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ETA: 1h20m
DIRECTION: E

SAIL AREA: 1020 m²
CRUISING SPEED: 11 knots
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Meeting Your New Obligations

European Union (Registration of Beneficial Ownership of Certain Financial Vehicles) Regulations 2020

Background & Overview

Revised Beneficial Ownership Regulations in Ireland

On 25 June 2020, The Minister for Finance signed into Irish Law the Statutory Instrument No 223 of 2020 – ‘European Union (Modifications of Statutory Instrument No. 110 of 2019) (Registration of Beneficial Ownership of Certain Financial Vehicles) Regulations 2020’ (the “S.I.”).

The purpose of the S.I. is to modify the existing Statutory Instrument No.110 of 2019 ‘European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2019’ (the “Principal Regulations”) in respect of ICAVs, Unit Trusts (whether UCITS or AIFs) and Credit Unions. The S.I. establishes a register which shall be known as the ‘Central Register of Beneficial Ownership of Irish Collective Asset-management Vehicles, Credit Unions and Unit Trusts’ and will be referred to as the ‘Central Register’. The Central Register will be maintained by the Central Bank.

◀▶ What are your new obligations?

Every entity in scope must take all reasonable steps to obtain and hold adequate, accurate and current information in respect of their beneficial owners.

The definition of a beneficial owner in respect to a Unit Trust is:

1. a natural person who owns, or is ultimately entitled to control, more than 25 per cent of the units in the entity, or
2. any other natural person exercising ultimate control over the entity by means of direct or indirect ownership or by other means, and shall be deemed to include any trustee under, or the settlor of, the arrangements that constitute the entity.

It does not appear that Unit Trusts and ICAVs will need to file PPS numbers of beneficial owners with the Central Register. However, the Central Bank will have the right to determine what other information it may need to ensure that the information held in the Central Register for Unit Trusts and ICAVs is adequate, accurate and current.

The S.I. also provides for an exemption for Unit Trusts from the requirement to include senior managing officials on the beneficial ownership register in cases where it is not possible to identify a beneficial owner.

Registration Deadline

In the case of Unit Trusts, the S.I. states that the Management Company is responsible for compliance.

The Minister for Finance has indicated that Investment LPs registered under the Investment Limited Partnerships Act, 1994 and CCFs, will also be included on the Central Register in due course.

◀▶ What is the deadline?

ICAVs and Unit Trusts in existence before 25 June 2020 have until 25 December 2020 to submit their beneficial ownership information to the Central Register.

Unit Trusts authorised on or after 25 June 2020 and ICAVs registered on or after 25 June 2020 will have a six-month filing deadline to complete and submit their beneficial ownership information to the Central Register.

The following details must be reported to the Central Register:

- Name, date of birth, nationality and residential address of each of its beneficial owners;
- Details of the nature and extent of the beneficial interest held, by each of its beneficial owners;

The Central Bank must be notified of any changes to the beneficial ownership within 14 days of becoming aware of the change. An entity that fails to comply commits an offence and shall be liable, on summary conviction, to a class A fine (a fine not exceeding €500,000).

Next Steps



Meeting Your New Obligations

Carne is the premier global provider of fund solutions to the asset management industry. Our risk based approach and technology driven solutions are used by some of the world's largest investment managers to meet their ongoing risk and regulatory requirements.

Carne can assist funds, with their obligations under the Regulations, by carrying out the following key tasks:

- Draft and maintain the Beneficial Ownership Register for the fund.
- Report beneficial ownership information to the Central Register, on the fund's behalf.
- Analyse the investor register, at a minimum, on a quarterly basis to establish if there have been any changes to the beneficial owners.
- Work with the Administrator to engage with any investors suspected of holding over 25% of the fund's assets to establish if there is a natural person ultimately holding over 25% of the fund's assets.
- Agree a process with the Administrator for reporting of changes to the beneficial ownership of the fund.
- Keep the fund board apprised of any developments with respect to the Regulations and market practices.

NEXT GENERATION SOLUTIONS

Carne leverages its global scale and capabilities to deliver innovative next generation solutions aligned to the needs of our clients. Our industry leading technology and risk driven platform, CORR, can help you revolutionise your compliance, risk and operational requirements and provide you with the management information you need to control your business.

Carne contacts

To find out how we can deliver the optimum solution for your specific circumstances, please contact a member of the Carne team below.

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