



Circular No. 4 of 2023

Date: 05th May 2023

Beneficial Ownership – Best Practices

Following the Financial Services Authority's ("FSA") observations over the course of its the on-site and off-site monitoring activities, and as part of its endeavor to raise awareness for both the Beneficial Ownership Act, 2020 ("BO Act") and the Anti-Money Laundering and Countering the Financing of Terrorism Act, 2020 ("AML/CFT Act"), the FSA would like to draw the attention of all licensees under the International Corporate Service Providers Act, 2003, who are also reporting entities under the AML/CFT Act to the below mentioned recommended best practices:

1. Review of policies, procedures and controls in the AML/CFT Compliance Manual to include a separate section/part on Beneficial Ownership providing, amongst other things, for the different trigger events, which would also require an update to the Register of Beneficial Owners of the legal persons and legal arrangements under the administration of the reporting entities.
2. Introduce sample testing of Beneficial Ownership information as part of the reporting entities' periodic review process and compliance monitoring programmes. This is to ensure that the policies and procedures of reporting entities for implementing the various requirements specified in the BO Act and Beneficial Ownership Regulations, 2020 ("BO Regulations") are effective and appropriate.
3. Ensure that the training policy and procedures for both new and existing staff members of the reporting entity include the identification, verification and ongoing maintenance of Beneficial Ownership information by legal persons and legal arrangements in accordance with the BO Act and BO Regulations, during the incorporation/registration process of new legal persons and legal arrangements and during their annual renewal process.

Reporting entities may contact the FSA through email at amlcft@fsaseychelles.sc for any clarification or further information regarding the content of this Circular.

FINANCIAL SERVICES AUTHORITY