



Gibraltar Association of Compliance Officers

www.gaco.gi

The Finance Centre Director
HM Government of Gibraltar
Gibraltar Finance
Suite 761
Europort
Gibraltar

26th September 2014

Dear Sirs

RE: REGISTER OF ULTIMATE BENEFICIAL OWNERS OF COMPANIES

We refer to your consultation paper dated July 2014 issued by the Minister with Responsibility for Financial Services, The Hon. Albert Isola. We appreciate the opportunity to be consulted and to express our views on the matter.

GACO, as the representative body of compliance officers in the jurisdiction, is fully committed to ensure adherence with all international standards, laws and regulations with special focus on compliance and AML / counter terrorist financing.

We agree with the views expressed in the consultation paper which depict how Gibraltar is and should continue to be at the forefront of implementing and respecting international regulations related to the prevention of AML and Terrorism Financing. To that end, we are pleased to promote the fact that all our members comply with FATF recommendations 24 and 25 and with all international regulations and laws applicable, particularly the EU 3rd Anti Money Laundering Directive.

We feel that in an international context it is important to support the creation of a level playing field where our industry and the members we represent should not be at a commercial or regulatory disadvantage in relation to other jurisdictions. The concerns with the current consultation are that if implemented there would be resulting costs of compliance which could be considerable. This is an aspect that should not be neglected when deliberating how to proceed on the issue. We are, therefore, conscious about the limited resources available to our members and the jurisdiction and wish to find the right balance to allow the correct channeling of efforts to ensure full compliance.

GACO closely monitors international developments on AML Legislation. One of the most important regulations that will impact the EU is the 4th Anti Money Laundering Directive. Said Directive, as recently amended by MEPs, includes the establishment of a central public register in each EU country which would list information on the ultimate beneficial owners for various legal arrangements, including companies, foundations, holdings and trusts. We understand the Directive is still in draft form and subject to change. Each EU country will thereafter need to adopt it into national law. Whilst it would not be uncommon to find derogations within EU Directives it would appear that there is a consensus about the implementation of a UBO register.



Gibraltar Association of Compliance Officers

www.gaco.gi

In this regard, it is important to note that GACO is fully committed to the principle of a public register if this is indeed a requirement under the 4th Anti Money Laundering Directive.

In light of the above, GACO is of the view that at this moment in time it would be premature to discuss the technicalities of a public UBO registry in Gibraltar. We feel that such a public consultation would be appropriate once the final draft of the 4th Anti Money Laundering Directive has been approved. Should the Directive allow for derogations then GACO would welcome consultation on how best to proceed with meeting our obligations under the various options, if any.

We therefore feel that at this juncture, it would not be advisable to consider the potential impact of all the questions posed by the consultation in detail until we are fully aware of the technical detail in the Directive and related Guidance Notes. The danger in proceeding at this stage is that we potentially develop a process which could be out of line with the Directive and thereby incur unnecessary costs and resources which would have been avoidable.

We remain available to discuss any aspect of this matter.

Yours faithfully

Mark Taylor
GACO Chairman