

## Joint commitment by Guernsey, the Isle of Man and Jersey

### Registers of beneficial ownership of companies

1. As responsible jurisdictions and International Finance Centres, Guernsey, the Isle of Man and Jersey ('the Crown Dependencies') ('we') reiterate our commitment to continue our advanced role in the shared global objective of combatting financial crime in all its forms.
2. We have a longstanding and independently verified track record of meeting international standards. We are proud of our global leadership in tax cooperation, and in combatting money laundering, terrorist financing and proliferation financing. We will continue to provide appropriate and effective transparency which can support those critical objectives.
3. We recognise the importance of access to accurate and up-to-date beneficial ownership information in countries across the globe. We each maintain high standards of accurate, up-to-date and verified information in our own central beneficial ownership registers. We closely monitor developments internationally to ensure that our own systems remain robust, effective and in line with international standards and obligations. We have a proven and ongoing 'good neighbour' policy of cooperation with the UK and the EU in matters relating to taxation and combatting financial crime. We also assist countries around the world in those efforts. We remain committed to contributing to, shaping and implementing global standards in those important areas.
4. Our priority remains to continue providing effective access to up-to-date and verified beneficial ownership information for law enforcement and tax authorities in the UK, Europe and across the world, as has been our long-standing approach.
5. In developing our policy to enhance access to information held on our registers of beneficial ownership, we have carefully considered recent decisions of the Court of Justice of the European Union ('CJEU') and the European Court of Human Rights ('ECtHR') about the right to privacy and data protection issues arising from access to such information; particularly the *WM & Sovim SA v Luxembourg Business Register*<sup>1</sup> judgment.
6. In its judgment, the CJEU acknowledged that combatting money laundering and terrorist financing is a priority matter for public authorities and entities such as financial institutions and that providing some access to beneficial ownership information plays an important role in that. However, the CJEU found that providing the general public with access to information on beneficial ownership is, for a number of reasons, not proportionate to the legitimate aim of preventing money laundering and terrorist financing. The effect of the CJEU's ruling is that EU

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<sup>1</sup> *WM & Sovim SA v Luxembourg Business Register* [2022] [EUR-Lex - 62020CJ0037 - EN - EUR-Lex \(europa.eu\)](#)

Member States are now only obliged to provide access to their beneficial ownership registers to law enforcement, financial services institutions and to other persons with a legitimate interest. The extent to which access is provided to those with a legitimate interest varies across the EU and is currently being given further consideration by the European Commission and Member States.

7. Having carefully considered the CJEU's decision in *WM* and relevant ECtHR caselaw, the governments of the Crown Dependencies are satisfied that it would not be compatible with the international obligations extended to them, including those enshrined in their domestic laws, to grant access to their beneficial ownership registers to the general public. However, the Crown Dependencies do intend to work towards extending access to their registers having regard to relevant developments in the EU and international best practice.
8. Paragraph 74 of the CJEU judgment in *WM* recognises that, in view of the content of the relevant EU Directives, financial institutions and authorities involved in combatting offences of money laundering or terrorist financing, together with "press and civil society organisations that are connected with the prevention and combatting of money laundering and terrorist financing, have a legitimate interest in accessing information on beneficial ownership".
9. Each island's government confirms the following actions will be undertaken to further enhance the transparency of their central register of beneficial ownership information:

#### **9.1 Deliver obliged entity access during 2024**

We will enable access for financial services business and certain other businesses who are required to conduct customer due diligence under our AML/CFT/CPF regime<sup>2</sup> (collectively known as 'obliged entities'). We have satisfied ourselves that it is possible to implement obliged entity access. This access will be implemented before the end of 2024 in a manner that puts in place appropriate safeguards to effectively manage any interference with privacy rights. We have already undertaken substantial preparatory work to enable obliged entity access.

#### **9.2 Develop and deliver legitimate interest access in a leading timeframe**

- a) Subject to necessary approvals in the Crown Dependencies' legislatures, we will provide access to the information on our registers of beneficial ownership to those who can demonstrate that they have a legitimate interest. Access will be provided in line with international obligations extended to the Crown Dependencies, recognising that there is a crucial balance to strike between protecting human rights and combatting financial crime.

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<sup>2</sup> AML – anti money laundering; CFT – countering financing of terrorism; CPF – countering proliferation financing

- b) It has been noted that media and civil society organisations that have a role in combatting financial crime, have been recognised in the EU as having a 'legitimate interest' in accessing beneficial ownership information (Paragraph 74 of the CJEU judgment is particularly pertinent for this). However, it is reported that the revised EU position, which will be included in the EU's Sixth Anti-Money Laundering Directive, is still under debate in Europe and its finalisation is critical to international practice on "legitimate interest".
  - c) Our definition of legitimate interest access to beneficial ownership information will be developed having due regard to international good practice, including finalisation of the EU's Sixth Anti-Money Laundering Directive which is anticipated in early 2024. The EU negotiating text for that Directive recognises groups who may have a legitimate interest as being those conducting business transactions, civil society, journalists, law enforcement and higher education.
  - d) We will present proposals to our own parliaments for agreement on the definition and implementation of legitimate interest by Q4 2024 at the latest and will implement that access in a reasonable timeframe.
10. These actions are to be progressed together and work is already underway. We intend to adopt an ambitious timescale which can achieve legitimate interest access, having regard to implementation progress across the EU Member States. Our islands will move forward recognising that proper and effective implementation takes time and resources but that it is important that progress is maintained.
11. This joint commitment outlines the Crown Dependencies' shared approach on access to registers of beneficial ownership. It provides a clear and unambiguous signal of our intent to interested parties around the world. It replaces the commitment published by the islands in June 2019.

13<sup>th</sup> December 2023