
REGISTER OF ULTIMATE BENEFICIAL OWNERS
REGULATIONS 2017

Subsidiary
2017/122

Subsidiary Legislation made under s.184.

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(LN. 2017/122)

Commencement **26.6.2017**

Amending enactments	Relevant current provisions	Commencement date
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Transposing –
Directive (EU) 2015/849

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In exercise of the powers conferred upon it by section 184 of the Proceeds of Crime Act 2015, and for the purpose of transposing, in part, Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, the Government has made the following Regulations—

Title.

1. These Regulations may be cited as the Register of Ultimate Beneficial Owners Regulations 2017.

Commencement.

2. These Regulations come into operation on 26 June 2017.

Interpretation.

- 3.(1) In these Regulations-

“Act” means the Proceeds of Crime Act 2015;

“beneficial owner” means either or both a natural person who ultimately owns or controls the customer and a natural person on whose behalf a transaction or activity is being conducted and includes at least-

- (a) in the case of corporate or legal entities-

- (i) the natural person who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information;

- (ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under subparagraph (i) is identified, or if there is any doubt that the person identified is the beneficial owner, the natural

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person who holds the position of senior managing official, the obliged entities shall keep records of the actions taken in order to identify the beneficial ownership under subparagraph (i) and this subparagraph;

- (b) in the case of trusts-
 - (i) the settlor;
 - (ii) the trustee;
 - (iii) the protector, if any;
 - (iv) the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates;
 - (v) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means;
- (c) in the case of legal entities such as foundations, and legal arrangements similar to trusts, the natural person holding equivalent or similar positions to those referred to in subparagraph (b);

“competent authority” means a competent authority involved in combatting anti-money laundering or the financing of terrorism, or a relevant Government Authority in the United Kingdom;

“credit institution” means a credit institution as defined in the first paragraph of Article 4(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, including branches thereof, as defined in paragraph 17 of Article 4(1) of that Regulation, located in the European Union, whether its head office is situated within the European Union or outside the European Union;

“customer” means the legal owner where the ordinary meaning of the word would otherwise be perverse;

“Directive” means Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of

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the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, as the same may be amended from time to time;

“Exchange of Notes” means the Exchange of Notes and Technical Protocol on the sharing of Beneficial Ownership information for law enforcement agencies and tax authorities signed between the Government of Gibraltar and Her Majesty’s Government, signed on 8 April 2016 and 11 April 2016 respectively, as may be amended from time to time;

“express trust” means an express trust governed by Gibraltar law which generates tax consequences;

“financial intelligence unit” means a financial intelligence unit established in a Member State (an “EU FIU”) and includes the GFIU;

“financial institution” means-

- (a) an undertaking other than a credit institution, which carries out one or more of the activities listed in subparagraphs 2 to 12, 14 and 15 of Annex I to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, including the activities of currency exchange offices;
- (b) an insurance undertaking as defined in paragraph 1 of Article 13 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II), insofar as it carries out life assurance activities covered by that Directive;
- (c) an investment firm as defined in paragraph 1 of Article 4(1) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC;

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- (d) a collective investment undertaking marketing its units or shares;
- (e) an insurance intermediary as defined in subparagraph 5 of Article 2 of Directive 2002/92/EC of the European Parliament and of the Council of 9 December 2002 on insurance mediation, where it acts with respect to life insurance and other investment-related services, with the exception of a tied insurance intermediary as defined in subparagraph 7 of that Article;
- (f) branches, when located in the European Union, of financial institutions as referred to in paragraphs (a) to (e), whether their head office is situated in a Member State or outside the European Union;

“GFIU” means the Gibraltar Financial Intelligence Unit established under section 1B of the Act;

“legal entity” includes limited partnerships, limited liability partnerships and other legal entities incorporated in Gibraltar with legal personality;

“legal personality” includes the entity being capable in its own name of; owning property, enter into contracts, raise finance by taking loans and giving security or its assets in respect to the loans, issue share capital (if the entity is limited by shares) and sue and be sued in its own name in relation to contracts and other legal issues;

“members” includes partners of a limited partnership;

“Minister” means the Minister for Financial Services;

“obliged entity” means-

- (a) credit institutions;
- (b) financial institutions;
- (c) the following natural or legal persons acting in the exercise of their professional activities-
 - (i) auditors, external accountants and tax advisors;

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- (ii) notaries and other independent legal professionals, where they participate, whether by acting on behalf of and for their client in any financial or real estate transaction, or by assisting in the planning or carrying out of transactions for their client concerning the-
 - (A) buying and selling of real property or business entities;
 - (B) managing of client money, securities or other assets;
 - (C) opening or management of bank, savings or securities accounts;
 - (D) organisation of contributions necessary for the creation, operation or management of companies;
 - (E) creation, operation or management of trusts, companies, foundations, or similar structures;
- (iv) trust or company service providers not already covered under subparagraph (i) or (ii);
- (v) estate agents;
- (vi) other persons trading in goods to the extent that payments are made or received in cash in an amount of 10,000 euros or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked;
- (vii) providers of gambling services;

“officer” includes, where the ordinary meaning of the word would otherwise be perverse, a settlor, protector, trustee, director, manager, secretary, chief executive, member of the committee of management, a person purporting to act in such a capacity or a natural person exercising effective control or a partner of a limited partnership;

“Registrar” means the person appointed under regulation 5;

“Regulation (EU) 2015/847” means Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on

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information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006;

“relevant Government Authority” means a law enforcement authority or a tax authority;

“tax consequences” means gives rise to a tax liability in Gibraltar;

“trust” includes other types of legal arrangements having a structure or functions similar to a trust; and

“urgent request” means a request for ultimate beneficial ownership information from the relevant Government Authority in the United Kingdom, in accordance with the Exchange of Notes.

(2) In the meaning of “beneficial owner” in subregulation (1), a shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a corporate entity, which is under the control of a natural person, or by multiple corporate entities, which are under the control of the same natural person, shall be an indication of indirect ownership. Control through other means may be determined, inter alia, in accordance with the criteria in Article 22(1) to (5) of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC;

(3) The Minister may by legal notice in the Gazette amend the percentage referred to in subregulation (2) which may be taken as an indication of ownership or control.

(4) The term “legitimate interest” shall be interpreted in conformity with the object and purpose of the Directive, which is the prevention of the use of the financial system for the purposes of money laundering or terrorist financing: Regard shall be had to recital (14) of the Directive which provides that data may be provided to those persons who are able to demonstrate a legitimate interest with respect to money laundering, terrorist financing, and the associated predicate offences, such as corruption, tax crimes and fraud.

Establishment of Register

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4. For the purposes of the registration of an ultimate beneficial owner under these Regulations there shall be established a Register of Ultimate Beneficial Owners within Gibraltar.

Appointment of Registrar.

5.(1) The Minister must, by legal notice in the Gazette, appoint a Registrar of Ultimate Beneficial Owners for the purposes of these Regulations.

(2) The Registrar of Ultimate Beneficial Owners may delegate his responsibilities under these Regulations to a member of his staff or where an urgent request is received outside of office hours to an officer of the GFIU.

(3) Where the Registrar delegates his responsibilities under subregulation (2) the delegatee may, subject to directions given to him by the Registrar, exercise all powers and perform all the duties of the Registrar.

Corporate or legal entity

Requirement to hold information.

6.(1) A corporate or legal entity incorporated in Gibraltar must obtain and hold-

- (a) adequate;
- (b) accurate; and
- (c) current,

information on the beneficial ownership of the corporate or legal entity, including the details of the beneficial interests held.

(2) Subject to subregulation (3), a corporate or legal entity incorporated in Gibraltar must submit the information referred to in subregulation (1), in such manner as the Registrar requires and provide such other information as the Registrar may specify, and where the corporate or legal entity has a secretary it must supply the secretary with a copy of the information supplied to the Registrar.

(3) Where a company manager is used by the members, the company manager is responsible for submitting the information in subregulation (4).

(4) The information which the Registrar may specify includes the beneficial owner's-

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- (a) full name;
- (b) previous names or alias;
- (c) date of birth;
- (d) gender;
- (e) place of birth;
- (f) nationality;
- (g) country or state of usual residence;
- (h) usual residential address;
- (i) a service address;
- (j) occupation;
- (k) the date on which the beneficial owner acquired the beneficial interest (and ceased to hold it, where applicable); and
- (l) details of the beneficial interest and how it is held, including the percentage held for a beneficial owner or for multiple beneficial owners where it is held for more than one.

