



# Implementation of the UBO registration requirement in the EU/EEA countries

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# Introduction

*All EU Member States and EEA countries (Norway, Iceland, Liechtenstein)<sup>1</sup> had to introduce i) a public Ultimate Beneficial Ownership (UBO) register for companies and other legal entities by 10 January 2020 and ii) a private UBO register for trusts and similar legal arrangements by 10 March 2020. This obligation stems from the Fourth<sup>2</sup> and Fifth Anti-Money Laundering Directive<sup>3</sup> (jointly referred to as ‘the Directive’<sup>4</sup>). At this moment, most EU and EEA countries have implemented a UBO registration obligation for companies and other legal entities while a UBO registration requirement for trusts and similar legal arrangements (trustlikes) is still pending in some states.*

The various national UBO registers, both for companies and other legal entities as well as for trusts and similar arrangements, are linked via the European central platform,<sup>5</sup> which has not yet been fully functioning. The public UBO data can now

be retrieved either directly from the national UBO registers or via the platform.

The Directive prescribes a minimum level of implementation and countries may choose to introduce a more extensive registration obligation. A number of countries have indeed made such a choice. As a result, the UBO registers for companies and other legal entities within the EU and EEA have not been introduced uniformly. This was the reason why PwC decided to conduct a survey aiming at researching the differences between EU and EEA countries regarding the implementation of the UBO registers. The results of the survey prior to this one were published in December 2020.

This PwC publication serves as an update and addition to the December 2020 publication. It contains an overview of eight aspects on which the UBO registration for companies and other legal entities and trusts and trustlikes has been implemented differently in 27 EU and EEA countries and Gibraltar. The survey was completed on 31 December 2021 and was carried out by the Tax Knowledge Centre of PwC Netherlands with the help of PwC’s European network.

In Norway and Italy the UBO register is not yet fully implemented, so they are not included in the results. In Norway the UBO regulations are partly set into force and in Italy the implementation decree of the UBO register is expected to be published very soon.

The publication covers the following aspects:

1. Implementation of UBO registration for legal entities
2. Implementation of UBO registration for trusts and trustlikes
3. Minimum percentage for UBO qualification for legal entities
4. UBO definitions
5. Exemptions from registration obligation
6. Limitation of territorial scope
7. Registration period
8. Accessibility of UBO registration trustlikes

Below are the results from the study with some notable outcomes highlighted in the text.

<sup>1</sup> For the purposes of this publication, the term “EU and EEA countries” incorporates both the terms “EU Member States” and “EEA country” unless otherwise indicated in the text.

<sup>2</sup> Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, with EEA relevance.

<sup>3</sup> Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU, with EEA relevance.

<sup>4</sup> See [here](#) the consolidated text of the Directive (EU) 2015/849.

<sup>5</sup> [https://e-justice.europa.eu/489/EN/business\\_registers\\_search\\_for\\_a\\_company\\_in\\_the\\_eu](https://e-justice.europa.eu/489/EN/business_registers_search_for_a_company_in_the_eu).



# 1. Implementation of UBO registration for legal entities

## What does the Directive prescribe?

The Directive states that EU and EEA countries should require both corporate and other legal entities to obtain and hold information on their beneficial ownership and that this information should be held in a central register in that EU or EEA country.<sup>6</sup> This UBO register for legal entities should have been set up by 10 January 2020.<sup>7</sup>

