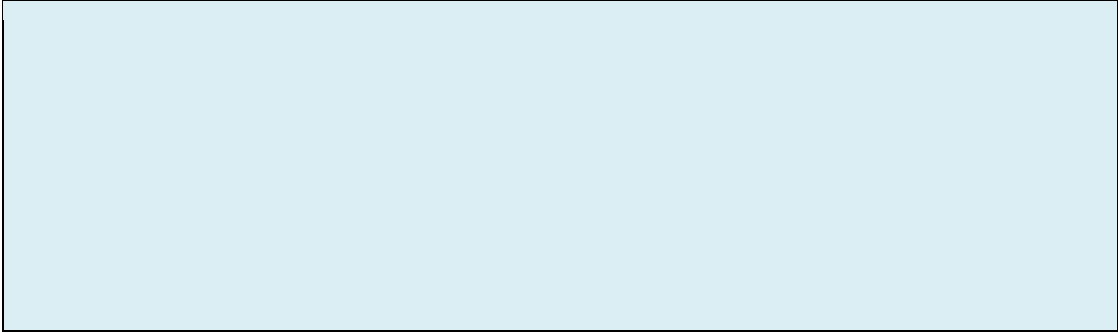


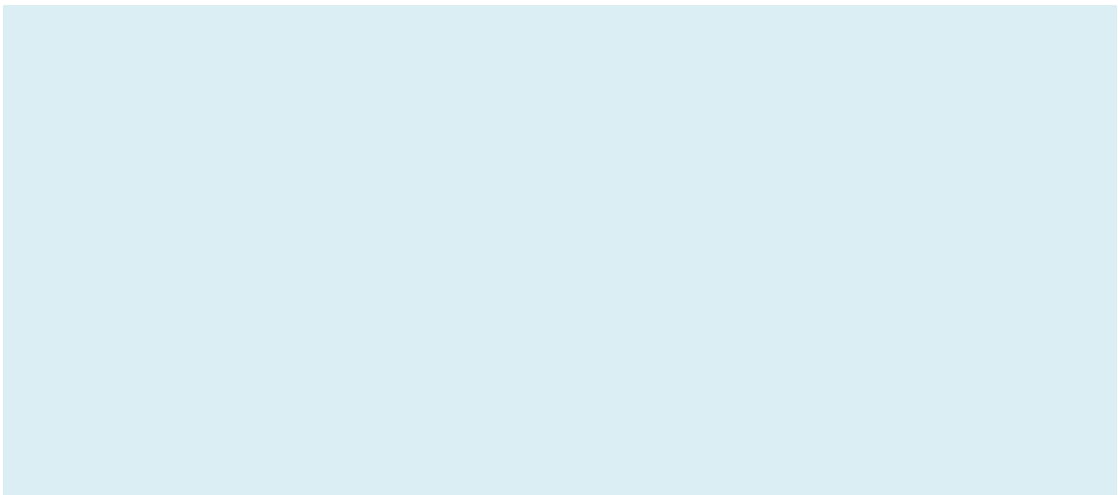


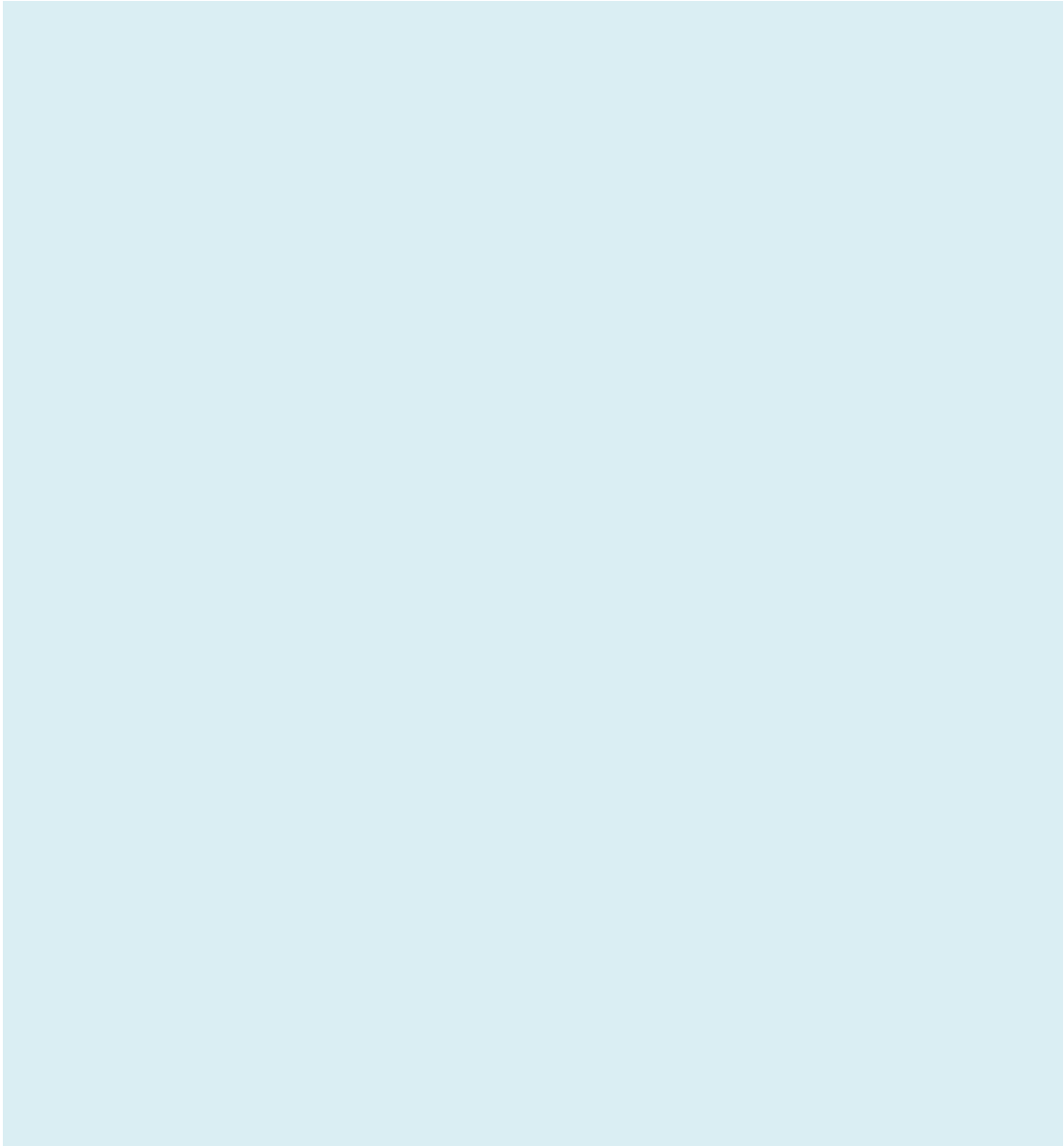
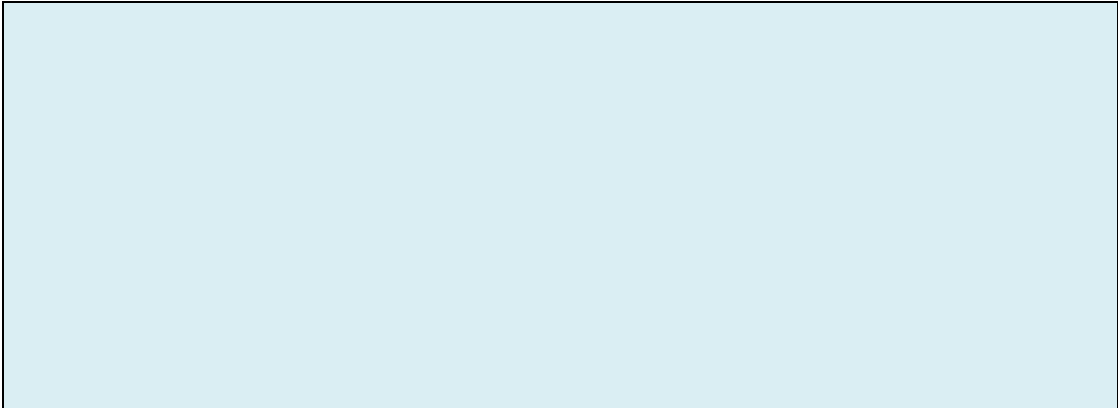


