

POSITION PAPER



WSBI-ESBG response to the FATF public consultation on its updated Guidance paper to Recommendation 24 (R.24) on the transparency and beneficial ownership of legal persons

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Questions

1. Is the Guidance clear or are there any issues which need further clarification?

Chapter 3, point 3.1, paragraph 27:

The proposal for an EU AML Regulation stipulates the tax identification number as necessary KYC information. This information should be made as accessible as appropriate.

Chapter 3, point 3.1, paragraph 28:

Verification by national authorities regarding company registries should be actively promoted. This would support that the information can be deemed as reliable by market participants in the meaning of *bona fide*.

Chapter 4, paragraph 32:

Identifying just one senior management official would not be in line with the EU AML Directive, according to the Austrian interpretation of the respective provision (Article 3(6)(b)(ii)). Additionally, it is not sufficient to not being able to identify a beneficial owner. To our understanding, the senior management officials may only be identified “after having exhausted all possible means and provided there are no grounds for suspicion” and if no person meets the prerequisite of the beneficial owner definition.

Chapter 5, point 48:

In order to support the prevention of money laundering, the exchange of information within the same group of banks or banks in general should not be restricted.

Chapter 7, paragraph 54 ff:

In Austria, the documents required for identification and verification of beneficial owners can be uploaded to the beneficial owner register (which is maintained by the Ministry of Finance) and subsequently be used by obligated parties for the purpose of fulfilling their AML/CTF due diligence obligations. This so-called “Austrian Compliance Package” may only be uploaded by a professional party representative (e.g. lawyers, tax consultants, etc.) and includes all documents required in the chain up to the beneficial owner. We would appreciate a comparable solution in the international framework.

Chapter 7, point 7.3, paragraph 67 ff:

Verification of beneficial ownership registers by national authorities should be actively promoted, so that market participants can deem the information in such registers as reliable in the meaning of *bona fide*.

2. Are there case examples of registries and alternative mechanisms for holding of accurate, adequate and up-to-date beneficial ownership information?

Verification of beneficial ownership registers by national authorities should be actively promoted, so that market participants can deem the information in such registers as reliable in the meaning of *bona fide*.



3. Are there case examples of mechanisms to verify beneficial ownership information in low-risk scenarios?

We do not have any comment on this.

4. Are there case examples of the use of information held by stock exchanges for listed companies to meet beneficial ownership information obligations?

According to the Austrian law, it is not necessary to verify an entity's beneficial owner if this entity is listed on an equivalent stock exchange. We would appreciate a dedicated list of stock exchanges that meet the criteria to be relied upon by market participants.



About WSBI (World Savings and Retail Banking Institute)

Founded in 1924, WSBI brings together savings and retail banks from 64 countries, representing savings and retail banks worldwide. WSBI focuses on international regulatory issues that affect the savings and retail banking industry and provides a platform for knowledge exchange between member banks. Its aim is to achieve sustainable, inclusive, and balanced growth and job creation. Supporting a diversified range of financial services to meet customer needs, WSBI favours an inclusive form of globalization that is just and fair. It supports international efforts to advance financial access and financial usage for everyone. WSBI recognizes that there are always lessons to be learned from savings and retail banks from different environments and economic circumstances. It, therefore, fosters the exchange of experience and best practices among its members and supports their advancement as sound, well-governed, and inclusive financial institutions.



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About ESBG (European Savings and Retail Banking Group)

ESBG is an association that represents the locally focused European banking sector, helping savings and retail banks in 16 European countries strengthen their unique approach that focuses on providing service to local communities and boosting SMEs. An advocate for a proportionate approach to banking rules, ESBG unites at EU level some 885 banks, which together employ 656,000 people driven to innovate at 48,900 outlets. ESBG members have total assets of €5.3 trillion, provide €1 trillion billion in corporate loans, including SMEs, and serve 163 million Europeans seeking retail banking services.



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