

Beneficial Ownership

You have been approached to establish or undertake business relationships/occasional transactions with the following clients. 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.

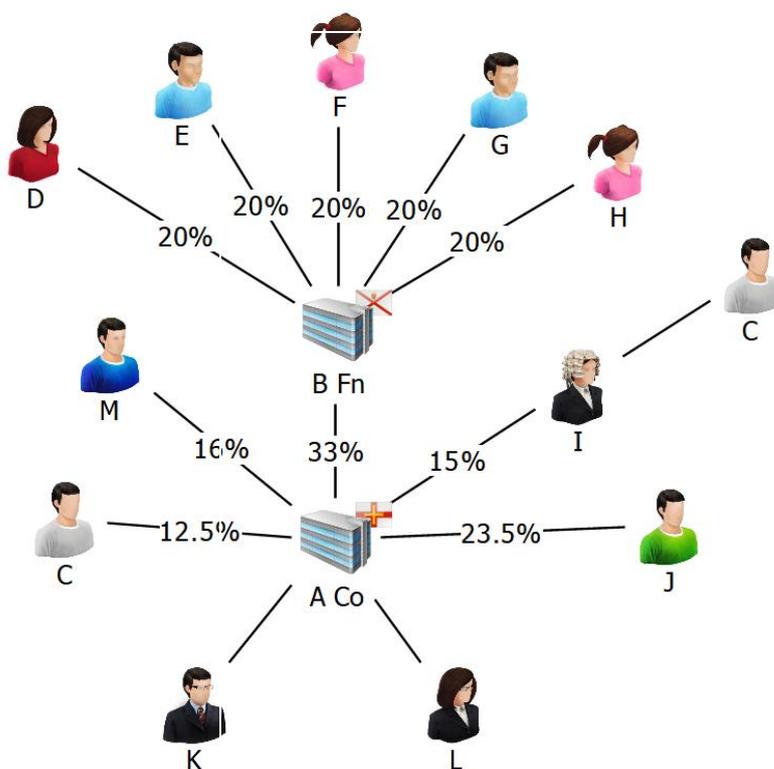
Paragraph 7.37. of the Handbook sets out the three step test to establishing the beneficial owner(s) of a legal person:

- 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 four individuals, holding 12.5%, 16%, 15% and 23.5% respectively, together with a foundation, B Fn, holding 33%. B Fn is beneficially owned by D and her four children, all minors. Each of D and her children hold 20% of the foundation. I holds 15% of the shares in A Co on trust for C. K and L are both executive directors of A Co.



