

ULTIMATE BENEFICIAL OWNERS

With the publication in the Official Gazette No. 236 on October 9, 2023, the decree from the Ministry of Enterprises and Made in Italy (MIMIT) dated September 29, 2023, has made the **Register of Ultimate Beneficial Owners** operational. The initial communications must be made by **December 11, 2023**.

REGISTER OF ULTIMATE BENEFICIAL OWNERS

The **Register of Ultimate Beneficial Owners** is established to increase transparency in the ownership of legal entities and to prevent the use of the economic and financial system for money laundering and terrorism financing. This register makes information on beneficial ownership available to entities subject to identity verification requirements, such as banks, financial intermediaries, investment firms, insurance companies, professionals, non-financial operators, and other similar entities.

The Ministry of Economy and Finance (MEF), various supervisory authorities, the judiciary, and tax evasion enforcement agencies will have direct access to the registry.

An interchange of data between the Revenue Agency and the Chambers of Commerce is envisaged.

Failure to provide the ultimate beneficial owner's information within the specified deadlines may result in an administrative penalty ranging from €103 to €1,032.

The Register of Ultimate Beneficial Owners consists of two sections:

- An autonomous section containing data and information on the ultimate ownership of legal entities and private legal persons.

- A special section where information and data regarding the ultimate ownership of trusts with significant tax effects or related legal entities are consolidated.

OBLIGATED PARTIES AND COMMUNICATION METHODS

Those who must provide information on beneficial ownership are:

- **Administrators** of all legal entities, such as S.p.A., various types of S.r.l. (ordinary, simplified, innovative start-ups), and limited partnerships with shares. General and limited partnerships are excluded.
- The founder, if alive, or the individuals responsible for the representation and administration of private legal persons (e.g., foundations, associations).
- Trustees of trusts or similar legal entities.

The transmission of data is exclusively via electronic means, and compliance **cannot be delegated** to intermediaries or representatives. Digital signatures, compliant **with Italian standards (p7m)**, are required.

Therefore, those who have to provide the information on beneficial ownership **must have an appropriate digital signature.**

It is envisaged that those required to disclose beneficial ownership will have to disclose the identifying data and citizenship of the natural persons indicated as beneficial owners.

In addition to the above, the reporting parties will transmit further data and information to the Register, which differ according to the reporting party:

- a) **Legal entities**, in addition to the ultimate beneficial owner, must report:
 - The extent of the individual's shareholding in the entity.
 - If the ultimate beneficial owner is not identified based on shareholding extent, the methods of control.

- b) Private legal persons, in addition to the ultimate beneficial owner, must report identifying information about the entity.
- c) Trusts and similar legal entities, in addition to the ultimate beneficial owner, must report identifying information and the date, place, and details of the formation of the trust or similar legal entity.

Entities subject to reporting must communicate any changes related to ultimate ownership **within 30 days of the event triggering the change.**

Data must be confirmed annually.

For companies obligated to prepare and file financial statements with the Companies Register, data confirmation can be performed concurrently with the submission of financial statements.

All communications will be subject to a €30 secretarial fee applied by Company Register.

The information contained in this circular is for information purposes only and does not refer to any specific situation, so it may not contain all the elements necessary to make operational decisions. It does not constitute legal or tax advice.