

Register of Beneficial Ownership Act 2018



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On the 31st December, 2018 the Government of The Bahamas introduced **The Register of Beneficial Ownership Act 2018** (the “Act”) that provides for the establishment of an electronic database of beneficial ownership for legal entities registered in The Bahamas. The establishment of such database will permit a designated person to search the database, upon legitimate request by specified authorities within the Act.

Generally, beneficial owners, in this context, will refer to the person or persons who ultimately owns or controls the corporate or legal entity, which includes, but is not limited to the following:

in the case of a legal person who has securities listed on the security exchange, a natural person who ultimately owns or controls, whether directly or indirectly, ten or more percent of the shares or voting rights;

in the case of a legal person, a natural person who otherwise exercises control over the management of the legal person, other than solely in the capacity of a director, advisor or professional manager;

In the case of a legal arrangement, the partner/s , trustee or other person who controls the legal arrangement, or the settlor/other person by whom the legal arrangement is made;

In the case of a legal entity that is in insolvent liquidation, administration or administrative receivership proceedings, the natural person or entity who is appointed as a liquidator, administrator or administrative receiver of the legal entity;

In the case of a receiver being appointed, over twenty-five or more percent of the shares or voting rights in a legal entity, the creditor who appoints the receiver; or

In the case of a shareholder in the legal entity who would otherwise be a beneficial owner, but is deceased, the natural person acting as the executor or a personal representative of the estate.

Further to the foregoing, when two or more persons hold an interest, whether jointly or as tenants in common, each joint owner will be considered a beneficial owner.

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There will be a duty on a company incorporated under the Companies Act or the International Business Companies Act to identify and verify its beneficial owners, and notify its registered agent or the Registrar General for the purpose of adding such beneficial owners to the electronic database. The Attorney General's office will establish the electronic database to enable the registered agent to enter and maintain particulars on the beneficial ownership of any corporate or legal entity for which it has responsibility.

A registered agent will also have the duty to take reasonable steps to ensure that they identify and verify the beneficial owners; collect the information in the prescribed manner; ensure that such information is up to date; and maintain a register with respect to the beneficial owners, amongst other things.

Persons exempted from providing substantive details in relation to their beneficial owners include the following:

A corporate and legal entity which is recognized or registered as an investment fund under the Investment Funds Act;

A corporate and legal entity the securities of which are listed on BISX or any other security exchange;

A licensee as defined within the Act (i.e. licensees or registrants under the Bank and Trust Companies Act, the Investment Funds Act, the Securities Industry Act, the External Insurance Act, or the Financial and Corporate Service Providers Act);

A corporate and legal entity which is a subsidiary of a corporate and legal entity that falls within (i) and (ii) above; or

A corporate and legal entity exempted by regulations.

Please contact the below for additional information

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