

Following the announcement / circular that we issued on 02/03/2021 regarding the establishment of the Ultimate Beneficiary Register, the Registrar of Companies as the competent Authority issued on 12/3/2021 the first Directive identifying the obligations, methodology and procedure companies and legal bodies will have to follow in order to register their Beneficial Owners which we bring to your kind attention.

Under this Directive, the officials of each company should take specific actions until 11/03/2022 (12 months from the date of entry into force of the Directive) and in case of their omission they will be accountable and will be subject to fines both personally as well as the legal entity they represent.

Please note the following:

1. The following companies do not fall within the scope of this Directive:

- (a) Companies whose directors submitted an application for strike off prior to the commencement of the Directive, namely 12/03/2021
- (b) Companies whose liquidation has been enacted before the commencement of the Directive

2. Information required for the Beneficial Owners and other legal entities

Each company and each of its officials shall take all reasonable steps to obtain and maintain adequate, accurate and up-to-date (according to the timelines required for each category) information about the beneficial owners, which shall include the following information:

- (a) Name, surname, date of birth, nationality, and residential address
- (b) Nature and extent of the beneficial interest held directly or indirectly by each beneficial owner, including percentage of shares, voting rights, or the nature and extent of the significant influence or control with other means exercised by each controlling person (participation of 25% plus 1 (one) share)
- (c) Identification document number indicating the type of document and the country of document issuance (Identity card or passport)
- (d) Date on which the natural person was entered in the register as beneficial owner; and
- (e) Date on there were changes in the particulars of the natural person or the date on which the natural person ceased to be a beneficial owner.

Irrespective of the criminal liability or prosecution of any person when there is a failure to comply with any of the obligations mentioned in point 2 (a-e), the company and each of its officials are subject to fines of two hundred euros (€ 200) and further fines of one hundred euros (€100) for each day that the violation continues with a maximum charge of twenty thousand euros (€20,000).

3. Submission of information from companies that incorporated prior to the commencement date of the Directive

Company incorporated prior to the enforcement date of the Directive (12/03/2021) must, **within twelve (12) months** from the enforcement date of the Directive, submit the information referred to in point 2 (a-e) in the beneficial owner register of the Registrar of Companies.

4. Submission of information from companies that incorporated after the commencement date of the Directive

Company incorporated after the enforcement date of the Directive (12/03/2021) must, **no later than thirty (30) days** from the date of incorporation, submit electronically the information referred to in point 2 (a-e) in the beneficial owner register of the Registrar of Companies.

5. Obligation to notify changes and update information on the Beneficial Owner Register

In the event of a change in relation to the Beneficial Owner's information already filed, the new information must be submitted **within fourteen (14) days** from the date that the company received notice of such change.

During the period from 1st until 31st of December of each calendar year, all companies and other legal entities must confirm by electronic means to the Registrar of Companies that their Beneficial Owners and relevant information remain the same.

6. Access to the information maintained in the Beneficial Owner Register

The following governmental bodies have **fast** and **unlimited** access to the information maintained in the Beneficial Owners Register **without** the submission of a fee and notifying the company:

- (a) Competent Supervisory Authorities
- (b) Financial Intelligence Unit
- (c) Customs Department
- (d) Tax Department
- (e) Police

It is worth noting that during the twelve (12) months' period available to existing entities for the submission of the BOs' data, unrestricted access to the information concerning the BOs through the electronic BO register is granted **only** to the Competent Supervisory Authorities, the Financial Intelligence Unit, the Customs Department, the Tax Department and the Police upon submitting a written request to the Registrar of Companies.

Obligated entities, in the context of conducting due diligence and identification measures for the client as defined in the Law, have **fast** access with electronic means to the name, month and year of birth, nationality and country of residence of the Beneficial Owner as well as to the nature and extent of the beneficial interest held, following payment of three euros and fifty cents (€3,50) fee, per company or other legal entity.

Any member of the general public with a fee of three euros and fifty cents (€3,50) per company or other legal entity has access **ONLY** to the name, month and year of birth, nationality and country of residence of the Beneficial Owner as well as to the nature and extent of the beneficial interest held.