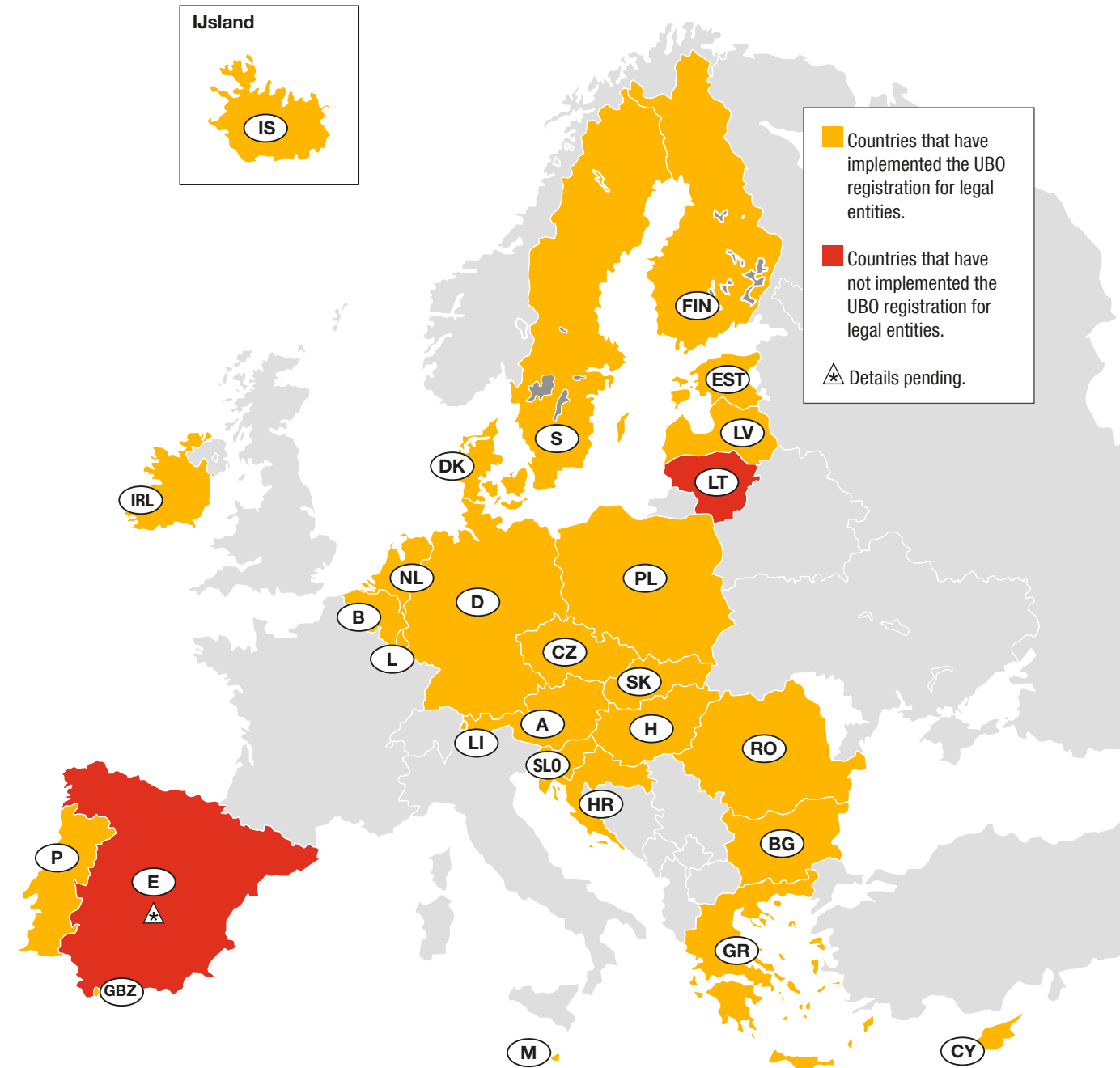
## Implementation EU and EEA countries

Although not every EU and EEA country has met the deadline of 10 January 2020, almost every EU and EEA country currently maintains a fully operational UBO register for corporate and other legal entities.

Lithuania and Spain are the only surveyed EU Member States in which the UBO register for corporate and other legal entities has not yet been fully implemented. Spain, however, has a functioning *national* UBO register. For practical purposes, the answers that apply to this national register have been included in the results of this study.

<sup>6</sup> Article 30 of the Directive.

<sup>7</sup> Article 67 of the Directive.



# 2. Implementation of UBO registration for trusts and trustlikes

## What does the Directive prescribe?

The Directive states that EU and EEA countries should require trustees of any express trust to obtain and hold information on their ultimate beneficial ownership and that this ownership should be held in a central register maintained in the respective EU and EEA countries. The information should include the identity of the settlor(s), the trustee(s), the protector(s), the beneficiaries, and any other natural person exercising effective control of the trust.<sup>8</sup>

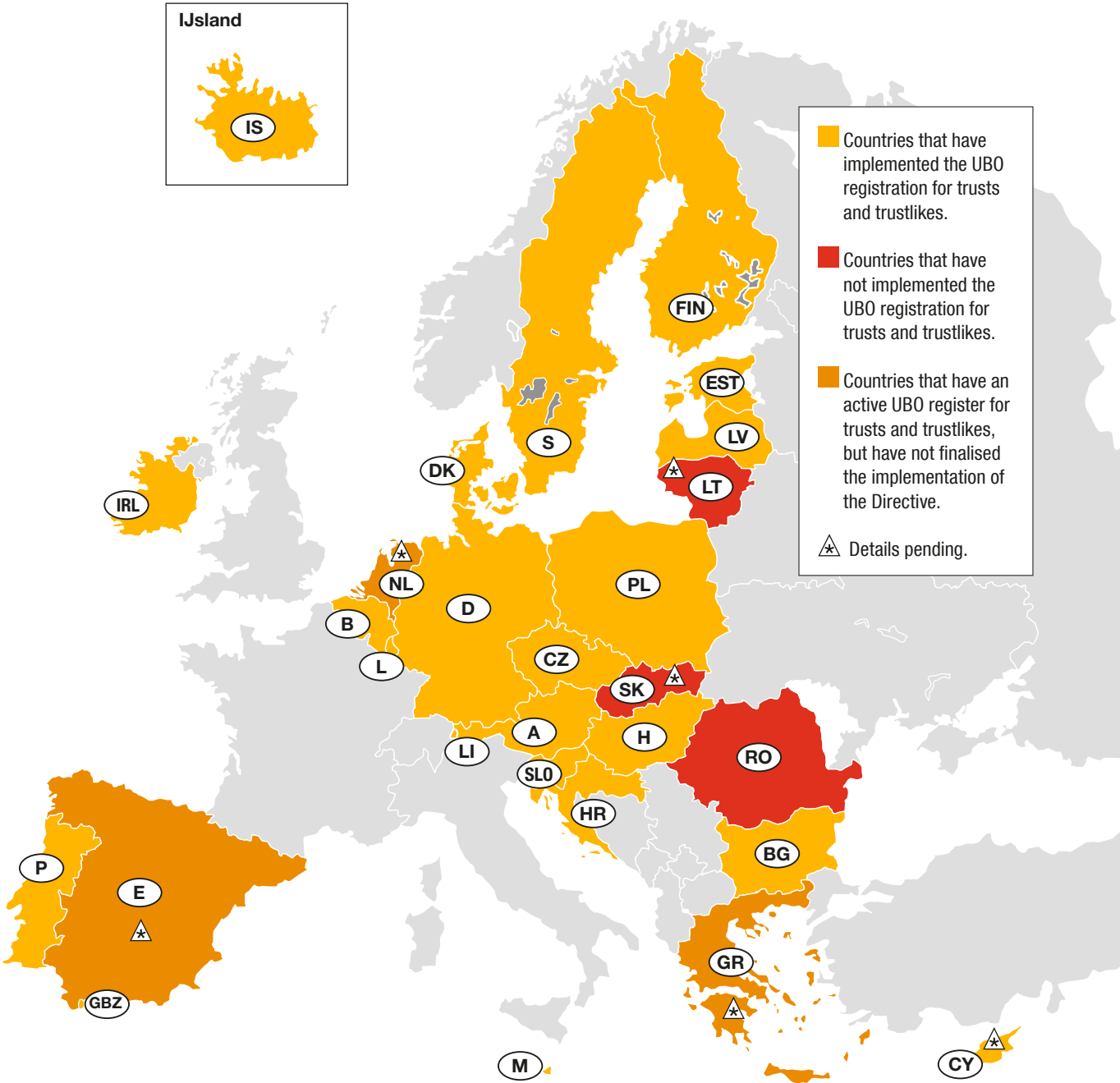
This register should have been set up by 10 March 2020.<sup>9</sup>

