



# UBO disclosure requirements within the EU

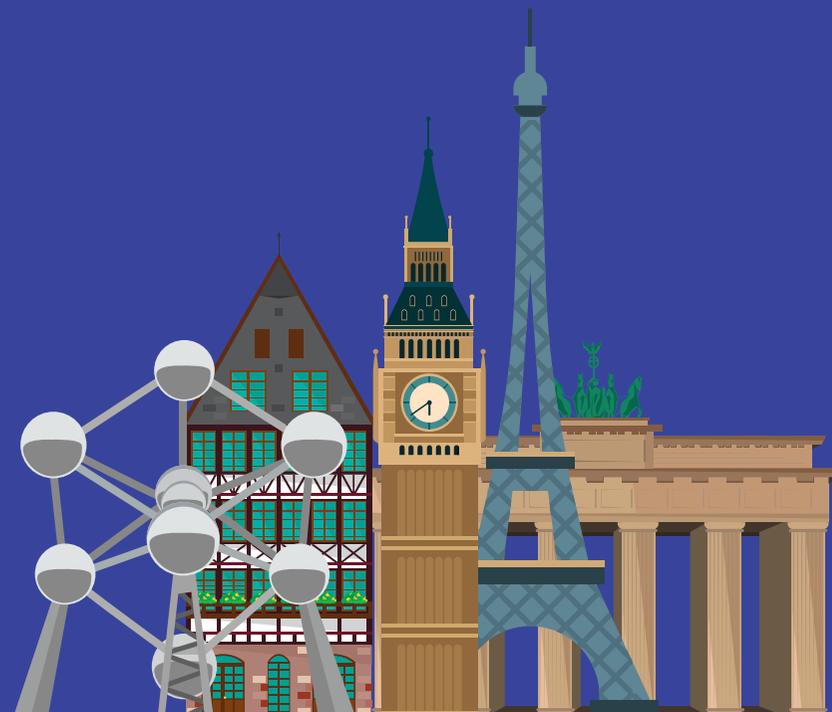
## Global Legal Services

The details enclosed herein are as of 1 January 2019

KPMG International

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"Our team can support you with your UBO registration obligations."

Globally there has been an increasing focus on the need for transparency in business, especially in relation to ownership and tax requirements. Many governments have translated the call for openness into formal reporting of beneficial ownership, increasing the need for companies to assess their structure and ensure they meet varying local disclosure requirements. A key example of this is the introduction of the 4th Anti-Money Laundering Directive (4th AML Directive) from the European Union (EU). Among other measures designed to combat money laundering and terrorist financing, the 4th AML Directive requires EU member states to set up registers of the ultimate beneficial owners (UBOs) of legal entities. It was left up to individual member states to determine how to implement the Directive, and in doing so, member states have taken different approaches.

The deadline for EU member states to adopt legislation to implement the 4th AML Directive was 26 June 2017, yet debates are still ongoing about how the Directive should be implemented, who should have access to the registers and how much the legislation will improve transparency in practice.

One of the key concerns with the implementation of the Directive is around data privacy, with some debate about who should be given access to the register and for what purpose. According to the Directive, the information should be available to the relevant authorities, financial intelligence units and any person or organization who can demonstrate a 'legitimate interest'. It is currently optional for member states to make the beneficial ownership register publicly available, however the European Commission, the European Parliament and the Council of the European Union have recently agreed on an amendment to the Directive in the form of a 5th Directive which makes it mandatory for the register to be public.

The purpose of this document is to provide an initial overview on the current status quo of the implementation of the 4th AML Directive, especially the different requirements to identify and register UBOs in various EU member states. Failing to comply with the registration requirements may result in substantial fines in the various EU member states. As such, it is recommended that all companies having a UBO in the sense of the 4th AML Directive get acquainted with the new regulations to ensure you are compliant with the UBO registration requirements in each EU member state where you operate a legal entity.

KPMG member firms have put together a team of specialists in each EU member state to assist their clients with their UBO registration requirements. Our teams can navigate you through the legislation in the various EU member states and assist you in making the necessary filings to the competent authorities. Following a centralized approach, your local KPMG contact will act as the single point of contact and can help you manage the entire process, EU-wide.

# Contents

Austria .....	03	Latvia .....	28
Belgium .....	05	Lithuania .....	30
Bulgaria .....	08	Luxembourg .....	32
Croatia .....	10	Malta .....	35
Cyprus .....	11	Netherlands .....	37
Czech Republic .....	13	Poland .....	41
Denmark .....	14	Portugal .....	42
Estonia .....	15	Romania .....	44
Finland .....	17	Slovakia .....	46
France .....	18	Slovenia .....	49
Germany .....	20	Spain .....	51
Greece .....	21	Sweden .....	54
Hungary .....	23	Switzerland .....	55
Ireland .....	25	United Kingdom .....	56
Italy .....	26		

## Austria



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The Austrian Beneficial Owner Register Act (Wirtschaftliche Eigentümer Registergesetz — WiEReG) entered into force as of 15 January 2018.

The WiEReG has already been amended, in particular including clarifications with respect to the legal definitions and some practical simplifications.

Link: <https://www.ris.bka.gv.at/GeltendeFassung.wxe?Abfrage=Bundesnormen&Gesetzesnummer=20009980>

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The initial filing of the UBO (if applicable) with the UBO Register was due by 1 June 2018 (Section 18 WiEReG). However, due to technical difficulties, the deadline from which penalties can be imposed was postponed to 15 August 2018. Later filings and amendments/changes to notified data are due within 4 weeks of the first registration of the entity. There is a possibility for (limited) inspection of the register as of 2 May 2018. Notification of the UBO by professional advisers (eg. lawyers) was made possible after 2 May 2018.

**What is the official name of the register?**

Register der wirtschaftlichen Eigentümer (Register of Beneficial Owners).

**What is the URL of the electronic register?**

[www.usp.gv.at](http://www.usp.gv.at)

**How can it be entered?**

The register is on a general e-government portal requiring special access. Access to and inspection of the UBO Register is limited (with fines imposed for unjustified inspections).

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights)?**

In general, UBOs are all natural persons who ultimately own or control the respective legal entity. The rules of the WiEReG are very detailed and depend on the type of entity (companies, trusts, private foundations, etc.). For companies, UBOs are the natural persons who directly or indirectly have sufficient shares or voting rights in the company, have a sufficient participation in the company, or exercise control over the management of the company. Direct UBOs are generally natural persons who have shares/a participation of more than 25 percent in the company. Indirect UBOs are natural persons who exercise control (as defined in the WiEReG, generally requiring a participation of more than 50 percent or another form of control) over a legal entity that holds shares/a participation of more than 25 percent in the company. If no natural persons can be identified as a UBO in this manner, the members of the highest management level are considered the UBOs (subsidiarity rule). Special detailed provisions exist for, among others, trusts, private foundations and other legal forms (Section 2 WiEReG).

# Austria



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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

Where the requirements of the WIEReG are not met (eg. non-reporting, false reporting), fines may apply of up to 200,000 Euros (EUR) for intentional violations and EUR100,000 for gross negligence. Further administrative fines/coercive penalties can be imposed for failing to fulfill notification duties.

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# Belgium



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The Law of 18 September 2017 on the prevention of money laundering and the financing of terrorism and the restriction of the use of cash money was published in the Belgian Official Gazette on 6 October 2017 and entered into force on 16 October 2017.

The relevant provisions regarding the UBO are: art. 4, 27°; 73-75; 132 and 154 of the law.

- Royal Decree of 30 July 2018 regarding the operating modes of the UBO Register
- Articles 14/1 and 14/2 of the Belgian Companies' Code
- Articles 58/11 and 58/12 of the Law of 27 June 1921 on non-profit organizations, foundations, European political parties and foundations.

Link: [http://www.ejustice.just.fgov.be/cgi\\_loi/change\\_lg.pl?language=nl&la=N&table\\_name=wet&cn=2017091806](http://www.ejustice.just.fgov.be/cgi_loi/change_lg.pl?language=nl&la=N&table_name=wet&cn=2017091806)

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The operational details of the UBO-Register are determined in the Royal Decree of 30 July 2018 regarding the operating modes of the UBO-Register, which entered into force on 31 October 2018 and determined that the first registration in the Belgian UBO-Register had to be done before 30 November 2018. However, this deadline has been postponed until 31 March 2019.

**What is the official name of the register?**

UBO-Register.

**What is the URL of the electronic register?**

[https://eservices.minfin.fgov.be/mym-portal/public/citizen/external\\_services](https://eservices.minfin.fgov.be/mym-portal/public/citizen/external_services)

**How can it be entered?**

The Belgian UBO-Register is accessible via the aforementioned URL and by selecting "Toegang tot de begunstigen van een organisatie (UBO)" / "Accéder aux bénéficiaires effectifs d'une organization (UBO)". Please login with an eID and select 'in name of an enterprise' ("In naam van een onderneming" / "au nom d'une entreprise") in order to register the UBO(s) of the legal entities for which you are a legal representative or were granted a mandate for.

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

### 1. Companies

Every natural person who falls within one of the 3 following categories, is considered as UBO:

# Belgium



*Continued*

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (Continued)**

## Ownership

Natural person(s) who has/have, directly or indirectly, an adequate percentage of the voting rights or ownership interest in the company:

- Direct: holding > 25 percent of the shares/capital/voting rights in the company.
- Indirect: an interest of > 25 percent of the shares or capital of the company held by one or more other companies which are controlled by one or more natural persons who have a majority interest in the intermediate entity or a participation of more than 25 percent in the company through intermediate entities in a chain of ownership.

## Control via other means

Natural person(s) exercising control over the company via other means.

## Residual category

If the UBO cannot be identified on the basis of any of the above mentioned categories, and there are no grounds for suspicion, the natural person(s) holding the position of senior managing official(s) will be identified as UBO.

## 2. Foundations and non-profit organizations

Every natural person who falls within one of the following categories, is considered as UBO:

### Foundations

- Directors
- Natural persons charged with the day-to-day management
- Founders
- (Class of) persons in whose main interest the foundation is set up or operates
- Any other natural person exercising ultimate control over the foundation by other means.

### Non-profit organizations

The same categories as for the foundations apply mutatis mutandis, but with the following two differences:

- Founders of a non-profit organization cannot be considered as UBO.
- Natural persons who can represent the non-profit organization will also be considered as UBO.

# Belgium



*Continued*

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (Continued)**

### **3. Trusts**

Every natural person who falls within one of the following categories, is considered as UBO:

- Settlor
- Trustee(s)
- Protector (if any)
- Beneficiaries
- Where the individuals benefiting from the legal arrangement or entity have not yet been determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates.
- Any other natural person exercising ultimate control over the trust by means of (in)direct ownership or by other means.

