



5th Anti-money Laundering Directive Summary of changes

Transposed in the UK as of the 10th January 2020, and throughout EU Member States during 2020

The main changes for the Transfer Agency sector are:

Customer Due Diligence

- Additional wording to provide greater clarity to firms around electronic verification
- Expansion of the types of trusts required to be entered on to the Trust Register
- Firms will need to collect proof of a trust's registration on the Trust Register from the customer
- Where the Beneficial Owner cannot be identified the Senior Managing Official should be verified

Ongoing Due Diligence

- Requirement to review Beneficial Ownership information when a firm has a legal duty to contact a client in any calendar year or under tax compliance regulations

Beneficial Ownership Register

- Member States to make legal entity registers public. UK register at Companies House already public
- Member States on condition of online registration, are able to charge a fee, not more than administrative costs, for accessing information on the central registers

Beneficial Ownership Discrepancies

- Firms to report any discrepancies identified between central registers and the information available to them or which they hold
- Requirement to collect proof of registration or excerpt of the register

Enhanced Due Diligence

- Expands the scope of persons on whom EDD must be conducted from 'persons or legal entities established in the third countries', to 'business relationships or transactions involving high risk third countries'
- Introduction of enhanced relevant reporting mechanisms or systemic reporting of financial transactions

PEPs

- Member States to keep an up-to-date list of which functions constitute "prominent public functions"

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