## Implementation EU and EEA countries

In some states there is a common UBO register in which both legal entities and trusts/trustlikes have to report their UBOs. Contrary to the UBO registration for corporate and other legal entities, more than a few countries have not yet (fully) implemented a UBO registration for trusts and trustlikes, despite the deadline of 10 March 2020. In some of the countries, there is no concrete perspective for an actual entry into force.

<sup>8</sup> Article 31 of the Directive.

<sup>9</sup> Article 67 of the Directive.



# 3. Minimum percentage for UBO qualification for legal entities

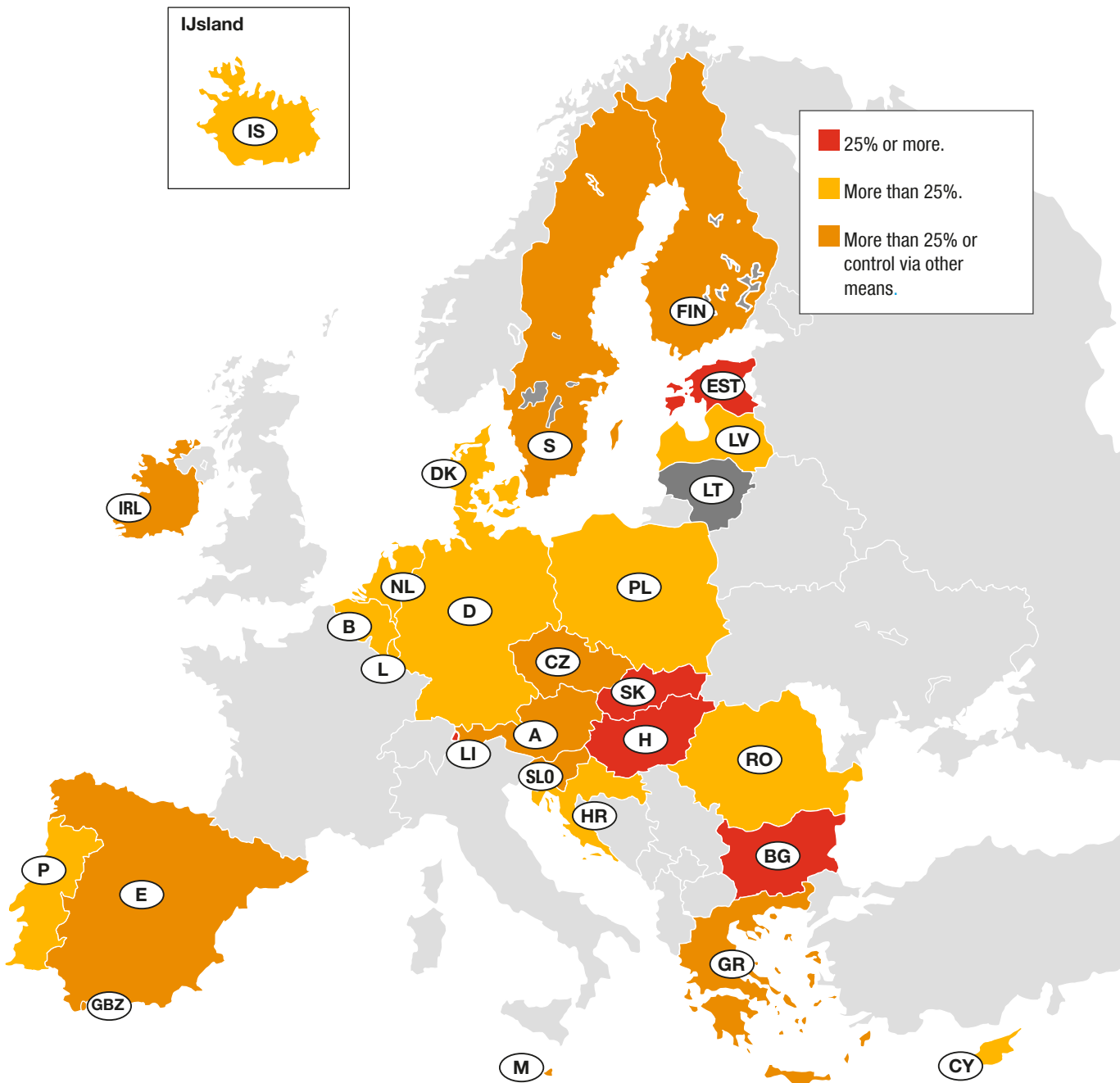
## What does the Directive prescribe?