In case the Beneficial Owner of a company is a minor, access is subject to a written request to the Registrar of Companies (with all the information to satisfy the Registrar of Companies) justifying this request. However, if a court order has been issued that allows the disclosure of the information, then the Registrar of Companies proceeds to disclose the Beneficial Owner to the applicant.

7. Exceptions not to disclose information in the Beneficial Owner Register

In exceptional circumstances, the Beneficial Owner of the company or the company itself, if it has the consent of the beneficial owner, may, upon written request to the Registrar of Companies, request an exemption to access all or part of the information in relation to the Beneficial Owner of the company in question on the grounds that if access to such information is permitted, will expose the Beneficial Owner to a disproportionate risk of fraud, abduction, extortion, harassment, violence or intimidation.

The Registrar of Companies informs the applicant, within thirty (30) days from the date of its final decision, a written notification which includes the reasons for its decision and an indication of the applicant's right to challenge any unfavourable decision by appeal in accordance with Article 146 of the Constitution.

8. Deletion of information from the Beneficial Owner register

The information becomes available in the Beneficial Owner register for a period of up to ten (10) years from the strike off date of the company. After the lapse of five (5) years from the strike off of the company, access is allowed only in the context of an administrative or criminal investigation by the Competent Supervisory Authorities, Financial Intelligence Unit, and the Law Enforcement Authorities.

9. Report and resolve discrepancies in the Beneficial Owner register

If any of the governmental bodies referred to in point 6 (a-e) discovers that there is a discrepancy between the information maintained in the Beneficial Owner register and the information that they possess at the time, then the governmental body is required to submit a discrepancy report to the Registrar of Companies.

Upon receipt of the discrepancy report, the Registrar of Companies examines the discrepancy and if it deems appropriate, enters a relevant notice of such discrepancy in the Beneficial Owner register and sends a written notice to inform the company that within thirty (30) days must submit a written statement containing a reasoned answer as to whether the discrepancy is valid and if it is valid, the accurate information to be entered correctly without any further discrepancies.

Irrespective of the criminal liability or prosecution of any person when there is a failure to comply with any of the obligations mentioned in point 8, the company and each of its officials are subject to fines of two hundred euros (€200) and further fines of one hundred euros (€100) for each day that the violation continues with a maximum charge of twenty thousand euros (€20,000).

10. Registration procedure for the electronic submission of the Beneficial Owner information

Companies and other legal entities and their officers must register and obtain access through the government gateway portal "ARIADNE" in order to be able to submit information regarding their Beneficial Owners. It is noted that in order for each company to register the information of the Beneficial Owners in the system, it must obtain identification codes through "ARIADNE" and then proceed with the authentication of the company's profile.

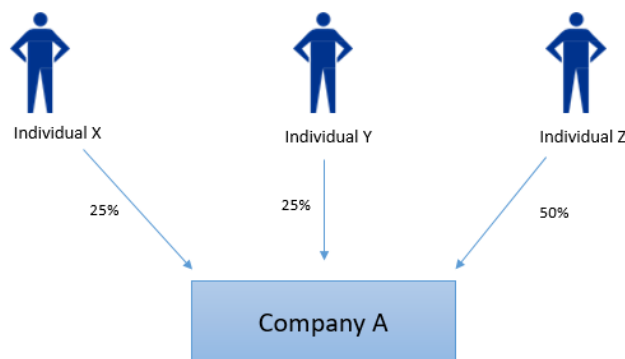
For companies and other legal entities, the authentication is made only at the following authorised centres (i) Point of Single Contact, (ii) District Post Offices and (iii) Citizens Service Centres where the below listed documents must be presented:

- (a) Company Registration Certificate
- (b) An official document from the company that created the profile, authorizing the individual presenting the documents, to submit the documents on behalf of the company. The name and National ID of the authorized individual shall be stated in the document and the document shall be signed by the director of the company
- (c) Authorized individual person's National ID
- (d) Profile ID (16-digit number provided by email along with a copy of the said email)

It is clarified that authentication can be made only through physical visit of the authorised individual to the above-mentioned authorised centres and it cannot be performed electronically. To this end and as per point 10(b) above, each company is required to authorise an individual who will personally visit the designated centres and proceed with the authentication of the codes on behalf of the company.

