

# Tax Flash

June 2019

## Mandatory filing of details regarding all legal and other entities' beneficial owners – natural persons in the Central Ultimate Beneficial Owners Register is initiated

The Minister of Finance published Decision 67343 (Government Gazette B' 2443/20.06.2019) which sets out specific matters in relation to the Central Ultimate Beneficial Owners Register's (CUBOR) operation. Consequently, legal representatives or specially authorized persons, as well as trustees or trust administrators, must ensure that details of their beneficial owners are promptly filed in said register.

### Deadlines

For CUBOR's first time of operation, the data registration process will take place gradually, depending on the legal form of the liable persons or entities. In detail:

Registration period	Liable entities (indicatively*)
16/09/2019 - 14/10/2019	Shipping companies of L.959/79 Foreign companies of L.89/67 Companies of L.378/68 Shipping companies of L.27/75
30/09/2019 - 01/11/2019	Companies of L.89/67 Private companies (I.K.E.) Associations, Unions, Foundations Joint ventures Non-profit civil partnerships Foreign companies owning immovable property Branches of foreign companies
14/10/2019 - 29/11/2019	Sociétés Anonymes (A.E.) Limited Liability Companies (E.Π.E.) General partnerships (O.E.) Limited partnerships (E.E.)
* the complete list of liable entities can be found in Appendix A' of the Decision.	

Both the responsible tax authorities and the Anti-Money Laundering Authority will be notified through CUBOR's electronic application, regarding liable entities' compliance, after the lapse of sixty (60) days following the registration deadline.

Any subsequent amendment of beneficial owners' data, following initial registration, must be recorded within sixty (60) days from the day the triggering event took place. In addition, newly created legal persons and entities shall register the required data within sixty (60) days from their incorporation.

In order for users to familiarize themselves with CUBOR's electronic application, a pilot operation will be available as of 20/07/2019. However, any data collected during this trial operation will be deleted.

### Entry in the CUBOR

Liable entities are obliged to submit data to the CUBOR, by using an electronic application provided through General Secretariat of Information Systems' (GSIS) website ([www.gsis.gr](http://www.gsis.gr)).

To be noted that bankrupt companies or companies under liquidation or special liquidation have the same obligation as well. In such cases, the bankruptcy or insolvency administrator, the liquidator or the special liquidator records data regarding their ultimate beneficial owners in a special section of the CUBOR.

For legal entities, data providers must submit additional information in the CUBOR in relation to themselves, the legal person or legal entity they represent, as well as the parent company, in case ownership by another company exists, apart from the data relating to the beneficial owners. The required data are listed in the Ministerial Decision.

#### **Administrative sanctions**

Noncompliance with the obligation to maintain a special register or to submit data to the CUBOR will lead to:

- suspension of issuance of a tax clearance certificate
- imposition of a EUR ten thousand (10.000) fine and setting of a deadline for compliance with the obligations. This fine is doubled in case of failure of compliance or repetition.

#### **Obligation for a special register**

As from 30/07/2018 (date of L.4557/2018 publication in the Government Gazette), as amended by L.4607/2019, all corporate and other entities registered in Greece or conducting any business activity which is taxable in Greece, are required to collect and hold adequate, accurate and current information in relation to their ultimate beneficial owners and maintain a relevant special register at their offices. Said provision applies regardless of the address of their head office or of any tax exemption under special provisions.

Credit and financial institutions may additionally form common information systems that allow the entry, exchange and retention of information regarding the legal and beneficial owners of their clients, which are legal entities, including those who are registered abroad.

This information should include in minimum:

- the name and surname
- the date of birth
- the nationality
- the country of residence
- the nature and extent of beneficial interest held

and be supplemented by any other data required for the identification of the beneficial owner.