The Directive defines a UBO for legal entities as follows: ‘any natural person(s) who ultimately owns or controls the client and/or the natural person(s) for whom/which account a transaction or activity is carried out’.<sup>10</sup> In the case of companies, this is met in any case if a direct or indirect ‘sufficient percentage’ of the shares, voting rights, or if ownership interest or control is held by other means. An equity interest of more than 25 percent (e.g. 25.1 percent) is taken as an indication for UBO qualification based on a direct interest. If a natural person controls a company that in turn has an interest of more than 25 percent in another company, this is regarded as an indication of an indirect interest.

## How have the EU and EEA countries implemented this aspect?

First of all, we note that the percentages of interest based on which a person qualifies as a UBO are fairly similar. The threshold prescribed by the Directive of ‘more than 25%’ (e.g. 25.1 percent) has been adopted by most countries while some of the EU and EEA countries surveyed have opted for the lower threshold of ‘25% or more’ (e.g. exactly 25 percent). The subtle difference between these two thresholds concerns the situation of a natural person with a 25 percent interest in a company; if a country has opted for a threshold of ‘more than 25%’, this person does not qualify as UBO. In Slovenia and in Malta, the threshold for registering a person as a UBO may even be lower than 25 percent if that person controls the respective business entity on a different basis (i.e., has a dominant position in respect to the management of the business entity’s assets or otherwise controls, directs or significantly influences the decisions of the management). Sweden, Czech Republic and Austria have similar regulations.

<sup>10</sup> Article 3 section 6 of the Directive.



# 4. UBO definitions

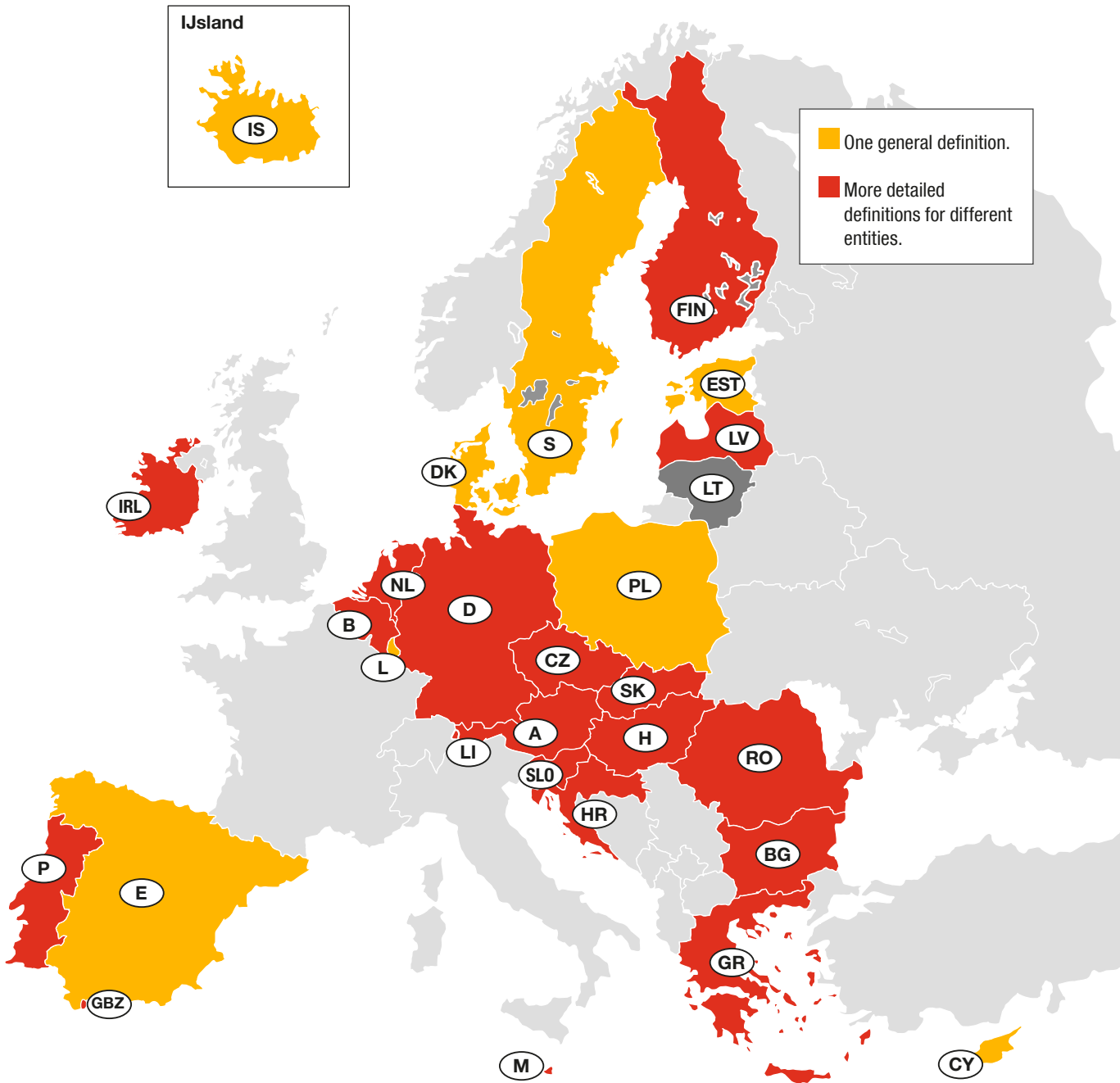
## What does the Directive prescribe?

