

Amendment to the Act on Prevention of Transfer of Criminal Proceeds

Overview

In this connection, the Specified Business Operator's obligation to identify the beneficial owner of its customer became stricter in accordance with the amendment. Before the amendment, a Specified Business Operator was only required to identify the person who owns more than 25% of the voting rights or, in the case where the customer was not applying for majority voting (for example, a public interest incorporated association (*koueki shadan hojin*)), the person who represents that customer, and even if that person was a legal entity, there was no need to confirm the chain of ownership interests further above. A Specified Business Operator is now required to check the chain of ownership interest until the natural person who controls the customer is confirmed (which shall be determined in accordance with the amended Ordinance for Enforcement of the Act on Prevention of Transfer of Criminal Proceeds) so that it can clearly identify the beneficial owner of that customer. The national government, a local public entity, a listed company and a subsidiary of a listed company are each deemed to be a natural person.

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