

LEGAL ALERT THE CENTRAL REGISTER OF BENEFICIAL OWNERS: NEW REQUIREMENTS FOR COMPANIES

Please note the approaching date, **13 July 2020**, by which the vast majority of Polish companies and partnerships governed by the Polish Commercial Code should submit information on the identity of their respective beneficial owners to the Central Register of Beneficial Owners (the “**CRBO**”, the “**Register**”). The original deadline was 13 April; however, it was extended by three months due to the impact of COVID-19¹.

¹The deadline (i.e. 13 July 2020) applies to companies entered in the National Court Register before 13 October 2019, as companies registered after that date were automatically subject to that obligation.

The Central Register of Beneficial Owners has been in operation in Poland since 13 October 2019. Its purpose is to store information on individuals who control certain types of companies and partnerships. The Register was established based on the provisions of the Act on Combating Money Laundering and the Financing of Terrorism dated 1 March 2018 (Polish Journal of Laws (Dz.U.) of 2019, item 1115, as amended) (the “**AML Act**”). The establishment of the CRBO aligned Polish law with the relevant EU regulations on combating money laundering and the financing of terrorism.

WHICH ENTITIES ARE OBLIGED TO REPORT INFORMATION ON BENEFICIAL OWNERS

The following entities are subject to the CRBO registration requirements:

- joint-stock companies (*spółki akcyjne*) (except for listed companies);

- limited liability companies (*spółki z ograniczoną odpowiedzialnością*);
- registered partnerships (*spółki jawne*);
- limited partnerships (*spółki komandytowe*); and
- joint-stock partnerships (*spółki komandytowo-akcyjne*).

THE DEFINITION OF BENEFICIAL OWNER

A beneficial owner is understood to mean an individual that directly or indirectly controls a company or partnership through his/her power to exert a decisive influence on the company or partnership.

Where the obliged institution is a legal entity (*osoba prawna*), the following are defined as the beneficial owners of such entity:

- the shareholders or partners of the entity who own more than 25% of the shares;
- persons who have the power to exercise more than 25% of the total number of votes in the entity's decision-making body (also when acting as pledgees or usufructuaries, or based on contractual arrangements with other holders of such voting rights);
- persons who exercise control over a legal entity or legal entities who jointly own more than 25% of the shares in the entity or jointly have the power to exercise more than 25% of the total number of the votes in the entity's decision-making body (also when acting as pledgees or usufructuaries, or based on contractual arrangements with other persons who hold such voting rights);
- persons who exercise control over a company or partnership based on their status as a parent undertaking of such company or partnership, and/or
- where the identity of the persons (individuals) referred to in the sections above cannot be reliably established or if there are doubts as to their identity – a beneficial

owner means a person holding a senior managerial position in such entity

WHAT DATA NEED TO BE REGISTERED

The following information is required to be submitted for registration in the CRBO:

- identification details of the entity, i.e. the business name, organisational form, address of its registered office, the number in the National Court Register (KRS), the NIP (tax identification) number; and
- identification details of **beneficial owners** and **members of its governing body or the partners authorised to represent** the entity: forename and surname, citizenship, country of residence, PESEL number (or the date of birth for individuals who do not have a PESEL number), information on the size and nature of their shareholding or on their powers.

If there is any change to the data entered in the Register, the relevant submission should be made within seven days of the date on which the change took place (the AML Act provides that Saturdays and public holidays are not included in the seven-day timeframe).

Data in the Register are freely accessible to the public.

HOW TO MAKE A SUBMISSION TO THE CRBO

Registration submissions are made electronically via the website: <https://CRBO.podatki.gov.pl/adCRBO/#/>.

Submissions can only be made by an entity's authorised representative. A qualified electronic signature or a trusted profile on the ePUAP platform is required to validate a submission.

SANCTIONS AND LIABILITY

A fine of up to PLN 1,000,000 may be imposed for the failure to register beneficial owner details in the CRBO.

The person who makes registration submissions on beneficial owners and any updates thereto is, in principle, liable for any damage caused by untrue data being submitted to the Register as well as by required data, and any updates thereto, not being submitted in a timely manner to the Register.

ABOUT RYMARZ ZDORT

Rymarz Zdort would be happy to assist you in respect of any cases related to the issues covered by this Alert.

We remain at your disposal should you have any inquiries.

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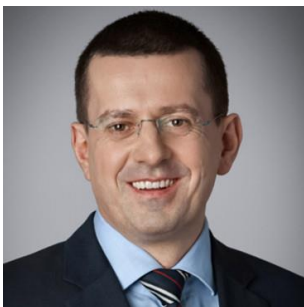
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Pawel Zdort is an attorney-at-law admitted to practice in Poland, a managing partner of Rymarz Zdort, formerly known as Weil, Gotshal & Manges – Pawel Rymarz sp.k., and a co-head of the mergers and acquisitions practice.

For many years Pawel Zdort has been recognised by international legal rankings as one of the leading lawyers in Poland for corporate and M&A, equity capital markets, private equity and energy & natural resources, and one of Poland's best lawyers for stock exchange debuts, capital markets and securities, as well as M&A and restructuring.



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Dr Filip Uzieblo is an attorney-at-law admitted to practice in Poland, and a partner in the corporate department and the real estate practice of Rymarz Zdort.

A specialist in corporate law, M&A deals, private equity, privatisation and restructuring transactions, he has advised shareholders, sellers, targets, industry investors, private equity funds and institutional financial investors with regard to a wide range of transactions. He has represented many leading international private equity and real estate investors in complex M&A transactions.



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Karina Aust-Niewiadomska is an advocate admitted to practice in Poland, a partner in the litigation and dispute resolution department of Rymarz Zdort and the head of the white-collar defense & investigations practice.

A specialist in representing clients in criminal cases, in particular with regard to white-collar crime, Karina has extensive knowledge and expertise both in acting for injured parties and in defending those charged with wrongdoing in connection with their business activities.

She has advised on criminal proceedings related to: actions taken to the detriment of companies; insider trading; the actions of brokers and brokerage houses; and fraud, including securities fraud.

She also has extensive experience in civil and criminal matters related to personal rights of individuals and corporations and has taken part in civil and administrative proceedings before common

courts, public administration authorities, administrative courts and the Supreme Court.

Sebastian Zielinski is a trainee advocate and an associate in the dispute resolution department of Rymarz Zdort.

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