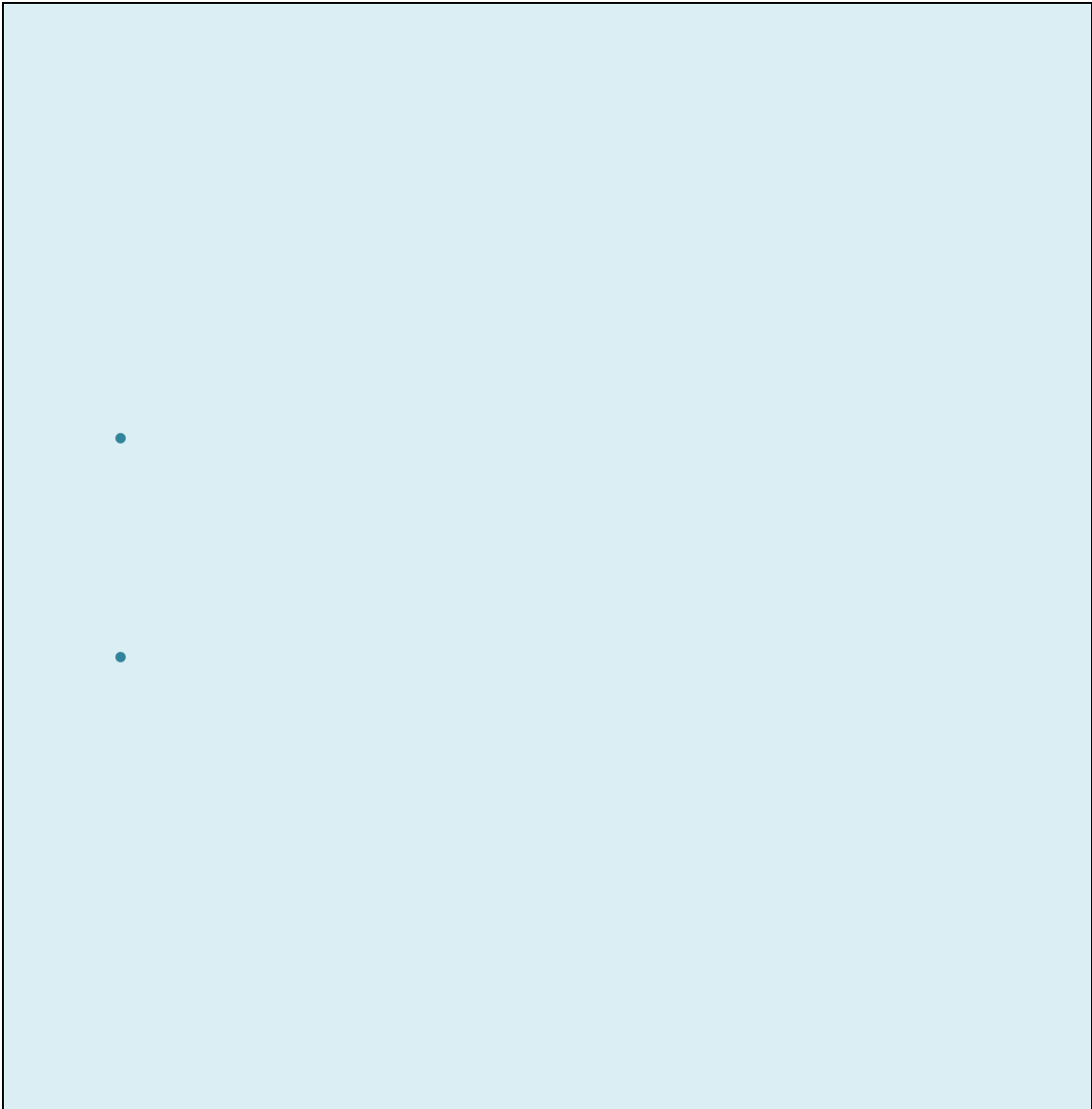


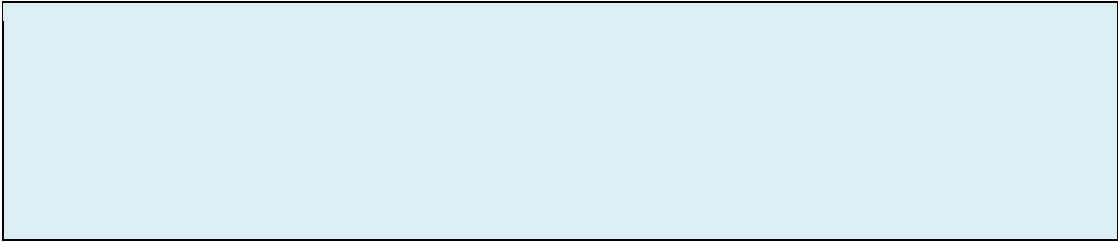
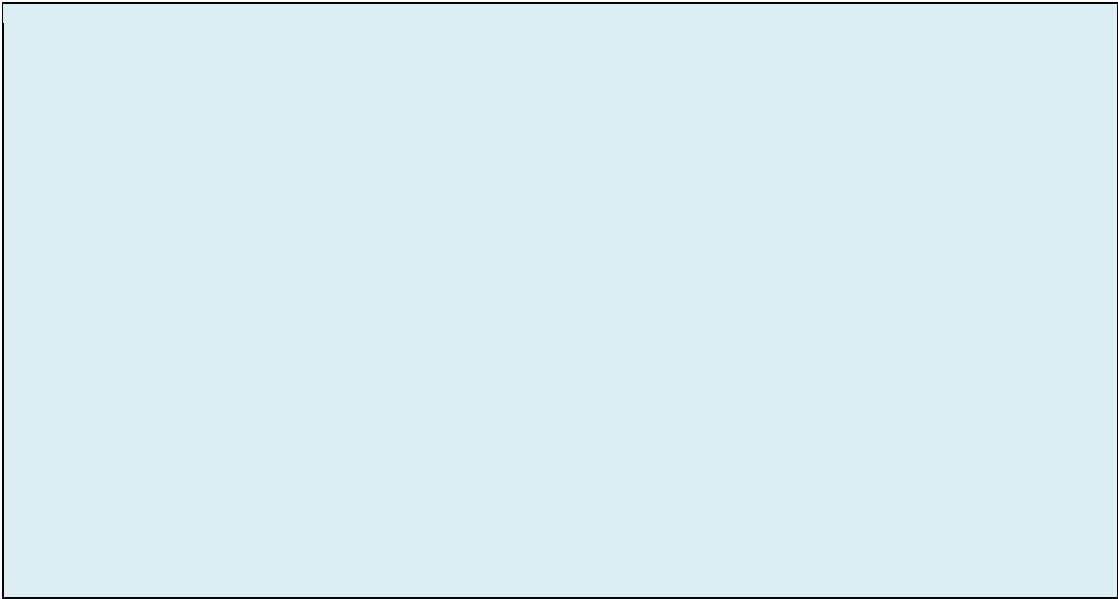




