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REGISTRY OF BENEFICIAL OWNERS

Dear Client,

in implementation of Legislative Decree 231/2007 (so-called "decreto anticiclaggio", anti money laundering decree), aiming to prevent and counter the use of the economic-financial system for the purpose of money laundering and terrorist financing, on 25 May 2022 Ministerial Decree 55 of 11 March 2022 was published in the Official Gazette, including the provisions on disclosure, access and consultation of data and information on beneficial ownership:

- of companies;
- of private legal persons;
- of trusts and other legal arrangements similar to trusts.

Ministerial Decree 55 of 11 March 2022 introduces new provisions:

- with regard to the reporting to the Business Register Office of data and information on beneficial ownership of companies with legal personality, private legal persons, trusts that produce legal effects relevant for tax purposes and legal arrangements similar to trusts, for the purpose of their registration and preservation in the Business Register's autonomous section and its special section;
- regarding the access to data and information of the

Authorities, the obliged entities, the public, and any natural or juridical person, including stakeholders;

- to identify and quantify the administrative fees to persons other than the Authorities;
- to guarantee the secure treatment of data and information.

There is a special section in the Business Register for this purpose (so-called "**Registry of Beneficial Owners**").

However, in order for the Register to be fully effective, the Italian Ministry of Economic Development will have to issue a further four decrees regarding the digital template for the reporting to the Business Register Office, the administrative fees, the templates for issuing certificates and copies, and finally, a decree that ensures the operability of the communication system.

OBLIGED ENTITIES

Information regarding the beneficial ownership has to be communicated to the Business Register Office of the territorially competent Chamber of Commerce by the following entities:

- the directors of the companies with legal personality and/or the founder, if alive;
- the entities authorized to represent the company and to manage the private legal persons;

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- the trustee of the trusts or legal arrangements similar to trusts; legal arrangements similar to trusts refer to bodies or institutes, which, by their structure and their functions, lead legal effects equivalent to those of said trusts, also having regard to the destination of the assets to a purpose and the control by a person other than the owner, in the interest of one or more beneficiaries or for the pursuit of a specific purpose.

BENEFICIAL OWNER

Pursuant to Article 1 co. 2 of Legislative Decree 231/2007, the beneficial owner is <<the natural person / persons, other than the customer, in whose interest or interests the continuing relationship is ultimately established, the service is rendered or the transaction is carried out>>.

Article 20 of Legislative Decree 231/2007 provides gradual criteria for the identification of the beneficial owner.

First of all, <<The beneficial owner of customers other than natural persons coincides with the natural person / persons to whom the direct or indirect ownership or control of the entity is ultimately attributable>>.

In the case of limited companies constitutes an indication of:

- direct ownership, ownership of more than 25 % of the customer's share capital held by a natural person;
- indirect ownership, ownership of more than 25% of the customer's share capital held through subsidiaries, trust companies or intermediaries.

In case it should not be possible to establish the natural person/persons whom the direct or indirect ownership of the entity can be assigned to (based on a analysis of the company's structure), such beneficial owner is considered to be the natural person or persons, to whom the respective control can be attributed based on:

- the control of the majority of the votes that can be exercised in the ordinary shareholders' meeting;
- the control of sufficient votes in order to carry out a dominant influence in the ordinary shareholders' meeting;

- the existence of special contractual obligations allowing the exercise of a dominant influence.

In case such criteria should not allow to identify one or more beneficial owners, the beneficial owner is considered to be the natural person/persons - in accordance with their respective organisational or statutory structures - who is/are authorized to represent the company and is/are vested with managing or administrative powers of the company or the entity other than the natural person.

ACQUISITION OF INFORMATION

Pursuant to article 22, co. 3-5 of Legislative Decree 231/2007, the information regarding the beneficial owners must be acquired by the obliged entities.

For companies, information regarding the beneficial owner is acquired by request to them, as well from the information contained in the company's accounting records, the shareholder registers, communications relating to the ownership or control of the entity holding the company, or communications from shareholders and any other information available.

In case of doubts regarding the beneficial ownership, information shall be acquired by the directors following an express request addressed to the shareholders whose extent of interest in the entity needs to be investigated. The shareholder's unjustified inaction or refusal to provide the directors with the information necessary for the identification of the beneficial owner, or the reporting of obviously fraudulent information, results in the relevant voting right being unenforceable and includes the enforceability (pursuant to Article 2377 of the Civil Code) of provisions which were possibly taken with his decisive vote. (provisions of Articles 120 and 122 of the Italian Financial Code, 74 and 77 CAP and 2341-ter of the Civil Code).

