

**2019 BENEFICIAL OWNERSHIP  
REGULATIONS AFFECTING  
CORPORATE ENTITIES**

**Guide**



# 2019 Regulations

## RECENTLY INTRODUCED BENEFICIAL OWNERSHIP REGULATIONS AFFECTING CORPORATE ENTITIES

The European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2019 (the “2019 Regulations”) came into force on 22 March 2019, with the exception of Part 3 which is in force from 22 June 2019.

The 2019 Regulations replace the European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2016 (the “2016 Regulations”) and bring Ireland’s beneficial ownership rules for corporates in line with the Fourth Anti-Money Laundering Directive (4MLD), as amended by the Fifth Anti-Money Laundering Directive (5MLD).

### 1. Entities caught by the 2019 Regulations

As with the 2016 Regulations, the 2019 Regulations apply to all “relevant entities”, being corporate or other legal entities incorporated in the Republic of Ireland.

### 2. Compiling of Beneficial Ownership Registers

Part 2 of the 2019 Regulations largely restates the provisions of the 2016 Regulations with respect to the compilation of beneficial ownership registers. In particular, there is no change in the definition of “Beneficial Owner”, or in the steps which must be taken by all corporate or other legal entities incorporated in the Republic of Ireland in order to identify their beneficial owners as shown in Graphic 1 overleaf (the “Beneficial Owner(s)”).

Additional requirements imposed by the 2019 Regulations for the purposes

of the compilation of the beneficial ownership registers include the following:

#### a) Name and Company Number Requirements

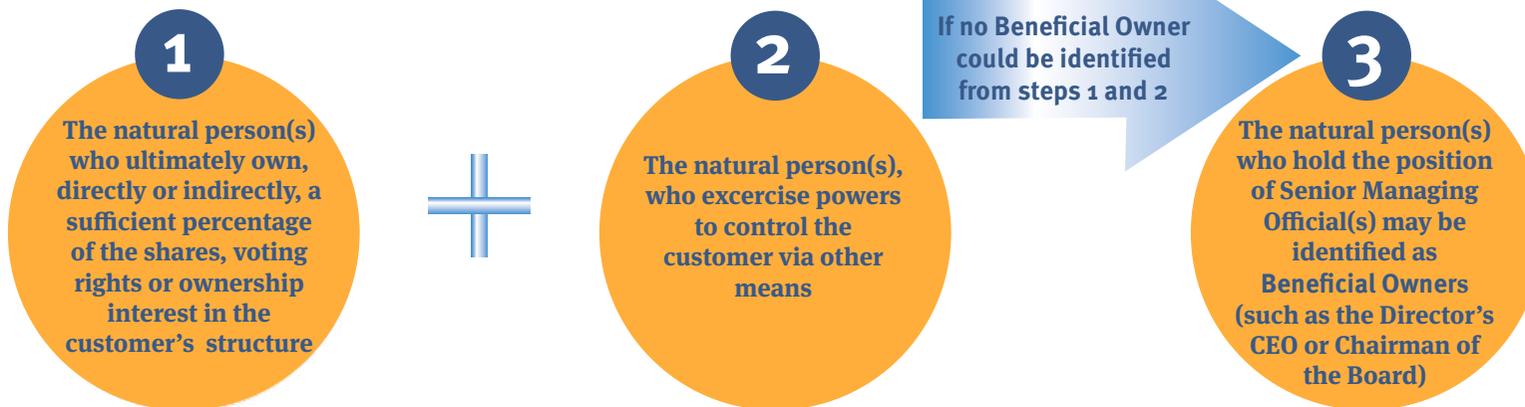
There is a new requirement imposed for the information regarding beneficial ownership to be “associated” with the relevant entity’s name and number as contained on the register maintained by the Registrar of Beneficial Ownership of Companies and Industrial and Provident Societies (the “Central Registrar”).

#### b) Nature and Extent of Control Information

Registers of beneficial ownership must now also include a statement “of the nature and extent of control exercised” by each Beneficial Owner, where the Beneficial Owner does not have an ownership interest in the relevant entity, but instead exercises control

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Graphic 1



over it, e.g. through the exercise of dominant influence or the power to appoint senior management, even though the person does not have a significant shareholding in the relevant entity. A similar statement must be entered on the register where the natural persons included on the register are those identified in accordance with Step 3 of Graphic 1.

“

*These regulations are designed to enhance the transparency of ownership structures.*

*Most companies in the hands of a trusted provider should not have anything to worry about.*

”

**Máiréad Lyons**

**Director and Head of Legal & Compliance**

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## 3. Filing of the Beneficial Ownership Register with the Registrar (the “Central Register”)

### Information to be Filed:

- a) The name and number of the entity;
- b) The name, date of birth, nationality and residential address of each Beneficial Owner of the entity;
- c) The date each natural person was entered into the register as a Beneficial Owner;
- d) The date when each such natural person ceased to be a Beneficial Owner where applicable;
- e) A statement of the nature and extent of the interest held, or the nature and extent of control exercised by, each such Beneficial Owner;