(5) Where the beneficial owner is a member he must inform the Registrar of the percentage of shares he holds as legal owner.

(6) Where an exceptional circumstance under regulation 32(1) and (2) applies in relation to the beneficial ownership of a corporate or legal entity the person submitting the information under this regulation shall be responsible for notifying the Registrar of such exceptional circumstance.

Requirement to provide information to obliged entity.

7. A corporate or legal entity incorporated in Gibraltar must provide, in addition to information on the legal owner, information on the beneficial owner to an obliged entity which is employing customer due diligence measures in accordance with Chapter II of the Directive.

Requirement to supply Registrar with information.

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8.(1) A corporate or legal entity incorporated in Gibraltar must further to regulations 6 and 7 provide the information referred to in regulations 6 and 7 (“the information”) to the Registrar in accordance with this regulation.

(2) A corporate or legal entity incorporated in Gibraltar prior to the commencement of these Regulations shall-

- (a) supply the information referred to in subregulation (1);
- (b) following a change in the information supplied under paragraph (a) comply with subregulation (1) within 30 days of the change.

(3) A corporate or legal entity incorporated in Gibraltar created after the commencement of these Regulations shall comply with subregulation (1) within 30 days of its incorporation.

(4) If at any time after the corporate or legal entity has provided the Registrar with the information referred to in subregulation (1)-

- (a) there is a material change affecting any matter contained in the information; or
- (b) it becomes apparent to the corporate or legal entity that the information contains a significant inaccuracy,

it must provide the Registrar with details of the change or, as the case may be, a correction of the inaccuracy within 30 days beginning with the date of the occurrence of the change, or the discovery of inaccuracy, or within such later time as may be agreed with the Registrar and the details provided to the Registrar must state the date on which the change occurred or the significant inaccuracy was noticed.

(5) Any information to be provided to the Registrar under this regulation must be in such form or verified in such manner as the Registrar may specify.

Express Trusts

Requirement to hold information.

9.(1) A trustee of an express trust must obtain and hold-

- (a) adequate;
- (b) accurate; and

(c) up-to-date,

information on the beneficial ownership of the express trust, including the information specified in subregulation (4)(a) to (e).

(2) Subject to subregulation (3), a trustee or, where more than one trustee exists, the trustees, of an express trust must file the information referred to in subregulation (1) in such manner and provide such other information as the Registrar may specify.

(3) Where a trust service provider is used by the trust the trust service provider is responsible for submitting the information in subregulation (4).

(4) The information which the Registrar may specify includes the identity of-

- (a) the settlor;
- (b) the trustee or, where more than one trustee exists, the trustees;
- (c) the protector, if any;
- (d) the beneficiaries or class of beneficiaries; and
- (e) any other natural person exercising effective control over the express trust, and

includes the items of information listed in regulation 6(4)(a) to (l) for each of the persons listed in subparagraphs (a) to (e) of this subregulation.

(5) A trustee must inform the Registrar of the nature of his control over the express trust.

(6) Where an exceptional circumstance under regulation 32(1) and (2) applies in relation to the beneficial ownership of an express trust the person filing the information under this regulation shall be responsible for notifying the Registrar of such exceptional circumstance.

Requirement to provide information to obliged entity.

10.(1) Where a trustee, on behalf of the express trust for which he is a trustee, forms a business relationship or carries out an occasional transaction above the thresholds in subregulation (2) with an obliged entity, he must disclose his status and provide the information referred to in regulation 9(4) to the obliged entity in a timely manner.

- (2) The thresholds referred to in subregulation (1) are-
- (a) when carrying out an occasional transaction that-
 - (i) amounts to 15,000 euros or more, whether that transaction is carried out in a single operation or in several operations which appear to be linked; or
 - (ii) constitutes a transfer of funds, as defined in point (9) of article 3 of Regulation (EU) 2015/847, exceeding 1,000 euros;
 - (b) in the case of persons trading in goods, when carrying out an occasional transaction in cash amounting to 10,000 euros or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked;
 - (c) for providers of gambling services, upon the collection of winnings, the wagering of a stake, or both, when carrying out transactions amounting to 2,000 euros or more, whether the transaction is carried out in a single operation or in several operations which appear to be linked.

Requirement to supply Registrar with information.

11.(1) A trustee of an express trust must provide the information referred to in regulation 9 (“the information”) to the Registrar in accordance with this regulation.

(2) An express trust created prior to the commencement of these Regulations shall-

- (a) supply the information referred to in subregulation (1);
- (b) following a change in the information supplied under paragraph (a) comply with subregulation (1) within 30 days of the change.

(3) An express trust created after the commencement of these Regulations shall comply with subregulation (1) within 30 days of its creation.

(4) If at any time after the trustee has provided the Registrar with any information under subregulation (1)-

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- (a) there is a material change affecting any matter contained in the information;
- (b) it becomes apparent to the trustee that the information contains a significant inaccuracy; or
- (c) the trust no longer generates tax consequences,

he must provide the Registrar with details of the change or, as the case may be, a correction of the inaccuracy within 30 days beginning with the date of the occurrence of the change, or the discovery of inaccuracy, or within such later time as may be agreed with the Registrar and the details provided to the Registrar must state the date on which the change occurred or the significant inaccuracy was noticed.

(5) Any information to be provided to the Registrar under this regulation must be in such form or verified in such manner as the Registrar may specify.

*Information Gathering***Duty to investigate and obtain information.**

12.(1) An express trust, corporate or legal entity incorporated in Gibraltar must take reasonable steps-

- (a) to find out if there is anyone who is an ultimate beneficial owner in relation to the express trust, corporate or legal entity; and
- (b) if so, to identify them.

(2) Without limiting subregulation (1), an express trust, corporate or legal entity incorporated in Gibraltar must give notice to anyone whom it knows or has reasonable cause to believe to be an ultimate beneficial owner in relation to the express trust, corporate or legal entity.

(3) The notice must require the addressee-

- (a) to state whether or not the addressee is an ultimate beneficial owner in relation to the express trust, corporate or legal entity incorporated in Gibraltar; and
- (b) if so, to confirm or correct any particulars of the addressee that are included in the notice, and supply any that are missing.

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(4) An express trust, corporate or legal entity incorporated in Gibraltar may also give notice to a person under this regulation if it knows or has reasonable cause to believe that the person-

- (a) knows the identity of someone who falls within subregulation (5); or
- (b) knows the identity of someone likely to have that knowledge.

(5) The persons who fall within this subregulation are any ultimate beneficial owner in relation to the express trust, corporate or legal entity incorporated in Gibraltar.

(6) A notice under subregulation (4) may require the addressee-

- (a) to state whether or not the addressee knows the identity of-
 - (i) any person who falls within subregulation (5); or
 - (ii) any person likely to have that knowledge, and
- (b) if so, to supply any particulars of theirs that are within the addressee's knowledge, and state whether or not the particulars are being supplied with the knowledge of each of the persons concerned.

(7) A notice under this regulation must state that the addressee is to comply with the notice by no later than the end of the period of 1 month beginning with the date of the notice.

(8) The Minister may by Order make further provision about the giving of such notices under this regulation, including the form and content of any such notices and the manner in which they must be given.

(9) An express trust, corporate or legal entity incorporated in Gibraltar is not required to take steps or give notice under this regulation with respect to an ultimate beneficial owner if-

- (a) the express trust, corporate or legal entity has already been informed of the person's status as an ultimate beneficial owner in relation to it, and been supplied with all the particulars; and
- (b) in the case of an ultimate beneficial owner, the information and particulars were provided either by the person concerned or with his knowledge.

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(10) A person to whom a notice under subregulation (4) is given is not required by that notice to disclose any information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

(11) In this regulation-

- (a) a reference to knowing the identity of a person includes knowing information from which that person can be identified; and
- (b) “particulars” means-
 - (i) in the case of an ultimate beneficial owner, the information required to be submitted to the Registrar either under regulation 6 or regulation 9, as the case may be; and
 - (ii) in any other case, any particulars that will allow the person to be contacted by the express trust, corporate or legal entity incorporated in Gibraltar.

Duty to keep information up-to-date.

13.(1) This regulation applies if the particulars of an ultimate beneficial owner have been supplied to the Registrar, either under regulation 6 or regulation 9, as the case may be, and appear on the Register.