Once the authentication is completed, the information of the Beneficial Owner will be possible to be recorded in the system.

Example 1

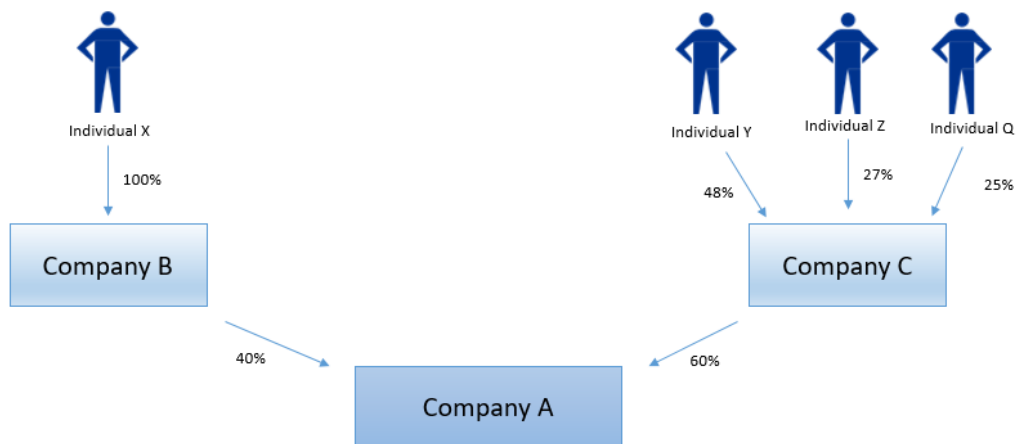


Company A direct shareholders are Individual X (25%), Individual Y (25%) and Individual Z (50%). Individual Z has 50% ownership and voting rights in the Company A.

Individual Z is the only natural person that owns Company A through direct shareholding of equal or greater than 25% plus one share. Consequently, Individual Z is the beneficial owner of Company A.

In “Type of BO” the option “Beneficial Owner” must be selected from the dropdown menu and “Natural person” from the next dropdown menu for input of Individual Z details.

Example 2



The direct shareholders of Company A are Company B (40%) and Company C (60%).

Company B holds the shares in Company A on behalf of Individual X. Company B and Individual X may even have in place a declaration of Trust.

Company C direct shareholders are the following:

- a) Individual Y (48%)
- b) Individual Z (27%) and
- c) Individual Q (25%)

Individual X has 40% indirect ownership in Company A through Company B.

Individual Y has 28.80% (48% X 60%) indirect ownership in Company A through Company C.

Individual Z has 16.20% (27% X 60%) indirect ownership in Company A through Company C.

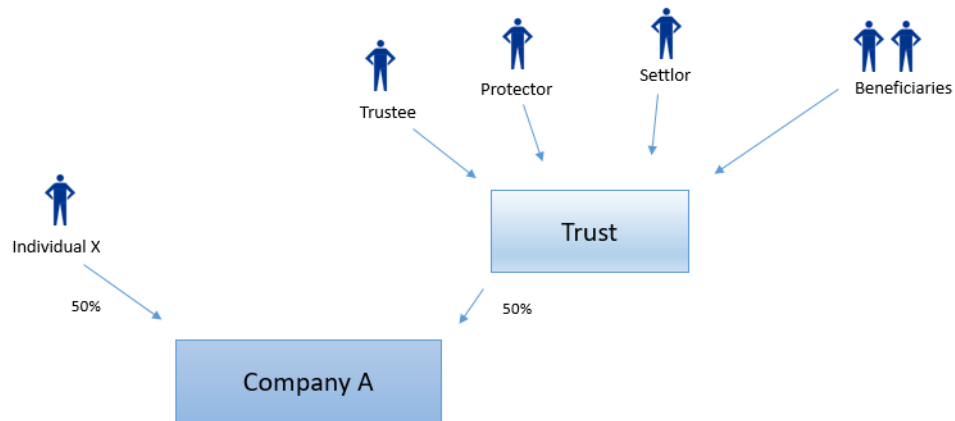
Individual Q has 15% (25% X 60%) indirect ownership in Company A through Company C.