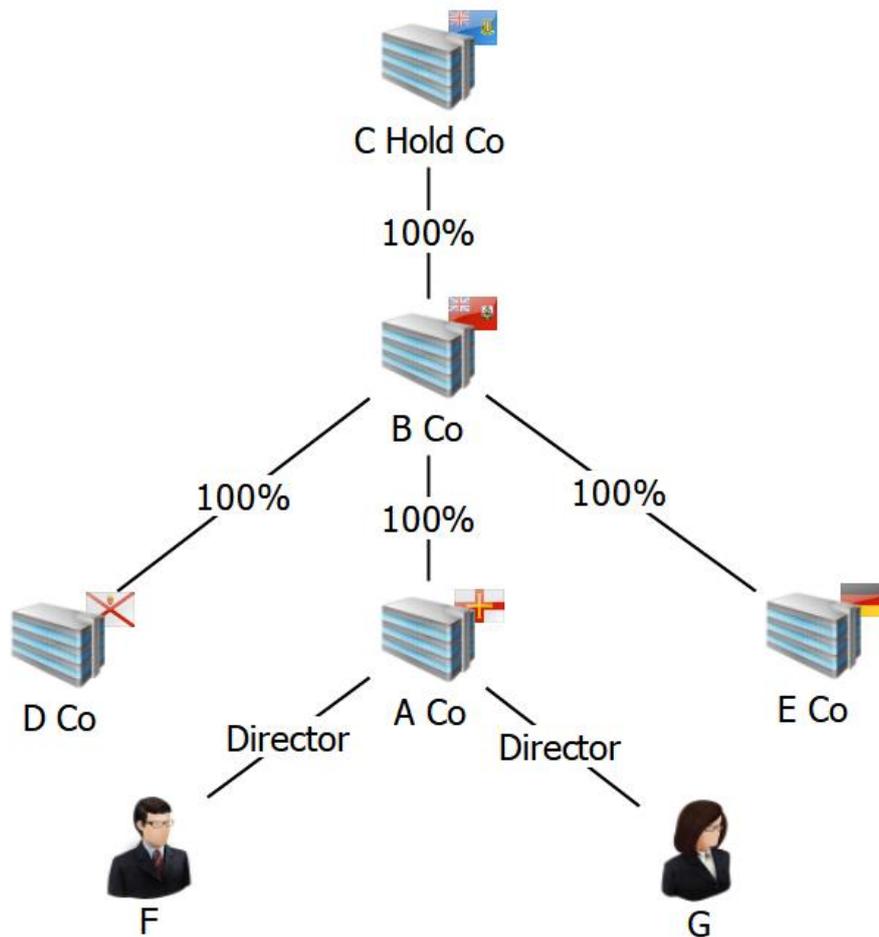
Beneficial Owner(s): _____

Other Possible Beneficial Owner(s)?: _____

Notes: _____

Case Study 2

The customer, A Co, is a trading company 100% owned by B Co. B Co is in turn wholly owned by C Hold Co, which is listed on the Alternative Investment Market. B Co is also the 100% beneficial owner of D Co and E Co. F, Managing Director, and G together make up the board of A Co.



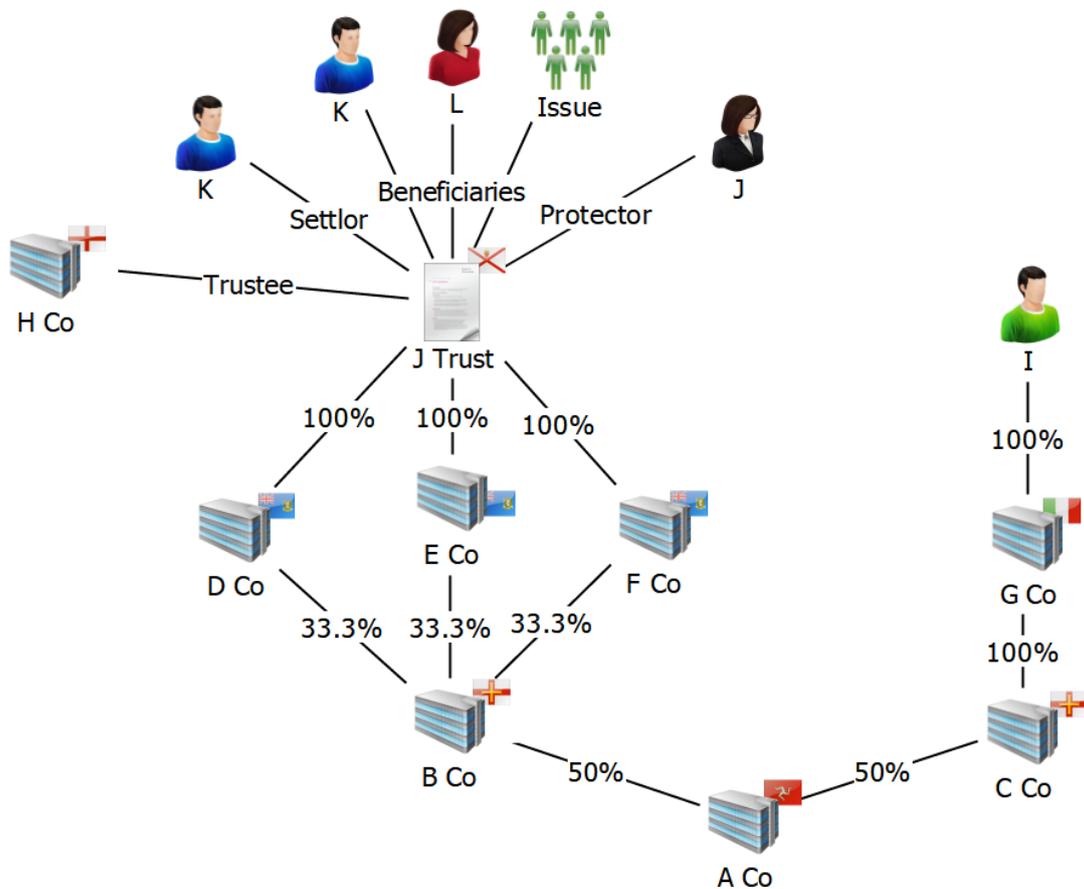
Beneficial Owner(s): _____
Other Possible Beneficial Owner(s)?: _____
Notes: _____

Case Study 3

The customer, A Co, is a Manx company which is owned equally by two Guernsey limited companies, B Co and C Co.