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

### **1. Companies**

- Criminal fines: EUR 50–5,000 (multiplied by 8), applicable to directors.
- Administrative fines: EUR 250–50,000, applicable to directors, members of the statutory board, the executive committee and persons participating in the effective management, who are responsible for the infringement.

### **2. Foundations and non-profit organizations**

- Criminal fines: EUR 50–5,000 (multiplied by 8), applicable to directors.
- Administrative fines: EUR 250–50,000, applicable to directors, members of the statutory board, the executive committee and persons participating in the effective management, who are responsible for the infringement.

# Bulgaria



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The Bulgarian Measures Against Money Laundering Act (**Закон за мерките срещу изпиране на пари**) entered into force on 31 March 2018.

The text of the act is available in English here: [https://www.minfin.bg/upload/1911/Measures\\_Against\\_Money\\_Laundering\\_Act.pdf](https://www.minfin.bg/upload/1911/Measures_Against_Money_Laundering_Act.pdf)

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The filing of the UBO and the persons through whom control is exercised with the respective register has to be completed by 31 May 2019. The last piece of legislation was adopted in early January 2019 and the UBO filings are now open.

**What is the official name of the register?**

- Commercial Register and Register for non-profit legal entities.
- BULSTAT Register.

**What is the URL of the electronic register?**

The Commercial Register can be accessed at: <http://www.brra.bg/Default.ra>

The BULSTAT Register can be accessed at: <http://www.bulstat.bg/>

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

According to the Measures Against Money Laundering Act, a ‘beneficial owner’ is any natural person or persons who ultimately owns or controls a legal person or other legal entity, and/or any natural person or natural persons on whose behalf and/or for whose account an operation, transaction or activity is being conducted and who complies with at least one of the following conditions:

1. In the case of corporate legal persons and other legal entities, the beneficial owner shall be the person who directly or indirectly owns a sufficient percentage of the shares, ownership interest or voting rights in that legal person or other legal entity, including through bearer shareholdings, or through control via other means, with the exception of the cases of a company listed on a regulated market that is subject to disclosure requirements consistent with European Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding or an ownership interest of at least 25 percent in a legal person or other legal entity held by a natural person or persons shall be an indication of direct ownership.

A shareholding or an ownership interest of at least 25 percent in a legal person or other legal entity held by a legal person or other legal entity which is under the control of one and the same natural person/persons or by multiple legal persons and/or legal entities which are ultimately under the control of one and the same natural person/persons, shall be an indication of indirect ownership.

# Bulgaria



*Continued*

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?** *(Continued)*

2. In the case of trusts, escrow funds and other similar foreign legal entities incorporated and existing under the law of the jurisdictions providing for such forms of trusts, the beneficial owner shall be:
  - Settlor
  - Trustee(s)
  - Protector (if any)
  - Beneficiaries
  - Where the individuals benefiting from the legal arrangement or entity have not yet been determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates.
  - Any other natural person exercising ultimate control over the trust by means of (in)direct ownership or by other means.
3. In the case of foundations and legal arrangements similar to trusts, the natural person or persons holding equivalent or similar positions to those referred to in Item 2.

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

The Measures Against Money Laundering Act provides for penalties between 1,000 Bulgarian lev (BGN) (approximately EUR500) and BGN10,000 (approximately EUR5,000) for individuals and between BGN2,000 (approximately EUR1,000) and BGN20,000 (approximately EUR10,000) for legal entities for non-compliance with the above obligation within the statutory deadline.

# Croatia



<p><b>Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?</b></p>	<p>The new Croatian Law on Anti-Money Laundering, which is in line with the 4<sup>th</sup> EU Directive, came into force on 1 January 2018. The new law foresees the establishment of a central register for UBO information. Despite the fact that the deadline prescribed by the law has passed, the by-law on the UBO Register has still not been issued. Furthermore, the by-law will provide a 6 month transitional period allowing companies to comply with the new legislation and to report their UBO information to the Croatian Financial Agency (FINA) which will hold the register.</p>
<p><b>When have/when will the reporting requirements come into force? Are there any other relevant dates?</b></p>	<p>The reporting requirement deadline has not been announced.</p>
<p><b>What is the official name of the register?</b></p>	<p>Registar stvarnih vlasnika (Register of Ultimate Ownership).</p>
<p><b>What is the URL of the electronic register?</b></p>	<p>To be announced.</p>
<p><b>How can it be entered?</b></p>	
<p><b>Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?</b></p>	<p>Determination of UBO depends on:</p> <ul style="list-style-type: none"> <li>— participation (shares or votes)</li> <li>— exertion of control in any other manner, or</li> <li>— function as legal representative, managing director or partner.</li> </ul> <p>Generally, a UBO is:</p> <ul style="list-style-type: none"> <li>— an individual who owns or controls contract partner</li> <li>— an individual who initiates transaction or business relation</li> <li>— an individual who is involved in the legal entity via (direct or indirect):           <ul style="list-style-type: none"> <li>— more than 25 percent of shares</li> <li>— more than 25 percent of voting rights</li> <li>— comparable control.</li> </ul> </li> </ul>
<p><b>Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?</b></p>	<p>The new Anti-Money Laundering Law imposes a fine of up to 350,000 Croatian kuna (HRK; about EUR47,000) for legal persons failing to comply with the reporting requirements and a fine of up to HRK75,000 (about EUR10,000) for other responsible persons.</p>

# Cyprus



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The Cyprus Law for the Prevention and Suppression of Money Laundering and Terrorist Financing Laws of 2007 to 2016 has been amended by Law 13(I)/2018 (the Law on the Prevention and Suppression of Money Laundering and Terrorist Financing (Amending) Law of 2018) which includes provisions for the central register of UBO information set out in sections 61A and 61B of the law now referred to as the Prevention and Suppression of Money Laundering and Terrorist Financing Laws of 2007 to 2018 (the "Law").

The timing of reporting requirements together with the information which should be kept in the central registry, the characteristics, creation and operation of the register, the procedure and securing a right of access and legalization of access thereto (including exemptions to access) as well as any related matters will be determined in Regulations which are to be issued pursuant to the Law but which have not yet been issued.

The information regarding beneficial ownership of a trust with respect to the identity of the settler, trustee, protector, beneficiary or class of beneficiaries and any other natural person exercising effective control over the trust will be kept in the central register of trusts when the express trust generates tax consequences in the Republic. The characteristics, creation and operation of the central trusts register, access thereto as well as any related matters are to be determined in Regulations to be issued pursuant to the Law but which have not yet been issued.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

Amendment 13(I)/2018 to the Law was voted on 3 April 2018. The timing of the reporting requirements (together with other matters) will be provided by Regulations to be issued pursuant to the Law, which have not been issued yet.

**What is the official name of the register?**

To be announced.

**What is the URL of the electronic register?**

To be announced.

**How can it be entered?**

# Cyprus



Continued

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

UBO is defined as any natural person who ultimately owns or controls the customer and/or the natural person on whose behalf a transaction or activity is being conducted and includes at least in the case of i) corporate entities the natural person who ultimately owns or controls a corporate entity through *direct* or *indirect* ownership of a sufficient percentage of the shares or voting rights or ownership interest in that corporate entity including through bearer shareholdings or through control via other means (except for companies listed on a regulated market that is subject to disclosure requirements consistent with EU law or equivalent international standards that ensure adequate transparency of ownership information).

An indication of *direct* shareholding is 25 percent plus one share or an ownership interest of more than 25 percent in the customer held by a natural person and *indirect* ownership is a shareholding of 25 percent plus one share or an ownership interest of more than 25 percent in the customer held by a corporate entity, which is under the control of a natural person, or by multiple corporate entities which are under the control of the same natural person(s).

- ii) if after exhausting all possible means no other person is identified or if there is doubt that the person identified is the beneficial owner, the natural person who holds the position of senior managing official
- iii) in the case of trusts, the settlor, the trustee, the protector (if any) the beneficiary or class of persons in whose main interest the legal arrangement or entity is set up or operates, and any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means
- iv) in the case of foundations and legal arrangements similar to trusts the natural person holding equivalent or similar positions to the person referred to in the case for trusts.

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

To be announced.

# Czech Republic



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The AMLD 4 has already been implemented to the Czech legislation, particularly into the Czech AML Act No. 253/2008 Coll., on Certain Measures against Money Laundering and Terrorism Financing, as amended, and Act No. 304/2013 Coll., on Public Registers of legal and natural persons, as amended. The changes are effective (i.e. the UBO register was launched) as of 1 January 2018.

Links: [www.zakonyprolidi.cz/cs/2008-253](http://www.zakonyprolidi.cz/cs/2008-253); <https://www.zakonyprolidi.cz/cs/2013-304>

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The filing of the UBO (if applicable) with the UBO register had to be completed by 1 January 2019.

**What is the official name of the register?**

Evidence skutečných majitelů (Ultimate beneficial owners register).

**What is the URL of the electronic register?**

<https://issm.justice.cz/>

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

Beneficial owners are considered natural persons who are able to legally or factually, directly or indirectly conduct a dominant influence over a legal entity.

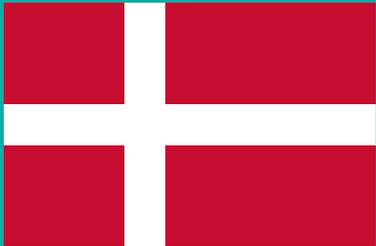
For business companies it is (if meeting the definition above) the natural person(s):

- who has more than 25 percent of voting rights or registered capital share
- who controls the abovementioned person, or
- who receives at least 25 percent of the profit.

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

Obligated entities under the AML act will consider the business (trades) of such non-compliant entities as suspicious and might not carry their trades out at all. Penalties for violation of statutory duties might apply; however, there is no specific administrative offense.

# Denmark



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The relevant amendment to the Danish Companies Act (see chapter 4, § 58a) entered into force on 23 May 2017.

Link: <https://www.jurition.dk/selskabsloven/>

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The UBO must be registered with the Danish Business Authority from 1 December 2017.

Companies founded after this date must register its UBO in connection with the foundation of the company. Thus, such company is not allowed to postpone the registration of the UBO until after the formation of the company.

**What is the official name of the register?**

The register has no official name. The UBO must be registered via the Danish Business Authority's self-service solution.

**What is the URL of the electronic register?**

[www.virk.dk](http://www.virk.dk)

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

A UBO is a natural person(s) who ultimately:

- directly or indirectly owns or control more than 25 percent of the ownership interests or voting rights in the company, and/or
- exerts control of the company by means other than share capital or votes.

Most types of companies are subject to the UBO registration requirement.

