



UFG WEALTH MANAGEMENT

# Introduction of public Register of Beneficial Owners in Luxembourg

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The Luxembourg Law "On Register of Beneficial Owners (RBE)" (hereinafter referred to as the Register) pursuant to the EU Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorism financing, which shall come into effect on March 1, 2019, was published on January 15, 2019.

As a result of adoption of the said law information regarding beneficial owners shall be subject to public disclosure.

Legal entities shall create and store actual file containing the data on their beneficial owners, which shall be presented in electronic form. The law provides for 6 months transition period (until August 31, 2019 inclusive) for presenting necessary information to the Register.

## I. Information to be presented to the Register

Provisions of this law shall apply to all legal entities incorporated in the territory of Luxembourg. Among the same are commercial companies (including SPF) and partnerships, including investment funds.

Information to be presented to the Register shall include:

1. beneficial owner name;
2. citizenship;
3. date and place of birth;
4. country of residence;
5. personal or business address;
6. identification code;
7. description of shareholding in the company.

The access shall be partially restricted - the address and identification code shall be inaccessible.

In any exceptional cases the access to full information may be restricted upon the request of the beneficiary itself (filing of certain application). Among exceptional cases are any situations in which the access to the information kept in the Register can expose to risk the beneficial owner, including the risks of fraud, theft, blackmail, violence, or the case when the beneficial owner is non-adult or has been declared legally incapable.

## II. Beneficial owner (UBO) definition

Any individual which owns or otherwise controls any legal entity or possesses the decisive voting right through indirect or direct holding of 25% of shares in such legal entity.

## III. Responsibility for non-observance of the provisions of law

The responsibility arises in the following circumstances:

1. untimely submission of documents;
2. distorted, incomplete or not updated information regarding the beneficial owner in the Register;
3. non-observance of the provisions of law on storing data on the beneficial owner at the registered office.

The amount of penalties with respect to any companies violating the requirements in regards to maintenance of the Register, as well as beneficiaries which failed to present timely any information required for file formation, shall vary between EUR 1 250 and EUR 1 250 000.

If some Luxembourg companies are included in the ownership structure, we recommend to monitor compliance with new requirements on the part of the company director.