

Introduction

In 2017, access to a company's beneficial owners marked the first step for increased disclosure of who owns and controls companies based in the Turks and Caicos Islands (the "Islands" or "TCI"). At that time the TCI Companies Ordinance ("Act") introduced the legal threshold for beneficial ownership and established rules for companies to maintain an accurate and current register of beneficial owners. It also required a central Register of Beneficial Owners of Companies to be maintained by the TCI Financial Services Commission (the "Commission") (the "2017 rules"). These 2017 rules also set out a very limited ability for the Commission to identify and disclose beneficial owners to third parties.

As of June 30, 2025, these disclosure rules in TCI have evolved with the Beneficial Ownership (Amendment) Regulations 2025 to the Act coming into effect ("Amendments"). The Amendments attempt to balance expanded access rules with limits to access on specific and limited grounds.

The following is a general overview of the beneficial ownership laws in TCI and practical steps for TCI companies to take to comply with the Amendments.

Who is captured?

The beneficial ownership requirements under the 2017 rules and the Amendments apply to private companies incorporated or continued in TCI that are:

- companies limited by shares;
- companies limited by guarantee authorized to issue shares; and
- an unlimited company authorized to issue shares,

(collectively, the "Covered Companies").

The requirements do not apply to foreign based companies or any publicly traded company listed on an approved exchange.

From the time of incorporation or continuance, these Covered Companies must determine their beneficial owners and maintain a register of beneficial ownership along with its corporate records. For example, along with normative constating documents of a company, such as articles of incorporation, the director and member register, the beneficial ownership register must be included in the application to incorporate and be kept at the office of the company's registered agent once the Covered Company is incorporated.

What is a beneficial owner?

A beneficial owner of a Covered Company is determined by closely examining ownership or control. The examination must consider, directly or indirectly, 25% or more ownership or significant control of the company. In respect to shares, direct or indirect holdings of 25% or more is determinative. With control, the person must enjoy, directly or indirectly, the right to:

- exercise or control the exercise of more than 25% of the voting rights in the company;
- appoint or remove the majority of the company's directors;
- exercise or, in fact, exercise significant influence or control over the company.

The Act sets out the lengths a Covered Company must go to determine a beneficial owner. The measures must be reasonable steps to learn and identify all of the company's beneficial owners. Certain procedural protections are then triggered requiring the Covered Company to allow the identified beneficial owner, who is a registrable person, to confirm and correct their information, if the Covered Company did not already have that information, with notice requirements and timing.

A registrable person has an obligation under the Act to provide certain information to the Covered Company, including confirmation they are a registrable person, the date on which the person acquired the status and other prescribed details. According to the Act, a registrable person is an individual, sole proprietor, a company, a local or foreign government or department thereof or an international organization with two or more country or government members (or as prescribed).

The Covered Company therefore must adopt and undertake certain reasonable measures to determine who is a beneficial owner and then be prepared to drill down to determine a registrable person, if any. These obligations are ongoing, where the beneficial ownership register must be kept current based on information from the registrable person or where the Covered Company has reason to believe the information has changed.

What were the previous requirements?

Under the 2017 rules, the Commission's Register of Beneficial Owners was searchable solely at the request of a senior UK Police Officer, made via one of three designated senior officers of the Royal Turks and Caicos Police Force. Only three senior members of the Registry of Companies have access to the Register. This Register was not otherwise available for inspection or search to third parties.

What's new?

The Amendments increase transparency of beneficial owners by expanding access to the central Register of Beneficial Owners. The Amendments use various tools to expand access and to allow for grounds to oppose this expanded access.

Access to the beneficial ownership information is no longer limited to Royal Turks and Caicos Islands Police Force. There are two distinct paths to access certain beneficial ownership information, which now includes limited public access.

1. FOREIGN COMPETENT AUTHORITIES AND LAW ENFORCEMENT AUTHORITIES

The Commission may allow access to the Register of Beneficial Owners to law enforcement and anti-money laundering and anti-terrorism organizations, both domestic and foreign based. Specifically, the Amendments allow disclosure to, with equivalent degree of access to:

- a. United Kingdom competent authority designated to combat money laundering, any component of this crime and terrorist financings as defined in international conventions and the Financial Action Task Force recommends;
- b. UK law enforcement agencies; and
- c. other foreign competent authorities and foreign law enforcement agencies.

2. LEGITIMATE INTEREST

Unless a registrable person objects, the Amendments allow limited members of the public to gain access to certain beneficial ownership information, who have a legitimate interest in the information and are:

- a. journalists;
- b. persons engaged in bona fide academic research;
- c. civil society organizations who prevent or combat of money-laundering or terrorist financing;
- d. those seeking information for a potential or actual business relationship or transaction.

This information includes name, nationality, country and nationality, legal form and nature of control, depending on whether the information requested is that of an individual, corporation or government.

The Amendments outline the application and evaluation procedure, required content, fees and the scope of accessible information.

Once this information is accessed by persons described above on legitimate interest grounds, use and disclosure of the information is limited by the Amendments to the purpose on which it was requested and to protect the registrable person's confidentiality and privacy rights.

A current or potential registrable person may apply to restrict public disclosure of their ownership details under specific and limited conditions. They must apply as an applicant to the Commission and must reasonably believe, supported with evidence, that the applicant and their association with the Covered Company would place the application or someone living in the same household at serious risk of:

- a. kidnapping;
- b. extortion;
- c. violence;
- d. intimidation; or
- e. any similar danger or harm.

The Amendments then set out procedures the Commission must undergo to determine whether to limit access to the information and the timing for a decision. These include requiring the applicant to provide additional information or to refer a question to an overseas law enforcement agency or financial intelligence unit or other person determined by the Commission. The information the Commission collects in its determination to make a disclosure is not publicly-accessible. If the Commission approves the application to prohibit disclosure, the prohibition is effective until the end of 3 years, or unless it is otherwise revoked by the Commission or the applicant wishes the approval to no longer be in effect.

The Commission also has the authority to revoke its decision to prohibit disclosure of the information if the applicant is subject to criminal proceedings, including conviction, sentencing, or UK sanctions. The Amendments set out the Commission's notice, any representations the applicant would like to make and the Commission's decision.

How to prepare and what to expect

The thrust of the changes to the Act is increased access to company beneficial ownership information. Companies should examine their corporate records and practices to determine whether the beneficial information they hold continue to comply with the Act. They should be prepared to take reasonable measure to determine beneficial ownership and to keep this information current in their own records and the reportable information to the Commission for the Beneficial Ownership Register.