The company is obliged to regularly check and update its UBO information.

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

If the company fails to register its UBO information, the company's management may be held liable. In addition to a fine, effective 1 July 2018, the Danish Business Authority has the right to initiate compulsory liquidation of a Danish company which has not registered its beneficial owners.

# Estonia



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The new Money Laundering and Terrorist Financing Prevention Act (MLTFPA) came into force on 27 November 2017. Its UBO registration requirements are provided in §§ 76 to 80 and they entered into force on 1 September 2018.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

Reporting requirements entered into force on 1 September 2018. There are no additional relevant dates.

**What is the official name of the register?**

Äriregister (Commercial Register) and Mittetulundusühingute ja sihtasutuste register (Non-profit Associations and Foundations Register).

**What is the URL of the electronic register?**

<https://ariregister.rik.ee/index?lang=eng>

**How can it be entered?**

A simple request which includes registry card information on part B of the card register is available for free and is easily accessible using the link above. Information is available in English. The registry charges a fee for information about owners and financial statements. This fee is paid electronically.

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

The beneficial owner is a natural person(s) who, taking advantage of their influence, makes a transaction, act, action, operation or step or otherwise exercises control over a transaction, act, action, operation or step or over another person, and in whose interests or favor or on whose account a transaction or act, action, operation or step is made. In the case of a company, a beneficial owner is the natural person who ultimately owns or controls a legal person through direct or indirect ownership of a sufficient percentage (25 percent plus one share or more) of the shares or voting rights or ownership interest in that person, including through bearer shareholdings, or through control via other means. Where, after all possible means of identification have been exhausted, the beneficial owner cannot be identified and there is no doubt that such person exists or where there are doubts as to whether the identified person is a beneficial owner, the natural person who holds the position of a senior managing official is deemed as beneficial owner. There are special rules for identification of beneficial owners in the case of trusts, civil law partnerships, foundations and similar organizations.

# Estonia



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**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (Continued)**

The duty to gather and retain Beneficial Owner data does not apply to: 1) an apartment association provided for in the Apartment Ownership and Apartment Associations Act; 2) a building association provided for in the Building Association Act. 3) a company listed on a regulated market; 4) a foundation provided for in the Foundations Act the purpose of whose economic activities is the keeping or accumulating of the property of the beneficiaries or the circle of beneficiaries specified in the articles of association and who has no other economic activities.

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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

The penalty for failure to submit the data of the beneficial owner or failure to report on a change of the data or knowingly submitting false data, is a fine of up to EUR32,000 for legal persons and EUR2,400 for natural persons.

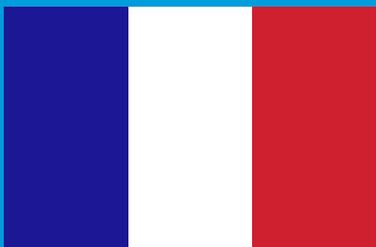
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## Finland



<p><b>Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?</b></p>	<p>The new Act on Preventing Money Laundering and Terrorist Financing (Laki rahanpesun ja terrorismin rahoittamisen estämisestä 444/2017/Anti-Money Laundering Act), implementing the 4<sup>th</sup> EU Anti-Money Laundering Directive, entered into force on 3 July 2017. Provisions on the transparency register are provided in Chapter 6, § 1 to 4 (main provisions).</p> <p>Link: <a href="https://www.finlex.fi/fi/laki/alkup/2017/20170444#Pidp450820384">https://www.finlex.fi/fi/laki/alkup/2017/20170444#Pidp450820384</a></p>
<p><b>When have/when will the reporting requirements come into force? Are there any other relevant dates?</b></p>	<p>Filing of the UBO information (if applicable) to the Finnish Trade Register is due by 1 July 2019. Companies must maintain exact and current information on their UBOs as of 1 January 2019.</p>
<p><b>What is the official name of the register?</b></p>	<p>Finland will not keep a separate register for UBOs. UBO information will be maintained in the Finnish Trade Register.</p>
<p><b>What is the URL of the electronic register?</b></p>	<p><a href="https://www.prh.fi/en/kaupparekisteri.html">https://www.prh.fi/en/kaupparekisteri.html</a></p>
<p><b>How can it be entered?</b></p>	
<p><b>Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?</b></p>	<p>In the Anti-Money Laundering Act, a beneficial owner is a natural person:</p> <ul style="list-style-type: none"> <li>— who owns directly or indirectly more than 25 percent of the entity's shares or otherwise owns the equivalent share of the entity</li> <li>— holds directly or indirectly more than 25 percent of the entity's voting rights and the voting rights are based on ownership, membership, articles of association, partnership agreement or equivalent rules</li> <li>— who exercises control through other means in the legal entity</li> <li>— (Anti-Money Laundering Act 444/2017 Chapter 1, § 5 para. 1).</li> </ul>
<p><b>Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?</b></p>	<p>A company that breaches the registration requirement may be subject to fines (Business Information Act 244/2001 § 19).</p> <p>Link: <a href="https://www.finlex.fi/en/laki/kaannokset/2001/en20010244.pdf">https://www.finlex.fi/en/laki/kaannokset/2001/en20010244.pdf</a></p>

# France



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

Articles 561-46 et seq. of the French Monetary and Financial Code were entered into application on 1 August 2017. These regulations set out the procedures for implementing the 4<sup>th</sup> European Directive on the prevention of money laundering and the financing of terrorism.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The requirement to file the UBO with the French Companies and Commercial Registry (Registre du Commerce et des Sociétés) took effect on 1 August 2017, for any new entity that registers after this date.

**What is the official name of the register?**

Registre des bénéficiaires effectifs (Register of the beneficial owners).

The information is also communicated to the Institut National de la Propriété Industrielle.

**What is the URL of the electronic register?**

[www.infogreffe.fr/rbe](http://www.infogreffe.fr/rbe)

This URL is for the purposes of declaring online the UBO.

**How can it be entered?**

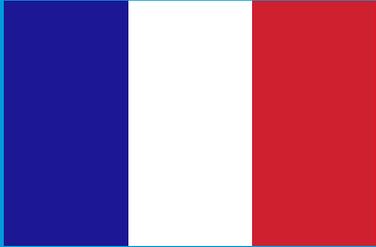
The document relating to the beneficial owners is not public, only the following persons may have access to it: the entity that filed the document, the judicial authorities, the financial intelligence unit, customs officers, agents responsible for tax control and recovery, all people subject to the money laundering and terrorist financing control in specific circumstances, any other person proving a legitimate interest and that has been authorized by the judge responsible for the supervision of the Commercial and Companies Registry where the company that filed the document is registered.

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

A UBO is an individual who either ultimately holds, directly or indirectly, over 25 percent of the share capital or voting rights of the company, or exercises, by any other means, a power of control over the company within the meaning of article L.233-3, I, 3° and 4° of the French Commercial Code (i.e. effectively determines the decisions taken at that company's general meetings through the voting rights he or she holds or when he or she is a partner in, or shareholder of that company and has the power to appoint or dismiss the majority of the members of that company's administrative, management or supervisory bodies).

Where no individual meets the UBO definition, the UBO is the legal representative of the company. If the legal representative is a legal entity, the UBO is the individual legally representing said legal entity (Decree n° 2018-284 dated 18 April 2018).

# France



*Continued*

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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

The president of the court may, subject to penalties if needed, enjoin the company to file the document, either on its own initiative or at the request of the prosecution or of any other persons who has standing.

Where the entity does not comply with the issued injunction, the court registrar notifies the public prosecutor and sends them a copy of the judgment.

Non-compliance with the obligation exposes managers to a risk of criminal penalties (6 months' imprisonment and a fine of EUR75,000) or even a ban on management. The legal entity may also be subject to a fine of up to 5 times the fine for individuals and specific penalties (e.g. dissolution, judicial surveillance, exclusion from public procurement).

From a practical standpoint, the Companies and Commercial Registry may also refuse to proceed with subsequent formalities.

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# Germany



<p><b>Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?</b></p>	<p>The relevant amendment to the Money Laundering Act (<i>Geldwäschegesetz; GwG</i>) came into force on 26 June 2017. Provisions on the transparency register (<i>Transparenzregister</i>) are provided for in Chapter 4, §§ 18 to 26 (main provisions).</p> <p>Link: <a href="https://www.gesetze-im-internet.de/gwg_2017/">https://www.gesetze-im-internet.de/gwg_2017/</a></p>
<p><b>When have/when will the reporting requirements come into force? Are there any other relevant dates?</b></p>	<p>Filing of the UBO (if applicable) with the transparency register is due by 1 October 2017 (§ 59 para. (1) GwG).</p>
<p><b>What is the official name of the register?</b></p>	<p>Transparenzregister (Transparency register).</p>
<p><b>What is the URL of the electronic register?</b></p>	<p><a href="http://www.transparenzregister.de">www.transparenzregister.de</a></p>
<p><b>How can it be entered?</b></p>	
<p><b>Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?</b></p>	<p>Determination of UBO depends on:</p> <ul style="list-style-type: none"> <li>— participation (shares or votes)</li> <li>— exertion of control in any other manner, or</li> <li>— function as legal representative, managing director or partner.</li> </ul> <p>Generally, a UBO is:</p> <ul style="list-style-type: none"> <li>— an individual who owns or controls contract partner</li> <li>— an individual who initiates transaction or business relation</li> <li>— an individual person who is involved in the legal entity via (direct or indirect): <ul style="list-style-type: none"> <li>— more than 25 percent of shares</li> <li>— more than 25 percent of voting rights</li> <li>— comparable control.</li> </ul> </li> </ul> <p>(§ 3 para. (1), (2) GwG).</p> <p>For a foundation, a UBO may exist, which may be assessed based on special rules.</p>
<p><b>Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?</b></p>	<p>Non-compliance with the GwG may attract a fine of up to EUR1 million (or up to double the amount of economic advantage caused by the infringement).</p> <p>For credit and financial institutions, a fine may apply of up to EUR5 million or 10 percent of the total revenue of the year prior to the decision of the authority (§ 57 GwG).</p> <p>Such decisions will be published on the transparency register's website (§ 56 GwG).</p>

# Greece



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

Greek L. 4557/2018 which incorporated Directive (EU) 2015/849 (AMLD4), entered into force as of 30 July 2018. Relevant provisions with regards to UBO Registers are included in Chapter D (articles 20–21).

According to the Law, the following Registers will be established:

- A UBOs Central Register will be established and held in the General Secretariat of Information Systems and will be electronically linked with the Tax Identification Number (TIN) of each legal entity.
- Special UBOs Registers must be maintained at the headquarters of legal entities based in Greece and should be supported by evidence and kept up to date under the responsibility of the legal representative or a specially authorized person.
- Special Registers of UBOs of Trusts will be established and maintained by the trustees of any express trusts.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The UBOs Central Register will enter into force until 31 January 2019.