The Directive provides for one general definition for a UBO which reads as follows: ‘any natural person(s) who ultimately owns or controls the customer and/or the natural person(s) on whose behalf a transaction or activity is being conducted.’<sup>11</sup> Furthermore, the Directive states that for corporate entities this at least includes the natural person that holds a direct or indirect sufficient percentage of the entity’s ownership, which was described in the previous paragraph 3, and, if there are no other UBOs, the natural persons who hold the position of senior managing officials. For trusts, foundations and legal arrangements similar to trusts this includes at least the settlor, the trustee(s), the protector, the beneficiaries, and any other natural person that exercises ultimate control over the trust.

## How have the EU and EEA countries implemented this aspect?

Most EU and EEA countries provide for one general definition for a UBO that applies to all corporate and other legal entities, which is based on the general definition of the Directive. Some EU and EEA countries, however, have opted for more detailed definitions for different entities. In Austria, for example, besides the definition for companies and other legal entities, a specific definition exists for trusts and foundations. Belgium differentiates between specific definitions for companies, (international) non-profit organisations and foundations, and fiduciaries, trusts or similar legal arrangements. Malta, besides differing definitions for companies, foundations, and trusts and trustlikes, has a different UBO definition for associations.

<sup>11</sup> Article 3 section 6 of the Directive.



## 5. Exemptions from registration obligation

### What does the Directive prescribe?

The Directive provides for an explicit exemption to the UBO registration for listed companies and their 100 percent shareholdings.<sup>12</sup> Apart from this point, the Directive does not seem to offer any leeway for additional exceptions to the UBO registration.

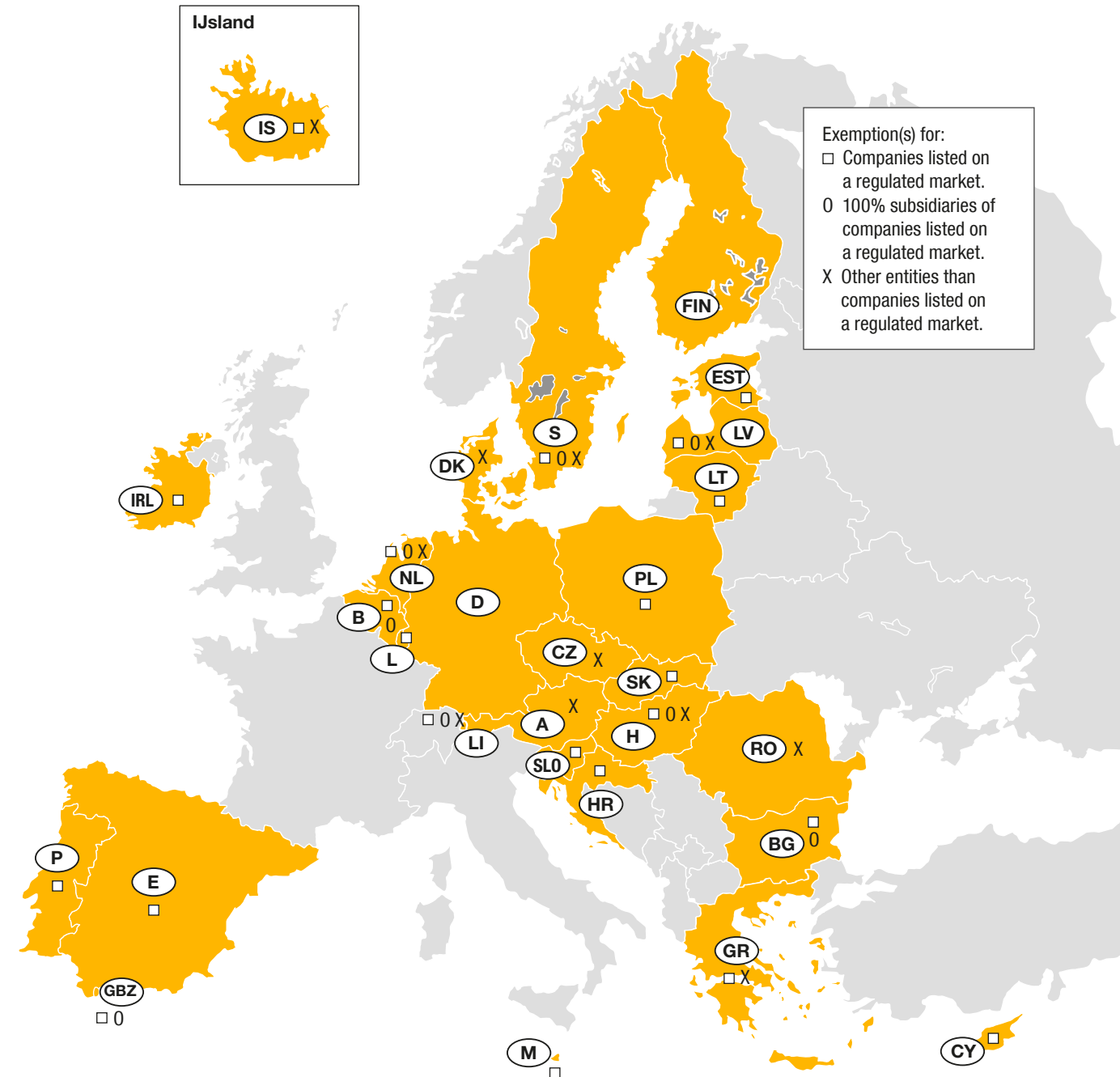
### How have the EU and EEA countries implemented this aspect?

Most EU and EEA countries have included exemptions to the UBO registration obligation. Most exemptions concern either companies that are listed on a regulated market or entities that are under direct or indirect control of public authorities.