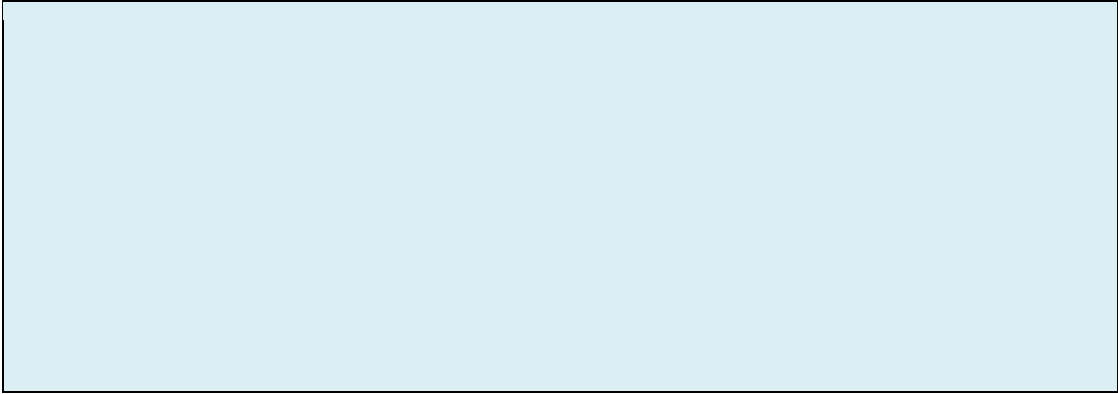
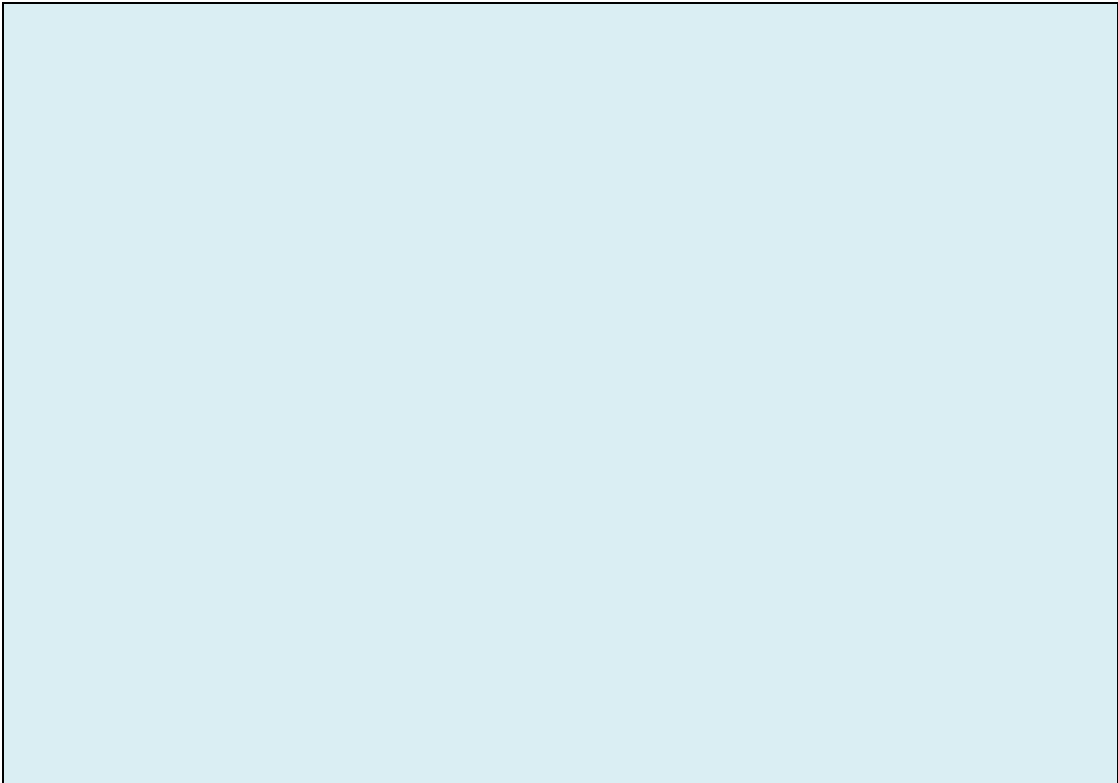






