

Preface

After the approval of the amendment law of Prevention and Suppression of Money Laundering Activities Laws in February, the Registrar of Companies announced on the 16th of February 2021, the implementation of the interim solution by the collection of data for Cyprus companies. Companies are given a period of 12 months (until the 12th of March 2022) during which period the information about the UBOs into the relevant interim reporting system should be submitted.

Purpose

Every Cyprus company or legal entity incorporated under the Companies Law, Cap 113 and any European public limited liability company, require to maintain adequate information on its beneficial owner(s) in the relevant registry of the Registrar.

The law does not apply to the following companies:

- ❖ Company listed on a regulated market that is subject to disclosure requirements consistent with the Union Law;
- ❖ Companies whose directors already submitted an application for strike off, as per the Cyprus Companies Law, before the commencement of the European directive;
- ❖ Companies whose liquidation has been enacted before the commencement of the European directive; and
- ❖ Overseas companies.

Definition of Ultimate Beneficial Owner (UBO)

A UBO is defined as any natural person who ultimately owns or controls the entity in question through direct or indirect ownership of 25% plus one of the shares, voting rights or ownership interest in that entity, or who exercises such control via other means.

If no natural person is identified, according to the above, or if there is any doubt that the person(s) identified is the UBO, the natural person(s) holding the position of senior managing official(s) will be reported as the UBO indicating his position in the company.

In case of corporate entities

- ❖ A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a natural person shall be an indication of direct ownership.

- ❖ A shareholding of 25% plus one share or an ownership interest of more than 25% in the customer held by a corporate entity, which is under the control of a natural person(s) or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership.

In case of trusts

- ❖ Settlor
- ❖ Trustee
- ❖ Protector (if any)
- ❖ Beneficiaries
- ❖ Any other person exercising ultimate control over the trust by means of direct or indirect ownership or by other means.

In case of legal entities such as foundations and legal arrangements similar to trusts, the natural person(s) holding equivalent or similar positions as indicated under the trust section.

Who will have Access?

The register will become publicly available after the expiration of the 6 months grace period of the interim solution. During the interim solution, access to the UBO Register, will be limited to competent authorities only without restrictions such as the:

- ❖ Police
- ❖ Tax authorities
- ❖ Central Bank of Cyprus and
- ❖ Cyprus Securities and Exchange Commission.

After the expiration of the grace period, obliged entities in the context of conducting due diligence and identification measures for the client will have access to the name, month and year of birth, nationality and country of residence of BO as well as to the nature and extent of the beneficial interest held, following the payment of EUR 3.50 per entity. Also after the expiration of the grace period, all members of the public shall have access to the name, month and year of birth, nationality and country of residence of the BO, as well as to the nature and extent of the beneficial interest held, following the payment of EUR 3.50 per entity.

Submitted information

The information will be submitted through the e-filing system of companies house portal, BKMS will organise each of the legal entities affected by the implementation of the UBO Register and submit the relevant information.

Info to be submitted for each natural person

- ❖ Full name
- ❖ Date of birth
- ❖ Nationality
- ❖ Residential address
- ❖ Nature and extent of the beneficial interest held directly or indirectly by each beneficial owner, including through percentage of shares, voting rights or the nature and extent of the significant influence or control with other means exercised by each controlling person;
- ❖ Identification card number or passport number
- ❖ Date on which the natural person became UBO
- ❖ When is applicable the date on which any natural person cease to be a UBO

Info to be submitted for trust, foundation, listed companies

- ❖ Name
- ❖ Registration number (if any)
- ❖ Country of jurisdiction
- ❖ Nature and extent of the beneficial interest held directly or indirectly by each beneficial owner, including through percentage of shares, voting rights or the nature and extent of the significant influence or control with other means exercised by each controlling person
- ❖ Date on which the trust, foundation, other similar arrangement and listed company was entered in the register as beneficial owner and
- ❖ Date on which any of the above cease to be a UBO (when applicable).

How can we help

If your business has been impacted by the above developments please contact us so we can provide you with assistance and support tailored to your specific needs.

We can assist with:

- ❖ Registration of your Company with the online portal (ARIADNI) which is a pre-requisite to the submission of the beneficial owner data;
- ❖ Perform UBO Assessments in order to collect all relevant beneficial owner information of your Company;
- ❖ Submit all relevant beneficial owner information with the online portal for and on behalf of your Company;
- ❖ Support you and your Company with all on-ongoing compliance requirements vis-à-vis the UBO Register; and
- ❖ Provide advice and support in respect of any restructuring of your Company.

ABOUT BKMS

With over a decade worth of experience and a prominent network of international clients, BKMS has established a reputation that speaks for itself. BKMS is covering a broad spectrum of industries, taking into account the required accounting treatment and tax implications as well as the challenging international regulatory framework. Client Trust and loyalty are the very fundament of every commitment undertaken by BKMS. Adherence to a strict policy of professionalism therefore results in continuously successful developments. BKMS is regulated by Cyprus Securities and Exchange Commission Registration No 96/196.

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