



Amendments Passed to the UK Anti-Money Laundering Act

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The UK parliament has passed amendments to the Sanctions and Anti-Money Laundering Act.

The amendments are in line with the UK government's drive to make business dealings as transparent as possible.

Among other things, they introduce requirements for British Overseas Territories to disclose the names of holders of offshore accounts.

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Summary of the Amendments

Under the changes, by the end of 2020 the Cayman Islands, the British Virgin Islands and other British Overseas Territories will have to establish public registers of beneficial owners, which will contain information on owners of offshore companies that was not previously accessible to third parties.

At present, the territories are obliged to disclose information on company owners only when requested by the authorities.

The British Overseas Territories are autonomous entities and will probably have to make corresponding amendments to their own laws.

We should point out that no obligation to establish and maintain such registers has yet been imposed on the Crown dependencies, which include Jersey, Guernsey and the Isle of Man.

Publicly Accessible Registers

By 31 December 2020 the UK government will prepare a draft order requiring any territory that has not introduced a public register of beneficial owners to do so¹.

The information contained in a public register of beneficial owners will be broadly similar to that which is required to be disclosed in accordance with Part 21A - "Information about People with Significant Control" - of the Companies Act 2006. Under that act, a company must gather information and enter it in a register of people with significant control over the company. Information entered in the register includes:

- ▶ The name of the company
- ▶ The company's head office
- ▶ The legal form of the company
- ▶ The name of the register in which the company is entered (if applicable)
- ▶ The date of registration
- ▶ The extent of control over the company

The form that the register must take will be set out in the draft order and is expected to be similar to the form of the register introduced under the Companies Act 2006.

The UK government will be required to publish regular progress reports on the introduction of public registers and provide estimates as to when they will be ready.

Public registers will make it possible to keep informed about who owns what and where and help track financial flows.

What are the implications?

The amendments passed will reduce the level of confidentiality of information relating to companies registered in British Overseas Territories and make such structures even more transparent.

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¹ Section 51 (2) of the Anti-Money Laundering Act

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