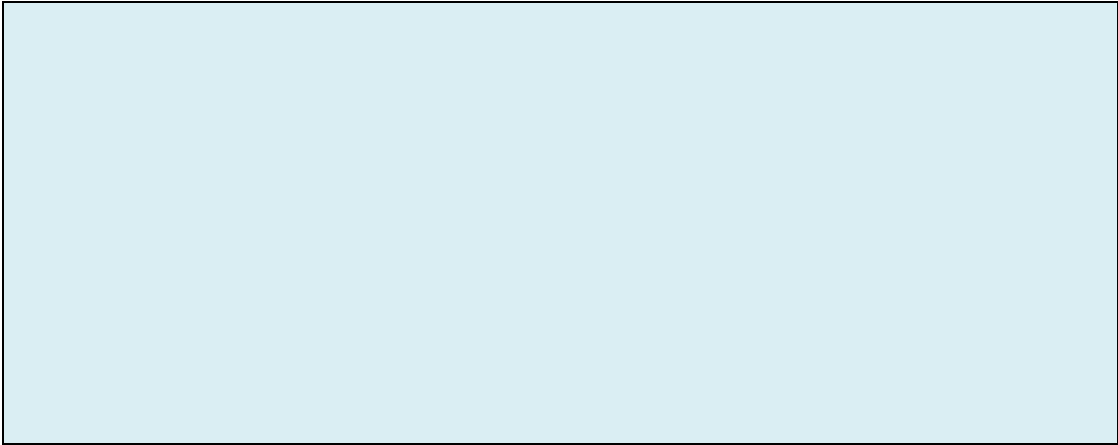


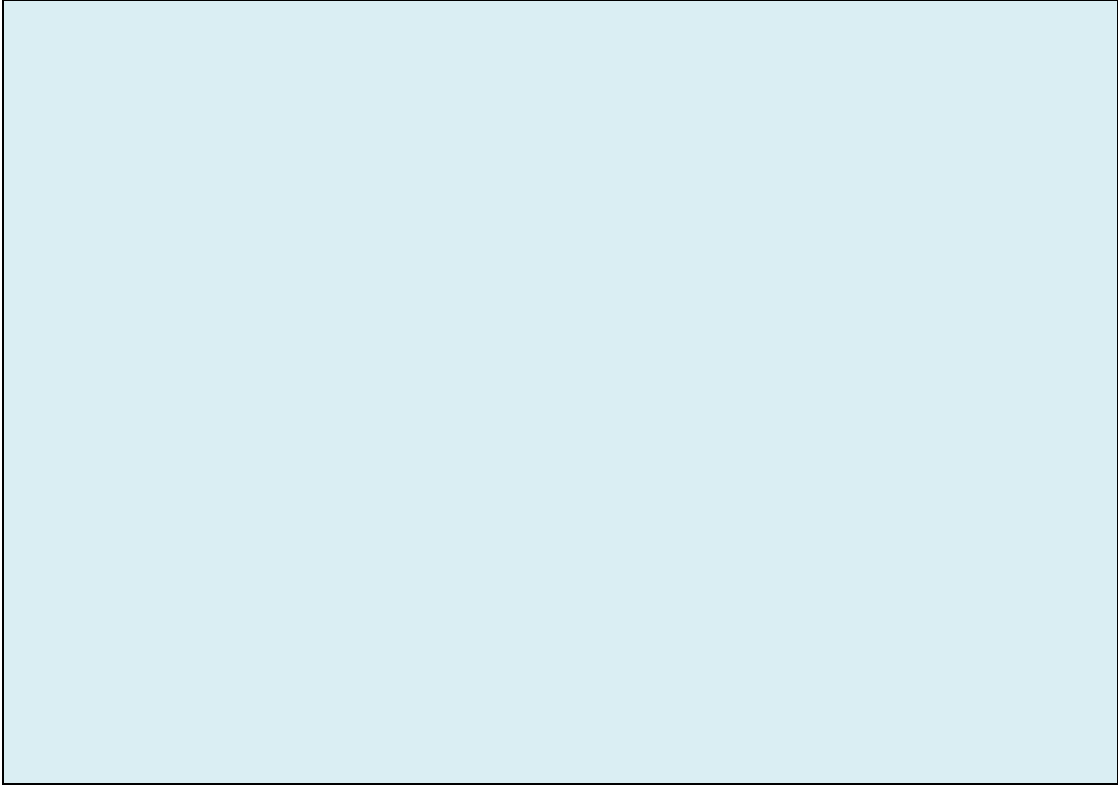


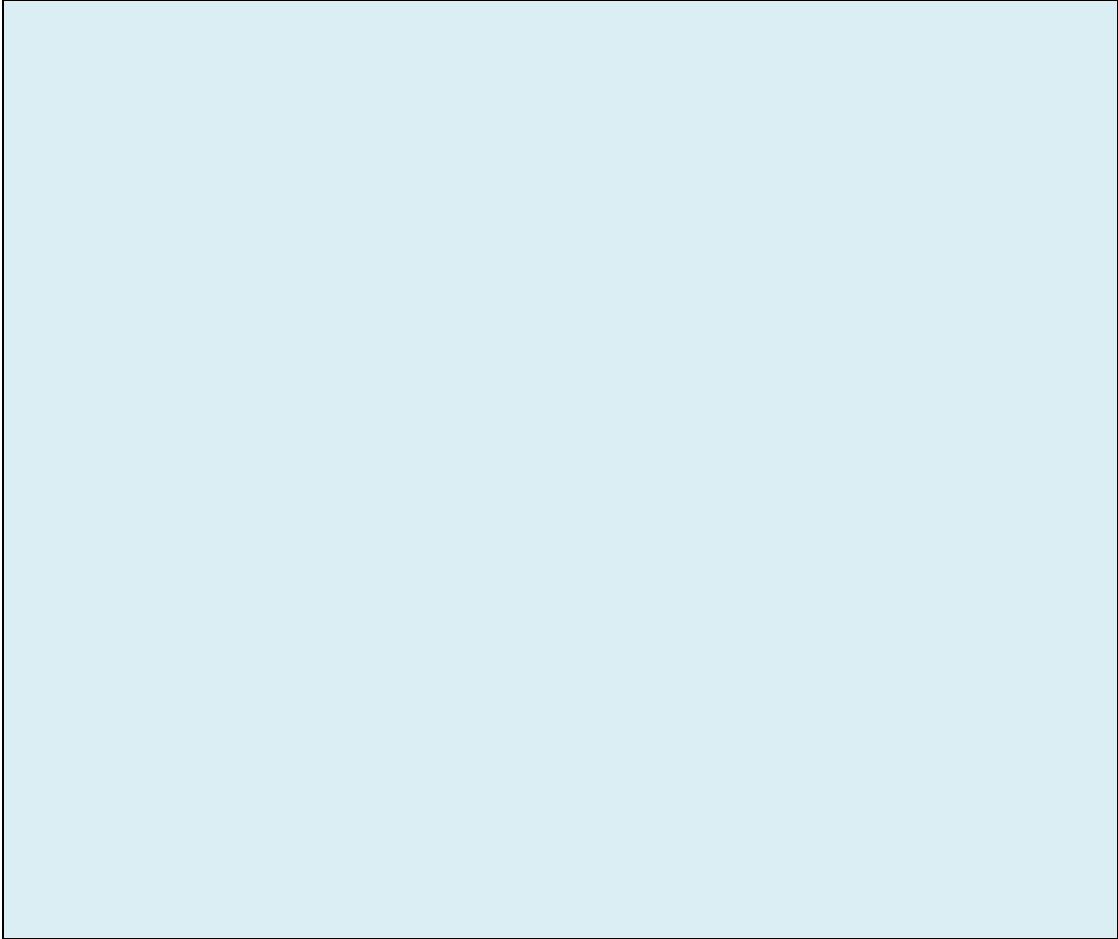