Companies, Trusts and other legal entities must report their special UBOs Registers and relevant information to the UBOs Central Register within 60 days from their establishment. The same deadline applies for updating initially reported information.

**What is the official name of the register?**

Beneficial Owners' Central Register (Κεντρικό Μητρώο Πραγματικών Δικαιούχων)

**What is the URL of the electronic register?**

To be announced.

**How can it be entered?**

# Greece



*Continued*

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**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

A Beneficial Owner is considered to be any individual who, directly or indirectly, ultimately owns or controls the legal entity, as well as any individual on behalf of whom a transaction or activity is being conducted.

As far as companies/legal entities are concerned, UBOs are considered to be the individuals who directly or indirectly have sufficient shares or voting rights in the company/legal entity, have a sufficient participation in the company, or exercise control over the management of the company. A shareholding/participation in a company or ownership of more than 25 percent is an indication of ownership. In case no individual is identified, while having exhausted all possible means and provided that there are no grounds for suspicion or in case there are doubts, the individual who holds the position of senior managing officer in the company is considered to be the beneficial owner. The above provisions do not apply to companies listed in a regulated market.

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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

Non-compliance and non-recording entails the suspension of the issuance and the provision of a tax clearance certificate and results in a fine of EUR10,000, imposed by the competent Authority, and an obligation to comply within a specified deadline (mandatory compliance). In case of non-compliance or recurrence, the fine will be doubled.

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# Hungary



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The new Anti-Money Laundering Act (AML Act) entered into force on 26 June 2017. Provisions for the central register of UBO information are set out in Section 25 of the AML Act. The Government Decision no. 1688/2017. (IX.22.) sets out a date for the establishment of the UBO database that is 1 January 2019. Nonetheless there are no indications that the database will be set up on the above date in practice, since the legislator has not yet adopted a concrete and separate legal measure including the detailed rules applicable to the register prescribed by Section 25 of the AML Act.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The new Anti-Money Laundering Act (AML Act) came into force on 26 June 2017. Provisions on the central register for information on the UBO are provided in Section 25 of the AML Act.

**What is the official name of the register?**

Tényleges tulajdonosok központi nyilvántartása (Central Register on Ultimate Beneficial Owners).

**What is the URL of the electronic register  
How can it be entered?**

No URL is available currently.

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

The following person is considered to be the UBO according to paragraphs a)-f) of Section 3 Subsection 38 of the AML Act:

- a) The natural person who owns or controls at least 25 percent of the shares or voting rights in a legal person or an unincorporated business association directly, or by way of the means defined in Subsection (4) of Section 8:2 of Act on the Civil Code of Hungary (Civil Code) indirectly, or otherwise exercises effective control over a legal person or a business association without legal entity, if that legal person or business association is not listed on a regulated market and is subject to disclosure requirements consistent with European Union legislation or subject to equivalent international standards.
- b) The natural person who has a dominant influence in a legal person or unincorporated business association as defined in Subsection (2) of Section 8:2 of the Civil Code.
- c) The natural person on whose behalf a transaction is carried out, or otherwise exercises effective control over the activities of a natural person client.
- d) For foundations:
  - 1) where the future beneficiaries have already been determined, the natural person(s) who is the beneficiary of 25 percent or more of the property of the foundation

# Hungary



*Continued*

## Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (*Continued*)

- 2) where the individuals that benefit from the foundation have yet to be determined, the class of natural persons in whose main interest the foundation is set up or operates, or
  - 3) the natural person(s) who exercises control in the management of the foundation or exercises control over 25 percent of the property of a foundation, or who is authorized to represent the foundation; and
- e) For a fiduciary asset management contract:
- 1) the settlor, as well as the beneficial owner of it in accordance with paragraphs a) and b)
  - 2) the trustee, as well as the beneficial owner of it in accordance with paragraphs a) and b)
  - 3) the beneficiary or the group of beneficiaries as well as the beneficial owner of them according to paragraphs a) and b), or
  - 4) the natural person who otherwise exercises control or management over the managed assets.
- f) In the absence of the natural person referred to in paragraphs a) or b), the executive officer of the legal person or unincorporated business association.

## Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?

- In cases of non-compliance with the AML Act, the supervisory authority may (proportional to the breach of law) (Section 69):
- notify the non-compliant entity
  - oblige the non-compliant entity to terminate the breach of law
  - initiate the withdrawal or suspension of the license
  - delete or initiate to delete the non-compliant entity
  - initiate the declaration of liability of the executive office or the employee of the non-compliant entity
  - initiate the suspension or withdrawal of the executive officer's position until the termination of the breach of the law
  - impose a fine with the above or alone:
    - for credit and financial institutions, a fine may apply of up to 2 billion Hungarian forints (HUF; about EUR6.6 million) or 10 percent of the total revenue of the year prior to the decision of the authority
    - for other service providers fine up to HUF400 million (about EUR1.3 million) or up to the double amount of the economic advantage caused by the infringement.

# Ireland



<p><b>Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?</b></p>	<p>The European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2016 commenced on 15 November 2016.</p> <p>This statutory instrument requires companies to maintain a beneficial ownership register in anticipation of this information being inserted onto a central register. However, the statutory instrument on the operation of the Central Register has not yet been published.</p>
<p><b>When have/when will the reporting requirements come into force? Are there any other relevant dates?</b></p>	<p>The reporting requirements were expected to be released in the fourth quarter of 2018, and affected entities were expected to have at least 6 months from commencement to file without being in breach of the statutory duty to file. However, as the statutory instrument has not as yet been published, this is uncertain.</p>
<p><b>What is the official name of the register?</b></p>	<p>To be announced.</p>
<p><b>What is the URL of the electronic register?</b></p>	<p>To be announced.</p>
<p><b>How can it be entered?</b></p>	<p>The definition of a ‘beneficial owner’ under Irish Legislation is the same as that contained in the 4<sup>th</sup> Anti Money Laundering Directive (Article 3(6)).</p> <p>The beneficial owner is an individual person who holds either directly or indirectly:</p> <ul style="list-style-type: none"> <li>— more than 25 percent of shares</li> <li>— more than 25 percent of voting rights</li> <li>— more than 25 percent of ownership interest</li> <li>— or has ability to control the legal entity via other means.</li> </ul> <p>If no such individual exists, the ‘senior managing officials’ of the company are entered into the beneficial ownership register.</p>
<p><b>Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?</b></p>	<p>No details have been published about the penalties for failure to comply with the reporting requirements.</p>

Italy



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The new text of the Decree 231/2007, which incorporates amendments to the implementation of Directive 2015/849 (Fourth Directive), was amended by the Decree no. 90/2017 and entered into force on 4 July 2017.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

According to article 21.5 of Decree 231/2007, as amended by Decree 90/2017, terms and conditions for communicating data and information are to be established in a special decree of the Minister of Economy and Finance, in agreement with the Minister of Economic Development. The decree has not yet been issued.

**What is the official name of the register?**

The UBO register does not have its own name; it is a special section of the Trade Register.

**What is the URL of the electronic register?**

To be announced.

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

'UBO' is defined in the new text of the decree as the natural person(s), other than the client, in the interest of which, ultimately, the continuous relationship is established, the professional performance is rendered or the operation is performed.

In accordance with art. 20 of the Decree 231/2007, as amended by Decree 90/2017:

- The clients'<sup>1</sup> beneficial owner other than the natural person(s) is the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership.
- In the case of limited liability company:
  - the ownership of more than the 25 percent of the client's share capital indicates direct ownership
  - the ownership of more than the 25 percent of the client's share capital, owned through subsidiaries, trustees or through an intermediary, indicates indirect ownership.
- Where the examination of the ownership does not allow unambiguous identification of the direct or indirect ownership of the entity, the beneficial owner is the natural person(s) who ultimately owns or controls the entity by virtue of:
  - control over the majority of the votes that can be exercised at the shareholders' meeting

<sup>1</sup> The word client refers to the client of the obliged entity (such as the credit institution, lawyer, notary public and others).

# Italy



*Continued*

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**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (Continued)**

- control over a sufficient number of votes to exercise a dominant influence at an ordinary general meeting
- the existence of special contractual obligations that allows for the exercise of considerable influence.
- Where the application of the above criteria does not allow unambiguous identification of one or more beneficial owner(s), the beneficial owner is the natural person(s) that owns the company's administration or direction powers.
- Where the client is a private legal entity pursuant to the Decree no. 361/2000, the following are cumulatively identified as beneficial owners:
  - the founder(s), if still alive
  - the beneficiaries, when identifiable or easily identifiable
  - the owner of administration and direction functions.

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**Which are the penalties, if the company fails to comply with the reporting requirements (eg monetary fine or other sanctions)?**

According to art. 21 of Decree 231/2007, as amended by Decree 90/2017, the same sanction provided by art. 2630 of the Italian Civil Code is applicable: an administrative fine ranging from EUR103 to EUR1,032.

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Latvia



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

Relevant amendments to the Law On The Prevention of Money Laundering and Terrorism Financing (*Noziedzīgi iegūtu līdzekļu legalizācijas un terorisma finansēšanas novēršanas likums; NILLTFNL*) entered into force as of 9 November 2017.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The UBO of a company must be reported:

- on registering a new company in the Commercial Register
- in order to register changes of the management board or the composition of the shareholders (if the UBO will not be reported, the changes will not be registered).

Any changes in the UBO information must be registered in the Commercial Register within 14 days after obtaining the information.

UBOs of already registered companies in Latvia had to be reported to the register by 1 March 2018.

**What is the official name of the register?**

Komercreģistrs (Commercial Register); Uzņēmumu reģistra žurnāls (Register of Enterprises Journal); Politikso partiju reģistrs (Political Party Register); Biedrību un nobinājumu reģistrs (Register of Associations and Foundations); Eiropas ekonomisko interešu grupu reģistrs (European Economic Interest Grouping Register); Reliģisko organizāciju un to iestāžu reģistrs (Register of Religious Organizations and Their Institutions).

**What is the URL of the electronic register?**

<https://www.lursoft.lv/>

**How can it be entered?**

The registers can be entered by becoming a subscriber or by authorizing with a bank card.

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

A UBO is a natural person who is the owner of the legal person or controls the legal person or in whose name, benefit or interest business relationships are established or transactions are performed, and:

- for legal entities, is a natural person who holds more than 25 percent of the capital shares as a result of direct or indirect participation in the entity or holds more than 25 percent of shares with voting rights or who controls the entity directly or indirectly
- for legal arrangements, a natural person, who owns the legal arrangement or in whose interests legal arrangement is established or the natural person who directly or indirectly controls the legal arrangement, including founders, proxies or managers.

