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Beneficial Ownership Registers: A step forward, or unnecessary nuisance?

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Executive summary

The UK Government is behind the planned arrival in 2021 of publicly available beneficial ownership registers for land and property transactions, however, this this is only part of the initiative; the UK Government has also instructed British Overseas Territories (BOTs), including the British Virgin Islands (BVI) and the Cayman Islands, for example, to create public beneficial ownership registers for companies registered in their jurisdictions by 31 December 2020, as part of the UK Government's Anti-Money Laundering (AML) drive. So far, the British Crown Dependencies such as Jersey or Guernsey are not bound by these demands.

Touchstone Group, who are engaged in the provision of business administration and accounting software and the associated consultancy for the wealth management sector, co-hosted two private discussions in Hong Kong and Singapore with Hubbis on the role and the potential impact of these new public beneficial ownership registers.

Are they truly necessary, or just an unnecessary nuisance? Are private beneficial ownership registers a better alternative? How can privacy and security be maintained in the face of such registers, public or private, and what does all this mean for clients and for the wealth management firms?

The clear impression from the invited trust and fiduciary experts representing wealth management firms in the Asia region is a widespread, sometimes cynical, scepticism and in some cases outright disdain towards the concept of such public registers.

There is, the argument ran, already a massive weight of new regulation extending its tentacles across the globe in the form of one regulatory acronym or another, be it CRS, FATCA, AEOI, FATF, AML or even GDPR. These are all imposing a huge burden on the wealth management industry and their clients, as they all struggle with the time, the costs and other ongoing demands associated with the required compliance.

It should be noted that the resistance to public registers should not be seen as representative of a broader resistance to transparency or to compliance. The antipathy is largely because publicly available data is potentially inaccurate, incomplete and insecure.

It is, after all, a self-registration system that will be introduced in the UK, and government institutions can hardly expect criminals to comply willingly, nor can the bona fide, law-abiding people on the registers have a genuine expectation that their data will not be used by criminal elements for financial crime, identity theft or other scurrilous, or downright dangerous objectives. In fact, there is a general concern amongst wealth management experts that the registers requirement will expose many wealthy clients to ever more dangers from criminal elements.

As to private registers, which have for example for many years been maintained by many international financial centres (IFCs), there is a genuine concern that the spotlight now being turned on them through the public registration initiatives will lead to greater insecurity of the data on these private registers. After all, even major global financial institutions and 'Big Tech' firms struggle to fight off the incessant and escalating cyber-attacks taking place 24/7 around the globe.

Both the Hong Kong and Singapore deliberations generated robust debate on all these issues, with the experts leaving both discussions with an overriding feeling of annoyance at what appears to be ill-thought-through manoeuvres driven by politicians and pressure groups.

Prior to the two gatherings taking place, Hubbis had polled a cross-section of wealth management professionals in Asia to gather their views on the advent of the public beneficial ownership registers.

An overwhelming 81% of respondents stated that public beneficial ownership registers are not necessary, while 86% said private beneficial ownership registers are a more viable and realistic alternative; the general impression was they would not help the fight against financial crime but would instead perhaps empower criminals by exposing sensitive information in the public domain.

Will Asian countries follow the UK's lead? There are, as yet, no signs that they will, but as evidenced by the arrival of European Union regulations such as the Common Reporting Standard (CRS), it is evident that in a global world all major new regulatory initiatives have a broad, pervasive, worldwide impact.

Where there will clearly be adjustment necessary, is in the wealth management clientele's choice of IFCs for corporate, trust, foundation or other structures; Asia's wealthy have long used the BVI and other jurisdictions that are now, or soon might be, exposed to the UK's demands. Moreover, the wealth management firms themselves will need to be even more proactive in guiding their Asian clients through yet another legal and regulatory hurdle.

ARE PUBLIC BENEFICIAL ownership registers necessary, or an unnecessary nuisance? Are private beneficial ownership registers a better alternative? How can privacy and security be maintained in face of such registers, public or private, and what does it all mean for clients and for the wealth management firms? These and other topics were discussed at length by trust and fiduciary experts from wealth management firms in the Asia region invited to the discussions in Hong Kong and Singapore.

In advance of the discussions, Hubbis had polled a cross-section of wealth management professionals in Asia to gather their views on the advent of the public beneficial ownership registers. Gez Owen, head of content for Hubbis, a lawyer who has 22 years experience in defending in white-collar crime cases in the UK and internationally, briefly explained the results at the outset of each of the discussions.

"The clear impression from the invited trust and fiduciary experts representing wealth management firms in the Asia region is a widespread, sometimes cynical, scepticism and in some cases outright disdain towards the concept of such public registers."

