

Beneficial Ownership

You have been approached to establish business relationships with the following customers. In each case you must determine who the beneficial owner/s is/are, or could be, in accordance with Schedule 3 to the Proceeds of Crime Law and the Handbook.

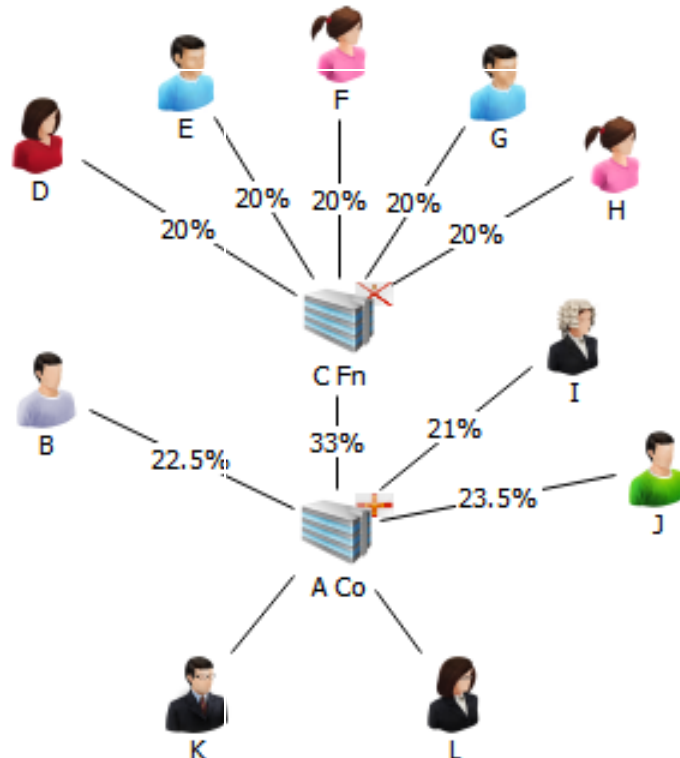
Paragraph 7.37. of the Handbook sets out the three step test to establishing the beneficial owner(s) of a legal person:

- Step 1. the natural person who ultimately controls the *legal person* through ownership; or, if no such person exists or can be identified,
- Step 2. the natural person who ultimately controls the *legal person* through other means; or, if no such person exists or can be identified,
- Step 3. the natural person who holds the position of a senior managing official of the *legal person*.

The follow case studies are wholly fictional and purely hypothetical for the purposes of discussing the beneficial ownership requirements of the revised AML/CFT regime.

Case Study 1

The customer, A Co, is beneficially owned by three independent individuals, holding 22.5%, 21% and 23.5%, and a foundation, C Fn, holding 33%. C Fn is beneficially owned by D and her four children, all minors. Each of D and her children hold 20% of the foundation. K and L are both executive directors of A Co.