(2) The express trust, corporate or legal entity incorporated in Gibraltar must give notice to the ultimate beneficial owner if the express trust, corporate or legal entity knows or has reasonable cause to believe that a relevant change has occurred.

(3) A “change” occurs for the purposes of regulation 8 or regulation 11, as the case may be, if-

- (a) the ultimate beneficial owner ceases to be an ultimate beneficial owner in relation to the express trust, corporate or legal entity incorporated in Gibraltar; or
- (b) any other change occurs as a result of which the information stated for the ultimate beneficial owner in the Register is incorrect or incomplete.

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(4) The express trust, corporate or legal entity incorporated in Gibraltar must give the notice as soon as reasonably practicable after it learns of the change or first has reasonable cause to believe that the change has occurred.

(5) The notice must require the addressee-

- (a) to confirm whether or not the change has occurred; and
- (b) if so,
 - (i) to state the date of the change; and
 - (ii) to confirm or correct the particulars included in the notice, and supply any that are missing from the notice.

(6) A notice under this regulation must state that the addressee is to comply with the notice by no later than the end of the period of 1 month beginning with the date of the notice.

(7) The Minister may by Order make further provision about the giving of notices under this regulation, including the form and content of any such notices and the manner in which they must be given.

(8) An express trust, corporate or legal entity incorporated in Gibraltar is not required to give notice under this regulation if-

- (a) the express trust, corporate or legal entity has already been informed of the relevant change; and
- (b) in the case of an ultimate beneficial owner, that information was provided either by the person concerned or with his knowledge.

Enforcement of disclosure requirements.

14. Schedule 1 contains provisions for when an ultimate beneficial owner fails to comply with a notice under regulation 12 or regulation 13.

Additional Statements

Additional Statements to be noted in the Register.

15. Where any additional Statement made by an express trust, corporate or legal entity incorporated in Gibraltar in accordance with regulations 16 to 23 ceases to be true, the express trust, corporate or legal entity must inform the Registrar that-

- (a) the additional statement has ceased to be true; and
- (b) the date on which the additional statement ceased to be true.

Additional Statements - no ultimate beneficial owner.

16.(1) This regulation applies where an express trust, corporate or legal entity incorporated in Gibraltar knows or has reasonable cause to believe that there is no ultimate beneficial owner in relation to the express trust, corporate or legal entity.

(2) The express trust, corporate or legal entity incorporated in Gibraltar must inform the Registrar that it knows or has reasonable cause to believe that there is no ultimate beneficial owner in relation to the express trust, corporate or legal entity.

Additional Statements - an unidentified ultimate beneficial owner.

17.(1) This regulation applies where an express trust, corporate or legal entity incorporated in Gibraltar-

- (a) knows or has reasonable cause to believe that there is an ultimate beneficial owner in relation to the express trust, corporate or legal entity; and
- (b) has not been able to identify the ultimate beneficial owner.

(2) The express trust, corporate or legal entity incorporated in Gibraltar must-

- (a) inform the Registrar that it knows or has reason to cause to believe that there is an ultimate beneficial owner in relation to the express trust, corporate or legal entity but it has not identified the ultimate beneficial owner; and
- (b) inform the Registrar of each ultimate beneficial owner which it has been unable to identify.

Additional Statements - particulars of ultimate beneficial owner not confirmed.

18.(1) This regulation applies where-

- (a) an express trust, corporate or legal entity incorporated in Gibraltar has identified an ultimate beneficial owner in relation

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to the express trust, corporate or legal entity incorporated in Gibraltar; and

- (b) all the required particulars of that person have not been confirmed for the purposes of-
 - (i) regulation 8; or
 - (ii) regulation 11.

(2) The express trust, corporate or legal entity incorporated in Gibraltar must-

- (a) inform the Registrar that it has identified an ultimate beneficial owner in relation to the express trust, corporate or legal entity incorporated in Gibraltar but all the required particulars of that person have not been confirmed; and
- (b) inform the Registrar of each ultimate beneficial owner which it has been unable to confirm the details of.

Additional Statements - investigations are ongoing.

19.(1) This regulation applies where an express trust, corporate or legal entity incorporated in Gibraltar-

- (a) is not caught by regulations 15 to 18;
- (b) has not informed the Registrar, and is not required to inform the Registrar, of the required particulars of any ultimate beneficial owner; and
- (c) has not yet completed taking reasonable steps to find out if there is anyone who is an ultimate beneficial owners in relation to the express trust, corporate or legal entity incorporated in Gibraltar.

(2) The express trust, corporate or legal entity incorporated in Gibraltar must inform the Registrar that it has not yet completed taking reasonable steps to find out if there is anyone who is an ultimate beneficial owner in relation to the express trust, corporate or legal entity.

Additional Statements - failure to comply with a notice given under regulation 12.

20.(1) This regulation applies where-

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- (a) an express trust, corporate or legal entity incorporated in Gibraltar has given a notice under regulation 12; and
 - (b) the addressee of the notice has failed to comply with the notice within the time specified in it.
- (2) The express trust, corporate or legal entity incorporated in Gibraltar must-
- (a) inform the Registrar that it has given a notice under regulation 12 which has not been complied with; and
 - (b) inform the Registrar in respect of each notice issued under regulation 12 which has not been complied with.

Additional Statements - failure to comply with a notice given under regulation 13.

21.(1) This regulation applies where-

- (a) an express trust, corporate or legal entity incorporated in Gibraltar has given a notice under regulation 13; and
 - (b) the addressee of the notice has failed to comply with the notice within the time specified in it.
- (2) The express trust, corporate or legal entity incorporated in Gibraltar must inform the Registrar for the addressee that the addressee has failed to comply with a notice under regulation 13 which has been given by the trust, corporate or legal entity.

Additional Statements – compliance with a notice given under regulation 12 or regulation 13 after the time specified in the notice.

22.(1) This regulation applies where-

- (a) the Registrar has been informed of a notice under regulation 20 or 21; and
 - (b) the addressee of the notice to which the information relates has complied with the notice after the time specified in the notice.
- (2) The express trust, corporate or legal entity incorporated in Gibraltar must inform the Registrar-

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- (a) that the notice has been complied with after the time specified in the notice; and
- (b) the date on which the notice was complied with.

Additional Statements – restrictions notice.

23.(1) This regulation applies where an express trust, corporate or legal entity incorporated in Gibraltar has issued a restrictions notice under paragraph 1 of Schedule 1.

(2) The express trust, corporate or legal entity incorporated in Gibraltar must-

- (a) inform the Registrar that it has issued a restrictions notice under paragraph 1 of Schedule 1; and
- (b) make a separate notification in respect of each ultimate beneficial owner which the express trust, corporate or legal entity has been unable to identify.

(3) Where the express trust, corporate or legal entity incorporated in Gibraltar withdraws the restrictions notice under paragraph 11 of Schedule 1, the express trust, corporate or legal entity must inform the Registrar-

- (a) that it has withdrawn the restrictions notice by giving a withdrawal notice; and
- (b) the date specified in the withdrawal notice as the date on which the withdrawal notice was given.

(4) Where a court makes an order under paragraph 8 of Schedule 1 directing that a relevant interest in the company ceases to be subject to restrictions, the express trust, corporate or legal entity incorporated in Gibraltar must inform the Registrar-

- (a) that the court has made an order under paragraph 8 of Schedule 1 directing that a relevant interest in the express trust, corporate or legal entity ceases to be subject to restrictions; and
- (b) the date on which that order takes effect.

The Register

Documents to be submitted to the Registrar.

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24.(1) This regulation applies in relation to the authentication of a document or information sent or supplied by a person to whom these Regulations apply to the Registrar.

(2) A document or information sent or supplied in electronic form is sufficiently authenticated–

- (a) if the identity of the sender is confirmed in a manner specified by the Registrar; or
- (b) where no such manner has been specified by the Registrar, if the communication contains or is accompanied by a statement of the identity of the sender and the Registrar has no reason to doubt the truth of that statement,

and in any other case if it signed by the person sending or supplying it.

(3) A document or information sent or supplied to the Registrar shall be in such form as the Registrar may require.

Keeping of records by the Registrar.

25.(1) The information contained in a document delivered to the Registrar under these Regulations, may be recorded and kept by him in any form he thinks fit, provided it is possible to inspect the information and to produce a copy of it in printed or electronic form; and this shall be sufficient compliance with any duty of his to keep, file or register the document.

(2) The originals of documents delivered to the Registrar in printed form shall be kept by him for 10 years, after which they may be destroyed.

