

Beneficial Ownership Register

Private companies in BC must maintain a beneficial ownership register from October 1, 2020

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Mortgage Broker Registrants are among the corporations that must create and maintain a “transparency register” to comply with amendments to the *Business Corporations Act* that came into force on October 1, 2020.

BCFSA may request that Mortgage Broker Registrants provide records that show they are complying with requirements to create a register. A company’s failure to provide these records to BCFSA, complete with a list of beneficial owners (see below), could lead to enforcement.

Listing Beneficial Owners

Corporations are required under the *Business Corporations Act* to list their beneficial owners in a transparency register at the company’s corporate records office. The records that define beneficial ownership must be made available, upon request, to law enforcement, tax authorities, and regulators, including BCFSA.

As defined by the Financial Action Task Force (“FATF”), a beneficial owner is: “the natural person(s) who ultimately owns or controls a legal entity and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.”

The legislation refers to beneficial owners as “significant individuals” and establishes criteria and tests that BC private companies are to use when undertaking the identification process.

Failure to comply with these measures can result in enforcement action by the Registrar of Companies or BCFSA. Companies may be fined up to \$100,000 and individuals (shareholders, directors, officers) may be fined up to \$50,000.

Transparency and the Fight Against Money Laundering

This new measure aims to support the provincial government’s ongoing commitment to combat money laundering. Corporate transparency registers will mean that criminals can no longer avoid being identified as the true owner of funds that enter BC’s financial systems.

The amendments to the *Business Corporations Act* bring BC into compliance with recommendations by [the FATF](#) to increase beneficial ownership transparency of corporate bodies.

Learn More

Mortgage Broker Registrants can visit the [government's website](#) for guidance on creating a Transparency Register and information to determine who qualifies as a “significant individual.”