

ATOZ ALERT



Creation of a central register of beneficial owners of companies and legal entities

21 February 2018

On 6 December 2017, bill N°7217 (the **Bill of Law**) was presented to Parliament in the frame of the implementation of the Directive EU 2015/849 on the prevention and use of the financial system for the purpose of money laundering and terrorism financing. This alert summarises future obligations to be met, potential penalties in case of non-compliance and how we can assist you.

Creation of a non-public beneficiary register named “REBECO”

The REBECO will be managed by the Luxembourg Trade and Companies Register (**RCSL**) which will be responsible for maintaining and making information on the beneficial owners (**BO**) of all entities registered in Luxembourg available, except entities listed on a Luxembourg, European or any other recognised stock exchange (**Concerned Entities**).

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

Information to be registered with the REBECO

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 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, precise address, official identification number), as well as nature and extent of beneficial interests held.

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

Any change to the BO information will have to be registered with the REBECO within one month from the date of the change.

Maintenance of a Beneficial Owner 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 REBECO. 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 REBECO

All Concerned Entities will have six months from the entry into force of the law to comply with the registration obligations.

The Bill of 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 **fin**es 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 REBECO

The following categories of persons will have access to varying degrees of information included in the REBECO:

- National authorities
- Judicial authorities
- Professionals subject to the amended law of 12 November 2004 on the fight against money laundering and terrorism financing, within the framework of their customer due diligence obligations
- Self-Regulatory Organisations (Bar, Chamber of Notaries, IRE, OEC, Chamber of Bailiffs) exercising their supervisory function in the context of the fight against Money Laundering and Terrorism Financing
- Any resident person/organisation that can prove a legitimate interest

How we can help you fulfil your obligations

- Preparation and compilation of the information and supporting documents to be filed based on information provided by the client
- Quality and consistency check of client completed information and supporting documents, prior to filing
- Handling the filing with the REBECO
- All of the above for updates
- Review, analysis and problem-solving in cases of refusal from the REBECO
- Preparation, quality and consistency review of beneficial owner files to be 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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