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Commitment to Move towards Public Registers of Beneficial Ownership | 1

Over the last 3 decades, Jersey has had a central company register (the "**Register**") which has been maintained, reviewed and updated by the Jersey Financial Services Commission (the "**JFSC**"). Members of the public are able to purchase documentation relating to a company such as its Articles of Association, annual returns made up to the 1st January of each year and special resolutions over the internet. However, information relating to a company's ultimate beneficial owners and directors has historically not been made available to the public by the JFSC.

On the 19 June 2019, the Government of Jersey, States of Guernsey and the Isle of Man (the "**Crown Dependencies**") jointly announced that they have made a political commitment to align themselves with the principles set out by the European Union's (the "**EU**") 5th Anti-Money Laundering Directive ("**AMLD 5**"). Effectively, this means that the Crown Dependencies are committing themselves towards establishing public registers of beneficial ownership for companies in each jurisdiction (the "**Commitment**").

The governments of the Crown Dependencies have declared that the move towards a public register will occur in three phases, namely:

1. To interconnect the Crown Dependencies' registers of beneficial ownership of companies with those within the EU for access by law enforcement agencies and Financial Intelligence Units.
2. To give access for financial service businesses and other businesses for due diligence purposes.
3. To give public access aligned to the approach taken in AMLD 5.

It is important to underline that exchange of information concerning the beneficial ownership of companies is already made available to regulators and law enforcement agencies in other jurisdictions. This occurs via a number of channels including Common Reporting Standards, tax information exchange agreements, the Exchange of Notes with the UK and provisions under primary legislation such as the Companies (Jersey) Law 1991, the Collective Investment Funds (Jersey) Law 1988, the Financial Services (Jersey) Law 1998 and the anti-money laundering and terrorism legislation.

As such, the purpose of the Commitment will mean allowing for some form of public access in due course and to ensure that the Crown Dependencies are on a level playing field with respect to future EU regulations. It is important to underline that this approach will be different to the one currently adopted by the UK. In April 2016 the UK was the first G20 country to introduce a fully public register of ultimate beneficial ownership, the Registers of Persons with Significant Control. In early 2021 the UK intends to adopt a further beneficial ownership register of foreign companies that buy UK property. The Crown Dependencies will not be aligning themselves with the approach taken in the UK but rather with the approach taken in the EU, as intended under AMLD 5.

The EU is expected to publish its Implementation Review of AMLD 5 in 2022 (the "**Review**"). The Review will provide jurisdictions with guidance as to the best practices to adopt when implementing AMLD 5's principles. The Crown Dependencies have set 2023 as the date by which they intend to put in place the legislation to implement any future public registers so as to most effectively align any future legislation with the EU's.

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