Austria makes exemptions for agricultural communities, sole proprietors and churches. Initially, the Netherlands had made an exemption relating to churches as well, but on 10 December 2019 the Lower House of Parliament abolished this exemption, so that churches now also have to register their UBOs.

See more about the exemption for listed companies in this [article](#).

<sup>12</sup> Article 3 section 6 letter a sub i of the Directive.





## 6. Limitation of territorial scope

### What does the Directive prescribe?

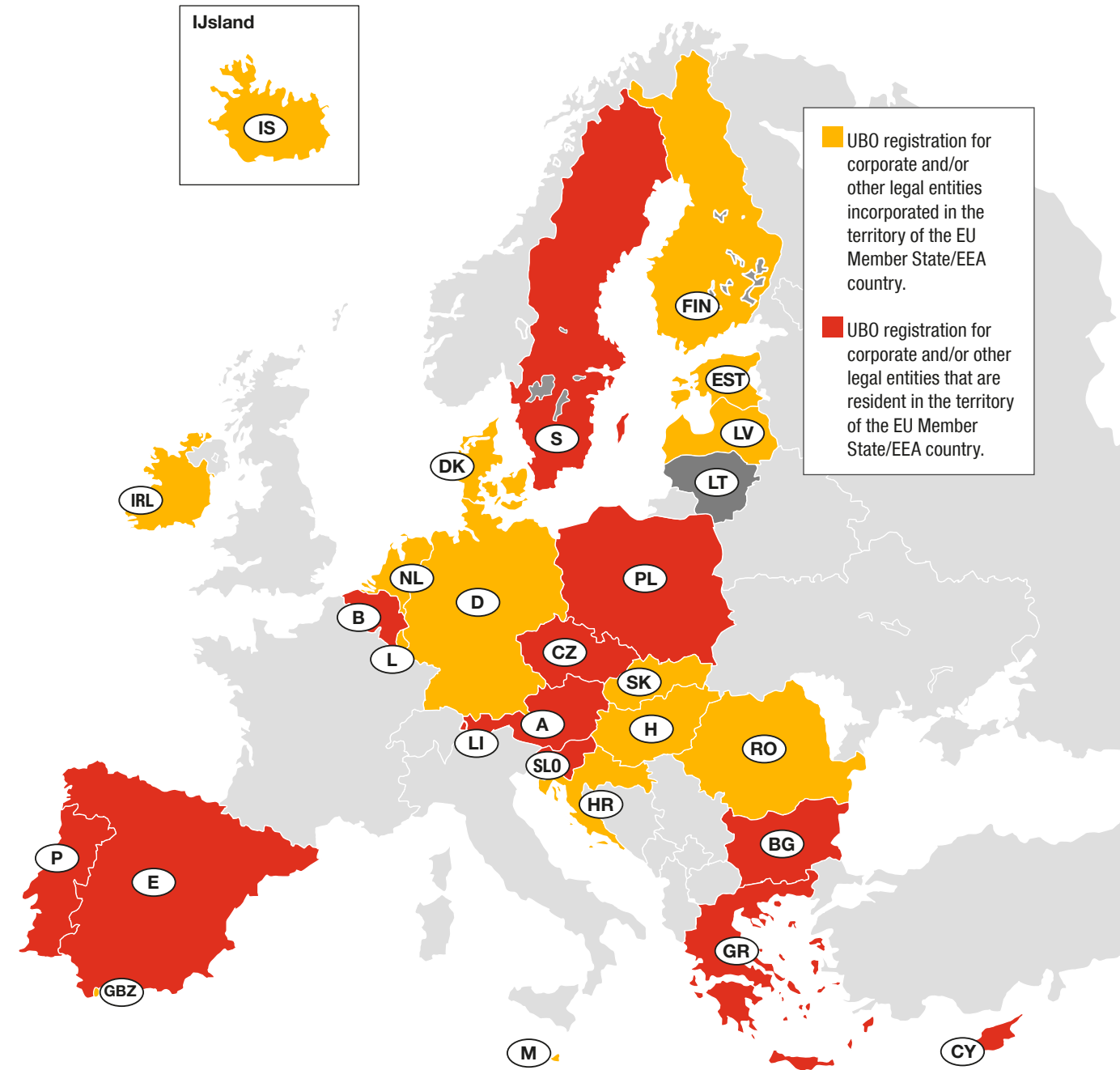
The Directive requires EU and EEA countries to register the UBO of *'companies and other legal entities incorporated in their territory'*.<sup>13</sup> Thus, the Directive does not require companies that are not incorporated under the law of an EU Member State or EEA country to be registered in that country's national UBO register. This applies even if they are established within that country.

### How have the EU and EEA countries implemented this aspect?

A few countries go beyond the Directives required minimum implementation and do not limit the UBO registration obligation to legal entities established within their territory. In Portugal, all foreign corporate entities that request a Portuguese taxpayer number in order to perform any activity

in Portugal (e.g. acquisition of a Portuguese company's shares) are also subjected to the disclosure of their UBOs. In Austria, a) companies and legal entities with registered offices in Austria as well as b) companies, foundations and comparable legal entities, whose registered office is not situated in Austria or in another Member State, provided that they commit themselves to acquire the ownership of a plot of land located in Austria, are obligated to register their UBOs. Other countries that do not limit the UBO registration obligation to legal entities that are established within their territory, use taxable activities from a legal entity within their territory or registration in the business register as motivations for UBO registration requirements for non-EU entities.

<sup>13</sup> Article 30 section 1 of the Directive.



