

## NEWSFLASH

### Practical changes related to statements on beneficial owners (UBO)

Dear Ladies and Gentlemen,

We have reported regularly on the changes and deadlines that have occurred since July 2019 regarding Romania's new anti-money laundering legislation (Money Laundering Act No. 129/2019). Last week brought on July 9, 2020 two practical facilities and clarifications based on the Law no. 108/2020.

If *all* companies were previously obliged to submit the statement on the ultimate beneficial owner (UBO), the last change regulates a few useful exceptions for the following categories:

- **Public enterprises** (Ro. *regii autonome*) and **companies** fully or majority-owned by the **state**
- Companies held exclusively by **natural persons** provided that these private parties are the only UBOs. In this case, the Romanian UBO-register will be completed *ex officio* by the Commercial Register

Furthermore, the new law finally abolishes the obligation to submit such a declaration annually within 15 days of the approval of the annual financial statements. This is logical and to be welcomed, since the approval of the annual accounts has no influence on the beneficial owners.

The UBO statement no longer has to be submitted annually; the following deadlines apply:

- November 1st, 2020 for the first declaration after the entry into effect of the obligation;
- 15 days after any change to the first declaration occurred.

In this context, there remains a little ambiguity, since the changes to be notified do not concern the person of the beneficial owner, but his identification data. A strict interpretation of this obligation would therefore mean that a new statement is required even if the beneficial owner renews his ID or changes his residence.

Different rules apply to **associations and foundations**; a first submission is required by August 15th, 2020. As the relevant regulations in this area have not been changed, the obligation to submit the declaration on January 15th continues to apply. Changes are expected soon.

On July 15, 2020 urgent changes were introduced by the Government through an Emergency Ordinance no. 111/2020 in order to implement the 5th anti-money laundering Directive (Directive (EU) 2018/843) especially in what concerns the financial system and cryptocurrency. We will come back with an update soon.

We will be happy to answer any questions you may have pertaining to this subject.

Sincerely,  
STALFORT Legal. Tax. Audit.

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