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SG GROUP

Newsletter

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ULTIMATE BENEFICIAL OWNERS REGISTER:

Dear partners, dear clients,

As part of the fight against money laundering and terrorist financing, the European Union adopted the Directive (EU) 2015/849 (4th AML Directive) on May 20, 2015 and the Directive (EU) 2018/843 (5th AML Directive) on May 30, 2018 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

Luxembourg has therefore transposed these Directives by adopting on **13 January 2019** the law establishing the Register of Beneficial Owners, thus modifying the law of 19 December 2002 concerning the register of commerce and companies as well as bookkeeping and annual accounts of companies.

■ The Register of Beneficial Owners (RBE)³:

Under the supervision of the Ministry of Justice, the RBE will centralize and keep the information on beneficial owners of Luxembourg companies and other entities registered in the RCS.

Listed companies the securities of which are admitted to trading on a regulated market are exempt and the formation to disclosed will be limited to the name of the regulated market where the shares are admitted to trading.

■ The Beneficial Owner:

The law dated 12 November 2004 on the fight against money laundering and terrorist financing provides the definition of BO which means “any natural person(s) who ultimately owns or controls the customer or any natural person(s) on whose behalf a transaction or activity is being conducted.”

■ The information to be registered:

³ Article 2 of the Law of 13 January 2019

Article 3 of the Law of 19 January 2019 states that "The following information on the beneficial owner of registered entities shall be recorded and kept in the Register of beneficial owners:

1 ° the last name; 2 ° the first name (s);

3 ° the nationality (ies);

4 ° the day of birth; 5 ° the month of birth; 6 ° the year of birth; 7 ° the place of birth;

8 ° the country of residence; 9 ° Full private or professional address (...)

10 ° for persons registered with the National Register of natural persons: the identification number provided for by the amended law of 19 June 2013 on the identification of natural persons;

11 ° for non-resident persons none registered in the National Register of natural Persons: the foreign identification number;

12 ° the nature of the effective interests/stakes held by the BO(s);

13 ° the scope of the effective interests/stakes held by the BO(s). "

Sanctions:

The criminal sanctions are stipulated in articles 20 and 21 of the law of January 13, 2019.

The information provided must be adequate, accurate and up to date under penalty for the said entity of a fine ranging from 1,250 EUR to 1,250,000 EUR.

Furthermore, any modification of this information must be transmitted by the registered entity in the following month under the same penalty.

Finally, the law requires any beneficial owner to collaborate with the registered entity and to inform them of any changes under penalty of a fine ranging from 1,250 EUR to 1,250,000 EUR.

Accessibility of the Register:

The information of the register will be accessible by electronic means.

As part of their mission, the National Authorities⁴ will have a full access to the information recorded.

Furthermore, any member of the public will be able to consult the same information with the exception of the BE address and its national identification number.

Access will nevertheless be secured by a user authentication and by providing the precise reason for its consultation.

Timeline:

The law will enter into effect as of the 1st of March 2019.

All registered entities will have 6 months to comply with their obligations.

The information of the Register will be consulted at the end of this period.

⁴ Article 1 of the Law of 13 January 2019

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