## 7. Registration period

### What does the Directive prescribe?

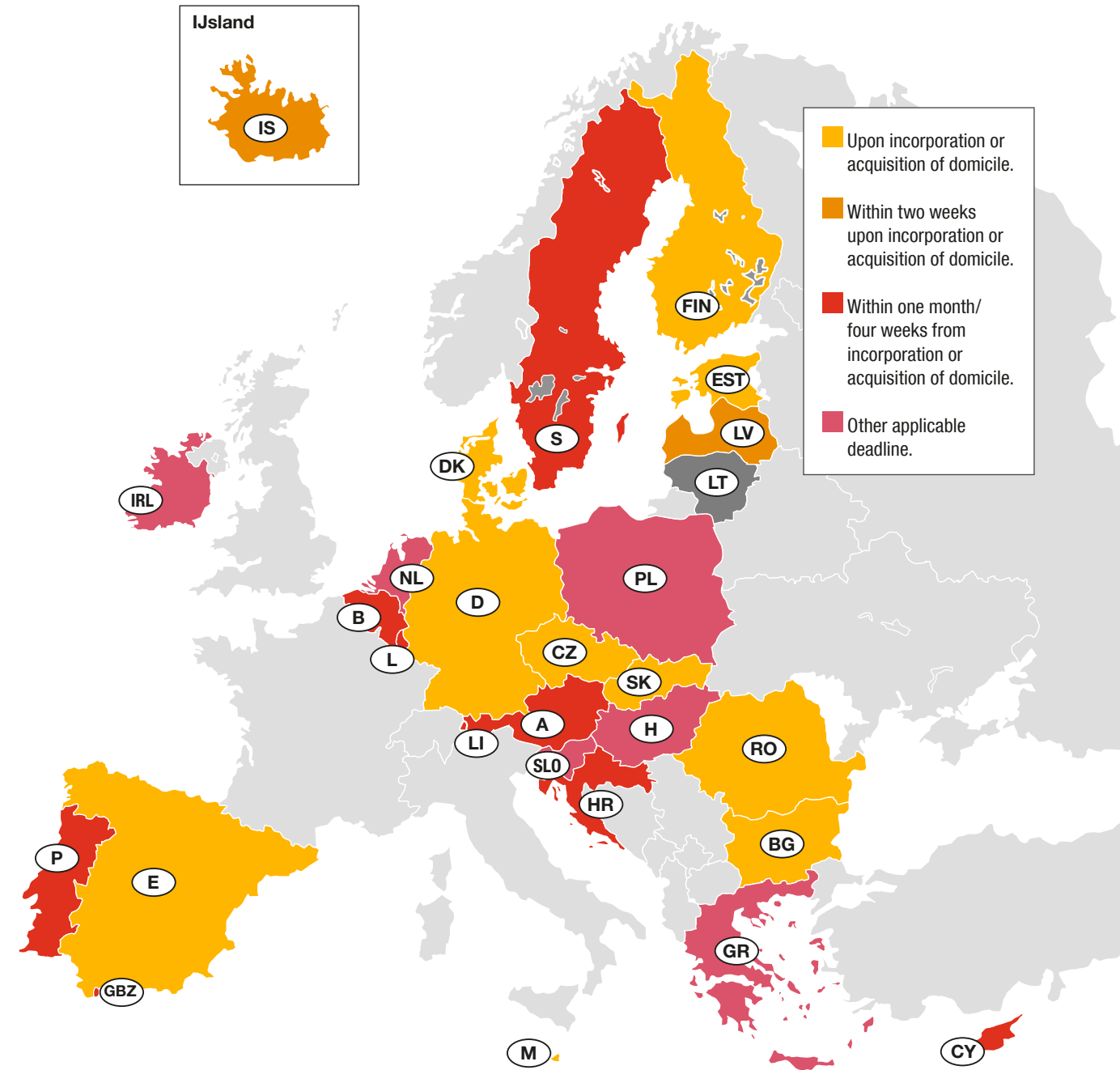
The Directive requires that the UBO information is 'accessible in a timely manner to competent authorities and Financial Intelligence Units' and that UBO information held in a public national UBO register is 'adequate, accurate and up to date'.<sup>14</sup> The Directive does not specify a concrete deadline by which, for example, any changes to UBO must be registered.

### How have the EU and EEA countries implemented this aspect?

Registration periods for UBO information vary among EU and EEA countries. Most countries apply a deadline of either thirty days or two weeks, or they require entities to register their UBO information upon incorporation or acquisition of domicile. Some noteworthy exceptions are Ireland and Slovenia. Ireland requires entities to register the information within 5 months from incorporation.

Slovenia requires entities to register their information within eight days from registration of the entity into the Slovene business register or tax register. In Poland, the deadlines vary depending on the type of the entity. Hungary applies a system where the banks holding the accounts of the entities are required to automatically forward the UBO information to the register. If an already established entity changes its UBO information, the registration deadlines vary across countries, but the deadline is never more than 30 days. In many countries, changes in the UBO are required to be registered immediately. Finally, the Netherlands applies a deadline of one week with regard to newly incorporated entities.

<sup>14</sup> Article 30 section 2, section 4 and section 5 of the Directive.



## 8. Accessibility of UBO registration for trust and trustlikes

### What does the Directive prescribe?

In addition to the UBO register for companies and other legal entities, the Directive requires the registration of UBOs of trusts and similar legal arrangements. Contrary to the corporate UBO register, the UBO registration for trust(s) may be private.<sup>15</sup> A private register means that the UBO information must be accessible to:

1. competent authorities and Financial Intelligence Units (FIU), without any restrictions,
2. obliged entities, in the context of customer due diligence,
3. any natural or legal person that can demonstrate a legitimate interest, and
4. any natural person or legal person submitting a written request concerning a trust or similar legal arrangement controlling an entity not subject to the UBO registration requirement.

