

News Flash

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New obligation to register ultimate beneficial owners in the Slovak Commercial Register

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With effective date **as of 1 November, 2018**, legal entities registered in the Commercial Register, which are **not public authorities or issuers of securities admitted for trading on regulated market**, are required to register into the relevant Commercial Register information regarding their ultimate beneficial owners (hereinafter the “UBOs”), on the basis of the Act No. 52/2018 Coll. which amends the Act No. 297/2008 Coll. on Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing (hereinafter the “Amendment”).

Broadening of AML obligations and identification of UBOs

Until the effective date of the Amendment, legal entities had to identify their UBOs* only in certain specific cases (e.g. while performing customer due diligence by an obliged entity under the Act No. 297/2008 Coll. on Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing (hereinafter the “AML Act”) or while registering public sector partners**).

The Amendment, however, introduces broader obligations in the AML area and, at the same time, amends other regulations relating to maintaining registers of legal entities, on the basis of transposition of the IV. AML directive (the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing).

**The definition of “ultimate beneficial owner” is provided in Section 6a of the AML Act.*

***The register of public sector partners is available online here: <https://rpvs.gov.sk/rpvs>. More detailed information in relation to register of public sector partners can be found in our newsletter named “Register of Public Sector Partners” available here: <https://accace.com/register-of-public-sector-partners-in-slovakia-news-flash/> <https://accace.com/register-of-public-sector-partners-in-slovakia-news-flash/%20>.*

New obligation to register UBOs in the Commercial Register

The most important change for legal entities are new requirements in the Act No. 530/2003 Coll. on the Commercial Register and amendments

and supplements to other legislation (hereinafter the “Commercial Register Act”).

Please note that the Amendment also concerns the registration of UBOs in non-investment funds, non-profit organizations providing services of public interest and foundations. In this newsletter, however, we primarily focus on obligations relating to **legal entities registered in the Commercial Register**.

Under the amended Commercial Register Act, the legal entities registered in the Commercial Register (e.g. limited liability companies and joint stock companies), which are neither public authorities nor issuers of securities admitted to trading on a regulated market **are obliged to register in non-public part of the Commercial Register** data in respect to their UBOs in the following extent:

- name, surname,
- birth certificate number or date of birth (if birth certificate number was not assigned),
- permanent residence or other residence,
- nationality,
- type and number of identification document and data establishing the status of an UBO.

The data regarding UBOs **are not publicly available**, as opposed to data listed in the Register of Public Sector Partners.

However, the data will be transferred from relevant registers to the Register of legal entities, entrepreneurs and public authorities maintained by the Statistical Office of the Slovak Republic.

The Statistical Office shall subsequently provide these data to designated public authorities as well as obliged persons under the AML Act^{***}, in order to fulfil their obligation to identify UBOs.

**** The obliged persons under the AML Act are, for example: a bank, an auditor, an accountant, a tax advisor, a legal entity or a physical person authorized to mediate sale, rent or purchase of real estate, an attorney, a service provider of property management or company service provider or a legal entity or a natural person authorized to provide services of organizational and economic advisor.*

Time frame for mandatory registration of UBOs

Legal entities, registered in the Commercial Register, which were established before 31 October, 2018, are required to submit an application for registration of data regarding UBOs in the relevant Commercial Register **at the latest by 31 December, 2019.**

The application for registration of UBOs is free of any court fees.

If these legal entities are registered after October 31, 2018, they will be required to record UBOs upon their registration, i.e. at the time of their original registration with the Commercial Register. The said legal entities are also obliged to update the information on UBOs when necessary.

Is it necessary to enter data on UBOs in the Commercial Register if they were already entered into the Register of Public Sector Partners?

The Commercial Register Act takes into consideration potential duplication of registration in case of legal entities which are obliged to be registered in the Register of Public Sector Partners.