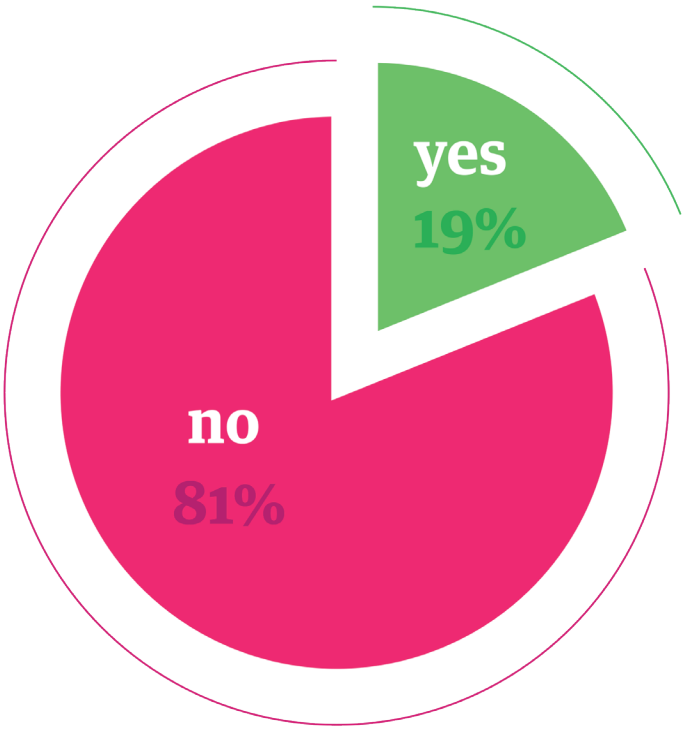
Owen reported that 81% of respondents had said public beneficial ownership registers are not necessary, while 86% said private beneficial ownership registers are a more viable and realistic alternative. He noted that some 43% of those polled believe privacy is more important, while 43% said transparency should be equally important, while only 14% said transparency is most important. "I do not think Transparency International will like these results," he quipped.

Did respondents believe these public registers would help the fight against financial crime? The replies were emphatic, with 52% saying the impact would be minimal, 38% replying that the effect would be only moderate, while just 10% said the impact would be significant.

Nevertheless, the eventual arrival of public registers, at least in the UK and probably in other jurisdictions, is being taken seriously by the wealth management industry and their clients. Some 81% of respondents replied that their wealth management clients are taking a more reactive approach to the new registration requirements. When asked how the wealth managers could manage this new challenge, 57% said they were going to do so with internal management and 29% said collaboration with external solution providers.

Hubbis had also asked market professionals if the registers would affect their clients' selection of an IFC and 57% said it would have a significant impact, depending on

Are Public beneficial ownership registers really necessary?



the jurisdiction - for example BOTs such as the BVI, Bermuda and the Caymans are most directly affected currently - while only 5% thought there will be no impact.

Opening the Hong Kong discussion to the floor, Owen invited co-host Touchstone's representatives to provide the assembled wealth management experts with their own overview of beneficial ownership registers.

"The arrival of publicly available beneficial ownership registers has become a central topic that resonates through all our wealth management customer base, so our mission has been to analyse what we need to do from a system perspective," explained a senior Touchstone representative.

"It should be noted that the resistance to public registers should not be seen as representative of a broader resistance to transparency or to compliance."

He noted that many financial institutions and governments today already access details from companies' private registers and there are other initiatives such as the Financial Action Taskforce who provide guidelines and assistance in dealing with such matters, but he also noted that the counter-arguments are from those who maintain this is essential for greater transparency, for fighting financial crime and for recovering lost revenues worldwide.

"But," he added, "if we step back and look at potentially what impact it might have on individuals where the end client is an investor perhaps in companies that are legitimate but controversial and there is a risk this can open them up to becoming targets. The high-net-worth-individuals (HNWIs) and ultra-HNWIs (UHNWIs) could potentially be exposed to the risk of extortion and blackmail, kidnapping and so forth. Market information and market trading

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patterns could also be affected by public access to changes in such ownership if it is made public."

Transparency without public exposure?

Picking up on this theme, a guest from Switzerland commented that it is not necessary to have public registers in order to achieve transparency. "Public exposure is a major concern, it really boils down to the security and privacy risks. I firmly believe one can have transparency without being public."

Another expert agreed, arguing for the wealth management industry, clients today generally fully accept the need for transparency, but do not agree with public access to information on their personal affairs. Accordingly, if there are jurisdictions where they adhere to private registers and shun public registers, for example, the Channel Islands as things now stand, then he said most clients will prefer that route.

Another guest noted that Southeast Asia has the valued ASEAN Declaration of Human Rights. "The ASEAN nations endorse privacy as a human right," he noted. "Public registers are not likely to be brought in. They can simply be 'name and shame' vehicles without any clear evidence of an individual having been involved in any form of deceit. I believe the UK, for instance as the instigator of much of this, is going to have some big problems pushing this through because there will be legal challenges based around the right to privacy. It seems to me to be a derogation from a default right to privacy."

Public beneficial ownership registers: "What?! When?! Why?!"

A publicly accessible register of beneficial owners of UK real estate is due to go live in 2021. Non-UK companies and other non-UK legal entities – including trusts and foundations - that fail to comply will not be able to transfer legal title to UK real estate held by them or obtain unrestricted title to UK real estate they purchase, and criminal sanctions could also be imposed for failure to comply. There remains some lack of clarity on whether non-UK trusts will be exempt, but that should be clarified in draft legislation to be published later this year.

An exemption for trusts is likely where the trust has already registered beneficial ownership with HMRC under the recently introduced Trust Registration Service. The government, therefore, appears willing to preserve a degree of privacy for trusts established for personal and family reasons.

For individuals identified as beneficial owners, it is likely that the information available will include their name, date of birth and usual residential address, their country of usual residence, and the nature of their control over the non-UK entity.

Where a non-UK entity that has failed to provide beneficial owner information buys UK real estate, the beneficial interest in the property will pass to the non-UK entity but not the legal title. If non-UK entities that already own UK real estate fail to comply, it appears likely that their ability to complete a sale will be diminished.

