

Efforts to increase the transparency of ownership of legal entities has led to an extension of the data to be registered with the Slovak Commercial Register. **Obligation to register the ultimate beneficial owner now concerns almost every company registered with the Commercial Register**, and also not-for-profit organizations or foundations. Below we summarize new obligations.

## MANDATORY UBO REGISTRATION WITH THE COMMERCIAL REGISTER

### 1. Which entities are affected by the registration duty?

As of November 1, 2018, almost every legal entity registered with the Commercial Register is obliged to register its ultimate beneficial owner (UBO) with the Commercial Register.

Only the following entities are exempted from the above registration duty:

- a) public sector subjects,
- b) issuers of shares admitted to trading on a regulated market under specific circumstances,
- c) entities registered with the register of public sector partners.

### 2. What is the registration deadline?

The company is obliged to apply for the UBO registration with the Commercial Register **by December 31, 2019**.

### 3. What is a process of UBO identification?



Criteria specified by AML legislation (Act on Prevention of Legalization of Income from Criminal Activities) apply to the process of UBO identification.

In general, a UBO is considered as a natural person who actually manages and controls the company (e.g. person with a direct or indirect share of at least 25 % on voting rights, registered capital or on economic benefits); if no person meets the relevant criteria, then members of the top management are considered as the UBO and registered with the Commercial Register.

In comparison to the UBO registration with the Register of Public Sector Partners, there is no requirement to draft a verification document describing the process of the UBO identification. On the other hand, it is still necessary to **understand in detail the ownership and controlling structure of companies within the group, shareholding interests, regulation of voting or nomination rights**.

### 4. What data need to be registered?



The following data about the UBO need to be registered: name, surname, birth identification number / date of birth, residency address, citizenship, identification document data and circumstances that classify a person as the UBO.

Registered data are not publicly available; however, they can be disclosed upon a request to selected entities.

### 5. What penalties can apply?

Registry court is entitled to impose a penalty of **up to EUR 3,310** to the statutory body of the company either for failure to apply for the UBO registration within the statutory deadline or for using incorrect data in the application form.

### 6. What are other obligations linked with the UBO registration?

Under AML legislation, the company is obliged to keep and regularly update UBO data, including data classifying a person as the UBO – if not already registered in the Public Sector Partners Register, and to keep those data for 5 years once the person ceases to act as the UBO. Breach of this obligation could lead to a penalty of up to **EUR 200,000** (depending on circumstances of the breach).

The UBO registration with the Commercial Register does not replace the obligation to register the company with the Register of Public Sector Partners (relevant only if the company intends to become a public sector partner).

### 7. How can we help?



- ✓ assistance with the identification of your UBO,
- ✓ filing for the UBO registration with the Commercial Register on your behalf,
- ✓ advisory on how to keep and update UBO data in compliance with AML and GDPR legislation.