The obligation for registration under the Commercial Register Act **does not substitute the registration of the public sector partner into the Register of Public Sector Partners.**

Our services

Do not hesitate to contact our attorneys from Accace Legal, o.z. that will provide you with complex legal services regarding registration of ultimate beneficial owners into the relevant Commercial Register (or other registers):

Karol Ďuriga, Senior Associate
E-mail: Karol.Duriga@accace.com
Tel.: + 421 2 325 53 000

Katarína Matejčíková, Senior Associate
E-mail: Katarina.Matejcikova@accace.com
Tel.: + 421 2 325 53 000

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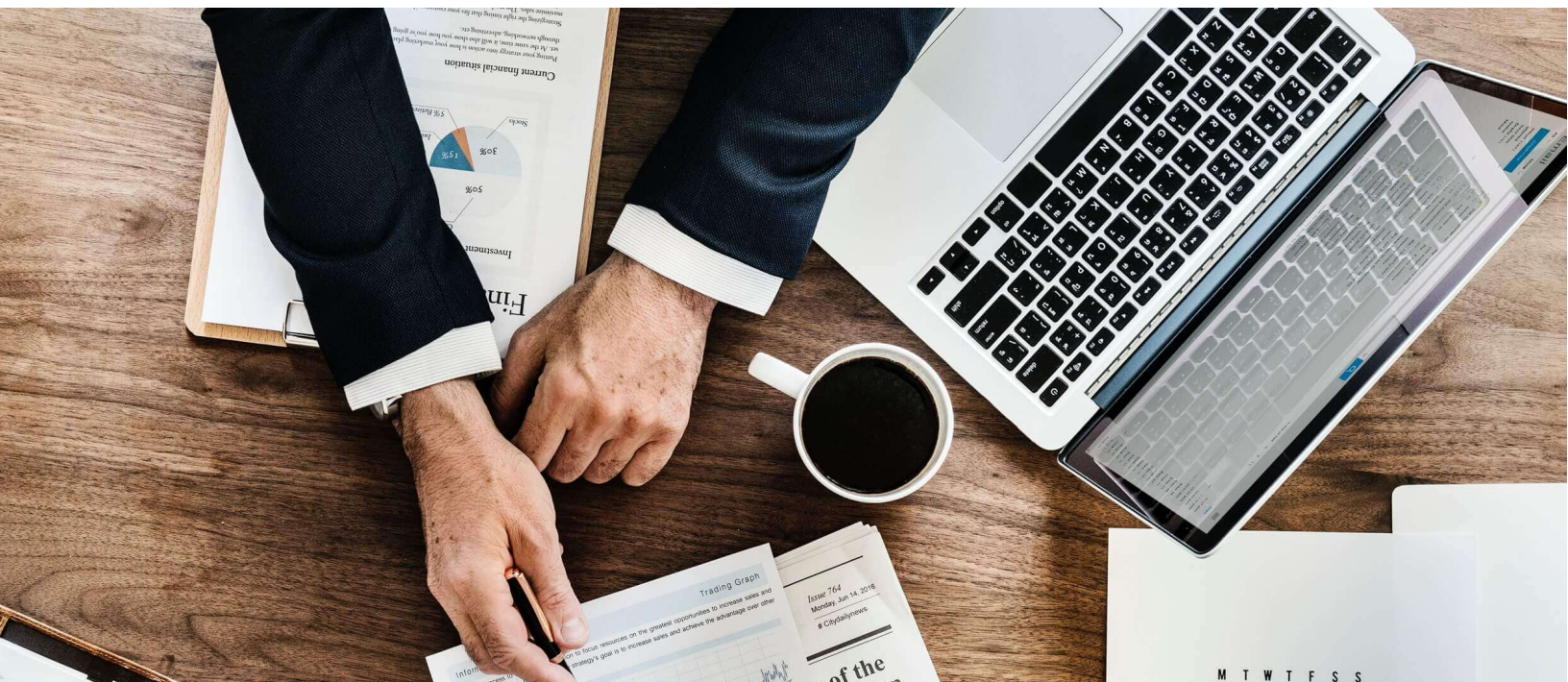
Author

Lubica Martináková

Associate

E-mail: slovakia@accace.com

Tel.: + 421 2 325 53 000



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