



Commercial Law Newsletter

September 2019

**Obligation to declare UBOs to the
Central Register**

A photograph of a row of law books on a shelf, partially obscured by a dark blue geometric shape in the bottom left corner of the cover.

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Obligation to declare UBOs to the Central Register

❖ **Obligated Entities**

Following the enactment of Law 4557/2018 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing ("**AML Law**"), as amended by Law 4607/2019, the Minister of Finance issued Ministerial Decision No 67343 EΞ 2019, as amended by Ministerial Decision No 73900 EΞ 2019, regarding the operation and registration procedure with the Central Ultimate Beneficial Owner Register ("**UBO Register**"), kept in the GSIS e-platform of the Ministry of Finance and regulated under articles 20 and 21 of the AML Law.

In particular, article 20 of the AML Law provides that legal entities which have their registered seat in Greece or are engaging in business activities which are taxable in Greece are under the obligation to collect and keep at their premises within a special register accurate, adequate and up to date information with regard to their ultimate beneficial owner ("**UBO**"). Such information includes the UBO's name and surname, date of birth, nationality, country of residence and the nature and extent of UBO's rights held. The legal representative of such entities or any person specifically authorized for this purpose by resolution of its competent corporate body is obliged to register the special register with the UBO Register through taxisnet.

❖ **Who does qualify as a UBO?**

Pursuant to the AML Law, the UBO is defined as:

- a) Any natural person who ultimately owns the company; or
- b) Any natural person who controls the company through direct or indirect ownership or control of a sufficient percentage of shares or voting rights or other property rights.

It is noted that a shareholding or ownership interest exceeding 25% constitutes evidence of direct ownership, whereas indirect ownership exists when a natural person holds the abovementioned shareholding or ownership interest through one or more legal entities



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that such person controls.

In case no natural person can be identified as a UBO or if there are doubts about such identification, the natural person holding the position of highest management executive of the legal entity is considered as a UBO.

❖ **Listed Companies**

Listed companies are automatically registered with the UBO Register through the interface between the Central Securities Depository and the GSIS e-platform and thus are exempt from UBO register requirements. On the other hand, it is expressly provided that subsidiaries and branches of domestic or foreign companies whose ultimate parents are listed in the Stock Exchange in Greece or abroad are under the obligation to register their listed ultimate parent as their UBO.

❖ **Registration period**

The registration will take place in three (3) stages via the GSIS e-platform as follows:

- Group A entities, indicatively including Shipping Companies, Foreign Companies of Law 89/1967 establishing an office in Greece, Law Firms and Public Notary Firms, have to register from 16/9/2019 to 14/10/2019.
- Group B entities, indicatively including Single Member Société Anonymes (MAE), Private Companies (IKE), Non-Greek Companies holding real estate in Greece, companies governed by public law, Joint Ventures, Foundations, Associations, Consortiums and Greek branches of foreign companies, have to register from 30/9/2019 to 1/11/2019.
- Group C entities, indicatively including Société Anonymes (AE), Limited Liability Companies (EPE), General Partnerships, Limited Partnerships and other forms of companies which do not fall under Groups A and B above, have to register from 14/10/2019 to 29/11/2019.

Every newly established entity which is required to comply with Articles 20 and 21 of the AML Law has to register with the UBO Register within sixty (60) days as of its establishment.

The same deadline applies in respect of the registration of any future change to already registered information to the UBO Registry.

Failure to comply with the aforementioned obligations within the specific timeframe set is punishable with denial of issuance of tax clearance certificate for the non-compliant entity and a fine amounting to 10,000€.



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❖ Access to the UBO Register

Full access to the UBO Register is granted to the Hellenic Anti-Money Laundering Counter-Terrorist Financing and Source of Funds Investigation Authority as well as to the competent prosecution or other audit authorities on the field of terrorist financing. Restricted access is permitted to other competent authorities and obliged entities for due diligence purposes, upon payment of an annual fee of one hundred (100) euros. Public access for individuals is permitted only for certain information upon payment of a special fee which amounts to twenty (20) euros for up to ten (10) searches.

❖ Data Retention

Data which has been registered, stored and reproduced in any way is kept online for five (5) years and maintained after that period within a database kept in the GSIS in accordance with the Greek and EU legislation on data protection law. It is noted that the GSIS is considered as a data processor with regard to the UBOs' process of information.

The present newsletter contains general information only and is not intended to provide specific professional advice or services.

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