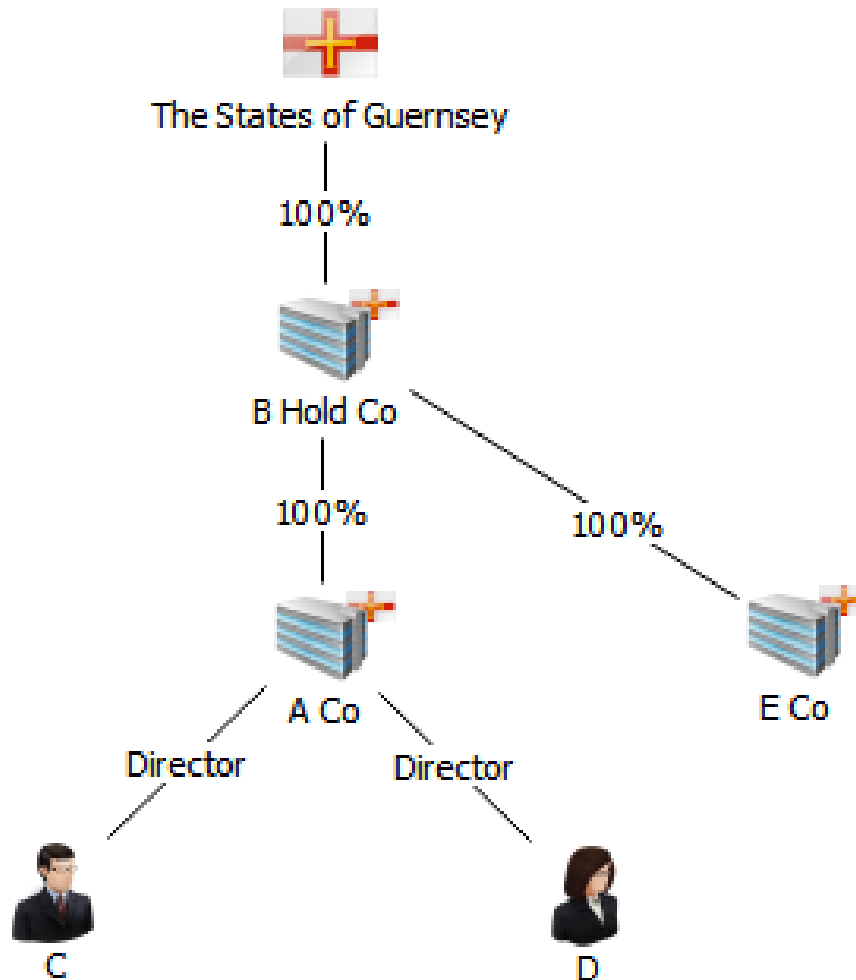
Beneficial Owner(s): _____

Other Possible Beneficial Owner(s)?: _____

Notes: _____

Case Study 2

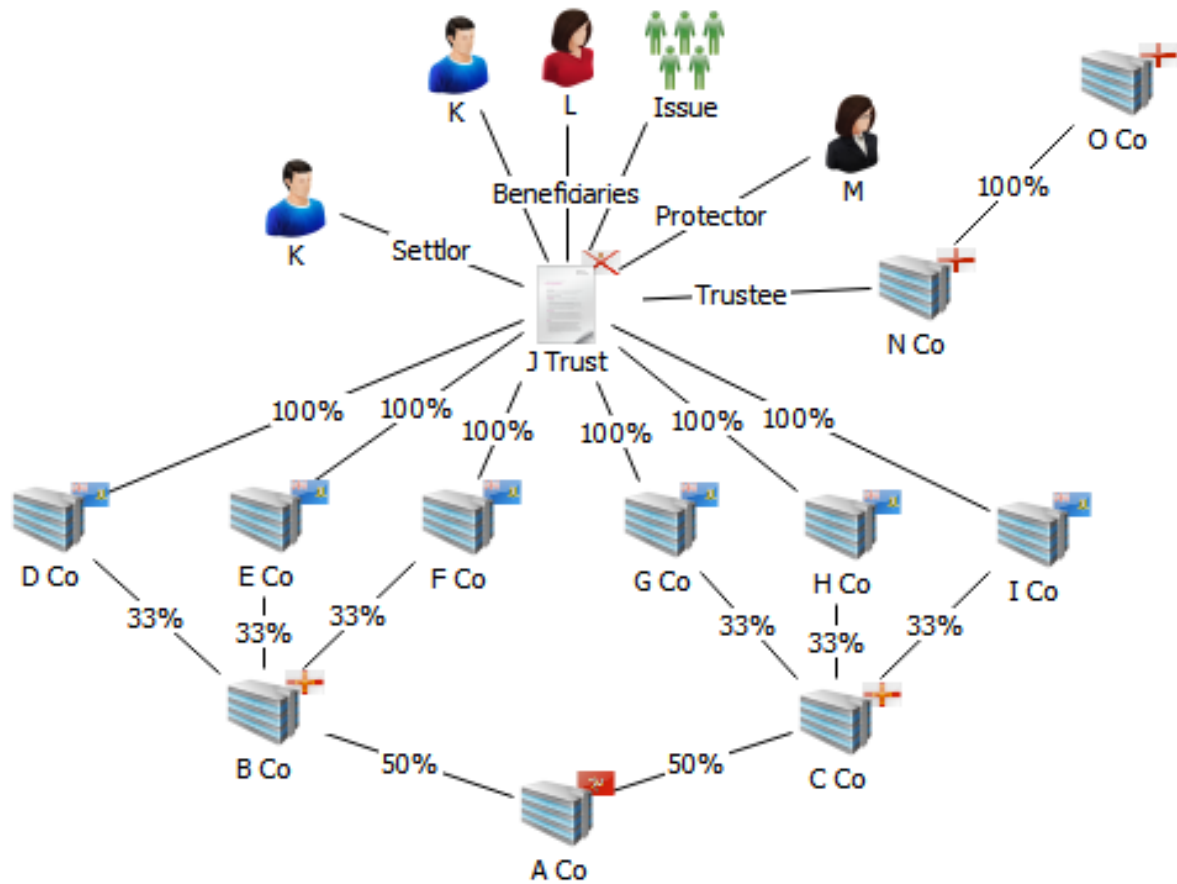
The customer, A Co, is a trading company 100% owned by B Hold Co. B Hold Co is in turn wholly owned by the States of Guernsey and, in accordance with Section 1 of the States Trading Companies (Bailiwick of Guernsey) Law, 2001, has been designated as a States Trading Company. D, Managing Director, and C together make up the board of A Co.