(3) The records produced by the Registrar as a result of subregulation (1) shall not be destroyed.

Inspection, production and evidence of documents kept by Registrar - companies or legal entities.

26.(1) The following listed entities or persons may request the Registrar inspect the information on the Register, relating to an express trust, a corporate or a legal entity incorporated in Gibraltar, subject to the conditions in subregulations (2) to (7)-

- (a) a competent authority;
- (b) a financial intelligence unit;

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- (c) obliged entities;
- (d) a person or organisation that demonstrates a legitimate interest.

(2) The agencies referred to in paragraphs (a) and (b) must have access to the information in a timely manner, without restriction and without alerting the express trust, corporate or legal entity on whose information is requested.

(3) The obliged entities referred to in paragraph (c) must have timely access to the information on the beneficial owner within the framework of customer due diligence in accordance with Chapter II of the Directive.

(4) A person or organisation as referred to in subsection (1)(d) must have access to the following information on the beneficial owner-

- (a) the name;
- (b) the month and year of birth;
- (c) the nationality;
- (d) the country of residence;
- (e) the nature and extent of the beneficial interest.

(5) A person or organisation applying to the Register under subregulation (1)(d) must satisfy the Registrar that he or the organisation have a legitimate interest in knowing who the beneficial owner is of the corporate or legal entity on which they have requested an inspection.

(6) A person or entity listed in subregulation (1)(a) to (d) may request-

- (a) a copy in such form as the Registrar considers appropriate of any information contained in those records to which they are entitled to request an inspection; or
- (b) a certified copy of, or extract from any such record to which they are entitled to request an inspection.

(7) The following subregulations shall not apply to a search relating to an express trust-

- (a) subregulation (1)(c) and (1)(d);
- (b) subregulation (3); and

- (c) subregulation (4).

GFIU disclosure to other EU FIUs.

27. The GFIU may disclose-

- (a) the information it receives from the Registrar, following a request for an inspection under regulation 26; or
- (b) the information discovered by it from the Register following an urgent request (where the Registrar has delegated his responsibilities under regulation 5(2)),

to an EU FIU or to a relevant Government Authority in the United Kingdom.

Data Protection.

28. The Registrar and GFIU shall ensure the searches and transmission of information under regulations 26 and 27 comply with the Data Protection Act 2004.

Fees.

29.(1) The Registrar may require fees be payable to him in addition to any other fee which he may specify for his performance of any function under these Regulation, including the receipt by him of any notice or other document which under these Regulations is required to be given, delivered, sent or forwarded to him.

(2) Where a notice or document which under these Regulations is required to be given, delivered, sent or forwarded to the Registrar or lodged with the Registrar within a specified time is-

- (a) given, delivered, sent or forwarded to the Registrar or lodged with him outside the specified time; or
- (b) substituted by a notice or document outside the specified time,

a supplementary fee specified by the Registrar in respect of that late or substituted notice or document shall be payable, in addition to the fee due at the date the late or substituted document is delivered, sent or forwarded to the Registrar or lodged with him as provided from time to time in respect of that notice or document.

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(3) The Registrar may charge an obliged entity or a person with a legitimate interest a fee for obtaining the information under regulation 26.

(4) The fee referred to in subregulation (3) may not exceed the administrative cost for the individual search.

Reliance on regulation 26 by obliged entities.

30.(1) Obligated entities must fulfil the requirements of Chapter II of the Directive by using a risk-based approach.

(2) Obligated entities may use the Register, by making an application under regulation 26, as an aid but must not rely exclusively on the Register to fulfil their customer due diligence requirements in accordance with Chapter II of the Directive.

Application for non-disclosure of ultimate beneficial owner.

31.(1) Where exceptional circumstances exist, an individual (who is an ultimate beneficial owner) or a corporate or legal entity incorporated in Gibraltar (on behalf of an ultimate beneficial owner) may make an application to the Registrar to refrain from disclosing, to the listed persons or entities in paragraphs (c) and (d) of regulations 26(1), the particulars of information required to be submitted to the Registrar under regulations 8 and 11 relating to that ultimate beneficial owner.

(2) The application referred to in subregulation (1) must contain-

- (a) the name and any former name of the ultimate beneficial owner;
- (b) the date of birth of the ultimate beneficial owner;
- (c) the usual residential address of the ultimate beneficial owner;
- (d) the name and registered number (if applicable) of each express trust, corporate or legal entity in relation to which the ultimate beneficial owner is or proposes to become an ultimate beneficial owner;
- (e) a statement on the grounds on which the application is made; and
- (f) evidence which supports the statement required by paragraph (e).

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(3) The Registrar must determine the application for non-disclosure under subregulation (1) and, within 7 days beginning with the date that the determination is made, send to the ultimate beneficial owner, or corporate or legal entity incorporated in Gibraltar notice of the determination.

(4) Where the application for non-disclosure is not granted the Registrar must give reasons in the notice provided for in subregulation (3).

(5) Where the application is unsuccessful, the notice under subregulation (3) must inform the ultimate beneficial owner, or corporate or legal entity of their right to apply for permission to appeal against the determination within 28 days beginning with the date of the notice.

(6) The ultimate beneficial owner, or corporate or legal entity incorporated in Gibraltar may apply for permission to appeal as referred to in subregulation (5) to the Supreme Court within the period specified in that subregulation.

(7) “exceptional circumstances” in this regulation has the meaning attributed to it in regulation 32(2).

Exemption to disclosure of ultimate beneficial owner.

32.(1) In exceptional circumstances, the Registrar may refuse to grant access to the information on the beneficial owner of a corporate or legal entity incorporated in Gibraltar to the listed persons or entities in paragraphs (c) and (d) of regulation 26(1).

(2) The exceptional circumstances referred to in subregulation (1) are where the beneficial owner is a minor or is otherwise incapable or where access would expose the beneficial owner to the risk of-

- (a) fraud;
- (b) kidnapping;
- (c) blackmail;
- (d) violence; or
- (e) intimidation.

(3) Each application received by the Registrar for non-disclosure of the information held on the Register, under regulation 31, must be decided on a case by case basis by the Registrar.

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(4) Where the search in the Register relates to a corporate or legal entity incorporated in Gibraltar, the Registrar must not refuse to grant access to the credit institutions, financial institutions or to the obliged entities listed in point (3)(b) of article 2(1) of the Directive which are public officials.

Matters relating to an application made under regulation 31.

33.(1) For the purpose of determining an application made under 31 the Registrar may-

- (a) direct that additional information or evidence should be delivered to the Registrar;
- (b) refer any question relating to an assessment of the nature or extent of any risk of violence or intimidation to a relevant body or to any other person the Registrar considers may be able to assist in making the assessment; and
- (c) accept any answer to a question referred under paragraph (1)(b) as providing sufficient evidence of the nature or extent of any risk.

(2) The Registrar must not make available for public inspection-

- (a) any application made under regulation 31;
- (b) any documents provided in support of that application;
- (c) any notice provided under regulation 34, 35(4) or 36; or
- (d) any representations delivered under regulation 37.

(3) A person who makes an application under regulation 31 must inform the Registrar in writing without delay upon becoming aware of any change to any information or evidence provided to the Registrar in connection with the application.

Withdrawal of an application made under regulation 31.

34. If a person in relation to whom an application has been made under regulation 31 that has not yet been determined notifies the Registrar in writing that the person no longer wishes the Registrar to determine the application, the Registrar is not required to determine the application under 31(3).

Appealing against a determination made under regulation 31.

35.(1) Subject to subregulation (2), an applicant who has received notice under regulation 31(6) that the applicant's application has been unsuccessful may appeal to the Supreme Court on the grounds that the determination-

- (a) is unlawful;
- (b) is irrational or unreasonable; or
- (c) has been made on the basis of a procedural impropriety or otherwise contravenes the rules of natural justice.

(2) No appeal may be brought unless the permission of the court has been obtained.

(3) No application for such permission may be made after 28 days beginning with the date of the notice under regulation 31 unless the court is satisfied that there was good reason for the failure of the applicant to seek permission before the end of that period.

(4) An applicant who seeks permission to appeal must serve written notice of the application on the Registrar within 7 days beginning on the date on which the application for permission was issued.

(5) The Supreme Court in determining an appeal may hold a closed court hearing and may-

- (a) dismiss the appeal;
- (b) quash the determination.

(6) Where the court quashes a determination it may refer the matter to the Registrar with a direction to reconsider it and make a determination in accordance with the findings of the court.