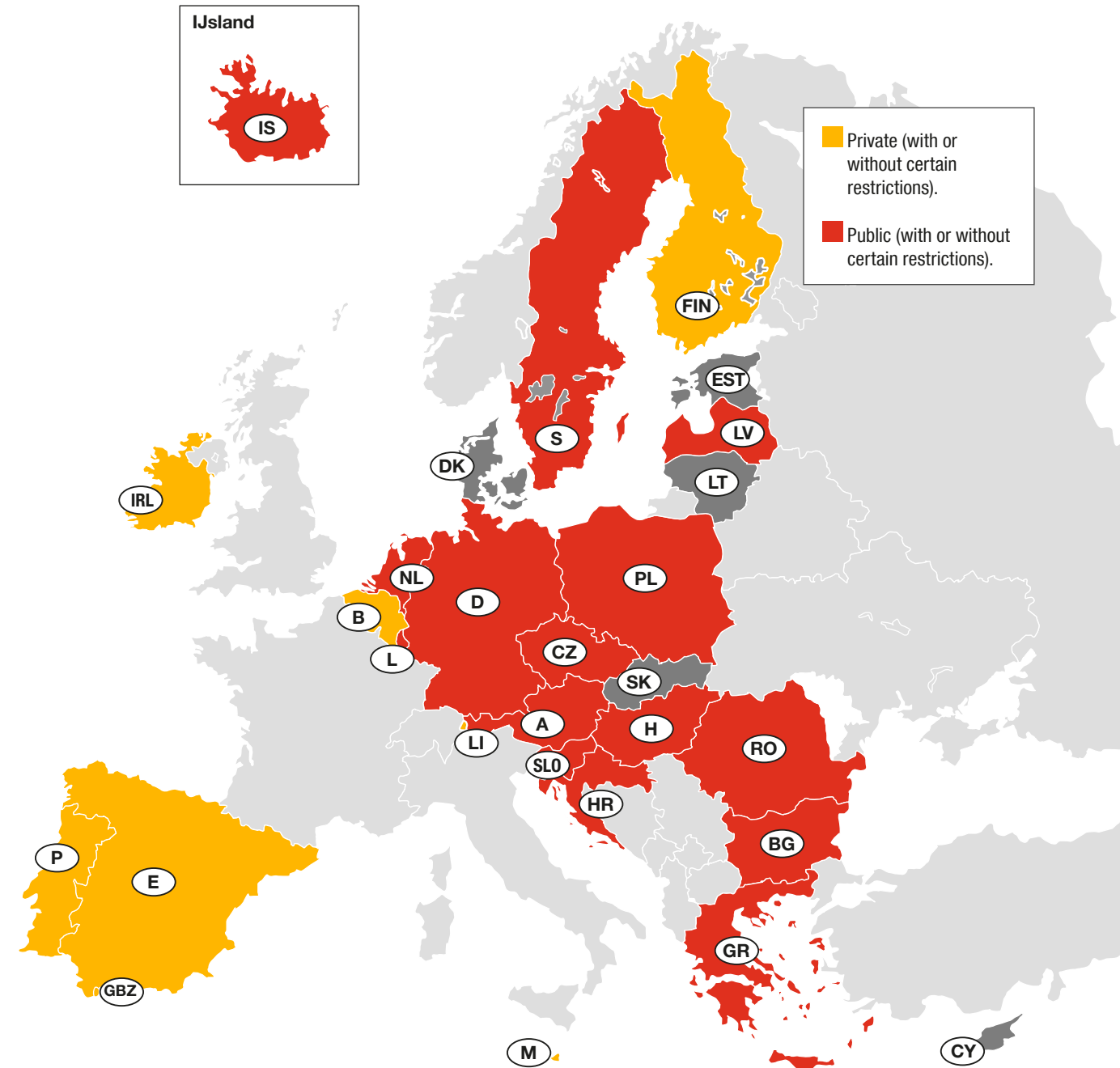
According to the Directive, persons or organisations in categories 3 and 4 must at least have access to the name, month and year of birth, nationality and country of residence of the UBO, as well as the nature and extent of the interest held.

The registration of the UBO data of trust(s) also requires the registration of information about the trust(s) in question. Not all EU and EEA countries have kept such records so far.

### How have the EU and EEA countries implemented this aspect?

Making this data publicly available raises questions about the privacy sensitivity of the register in several countries. Some countries have therefore decided to operate a private (i.e. restricted) register in line with the Directive. This means that third parties can only gain access to the UBO register if they have a legitimate interest. Quite a few countries, however, have made the UBO register publicly accessible for trust(s), some albeit with certain restrictions.

<sup>15</sup> Article 31 section 4 of the Directive.







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**Cyprus**  
**Czech Republic**  
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**Estonia**  
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**France**  
**Germany**  
**Gibraltar**  
**Greece**  
**Hungary**  
**Iceland**  
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This publication is a high-level overview of the implementation of the fourth and fifth Anti Money Laundering Directive (AMLD 4 and AMLD 5, respectively) into EU/EEA states' domestic tax laws. It includes information available on the national implementation of the AMLD 4 and AMLD 5 known as of **31 December 2021**. While any effort has been made to ensure the accuracy of the information contained in this publication, please contact your usual PwC contact for detailed information on the implementation of the AMLD 4 and AMLD 5.

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