#### **Ultimate Beneficial Owner definition**

For corporate entities, the beneficial owners are considered to be the natural persons who ultimately own or control a corporate 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 over 25% or an ownership interest of more than 25% in the corporate entity held by a natural person shall be an indication of direct ownership. A shareholding of over 25% or an ownership interest of more than 25% in the corporate entity held by another corporate entity, which is under the control of a natural person, or by multiple corporate entities, which are under the control of the same natural person, shall be an indication of indirect ownership. Control via other means may be determined, inter alia, based on the conditions set by Greek Accounting Standards in relation to mandatory consolidation of financial statements between parents and subsidiaries.

The above do not apply to companies listed on a regulated market that is subject to disclosure requirements under EU law or subject to equivalent international standards, which ensure adequate transparency regarding their beneficial owner or to companies listed on a multilateral trading facility, subject to disclosure requirements equivalent to those of a regulated market.

If, after having exhausted all possible means and, provided there are no grounds for suspicion, no person is identified as beneficial owner, or if there is any doubt that the person identified is the beneficial owner, the individual(s) who hold(s) the position of senior managing official, i.e. a director or a highly rated employee, who has sufficient seniority to take decisions affecting the entity's exposure to money laundering and terrorist financing risk, are considered beneficial owners, regardless of whether they are members of the company's Board of Directors.

Obligated entities (as enumerated in article 5 of L.4577/2018) shall maintain detailed data of the actions undertaken in order to identify beneficial owners.

In the case of trusts and other relevant entities, the beneficial owner is considered to be: (i) the settlor, (ii) the trustee(s), (iii) the protector, if any, (iv) 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, (v) any other natural person exercising ultimate control over the trust by means of direct or indirect ownership or by other means.

#### **Compliance responsibility**

The special register must be adequately documented and duly updated under the responsibility of the legal representative or of a specially authorized person following a resolution by the responsible governing body or by the trustee(s) or the trust administrator(s) accordingly. These persons are also considered "data providers" as regards the CUBOR.

Companies listed on a regulated market or on a multilateral trading facility shall maintain a record of L.3557/2007 notices as a special register at their offices, without having to record it in the CUBOR. This has to be updated every time an event is communicated to the Securities and Exchange Commission. However, these companies' data, regarding their tax identification number and their legal entity identifier, will automatically be recorded in the CUBOR, through interconnection between the Central Securities Depository and GSIS.

#### **Storage of data in the CUBOR**

Data, having been by any means recorded, stored and reproduced, are maintained electronically for five (5) years and stored in a database established at GSIS.


#### **Access to the register**

Unlimited access to the CUBOR will be granted to the Anti-Money Laundering Authority and to the responsible district attorney or other equivalent authorities. Furthermore, limited access will be granted to responsible authorities and obliged entities exclusively within the framework of application of due diligence measures. Data recorded in the CUBOR may also be transmitted to equivalent authorities of other EU member states, following a justified request.

Public access to the CUBOR will be free only in relation to information regarding the beneficial owners' name and surname, nationality and nature and extent of beneficial interest held, in order to avoid exposing beneficial owners to threats such as defrauding, kidnapping, blackmailing, violence or intimidation and to ensure their protection if they are minors or in any way incapacitated subjects.

In order for obliged entities to access the CUBOR, an annual electronic administrative fee of EUR one hundred (100) is levied, while for individuals the said fee shall be EUR twenty (20) for ten (10) search requests.

Upon accessing the system, users will have to accept the recording of their details, while users – natural persons shall complete a special application regarding the reason of their search request and accept the fact that liable entities will be notified accordingly for their searches. However, liable entities will not be notified for searches made by supervisory bodies, responsible authorities or obliged entities.



It is important to note that each individual case needs to be examined based on its own merits, and that the above-mentioned general principles might not necessarily capture all possible eventualities. Our expert advisors are in a position to advise you on the implications arising from a Greek perspective in relation to your specific case.

[www.pwc.gr](http://www.pwc.gr)

This information is intended only as a general update for interested persons and should not be used as a basis for decision-making. For further details please contact PwC: 268, Kifissias Avenue 15232 Halandri tel. +30 210 6874400

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