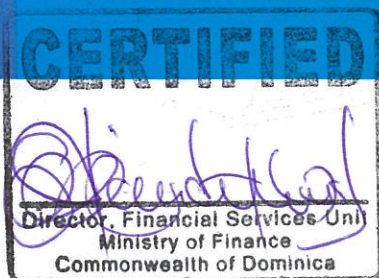




The Beneficial Ownership Guidance

A Simple Guide

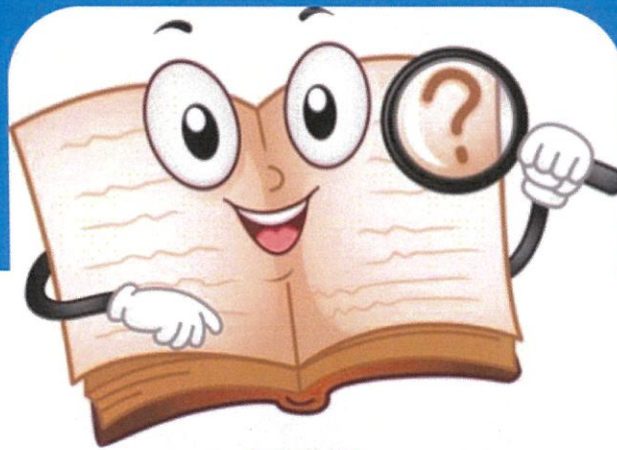
Presented by The Financial Services Unit





The Beneficial Ownership Guidance

- This document is a **rulebook** made by the Financial Services Unit (FSU) in Dominica; to help banks, companies, and other businesses follow the law when it comes to knowing who really owns or controls a company.
- It helps readers find out who is truly behind companies, so that criminals can't hide behind fake names or complicated company structures.
- It is all about **transparency, fairness, and safety** in business.



Key Definitions

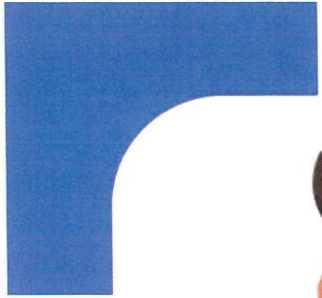
What is a "Legal Person"?

A legal person is a **business, company, or group** that can own things, sign contracts, and be responsible for their actions just like a real person, even though it is not human.



Examples:

- A clothing company
- A credit union
- A charity
- A bank



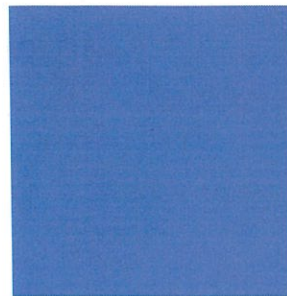
Who is a "Beneficial Owner"?

A beneficial owner is the real person behind the scenes who:

- **Owns** 10% or more of a company, OR
- **Benefits & Controls** decisions or money in the company, even if their name isn't officially listed

Think of it like this:

If a company is a puppet, the beneficial owner is the one pulling the strings.



Legal vs. Beneficial Ownership



Legal Owner

Name on paper

Can be a company

Example: Trustee

Beneficial Owner

True decision-maker

Must be a real person

Example: Settlor, Beneficiary

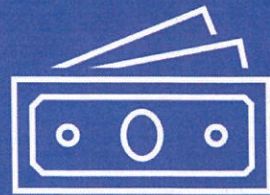
Who must follow these rules?

- Real estate agents
- Lawyers, accountants
- Car dealerships, jewelers
- Casinos, credit unions
- Money transfer or currency exchange businesses



What is the purpose of these rules?

TO STOP:



Money
laundering

Terrorist
financing



People
pretending not
to own
businesses to
escape taxes or
laws

What must businesses do?

Businesses (especially financial ones) must:

1. Know who really owns or controls their customers
2. Check and update this info regularly
3. Report it to the FSU if asked
4. Keep documents (like IDs or ownership proof)
5. Act carefully if things seem suspicious

Entities must implement the **Risk-Based Approach**.



What documents to collect?