# Latvia



*Continued*

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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

No details have been published about the penalties for failure to comply with the reporting requirements. Failure to comply with the NILLTFNL requirements may be subject to (applicable only to subject of NILLTFNL):

- a fine up to EUR1 million
  - a fine of up to EUR5 million or 10 percent of total revenue for credit and financial institutions
  - other sanctions, such as a public statement, warning, suspension or termination of the company's activities, prohibition for the person who is liable for the breach to perform their duties or obligation to remove the person from their position, or an obligation to perform or abstain from specific activities.
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## Lithuania



<p><b>Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?</b></p>	<p>The relevant amendments to the Lithuanian Law on Money Laundering and Terrorist Financing Prevention are already adopted and they will enter into force as of 1 January 2019.</p>
<p><b>When have/when will the reporting requirements come into force? Are there any other relevant dates?</b></p>	<p>Although the amendments oblige the legal persons to submit the information on their UBO to the informational system, Juridinių asmenų dalyvių informacinėje sistemoje (JADIS), as of 1 January 2019, the system is not yet reorganized and most likely will not be ready to collect the information on the UBO before the end of 2019.</p>
<p><b>What is the official name of the register?</b></p>	<p>Juridinių asmenų dalyvių informacinėje sistemoje (JADIS) (Information System on Participants of Legal Entities).</p>
<p><b>What is the URL of the electronic register?</b></p>	<p><a href="http://www.registrucentras.lt/p/33">http://www.registrucentras.lt/p/33</a></p>
<p><b>How can it be entered?</b></p>	
<p><b>Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?</b></p>	<p>A UBO is a natural person who is the owner of the client or has a control of the client and/or a natural person in whose name the activity or transaction is being performed.</p> <p>The beneficial owner of a legal entity (company) is considered to be:</p> <ul style="list-style-type: none"> <li>— a natural person who: <ul style="list-style-type: none"> <li>— owns the legal entity (company ) or directly or indirectly controls it, having a sufficient percent of shares or voting rights of the legal entity (company)</li> <li>— owns 25 + 1 percent of shares or more than 25 percent of the ownership of the client (direct owner)</li> <li>— controls the company and has 25 + 1 percent of shares or more than 25 percent of the ownership of the client (indirect owner)</li> <li>— a senior manager, where the beneficial owner is not identified or there is any doubt about the person identified through the above rules above.</li> </ul> </li> </ul> <p>The beneficial owner of trust funds structures is considered to be:</p> <ul style="list-style-type: none"> <li>— a trustee</li> <li>— a trustor</li> </ul>

# Lithuania



*Continued*

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**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (Continued)**

- a custodian (if any)
- a natural person who receives benefit from the legal entity or, if such person is unknown, the group of persons for whose interests the legal entity is established
- any other natural person that is in control of the trust fund.

For other kinds of legal entity that allocate funds and are similar to a trust fund, a UBO is a natural person that is in a similar position as described above for trust fund structures.

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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

Where a company fails to comply with the reporting requirements, the managers or other company representatives may be subject to a fine ranging from EUR30 to EUR1,450.

# Luxembourg



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

Two draft bills implementing the UBO register have been issued and will be subject to consultation with stakeholders before approval by the Conseil d'Etat. However, on 14 February 2018, the law of 13 February 2018 implementing a substantial part of the 4<sup>th</sup> Anti-Money Laundering Directive was published in the Official Journal of Luxembourg. The law entered into force on 18 February 2018.

The draft law No. 7217 setting up the register of beneficial owners of companies has been adopted on the 18th December 2018 and should still be officially published in the Memorial. It shall enter into force on the first day of the second month following its publication within the Memorial.

A forthcoming Grand Ducal Regulation will define in addition the modalities pertaining to the electronic registration, the access and the costs of the registry.

The draft Law n°7216B setting up a register of trusts ("fiducies") is still being discussed at the Chamber of Deputies.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

After publication of the law within the Memorial, registered entities will then have a period of six months to abide to the provisions of the Law.

Registered entities will proceed to hand over and update of the information on the beneficial owners in the registry "within one month as from the registered entity becomes aware or should have known of the event that requires to register/or to change information (in the registry)".

Not yet known for the register of trusts ("fiducies")(i.e. draft bill)

**What is the official name of the register?**

Registre des Bénéficiaires Effectifs", a.k.a. "RBE"

To be announced for the register of trusts ("fiducies")(i.e. draft bill)

**What is the URL of the electronic register?**

Not yet known (i.e. forthcoming Grand Ducal Regulation)

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

The following person is considered to be UBO according to Article 1, paragraph 7 of the amended AML Law: Legislation provides that 'beneficial owner' means any natural person(s) who ultimately owns or controls the customer and/or the natural person(s) on whose behalf a transaction or activity is being conducted and includes at least:

**(a) in the case of corporate entities:**

- i) the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means, other than a company listed

# Luxembourg



*Continued*

## Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (*Continued*)

on a regulated market that is subject to disclosure requirements consistent with Union law or subject to equivalent international standards which ensure adequate transparency of ownership information.

A shareholding of 25 percent plus one share or an ownership interest of more than 25 percent in the customer held by a natural person shall be an indication of direct ownership. A shareholding of 25 percent plus one share or an ownership interest of more than 25 percent in the customer held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership. This applies without prejudice to the right of Member States to decide that a lower percentage may be an indication of ownership or control. Control through other means may be determined, inter alia, in accordance with the criteria in Article 22(1) to (5) of Directive 2013/34/EU of the European Parliament and of the Council (29);

- ii) if, after having exhausted all possible means and provided there are no grounds for suspicion, no person under point (i) is identified, or if there is any doubt that the person(s) identified are the beneficial owner(s), the natural person(s) who hold the position of senior managing official(s), the obliged entities shall keep records of the actions taken in order to identify the beneficial ownership under point (i) and this point;

### **(b) in the case of trusts:**

- iii) Settlor
- iv) Trustee(s)
- v) Protector (if any)
- vi) Beneficiaries
- vii) Where the individuals benefiting from the legal arrangement or entity have not yet been determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates.
- viii) Any other natural person exercising ultimate control over the trust by means of (in)direct ownership or by other means;

**(c) in the case of legal entities such as foundations, and legal arrangements** similar to trusts, the natural person(s) holding equivalent or similar positions to those referred to in point (b);

# Luxembourg



*Continued*

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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

The relevant provisions regarding the penalties are defined under articles 20 and 21 of the law setting up the register of beneficial owners for companies.

The following sanctions could be imposed to the registered entity:

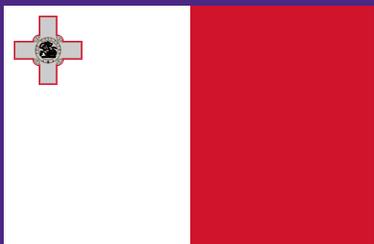
- sanction between EUR1,250 to EUR1,250,000 in case a registered entity may have purposefully provide the register with or sent to the register incorrect, incomplete or not updated document or information.
- sanction up to EUR1,250,000 in case the registered entity may not have obtained and kept at its registered address, information regarding its beneficial owners.
- sanction between EUR1,250 to EUR1,250,000 in case a registered entity may have purposefully provide the national authorities as well as professionals with incorrect, incomplete or not updated document or information.

A sanction up to EUR1,250,000 could be imposed to the beneficial owner in case of non-disclosure to the registered entity of the information/document the registered entity may need to fulfill its obligations, in particular to those obligations defined under the law.

Not yet known for the register of trusts ("fiducies")(i.e. draft bill).

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# Malta



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The legislation implementing the 4th EU Anti-Money Laundering Directive has been transposed in Malta and took effect as of 1 January 2018.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

Reporting obligations arose as of 1 January 2018 for all newly formed/redomiciled companies, partnership, trusts, foundations and associations. Companies and partnerships established in Malta before 1 January 2018 have a 6-month transitional period to comply with the new legislation. The same 6-month period applies for trusts, whereas foundations will have to submit a declaration to the Registry of Legal Persons containing information on the beneficial owners by the 30th June 2019. The UBO register is available for access as of 1st April 2018. The UBO register for trust and foundations is accessible to subject persons whilst for companies and partnerships it is also available to persons with legitimate interest.

**What is the official name of the register?**

Beneficial Ownership Register for Companies; Beneficial Ownership Register for Foundations; Beneficial Ownership Register for Trusts.

**What is the URL of the electronic register?**

To be announced.

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

The legislation provides that the beneficial owner is:

- any natural person(s) who ultimately own or control the customer
- any natural person(s) on whose behalf a transaction or activity is being conducted.

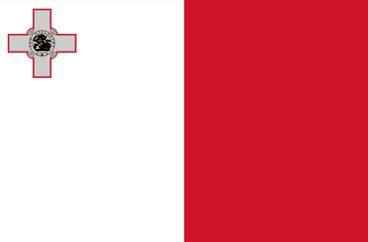
For a body corporate or a body of persons, the beneficial owner is:

- any natural person(s) who ultimately own or control directly or indirectly 25 percent + one or more of the shares
- more than 25 percent of the voting rights or ownership interests in that body corporate or body of persons, including through bearer share holdings, or through control via other means.

In the case of trusts, a beneficial owner is:

- the settlor
- the trustee or trustees
- the protector, if any
- the beneficiaries, or class of persons in whose main interest the trust is set up or operates

# Malta



*Continued*

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**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (Continued)**

- any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means.

For foundations and legal arrangements similar to trusts, a beneficial owner is any natural person(s) holding positions equivalent or similar to those listed above for trusts.

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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

Penalties set out in the Regulation include a reprimand issued in writing or administrative penalties. The administrative penalties start from a fixed penalty of EUR500 and a further daily penalty of EUR5 for foundations and associations. Whilst for companies the penalties start from a fixed penalty of EUR1,000 and a further daily penalty of EUR10.

Providing incomplete or incorrect information and non-compliance with the regulations can cause administrative penalties for companies, foundations, partnerships and trusts, while providing misleading, false or deceptive information may lead to an administrative penalty and/or imprisonment up to 6 months for companies, partnerships and foundations. For trusts, where information provided contravenes or fails to comply with the regulations, an administrative penalty of up to EUR150,000 may be imposed.