Individual X (40%) and Individual Y (28.8%) are the only natural persons that indirectly own Company A through direct shareholding of equal or greater than 25% plus one share. Consequently, Individual X and Individual Y are the beneficial owners of Company A.

See section (a) (i) of the definition of beneficial owner.

In "Type of BO" the option "Beneficial Owner" must be selected from the dropdown menu and "Natural person" from the next dropdown menu for input of Individual X. The same process must be followed when adding Individual Y details.

Example 3



The direct shareholders of Company A are Individual X (50%) and Trust (50%).

The BOs of the Trust are the Trustee, Protector, Settlor and Beneficiaries as per section (b) of the definition of beneficial owner.

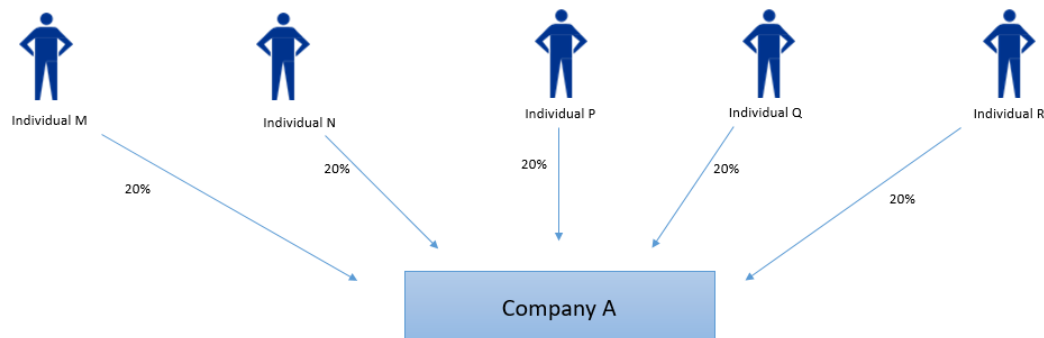
Despite the above, Company A beneficial owners to be declared in the BO registry are only the following:

- a) Individual X (50%)
- b) Trust (50%)

For Individual X, in “Type of BO” the option “Beneficial Owner” must be selected from the dropdown menu and “Natural person” from the next dropdown menu.

For the Trust, in “Type of BO” the option “Beneficial Owner” must be selected from the dropdown menu and “Trust” from the next dropdown menu.

Example 4



Company A direct shareholders are Individual M (20%), Individual N (20%), Individual P (20%), Individual Q (20%) and Individual R (20%).

No natural person owns Company A with shareholding of equal or greater than 25% plus one share.

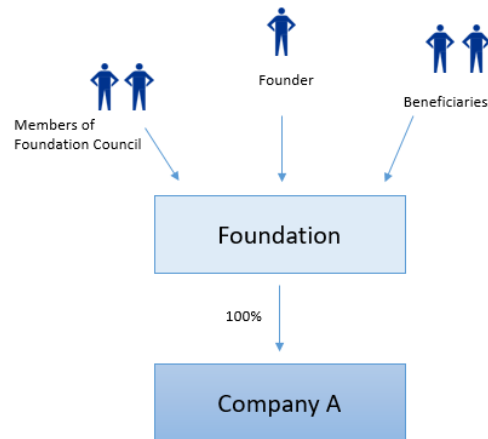
No natural person controls Company A via other means.

The beneficial owners of Company A are the natural person(s) holding the position(s) of Senior Managing Official(s). Company A shall keep records of the actions taken in order to identify the beneficial ownership. See section (a) (ii) of the definition of beneficial owner.

In “Type of BO” the option “Senior Management Official” must be selected from the dropdown menu. Additionally, it must be specified whether the Senior Management Official is a Director or has a different capacity, by clicking the corresponding box and making the relevant declarations.

