



CARNE

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ETA: 1h20m  —
DIRECTION: E  —

 SAILED AREA: 1020 m²
—  CRUISING SPEED: 11 knots
—  GROSS TONNAGE: 630

Meeting Your New Obligations

European Union (Anti-Money Laundering:
Beneficial Ownership of Corporate Entities) Regulations 2019

Background & Overview

◀▶ New Beneficial Ownership Regulations in Luxembourg

A new law of 13 January 2019 establishing a Register of Beneficial Owners (RBE) for Luxembourg registered entities was published on 15 January 2019 in the Luxembourg Official Gazette (Mémorial A) (RBE Law). The RBE Law entered into force on 1 March 2019. However, registered entities are granted a six-month transition period from when the RBE Law came into force to comply with its provisions. The RBE will be available for consultation at the end of this six-month period.

The RBE Law implements Article 30 of Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (4th AML Directive), as amended by Directive (EU) 2018/843 amending the 4th AML Directive, and amending Directives 2009/138/EC and 2013/36/EU (5th AML Directive) with respect to (i) the obligations of the covered entities to obtain and hold information on their beneficial owners (UBOs) at their registered office and (ii) the obligation for Luxembourg to put in place a register of UBOs including adequate, accurate and up-to-date information accessible to the public and to the Luxembourg authorities within the scope of their duties.

The Regulations require all entities registered with the Trade and Companies Register (RCS), including, but not limited to General Partners, UCITS, SIFs, FCPs, SCSPs, SLP, Soparfis to comply with the RBE Law ("relevant entities"). Responsibility for complying with the RBE Law rests with the Board of the relevant entity.

Failure to comply with the RBE law may result in criminal fines of up to €1,250,000 being levied on the entity and the relevant UBOs who do not provide the necessary information.

◀▶ What are your new obligations?

Every entity in scope must take all reasonable steps to obtain and hold adequate, accurate and current information in respect of their beneficial owners, being:

- Any natural person who ultimately owns or controls a legal entity through direct or indirect ownership of a sufficient percentage of the shares or voting rights or ownership interest in that entity.
- Direct Ownership: Shareholding of 25% plus one share / ownership interest of more than 25% held by a natural person shall be an indication of direct ownership (indicator, not a threshold).

Background & Overview

- Indirect Ownership: Shareholding of 25% plus one share / ownership interest of more than 25% held by a corporate entity, which is under the control of a natural person(s), or by multiple corporate entities, which are under the control of the same natural person(s), shall be an indication of indirect ownership (indicator, not a threshold).
- If no individual ultimate beneficial owner can be identified and provided there are no grounds for suspicion, or if there is any doubt that the person(s) identified are the beneficial owner(s), any natural person who holds the position of senior dirigeant (manager) shall be considered as beneficial owner (Beneficial Owner Register).

◀▶ What is the deadline?

By 31 August 2019, existing relevant entities are required to submit details of their beneficial owners to the RBE which will maintain a Central Register.

The following details must be reported to the RBE:

- 1 Name
- 2 First name(s)
- 3 Nationality(ies)
- 4 The day of birth
- 5 The month of birth
- 6 The year of birth
- 7 The place of birth
- 8 The country of residence
- 9 The nature of the effective interests held
- 10 The extent of the effective interests held

The following information to be provided to the register by the entities in scope will **not** be publicly available:

- 11 The precise private address or the specific business address
- 12 For persons registered in the National Register of natural persons: the identification number provided for by the amended law of 19 June 2013 on the identification of natural persons
- 13 For non-resident persons not registered in the National Register of Physical Persons: foreign identification number

Companies must notify the RBE of any changes to its beneficial ownership within 1 month of when the entity has become aware or should have become aware of the event requiring the registration or modification of the information.

For the registered entities: criminal fines ranging from €1,250 to €1,250,000 shall be imposed on any registered entity not complying with the obligations to obtain and hold the required information on their UBOs and file, within the legal timeframe, such information (and supporting documents) to the RBE or having voluntarily provided inaccurate, incomplete or obsolete information on their UBOs.

Next Steps



Meeting Your New Obligations

Carne is the premier global provider of fund solutions to the asset management industry. Our risk based approach and technology driven solutions are used by some of the world's largest investment managers to meet their ongoing risk and regulatory requirements.

Carne can assist you with your obligations under the Regulations by carrying out the tasks outlined below. As the deadline is fast approaching clients are advised to commence preparations no later than 20 July 2019:

- Draft and maintain the Beneficial Ownership Register for the client based on the information provided by the Central Administrator and/or the client.
- Report beneficial ownership information to the RBE on behalf of the client.
- In the absence of being notified of a change in the beneficial owner by the Central Administrator, analyse the investor register, at a minimum, on a quarterly basis to establish if there have been any changes to the beneficial owners.
- Work with the Central Administrator to engage with any investors suspected of being a natural person.
- Where no natural person meets the beneficial owner definition, Carne to note the appropriate member of senior dirigeant as the beneficial owners for the purposes of the RBE Law together with all required information as provided by the client.
- Agree a process with the Central Administrator and the client for reporting changes to the beneficial ownership of the fund.
- Keep the client informed of any developments with respect to the RBE Law and market practices.

NEXT GENERATION SOLUTIONS

Carne leverages its global scale and capabilities to deliver innovative next generation solutions aligned to the needs of our clients. Our industry leading technology and risk driven platform, CORR, can help you revolutionise your compliance, risk and operational requirements and provide you with the management information you need to control your business.

To find out more, contact your Carne Relationship Manager or a member of the Carne team shown below.

Carne Contacts

To find out how we can deliver the optimum solution for your specific circumstances, please contact a member of the Carne team below.

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