Duration of a determination made under regulation 31.

36. A determination made under regulation 31(3) that an application is successful continues to have effect until-

- (a) either-
 - (i) the person to whom the determination relates; or
 - (ii) the person's personal representative,

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notifies the Registrar in writing that he wishes the determination cease to have effect; or

(b) the Registrar revokes the determination under regulation 37.

Revocation of a determination made under regulation 31.

37.(1) The Registrar may revoke a determination made under 31(3) that an application is successful if-

- (a) the applicant in relation to the determination or, if different, any person to whom the application relates has been found guilty of an offence under regulation 43 (general false statement) in respect of purported compliance with any provision of these Regulations;
- (b) the Registrar has sent a notice in accordance with subparagraph (2) to the applicant in relation to the determination and, if different, the person to whom the determination relates; and
- (c) the period of 28 days beginning with the date of that notice has expired.

(2) The notice mentioned in paragraph (1)(b) must inform the addressee-

- (a) of the Registrar's intention to revoke the determination;
- (b) that the addressee may, within 28 days beginning with the date of the notice, deliver representations in writing to the Registrar as to why the Registrar should not revoke the determination; and
- (c) that if the Registrar receives such representations within that period, the Registrar will have regard to the representations in deciding whether to revoke the determination.

(3) If within the period specified in paragraph (2)(b) the addressee of the notice delivers representations in writing to the Registrar as to why the Registrar should not revoke the determination, the Registrar must have regard to the representations in deciding whether to revoke the determination.

(4) The Registrar must send notice of the Registrar's decision as to whether to revoke a determination to the applicant in relation to the

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determination and, if different, the person to whom the determination relates within 7 days beginning with the date of the decision.

*Warning and Restrictions Notices***Content of a warning notice.**

38. A warning notice given under paragraph 1 of Schedule 1 must-
- (a) specify the date on which the warning notice is given;
 - (b) be accompanied by a copy of the notice given under regulation 12 or 13 to which the warning notice relates;
 - (c) identify the addressee's relevant interest in the express trust, corporate or legal entity incorporated in Gibraltar by reference to the shares or right in question;
 - (d) state that the express trust, corporate or legal entity incorporated in Gibraltar will consider reasons provided to it as to why the addressee failed to comply with the notice given under regulation 12 or 13;
 - (e) explain the effect of a restrictions notice; and
 - (f) state that, by virtue of restrictions notice, certain acts or failures to act may constitute an offence.

Content of a restrictions notice.

39. A restrictions notice issued under paragraph 1 of Schedule 1 must-
- (a) specify the date on which the restrictions notice is issued;
 - (b) be accompanied by a copy of the warning notice which preceded the restrictions notice;
 - (c) identify the addressee's relevant interest in the express trust, corporate or legal entity by reference to the shares or right in question;
 - (d) explain the effect of the restrictions notice;
 - (e) state that, by virtue of the restrictions notice, certain acts or failures to act may constitute an offence; and

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- (f) state that an aggrieved person may apply to the court for an order directing that the relevant interest ceases to be subject to restrictions.

Failure to comply with a regulation 12 or 13 notice: valid reason.

40. An express trust, corporate or legal entity incorporated in Gibraltar must take into account any incapacity of the addressee of a notice given under regulation 12 or 13 in deciding what counts as a "valid reason" sufficient to justify the addressee's failure to comply with the notice.

Withdrawal of a restrictions notice.

41. Where an express trust, corporate or legal entity incorporated in Gibraltar is required to withdraw a restrictions notice under paragraph 11 of Schedule 1 by notice (a "withdrawal notice"), the withdrawal notice must-

- (a) be given before the end of the period of 14 days beginning with the day on which the express trust, corporate or legal entity incorporated in Gibraltar became required to withdraw the restrictions notice under that paragraph;
- (b) specify the date on which the withdrawal notice is given;
- (c) identify the addressee's relevant interest in the company by reference to the shares or right in question; and
- (d) state that the relevant interest is no longer subject to restrictions.

Requests

Requests to trustees.

41A.(1) The Registrar or the GFIU may make a request under this regulation to a trustee of an express trust for the provision of information, which the trustee must record and maintain, under section 61 of the Trustees Act.

(2) In this regulation, "express trust" includes an express trust governed by Gibraltar law which does not generate tax consequences.

Penalties and offences

Power to impose civil penalties.

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42.(1) The Registrar may impose a penalty of such amount as he considers appropriate, not exceeding £10,000.00, on an express trust, corporate or legal entity incorporated in Gibraltar who fails to comply with any requirement in regulations 6(1), 6(2), 6(3), 7, 8(1), 8(4), 9(1), 9(2), 10(1), 11(1), 11(4), 12(1), 12(2), 13(2), 15, 16(2), 17(2), 18(2), 19(2), 20(2), 21(2), 22(2), 23(2), 23(3) or 23(4).

(2) The Registrar must not impose a penalty on a an express trust, corporate or legal entity incorporated in Gibraltar under subregulation (1) where there are reasonable grounds for him to be satisfied that the an express trust, corporate or legal entity incorporated in Gibraltar took all reasonable steps to ensure the requirement would be complied with.

(3) Where the Registrar proposes to impose a penalty under this regulation, he must give the an express trust, corporate or legal entity incorporated in Gibraltar written notice of-

- (a) his proposal to impose the penalty and the proposed amount;
- (b) the reasons for imposing the penalty; and
- (c) the right to make representations to him within a specified period (which may not be less than 28 days).

(4) The Registrar must then decide, within a reasonable period, whether to impose a penalty under this regulation and it must give the express trust, corporate or legal entity incorporated in Gibraltar written notice of-

- (a) his decision not to impose a penalty; or
- (b) the following matters-
 - (i) his decision to impose a penalty and the amount;
 - (ii) the reasons for his decision; and
 - (iii) the right to appeal under regulation 20.

(5) A penalty imposed under this regulation is payable to the Government General Account.

(6) In subregulation (1) “appropriate” means an effective, proportionate and dissuasive penalty.

Appeals.

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43.(1) A person may appeal the imposition of a penalty by the Registrar under regulation 42 to the Magistrates' Court.

(2) The Magistrates' Court may uphold, vary or quash the penalty as it deems fit.

General false statement offence.

44.(1) It is an offence for a person knowingly or recklessly-

- (a) to deliver or cause to be delivered to the Registrar, for any purpose of these Regulations, a document; or
- (b) to make to the Registrar, for any such purpose, a statement,

that is misleading, false or deceptive in a material particular.

(2) A person guilty of an offence under this regulation is liable—

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or to both;
- (b) on summary conviction for a term not exceeding 6 months, or to a fine not exceeding the statutory maximum, or to both.

Criminal Penalties.

45.(1) A an express trust, corporate or legal entity incorporated in Gibraltar who fails to comply with any requirement in regulations 6(1), 6(2), 6(3), 6(5), 7, 8(1), 8(4), 9(1), 9(2), 10(1), 11(1), 11(4), 12(1), 12(2), 13(2), 15, 16(2), 17(2), 18(2), 19(2), 20(2), 21(2), 22(2), 23(2), 23(3) and 23(4), is guilty of an offence and is liable-

- (a) on summary conviction, to a fine not exceeding level 5 on the standard scale;
- (b) on conviction on indictment, to imprisonment for a term not exceeding 2 years, to a fine or to both.

(2) In deciding whether an express trust, corporate or legal entity incorporated in Gibraltar has committed an offence under paragraph (1), the court must consider whether the express trust, corporate or legal entity incorporated in Gibraltar followed any relevant guidance which was at the time issued by the Registrar.

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(3) An express trust, corporate or legal entity incorporated in Gibraltar is not guilty of an offence under this regulation if it took all reasonable steps to avoid committing the offence.

(4) Where an express trust, corporate or legal entity incorporated in Gibraltar is convicted of an offence under this regulation, the express trust, corporate or legal entity incorporated in Gibraltar shall not also be liable to a penalty under regulation 42.

Prosecution of offences.

46.(1) Proceedings may not be commenced against a person for any offence under regulation 45 except by, or with the consent of, the Attorney General.

(2) Proceedings for an offence under regulation 45 may be instituted only against a relevant person or where such a person is an express trust, company or legal entity incorporated in Gibraltar against any person who is liable to be proceeded against under regulation 47.

Offences by an express trust, company or legal entity.