# Netherlands



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

On 25 June 2018, the Decree implementing the Wwft (hereinafter: the **Decree**), accompanying the Money Laundering and Terrorist Financing Prevention Act (*Wet ter voorkoming van witwassen en financieren van terrorisme*; hereinafter: **Wwft**), was implemented. The Decree includes an elaboration of the concept of UBO. Although the Decree specifically refers to a further elaboration of the Wwft, it is also relevant for the pending legislation on the UBO register in the Netherlands. Both originate from the 4th EU Anti-Money Laundering Directive. There will not be a separate UBO register in the Netherlands; the UBO information will instead be part of the data in the Trade Register. The Netherlands will however use the well-established term 'UBO register' when referring to the date to be registered in the Trade Register.

The Explanatory Memorandum accompanying the Decree explicitly states that the UBO concept in the Decree will also apply for the purposes of defining UBO for the UBO register. The bill to implement the UBO register was expected before summer 2018. That bill will also include details on which entities UBO information must be registered. This will be the legal entity categories listed below, but could also include other entities (for example, formal foreign companies).

On 20 April 2018, the Dutch Minister of Finance nevertheless informed the Lower House that the implementation of the UBO register is again being postponed.

According to the Minister, the legislative process cannot proceed unchanged due to the developments in respect of the 4th and 5th Anti-Money Laundering Directive.

Presentation of the bill to implement the UBO register to the Lower House is now scheduled for the beginning of 2019. Based on the 5th Anti-Money-Laundering Directive the ultimate date for implementation of the UBO register is 10 January 2020.

The above means that the formal implementation of the Dutch UBO register is still pending. The contours of the UBO register however are evident and it is also almost entirely clear who has to be designated as the UBO of the various legal entities based on the Decree implementing the Wwft.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

This is not entirely clear yet for the Netherlands. The Minister indicated that the draft decree implementing the UBO register will be presented to the Lower House before summer 2019. As a result of implementation of the 5th Anti-Money-Laundering Directive, the ultimate date for the Dutch UBO register is 10 January 2020 at the latest.

As soon as the UBO register legislation is implemented, entities or other forms of companies or organizations that will become subject to the UBO register and that were already incorporated before the date of implementation will need to register their UBO within 18 months of the date of the implementation of the UBO register. Entities incorporated after implementation of the legislation will need to register immediately.

# Netherlands



*Continued*

<b>What is the official name of the register?</b>	UBO-Register (Ultimate Beneficial Owner Register)
<b>What is the URL of the electronic register?</b>	To be announced.
<b>How can it be entered?</b>	
<b>Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?</b>	<p>Of importance is the Decree's assumption that each entity listed in the Decree has one or more UBOs. This concerns entities appearing in the Decree. There are five different legal entity categories, which all have their own specific UBO concept and which are addressed separately below.</p> <p>In addition, there are essentially two types of UBOs: the economically entitled UBO and the controlling UBO. If, once the rules referred to in the Decree have been applied, no 'real' UBO emerges, then the Decree introduces a fall back option based on which individual who is a member of the executive management will be the UBO (the pseudo-UBO).</p> <p>The Decree formulates rules on the basis of which it can be determined who at least counts as an UBO. This does not change the possibility that individuals who do not meet the 'hard' criteria may still qualify as an UBO due to specific rights or agreements.</p> <p>The Decree indicates for the different legal entity categories who the UBO is of that legal entity. Below you will find the main categories and an implementation who is considered as UBO for that entity.</p> <p><b>1. BV and NV</b></p> <p>The UBO of a private limited liability company (besloten vennootschap met beperkte aansprakelijkheid; 'BV') or a public limited company (naamloze vennootschap; 'NV') is in any case the individual who is the direct/indirect owner of the BV or NV or who controls it via:</p> <ul style="list-style-type: none"> <li>— directly or indirectly holding more than 25 percent of the shares, the voting rights or the ownership of the company, including the holding of bearer shares</li> <li>— other means, including the consolidation conditions referred to in Section 2:406 Dutch Civil Code, and, for example, shareholder agreements.</li> </ul> <p>If there is doubt about which individuals qualify as UBO (fallback option) after all other possible means have been exhausted and, provided that there are no grounds to suspect otherwise, no 'real' UBO is identified, or if there is some doubt about the 'real' UBO, then the individual or individuals that are members of the executive management of the company (the director/manager), as well as any individual on behalf of whom a transaction of activity is being conducted, will be the UBO.</p>

# Netherlands



*Continued*

## **Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (Continued)**

For the purposes of the Wwft, the SE and the European cooperative company are considered to be the same as a BV and an NV, as are other legal entities that are comparable to the NV or the BV. Whether these parties will also have to publish UBO data in the Trade Register depends on the Implementation Act.

An exception applies to listed companies and wholly-owned subsidiaries of listed companies, as they already have to register their major shareholders. Those companies do not have an UBO within the meaning of the Decree.

### **2. Other legal entities including foundations (stichtingen)**

The UBO of another legal entity is the individual who is the ultimate owner or has control over the legal entity by holding, directly or indirectly, more than 25 percent of the ownership interest; or the person who can exercise more than 25 percent of the votes in the case of resolutions amending the articles of incorporation of the legal entities; or the person who has effective control. If these people cannot be identified, then the (pseudo-)UBO is the individual who is a member of the executive management of the legal entity, as well as any individual on behalf of whom a transaction of activity is being conducted.

### **3. Partnerships**

The UBO of a partnership (maatschap), general partnership (vennootschap onder firma; 'VOF') or limited partnership (commanditaire vennootschap; 'CV') (or similar entities, such as a shipping company) is the individual who has the ultimate ownership of, or control over, more than 25 percent of the partnership or who can exercise effective control, as well as any individual on behalf of whom a transaction of activity is being conducted. 'Ownership' is in any case understood as being entitled to profit distributions, distributions from the reserves, or any liquidation surplus. If it is not possible to identify these people, then the (pseudo-)UBO under the fallback option is the individual who is a member of the executive management of the Partnership. This could be the partners in a VOF, the general partners in a CV and the partners in a partnership. The limited partner is excluded from the latter category. To avoid any doubt: the 'ownership criterion' means that a limited partner can still be the UBO of a CV.

### **4. Trusts**

Trusts are legal concepts that are predominantly found in Anglo-Saxon countries. A trust will almost never be established in the Netherlands. The UBOs of a trust (the founder, trustee, protector and the beneficiaries) will therefore almost never appear in the Dutch UBO register. They may however appear in foreign UBO registers. This could become different if these trusts are considered to be managed from the Netherlands.

# Netherlands



*Continued*

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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

Providing incomplete or incorrect information may cause an economic offense, resulting in a monetary fine of which the maximum amount is not yet clear. In addition, it is suggested by the government to implement a so called “notification obligation” for certain institutions and designated competent authorities. This notification obligation implies that the forenamed institutions (including legal and tax advisors) are obliged to report to the Commercial Register in case they have doubts as to the accuracy or absence of certain UBO information.

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# Poland



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

On 1 March 2018 Poland adopted the new Act on Anti-Money Laundering and Terrorism Financing which implements the 4<sup>th</sup> EU Money Laundering Directive. The new AML Act covers, among others, the issue of creation of the central register of the information on the UBO. The respective provisions on the central register are included in chapter 6, art. 55-71 of the AML Act.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The new AML Act will come into force as of 13 July 2018. However the regulations related to the UBO will come into force later, as of 13 October 2019. At the moment the executive acts related to the UBO (in particular how to make and submit requests for information, as well as the timelines for the provision of information) have not been issued by the Ministry of Finance yet.

**What is the official name of the register?**

Centralny Rejestr Beneficjentów Rzeczywistych (Central Register of Beneficial Owners).

**What is the URL of the electronic register?**

To be announced.

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

According to the legal definition in the draft act, the UBO is the natural person or persons who are the ultimate owner of the client or who control the client or the natural person or persons for whom or on behalf of whom the business relationship is established or an occasional transaction is carried out (art. 2 item 2. point 1 of the draft act).

Determination of UBO depends on:

- participation (more than 25 percent of shares or votes)
- function as a person authorized to manage financial and operational policy
- fulfilling the criteria of domination in the meaning of the Act on Accountancy
- function as a person occupying a senior management position, where none of the above criteria are met.

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

A company that fails to comply with the reporting requirements is subject to a financial penalty of up to EUR1 million (art. 150 of the AML Act).

# Portugal



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

A new Money Laundering Law (Law no. 83/2017, of 18 August) entered into force on 17 September 2017. Law no. 89/2017, of 21 August created the Ultimate Beneficial Owner's Central Register and entered into force on 19 November 2017.

Links:

- <https://dre.pt/application/file/a/108016630>
- <https://dre.pt/application/file/a/108029683>

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

Governmental Order no. 233/2018 of 21 August 2018 established the following deadlines for the filing of the first statement with the Beneficial Owner's Central Register:

- companies, branches and other entities subject to commercial registry incorporated until 1 October 2018 — between 1 January 2019 and 30 April 2019;
- other entities incorporated until 1 October 2018 — between 1 May 2019 and 30 June 2019;
- any entities incorporated after 1 October 2018, including companies and branches — within 1 month as of incorporation date.

The information in the Beneficial Owner's Central Register should be updated as soon as possible and within 30 days after the date of the event that causes a change to the registered data.

The shareholders are required to inform the company of any change to their significant information within 15 days after the date of the change.

By 15 July of each year, the company must confirm that the information provided to the Beneficial Owner's Central Register is up-to-date (or confirm such information in the annual reporting obligations of the company, where applicable). This rule regarding annual confirmation will not be required for the year of 2019.

**What is the official name of the register?**

Registo Central de Beneficiário Efetivo (Beneficial Owner's Central Register).

**What is the URL of the electronic register?**

The URL for the Beneficial Owner's Central Register is the following:  
<https://rcbe.justica.gov.pt/>.

**How can it be entered?**

The filing of statements requires a digital signature

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

Generally, the UBO is:

- the individual who ultimately owns or controls, directly or indirectly, a sufficient percentage of shares or the voting rights or of participation rights in the share capital of a company
- the individual exercising control by any other means over the company.

# Portugal



*Continued*

## **Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (Continued)**

Direct ownership is indicated where a natural person holds shares representing more than 25 percent of the share capital of the company.

Indirect ownership is indicated where shares representing more than 25 percent of the share capital of the company are held by:

- a company controlled by one or more natural people, or
- several companies that are under the control of the same natural people.

Evidence of control exists where:

- a parent company exclusively controls another company
- a company and one or more companies unrelated to it are placed under a single direction by virtue of a contract entered into with the first company or of statutory provisions of those other companies
- the board of directors or the supervisory body of a company and the corporate bodies of one or more companies that are unrelated to that company are mainly composed by the same individuals during the same financial year and until the elaboration of the consolidated financial statements
- the effective control of a company is exercised by a limited number of shareholders and the decisions regarding the company are mutually agreed between them.

