

## Further changes to the beneficial owner registration rules

On 1 October 2022 an amendment to the Act on the Registration of Beneficial Owners came into effect, which again changes the existing legal regulation of beneficial owners. The amendment no longer distinguishes between the ultimate beneficiary and the person with ultimate influence and extends the scope of obliged entities.



### Beneficial owner

The act no longer distinguishes between the ultimate beneficiary and the person with ultimate influence in determining the beneficial owner, as the previous legislation did. Beneficial owner is now defined as any natural person who ultimately owns or controls a legal person or legal arrangement. In case of a corporation, beneficial owner is now defined as a person who:

- has a share in the corporation or a share in the voting rights of more than 25 %,
- is entitled to a share in the profits, other own resources or the liquidation balance of more than 25 %,
- exercises a decisive influence over a corporation or corporations that individually or collectively have a greater than 25% share in the corporation; or
- exercises a decisive influence over a corporation by other means - decisive influence in the corporation is exercised by one who, based on his own discretion, can directly or indirectly make the decision of the supreme body of the corporation conform to his will.

The amendment does not change the current method of determining the "substitute" beneficial owner.

### Mandatory registered persons

The amendment also narrows down the scope of entities that are exempt from the registration obligation. The obligation to register the beneficial owner newly also applies to:

- political parties and political movements,
- churches and religious societies and other legal entities according to the act regulating churches and religious societies,
- trade unions and employers' organisations,
- hunting associations,
- associations of unit owners.

### Deadlines and implementation

For persons who have not yet been required to register its beneficial owners, there is a 6-month deadline. The same deadline applies to registered persons who need to adjust their registration as a result of the changes described above.

The new data will be automatically entered into the register for most registered persons by 1 November 2022 (this does not, however, apply in cases where the person would have a different beneficial owner as a result of the amendment).

However, no entries may be made in the register until 31 October 2022.



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If you are currently dealing with this issue,  
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