

**Companies (Beneficial Ownership) Bill 2012**  
**Third Reading approved**

4.1. Mr Teare to move:

*That the Companies (Beneficial Ownership) Bill 2012 be read the third time and be sent to the Council.*

**The Speaker:** Item 4, Bill for Third Reading, the Companies (Beneficial Ownership) Bill, and again, Mr Teare to move, please.

**Mr Teare:** Thank you, Mr Speaker.

Mr Speaker, Hon. Members, this Bill is the Companies (Beneficial Ownership) Bill 2012. The Bill applies to all companies that are incorporated or registered under the Companies Act 1931. By way of background, I would give as follows.

Firstly, the purpose of the Bill is to address a recommendation of the International Monetary Fund in respect of the old Financial Action Task Force recommendation 33, which has been replaced by new recommendation 24. These both address access to beneficial ownership and control of information of legal persons.

Secondly, the Bill introduces a new provision to require a specific person within a company to have access to information regarding the beneficial ownership of the membership interests. The person who must know this information is a nominated officer.

The Bill is divided into 14 clauses. I will now give Hon. Members an explanation of what they are intended to achieve.

The first clause is the Act resulting from the Bill its short title.

Clause 2 provides for the Bill to come into operation on one or more days appointed by the Treasury. This clause also caters for the making of transitional and saving provisions.

Clause 3 defines what is meant by the term 'beneficial owner'.

The fourth clause lists those companies to which the Bill applies. Certain companies are exempted from the provisions under this clause. The exemptions apply to those companies where the membership classes are large and subject to frequent changes. This relies on other rules being in place, such as those of a regulated stock exchange. The Treasury is given powers to grant further extensions by order.

Clause 5 confirms that a nominated officer must either be a Manx resident individual or a corporate service provider.

Clause 6 details the information that a company must hold in respect of its nominated officer. The Registrar of Companies must be informed who the nominated officer is and of any changes to the details of the holder of this position.

Clause 7 considers shares held by a nominee shareholder on behalf of the beneficial owner of the interest. The nominee is obliged to inform the nominated officer of this fact. The nominee must also inform the nominated officer of the identity of the beneficial owner of the interest. Failure to do so will be a criminal offence.

Clause 8 lists the information that must be provided to the nominated officer in respect of the beneficial owner of an interest in a company.

Clause 9 sets out the sanctions that can be applied by a company where the nominated officer has not been informed of the identity of the beneficial owner of the interest in a company.

Clause 10 considers the circumstances in which a nominated officer will be required to disclose the identity of a beneficial owner of an interest in a company. This clause also lists the persons who may make the request and in what circumstances a request may be made. It is also an offence under this clause for a nominated officer to fail to provide information on request or to knowingly provide false information.

Clause 11 considers the offence of tipping off a person in respect of a notice issued under clause 10. This clause also exempts the giving of legal advice or disclosure of information in respect of legal proceedings. The disclosures made to further a criminal purpose are not covered by the exemption.

Clause 12 makes provision to ensure that legal professional privilege is protected, where appropriate.

Clause 13 sets out penalties in respect of offences under the Bill.

Clause 14 clarifies that the Bill does not limit or restrict provisions in other Acts or the company's articles of association that might otherwise be seen to conflict with the Bill.

Mr Speaker, as a final point, I would just like to remind us all that to get to the point where we can debate proposed legislation in an informed manner, as we have done today, we are well served by a relatively small number of officers who do the hard preparatory work. One normally does not single out individual officers, but I would like to place on record my appreciation for the high-quality advice and support I have received from Gillian Prestwich in relation to this and all the other legislation that has been moved by the Treasury in this legislative session. I would also like to thank my colleague in Treasury, Mr Henderson, for his support and also

for the work that he has conducted in the other Bills which we are currently moving through this House.  
With that, Mr Speaker, I beg to move the Third Reading of this Bill standing in my name.

**The Speaker:** Mr Henderson.

**Mr Henderson:** Gura mie eu, Vainstyr Loayreyder.  
I beg to second and reserve my remarks.

**The Speaker:** Hon. Members, I will put the question that the Companies (Beneficial Ownership) Bill be read for the third time. Those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Hon. Members, that completes the business of the House today.

Can I remind you of our presentation in the Barrool Suite at 1.45 p.m. by the Head of the Information Service in relation to the new Tynwald website.

The House will now stand adjourned until the next sitting that takes place at 10.30 a.m. on 15th May in Tynwald Court.