Additionally, and in what will be a major upheaval for them, BOTs will also have to create public beneficial ownership registers for companies registered in their jurisdiction by 31 December 2020, as part of the UK government's AML drive. The most relevant BOTs for the registers include Bermuda, the British Virgin Islands (BVI), the Cayman Islands and Turks & Caicos.

The move has been met with dismay by the governments of those territories as an unwarranted interference in their affairs. However, a similar provision that was initially proposed for Crown Dependencies – the Channel Islands and the Isle of Man – was withdrawn because it was felt that agreement would be reached.

While it is likely that the British Crown Dependencies will be pushed to comply with the forthcoming provisions of the Fifth Anti-Money Laundering Directive, which will require public beneficial ownership registers of companies and restricted/legitimate interest access to beneficial ownership registers of fiduciary structures to be introduced throughout the EU by December 2019, the British Crown Dependencies are within the

EU's Customs Union and therefore the Single Market for trade in goods, but are not part of the EU in all other respects and so are not obliged to implement the 5th AMLD, regardless of Brexit.

Time will now tell whether the British Crown Dependencies will adopt such registers, although the early indications are that they will prefer not to.

It is worth noting that pressure group Global Witness has discovered many flaws in the data already held on the UK's Persons of Significant Control (PSC) register at the UK's Companies House. But the reality appears to be that the registrar of company information in the UK has such limited resources as not to be able to weed out the information from criminals or other parties that simply do not intend to comply. Finding a way through an often-complex maze of companies, trusts, partnerships and overseas entities will be challenging to say the least, even if the authorities boost their capabilities.

Moreover, the BOTs are also fighting back against the tide of transparency, arguing that the directives from the UK are likely to destroy their business models and impact their economies. In early June this year, the BVI government-appointed law firm Withers to prepare its legal challenge to the UK.

BVI Premier Orlando Smith has been quoted in the press as saying the legislation raises serious constitutional and human rights issues and insists the BVI will not introduce public registers until they become a global standard. BVI has also retained two leading QCs to fight their cause, including an eminent Professor of Law at Oxford University.

In a letter published in The Economist magazine in early June, Premier Smith said the Act is 'unsatisfactory, ill-founded, unnecessary and based on ill-informed opinion', adding that the public register 'flies in the face of privacy rights and the principles relating to personal data protection'. His challenge appears to be partly founded on fundamental constitutional questions on whether the BOTs have exclusive competence in respect of such matters.

The argument appears to be that BVI will adopt what are common global standards but that this imposition is a disproportionate measure and blatantly knocks the BOTs that act as IFCs off what is currently a more level playing field.

Smith's position was to some extent bolstered in a letter also published in the Economist by Geoff Cook, the Chief Executive of Jersey Finance. In the letter, he expressed concerns that this whole initiative was 'the brainchild of a group of unelected NGOs and lobbyists', and highlighted considerable concerns about privacy, including cyber-risk, identity theft and misuse of data. He also raised concerns that legitimate individuals residing in unstable countries may be exposed to criminals or even to corrupt government officials there.

Legal challenges expected?

"Yes," added another voice, "one can imagine a situation where for example, somebody from France will make the challenge to the UK at some point, so the case goes to a French court and the chances are that it will become a problem for the European Union and it may become a real hot potato. I am personally also not convinced about GDPR, I think there will be a successful challenge to it at some point."

GDPR stands for General Data Protection Regulation, which was introduced by the EU this year and which is already causing many to fear that it is simply leading to a further reduction in data privacy, in other words achieving precisely the opposite of its intended goals.

"I fear the public register is rather insidious," said one guest attending the Singapore discussion. "It would be very difficult for any government to initiate that type of mass surveillance without due cause, but if you make the register publicly available and apparently about preventing corruption and crime then this opens the door to this type of mass surveillance without cause. In my view, that is basically what this is all about."

"Singapore certainly does not need a public register," opined one attendee. "We have long assumed that the government knows pretty much everything they need to know here, so to go further down this road is not going to achieve anything."

"If Singapore does not adopt the public register route," noted another expert, "then Hong Kong

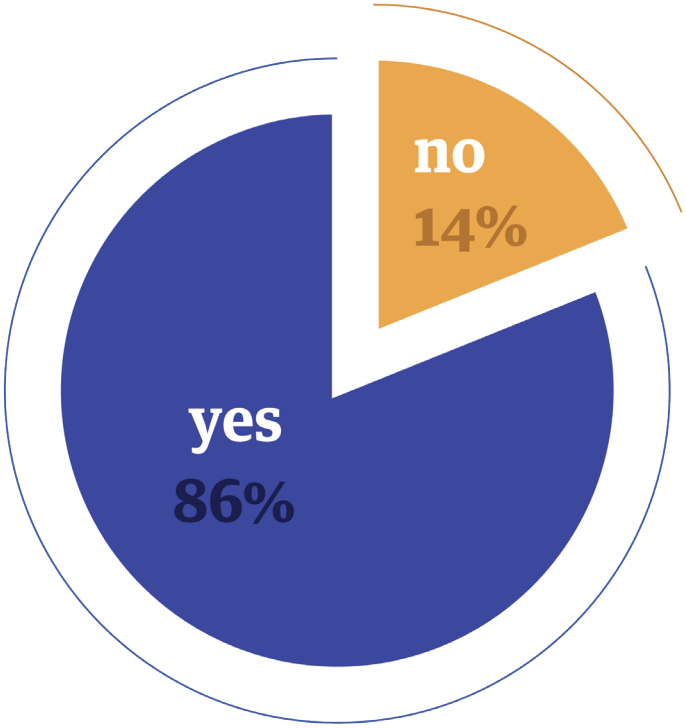
is not likely to do so alone, as it will present another stumbling block to their competitive edge, especially as Singapore is already becoming the favoured destination for so many Chinese and Taiwanese HNWIs and the ultra-wealthy."