B Co is owned equally by three separate companies. All three of those companies are wholly owned by the J Trust, a trust established under the laws of the Bailiwick of Jersey. The trustee, H Co, is a trust and corporate service provider based in England.

C Co is 100% owned by G Co, an Italian company wholly owned by I.



Beneficial Owner(s): _____

Other Possible Beneficial Owner(s)?: _____

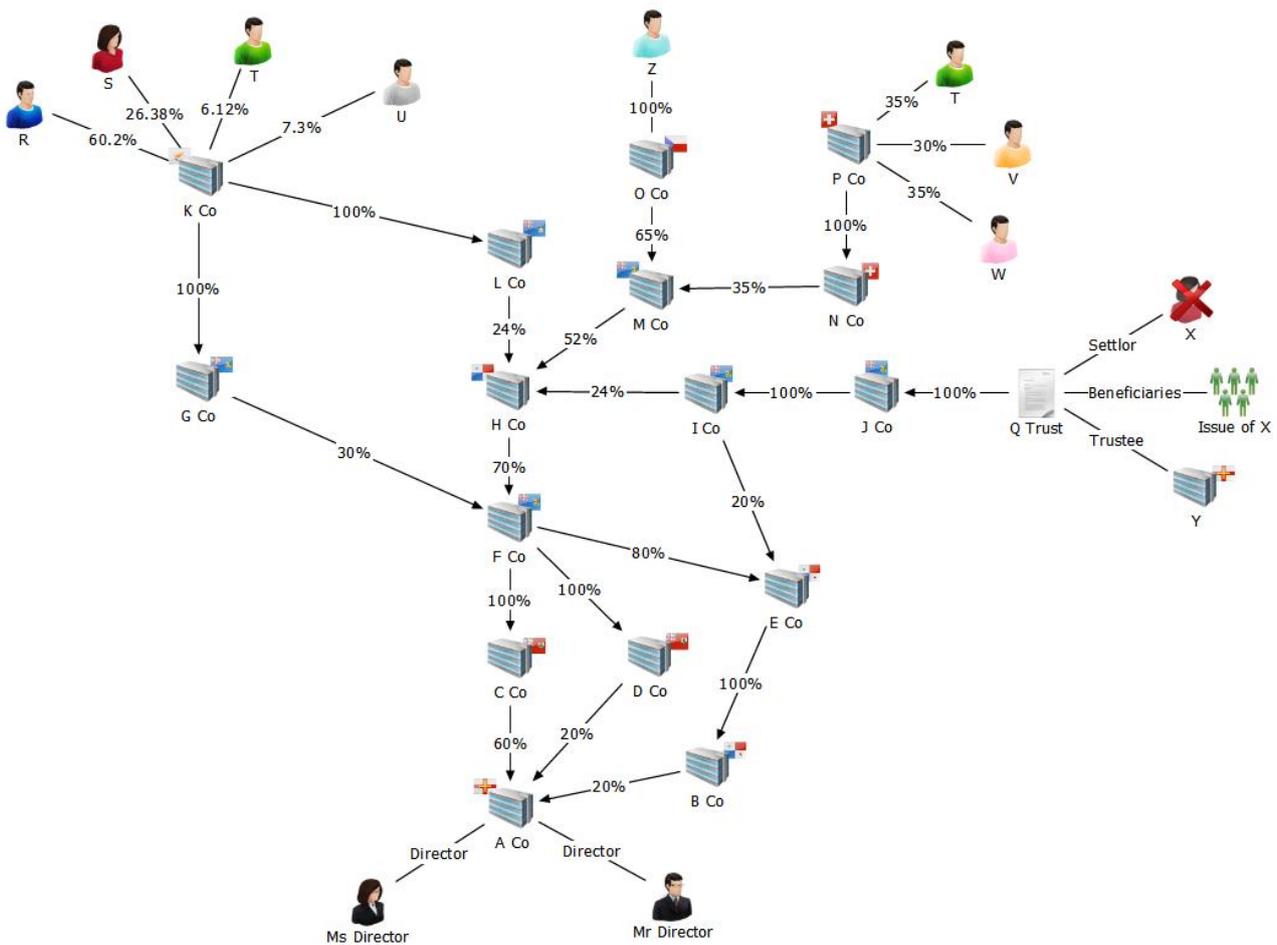
Notes: _____

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. K Co is a Cypriot company owned by four individuals, R, S, T and U.

O Co is wholly owned by Z, a national of the Czech Republic. P Co, a Swiss limited liability company, is a personal asset holding vehicle owned by three individuals, T, V and W.

