

New declaration of beneficial owner mandatory for all companies

After the new law on preventing and fighting money laundering and terrorism financing¹ (**Money Laundering Law**) came into force, the Commercial Register has now published the form for the declaration of the beneficial owner of a company.

Every company must file such declaration.

Who is the beneficial owner?

As per art. 4 of the Money Laundering Law, the beneficial owner of a company incorporated according to the Romanian Companies Law² is

1. one or more natural persons which finally own(s) or control(s) a legal entity by
 - the exercise of its direct or indirect ownership in a number of shares or voting rights which is high enough to ensure its control, or
 - the participation in the equity of the legal entity or
 - the exercise of the control by other means.

This does not apply to legal entities which participate in a regulated market (*piata reglementata*) and to which publicity requirements according to EU or other international provisions apply.

2. one or more natural persons which ensure the management of the legal entity, in case
 - after all existing means for determining the natural person as per section 1 above have been exhausted, no such natural person could be detected, or
 - there are doubts with regard to the person mentioned in section 1 above.

The natural person mentioned in section 1 must

- either hold a participation of 25% plus one share in the share capital of the legal entity
- or participate with more than 25% in the equity of the legal entity

¹ Law No. 129/ 2019

² Law No. 31/ 1990

Who has to file the declaration?

According to art. 56 of the Money Laundering Law, all legal entities registered in the Commercial Register, except for the ones held partially or totally by the State, are obliged to file the declaration about their beneficial owner.

The required data will be registered with the National Register of Beneficial Owners.

When and in which form must the declaration be filed?

Upon the incorporation of a company, the declaration must be filed as part of the incorporation procedure.

Companies already incorporated have to file the declaration until **21 July 2020**.

The form can either be filled and signed in front of an officer of the Commercial Register or be filed in **authenticated form**.

After the first declaration, a new declaration (for which the above mentioned form requirements apply) will have to be filed

- annually, within 15 days after the approval of the annual financial statements and
- within 15 days after every kind of modification related to the beneficial owner.

Which information has to be disclosed?

Both art. 56 para. 3 of the Money Laundering Law and the new form of the declaration exactly describe the identification data which have to be included in the declaration, including names, domicile, passport/ ID no., and the way in which the beneficial owner controls the entity.

Sanctions

The obligation to declare the beneficial owner/s applies both to existing companies and to those in the course of incorporation. Non-compliance will result in a fine amounting to 5.000 – 10.000 RON. Companies which fail to declare their beneficial owner within 30 days after the imposition of the fine may be dissolved upon the request of the Commercial Register.

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