

# AML Tuesday's Session #32 on:

Identification of Beneficial Ownership for Trusts

Instruction on how to complete RdT Filings

12 September 2023

# Agenda

10:00 – 10:05	Welcome and Opening
10:05 – 10:15	FATF Recommendation and Immediate Outcome 5
10:15 – 10:25	DDE Instructions on how to complete the RdT Entry for Trusts
10:25 – 10:55	Case Studies for Trusts and Trusts in Complex Corporate Structures
10:55 – 11:00	Closing Remarks

# FATF Recommendation and Immediate Outcome 5

# Aim and Purpose of Beneficial Ownership Registers

- Trusts are fundamental to commercial and asset management activities and play an essential role in the global financial market.
- Mostly trusts serve legitimate and meaningful purposes.
  - However, trusts can also be used for illicit purposes, such as money laundering, bribery and corruption, and insider dealings.
- Criminals who wish to circumvent anti-money laundering and counter-terrorist financing (AML/CFT) measures use trusts as an attractive way to:
  - conceal the true beneficial owners (BOs),
  - the real reasons for holding assets,
  - and for integrating proceeds of crime into the global financial system.
- Lack of transparency on the ultimate beneficial owners (UBOs) of trusts poses hindrance to governments around the world in their effort to effectively combat criminal activities, especially when trusts are combined with corporate vehicles.

# Aim and Purpose of Beneficial Ownership Registers (cont'd)

- Since early 2000s (and also thanks to latest leaks, e.g. Panama Papers), the G7 has made the enhancement of corporate transparency one of its primary policy goals, including for trusts.
- Governments around the world have started to put in place a set of measures to obtain and maintain beneficial ownership information on corporate vehicles and trusts.
- Monaco is one of those countries – the architecture and associated procedures relating to the Monegasque RdT (Register of Trusts) is set out in the Law on Trusts.

# BO Registration Obligation for Trusts

- *In essence, trustees who must register beneficial owners of the trusts they are administering with the DDE are the followings :*
  - ***A Monegasque trustee who administers a trust constituted or transferred in the Principality ;***
  - ***A trustee domiciled outside Monaco who establish a business relationship in Monaco (for example they open a bank account for the trust) ;***
  - ***A trustee domiciled outside Monaco who acquire real estate in the Principality of Monaco.***

*To note: For trustees established in EU Member States, the obligation to register is satisfied by providing a certificate proving registration or, a BO extract, from the register of one of these States.*

# FATF Recommendation 25

- FATF Recommendation 25 is the relevant part of the FATF standards that deals with transparency of trusts and beneficial ownership registration.
- Recommendation 25 is currently subject to revisions by the FATF, with a view to further tighten the existing requirements on trustees.
- Useful reference if you are seeking to obtain more information on the upcoming changes.
  - <https://www.fatf-gafi.org/content/fatf-gafi/en/publications/Fatfrecommendations/R25-public-consultation.html>



# Current Situation in Monaco

- In 2022, MONEYVAL found that the level of compliance is generally satisfactory but that further awareness needs to be raised of trustees in regards to their understanding of the concept of “beneficial ownership”
- MONEYVAL report has numerous recommended actions on this topic, all of which needs to be implemented by the end of this year, when Monaco will report back to the FATF on progress made.

***“Run awareness-raising campaigns aimed at FIs, DNFBPs and persons making declarations to the RBO/RdT ... to strengthen their understanding of the concept of beneficial ownership, including the identification of beneficial owners where legal structures are complex.”***

***“Enable FIs and DNFBPs to access timely and effectively information in the RBO and the RdT and contribute to the accuracy of the RBO and the RdT by reporting to the DEE any discrepancies identified.”***



# Conclusion



*Thank you for your  
time*

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**Next Session:**

26.09.2023

**Topic:**

Virtual Assets Risk  
Assessment

Today's Host: Jan Bellenghi

Today's Presenter: DDE and Jan Bellenghi