



Cyprus Business Process Solutions News

The Register of Beneficial Ownership – Submission of data due by 12 March 2022

With reference to our previous alerts (Issues [13/2021](#), [02/2021](#) and [01/2021](#)), we would like to inform you that the submission of data concerning beneficial ownership is due by 12 March 2022 in accordance with the relevant [announcement](#) of the Department of registrar of Companies and Intellectual Property.

Legal background

In early 2021, the Cyprus government transposed the 5th EU Anti-Money Laundering (AML) Directive into Cyprus legislation, amending the [Law for the Prevention and Suppression of Money Laundering Activities](#) (“the law”).

Consequently, all companies and other legal entities that are incorporated or registered in the Republic of Cyprus are now obliged to identify and record onto the Beneficial Ownership (BO) Register all relevant information about their beneficial ownership.

Definition of Beneficial Owner

In accordance with the law, a beneficial owner is defined as any natural person(s) who ultimately owns or controls the Obligated Entity and/or the natural person(s) on whose behalf a transaction or activity is being conducted and includes at least:

- a) for corporate entities: the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity, including through bearer shareholdings, or through control via other means.

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.

- b) for trusts: the settlor; the trustee(s); the protector, if any; the beneficiaries, or where the individuals benefiting from the legal arrangement or entity have yet to be determined, the class of persons in whose main interest the legal arrangement or entity is set up or operates and any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means.
- c) for legal entities such as foundations and legal arrangements similar to trusts: the natural person(s) holding equivalent or similar positions to those referred to in point (b) above.

Obligated entities

Entities considered as “obliged entities” are the following:

- a) Companies incorporated or registered under the Companies Law Cap.113
- b) European Public limited liability Companies
- c) Partnerships. On the basis of a legal opinion recently obtained from the Attorney General’s Office, partnerships are considered to be legal entities and as such they must disclose BO details in the register. This will be implemented with system amendment for which a relevant announcement will be published by the Registrar of Companies in due course.

The Directive does not apply to the following entities:

- a) Companies listed on a regulated market that is subject to disclosure requirements consistent with EU law
- b) Companies whose directors submitted an application for strike off pursuant to Article 327 (2A) (a) of the Companies Law, prior to the commencement of the Directive (12 March 2021)
- c) Companies whose liquidation has been enacted before the commencement of the Directive (12 March 2021)
- d) Overseas companies (branches).

All entities whose strike off or liquidation has been enacted after 12 March 2021 are obliged to record the details of their beneficial owners in the BO Register.

The law also provides for the creation of a BO Register for trusts. The information to be entered in the register shall include the identity of the settlor, the trustee, the protector, the beneficiaries and any other natural person exercising effective control over the trust. The information will not be accessible to the public, but it can be accessed only by competent regulators or supervising authorities. This register shall be maintained by the Cyprus Securities and Exchange Commission (SEC), however no official guidance has been issued yet.

Information to be filed

A. For natural persons

The information to be filed in the BO Register for each natural person who is the beneficial owner is the following:

- a) Name, surname, date of birth, nationality and residential address
- b) 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
- c) Identification document number indicating the type of document and the country of document issuance (Identity card or passport)
- d) Date on which the natural person was entered in the register as a beneficial owner
- e) Date on there were changes in the particulars of the natural person or the date on which the natural person ceased to be a beneficial owner.

In the event where no natural person is identified as the beneficial owner based on the ownership rights or when there is doubt that the person identified is the beneficial owner, the details of the senior management official must be submitted, indicating whether the person is a director in the company or whether it holds another position, by declaring that position. In this case, the nature and extent of the beneficial interest is not submitted on the system.

B. For Trusts/Foundations and other legal arrangements

Currently, in cases where the shareholding structure of a Cyprus Entity registered in the Republic, leads to Trust/s, Foundation/s, Other similar legal arrangements or listed companies as being the beneficial owner(s), the information to be submitted in the BO register is the following:

- a) Name
- b) Registration number (if any)
- c) Country of Jurisdiction
- d) Business address (not applicable to trusts)
- e) 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
- f) Date on which the Trust, Foundation, Other similar legal arrangements or listed company was entered in the register as beneficial owner
- g) Date on which there were changes in the particulars of a Trust, Foundation, Other similar legal arrangements or listed company, or the date on which it ceased to be a beneficial owner for BO register purposes

Responsibility for filing

The responsibility for the collection and submission of the necessary information lies with the obliged entity and its officers.

Penalties for non-compliance

The entity and its officers are liable for non-compliance with the law with a maximum amount of fine/penalty of €20.000.

Timing of filings (initial and annual)

It should be noted that the interim solution has been developed to facilitate the collection of data required, on the basis of the 4th and 5th AML Directive. A period of six (6) months that has been extended to one (1) year, starting from 16 March 2021 (date of implementation of the interim solution) until 12 March 2022, shall be given to all existing entities to submit their BO's data in the system. A relevant amendment Directive ([ΚΑΠ 317/2021](#)) has been published in the Official Gazette on 23 July 2021.

In case of a change in the information of a beneficial owner, an entity and its officers must, within fourteen (14) days from the change, submit to the BO register the information regarding the new BO or the change on the details of an existing beneficial owner.

Entities registered after 12 March 2021 (new entities) must, no later than thirty (30) days from the date of their registration, submit to the BO Register, all information in respect of each of their beneficial owner/s.

During the period from 1st to 31st December of each calendar year (expected to start from the year 2022), every entity must confirm electronically its beneficial owners to the Registrar. This requirement cannot be implemented via the current interim solution, it will be implemented with the final system solution to be developed, and entities will be informed accordingly by the Registrar.

Access to the BO Register

During the first 12-month reporting period (i.e., from 12 March 2021 up to 12 March 2022), access to the BO register will only be granted to the Cyprus Competent Supervisory Authorities, the Cyprus Financial Intelligence Unit (FIU), the Cyprus Customs Department, the Cyprus Tax Department and the Cyprus Police, without any restriction and upon submitting a written request to the Registrar of Companies.

The online search function and beneficial owner information will not be publicly available during the first 12-month reporting period.

At the end of the first reporting period, i.e., after 12 March 2022, access to the BO Register will be publicly available as follows:

- a) Cyprus Competent Supervisory Authorities, the Cyprus FIU, the Cyprus Customs Department, the Cyprus Tax Department and the Cyprus Police will have fast and unlimited access without the payment of a fee and without notifying the relevant Cyprus Entity.
- b) Obligated Entities as these are defined per the AML Law, such as Corporate Service Providers, Law Firms, Audit Firms etc., in the context of conducting due diligence and identification measures for their client (as defined by the AML Law) will have online access to the BO Register portal and will be able to obtain information as to the name, month and year of birth, nationality and country of residence of the beneficial owner as well as the nature and extent of the beneficial interest held, by paying a fee of €3,50 per Entity.
- c) All members of the general public will have online access to the BO Register portal and can obtain information as to the name, month and year of birth, nationality and country of residence of the beneficial owner as well as the nature and extent of the beneficial interest held by paying a fee of €3,50, per Entity.

How can we help?

We are at your disposal to provide clarifications on the procedure and submission of the relevant information required under the Directive.

Get in touch



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