

Companies Central Beneficial Owner Register



Ultimate Beneficial Owner (UBO) Register In Cyprus

On 20 May 2015, the European Council issued Directive (EU) 2015/849 (the "4th Anti-Money Laundering Directive"). The 4th Anti-Money Laundering Directive requires Member States to keep a central register of the beneficial or true owners of firms within their respective jurisdictions. Likewise, for trusts and other legal arrangements. In 2018 the European Council issued the Directive (EU) 2018/843 (the "5th Anti-money laundering Directive"), which amended the 4th Anti-Money laundering Directive. Under the revised provisions, EU Member States were required to launch publicly accessible registers of beneficial ownership of companies.

The 5th Anti-Money Laundering EU Directive was transposed into Cyprus Legislation through the Prevention and Suppression of Money Laundering Activities Laws of 2017–2021 (the "Law") on 23 February 2021. According to the Law, companies and any other legal entities incorporated in the Republic of Cyprus must obtain and hold adequate, accurate and current information on their beneficial ownership, including details of the beneficial interests held. The Law provides the establishment of a central beneficial owner register of the companies or other legal entities ("Entities" or "Entity"). The beneficial owner register (the "BO register") is a centralized register that contains information about the beneficial owners of Entities that fall under the Law.

Definition of Beneficial Owner

According to the Law, Beneficial Owner (hereinafter referred to as the "BO") 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:

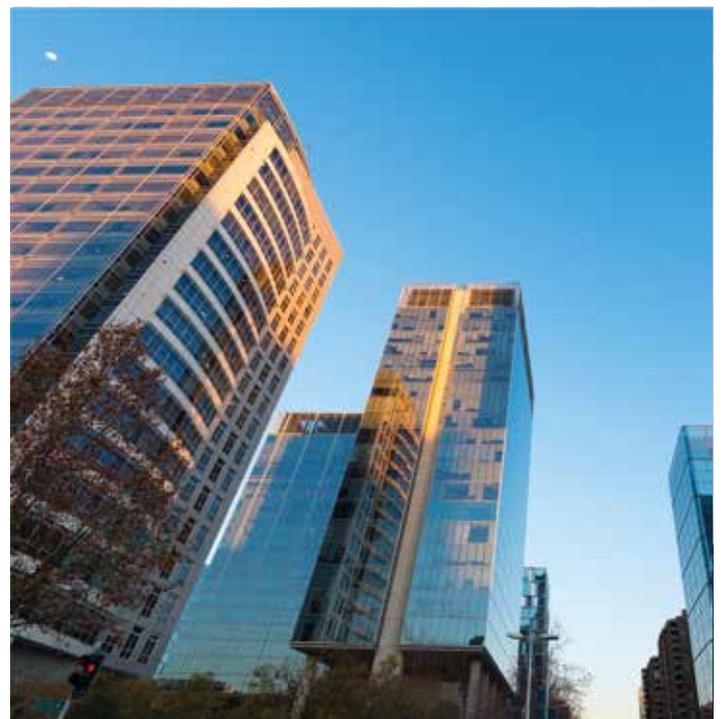
In the case of corporate entities:

(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 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% plus one share or an ownership interest of more than 25% in the customer held by a natural person shall be an indication of direct ownership.

A shareholding of 25% plus one share or an ownership interest of more than 25% 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 (3);

(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;



The BO Register

According to the Directive regarding the Central Register of Beneficial Owners of Companies and Other Legal Entities (the "Directive") of Registrar of Companies and Official Receiver (the "Registrar"), the Registrar maintains and publishes exclusively in electronic form the information regarding the BO register. Filing of beneficial ownership details with the BO register will be performed by entering the required information for each beneficial owner through an on-line portal.

Entities are considered:

- Companies incorporated or registered under the Companies Law Cap.113,
- European Public limited liability Companies

The Directive does not apply to the following companies:

- Company listed on a regulated market that is subject to disclosure requirements consistent with Union law
- Companies whose directors submitted an application for strike off pursuant to Article 327 (2A) (a) of the Companies Law, prior to the commencement of the Directive,
- Companies whose liquidation has been enacted before the commencement of the Directive,
- Overseas companies

Information to be filed

The information to be filed in the BO register for each natural person beneficial owner is the following:

- Name, surname, date of birth, nationality and residential address
- Nature and extent of the beneficial interest held directly or indirectly by each beneficial owner, including through percentage of shares, voting rights, or the nature and extent of the Significant influence or control with other means exercised by each controlling person
- Identification document number indicating the type of document and the country of document issuance (Identity card or passport).
- Date on which the natural person was entered in the register as beneficial owner and
- Date on there were changes in the particulars of the natural person or the date on which the natural person ceased to be a beneficial owner.