Beneficial Owner(s): _____
Other Possible Beneficial Owner(s)? : _____
Notes: _____

Case Study 3

The customer, A Co, is owned equally by two Guernsey limited companies, which are each in turn owned equally by three separate companies. All six of those companies are wholly owned by the J Trust, a trust established under the laws of the Bailiwick of Jersey. The trustee, N Co, is wholly owned by O Co which is listed on the Alternative Investment Market.



Beneficial Owner(s): _____

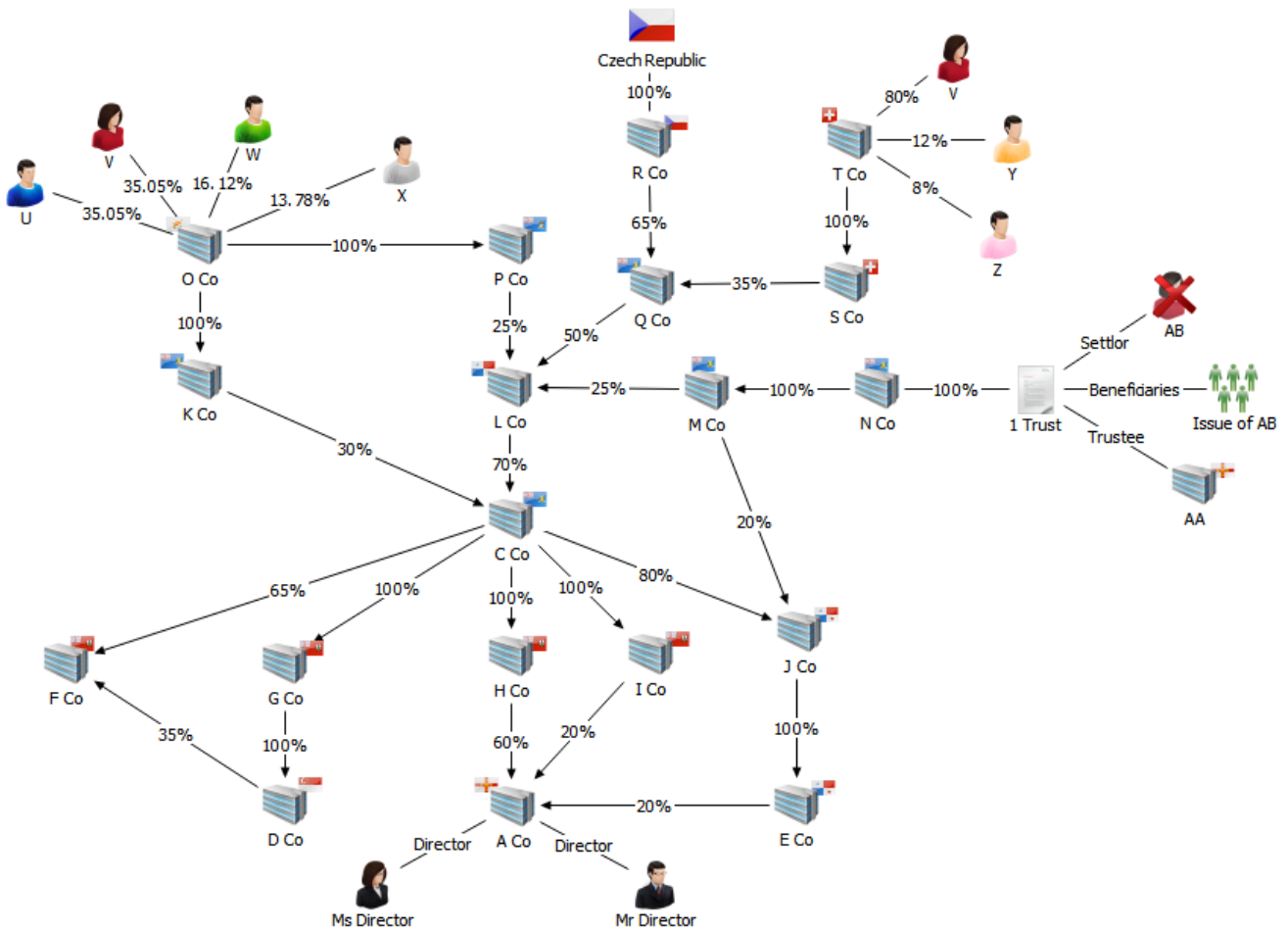
Other Possible Beneficial Owner(s)?: _____

Notes: _____

Case Study 4

The customer, A Co, is a Guernsey limited company. Mr and Ms Director are both executive members of the board of A Co. O Co is a Cypriot company owned by four individuals. R Co is wholly owned by the Government of the Czech Republic.

