

CENTRAL REGISTER OF BENEFICIAL OWNERS – NEW OBLIGATIONS FOR COMPANIES

The Central Register of Beneficial Owners (CRBO) will launch on 13 October. This means that companies, including: general and limited partnerships, limited joint-stock partnerships, limited liability companies and joint-stock companies, will be required to provide the details of their beneficial owners to the CRBO and to update them on an ongoing basis. Companies which fail to provide the details of their beneficial owners within the applicable deadline will be liable to a fine of up to PLN 1 million.

Legal basis

The Act of 1 March 2018 on the Prevention of Money Laundering and Terrorism Financing (the “AML Act”) entered into force on 13 July 2018. The AML Act implements Directive (EU) 2015/849 of the European Parliament and of the Council, and the amended recommendations of the Financial Action Task Force on Money Laundering. The AML Act aims to boost the effectiveness of the national anti-money laundering and terrorism financing system, in particular through the establishment of a Central Register of Beneficial Owners (CRBO), which will launch on 13 October 2019. It will be supervised by the Minister of Finance.

Who is covered by the new regulations and what are the deadlines?

- General and limited partnerships, limited joint-stock partnerships, limited liability companies and joint-stock companies will be required to provide the CRBO with the details of their beneficial owners and update them on an ongoing basis.
- New companies, registered in the National Court Register (KRS) on, or after, 13 October 2019, will have 7 working days from the date of their registration in the KRS to report their beneficial owners’ data.
- Companies registered in the KRS before the launch of the CRBO will be required to provide the details of their beneficial owners by no later than 13 April 2020 (i.e., 6 months from the date of the CRBO’s launch).

The sole exception are publicly traded joint-stock companies, as they are already obligated to disclose the details of any of their shareholders holding more than 5% of votes on account of the shares they hold.

Beneficial owner

A beneficial owner is any natural person(s), exercising direct or indirect control over a company through their legal rights arising from legal or factual circumstances, which allows them to exert a decisive influence on the activities of, or actions undertaken by, the company. For companies which are legal persons, other than public companies, beneficial owners are understood to include:

- any natural person who holds ownership rights to more than 25% of the total number of the company’s stock or shares;
- any natural person holding more than 25% of the total number of votes in the company’s governing body (which also applies to individuals entitled to vote on the basis of a pledge or usufruct right, or under agreements concluded with other persons entitled to vote);

- any natural person exercising control over any legal person(s) which jointly own more than 25% of the total number of stock or shares in the company, or which jointly hold more than 25% of the total number of votes in the company's governing body (which also applies to individuals entitled to vote under a pledge or usufruct right, or under agreements concluded with other persons entitled to vote);
- any natural person who has the rights of a dominant entity with respect to a particular legal person;
- any natural persons who hold senior managerial positions in the company's structure, in cases where it is impossible to identify the natural persons who meet the criteria to be classified as a beneficial owner as stated above, or there exist doubts with respect to such identification.

Data and reporting process

The following details of the beneficial owner will be disclosed in the Register:

- first and last name;
- citizenship;
- country of residence;
- personal ID (PESEL) number or date of birth (for persons who do not have a PESEL number), and
- information regarding the size and nature of their shareholding, or the rights enjoyed by the beneficial owner;

Data will be reported electronically (using a qualified electronic signature or an ePUAP trusted profile), and free of charge, by a person authorized to represent the company; it will also be necessary to submit a statement, made under penalty of perjury, that the data submitted to the register is accurate.

The data in the CRBO concerning the beneficial owners will be publicly available and accessible free of charge.

Deadlines and penalties

The company must report any change in the information concerning the company's beneficial owners to the CRBO within 7 days of it occurring.

Companies which fail to provide the details of their beneficial owners within the applicable deadline will be liable to a fine of up to PLN 1 million.

Should you have any questions concerning the register, please contact the lawyers from our company law and corporate governance department:



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