

# The German Transparency Register

The national source for identifying the UBO

Sascha Heinig  
15. June 2017, Vilnius



**Bundesanzeiger**  
Verlag

# Agenda

1. Implementation status of the 4th anti-money laundering directive
2. Definition "Beneficial Owner" (BO)
3. „Transparency register“  
(Transparenzregister)
4. Outlook

# 1

Implementation  
status of the 4th  
anti-money  
laundering directive



# The legislative process in Germany

**In Charge: The Federal Ministry of Finance**



- **15 December 2016:** first draft of the Federal Ministry of Finance
- **22 February 2017:** draft of a law introduced by the German Federal Government
- **May/June 2017:** the law passed Bundestag and Bundesrat
- **26 June 2017:** entry into force

# 2.

Definition  
"Beneficial Owner"



## § 3 Anti-money laundering law

### “Beneficial Owner”

The natural person who ultimately owns or controls the company or has control by other means.

### Different types of legal forms

**entities incorporated:** through direct or indirect ownership of more than 25% of shares, voting rights or through control by other means

**other types of legal forms (e.g. trusts):** the board of directors, beneficiaries or where individuals benefit from the foundation ...

Entities incorporated and other types of legal forms are responsible to obtain and hold accurate and up-to-date information on the beneficial owner



If it is impossible for them to identify the beneficial owner, the legal representatives or managing partners become the beneficial owner(s)

# 3

Transparency  
Register  
(Transparenzregister)



# Concept of the Transparency Register

The transparency Register is- starting as a Portal 12-27-2017- staggered accessible and conceptualized as a so-called light register.

Entities incorporated and other types of legal forms are supposed to provide details regarding their beneficial owner (BO), if these details haven't already been declared in other registers (e.g. business register).

The transparency register, alongside with direct records, will provide access to further relevant official information, which indicate and identify the beneficial owner.

A solution analogous to the German company register- where the different official sources are interlinked via index data- to grant a central access to the BO-information.

→ This System helps to grant the lowest impact on administrative burden for the German economy



Mock Up Study of Transparency Register



## Accessible information on the BO

- 1. Full name,**
- 2. Date of birth,**
- 3. Place of residence and**
- 4. The nature and extent of the beneficial ownership**

- The information can result directly from the transparency register or indirectly from other registers
- If a direct record does not exist in the transparency register there will still be an additional information that the BO Information can be retrieved via the other linked registers.

→indication to BO Information in other public registers

# Concept of light register (Auffangregister)

Only those associations, whose beneficial owner (BO) are not clearly specified in other registers, are obliged to disclose information about their beneficial owner **immediately** to the Transparency register.

## Interconnected other registers containing BO information in Germany:

- the business register
- the partnership register
- the register of cooperatives
- the register of associations
- the German company register

Firma ▼ ▲	Information	Bezeichnung
<b>Bayer Aktiengesellschaft</b> Amtsgericht Köln HRB 48248 Status: Aktuell	- Registerinformationen - Vereinsregister	» AD, DK » Vereinsregister
Bayer Aktiengesellschaft, Leverkusen	Kapitalmarktinformationen  Unternehmensregister	» Ad-hoc-Meldung gemäß Art. 17 MAR in Verbindung mit § 4 Abs. 1 S. 1 Nr. 1a WpAIV Datum: 14.09.2016
Bayer Aktiengesellschaft, Leverkusen	Kapitalmarktinformationen  Unternehmensregister	» Ad-hoc-Meldung gemäß Art. 17 MAR in Verbindung mit § 4 Abs. 1 S. 1 Nr. 1a WpAIV Datum: 14.09.2016
Bayer Aktiengesellschaft, Leverkusen	Wirtschaftlich Berechtigte  Transparenzregister	» Eintragung Transparenzregister Datum: 06.09.2016

Mock up of Transparency Register hitlist

## Registration of BO information

A notification must be made **electronically**, granting electronic access.

Filing of notifications will be supported only by **electronic** forms

### **Important:**

An additional notification is required in those cases, in which the beneficial owner can later be determined by public registers.

→ "Link to other public registers" - the old BO list becomes invalid.

## Limited access (only on direct records)

A user`s search is only possible after a mandatory online-registration.

There is an option for limiting access to (certain) BO-information in case of demonstrable risk of fraud, kidnapping, blackmail, violence or intimidation is possible.

The access to certain information regarding the beneficial owner is staggered:

- competent authorities and FIUs (unrestricted full access )
- obliged entities within the framework of CDD (as part of their due diligence processes unrestricted)
- persons or organizations that can demonstrate a legitimate interest (restricted on a one-case basis)
  - Month and year of birth (instead of date)
  - Country of residence (instead of place)

# Usecase

Search for a beneficial owner of a privat Ltd. Company

1. Check the transparency register = no records in the transparency register
2. Check the Business register = The list of shareholders is accessible
3. Perform a calculation on the BO within the shareholders list

Liste der Gesellschafter  
der mit Sitz in Görghausen  
eingetragen im Handelsregister des  
Amtsgerichts Montabaur  
unter HRB

Ifd. Nr. des Geschäftsanteils	Gesellschafter	Anschrift	Betrag der übernommenen Stammeinlage
1	Christoph Müller geb. am 14.02.1974	65549 Limburg	12.500,00 €
2	Stephan Müller geb. am 08.01.1977	65549 Limburg	12.500,00 €
Stammkapital insgesamt			25.000,00 €

50 % = BO  
50 % = BO

# 4.

## Outlook



## Discussion

### **Public vs. limited access**

### **Conflict: data protection vs. public interest**

In Germany the access to the register was lively discussed.

The Bundesrat (Federal Council) demanded an access for “everyone, for information purposes”.

A limited accessible register with access for supervisory authorities (FIUs, competent authorities), obliged entities and persons with a legitimate interest is decided.

## Conclusion

- Further regulations (e.g. fees, official appointment of third party, if applicable) outstanding
- Technical concepts regarding the BO register are finalized
  - Technical implementation is ongoing and on time

### Next steps:

- The Federal Ministry of Finance will regulate further details ( e.g. fees) through regulations (statutory order).
- **26 June 2017: the law will enter into force**
- Work on interconnection of BO registers can start
- Implementation of the 5<sup>th</sup> AMLD





Thank you for your kind  
attention!