47.(1) If an offence under regulation 45 committed by an express trust, company or legal entity incorporated in Gibraltar is shown—

- (a) to have been committed with the consent or the connivance of an officer of the express trust, company or legal entity; or
- (b) to be attributable to any neglect on his part,

the officer as well as the express trust, company or legal entity incorporated in Gibraltar is guilty of an offence and liable to be proceeded against and punished accordingly.

(2) If the affairs of an express trust, company or legal entity incorporated in Gibraltar are managed by its members, paragraph (1) applies in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the company or legal entity or trustee of the express trust.

Recovery of charges and penalties through the court.

48. A charge or penalty imposed on an express trust, corporate or legal entity incorporated in Gibraltar by the Registrar under regulation 42 is a debt due from that express trust, corporate or legal entity incorporated in Gibraltar to the Registrar, and is recoverable accordingly.

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Power of a court to order a person to remedy default or delay.

49.(1) This regulation applies if-

- (a) the details of a person are without sufficient cause included in, or omitted from, the information that an express trust, corporate or legal entity incorporated in Gibraltar delivers to the Registrar concerning a beneficial owner in relation to the vehicle;
- (b) default is made or unnecessary delay takes place in informing the Registrar under these Regulations that a person-
 - (i) has become a beneficial in relation to the vehicle; or
 - (ii) has ceased to be a beneficial owner in relation to the vehicle.

(2) A person aggrieved, or any other interested party, may apply to the magistrates' court for an order requiring the express trust, corporate or legal entity incorporated in Gibraltar to deliver to the Registrar the information necessary to rectify the position.

(3) The magistrates' court may either refuse the application or may make such order as it deems appropriate, including an order for damages.

(4) In this regulation-

- (a) "any other interested party" means-
 - (i) any members of the corporate or legal entity incorporated in Gibraltar;
 - (ii) any trustee of the express trust;
 - (iii) any other person who is a beneficial owner in relation to the vehicle;
- (b) "vehicle" means a corporate or a legal entity incorporated in Gibraltar or an express trust.

Overriding Instruments.

50. These Regulations must be construed in accordance with the fundamental right to private life as protected by the following instruments-

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- (a) article 8 of the European Convention on Human Rights;
- (b) article 7 of the Gibraltar Constitution Order 2006;
- (c) article 7 of the Charter of Fundamental Rights of the European Union;
- (d) Directive 95/46/EC of the European Parliament and Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (as may be amended from time to time or replaced);
- (e) Data Protection Act 2004.

SCHEDULE 1

**FAILURE TO COMPLY WITH NOTICE UNDER REGULATION 12
OR 13**

(regulation 14)

Right to issue restrictions notice.

1.(1) This paragraph applies if-

- (a) a notice under regulation 12 or 13 is served by an express trust, corporate or legal entity incorporated in Gibraltar on a person who has a relevant interest in the express trust, corporate or legal entity; and
- (b) the person fails to comply with that notice within the time specified in it.

(2) The express trust, corporate or legal entity incorporated in Gibraltar may give the person a notice under this paragraph (a “warning notice”) informing the person that it is proposing to issue the person with a notice (a “restrictions notice”) with respect to the relevant interest.

(3) The express trust, corporate or legal entity incorporated in Gibraltar may issue the restrictions notice if, by the end of the period of 1 month beginning with the date on which the warning notice was given-

- (a) the person has not complied with the notice served under regulation 12 or 13; and
- (b) the express trust, corporate or legal entity incorporated in Gibraltar has not been provided with a valid reason sufficient to justify the person’s failure to comply with the notice served under that regulation.

(4) A restrictions notice is issued on a person by sending the notice to the person at the last known address for that person.

(5) The effect of a restrictions notice is set out in paragraph 3.

(6) In deciding whether to issue a restrictions notice, the express trust, corporate or legal entity incorporated in Gibraltar must have regard to the effect of the notice on the rights of third parties in respect of the relevant interest.

Relevant interests.

2.(1) For the purposes of this Schedule, a person has a relevant interest in an express trust, corporate or legal entity incorporated in Gibraltar if the person-

- (a) holds any shares in the express trust, corporate or legal entity incorporated in Gibraltar;
- (b) holds any voting rights in the express trust, corporate or legal entity incorporated in Gibraltar; or
- (c) holds the right to appoint or remove any member of the board of directors of the company or trustee of the trust.

(2) References to “the relevant interest” are to the shares or rights in question.

(3) Schedule 2 applies for the interpretation of subparagraph (1) save that, where the relevant interest is by virtue of paragraph 10 or 11 of Schedule 2 treated for the purposes of that Schedule as held by a person other than the person who in fact holds the interest, both the holder and the other person are to be regarded for the purposes of this Schedule as having the relevant interest.

Effect of restrictions notice.

3.(1) The effect of a restrictions notice issued under paragraph 1 with respect to a relevant interest is as follows-

- (a) any transfer of the interest is void;
- (b) no rights are exercisable in respect of the interest;
- (c) no shares may be issued in right of the interest or in pursuance of an offer made to the interest-holder;
- (d) except in a liquidation, no payment may be made of sums due from the company in respect of the interest, whether in respect of capital or otherwise.

(2) An agreement to transfer an interest that is subject to the restriction in subparagraph (1)(a) is void.

(3) Subparagraph (2) does not apply to an agreement to transfer the interest on the making of an order under paragraph 8 made by virtue of

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subparagraph (3)(b) of that paragraph (removal of restrictions in case of court-approved transfer).

(4) An agreement to transfer any associated right, otherwise than in liquidation, is void.

(5) Subparagraph (4) does not apply to an agreement to transfer any such right on the making of an order under paragraph 8 made by virtue of subparagraph (3)(b) of that paragraph (removal of restrictions in case of court-approved transfer).

(6) An “associated right”, in relation to a relevant interest, is-

- (a) a right to be issued with any shares issued in right of the relevant interest; or
- (b) a right to receive payment of any sums due from the express trust, corporate or legal entity incorporated in Gibraltar in respect of the relevant interest.

(7) The provisions of this paragraph are subject to any directions given under paragraph 4.

Protection of third party rights.

4.(1) The court may give a direction under this paragraph if, on application by any person aggrieved, the court is satisfied that a restrictions notice issued by the express trust, corporate or legal entity incorporated in Gibraltar under paragraph 1 unfairly affects the rights of third parties in respect of the relevant interest.

(2) The direction is given for the purpose of protecting those third party rights.

(3) The direction is a direction that certain acts will not constitute a breach of the restrictions placed on the relevant interest by the restrictions notice.

(4) An order containing a direction under this paragraph-

- (a) must specify the acts that will not constitute a breach of the restrictions; and
- (b) may confine the direction to cases where those acts are done by persons, or for the purposes, described in the order.

(5) The direction may be given subject to such terms as the court thinks fit.

Breach of restrictions.

5.(1) A person commits an offence if the person does anything listed in subparagraph (2) knowing that the interest is subject to restrictions.

(2) The things are-

- (a) exercising or purporting to exercise any right to dispose of a relevant interest;
- (b) exercising or purporting to exercise any right to dispose of any right to be issued with a relevant interest; or
- (c) voting in respect of a relevant interest, whether as holder of the interest or as proxy, or appointing a proxy to vote in respect of a relevant interest.

(3) A person who has a relevant interest that the person knows to be subject to restrictions commits an offence if the person-

- (a) knows a person to be entitled, apart from the restrictions, to vote in respect of the interest, whether as holder or as proxy;
- (b) does not know the person to be aware of the fact that the interest is subject to restrictions; and
- (c) fails to notify the person of that fact.

(4) A person commits an offence if the person-

- (a) either has a relevant interest that the person knows to be subject to restrictions or is entitled to an associated right; and
- (b) enters in that capacity into an agreement that is void by virtue of paragraph 3(2) or (4).

(5) References in this Schedule to an interest being “subject to restrictions” are to an interest being subject to restrictions by virtue of a restrictions notice under paragraph 1.

Offence.

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6. If shares in an express trust, corporate or legal entity incorporated in Gibraltar are issued in contravention of a restriction imposed by virtue of a restrictions notice under paragraph 1, an offence is committed by-

- (a) the express trust, corporate or legal entity incorporated in Gibraltar; and
- (b) every officer of the express trust, corporate or legal entity incorporated in Gibraltar who is in default.

Penalty.

7.(1) A person guilty of an offence under paragraph 5 or 6 is liable-

- (a) on conviction on indictment, to a fine;
- (b) on summary conviction to a fine not exceeding level 4 on the standard scale.

