



Ministry of Finance, Trade & Investment



REPORT ON PUBLIC CONSULTATION – MAINTENANCE OF LEGAL AND BENEFICIAL OWNERSHIP INFORMATION

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Exchange of Information Unit



- **Global Standard – OECD/FATF
Recommendation 24 & 25**

Transparency and Beneficial Ownership of legal persons & arrangements.

- **G8 Presidency UK 2013**

The Convention in the UK-OTs relationship; OT's Entrustment & Financial Services.

- **TCIG Position on Beneficial Ownership & Central Registry – Following Public Consultation**





Legal and Beneficial Ownership Concerns



The Legislative Framework & Statutes

Local responses agrees that adequate measures are captured in domestic legislation to enable the collection and maintenance of Beneficial Ownership information according to the standard and for any requesting regulatory authority.

(Company Ordinance, TIE Ordinance, POCO Ordinance, AML\KYC procedures, Due Diligence Requirements , etc.)

Foreign comments indicates that although the Registered Agents, Company Managers have the beneficial ownership information at hand, the law does not prevent or restrict the movement of assets in a timely manner that could give rise to the alerting of the beneficial owner.





Central Register of Beneficial Ownership Information



Key Arguments for a Publically Available, Central Register:

- ❖ Law Enforcement & Tax Authorities examination and investigations.
- ❖ Public scrutiny likely to lead to minimize risk of errors with the information.
- ❖ Adds value and integrity of the information held by the jurisdiction.
- ❖ Demonstrates to the investor community the territory good corporate governance.
- ❖ Makes available to the business community, the identity or natural person / entity that you are doing business with.
- ❖ Possible elimination of market distortions and prejudices.
- ❖ Minimize corruption due to public accessibility, (Shell Companies ID).
- ❖ Places the responsibility of corporate holders of beneficial information to be good Stewards and custodians.





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Possible areas of concern over a publically available, central register.

- ❑ Risk and Venerability of the information held being used adversely to affect business dealings.
- ❑ The cost of doing business will increase as a result of setting up a central register.
- ❑ Universal simultaneous move by all jurisdictions to avoid unfair competition.
- ❑ Personal security risk of the beneficial owner in terms of crime, cybercrimes, identity theft, etc.
- ❑ An infringement upon the right to privacy, which is a fundamental principle at common law and is enshrined in the TCI Constitution.
- ❑ Erode confidence in TCI financial services industry and systems.
- ❑ Which agency or arm of government be tasked with maintaining the central register.
- ❑ Administrative Bureaucracy .





TCIG Position on Beneficial Ownership & Central Registry

In keeping with our joint UK/OTs commitment for transparency and to proactively combat illicit activities, the Turks and Caicos Islands devised an Action Plan and conducted a public consultation on the issues of maintenance of Legal and Beneficial Ownership information and the establishment of a Central or public Register of Beneficial Ownership information.

The Turks and Caicos Islands stands committed to support and implement any global transparency initiatives and directives that will combat tax evasion, money laundering and financing of terrorism, and welcome discussions with the UK as a part of the solidarity partnership among OTs on the eventual maintenance of a Central Registry, but this will be done cautiously and with sober thought to the appropriate level that the information should be made public.





TCIG Position on Beneficial Ownership & Central Registry



We must ensure that we are supporting law enforcement agencies and thwarting criminals, all while ensuring the sustainable growth and development of the Turks and Caicos Islands and the protection of the fundamental constitutional rights and privacy of the law abiding citizens and clients we serve.

In addition, Government is committed to adhering to the core set of principles as set forth in the G20's High-Level Principles on Beneficial Ownership Transparency, and we will continue to monitor other international developments, including the European Union Fourth AML Directive.

Until such time as there is global agreement on appropriate exemptions and safeguards, and this becomes the internationally practiced standard, the Turks and Caicos Islands will continue to follow its current regime.

COMPLIANCE

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Thank You!

