

GENERAL OFFER OF ASSISTANCE IN REGISTRATION OF ULTIMATE BENEFICIAL OWNERS (UBO) IN THE CZECH REPUBLIC

The Ultimate Beneficial Owner Information System (abbreviated to ISSM in Czech) is a public administration information system maintained by the registration court. The register is intended to serve as an effective means to combat money laundering and the financing of terrorism (AML – Anti-Money Laundering) and generally to improve the transparency of companies.

Although the registration of ultimate beneficial owners has been a legal obligation since 2018 (Act No. 253/2008 Coll.), many companies have not complied with it to date as they did not face any sanctions.

On 1 June 2021, a new Act No. 37/2021 Coll., On the Register of Beneficial Owners enters into force, which, introduces (among other things) significant financial and private sanctions for breaches of its obligations. The consequences of not registering the UBO may namely be fines up to CZK 500,000 (approx. EUR 19,000), revocation of voting rights and the right to dividend payment or invalidity of the decision of the sole shareholder.

WHO IS THE ULTIMATE BENEFICIAL OWNER FROM 1ST OF JUNE 2021?

Section 2 (e) of Act 37/2021 Coll., On the Register of Beneficial Owners, defines an ultimate beneficial owner as follows:

“The beneficial owner is a natural person who is the final beneficiary or person with ultimate influence.”

Where the person with ultimate influence is a natural person or legal entity which may apply directly or indirectly without the instructions of another decisive influence;

and

final beneficiary is a natural person or legal entity that may have, directly or indirectly through another person a substantial part of the property benefit generated during the activity or liquidation of the legal entity and does not pass on this benefit.

HOW CAN WE HELP?

We would be happy to assist you in the compliance with the EU Directives and make sure your company meets the legal requirements. As we are aware that determining the real owner is not easy, we have prepared for our clients a questionnaire that should help us determine the right person as the UBO.

If you are interested in our assistance with the UBO registration, please, do not hesitate to contact us.



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