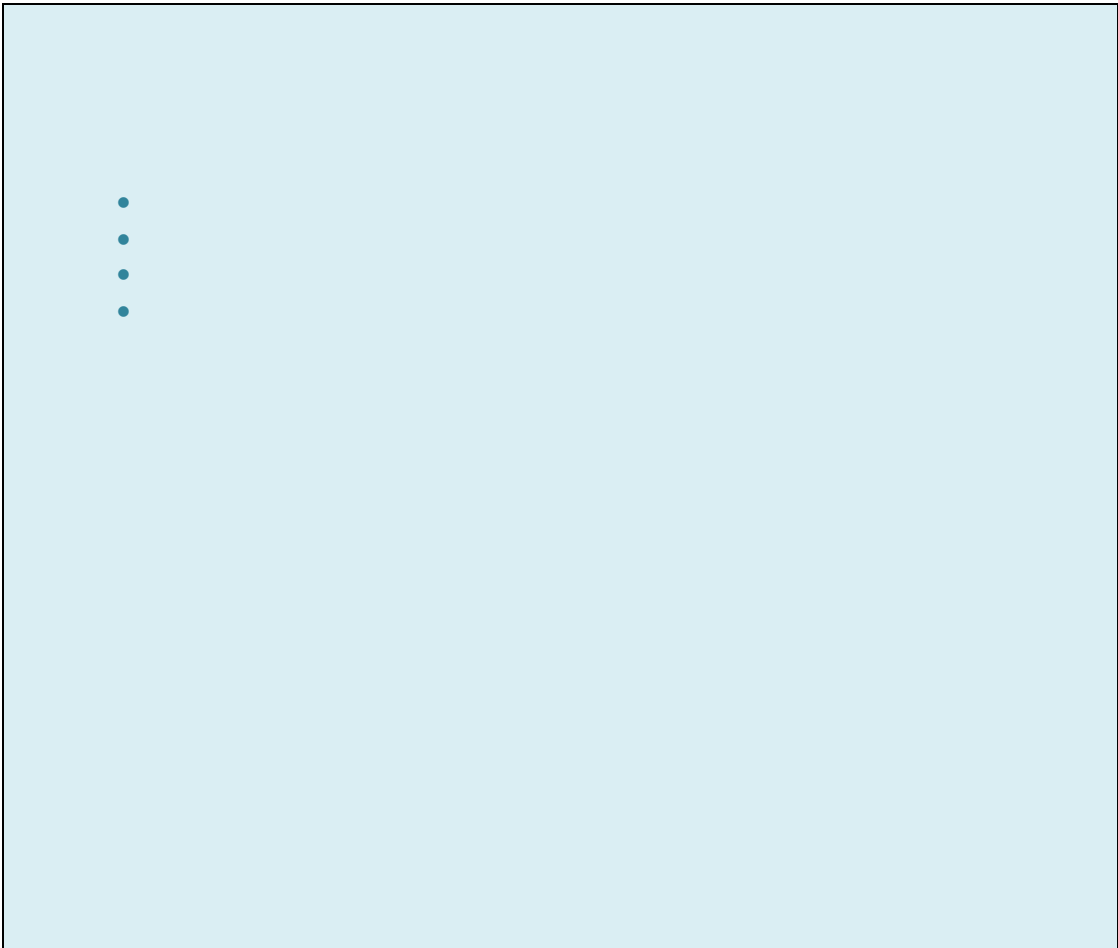
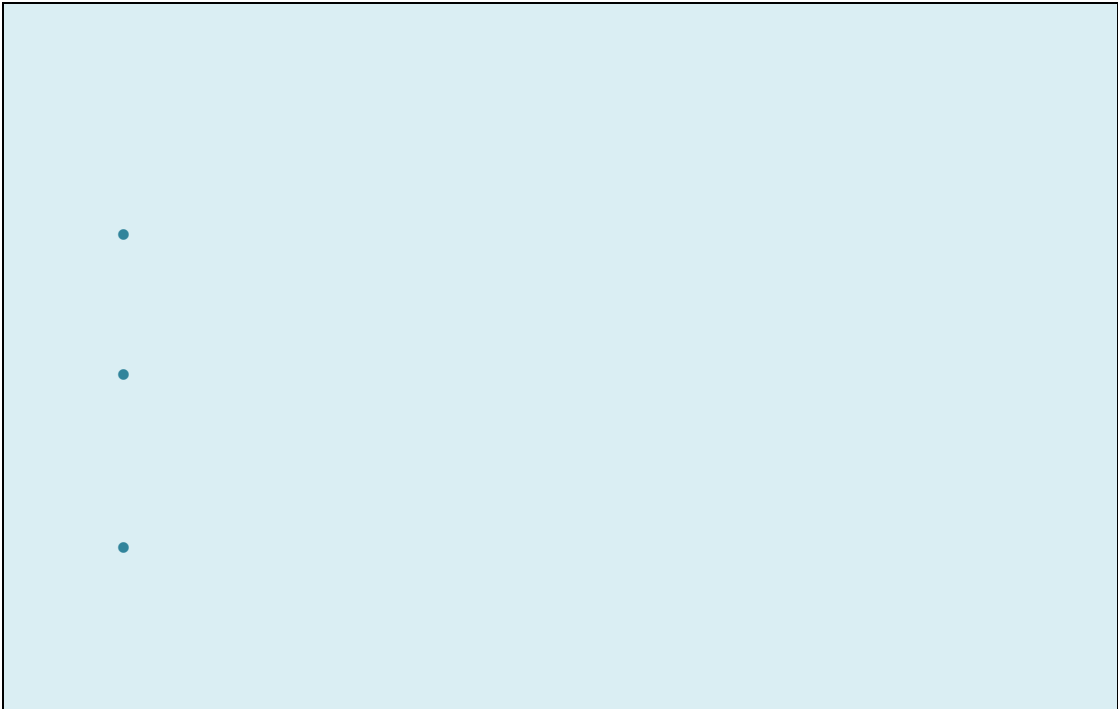


