

# Corporate Flash

December 2019

## Have you already fulfilled the obligation to register your beneficial owners in the Commercial Register? The State has extended the deadline, but your obligation to register your beneficial owners by the end of 2019 remains unchanged

We have already informed you about the obligation to register beneficial owners (“BOs”) in the relevant register in which a Slovak legal entity is registered in our previous newsletter available [HERE](#). Legal entities must fulfil this obligation by the end of 2019. Most often, this obligation applies to companies that were registered in the Commercial Register before the amendment introducing this obligation became effective. Registry courts are not managing such workload; therefore, another amendment has extended the deadline for BO registration by registry courts until 30 June 2020. However, the obligation of companies to register their BOs and, hence, to file registration applications **by 31 December 2019** remains unchanged.

In the meantime, another amendment<sup>1</sup> has also made it easier to define top management members who now only include statutory body members (typically, executive directors or board of directors members). Top management members shall be considered to be the BOs of the legal entity if none of the individuals could be identified on the basis of the BO definition criteria mentioned further.

A beneficial owner<sup>2</sup> means any individual who ultimately owns or controls a legal entity, as well as each individual for whose benefit a transaction or activity is being conducted by such a legal entity, primarily any individual who **(i)** has at least 25% direct or indirect shareholding in the legal entity, **(ii)** has a right to an economic benefit of at least 25% of the legal entity’s business or other activities, or **(iii)** directly or indirectly controls the legal entity (e.g. has the right to appoint or recall the statutory bodies of the company).

A beneficial owner also means an individual who alone does not meet the criteria mentioned above, but together with another person, acting with such an individual in accord or jointly, meets at least some of such criteria.

Our corporate team is ready to assist you not only with identification of your BOs, but also with their registration in the relevant commercial or other register.

<sup>1</sup> By Act No. 241/2019 Coll. amending and supplementing Act No. 315/2016 Coll. on the Register of Public Sector Partners and on Amendments and Supplements to Certain Acts, as amended by Act No. 38/2017 Coll. and amending and supplementing certain laws.

<sup>2</sup> The definition of a BO is laid down in Section 6a of Act No. 297/2008 Coll. on the Prevention of Legalization of Proceeds of Criminal Activity and Terrorist Financing.

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