## **Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

If the company does not keep an updated record of the identification elements of its UBO, it may be subject to a fine ranging from EUR1,000 to EUR50,000. In addition, public records (Commercial Registry Office) will indicate that entity failed to comply with the obligation of filing the UBO statements with the Beneficial Owner's Central Register.

Until reporting and correction obligations are fulfilled, the company cannot:

- distribute annual profits or advances on such profits
- enter into supply contracts, construction contracts or services contracts with the state and any other public entities or renew contracts in force
- bid for the concession of public services
- issue financial instruments that represent its share capital or may be converted into share capital and trade such instruments in the stock exchange/regulated market
- launch public offers of distribution of any financial instruments
- benefit from European structural and investment aids or state aids
- be a party to any transaction aiming at transferring property rights over real estate assets, either for a consideration or free of charge, or to any transaction aiming at creating, acquiring or selling any other rights in rem and guarantees over any real estate asset.

# Romania



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

A draft local law fully transposing the provisions of the 4<sup>th</sup> Anti-Money Laundering Directive is available on the anti-money supervisory authority's website (ONPCSB). KPMG in Romania has learned that a task force has been established to transpose the 4<sup>th</sup> Anti-Money Laundering Directive into national legislation.

At the end of October 2018, the Law draft for the implementation of the EU Directive 2015/849/UE was submitted for promulgation to the President. As it is supposed to replace in full Law 656. In early November 2018 an Appeal for unconstitutionality was submitted to the Constitutional Court of Romania. The Constitutional Court partially validated the objections of unconstitutionality. In this regard was issued Decision no.790/05/12/2018 published in Official Gazette. Currently the Draft law returned to the Senate in order to change the aspects considered unconstitutional.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

As the law transposing the provisions of the 4<sup>th</sup> Anti-Money Laundering Directive is not yet not adopted (and is unlikely to be adopted before the end of 2018), it is unclear when the UBO registers will be set up.

**What is the official name of the register?**

The draft law provides for the establishment of four central public registers:

- 1) a public register at the level of the Trade Registry for companies
- 2) a public register at the level of the Ministry of Justice for associations and foundations
- 3) a public register at the level of the National Agency for Fiscal Administration (ANAF) for fiduciary operations
- 4) a public register at the level of the Central Depository for companies listed on regulated markets.

**What is the URL of the electronic register?**

To be announced.

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

At a minimum, the beneficial owner includes:

- for commercial companies:
  - the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership over a sufficient percentage of the shares or voting rights sufficient to ensure control in that legal entity, including through bearer share holdings. This criterion is considered as fulfilled, for example, for a holding of at least 25 percent of the shares plus a share, or where, as an associate or shareholder of that company, a person has the

# Romania



*Continued*

## Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)? (*Continued*)

- power to appoint or revoke the majority of the members of the administrative, management or supervisory bodies
- a natural person who holds a senior management position where, after all possible means have been exhausted and provided that there are no grounds for suspicion, no natural person is identified through the above criteria or where there is any doubt that the identified person is the real beneficiary.
- for fiduciary operations:
  - the settler
  - the trustee
  - beneficiaries or, if not specified in the trust agreement and subsequently designated, the category of persons whose principal interest was the fiduciary contract
  - any other natural person exercising ultimate control over the trust by direct or indirect exercise of the right of ownership or by other means.
- for legal entities other than commercial companies, fiduciary operations and other entities or legal arrangements that administer and distribute funds:
  - the natural person who is the beneficiary of at least 25 percent of the goods, capital shares or shares of a legal person or other entities or legal arrangements, where the future beneficiaries have been determined
  - the group of persons whose principal interest is the constitution or operation of a legal person or an entity or legal arrangement where natural persons benefiting from a legal person or legal entity are not yet determined
  - the person or natural persons exercising control over at least 25 percent of the assets of a legal person or of an entity or legal arrangement, including by exercising the power to appoint or revoke a majority of the members of the administrative, management or supervisory bodies.

## Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?

Legal entities (except financial sector entities) that fail to meet the UBO registration requirements may be subject to a warning, or fines.

Individuals (obliged persons) who fail to meet the requirements are subject to a warning or fines ranging from RON25,000 to RON150,000 (about EUR5,550–EUR33,330).

National Bank of Romania may apply administrative sanctions to a designated entity up to 10 percent of the legal entity's annual turnover and to the responsible natural person, between 10,000 RON (EUR2,128) and 23,000,000 RON (EUR4,892,617).

For a financial institution other than those supervised by the National Bank of Romania, fines are increased for these legal persons by RON 5,000,000 (EUR1,063,820)

# Slovakia



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The Slovak National Council adopted amendments to the Slovak Anti-Money Laundering Act and other affected acts to implement the 4<sup>th</sup> EU Anti-Money Laundering Directive on 1 February 2018. Most provisions of the new legislation enter into force either on 15 March 2018 or on 1 November 2018.

Link: <https://www.slov-lex.sk/pravne-predpisy/SK/ZZ/2018/52/20180315>

Further, as of 1 February 2017, the Act on Register of Public Sector Partners had already introduced a similar concept — a central register for information on the UBO of selected entities — for public sector partners, i.e. entities receiving financial means, assets or other property rights from public resources. However, this act does not represent implementation of EU directive.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

Under the Slovak Anti-Money Laundering Act, the UBO of entities that are registered in public registers (e.g. commercial register, register of foundations) by 31 October 2018, must be filed with the relevant register by 31 December 2019.

Entities that are not registered in the public registers by 1 November 2018 must file their UBO information at the time of registration.

In addition, as of 15 March 2018, legal entities (excluding public sector entities) and purposeful property associations without legal personality are obliged to identify their UBO and keep and regularly update data about the UBO and data that establishes a position of the UBO, unless that data is contained in the verification document filed with the register of public sector partners.

Under the Act on Register of Public Sector Partners, public sector partners must have filed their UBO information with the Register of Public Sector Partners by 1 February 2017, or under certain conditions, by 31 July 2017.

**What is the official name of the register?**

Under the Slovak Anti-Money Laundering Act, information on the UBO should be included in the following registers:

- Commercial Register (*Obchodný register*)
- Register of Foundations (*Register nadácií*)
- Register of Non-Investment Funds (*Register neinvestičných fondov*)
- Register of Non-for-profit Organizations (*Register neziskových organizácií*).

These registers will serve as source registers for the Register of Legal Entities, Entrepreneurs and Public Authorities (*Register právnických osôb, podnikateľov a orgánov verejnej moci*).

Further, the Act on Register of Public Sector Partners establishes the Register of Public Sector Partners (*Register partnerov verejného sektora*).

# Slovakia



*Continued*

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## What is the URL of the electronic register?

### How can it be entered?

Commercial Register: [www.orsr.sk](http://www.orsr.sk)

Register of Foundation: <http://www.ives.sk/registre/startrnd.do>

Register of Non-Investment Funds: <http://www.ives.sk/registre/starttrnf.do>

Register of Non-for-profit Organizations: <http://www.ives.sk/registre/starttrno.do>

Register of Legal Entities: <https://rpo.statistics.sk/rpo>

Register of Public Sector Partners: <https://rpvs.gov.sk/rpvs>

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## Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?

Determination of the UBO depends on:

- participation (shares or votes)
- right to appoint managing or controlling body
- exertion of control in any other manner
- function as a legal representative, managing director, controlling body member or partner.

Generally, the UBO is:

- an individual who actually owns or controls entity and in favor of whom the entity operates its activity
- an individual person who is involved in legal entity via (direct or indirect):
  - at least 25 percent of shares, of voting rights, of economic interest
  - a right to appoint the managing or controlling body
  - comparable control.

For a foundation, a UBO may exist, which may be assessed based under special rules.

Note: Article 3 (6) of the 4<sup>th</sup> EU Anti-Money Laundering Directive has already been implemented in the Slovak Anti-Money Laundering Act.

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# Slovakia



*Continued*

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

Penalties under the Anti-Money Laundering legislation include:

- monetary fines up to EUR5 million
- publication of the decisions on the website of the financial information unit (for 5 years)
- withdrawal of a business license.

Penalties under the Act on Register of Public Sector Partners include:

- withdrawal of the state or municipalities from concluded contracts
- fines for the public sector partner (up to the economic benefit or EUR1 million)
- fines for statutory bodies or the UBO
- withdrawal of a public license (e.g. mining license)
- deletion from the register
- disqualification from position of a member of statutory bodies
- possibility that the state would not to meet its contractual obligations.

# Slovenia



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The Prevention of Money Laundering and Terrorist Financing Act (*Zakon o preprečevanju pranja denarja in financiranja terorizma (ZPPDFT-1)*) entered into force on 19 November 2016, implementing Directive 2015/849.

The provisions on the UBOs and the UBO register are found primarily in Articles 33-47 ZPPDFT-1.

Link: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO7132>.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

Within 1 year following the Law coming into force, business entities must determine the details about their UBOs (Article 176/1 ZPPDFT-1).

Within 14 months following the law coming into force, business entities must enter the details about UBOs into the UBO register (Article 176/2 ZPPDFT-1).

Within 2 years following the law coming into force, persons who are subject to the law must determine the UBO of their existing clients (Article 177 ZPPDFT-1).

The law also includes, among deadlines for determining of politically exposed persons and for entering changes to the data about UBO.

**What is the official name of the register?**

Register dejanskih lastnikov (The register of actual owners).

**What is the URL of the electronic register?**

[https://www.ajpes.si/Registri/Drugi\\_registri/Register\\_dejanskih\\_lastnikov/Splosno](https://www.ajpes.si/Registri/Drugi_registri/Register_dejanskih_lastnikov/Splosno)

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

According to the general definition, the UBO is every natural person who is the ultimate owner of the client or who supervises or otherwise controls it, or a natural person in whose name the transaction is being executed (Article 33 ZPPDFT-1).

For some groups of entities, the law sets out certain presumptions about who their UBOs are. Those entities are:

- economic entities
- entities without shares and foundations
- foreign funds, foreign foundations and similar foreign legal entities
- sole proprietors and self-employed persons
- sole member limited liability company
- direct or indirect budget users (Articles 35-40 ZPPDFT-1).

There is no uniform criteria for determining the UBO. Various thresholds (e.g. more than 25 percent share, controlling position) are used, among other things, as criteria for UBO, but these thresholds are not applicable to every entity.

# Slovenia



*Continued*

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**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

Fines for failing to enter the UBO into the register range from EUR6,000 to EUR60,000. The responsible person of the legal entity committing the offence is subject to a fine ranging from EUR400 to EUR2,000 (Article 167 ZPPDFT-1).

Other sanctions for failing to comply with the requirements include a fine for not keeping the data and documentation gathered to determine the UBO (Article 163 ZPPDFT-1).