(2) The provisions of paragraphs 5 and 6 are subject to any direction given under paragraph 4 or 8.

Relaxation of restrictions.

8.(1) An application may be made to the court for an order directing that the relevant interest cease to be subject to restrictions.

(2) An application for an order under this paragraph may be made by the express trust, corporate or legal entity incorporated in Gibraltar in question or by any person aggrieved.

(3) The court must not make an order under this paragraph unless-

- (a) it is satisfied that the information required by the notice served under regulation 12 or 13 has been disclosed to the express trust, corporate or legal entity incorporated in Gibraltar and no unfair advantage has accrued to any person as a result of the earlier failure to make that disclosure; or
- (b) the relevant interest is to be transferred for valuable consideration and the court approves the transfer.

(4) An order under this paragraph made by virtue of subparagraph (3)(b) may continue, in whole or in part, the restrictions mentioned in paragraph 3(1)(c) and (d) so far as they relate to a right acquired or offer made before the transfer.

- (5) Where any restrictions continue in force under subparagraph (4)-
- (a) an application may be made under this paragraph for an order directing that the relevant interest ceases to be subject to those restrictions; and
 - (b) subparagraph (3) does not apply in relation to the making of such an order.

Orders for sale.

9.(1) The court may order that the relevant interest subject to restrictions be sold subject to the court's approval as to the sale.

(2) An application for an order under subparagraph (1) may only be made by the express trust, corporate or legal entity incorporated in Gibraltar in question.

(3) If the court makes an order under this paragraph, it may make such further order relating to the sale or transfer of the interest as it thinks fit.

(4) An application for an order under subparagraph (3) may be made-

- (a) by the express trust, corporate or legal entity incorporated in Gibraltar in question;
- (b) by the person appointed by or in pursuance of the order to effect the sale; or
- (c) by any person with an interest in the relevant interest.

(5) On making an order subparagraph (1) or (3), the court may order that the applicant's costs be paid out of the proceeds of sale.

Proceeds of sale.

10.(1) If a relevant interest is sold in pursuance of an order under paragraph 9, the proceeds of the sale, less the costs of the sale, must be paid into court for the benefit of those who are beneficially interested in the relevant interest.

(2) A person who is beneficially interested in the relevant interest may apply to the court for the whole or part of those proceeds to be paid to that person.

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(3) On such an application, the court must order the payment to the applicant of-

- (a) the whole of the proceeds of sale together with any interest on the proceeds; or
- (b) if another person was also beneficially interested in the relevant interest at the time of the sale, such proportion of the proceeds, and any interest, as the value of the applicant's interest bears to the total value of the relevant interest.

(4) If the court has ordered under paragraph 9 that the costs of an applicant under that paragraph are to be paid out of the proceeds of sale, the applicant is entitled to payment of those costs out of the proceeds before any person receives any part of the proceeds under this paragraph.

Express trust, corporate or legal entity's power to withdraw a restrictions notice.

11. An express trust, corporate or legal entity incorporated in Gibraltar that issues a person with a restrictions notice under paragraph 1 must by notice withdraw the restrictions notice if-

- (a) it is satisfied that there is a valid reason sufficient to justify the person's failure to comply with the notice served under regulation 12 or 13;
- (b) the notice under regulation 12 or 13 is complied with; or
- (c) it discovers that the rights of a third party in respect of the relevant interest are being unfairly affected by the restrictions notice.

Supplementary provision.

12.(1) The Minister may by Order make further provision about the procedure to be followed by an express trust, corporate or legal entity incorporated in Gibraltar in issuing and withdrawing restrictions notices.

(2) The Order may in particular make provision about-

- (a) the form and content of warning notices and restrictions notices, and the manner in which they must be given;

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- (b) the factors to be taken into account in deciding what counts as a “valid reason” sufficient to justify a person’s failure to comply with a notice under regulation 12 or 13; and
- (c) the effect of withdrawing a restrictions notice on matters that are pending with respect to the relevant interest when the notice is withdrawn

Offences for failing to comply with notices.

13.(1) A person to whom a notice under regulation 12 or 13 is addressed commits an offence if the person-

- (a) fails to comply with the notice; or
- (b) in purported compliance with the notice-
 - (i) makes a statement that the person knows to be false in a material particular; or
 - (ii) recklessly makes a statement that is false in a material particular.

(2) Where the person is an express trust, corporate or legal entity, an offence is also committed by every officer of the express trust, corporate or legal entity who is in default.

(3) A person does not commit an offence under subparagraph (1)(a), or subparagraph (2) as it applies in relation to that subparagraph, if the person proves that the requirement to give information was frivolous or vexatious.

(4) A person guilty of an offence under this paragraph is liable-

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or to both;
- (b) on summary conviction, to imprisonment for a term not exceeding 6 months or to a fine not exceeding level 4 on the standard scale, or to both.

Offences for failing to provide information.

14.(1) A person commits an offence if the person-

- (a) fails to comply with a duty under regulation 12 or 13; or

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- (b) in purported compliance with such a duty-
 - (i) makes a statement that the person knows to be false in a material particular;
 - (ii) recklessly makes a statement that is false in a material particular.

(2) Where the person is an express trust, corporate or legal entity incorporated in Gibraltar, an offence is also committed by every officer of the express trust, corporate or legal entity who is in default.

(3) A person guilty of an offence under this paragraph is liable-

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine, or to both;
- (b) on summary conviction, to imprisonment for a term not exceeding 6 month or to a fine not exceeding level 4 on the standard scale, or to both.

SCHEDULE 2

SUPPLEMENTARY INTERPRETATION

(regulation 3)

Introduction.

1. This Schedule sets out rules for interpretation of these Regulations.

Joint interests.

2. If two or more persons each hold a share or right jointly, each of them is treated for the purposes of this Schedule as holding that share or right.

Joint arrangements.

- 3.(1) If shares or rights held by a person and shares or rights held by another person are the subject of a joint arrangement between those persons, each of them is treated for the purposes of this Schedule as holding the combined shares or rights of both of them.

(2) A “joint arrangement” is an arrangement between the holders of share, or rights, that they will exercise all or substantially all the rights conferred by their respective shares, or rights, jointly in a way that is pre-determined by the arrangement.

- (3) “Arrangement” has the meaning given by paragraph 12

Calculating shareholding.

- 4.(1) In relation to an express trust, corporate or legal entity incorporated in Gibraltar that has a share capital, a reference to holding “more than 25% of the shares” in that express trust, corporate or legal entity is to holding shares comprised in the issued share capital of that entity of a nominal value exceeding, in aggregate, 25% of that share capital.

(2) In relation to an express trust, corporate or legal entity incorporated in Gibraltar that does not have a share capital-

- (a) a reference to holding shares in that entity is to holding a right to share in the capital or, as the case may be, profits of that express trust, corporate or legal entity;

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- (b) a reference to holding “more than 25% of the shares” in that entity is to holding a right or rights to share in more than 25% of the capital or, as the case may be, profits of that entity.

Voting rights.

5.(1) A reference to the voting rights in an express trust, corporate or legal entity incorporated in Gibraltar is to the rights conferred on shareholders in respect of their shares, or, in the case of an entity not having a share capital, on members, to vote at general meetings of the entity on all or substantially all matters.

(2) In relation to an express trust, corporate or legal entity incorporated in Gibraltar that does not have general meetings at which matters are decided by the exercise of the voting rights-

- (a) a reference to exercising voting rights in the entity is to be read as a reference to exercising rights in relation to the entity that are equivalent to those of a person entitled to exercise voting rights in an express trust, corporate or legal entity;
- (b) a reference to exercising more than 25% of the voting rights in the entity is to be read as a reference to exercising the right under constitution of the entity to block changes to the overall policy of the entity or to the terms of its constitution.

Calculation voting rights.

6. In applying this Schedule, the voting rights in an express trust, corporate or legal entity incorporated in Gibraltar are to be reduced by any rights held by the entity itself.

Rights to appoint or remove members of the board.

7. A reference to the right to appoint or approve a majority of the board of directors of an express trust, corporate or legal entity incorporated in Gibraltar is to the right to appoint or remove directors holding a majority of the voting rights at meetings of the board on all or substantially all matters.

“Board of directors” interpretation.

8. References to a board of directors in the case of an entity that does not have such a board, are to be read as references to the equivalent management body of that entity.