N Co is wholly owned by 1 Trust, a discretionary trust established under the laws of the Bailiwick and for which AA, a Guernsey licensed fiduciary, acts as trustee. AB, the settlor of 1 Trust, is deceased. Finally T Co, a Swiss limited liability company, is a personal asset holding vehicle owned by three individuals.



Beneficial Owner(s): _____

Other Possible Beneficial Owner(s)?: _____

Notes: _____

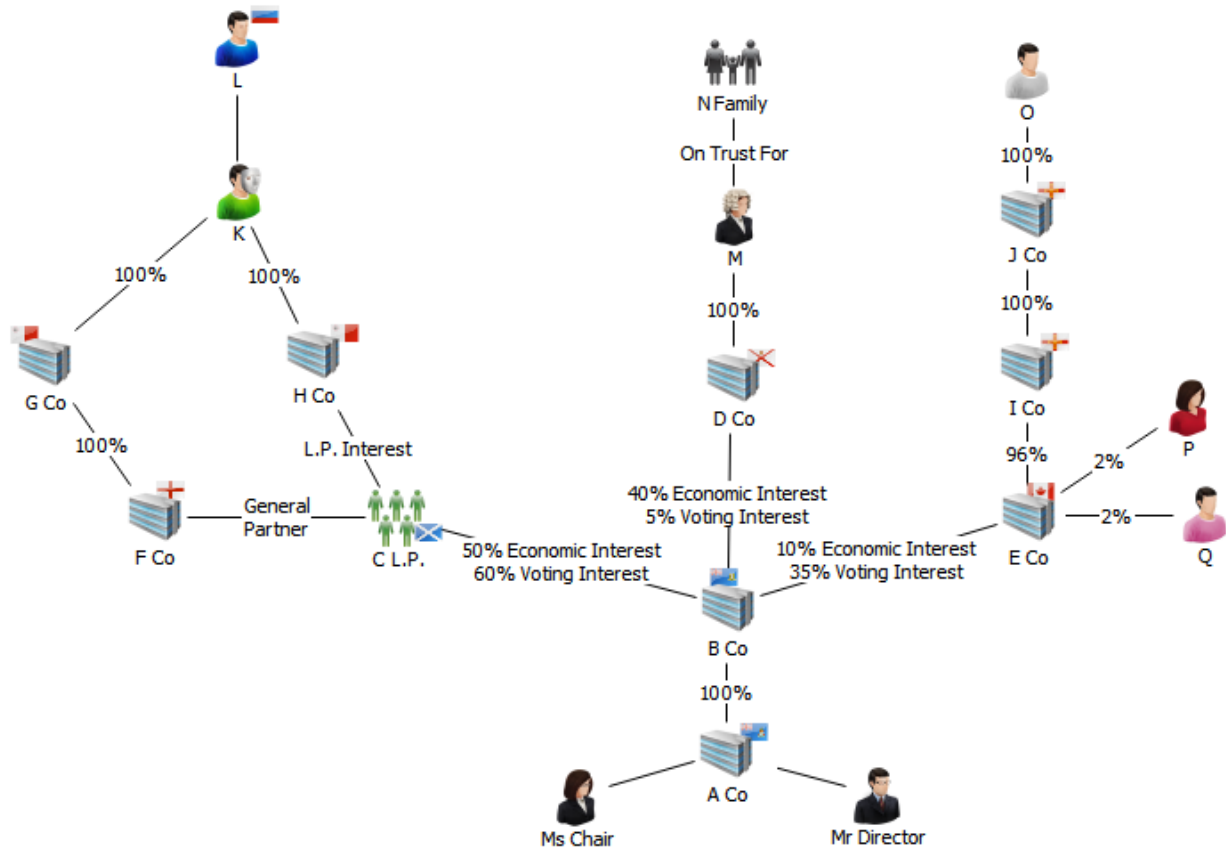
Case Study 5

The customer, A Co, is a Cayman company owned wholly by B Co, a BVI company. B Co is in turn owned by two companies and a limited partnership, each having its own chain of ownership.

C L.P. holds a 50% interest in the shares of the company, with a 60% interest on the voting rights in B Co. G Co, the 100% owner of F Co, the General Partner to C L.P., and H Co, which holds an interest in C L.P., are both wholly owned by K, who is known to act for an underlying Russian national, L.

D Co holds 40% of the shares in B Co, together with 5% of the voting rights. D Co is wholly owned by M, who holds those shares on trust for the N Family. The N Family is made up of numerous individuals, none of which hold a significant interest.

E Co, a Canadian company, holds 10% of the shares of B Co, together with 35% of the voting rights. E Co is ultimately owned 96% by O, with P and Q each holding a 2% interest.



Beneficial Owner(s): _____

Other Possible Beneficial Owner(s)?: _____

Notes: _____