Divergent needs?

"Here in Singapore we already enjoy safety and security," said one attendee at the Singapore discussion, "but that is far from the global norm, and clients in other countries, especially perhaps in places such as Latin America, are often genuinely fearful for themselves and their families. They, therefore, fear transparency extending fully to the public domain might endanger them and their families to some extent."

The discussions also highlighted the role of the public registers and the interplay with the ubiquitous new regulations such as the EU's CRS and the US Foreign Account Tax Compliance Act (FATCA) and their interplay with data on residency and domicile. "There is a disparity between the way different financial centres are approaching this," one guest observed. "Some, for example, the BVI, one of the BOTs, are challenging the UK government as regards the position being forced upon them, perhaps arguing that this is destructive to their business models and in any case, is all politically motivated."

Are Private beneficial ownership registers a more viable alternative?



"We have long assumed that the government knows pretty much everything they need to know here, so to go further down this road is not going to achieve anything."

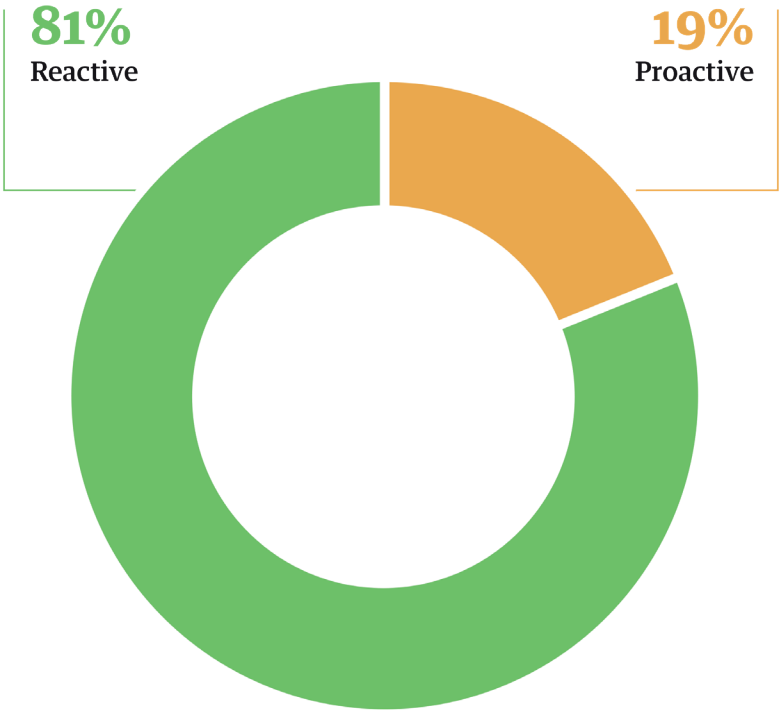
BVI and Caymans to suffer client withdrawal symptoms?

Another attendee noted that the British Crown Dependencies, for example, the Channel Islands such as Jersey, Guernsey and the Isle of Man, are at this time free to avoid the public register rollout. "Because British Crown Dependencies are more legally independent," she said, "they are not being forced to comply, while BOTs, as things stand now, will be obligated to comply. As a result, there is already some evidence that people are proactively already changing their IFCs from, for example, the BVI and the Caymans to the Channel Islands."

Another guest noted how popular BVI structures had been with Asian clients over the past several decades. "Yes, it seems that many of those with BVI entities will need to consider alternatives, which will impact those IFCs such as the BVI. There are plenty of restructuring discussions to be had in this region, however, there are currently plenty of other robust jurisdictions that are not as yet subject to the public register problems."

The Channel Islands, the same attendee explained, do however maintain the practice of using

Are clients taking a proactive or reactive approach to the new Register requirements?



private registers, which have been in place for at least two decades, and are necessary and worthwhile.

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Politically and NGO motivated nuisance?

"Clearly one needs to be transparent to tax authorities," she noted, "but it should not be necessary to be so to your friends, your neighbours or potentially to criminals and extortionists out there. Moreover, the public register in the UK will be self-reporting, so realistically which criminal is going to step up and put his name there?! Additionally, there

Another expert maintained that CRS and other initiatives already create a more level playing field for all and might, in any case, result in more migration of HNWI assets from offshore to mid-shore structures. "CRS already means for the ordinary HNWI there are no options for not being transparent and compliant today."

An attendee asked whether the evidently lax application by US authorities of FATCA is encouraging a move by Asia's HNWIs towards the US as a jurisdiction. "Yes," replied another guest, "we have been losing some clients to some of the esoteric locations in the US as clients, especially from China, think that by doing so they can continue to avoid the implications of CRS."

Is the US playing a canny game?