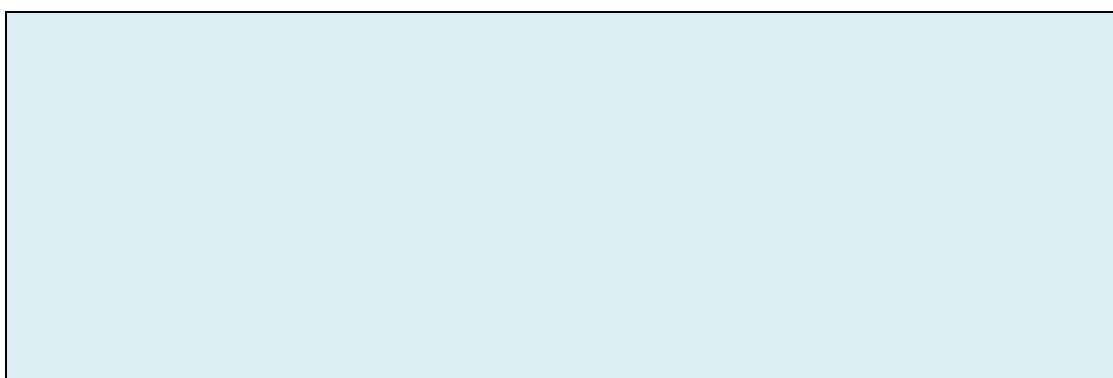
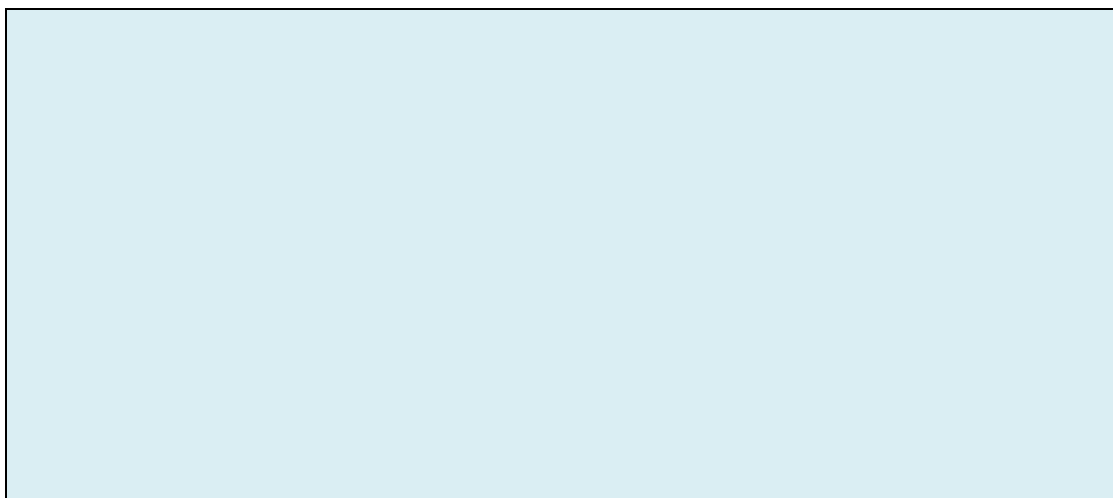


