Deloitte.

Part 11

Beneficial Ownership

What is changing in its *assessment?*

AML Insight Hub

Why is beneficial ownership (BO) so important?

Criminals rarely operate under their own name. Instead, they rely on:

- Complex, layered corporate structures
- Nominee shareholders or directors
- Cross-border ownership arrangements

Beneficial ownership reveals who **ultimately owns or controls a company.**

Without identifying the beneficial owner, the **real money laundering risk** often remains hidden.

New regulatory framework as of 10.07.2027

Towards a harmonized and mandatory minimum data for beneficial ownership (BO)

Legal basis: Art. 62(1)(a) AMLR

Which beneficial ownership (BO) data is currently collected across Europe?

Some common BO data are currently collected across all countries, but some are not required and remain a local practice...

Place of birth ,TIN, full residential address, SMO details, etc.

→ **Today, still limited comparability and increased complexity in determining BO**

Who is the beneficial owner?

Key questions from an AML/CFT perspective are:

?

Who ultimately exercises control?
Who ultimately benefits?

BO through OWNERSHIP INTEREST

Art. 51(1)(a) and Art. 52 AMLR

Threshold:

Currently: BO > 25%

Under AMLR: BO ≥ 25%

Entities exposed to higher ML and TF risks*:

Between 15% and 25%

Art. 52(2) AMLR

*To be determined by the Commission via delegated acts by 10 July 2029

BO through CONTROL

Art. 53(1) and Art. 53 (2) (a) (b) AMLR

Control through ownership interest

Threshold: > 50 %

Art. 51(1)(b), 1st alternative,

Art. 53(1) and (2)(c) AMLR

Control via other means

Art. 51(1)(b), 2nd alternative,

Art. 53(1), (3) and (4) AMLR

Ownership and control must always be assessed together.

Three principles for determining BO

AMLR defines 3 analytical principles for determining BO:

1 Attribution principle

Mathematical attribution of direct or indirect ownership

Shares, voting rights and other ownership interest:

multiplied along the ownership chain (indirect ownership)

Results across ownership chains are aggregated

2 Control principle

Assessment of control

Control through direct or indirect ownership interest:

at each level **> 50%** of shares, voting rights or other ownership interest

Control via other means: control exercised by alternative mechanisms

3 Combination principle

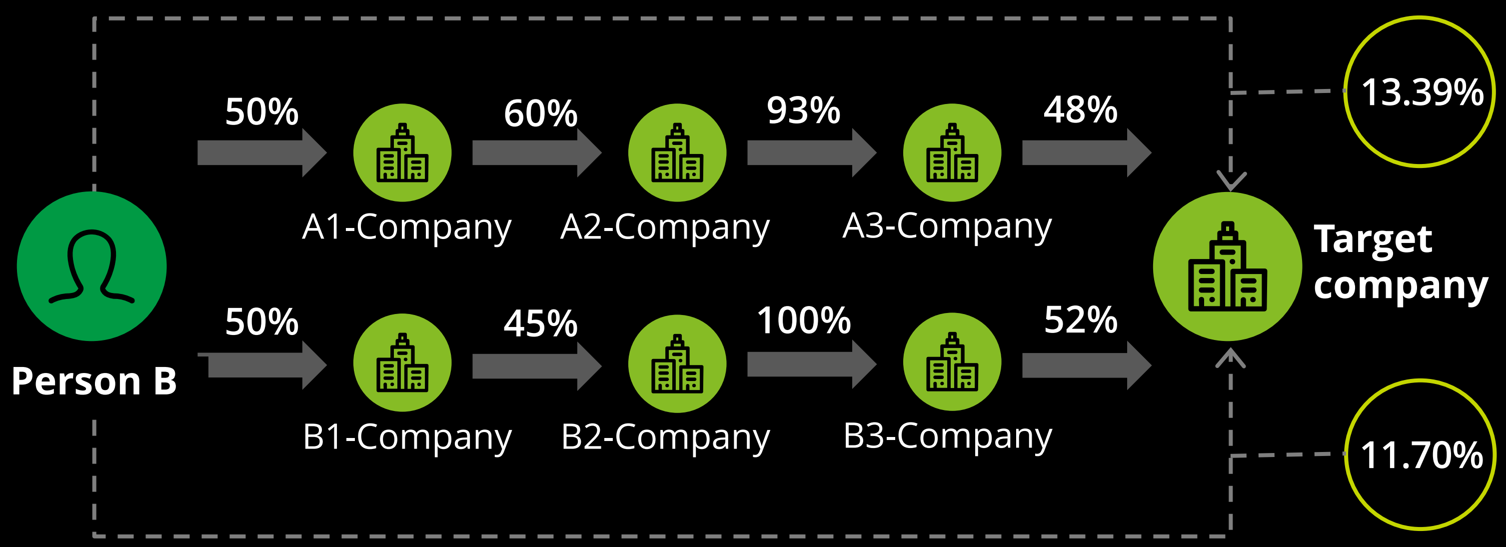
Simultaneous assessment of ownership interest and control(s)

Entities with multi-tier ownership structures:

Concurrent existence of ownership interest and control(s) across different levels within one or multiple ownership chains

Attribution principle*

PRACTICAL EXAMPLE



Calculation:

Multiplication across chains and aggregation

➔ 13.39% + 11.70% ≈ **25.09%**

Result:

Person B = UBO

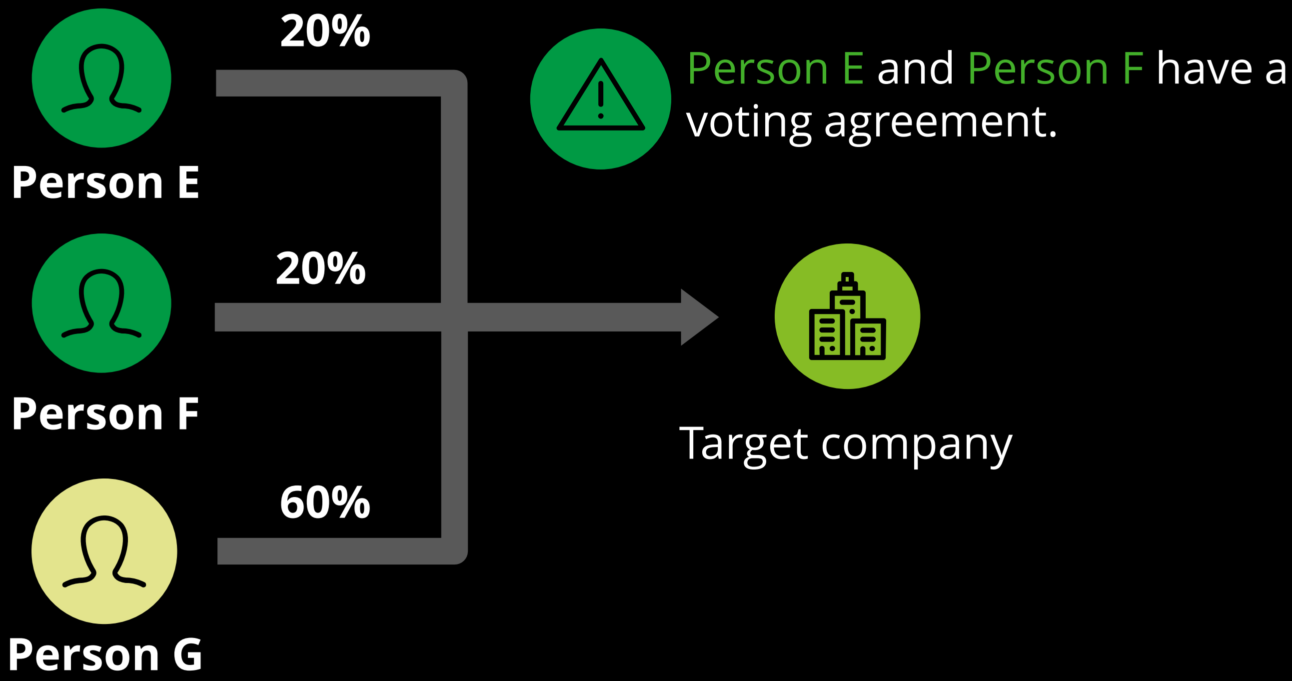
Type:

Beneficial ownership through indirect ownership interest

*Simplified illustration

Control principle*

PRACTICAL EXAMPLE



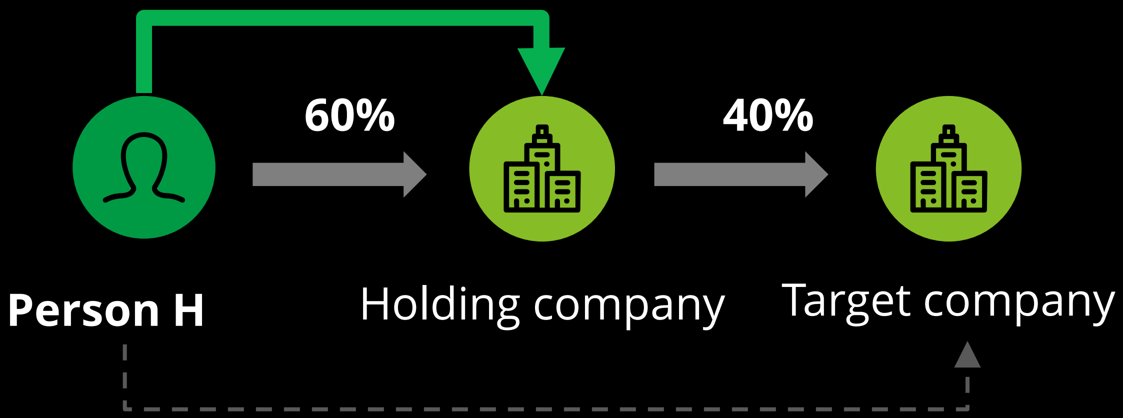
Results: Person E and Person F and Person G = UBO
Types: beneficial ownership through direct ownership interest (G), beneficial ownership through direct ownership interest (E and F)

*Simplified illustration

Combination principle*

PRACTICAL EXAMPLE

Person H has a participation agreement in the holding company (e.g. majority voting rights).



Result: Person H = UBO
Attribution principle only: **60 % × 40 % = 24 %**

However: combination principle: the holding company holds a direct ownership interest of ≥ 25% in the target company and is controlled through direct ownership interest (>50%) by Person H.

Type: beneficial ownership through combination of direct ownership interest (40%) and control through indirect ownership interest (60%)

*Simplified illustration

KYC & beneficial ownership: What action is required?

- Assess KYC processes regarding **beneficial ownership identification** and verification, as well as **new data requirements**
- Identify relevant data sources (e.g. beneficial ownership registers, databases)
- Adapt the KYC process (i.e. onboarding journey, KYC-forms, policies/procedures, controls)
- KYC remediation to ensure AMLR-Compliance regarding beneficial ownership:
  → remediation: 1st Line / → oversight: 2nd Line

We remain at your disposal.

Now is the time to position yourself strategically – well ahead of 2027.

Marie-Astrid DUPUY

Nicolas MARINIER