Information regarding **private legal persons** that need to be registered in the Register of Juridical Persons is acquired from the founder, if alive, or from the persons authorized to represent and manage the entity, by requesting it from the beneficial owner, also on the basis of the information contained in the articles of association, memorandum of

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association, accounting records and any other communication or data available.

Trustees of **trusts**, and persons exercising rights, powers and faculties in legal arrangements similar to trusts, presupposed they are established or resident in Italy, shall obtain and hold adequate, accurate, and current information as to the beneficial ownership of the trust or similar legal arrangement, meaning the identity of the part/parts, the trustee/trustees, the protector/protectors, or others on behalf of the trustee, if any, the beneficiary/beneficiaries or class of beneficiaries and other natural persons controlling the trust or the similar legal arrangement and any other natural person ultimately controlling the assets placed in the trust or the legal arrangement through direct or indirect ownership or any other means.

DISCLOSURE OF INFORMATION

As already outlined, in order for the Registry to be fully effective, the Italian Ministry of Economic Development will have to issue the final decree certifying the operability of the communication system (expected by 8 August 2022).

Once the beneficial owners have been identified, from the date of publication of the last decree in the Official Gazette, the obliged parties have to send the relevant report containing the personal data (fiscal code, first name, surname, place of birth, date of birth, place of residence, domicile) and citizenship of the natural persons identified as beneficial owners within 60 days.

In addition, the report must include:

- for companies with legal personality: the amount of the capital participation by the natural person indicated as the beneficial owner; where the beneficial owner is not identified on the basis of the amount of the holding, the manner of exercising control, or the powers of legal representation, administration, or management of the entity exercised by the person identified as the beneficial owner;
- for private legal persons: tax code, name of the entity, registered office (or administrative address, if different from the registered office), certified e-mail-address

(P.E.C.);

- for trusts and legal arrangements similar to trusts: tax code, name of the trust or similar arrangement, date, place and details of the deed;
- any exceptional circumstances in which access to the information on the beneficial ownership may be excluded, in whole or in part, where it would expose the beneficial owner to an extraordinary risk of fraud, kidnapping, blackmail, extortion, harassment, violence, or intimidation, or in case the beneficial owner is an incapacitated person or a minor (including certified e-mail-address (P.E.C.) to receive communications related to such profiles);
- pursuant to Presidential Decree 445/2000: the declaration of liability and awareness of the penalties prescribed by the criminal law and by the special laws concerning the falsity of documents and declarations submitted.

Data and information on beneficial ownership are provided by means of self-declaration, pursuant to Articles 46 and 47 of Presidential Decree 445/2000. The company's reporting form introduced by Legislative Decree of 19 November 2009 must be used for the reporting of the data. Technical specifications regarding the format of the communications will be subject of a specific decree of the Italian ministry of economic development, which has not yet been published (expected by 8 August 2022).

For entities **established after the date of operation of the system**, the report must be submitted **within 30 days** of registration in the Commercial Register.

Furthermore, the obliged entities are bound to:

- communicate any changes in the provided data and information within 30 days of the act which gives rise to the changes or modifications;
- annually report the confirmation of data and information, within 12 months from the date of the first communication, the last communication, any modifications or the last confirmation; companies with legal personality can submit said confirmation when filing the balance sheet.

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Data on beneficial ownership will be kept in two sections of the Commercial Register:

- Autonomous section: for companies with legal personality and private legal persons;
- Special section: trusts that produce legal effects relevant for tax purposes and legal arrangements similar to trusts established or resident in Italy.

Failure to fulfil the disclosure requirements on beneficial ownership result in the application of penalties provided for by Article 2630 of the Civil Code for an amount from Euro 103.00 to Euro 1,032.00. If the data and information are submitted within 30 days of the expiry of the prescribed deadline, the administrative penalty is reduced to one third.

Further information will be provided following the adoption of the decrees by the Italian Ministry of Economic Development, on which date will begin the 60-day-deadline for submitting the communications on beneficial owners.

Yours sincerely,

HAGER & PARTNERS