J Co is wholly owned by Q Trust, a discretionary trust established under the laws of the Bailiwick and for which Y, a Guernsey licensed fiduciary, acts as trustee. X, the settlor of Q Trust, is deceased. There are no named beneficiaries of Q Trust; however there is one class of beneficiaries listed in the Trust Deed, being the issue of X. No individual from that class has yet received benefit.



Beneficial Owner(s): _____

Other Possible Beneficial Owner(s)?: _____

Notes: _____

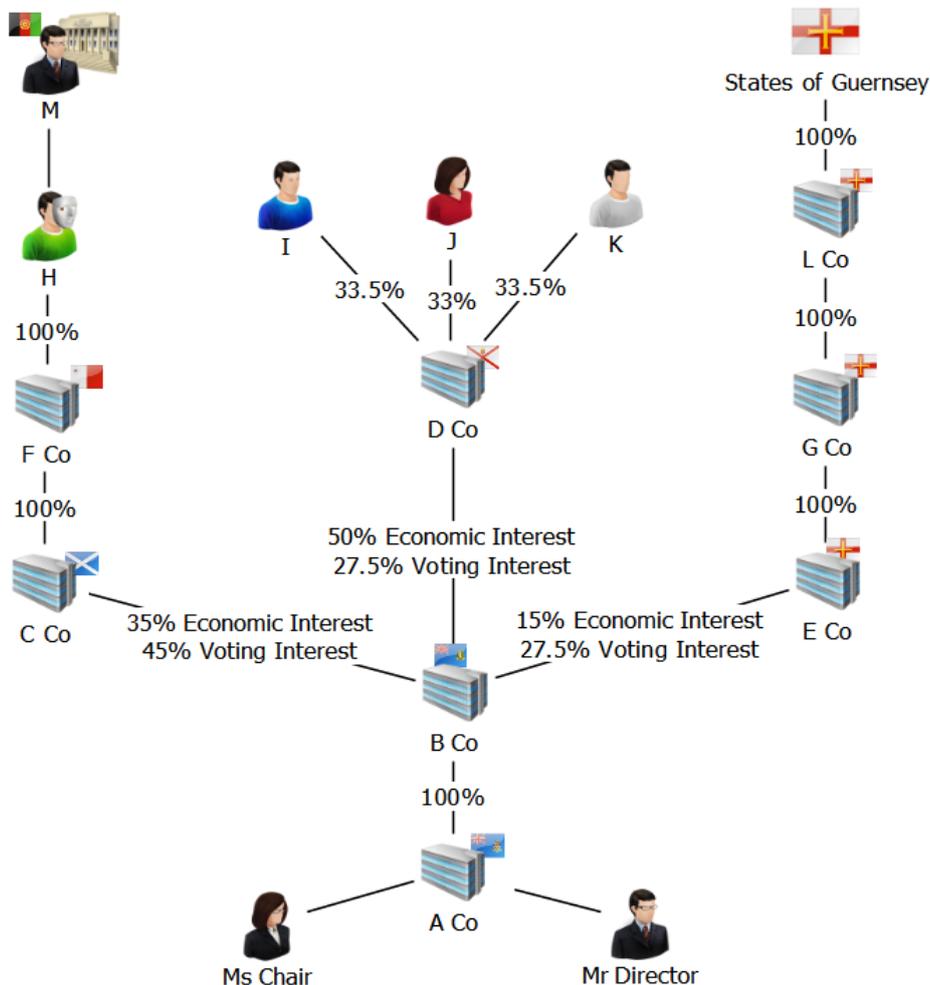
Case Study 5

The customer, A Co, is a Cayman company owned wholly by B Co, a BVI company. B Co is in turn owned by three companies, each with its own chain of ownership.

C Co holds a 35% interest in the shares of the company, with a 45% interest on the voting rights in B Co. F Co, the 100% owner of C Co, is wholly owned by H, who is known to act for M, a prominent member of the Afghanistan government.

D Co holds 50% of the shares in B Co, together with 27.5% of the voting rights. D Co is wholly owned by three individuals, I, J and K. You are not aware of any information which suggests the individuals are acting together or on behalf of any other persons.

E Co, a Guernsey company, holds 15% of the shares of B Co, together with a 27.5% interest in the voting rights. E Co is owned 100% by G Co, which is in turn wholly owned by L Co. L Co is 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.



Beneficial Owner(s): _____

Other Possible Beneficial Owner(s)?: _____

Notes: _____
