

SLOVAKIA

UNCOVERING OF ULTIMATE BENEFICIAL OWNERS NEW REGISTRATION DUTIES

On 1 February 2018, Act No. 52/2018 (the “**Act**”) which implements into Slovak law Directive 2015/849 of the European Parliament and of the Council (EU), the Fourth AML Directive, was adopted.

The Act introduces several new tools against money laundering and imposes an obligation on Slovak legal entities to keep and store data on their ultimate beneficial owner (**UBO**) in the relevant public register.

1. Storing Data on the UBO

Slovak legal entities that are not government subjects and special-purpose reserves without legal personality are obliged to identify their UBOs starting **15 March 2018**. They are also required to keep and regularly update the following information on their UBOs:

- a) First and last name;
- b) date of birth and birth identification number, if assigned;
- c) citizenship;
- d) nationality;
- e) type and number of ID document.

The information can be kept in electronic or paper form. The entities also have to keep records and have access to documents to determine and verify the status of a specific person as the UBO. Only entities registered with the Register of Public Sector Partners (**RPSP**) do not have this obligation if their verification documents published in the RPSP contain all relevant information.

Breach of this obligation is subject to a penalty of up to EUR 200,000.

2. Registration of UBOs

Slovak legal entities that are not government subjects and special-purpose reserves without legal personality are obliged to register information on their UBO with the relevant register (for example: Commercial Register, Register of Foundations, Register of Non-profit Organizations or Register of Non-investment Funds).

Slovak legal entities that are government subjects and issuers of securities admitted to trade on a regulated market that has to disclose information under a separate regulation will not have

REGISTRATION OF ULTIMATE BENEFICIAL OWNERS

an obligation to register their UBOs with the Commercial Register.

Registered information will not be available to the public, but only to limited government subjects and to obligated persons under the AML legislation.

The obligation is valid for new subjects from **1 November 2018**. Existing subjects must submit an application for registration of information on their UBOs to the relevant register by **31 December 2019**.

3. Who is a UBO?

The most significant term in the new legislation is the UBO (ultimate beneficial owner). The UBO is every natural person who controls the relevant entity and every natural person for whose benefit the entity carries out its business. The assessment shall be performed always with regard to the structure of the specific entity but the law stipulates the criteria that must be taken into account. Regarding legal entities registered with the Commercial Register and not traded on a regulated market, the UBOs are natural persons acting independently or in accord with another natural person and:

- a) directly or indirectly hold at least 25% of voting rights in the concerned legal entity or at least 25% of its registered capital;
- b) have the right to appoint or recall a statutory body, supervisory or controlling authority or any member of the same;
- c) control the legal entity in another way;
- d) have the right to at least 25% of the legal entity's profits.

If it is not possible to identify UBOs under the above-mentioned rules, the top management of the concerned legal entities, i.e. statutory body members, proxy holders and managers in direct control of the statutory body shall be considered as UBOs.

4. Relation to RPSP

The law introduces new obligations that will affect almost every entrepreneur in Slovakia. **Entities already registered in the RPSP** i.e. in the register where all domestic and foreign entities doing business with the public sector exceeding the statutory limits (EUR 100,000 of a one-off payment or EUR 250,000 of repeated performance over a one-year period); **will also have the obligation to register information on their UBOs in the relevant register.**

REGISTRATION OF ULTIMATE BENEFICIAL OWNERS

bpv BRAUN PARTNERS

Europeum Business Center,

Suché mýto 1

SK-811 03 Bratislava

Tel.: +421 2 33 888 880

www.bpv-bp.combratislava@bpv-bp.com

Our publications are prepared for general guidance on matters of interest only, and do not constitute professional advice. They do not and cannot take into account any specific circumstances, financial situation or needs of any reader; our readers should not act upon the information contained in this publication without obtaining independent professional advice first. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, bpv Braun Partners s.r.o., its members, employees, cooperating attorneys and tax advisers do not accept or assume any liability, responsibility or duty of care for any consequences of the reader, or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.