

Register of beneficial owners for Associations

As of January 2018 all Maltese associations have a new obligation: identifying, recording and reporting their beneficial owners to the Registrar of Legal Persons.

IDENTIFICATION, RECORDING AND REPORTING

Which entities must comply?

The new rules apply to all associations established:

- for a private interest; or
- for the achievement of a social purpose or for the carrying on of any lawful activity on a non-profit making basis;

and this, irrespective of whether they are registered with the Registrar for Legal Persons or with any other registrar, commissioner, board or entity in terms of any special law and include co-operative societies, sports organisations and voluntary organisations in the form of associations.

What and how to disclose

Each association must keep adequate and up to date information on the beneficial owners, which shall include at least the following particulars: name; date of birth; nationality; country of residence, and an official identification document number indicating the type of document and the country of issue, of each beneficial owner; nature and extent of the beneficial interest held by each beneficial owner and any changes thereto; role of the relevant person in relation to the association; effective date on which a natural person became, or ceased to be, a beneficial owner of the association or has increased or reduced his beneficial interest in the association.

When to record and report

The reporting obligation arose as from 1st January 2018.

Where an association would have been established prior or after to the coming into force of the regulations, it has to submit a declaration to the Registrar for Legal Persons by the 30th June, 2019.

Penalties

Penalties for non-compliance by associations can reach EUR 500, whilst providing misleading, false or deceptive in a material particular consists of an offence liable on conviction to a fine of up to €5,000, or to imprisonment for a term up to six months or to both.

ACCESS

As of 1st April 2018 access to the above will be granted to a number of persons as follows:

- National competent authorities with designated responsibilities for combating money laundering and terrorist financing;
- Financial Intelligence Analysis Unit;
- National tax authorities;

- Any other national competent authority within the meaning assigned to it under the Prevention of Money Laundering and Funding of Terrorism Regulations not already covered above, for the purposes of fulfilling their statutory functions; and
- Subject persons in terms of the Prevention of Money Laundering and Funding of Terrorism Regulations, for the purpose of carrying out customer due diligence in accordance with the said regulations with reference to such association;
- Any person who satisfactorily demonstrates and justifies a legitimate interest specifically related to the prevention of money laundering and the financing of terrorism.

Exceptions

Access to information on a beneficial owner of an association may not be granted, if it can be justified that such access to such beneficial ownership information would expose the beneficial owner to the risk of fraud, kidnapping, blackmail, violence or intimidation, or whether the beneficial owner is a minor or otherwise incapable.

Can you make it on your own or do you need help?

At KPMG, we have a dedicated team of professionals who can help with an efficient management of the overall 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 legal entities, other legal arrangements, and officers.
- Analysing the implications of and identifying the manner of application of the new requirements.

In addition, our dedicated team and correspondents in other member firms 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, which will include preparing and keeping the 'UBO Register' duly updated.

Contact us



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