For each beneficial owner:



Name, DOB, nationality

Passport or ID number

Address

Tax ID

Ownership percentage or control role

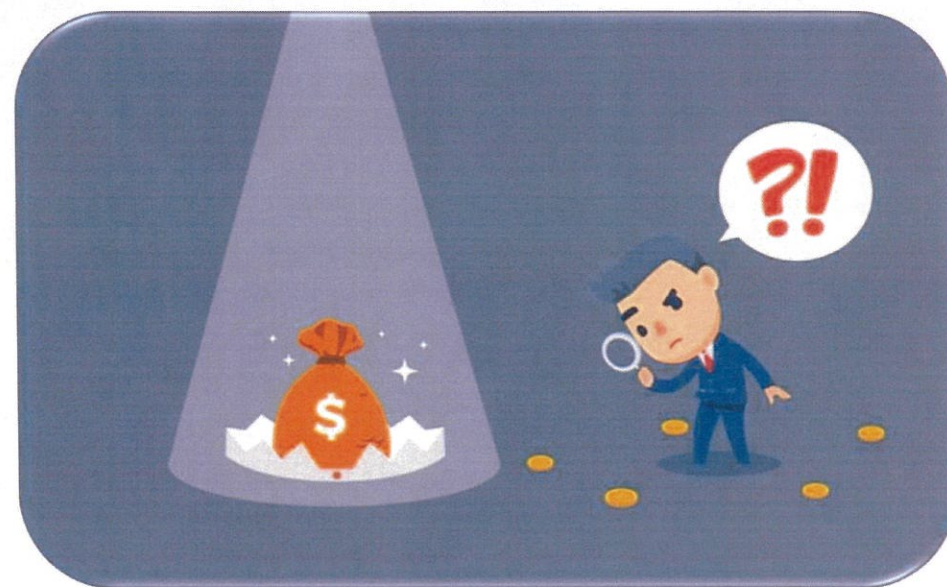
Verify with documents like:

- Share certificates
- Trust deeds
- Board resolutions

How do companies find the Beneficial Owner?

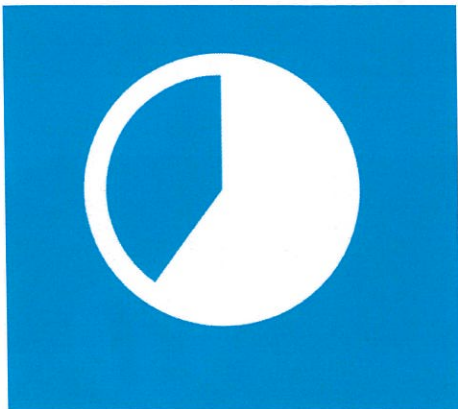
Here's what they do:

- **Look at share ownership** (how many pieces of the company someone owns)
- **Check voting power** (who can make company decisions)
- **Follow the chain** if the owner is another company, until they reach a real human
- **Ask questions** and **get ID or official papers**

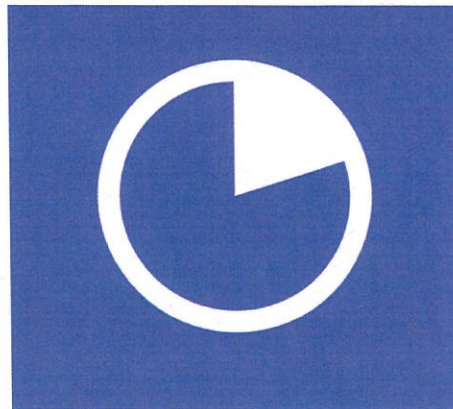


Examples Help!

The guide has many **examples** like:



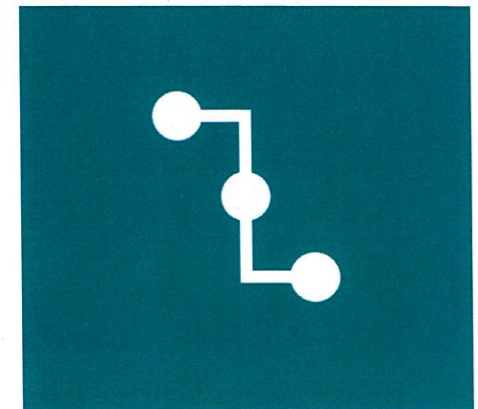
A man owns 60% of a company → he's the beneficial owner



A woman owns only 5%, but controls all the money decisions → she's also a beneficial owner



If multiple people own small pieces but work together to control the company → they might *all* be beneficial owners



A person owns another company that owns your company → they are still the beneficial owner

Ownership Example:

Mr. A owns 50% of Company B. Company B owns 100% of Company A → Mr. A indirectly owns 50% of Company A = Beneficial Owner.

What happens if companies don't comply?

The company can:

- Get fined
- Lose its license
- Get in trouble with the law

Even the people working in those companies (like a manager or compliance officer) can be punished if they ignore these rules.



✦ See:

**Regulation 59(1) of the Code
Schedule III – Penalty Provisions**



The Laws that support this

This guidance is based on:

- The **Money Laundering Prevention Act**
- The **Code of Practice** on stopping illegal use of money
- Rules established by the **FSU**
- Global standards such as the **FATF**

How to comply?

Follow this checklist:

- Know who's really in charge
- Ask for proof
- Update customer info regularly
- Be honest and keep records
- Report anything that seems fishy



