

Transparency-Registry: Reporting Obligation as of October 1st, 2017

As of October 1st, 2017 the beneficial owner of German entities as well as Trustees have to be reported to the new Transparency-Registry (www.transparenzregister.de).

Beneficial owner is the individual person, who holds more than 25% of the shares or voting rights, even if this position is indirect through other entities or organizations. At the end the individual person has to be disclosed, who actual is standing behind an entity and controlling it.

A reporting is not required, if the information who is beneficial owner results from public registries, like the commercial registry, or if the entity is listed on a public exchange in the EEA countries.

The report has to be filed to the Transparency-Registry in the case that the beneficial owner is not registered electronically in such public registry, e.g. if for a GmbH (German company with limited liability) no list of shareholders was filed electronically. Equally the report has to be filed, if only foreign registries show the beneficial owner, e.g. a German subsidiary is held by a foreign parent company. In that case the person behind this structure is not apparent.

In difference to the commercial registry the Transparency-Registry is not open to the public, but just accessible for public authorities or persons with a legitimate interest.

It is the duty of the management (managing director/board of directors) to report the beneficial owner. The beneficial owner has to disclose all relevant information to the ownership structure to the management. The report has to be updated when there are changes of the position of the beneficial owner.

If the duty is not fulfilled, penalty fees up to 100,000 € may be imposed. In serious cases the fine can be up to 1 million €. The question to what extend an obligation to investigate the ownership-structure exists depends on the individual case. But shareholders might be fined if they do not disclose this information as well as if they provide such information incomplete or not in time.

If after a thorough review no individual person can be identified or there are doubts to the beneficial owner, the legal representative or managing shareholder shall be seen as beneficial owner.

For questions to the Transparency-Registry please contact Attorney-at-Law [Joachim Hund-von Hagen](#) or Attorney-at-Law [Dominik Hoidn](#).

This information summarizes jurisdiction, legislation and other legal issues but does not give legal advice on a specific case or problem. Decisions mentioned in the articles just represent the result of the review by the specific judicial body. Subsequent modification or diverting case law have to be taken into consideration. Therefore, we do not accept any liability for the content of this letter. Please contact us for further information.

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