

Beneficial Ownership

You are in the process of negotiating transactions on behalf of 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.

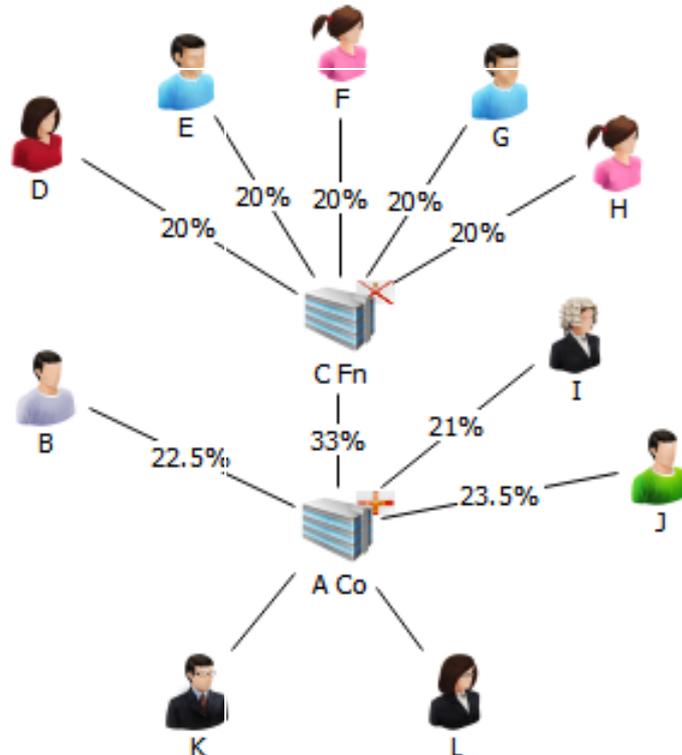
Paragraph 7.37. of the Handbook sets out the three step test to establishing the beneficial owner(s) of a legal person:

- 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 individuals who have no known connection with each other, 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.



