Global Witness – Supplementary written evidence (ROE0017)

In response to Lloyd Russell-Moyle MP’s question in the oral evidence session on 18 March 2019:

"Lloyd Russell-Moyle MP: You get that from the tax, but my understanding is that the trust cannot be named in the Land Registry. The Land Registry names the individuals of the trust, or individuals nominated by the trust, so it is an individual’s name. Just looking at the Land Registry, you would have no idea if it was an individual with that name owning the trust or if they owned it on behalf of a trust. At the moment there is no link. It just so happens that there is a basis of legal documents that requires that. Are you saying that there should be a way in the Land Registry documents of identifying that a person is holding it on behalf of a trust and therefore the trust needs to be registered, or are you saying that all the names of the beneficial owners should be listed on the registry, because at the moment there is no ability for names of trusts to be on it?"

This submission is made on behalf of Global Witness.

Moving forward, the Land Registry documents should indicate where named individuals hold property on behalf of a trust. As detailed in our previous written submission (3.7), the Property Register must then require all parties to a trust to disclose their identities, including the settlor, trustee, protector, beneficiary or class of beneficiaries, and anyone who receives income from the trust. This will also ensure consistency with the upcoming UK’s Trusts register, as required by the 5th EU Anti-Money Laundering Directive by March 2020, under which all categories of beneficial owners of trusts will need to be registered when the trust enters into a business relationship or acquires real estate in the UK (Article 31). We believe the Trusts Register should also be made publicly available and cross-checked with the Land Registry and the Property Register.

The government’s decision to require registered entities under the draft Bill to obtain a unique identification number (clause 5) will allow for comparison between other data sets, including the upcoming Trusts Register. The Land Registry should also record these unique identification numbers, so where an individual is marked as holding a property on behalf of a trust the unique identification number can then be used to search the Property Register to find all parties associated with it.

As detailed in our previous submission, the current draft Bill fails to require unique identification numbers for individuals listed as beneficial owners, which makes it difficult to see when several records refer to the same person. This should be rectified, and all beneficial owners should be required to obtain a unique identification number, following a proof of identity check as part of a verification process.