



UBO Register

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Successful business transformation



The UBO register rose out of the 4th AML Directive which was adopted by the European Parliament on 20 May 2015 and is required to be implemented in the legislation of the Member States by 26 June 2017.

Objective

The directive is aimed at preventing the use of the financial system of the European Union for money laundering and terrorist financing.

Which entities are subject to the registration obligation?

All legal entities of a Member State and all corporate entities incorporated within the territory of a Member State are subject to registration obligations and required to provide, in addition to the customary information, information on UBOs. This information is required to be stored in a central register located outside the company.

Which information will be included in the register?

The following information on UBOs must be included in the register:

- name, month of birth, year of birth, nationality, country of residence, and the nature and extent of the beneficial interest held by the UBO
- relevant copies of identification and verification data and other relevant documentation on the identity of the UBO

Accessibility exemption

An exemption to having access may be provided on a case-by-case basis in exceptional circumstances where the beneficial owner may be exposed to the risk of fraud, blackmail, kidnapping, intimidation, violence, or where the UBO is a minor / otherwise incapable. The exemption does not apply to credit and financial institutions.

What is a UBO?

Ultimate Beneficial Owners are natural persons who have formal or effective control over an entity:

- a person who directly or indirectly owns a shareholding of more than 25%.
- or who has power (>25%) over such an entity;
- if no person as referred above can be identified, then persons holding the position of senior managing official.

Trusts are required to register the identities of the settlor, trustee(s), protector, beneficiaries and any person exercising effective control over the trust.

Which persons/entities will have access to the register?

- competent authorities and financial intelligence units of Member States
- obliged entities under the 4th AML Directive, for example banks, life insurance companies, investment institutions, accountants and notaries
- any person or organisation that can demonstrate a legitimate interest connected with combating money laundering and terrorist financing and associated predicate offences such as corruption, tax crimes and fraud

The term 'legitimate interest' has not been defined in detail by the European legislator, and therefore creates a lack of consistency in the application of these rules through EU Member States. A Member State can also opt to make the UBO register a public register and indeed the UK already has.

How can we help you ?

The KPMG 'UBO Register' team can help with an efficient management of the overall administrative processes to ensure clients are fully compliant with the new requirements, including:

- providing guidance on the duties and obligations in force at the level of both the corporations and officers
- health-checking the group structure, shareholders' registers, shareholders' agreements, and articles of association, to identify applicable requirements

- checking trust deeds to consider what rights a settlor or beneficiary has
- preparing relevant notices required and keeping the 'UBO Register' duly updated

In addition, the 'UBO Register' team can provide integrated corporate and tax compliance services across the globe. Our main Core Annual Service looks to assist clients with the routine corporate matters their entities face each year, including ongoing maintenance of corporate registers.

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