



Keeping of Significant Controllers Registers and Regulation of Trust or Company Service Providers

Ms Ada Chung
Registrar of Companies
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Enhancing Transparency of Beneficial Ownership of Hong Kong Companies

Companies (Amendment) Ordinance 2018

Companies should: -

- maintain a **Significant Controllers Register** (“SCR”), containing required particulars of significant controllers for inspection by law enforcement officers upon demand; and
- take reasonable steps to ascertain the persons who have significant control over the company.



Significant control

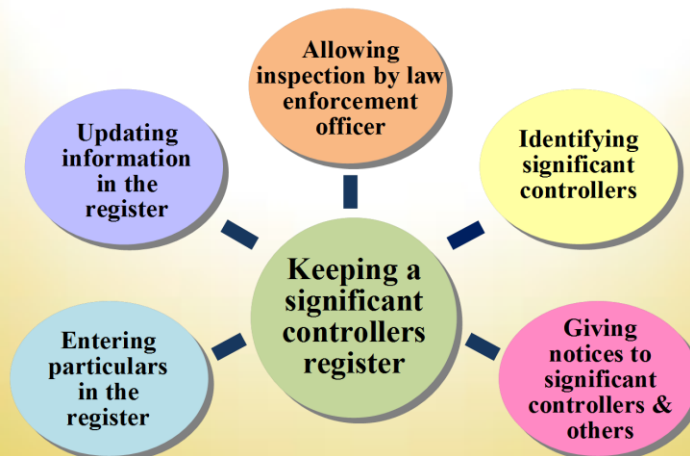
- A person has significant control over a company if the person has a controlling ownership interest (e.g. >25% of shareholdings or voting rights), or if the person exercises control through other means (e.g. holding the right to appoint or remove a majority of directors).

Who are significant controllers

- **Registrable person** – an individual who ultimately has significant control over the company
- **Registrable legal entity** – a legal entity which is the shareholder of the company and has significant control

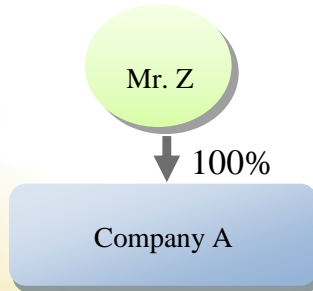
Significant control

Major obligations of a company include:



Significant control

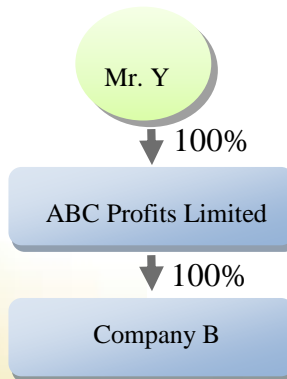
Scenario 1



Company A is wholly owned by Mr. Z. Mr. Z is the significant controller of Company A.

Significant control

Scenario 2



ABC Profits Limited owns 100% of the shares of Company B. ABC Profits Limited is in turn wholly owned by Mr. Y. Both Mr. Y and ABC Profits Limited are the significant controllers of Company B.

Location of SCR

- Must notify the Registrar of Companies –
 - The place where SCR is kept [S.653M]
 - Of a change in the place at which SCR is kept [S.653N]
- Exception –
 - Registered office
 - Same place where register of members is kept, of which the registrar has been notified

Further Information

- Dedicated thematic section on “Significant Controllers Register” on Companies Registry’s website (www.cr.gov.hk/en/scr)
- * Companies (Amendment) Ordinance 2018
- * Companies Registry External Circular No. 2/2018
- * Guideline on the Keeping of the SCR by Companies
- Hotline: 3142 2822

Regulation of Trust or Company Service Providers In Hong Kong

Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Ordinance 2018

- (i) To prescribe statutory customer due diligence (CDD) and record-keeping requirements applicable to solicitors, accountants, estate agents, and trust or company service providers (“TCSPs); and
- (ii) To introduce a licensing regime for TCSPs to require them to apply for a licence from the Registrar of Companies and satisfy a “fit-and-proper” test before providing trust or company services as a business in Hong Kong.

“Fit and Proper” Test (1)



- Applicants, and their directors / partners / ultimate owners (where applicable), will be subject to a “fit and proper” test.
- In determining whether a person is fit and proper to carry on, or be associated with, a TCSP business, the Registrar will have regard to any matter that the Registrar considers relevant.

“Fit and Proper” Test (2)

Other matters to be taken into account include :-



- whether the person has any criminal conviction, in particular, those relating to money laundering or terrorist financing or involving fraud or dishonesty
- whether the person is an undischarged bankrupt/ in liquidation or receivership (AMLO sections 53H and 53I)



Validity Period and Renewal of Licence

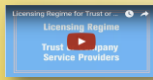
- In usual circumstances, a licence, once granted, will last for 3 years.
- A licensee may apply to the Registrar for a renewal of the licence.
- Applicants for renewal of a licence will be subject to the same “fit and proper” test applicable to an application for a new licence.

(AMLO sections 53K and 53O)



Guidelines and Reference Materials

- The Registrar has published the following guidelines:-
 - Guideline on Licensing of Trust or Company Service Providers;
 - Guideline on Compliance of Anti-Money Laundering and Counter-Terrorist Financing Requirements for Trust or Company Service Providers;
 - Guideline for Imposition of Pecuniary Penalty.
- External circulars, pamphlets, demonstration videos, hotline, FAQs, etc.



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THANK YOU

Companies Registry

<https://www.cr.gov.hk/en/scr>

Registry for Trust and Company Service Providers

<https://www.tcsp.cr.gov.hk>

