

The UK action plan on beneficial ownership falls short ...

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This is the UK action plan from the G8 summit on beneficial ownership. My comments are embedded between the quotes:

UK Action Plan to prevent the misuse of companies and legal arrangements

The UK is committed to fully implementing the revised Financial Action Task Force standards in order to improve the transparency of the ownership and control of companies and legal arrangements. This is a matter of good corporate governance as well as a means to tackle a wide range of illicit activity.

The UK is committed to taking the following actions to do this.

1. Conduct, and share the findings of, a national assessment of money laundering and terrorist financing risks by 2014, co-ordinating action by the public and private sector to assess risks, apply resources and mitigate those risks.

Why this has taken until now is hard to understand: the need has been there for years.

- 2. Ensure the Companies Act 2006 and UK Money Laundering Regulations oblige companies to know who owns and controls them, by requiring that companies obtain and hold adequate, accurate and current information on their beneficial ownership.*

This is a candid admission that the law has not, to date, been complied with. No indication is given on how it will be enforced in future.

- 3. Amend the Companies Act 2006 to require that this information is accurate and readily available to the authorities through a central registry of information on companies' beneficial ownership, maintained by Companies House. Consult on whether information in the registry should be publicly accessible.*

But how will it be enforced when current Company Law is so badly regulated and the UK's Companies House is so inefficient?

4. Ensure that trustees of express trusts are obliged to obtain and hold adequate, accurate and current information on beneficial ownership regarding the trust.

Do they know trusts do not, as such, have beneficial owners? Better technical knowledge is required here.

5. Put in place mechanisms to ensure that the relevant competent authorities have access to information on trusts and ensure effective mechanisms to share this information with other jurisdictions, in line with bilateral and multilateral agreements.

We are meant to have had this capacity for some years under Financial Action Task Force requirements. It's another admission of current failure.

6. Improve the supervision and enforcement of those who facilitate company formation in the UK. This will start with a review of supervision and enforcement of trust and company service providers. The review will include consideration of additional measures to ensure company formation agents conduct effective due diligence including the identification and verification of beneficial owners.

Long overdue and now essential. But it would be so much more useful if the agents were themselves required to advise Companies House on what they find - and the same should be true of banks when they open bank accounts, [as I have long argued](#).

7. Review of corporate transparency, including bearer shares and nominee directors, by the Department for Business, Innovation and Skills. This will start with the publication of a pre-consultation paper before September 2013.

The UK should have got rid of bearer shares many years ago - they are a licence for fraud of many sorts

8. Support the Overseas Territories and Crown Dependencies to publish Action Plans setting out the concrete steps, where needed, to fully implement the Financial Action Task Force Standards.

Another admission of past failure. These should have been in place years ago

9. Improve international cooperation including the timely and effective exchange of basic and beneficial ownership information.

A meaningless statement

10. Implementation of the measures will be through, and at the same time as, transposition of the 4th EU Money Laundering Directive and UK Money Laundering Regulations, changes to the Companies Act 2006, as well as through other relevant bilateral and multilateral agreements.

Timescale please.....?