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# Spain



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The Spanish legal framework with regard to the information duties on UBO is mainly included within:

- The Act 10/2010, 28 April, on the prevention of money laundering and financing of terrorism (hereinafter, the "Act 10/2010"); and
- The Royal Decree 304/2014 of 5 May, approving the regulation of the Act 10/2010 (hereinafter, the "Royal Decree").

The above legal framework was recently modified by virtue of the Royal Decree-Law 11/2018, 31 August, in order to be adapted to the Directive 2015/849 of 20 May, the Fourth Directive (the "Directive 2015/849").

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The Act 10/2010 entered into force on 30 April 2010. As of that date, all obliged subjects must identify the corresponding UBO by executing a notarial deed containing a 'responsible declaration' issued by a legal representative.

Additionally, by virtue of the Order JUS/319/2018, 21 March (the "Order"), which came into force on 28 March 2018, the Spanish companies subject to the obligation of filing their annual accounts before the Companies' Registry shall also include and file, together with the submission of the annual accounts for the financial years closed after 1 January 2017, the information regarding the identification of the UBO by completing an official form.

**What is the official name of the register?**

The General Counsel of Notaries has established a Database on Beneficial Owners. According to the Royal Decree, obliged subjects under the Act 10/2010 may have access to the database once they have executed the obligation to identify the UBO.

However, the register is not public. Indeed, the notarial deed containing the 'responsible declaration' is not registered with the Spanish Companies' Registry; rather, it is mentioned in every subsequent notarial deed granted by the company. Modifications to the declared status also need to be notarized through a new 'responsible declaration' (see, however, the comment related to the Order above).

Notwithstanding the above and within the framework of the Order, the Spanish Companies' Registry has already announced that the UBO information filed by the Spanish companies together with the annual accounts will be used for the establishment of a UBO public registry ('*Registro de Titularidades Reales*') which, in any case, is not yet available."

**What is the URL of the electronic register?**

The register is not yet public (see above).

**How can it be entered?**

Spain



Continued

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

According to article 4 of Act 10/2010, the beneficial owner is:

- the natural person or persons on whose behalf it is intended to establish a business relationship or intervene in any transaction
- the natural person or persons who ultimately owns or controls, directly or indirectly, more than 25 percent of the capital or voting rights of a legal person, or who by other means exercises control, directly or indirectly, over the management of a legal person; companies listed on a regulated market of the European Union or equivalent third countries are exempted
- the natural person or persons who ultimately own or control 25 percent or more of the property of a legal arrangement or entity that administers or distributes funds, or, where the beneficiaries of the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the entity or arrangement is set up or operates.

If there is no such person, the UBO is deemed to be the directors of the company.

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

Failing to comply with the obligations under the Act 10/2010 may constitute an infringement, that could be listed as a very serious (e.g. non-compliance with information requirements, non-collaboration with the authorities), serious (e.g. non-compliance with requirements to identify the real beneficial owner, formal identification of natural and legal persons starting business, non-compliance with due diligence duties) or minor infringement.

The mentioned infringements are subject to, among others, the following main penalties:

- Compulsory fines up to EUR10,000,000 in case of very serious infringements.
- Temporary restriction or even withdrawal of the administrative license, if applicable.
- Private or public warnings closure requirements within the EU
- Directors' banning for holding such positions in any companies for a maximum period of five (5) years."

# Spain



*Continued*

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)? (Continued)**

Serious infringements (e.g. non-compliance with requirements to identify the real beneficial owner, formal identification of natural and legal persons starting business, non-compliance with due diligence duties) are subject to a compulsory fine ranging from EUR60,001 to a maximum amount that is the greater of:

- 1 percent of the subject's net equity
- the amount of the transaction plus 50 percent of that amount
- EUR 150,000.

In addition to the penalty, a private or public admonition will be imposed for serious infringements.

Minor infringements are subject to a private admonition or a fine of up to EUR60,000.

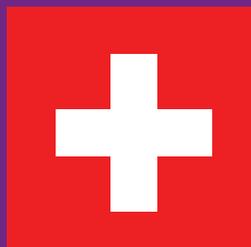
Failing to identify the UBO would be, in principle, a minor infraction that may entail a penalty of up to EUR60,000 and/or a private admonition. If there is evidence of money laundering, a failure to identify the ultimate shareholder may be qualified as a serious infraction involving a penalty of at least EUR60,000, plus a private or public admonition.

# Sweden



<p><b>Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?</b></p>	<p>Sweden implemented the EU 4<sup>th</sup> Anti-Money Laundering directive in Swedish internal law, which entered in force on 1 August 2017.</p>
<p><b>When have/when will the reporting requirements come into force? Are there any other relevant dates?</b></p>	<p>Newly registered companies and other legal entities must register within 4 weeks after incorporation of the legal entity.</p> <p>Companies and other legal entities that already existed on 1 August 2017 must register before 1 February 2018.</p>
<p><b>What is the official name of the register?</b></p>	<p>Beneficial ownership register.</p>
<p><b>What is the URL of the electronic register?</b></p>	<p>Search the register: <a href="http://www.bolagsverket.se/pb/etjanster/verklig-huvudman/sok">http://www.bolagsverket.se/pb/etjanster/verklig-huvudman/sok</a></p>
<p><b>How can it be entered?</b></p>	<p>Register UBO: <a href="http://www.bolagsverket.se/pb/etjanster/verklig-huvudman/annal">http://www.bolagsverket.se/pb/etjanster/verklig-huvudman/annal</a></p> <p>Filing information in and searching the register demands a Swedish e-identification, such as Mobile BankID.</p>
<p><b>Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?</b></p>	<p>A beneficial owner is a natural person who, alone or together with someone else, ultimately owns or controls a legal entity, or a natural person who benefits from someone who is acting on their behalf.</p> <p>For example, a beneficial owner is:</p> <ul style="list-style-type: none"> <li>— a person who, due to their shareholding or membership, controls more than 25 percent of the total number of votes in the legal entity</li> <li>— a person having the right to appoint or resign more than half of the legal entity's board members or corresponding management</li> <li>— a person who is able to exercise equivalent control through agreements with the owners, members or the legal entity, or through the provisions in the articles of association, through shareholder agreements or similar documents.</li> </ul>
<p><b>Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?</b></p>	<p>A monetary fine applies for failing to comply with the reporting requirements.</p>

# Switzerland



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

In order to comply with the recommendation of the Financial Action Task Force (revised in 2012), Switzerland implemented new laws that apply to all Swiss companies limited by shares (AG/SA) and to all limited liability companies (GmbH) and their shareholders. With some exceptions, the new laws entered into force on 1 July 2015.

Under Swiss law, there is no central register. Each entity has to keep its own register of beneficial owners. Such register is not publicly available.

As a general rule, any shareholder who acquires 25 percent of shares in an AG or a GmbH has to give notice to the company of the UBO. Also, as of 1 July 2015, Swiss entities with bearer shares must keep a register of shareholders, including the names and addresses of the shareholders.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The reporting requirements have been in force since 1 July 2015.

For shares held on 1 July 2015:

- for bearer shares, any shareholder must give notice to the company of the UBO, not later than 31 December 2015
- for registered shares in an AG and quotas in a GmbH, the notice requirement is triggered only on the acquisition of the shares. No action is required after July 2015 if no shares are acquired.

**What is the official name of the register?**

Register of the beneficial owners.

**What is the URL of the electronic register?**

Each entity keeps a register of beneficial owners. The register of beneficial owners is not publicly available. The register must be kept in such a manner that it can be accessed in Switzerland at any time.

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

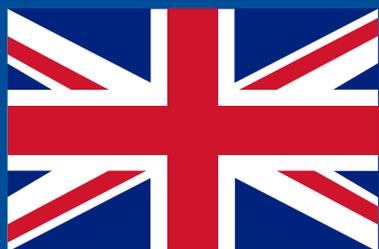
Any person who alone or by agreement with third parties acquires shares in a company and thus reaches or exceeds the threshold of 25 percent of the share capital or votes must within 1 month give notice to the company of the first name, surname and address of the natural person for whom it is ultimately acting (the beneficial owner). The UBO is always a natural person.

There is no notice requirement where the company's shares are listed on a stock exchange or the company is directly or indirectly held by a company who is listed on a stock exchange.

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

For as long as the shareholder fails to comply with their obligations to give notice, the membership rights conferred by the shares for which notice of acquisition must be given are suspended (penalty for shareholder).

# United Kingdom



**Please describe the current status quo of the legislation with regard to the central register for information on the ultimate beneficial owner (UBO) of companies (implementation of the 4<sup>th</sup> EU Money Laundering Directive)?**

The UK UBO requirements apply to all UK incorporated companies limited by shares (with the exception of companies listed on a European Economic Area (EEA) regulated stock market), companies limited by guarantee, unlimited companies, limited liability partnerships and *societas Europaea*.

The UK law establishes a Register of Persons with Significant Control (PSC). Where the PSC is a company, it is referred to as a Relevant Legal Entity (RLE).

Original legislation was introduced in 2016 and broadened to comply with the 4<sup>th</sup> Anti-Money Laundering Directive on 26 June 2017.

**When have/when will the reporting requirements come into force? Are there any other relevant dates?**

The original regime required having the register in place by 6 April 2016. All companies were required to record the information at Companies House in their first confirmation statement after 30 June 2016.

The updated regime applies as of 24 July 2017 for companies covered by the updated legislation of 26 June 2017.

**What is the official name of the register?**

Register of Persons with Significant Control.

**What is the URL of the electronic register?**

Not applicable. The public register can be found in the online company profile at Companies House (under the 'People' tab).

**How can it be entered?**

**Who is considered to be the UBO and what are the relevant thresholds for determination of the UBO (25 percent of direct/indirect shareholding/voting rights....)?**

The UBO registration requirements apply to individuals and entities who:

- (a) directly or indirectly holds more than 25 percent of the shares in the company
- (b) directly or indirectly holds more than 25 percent of the voting rights in the company
- (c) directly or indirectly, has right to appoint or removed the majority of the board of directors
- (d) an individual who has the right to exercise, or actually exercises, significant influence or control over the company (only applicable where (a) to (c) do not apply)
- (e) where a trust or firm would satisfy one of the first four conditions if it were an individual, any individual holding the right to exercise, or who actually exercises, significant influence or control over the activities of the trust or firm.

Note: KPMG in the UK sees criteria (a) to (c) most frequently.

**Which are the penalties, if the company fails to comply with the reporting requirements (e.g. monetary fine or other sanctions)?**

For individuals who fail to respond to the notice are committing a criminal offence, the company can freeze their interest in the company (e.g. restrict share transfers and right to vote or receive dividends).

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