"There is some clear hypocrisy in all this," said another expert. "For example, it is ironic that we have the United States pressing the rest of the world to open their books while perhaps the most secretive entity we all know these days would be the Delaware Corporation. I think it is all becoming rather muddled. Meanwhile, I do not think public registers are the right way forward, I have great concerns that they will open the door to potential fraudsters, paparazzi, criminals stealing identities and so forth."

"Public exposure is a major concern, it really boils down to the security and privacy risks. I firmly believe one can have transparency without being public."

But another expert noted that if HNWI clients are so concerned about security then they have the

option of looking at different asset classes or different locations. "Precious metals, land in many jurisdictions, or even cryptocurrencies are there as possibilities for those wanting to stay well under the radars. And if the clients are concerned about their own countries, there are alternative residency and citizenship arrangements. As one colleague indicated, HNWIs these days might even favour the US for structuring, as it seems to be a viable option these days, apparently going in a different direction from most of the leading economies."

Another guest agreed. "The US is most certainly a viable option right now, especially as no other jurisdictions are going to blacklist the US held assets or clients structuring there."

"Yes," concurred one attendee, "it is indeed ironic that these days the US appears to offer more substantial protection and benefits in terms of privacy. There has been an explosion in terms of fiduciary offerings and services into the US by many service providers, including us. It is not about avoidance of CRS, which is a given, as if you have something to hide then we will not work with you anyway. But for the bona fide holding of assets in the US for legitimate purposes, that jurisdiction has increasing appeal on a relative basis."

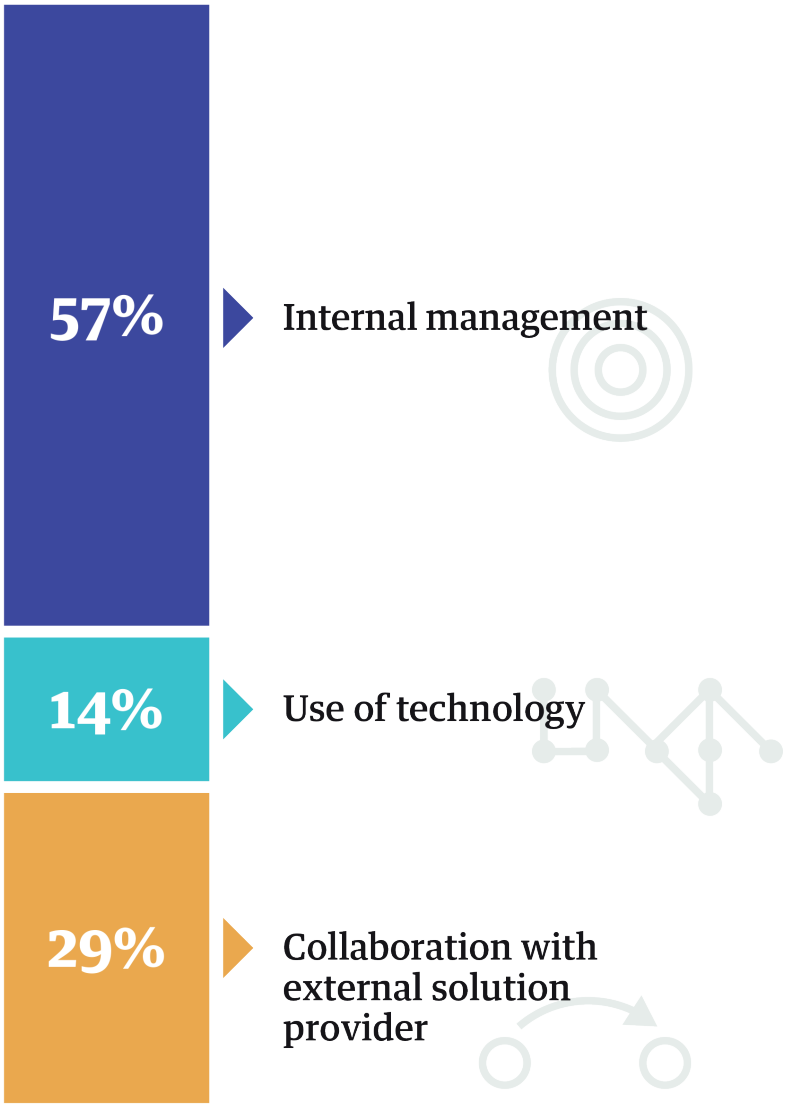
"From a competitive standpoint, clients do not yet understand or appreciate the need for annual compliance fees, so it is us that has to absorb these costs thus far."