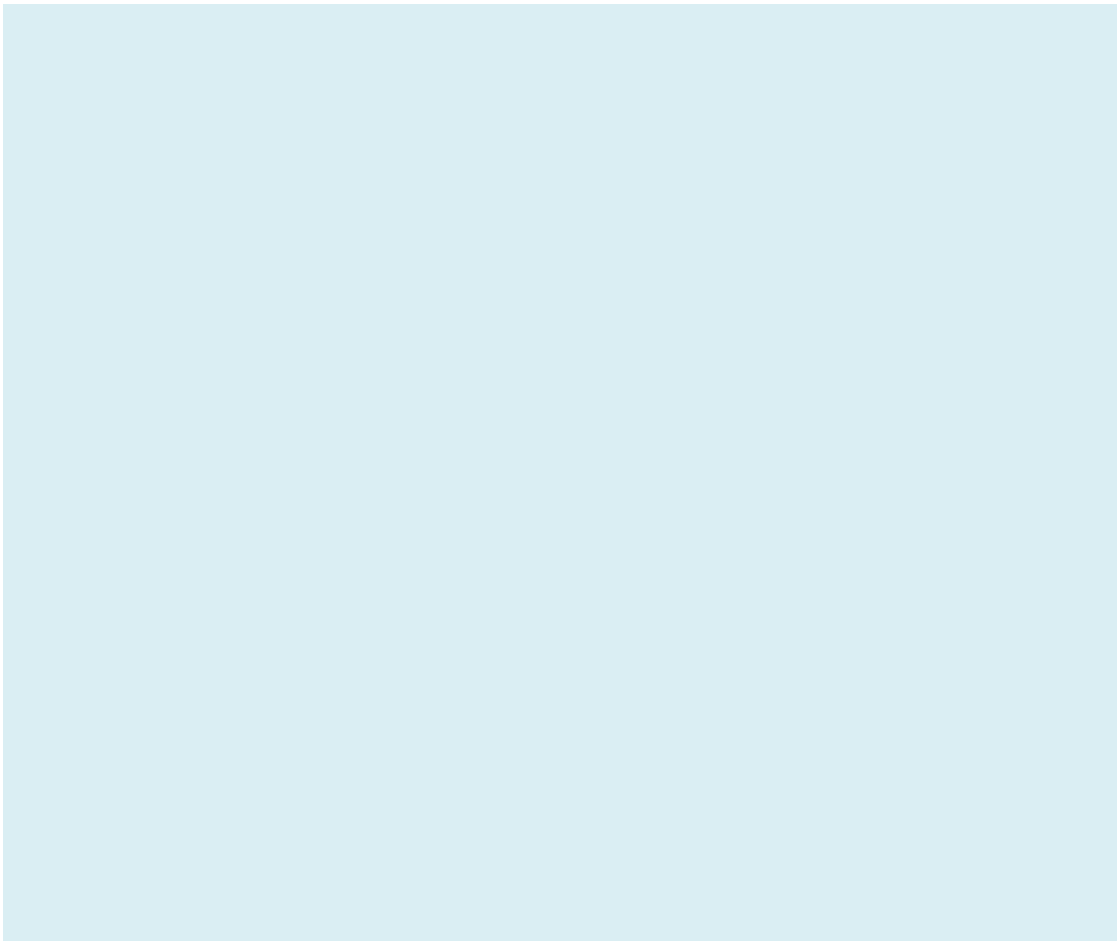




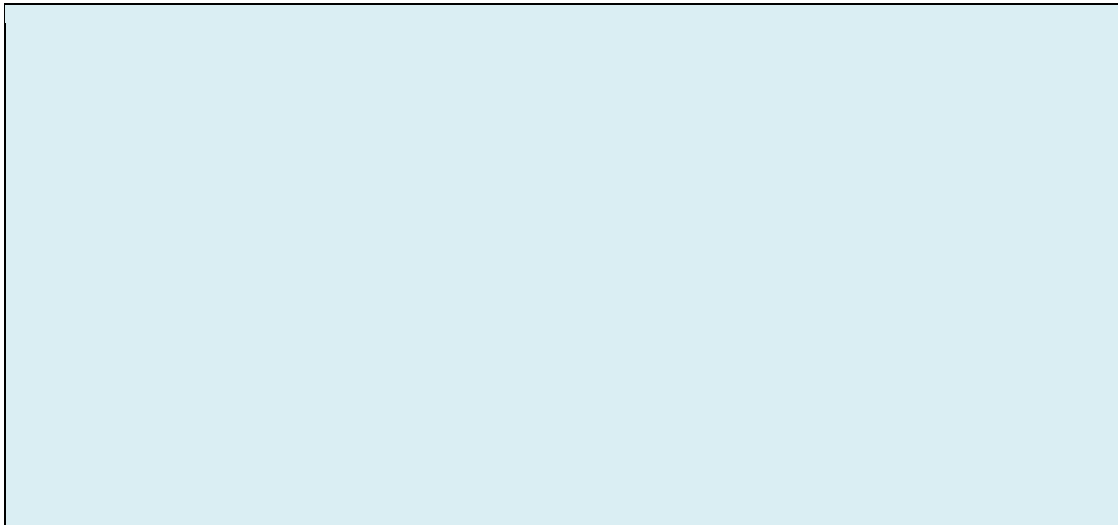
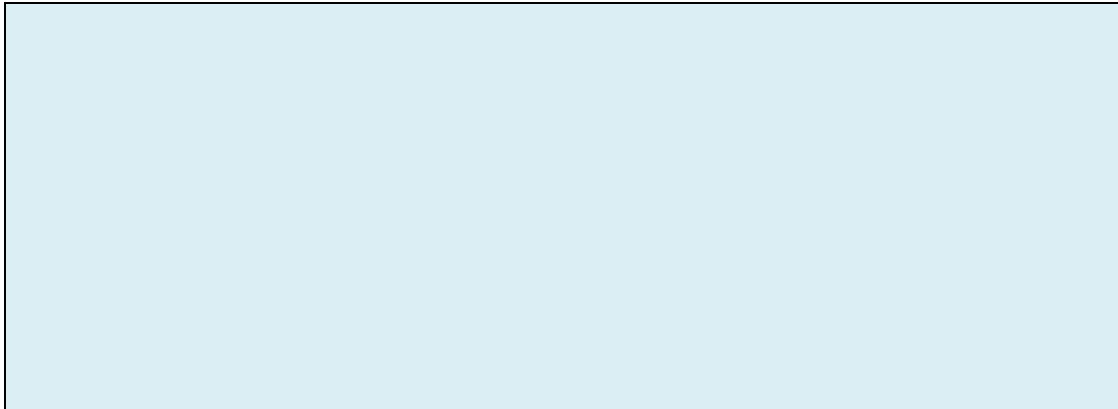