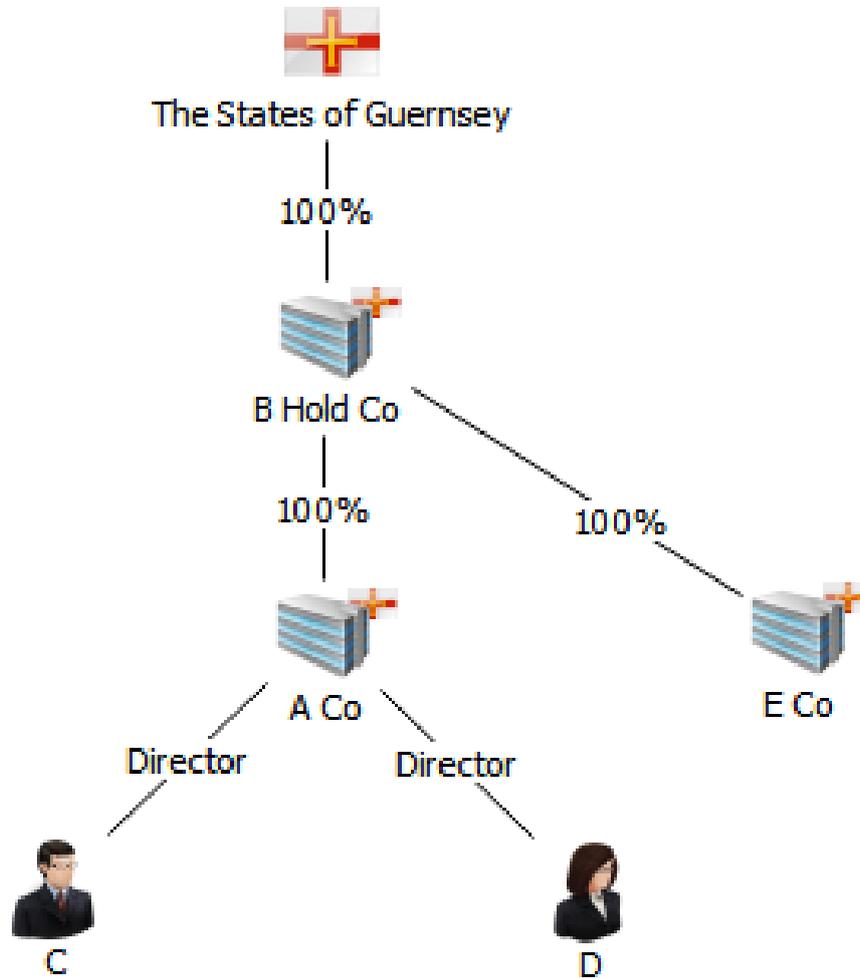
Beneficial Owner(s): _____

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 has been designated as a States Trading Company. D, Managing Director, and C together make up the board of A Co.

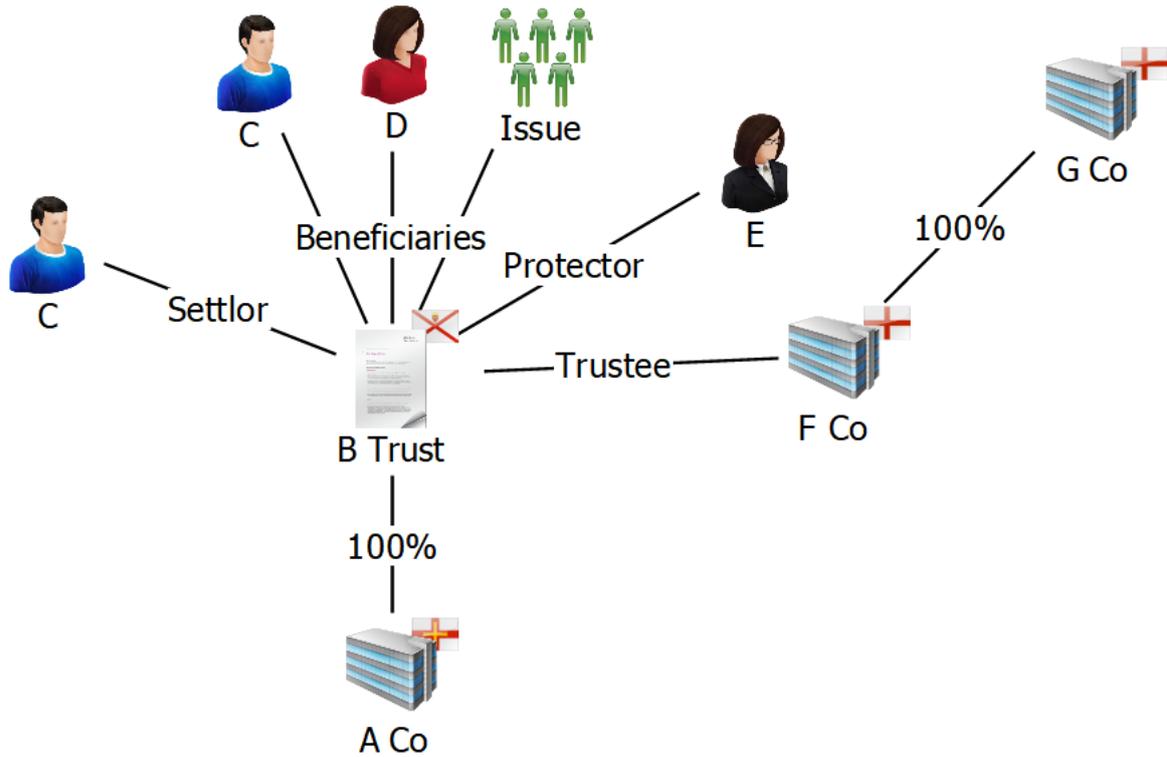


Beneficial Owner(s): _____
Other Possible Beneficial Owner(s)? : _____
Notes: _____

Case Study 3

The customer, A Co, is wholly owned by the B Trust, a trust established under the laws of the Bailiwick of Jersey. The trustee, F Co, is wholly owned by G Co which is listed on the London Stock Exchange.