Private registers + abundant new regulations = plenty

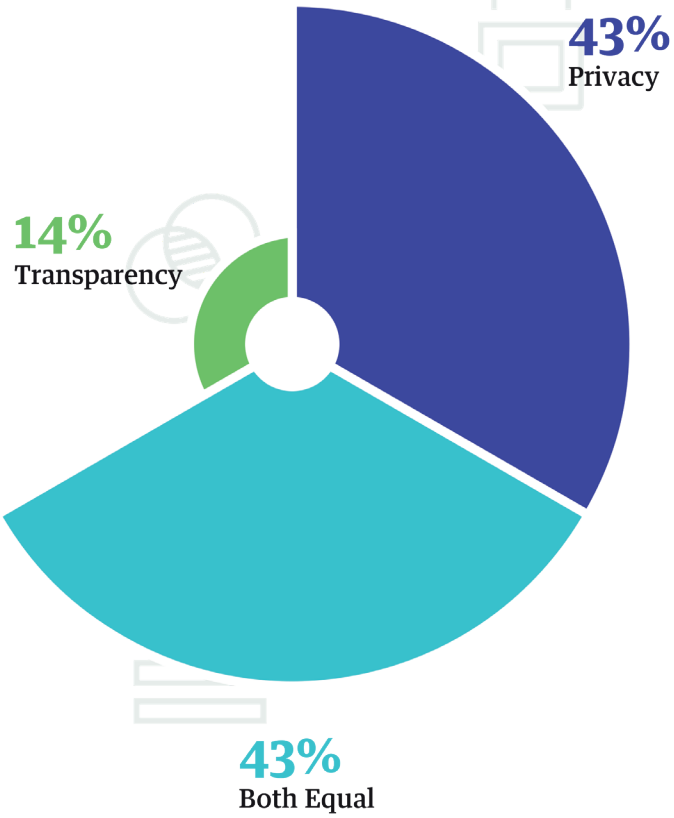
Both the Hong Kong and Singapore discussions garnered a strong consensus that private registers are the more efficient and effective manner of collecting data. "There are many global centres, especially the major financial centres, that already have very strong local regulations in relation to private registers," noted one attendee.

"Private registers certainly do what is required already," said another guest. "Perhaps these public registers are simply a knee-jerk reaction to the information leaks. But I personally think it is overkill by the governments, especially the UK, to pander to public opinion; they are almost desperately trying to demonstrate they are taking action

How are you going to manage this new challenge from a business perspective?



Which should have priority?



against any super-wealthy individuals that might want to try to hide their money in tax havens around the world. But private registers already work and there are plenty of older and newer regulations out there, such as those covering AML, FATF (Financial Action Task Force], CRS, FATCA that provide more than enough contingencies to achieve the discipline necessary."

"It would be very difficult for any government to initiate that type of mass surveillance without due cause."

Data can easily be manipulated

However, another guest questioned the viability of private register data unless the information has been independently verified. "Lawyers can so easily tear all this apart, perhaps the answer might be simply for all bank transactions to be accessible to the authorities, simple as that."

Another expert concurred, noting that such data on private registers might not be up to date or accurate and the whole process might, therefore, be anything but transparent. "There must be a question as to the veracity of the information on these registers," he said. "After all, who is policing and verifying the information? If it is not done properly, then it is futile. If you look at what has happened with FATCA, there are so far no enforcement actions arising out of it. And look how long the UK Bribery Act took before we even had a single case brought, and then look at how much it all cost."

"I agree," said another attendee. "What is public information, and is it trustworthy anyway? Nominees could easily be used, for example, I have worked in the Chinese market for many years and there are so many nominees. I think things function well as they are, no need to add another layer of problems and obfuscation for everyone."

Picking up on the concept of all bank transactions becoming visible, a banker at the Hong Kong discussion noted that in Hong Kong his bank had made far greater efforts in recent years to conduct due diligence on the sources of their customers' wealth. "We see onshore as fairly transparent nowadays, but there are always some reasons why some clients would want to keep their corporate structures offshore."

Data can always be stolen... or bought

Another attendee followed up on the issue of corrupt practices. "If someone wants information from a private register, the sad truth is that in many parts of the world it can become available for a very small backhander, so one question is how can one increase the security of such registers. Private investigators all around the world, the unscrupulous ones, they buy this type of information all the

time, it would seem. So, does such a register protect the client, or expose them to dangers? It might be the latter, ironically enough."

"There are two core arguments for private registers," said another expert. "First related to tax and second related to AML transparency. But data protection is a concern, as under the CRS and the Automatic Exchange of Information [AEOI] the data being non-encrypted is a major issue. And the authorities, the regulators must vouchsafe their internal processes and procedures for storing and returning data, in other words, that the governments and their institutions have adequate systems and mechanisms in place. I think many of the jurisdictions currently do not have that nailed down. Far from it in fact, as well all know."

"I do not think public registers are the right way forward, I have great concerns that they will open the door to potential fraudsters, paparazzi, criminals stealing identities and so forth."

No global consensus emerging thus far

"In pragmatic terms, I do not believe we need more than CRS," claimed another attendee. "I think in the wealth management industry we have accepted that we are going to be settled with private registers, whether we think those private registers are effective or not, and I believe not, by the way. As to public registers, I believe in the UK it is politically motivated and there seems no turning back. However, for many jurisdictions, for example, the BVI or Caymans, they will do whatever they can to resist going the public register route until it is clear perhaps that the whole world will adopt the same, and so far, it will not. As a general comment, I feel the danger is that the continual demands on our wealth management industry are expensive, time-consuming and it all feels rather like a witch hunt."

"The US is most certainly a viable option right now, especially as no other jurisdictions are going to blacklist the US held assets or clients structuring there."

But another expert argued that despite the increased demands on wealth management firms, the service providers might provide a better line of defence against the unscrupulous or downright

criminal elements.

"Instead of these public beneficial ownership registers," he said, "I wonder if the service providers can better vet their clients, for example by assembling more detailed information during the onboarding process and obtaining the client signature to confirm and allow for release if requested by the authorities. I know we already have a huge weight of regulatory demands, but I think it better for the client to know that the service provider has their information, not some unseen registered agent who is sitting half the world away."

"The arrival of publicly available beneficial ownership registers has become a central topic that resonates through all our wealth management customer base, so our mission has been to analyse what we need to do from a system perspective."

