

ULTIMATE BENEFICIAL OWNER (UBO)

WHAT IS A UBO?

A UBO is the Ultimate Beneficial Owner of your customer's business. In the UBO identification process, the UBO(s) of a business are the private individual(s) who directly or indirectly hold or control a stake of 25% or more in capital or 25% or more of the voting rights of the business.

The UBO identification process applies to ALL customers except for PLCs floated on a recognised stock exchange and government organisations such as local councils and NHS trusts.

WHAT IS THE LEGAL REQUIREMENT?

Under EU money laundering and prevention of terrorism legislation, all banks and finance providers are required to fulfil a number of client identification obligations, among them the need to identify the UBO(s) of the customers.

The UBO identification process became a mandatory requirement when the EU's fourth Anti-Money Laundering Directive came into force on the 26 June 2017. This was implemented into UK law through the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 on the same day.

In some cases there will also be a need to verify the UBO's identity. We will seek to do this through the use of electronic data and if that is not possible we will have to make this verification via a physical proof of ID.

HOW ARE WE MANAGING THESE OBLIGATIONS?

BNP Paribas Leasing Solutions have invested in systems which will acquire much of the UBO information via publically available sources. However, where this information is not publicly available, the completion of a Beneficial Owner Declaration Form (BODF) may be required.

If you have supplied all the necessary UBO information via the proposal process then we consider this to be an acceptable source and we will not need to send the BODF. If the BODF does need to be used to collect the information it can be sent via yourself or directly to the customer, whichever is your preference.