If a controlling person via other means is identified, then the controlling person must be declared as Beneficial owner instead of the Senior Management Official.

Example 5



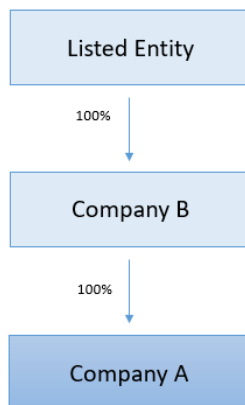
The direct shareholder of Company A is the Foundation.

The BOs of the Foundation are the Founder, the Beneficiaries and the Members of the council of the Foundation as per section (c) of the definition of beneficial owner.

Despite the above, Company A beneficial owner to be declared in the BO registry is only the Foundation.

In “Type of BO” the option “Beneficial Owner” must be selected from the dropdown menu and “Foundation” from the next dropdown menu.

Example 6



The direct shareholder of Company A is the Company B.

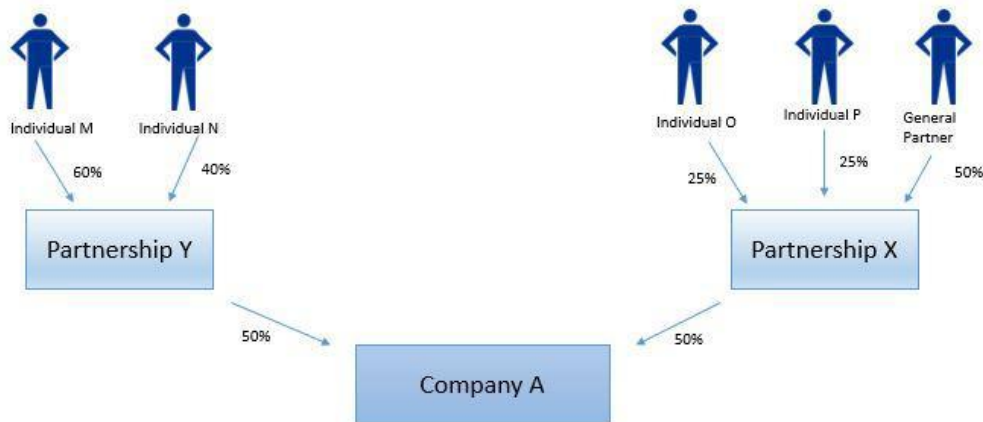
The direct shareholder of Company B is a listed company in the Frankfurt stock exchange.

The listed entity has an indirect ownership in Company A.

Company A beneficial owner to be declared in the BO registry is the listed entity.

In “Type of BO” the option “Beneficial Owner” must be selected from the dropdown menu and “Listed company” from the next dropdown menu.

Example 7



The direct shareholders of Company A are Partnership Y (50%) and Partnership X (50%).

Partnership Y partners are the following:

- a) Individual M (60%)
- b) Individual N (40%)

Partnership X partners are the following:

- a) Individual O (25%)
- b) Individual P (25%)
- c) General partner (50%)

Individual M has 30% (60% X 50%) indirect ownership in Company A through Partnership Y.

Individual N has 20% (40% X 50%) indirect ownership in Company A through Partnership Y.

Individual O and Individual P have 12.50% (25% X 50%) indirect ownership respectively in Company A through Partnership X.

General partner has 25% (50% X 50%) indirect ownership in Company A through Partnership X.

Individual M (30%) is the only natural person that indirectly own Company A through direct shareholding of equal or greater than 25% plus one share. Consequently, Individual M is the beneficial owner of Company A.

If the General partner has the authority to represent the Partnership X and the other 2 partners have provided the mandate to vote and take decisions regarding the partnership's investment in Company A, then General partner must also be stated as the beneficial owner of Company A.

See section (a) (i) of the definition of beneficial owner.

In "Type of BO" the option "Beneficial Owner" must be selected from the dropdown menu and "Natural person" from the next dropdown menu for input of Individual M.