The burden falls ever more on the financial service providers

But there were concerns about even more obligations on the wealth management firms. "Over the last 20 years," said one expert at the Singapore discussion, "we have seen a constant, incessant move towards making the service provider almost the policeman of the governments if you like. It seems easier for them to push the provider than the individual. I am in favour of greater transparency, and I do think that IFCs are used by some criminal elements, but the current onboarding obligations for financial service providers are already very costly and onerous. Moreover, from a competitive standpoint, clients do not yet understand or appreciate the need for annual compliance fees, so it is us that has to absorb these costs thus far."

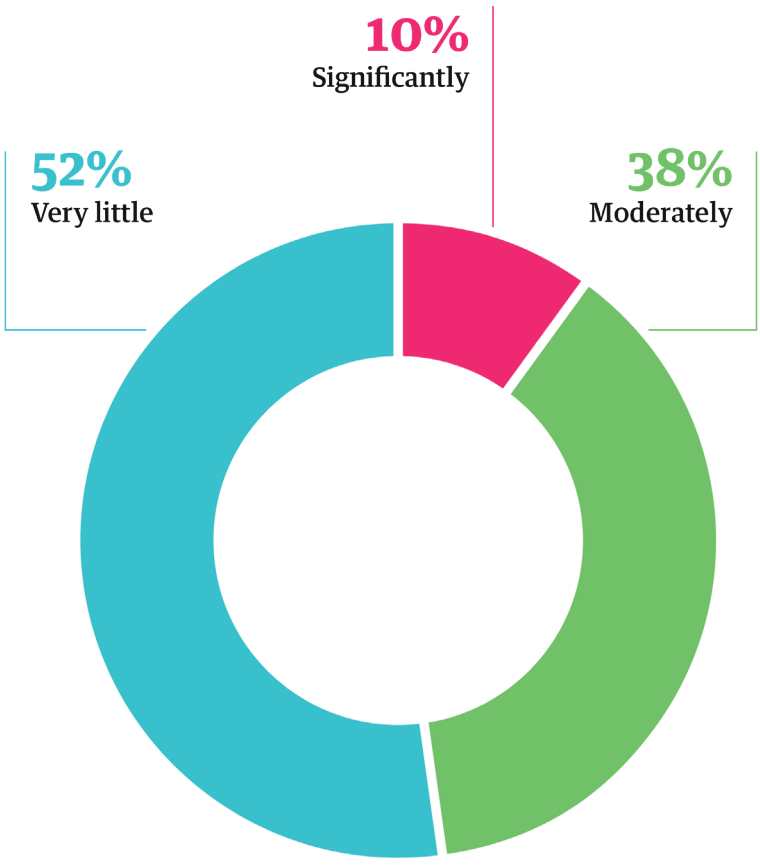
"Maybe a viable alternative is that the governments charge a registration fee for all this data gathering by the financial institutions," said another attendee.

"Yes, in theory," said another guest, "but the client will still effectively consider it is a fee that we are levying, not any government," came the swift response. "Hong Kong, for example, is a very price sensitive market in Hong Kong, perhaps more than most markets. The reality is that these costs cannot, as things stand, be billed to the clients, so our profitability is certainly impacted. Another issue is the ongoing monitoring and updating of data, as this is supposed to be in real time, but the way things are drafted the obligations are far from clear."

The criminal elements show no sign of letting up

An attendee in Hong Kong returned to the thorny issue of

Do you think such registers will help the fight against financial crime?



how to reconcile the need to protect the privacy and security of their clients in an environment where transparency is being forced upon clients, whether they like it or not.

"They are prepared to move around, to be flexible and they know that they will need to adapt to whatever rules are in place. They just want to be clear on what those regulations are and what appears next."

"We have all talked about tax transparency and the like, but as we discussed there are people out there who genuinely feel scared for their liberty, for their security and for the safety of their families. We know that the serious criminals target the homes and individuals they know have wealth and the public registers will give out their addresses and a host of information on them."

The moderator raised the question of whether the register initiatives help fight onshore crime. "We have seen service providers, banks, institutions, lawyers, accountants, real estate people failing to identify frauds because they are human, and systems are systems, they are not 100% failsafe," he said. "Is this just another opportunity for banks to be criticised for failings and wealth management companies for failing to meet their obligations under AML."

