

FATF draft amendments on the transparency and beneficial ownership of legal arrangements

Position paper – Executive summary

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Following a white paper on the revision of the rules on the transparency and beneficial ownership of legal arrangements, the Financial Action Task Force (FATF) published draft amendments to its Recommendation 25 (R.25) and the Interpretive Note (INR.25). The FATF may also amend the definition of BO in the glossary to provide more clarity regarding legal arrangements.

WSBI-ESBG response to the consultation on the draft amendments to R.25 and INR.25

The draft amendments state that countries should consider using certain sources of information to ensure that information on the basic and beneficial ownership of the trusts or other similar legal arrangements, trustees and trust assets is efficiently accessible by competent authorities.

Furthermore, countries should ensure that competent authorities should have all the powers necessary to obtain timely access to the information held by trustees, persons holding equivalent positions in a similar legal arrangement, and other parties on, inter alia, the basic and beneficial ownership of the legal arrangement.

- The definition of “basic ownership” in the context of the abovementioned recommendations should be clarified, for example, if this refers to the “legal ownership”.
- The different regulatory frameworks and transparency regimes of countries remain to be a main challenge in the implementation of the rules.