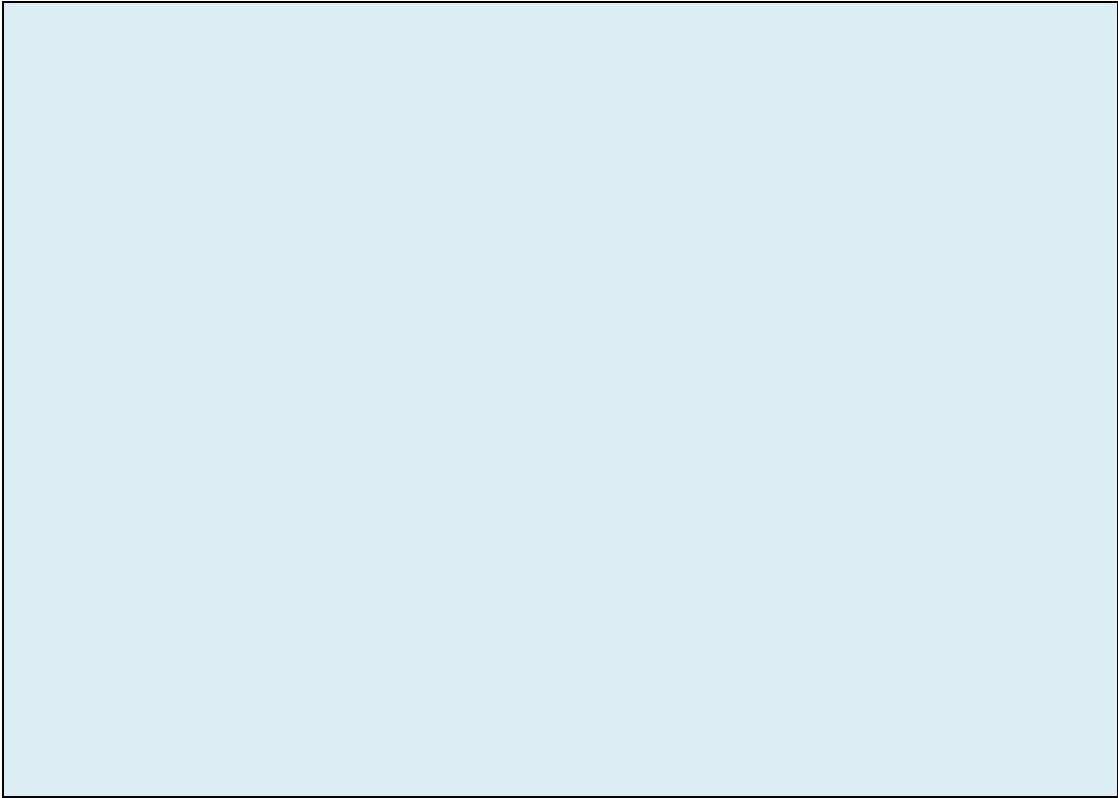






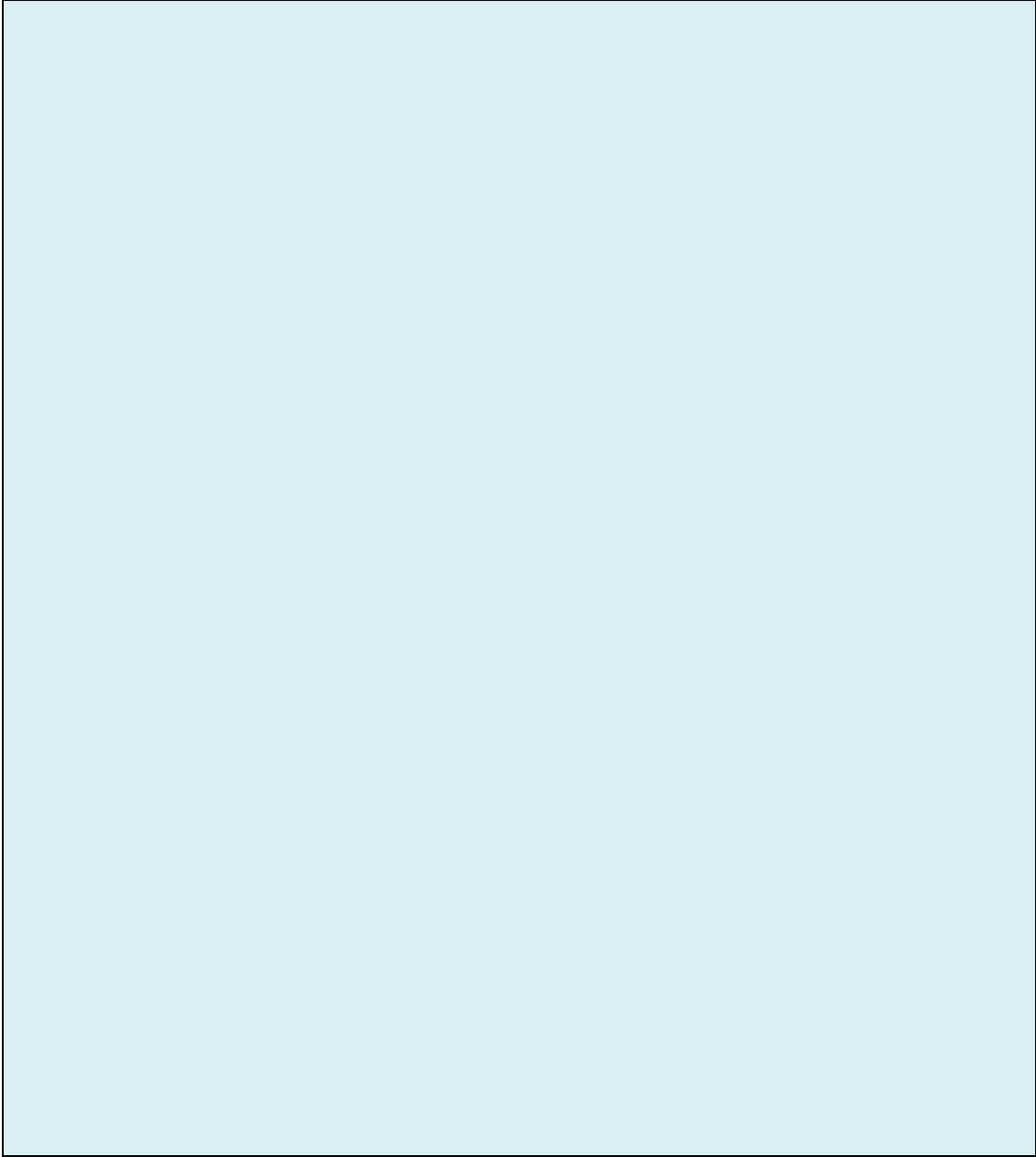




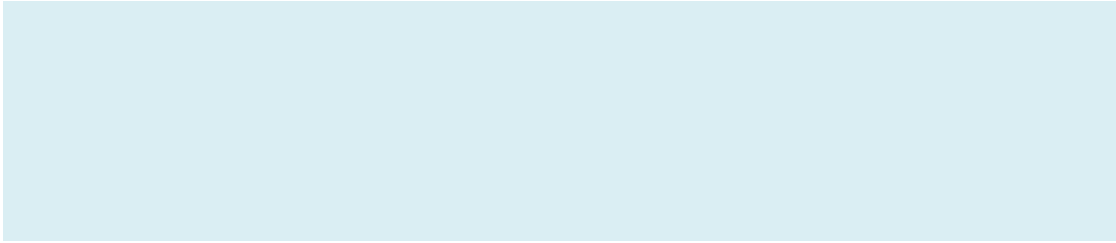
















# Information on beneficial ownership of overseas entities

## No specific prior requirements

Not applying specific *ex-ante* requirements on legal persons registered abroad, but only seeking mutual legal assistance when there is a problem

## Re-registration

Requiring re-registration with a local beneficial ownership.

## Re-approval

Requiring re-approval by domestic national authorities based on detailed investigation of the relevant

## Rating jurisdictions' level of co-operation

Rating jurisdictions based on the availability and extent of their

of certain business activities, accordi



25















FATF