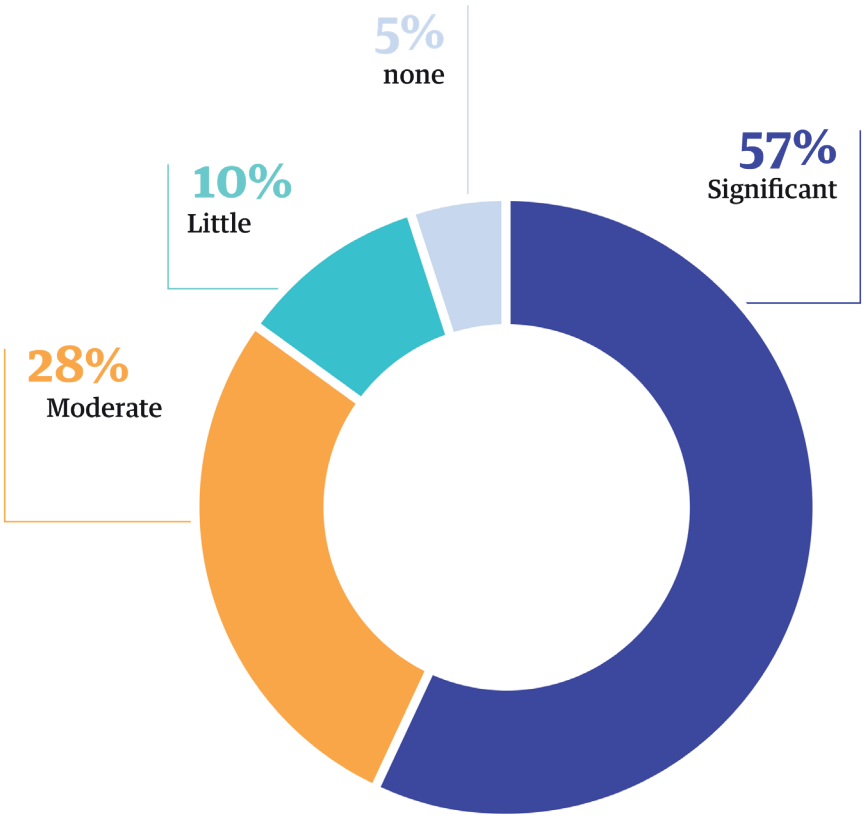
"A major challenge for the authorities and the governments, is the incredible mass of data," said one attendee. "Way too many trees and the whole thing becomes so confusing for the authorities to see the real issues in front of them. Law enforcement agencies, when overloaded with data, become less effective. They are already over-stretched on so many fronts and have a poor track record of maintaining or analysing data. Only in cases where the authorities already have a target in mind will the register perhaps help."

Let's be realistic – no technology is 100% safe

"The use of public registers will only serve to exacerbate the concerns of HNWIs and UHNWIs about security and privacy," said another expert. "We have known since the scandals such as those raised by the Paradise Papers or Panama Papers that no data is safe, private or public. However, for us as service providers it is about managing the expectations of clients, they need to know that data proliferation is here to stay, like it or not."

"Will the clients migrate to advisers who tell them what they want to hear rather than the advice that they find

What impact will this have on the choice of IFC given there are differences in approaches?



Touchstone (Nav)igates the world of Asian wealth management

Touchstone's website positions the firm as the provider of choice for global wealth management administration and accounting systems, specialising in Microsoft's Dynamics NAV technology, consultancy and development.

NavOne is the world-leading wealth management system, delivered by Touchstone and powered by the latest version of Microsoft's leading business software platform – Dynamics NAV. Used by small to large trust and fund administration companies, family offices and professional advisory firms in over 28 global jurisdictions, Touchstone promotes NavOne as optimal in increasing operational efficiencies and reducing administration costs.

NavOne is an enterprise-wide system that supports wealth management providers' business today and that grows with companies as they expand.

Touchstone says that its project teams have a proven track record of implementing the NavOne wealth management system in over 28 global jurisdictions, with the teams of business, technical and training personnel providing software and consultancy services to businesses across the industry worldwide.

The firm promotes itself as having long experience in the finance industry, with a deep understanding of the regulatory, business and IT trends that affect wealth management businesses. The firm has offices in Jersey, the Channel Islands, Singapore and Sydney, Australia.

inconvenient?", asked one guest.

"We want the compliant clients," replied another guest. "Better to keep the clients apprised of the latest requirements as the financial institutions have no control over what the governments and regulators demand and what changes they will implement next. Financial services providers have taken huge steps over the last 15 to 20 years in terms of cleaning out the books, making sure you really know your client, all the due diligence and so forth. And we find that the clients nowadays want to be transparent for the right reasons. So, an open, honest dialogue is what is required."

"Perhaps these public registers are simply a knee-jerk reaction to the information leaks. But I personally think it is overkill by the governments, especially the UK, to pander to public opinion."

"Whatever the arguments," said one expert, "we now need to manage clients very carefully, to ensure that their purposes for going offshore, for example, are genuinely for privacy, not evasion, are for long-term succession planning, not skulduggery. We need to ensure honest dialogue with the clients while enhancing transparency and due diligence. No good quality provider nowadays works with the kind of clients that want to conceal. I think for the most part clients understand now that transparency is the way forward and I think that governments and authorities might realise that their efforts at the margin - for example the public register initiatives - are costly, a waste of valuable resource and potentially exposing people and families to dangerous elements."

Regulators and politicians over-reach?

"Frankly," said another attendee, "this is all rather unnecessary over-regulation, driven by politicians trying to vote catch but to little avail and poorly thought through. Creeping regulation has been going on for many years now and is almost completely out of control. And the reality is that we all know that the biggest IT companies in the world cannot guarantee data safety, so how can the governments expect to

guarantee our data safety? They cannot, and the reality is that this is a major danger."

information the client, and the relationship managers (RMs) should, therefore, have more

"Maybe a viable alternative is that the governments charge a registration fee for all this data gathering by the financial institutions."

On a more positive note, one guest concluded the Hong Kong discussion by noting that the due diligence does reveal more capabilities to promote ideas, products and solutions.

And a guest at the Singapore discussion concluded that gathering by noting that most HNWIs are prepared to be as transparent as needed and care little about the details of the regulations, or whether the information is in the public domain. "They are prepared to move around, to be flexible and they know that they will need to adapt to whatever rules are in place. They just want to be clear on what those regulations are and what appears next." ■