Shares or rights held indirectly.

9.(1) A person holds a share “indirectly” if the person has a majority stake in an express trust, corporate or legal entity incorporated in Gibraltar and that entity-

- (a) holds the share in question; or
- (b) is part of a chain of entities-
 - (i) each of which, other than the last, has a majority stake in the entity immediately below it in the chain; and
 - (ii) the last of which holds that right.

(2) A person holds a right “indirectly” if the person has a majority stake in the entity and that entity-

- (a) holds that right; or
- (b) is part of a chain of entities-
 - (i) each of which, other than the last, has a majority stake in the entity immediately below it in the chain; and
 - (ii) the last of which holds that right.

(3) For these purposes, A has a “majority stake” in B if-

- (a) A holds a majority of the voting rights in B;
- (b) A is a member of B and has the right to appoint or remove a majority of the board of directors of B;
- (c) A is a member of B and controls alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in B; or
- (d) A has the right to exercise, or actually exercises, dominant influence or control over B.

(4) In the application of this paragraph to the right to appoint or remove a majority of the board of directors, an entity is to be treated as having the right to appoint a director if-

- (a) a person’s appointment as director follows necessarily from that person’s appointment as director of the entity; or

- (b) the directorship is held by the entity itself.

Shares held by nominees.

10. A share held by a person as nominee for another is to be treated for the purposes of this Schedule as held by the other, and not by the nominee.

Rights treated as held by person who controls their exercise.

11.(1) Where a person controls a right, the right is to be treated for the purposes of this Schedule as held by that person, and not by the person who in fact holds the right, unless that person also controls it.

(2) A person “controls” a right if, by virtue of any arrangement between that person and others, the right is exercisable only-

- (a) by that person;
- (b) in accordance with that person’s directions or instructions; or
- (c) with that person’s consent or concurrence.

“Arrangement” interpretation.

12.(1) “Arrangement” includes-

- (a) any scheme, agreement or understanding, whether or not it is legally enforceable; and
- (b) any convention, custom or practice of any kind.

(2) But something does not count as an arrangement unless there is at least some degree of stability about it, whether by its nature or term, the time it has been in existence or otherwise.

Rights exercisable only in certain circumstances etc.

13.(1) Rights that are exercisable only in certain circumstances are to be taken into account only-

- (a) when the circumstances have arisen, and for so long as they continue to obtain; or
- (b) when the circumstances are within the control of the person having the rights.

(2) But rights that are exercisable by an administrator or by creditors while an entity is in relevant insolvency proceedings are not to be taken into account even while the entity is in those proceedings.

(3) “Relevant insolvency proceedings” means-

- (a) administration within the meaning of the Insolvency Act 2011;
or
- (b) proceedings under the insolvency law of another country or territory during which an entity’s assets and affairs are subject to the control or supervision of a third party or creditor.

(4) Rights that are normally exercisable but are temporarily incapable of exercise are to continue to be taken into account.

Rights attached to shares held by way of security.

14. Rights attached to shares held by way of security provided by a person are to be treated for the purposes of this Schedule as held by that person-

- (a) where apart from the right to exercise them for the purpose of preserving the value of the security, or of realising it, the rights are exercisable only in accordance with that person’s instructions; and
- (b) where the shares are held in connection with the granting of loans as part of normal business activities and apart from the right to exercise them for the purpose of preserving that value of the security, or of realising it, the rights are exercisable only in that person’s interests.

SCHEDULE 3

RELEVANT LEGAL ENTITY AND OTHER REGISTRABLE
PERSON

(regulation 3)

PART 1

Introduction.

1.(1) This Schedule sets out the meaning of “relevant legal entity” and “other registrable person”.

(2) In this Schedule “company” means a corporate or legal entity incorporated in Gibraltar and includes express trusts.

“Registrable” or “non-registrable” interpretation.

2. An individual ultimate beneficial owner of a company is either “registrable” or “non-registrable” in relation to the company-

- (a) they are non-registrable if they do not hold any interest in the company except through one or more legal entities over each of which they are ultimate beneficial owners and-
 - (i) as respects any shares or rights in the company which they hold indirectly as described in paragraph 10(1)(b)(i), the legal entity through which the shares or rights are held is a relevant legal entity in relation to the company; and
 - (ii) as respects any shares or rights in the company which they indirectly as described in paragraph 10(1)(b)(ii), at least one of the legal entities in the chain is a relevant legal entity in relation to the company;
- (b) otherwise, they are “registrable”,

and references to a “registrable person” in relation to a company are to an individual who is an ultimate beneficial owner of the company who is registrable in relation to that company.

“Relevant legal entity”.

3. In relation to a company, a legal entity is a “relevant legal entity” if-

- (a) it would have come within the definition of an ultimate beneficial owner over the company if it had been an individual; and
- (b) it is subject to its own disclosure requirements.

“Own disclosure requirements”.

4. A legal entity is “subject to its own disclosure requirements” if-

- (a) it is admitted to official listing on a stock exchange situated or operating in Gibraltar under the Official Listing Rules 2007;
- (b) it is admitted to official listing on an international stock exchange recognised under the Financial Services (Listing of Securities) Act 2006; or
- (c) it is a company other than those referred to in subparagraph (a).

“Registrable” or “non-registrable” application.

5. A relevant legal entity is either “registrable” or “non-registrable” in relation to a company-

- (a) it is “non-registrable” if it does not hold any interest in the company except through one or more other legal entities over each of which it has significant control and-
 - (i) as respects any shares or right in the company which it holds indirectly as described in paragraph 10(1)(b)(i), the legal entity through which the shares or right are held is also a relevant legal entity in relation to the company; and
 - (ii) as respects any shares or right in the company which it holds indirectly as described in paragraph 10(1)(b)(ii), at least one of the legal entities in the chain is also a relevant legal entity in relation to the company;
- (b) otherwise, it is “registrable”,

and reference to a “registrable relevant legal entity” in relation to a company are to a relevant legal entity which is registrable in relation to that company.

Further interpretation.

6. For the purposes of paragraphs 2 and 5-

- (a) whether someone-
 - (i) holds an interest in a company; or
 - (ii) holds that interest through another legal entity,

is to be determined in accordance with paragraphs 8 to 10;

- (b) whether someone is an ultimate beneficial owner over that legal entity is to be determined in accordance with regulation 3(1) and 3(3), reading references in those provisions to the customer as references to that other entity.

“Other registrable person”.

7.(1) “Other registrable person” shall be defined by the content of subparagraph (2).

(2) Each of the following are to be read and to have effect as if were an individual, even if they are legal persons under the laws by which they are governed-

- (a) a corporation sole;
- (b) a government or government department of a country or territory or part of a country or territory;
- (c) an international organisation whose members include two or more countries or territories or their governments;
- (d) a local authority or local government body in Gibraltar or elsewhere.

PART 2

Holding an interest in a Company, etc

Introduction.

8. This paragraph and paragraphs 9 and 10 specify the circumstances in which, for the purposes of paragraphs 2 or 5-

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- (a) a person (“V”) is to be regarded as holding an interest in a company (“company W”);
- (b) an interest held by V in company W is to be regarded as held through a legal entity.

Holding an interest.

9.(1) V holds an interest in company W if-

- (a) V holds shares in company W, directly or indirectly;
- (b) V holds, directly or indirectly, voting rights in company W;
- (c) V holds, directly or indirectly, the right to appoint or remove any member of the board of directors of company W;
- (d) V has the right to exercise, or actually exercises, significant influence or control over company W; or
- (e) subparagraph (2) is satisfied.

(2) This subparagraph is satisfied where-

- (a) the trustees of a trust or the members of a firm that, under the law by which it is governed, is not a legal person hold an interest in company W in a way mentioned in subparagraph (1)(a) to (d); and
- (b) V has the right to exercise, or actually exercises, significant influence or control over the activities of that trust or firm.

Interests held through a legal entity.

10.(1) This paragraph applies where V-

- (a) holds an interest in company W by virtue of indirectly holding shares or a right; and
- (b) does so by virtue of having a majority stake in-
 - (i) a legal entity (“L”) which holds the shares or right directly; or

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- (ii) a legal entity that is part of legal entities such as is described in paragraph 9(1)(b) or 9(2)(b), of Schedule 2, that includes L.

(2) Where this paragraph applies, V holds the interest in company W-

- (a) through L; and
- (b) through each other legal entity in the chain mentioned in subparagraph (1)(b)(ii).