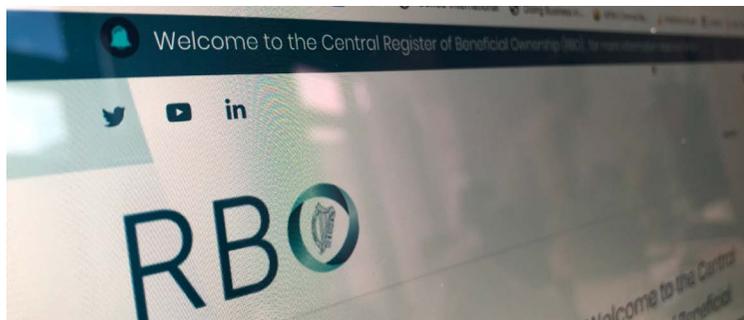
f) The PPS (personal public service) number of each Beneficial Owner to whom such a number has been assigned, or such information as may be determined by the Registrar. There is a new obligation to obtain and hold the PPS number of each Beneficial Owner to whom such a number has been issued. The PPS number must not be included on the beneficial ownership register or disclosed in any manner for the purposes of Part 2 of the 2019 Regulations. PPS numbers are to be provided to the Registrar for the purposes of verifying the beneficial ownership information only. The Registrar is under an obligation not to disclose PPS numbers, and to store a “hashed version” of these numbers to prevent them from being identified;

g) The 2019 Regulations also impose a “follow up obligation” on relevant entities to keep information in their own beneficial ownership registers

and in the Central Register aligned and up to date. In this regard, the relevant entity must, where necessary, update the information in its own beneficial ownership register and then supply the same information to the Registrar within 14 days from the date on which it is required to update its own register; and

h) There are additional requirements for the provision of information to the Registrar, where the notification obligations of relevant entities are discharged by officers, employees of other persons acting on their behalf.

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<https://rbo.gov.ie/>

## Timelines

Part 3 of the 2019 Regulations, establishes the Central Register. The Central Register will be maintained by the Registrar. The Central Register is accepting online filings from 22 June 2019.

Any relevant entity that is in existence before 22 June 2019 is required to file with the Registrar by 22 November 2019, while those which come into existence on or after 22 June 2019 must do so within 5 months of incorporation.

## Access

Individuals acting on behalf of An Garda Síochána, the Financial Intelligence Unit (FIU), the Criminal Assets Bureau, the Revenue Commissioners and other competent authorities will be entitled to all the information (save for PPS numbers) on the Central Register, subject to certain safeguards.

Any such authority (save for the FIU) may disclose the information they receive from the Central Register to a corresponding authority in any Member State of the EU.

Designated persons (as described in Section 5) will have a restricted right of access to information on the Central Register. They will be entitled only to details of a Beneficial Owner's name, country of residence, nationality, month and year of birth and nature and extent of ownership and control.

Members of the public will be entitled to inspect those restricted items of information on the Central Register.

Where a Beneficial Owner is a minor, the designated person or member of the public must demonstrate to the

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Registrar's satisfaction that there is a public interest in them having the requested information.

## Reporting of Discrepancies by Designated Persons

Where any of the particulars required to be contained in the entity's beneficial ownership register "come to the knowledge" of a designated person, and the designated person "forms the opinion that there is a discrepancy" between (i) these particulars and (ii) the information in the Central Register, the designated person "shall deliver, in a timely manner" notice of that opinion to the Registrar.

On receipt of a notice from a designated person, the Registrar shall serve a notice on the relevant entity concerned, requesting either a submission as to why the opinion of the designated person is not well founded, or alternatively, such amended particulars as are required to resolve the discrepancy.

It is also worth noting that it is within the Registrar's discretion whether or not to impose fees on designated persons (and members of the public) for access to the Central Register, which could have cost implications for designated persons.

## 4. Inspection Rights

Relevant entities must provide any member of An Garda Síochána, the Revenue Commissioners, the Criminal Assets Bureau and any other competent authority (e.g. the Central Bank of Ireland, the Law Society etc.) or an inspector appointed under the Companies Act 2014, as amended, with timely access, on request, to its internal beneficial ownership register. Each of these persons and bodies, other than an inspector appointed under the Companies Act 2014, as amended, may disclose the information in any beneficial ownership register to any corresponding competent authority in another EU Member State.

## 5. Provision of Information to Designated Persons

Relevant entities must also provide a "designated person" with beneficial ownership information, where the entity enters into an occasional transaction, or forms a business relationship with that designated person, thereby triggering the taking by the designated person of customer due diligence measures. The relevant entity must also, on request from the designated person, provide information identifying all of its Beneficial Owners.

The relevant entity must furthermore notify the designated person of any change to its beneficial ownership register which is relevant to the occasional transaction, or that occurs during the course of the business relationship, within 14 days of the date on which the relevant entity becomes aware of the change.

A designated person for this purpose

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is an organisation which is required to carry out anti-money laundering due diligence on its customers or clients, such as credit institutions, banks, accountants, solicitors etc.

proved to have been committed with the consent or connivance of any of its officers, those officers will also be guilty of an offence.

## 6. Penalties for Non-Compliance

There has been a significant increase in the penalties which can be imposed for breach of the obligations imposed under the 2019 Regulations. A relevant entity breaching the 2019 Regulations may be liable to a class A fine (a fine of up to €5,000) or, on indictment, a fine not exceeding €500,000. In addition to these fines, custodial sentences of up to 12 months can be imposed on any person who makes a statement to the Registrar which is false in a material particular, and does so knowingly or recklessly.

Where an offence is found to have been committed by a relevant entity under the 2019 Regulations, and is

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**Cafico International  
Dublin**

Palmerston House,  
Fenian Street,  
Dublin,  
D02 WD37  
Ireland

Tel: +353 1 905 8020  
Fax: +353 1 905 8029

**Cafico International  
Ennis**

2 Carmody Street  
Business Park  
Ennis, Co. Clare  
V95 NX33  
Ireland

Tel: +353 1 905 8020

**CAFiCo**  
International