

ATOZ ALERT



Luxembourg law implementing Directive EU 2015/849 - creation of a central register of beneficial owners of companies and legal entities

19 December 2018

Yesterday, the Luxembourg Parliament adopted the law creating a central register of beneficial owners of companies and legal entities (the “**Law**”). This alert summarises future obligations to be met, potential penalties in case of non-compliance and how we can assist you.

Creation of a beneficiary register named “RBE”

The RBE will be managed by the Luxembourg Trade and Companies Register (“**RCSL**”) which will be responsible for maintaining information on the beneficial owners (“**BO**”) of all entities registered in Luxembourg (SA, SCA, SARL, SCS, SCSp, SE, SNC, GIE, SAS, SC, FCP, Luxembourg branches created by foreign entities and associations) (the “**Concerned Entities**”).

Information concerning registration of information via the RCSL will be further detailed by a Grand Ducal Regulation still to be published.

Information to be registered with the RBE

A BO is to be considered as a natural person who ultimately holds a shareholding, controlling interest or ownership interest of at least 25% plus one share in a Concerned Entity. To the extent no such person exists, the person(s) holding senior managerial positions (*Dirigeant Principal*) in the Concerned Entities are considered as BO and must be recorded accordingly.

The following information will have to be registered for each BO: identity (name, first name, nationality, date and place of birth, country of residence, professional or personal address, official identification number), as well as the nature and extent of beneficial interests held.

Listed entities will only need to register the name of the market on which the shares are traded.

A Grand Ducal Regulation will provide further details on the supporting documents that must be submitted together with the filing, still to be published.

Maintenance of a BO file at the entity's registered office

Concerned Entities must keep an up-to-date BO file at their registered office, containing the same information as that which has been filed with the RBE. These files must be maintained at a Luxembourg address indicated in the liquidation (or migration) deed for a period of five years after the Concerned Entity's liquidation (or migration).

Timing for the registration of the BO information with the RBE

All Concerned Entities will have **six months** from the entry into force of the Law to comply with the registration obligations. The Law shall enter into force **the first day of the second month** following its publication with the *Journal Officiel*.

Any change to the BO information must be registered with the RBE within one month from the date the change was known or should have been known by the entity.

Any newly incorporated company will have to proceed with registration one month following its creation.

The Law imposes hefty fines for non-compliance with obligations.

Any lack of or late filing, non-compliance with the BO file preservation obligation, any deliberately wrong, incomplete or non-updated filing will be sanctioned by fines ranging from EUR 1,250 to EUR 1,250,000 which can be imposed on non-compliant Luxembourg entities and/or their representatives. Non-compliance can also be reported by the RCSL to the Luxembourg prosecutor's office.

Access to the RBE

The RBE will be accessible to the public, with the exception of the following information: the personal or professional address and national identification number.

How we can help you fulfil your obligations

- Determination on who shall be considered as beneficial owner(s) in given structures
- Preparation and compilation of the information and supporting documents to be filed based on information provided by the client
- Quality and consistency check of the client's completed information and supporting documents, prior to filing
- Handling the filing with the RBE
- All of the above when updates are necessary
- Review, analysis and problem-solving in case of refusal from the RBE
- Preparation, quality and consistency review of beneficial owner files kept by entities at their registered office
- Safekeeping of beneficial owner information on behalf of liquidated or migrated entities during the mandatory five-year period after their liquidation or migration
- Assistance in replying to requests from register/national authorities/self-regulation bodies/professionals in the context of beneficial owner information

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Can we help? Do you have further questions?



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