

Central Register Of Beneficial Ownership Of Companies

On the 22nd of March 2019 The European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2019 (S.I. No. 110 of 2019) (the "Regulations") were issued by the Department of Finance.

The Central Register of Beneficial Ownership ("CRBO") will be established to allow members of the public access to certain information contained on the Central Register, including the name, nationality and month and year of birth of beneficial owners. Access will not be granted to additional information such as their residential address, full date of birth or PPS number. However these items will be held and made accessible to government agencies such as revenue etc.

Filings will be accepted from 22 June 2019, while existing Irish companies will have until 22 November 2019 to make their filings (while companies incorporated after 22 June 2019 will have 5 months from incorporation).

Why Is This Required?

The creation of the Central Register In Ireland is required 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 to set up a register of beneficial ownership.

Who Is A Beneficial Owner?

"The natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means".

They are identified as an individual who owns or controls directly or indirectly:

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

In cases where no individual meets the thresholds to be a beneficial owner, details of the senior managing officials (including directors and the chief executive) are entered in the register of beneficial owners. However the company must keep records indicating actions taken to identify the beneficial owners.

Procedures for identifying Beneficial Owners:

Persons believed to be beneficial owners must be served with a notice by the company asking for confirmation of whether he/she is a beneficial owner and, if so, confirmation of the particulars required to be registered. The notice must state that a response will be required within one month.

If the company knows or has reasonable cause to believe that a change in beneficial ownership has occurred, it must serve similar such notices in order to determine whether a change has occurred.

CRBO filings must be kept up to date and there is an expectation that changes are notified within 14 days.

Who is obliged to file in the CRBO?

All Irish incorporated companies and body corporates to obtain, hold and file information on their beneficial owners

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 of Beneficial Owners must be included in CRBO filings?

- Name, surname and date of birth
- PPS number
- Nationality
- Country of residence
- Nature and extent of interest/control
- Residential address
- Date of entry & cessation as beneficial owner

What is the deadline for delivery of this information?

Deadline: 22 November 2019

- Filings will be accepted from 22 June 2019
- Existing companies have until 22 November 2019 to make their filings.
- Companies incorporated after 22 June 2019, have 5 months from incorporation to make filings.

Once details are filed the responsibility lies with the company to report changes to their beneficial ownership details as they occur.

What information on the CRBO is available to the public?

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

Note: Where the information requested from the CRBO is in relation to a minor the person seeking access will be required to set out in writing "grounds on which he or she considers it is in the public interest that the information be disclosed to him or her".

Note: Competent Authorities will also be granted access to this information including the residential address of the beneficial owner and the PPS number, and will be allowed to exchange this information with other EU Competent Authorities. Eg. An Garda A Síochana, Financial Intelligence Units, The Revenue Commissioners, Criminal Assets Bureau etc.

Obligation to disclose to Designated Persons:

Where a company enters into certain occasional transactions, eg. 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, information identifying its beneficial owners.

Obligations to report discrepancies to Registrar:

If Designated Persons or Competent Authorities determine 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.

Prosecution for failure to comply:

Failure to comply with the Regulations will leave the company or beneficial owner liable on summary conviction to a Class A fine or, conviction on indictment to a fine up to €500,000.

<https://www.cro.ie/Registration/Beneficial-Ownership>

Should you wish to discuss any of the topics highlighted in this article please do not hesitate to contact **DBASS** on 01- 849 88 00 were a member of our team will be delighted to assist you.