



# BENEFICIAL OWNERSHIP (LEGAL PERSONS) - THE CFATF EXPERIENCE AND THE WAY FORWARD

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# R.24 and IO5 MER ratings- CFATF Members

Country	IO5	Rating on Rec 24 at MER	Updated Rating on Rec 24 achieved after Re-Rating in the FUR
Antigua and Barbuda	ME	LC (JUL 2018)	LC (NOV 2021)
Aruba	ME	PC (JUL 2022)	No Re-rating
The Bahamas	ME	PC (AUG 2017)	LC (DEC 2021)
Barbados	ME	PC (FEB 2018)	PC (FEB 2021)
Bermuda	SE	LC (JAN 2020)	No Re-rating
Cayman Islands	ME	PC (MAR 2019)	LC (FEB 2021)
Grenada	LE	PC (JUL 2022)	No Re-rating
Haiti	LE	NC (JUL 2019)	No Re-rating
Jamaica	LE	PC (JAN 2017)	PC (JAN 2021)
Saint Kitts and Nevis	ME	PC (FEB 2022)	No Re-rating
Saint Lucia	LE	PC (JAN 2021)	No Re-rating
Trinidad and Tobago	ME	PC (JUN 2016)	C (JUN 2019)
Turks and Caicos	ME	LC (JAN 2020)	No Re-rating



## **RE-RATINGS- R.24- CFATF Members**

The Bahamas was re-rated in December 2021 from Partially Compliant to Largely Compliant on R. 24

The Cayman Islands was re-rated in February 2021 from Partially Compliant to Largely Compliant on R. 24

Trinidad and Tobago was re-rated in June 2019 from Partially Compliant to Compliant on R. 24.



## **General actions taken by Members to obtain an upgrade in ratings (1)**

Deficiencies were generally rectified as follows:

1. Information on the process for obtaining beneficial ownership information was not publicly available; now available on the website of the Registrar of Companies.
2. A specific assessment of the ML/TF risks associated with legal persons was not conducted at the time of the Mutual Evaluation. A ML/TF desktop risk assessment of legal persons was subsequently conducted in 2018.
3. Information on exempted companies and LLCs was previously only available to competent authorities or in exceptional circumstances; LLCs and exempted companies are now required to provide the list of managers and directors, to be maintained by the Registrar of Companies and be publicly available for inspection.



## General actions taken by Members to obtain an upgrade in ratings (2)

4. New legislation introduced to provide for the following:

- The keeping of updated and adequate beneficial ownership and control information;
- Prohibition of bearer share warrants and registration of warrants previously issued;
- Dissuasive sanctions such as fine for failure to submit a declaration of beneficial interest or to file a return for the issue or transfer of shares;
- Competent authorities such as the FIUTT, Law enforcement and others can access basic and BO information and foreign counterparts can access information online through payment of a fee.

5. Good basis for providing international cooperation via MLATS and other means of international cooperation; no provision for nominee directors.



## Vulnerabilities of legal persons



Footnote: \*FATF Guidance Concealment of Beneficial Ownership, July 2018, Accessed on 15/9/2022: <http://www.fatf-gafi.org/media/fatf/documents/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf>  
pp.58

- Establishing legal persons and arrangements;
- Establishing and selling shelf companies;
- Providing directorship, trustee, virtual office, and mailbox services;
- Facilitating transactions through trust accounts or client accounts;
- Facilitating the purchase or sale of real property;
- Client advocacy and brokerage services;
- Providing services to clients and intermediaries domiciled internationally;
- Providing advice on tax compliance and tax minimization;
- Legal professional privilege and client confidentiality;
- Limited AML/CFT obligations or insufficient awareness and compliance.



## The Way Forward- Techniques to identify potential efforts to obscure beneficial ownership

Footnote: \*FATF Guidance Concealment of Beneficial Ownership, July 2018, Accessed on 15/9/2022:  
<http://www.fatf-gafi.org/media/fatf/documents/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf> pp. 178-180

1. In the absence of the ability to identify BO, identify senior management personnel or identify individuals with control over transaction accounts/power of attorney;
2. Search existing records for the same addresses or telephone numbers;
3. Meet high-risk clients face-to-face;
4. Analysis of cross-border wire transfers.



## Indicators of Concealed Beneficial Ownership

### Non exhaustive list:

1. Indicators about the client or customer- client reluctant to provide personal and other information about the transaction.
2. Discrepancy between the supposed wealth of the settlor and the object of the settlement.
3. Individuals, legal persons and/or legal arrangements engage in suspicious transactions.
4. Business records reveal discrepancies.
5. Complex corporate structures that do not appear to legitimately require that level of complexity or which do not make commercial sense.
6. Simple banking relationships are established using professional intermediaries.
7. Indicators of shell companies- use of same agent for large number of shell companies, use of relatives as nominees who do not appear to be involved in the running of the corporate enterprise, same registration address.

Footnote: \*FATF Guidance Concealment of Beneficial Ownership, July 2018, Accessed on 15/9/2022: <http://www.fatf-gafi.org/media/fatf/documents/reports/FATF-Egmont-Concealment-beneficial-ownership.pdf> pp. 183-189



**Thank you!**



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