

# Ireland creates Central Public Register of Beneficial Ownership of Corporates



## On 29 July 2019, the Central Register of Beneficial Ownership launched in Ireland.

The Minister for Finance signed Statutory Instrument S.I No 110 of 2019, 'The European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2019' (the 'Regulations') on 22 March 2019.

The Regulations legislated for the creation of a Central Register of Beneficial Ownership of Companies and Industrial and Provident Societies in order to meet Ireland's obligations under the European Union (EU) Fourth and Fifth Anti-Money Laundering Directives.

The Regulations replace and expand the scope of regulations introduced in November 2016 which required companies and body corporates to set up a register of beneficial ownership. That obligation continues. In addition to the requirement to have a register of beneficial ownership, certain information must be filed on the Central Register with effect from its launch on 29 July 2019.

### How do you identify your Beneficial Owners?

A beneficial owner is an individual who owns or controls directly or indirectly:

- more than 25% of the shares;
- more than 25% voting rights;
- more than 25% ownership interest; or
- has the ability to control the company via other means.

In cases where no individual can be identified as a beneficial owner, details of the senior managing officials (which includes company directors) are entered in the register of beneficial owners.

### Corporate Central Register of Beneficial Ownership

The Regulations provided for the appointment of a registrar to be known as the Registrar of Beneficial Ownership of Companies and Industrial and Provident Societies (the '**Registrar**'). As the name implies, the Registrar will only accept filings for companies and industrial and provident societies. However, the Regulations apply to corporates or other legal entities incorporated in Ireland, such as ICAVs. Accordingly, it remains to be seen where such legal entities will file their beneficial ownership information.

### Who is obliged to file on Central Register?

The Regulations require all Irish incorporated companies to obtain, hold and file information on their beneficial owners and file their details on the Central Register.

Companies listed on a regulated market or subject to disclosure requirements consistent with the law of the EU or subject to equivalent international standards which ensure transparency of ownership information are exempt.

### What information is to be filed on Central Register?

The following information must be filed:

- i. The name, date of birth, nationality and residential address of each beneficial owner.
- ii. A statement of the nature and extent of the interest held, or the nature and extent of control exercised by, each beneficial owner.
- iii. PPS number of each beneficial owner to whom such a number has been issued (to enable the beneficial owner's identity to be cross checked and validated, the Registrar can only store a hashed version of the PPS number and may not disclose same).
- iv. Statutory declaration for each beneficial owner who has not been issued with a PPS number, for the purposes of verification of the person's identity.

### Deadline for delivery of information to the Central Register - 22 November 2019

Under the Regulations, the commencement date for the obligation to file on the Central Register was 22 June 2019 (although the Central Register did not go live until 29 July 2019).

Companies incorporated post 22 June 2019 will have five months from their incorporation date to file.

Companies in existence prior to 22 June 2019 have a filing deadline of 22 November 2019.

Thereafter, any change made to the beneficial ownership register of the company should be updated to the Central Register within 14 days.

## Who will have access to information filed on Central Register?

The public and Designated Persons will have restricted access to the following information for each beneficial owner:

- Name
- The month and year of birth
- Country of residence
- Nationality
- A statement of the nature and extent of the interest held, or the nature and extent of control exercised by, the beneficial owner.

The Central Bank, An Garda Síochána, the Financial Intelligence Unit, the Revenue Commissioners and the Criminal Assets Bureau are amongst the bodies that have access to all of the above information but will also have access to the full date of birth and residential address of the beneficial owner and may exchange this information with other EU Competent Authorities.

## Obligation to disclose beneficial ownership information to Designated Persons

If a company enters into occasional transactions or a transaction requiring customer due diligence to be applied by a Designated Person such as a credit institution, auditor, external accountant or legal advisor, the company must provide the Designated Person, on request, with information identifying its beneficial owners.

## Obligations of Designated Person to report discrepancies to Registrar

If the Designated Person or state authority (Garda, Revenue etc.) determines that there is a discrepancy between the information provided to them and the information filed on the Central Register they are obliged to report the discrepancy to the Registrar who may serve a notice requesting clarification.

## Prosecutions for failure to comply

A company that fails to comply with the Regulations shall be liable on summary conviction to a Class A fine or, conviction on indictment to a fine up to €500,000.

Offences under the Regulations may be brought and prosecuted by the Director of Public Prosecutions or the Registrar. The Registrar, at her discretion, may refer a case to the Director of Public Prosecutions where the case is one in relation to which the Registrar has reasonable grounds for believing that an indictable offence under the Regulations has been committed.

## How KPMG can help

KPMG's multi-disciplinary professionals are fully embedded in KPMG's audit, tax and advisory teams ensuring that we have a deep understanding of clients' issues and business and market trends.

Our Legal Services team can assist you with ensuring compliance with all aspects of the Regulations.

If you have any questions in relation to these measures, please feel free to contact your usual KPMG contact or any member of the KPMG Legal Services team.



## Contact us



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