In Cases where the shareholding structure of a Cyprus entity registered in the Republic leads to **Trust/s, Foundation/s, Other similar legal arrangements or listed companies** as beneficial owner(s), the information to be submitted in the BO register is the following:

- Name
- Registration number (if any)
- Country of Jurisdiction
- Business address (not applicable to trust)
- Nature and extent of the beneficial interest held directly or indirectly by each beneficial owner, including through percentage of shares, voting rights or the nature and extent of the Significant influence or control with other means exercised by each controlling person,
- Nature and extent of the beneficial interest held directly or indirectly by each beneficial owner, including through percentage of shares, voting rights or the nature and extent of the Significant influence or control with other means exercised by each controlling person,
- Date on which the Trust, Foundation, Other similar legal arrangements and listed company was entered in the register as beneficial owner and
- Date on which there were changes in the particulars of a Trust, Foundation, Other similar legal arrangements and listed company or the date on which it ceased to be a beneficial owner for BO register purposes.

In case where **no natural person is identified as the beneficial owner** based on the ownership rights or when there is doubt that the person identified is the beneficial owner, the details of the senior management official must be submitted, indicating whether the person is a director in the company or whether it holds another position, by declaring that position. In this case, the nature and extent of the beneficial interest is not submitted on the system.

The responsibility for the submission of information lies with the Entity and its officials.

Timing of filings

It must be noted, that the interim solution has been developed to facilitate the collection of data required, on the basis of the 4th and 5th AML Directive. A period of **6 months, started from the 16th March 2021**, will be given to all existing entities to submit their BO's data onto the system.

In case of a change in the information of a BO, an entity and its officers must, **within fourteen (14) days** from the change, file onto the BO register the information regarding the new BO or the change on the details of an existing BO owner.

Entities registered following the 16th March 2021 (new entities), must, no later than **thirty (30) days** from the date of their registration, file electronically to the BO Registry, all information in respect of each of their beneficial owner.

During the period from 1st to 31st December of each calendar year, an Entity must confirm electronically, to the Registrar its beneficial owners. It is noted, that this requirement cannot be implemented via the interim solution. It will be implemented with the final system solution to be developed and entities will be informed accordingly by the Registrar.

Penalties (not applicable to the interim solution)

The responsibility for the true and accurate submission of the BO information lies with the Entity itself and any of its officers. It is highlighted that fines and penalties may be imposed to Entities and their officers that do not comply with the Registrar's Directives and the provisions of the AML Law regarding the recording of all requested BO data to the BO register. It must be noted that, during the interim solution no penalties will be imposed (i.e. 6 months from the date the BO registry's launch).

Access to information submitted to the BO register (partly applicable to the interim solution)

The BO register will become publicly available according to the provisions of the legislation. The following persons shall, in any case, have access to the information concerning the beneficial owner(s) through the electronic BO register:

a) Competent Supervisory Authorities, the FIU, the Customs Department, the Tax Department and the Police have fast and unlimited access without the submission of a fee and notifying the Entity;

b) Obligated entities, in the context of conducting due diligence and identification measures for the client as defined in the Law have access to the **name, month and year of birth, nationality and country of residence** of the BO as well as to the **nature and extent of the beneficial interest** held.

c) All members of general public have access to the **name, month and year of birth, nationality** and **country of residence** of the beneficial owner, as well as the **nature and extent of the beneficial interest** held.

It is noted, that for the interim solution access to the BO information will be granted **ONLY** to Competent Supervisory Authorities, the FIUs, the Customs Department, the Tax Department and the Police, without any restriction and upon submitting a written request to the Registrar of Companies. This means that **for the interim solution the search facility will not be available to obliged entities and any member of the general public.**

Competent Supervisory Authorities, the FIU, the Customs Department, the Tax Department and the Police have **unrestricted access** to the BO information.

Discrepancies (partly implemented with the interim solution)

A discrepancy exists in the case where the information provided in the Register of beneficial owners is inconsistent with the information the competent authorities and/or obliged entities have at their disposal. In these cases, the aforementioned authorities and/or entities must submit relevant documents and information evidencing the discrepancy.

For the interim solution, the discrepancy report will be implemented **only** for Competent Supervisory Authorities the FIU, the Customs Department, the Tax Department and the Police, upon written request to the Registrar of Companies.

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