The B Trust was originally settled by C. C, together with his wife D, are the two named beneficiaries of the trust, together with the issue thereof. E acts as protector of the trust.



Beneficial Owner(s): _____

Other Possible Beneficial Owner(s)?: _____

Notes: _____

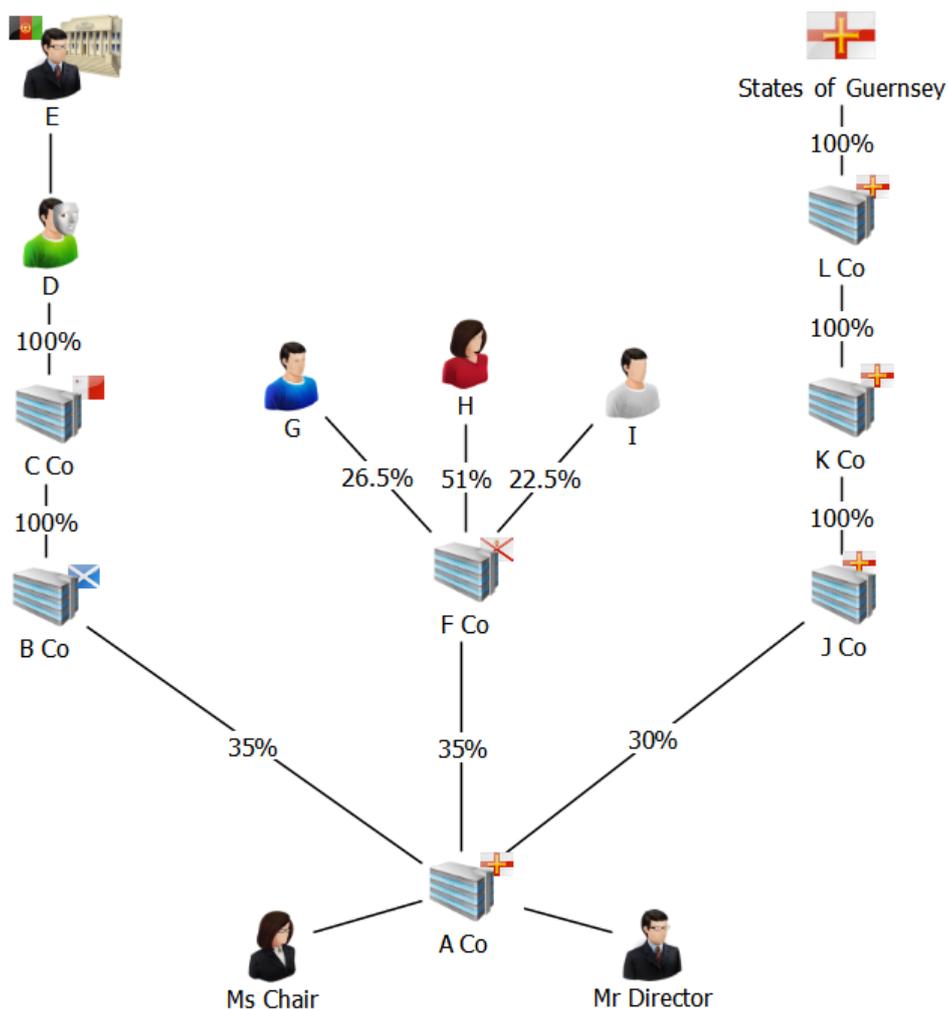
Case Study 4

The customer, A Co, is a Guernsey company owned by three separate companies, namely B Co, a Scottish limited company (35%), F Co, a Jersey limited company (35%) and J Co, a Guernsey limited company (30%).

B Co is 100% owned by C Co, which is in turn wholly owned by D, who is known to act for an underlying Afghan PEP, E.

F Co is owned by three individuals: G, who holds 26.5% of the shares, H, 51% and I, 22.5%. You are not aware of any information which suggests the individuals are acting together or on behalf of any other persons.

J Co is owned 100% by K 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: _____
