

PRESS RELEASE

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Fighting Money Laundering: the Austrian Act on the Register of Beneficial Owners Increases Transparency

Can there be too much transparency regarding beneficial owners of companies, other legal persons or trusts? This interesting question was discussed at the CMS Business Breakfast in early March, which once again put a focus on the topic of risk & prevention. The new act implements the rules of the Fourth EU Anti-Money Laundering Directive into national law. This means that the deadline for registering beneficial owners is approaching quickly.

The first CMS Business Breakfasts of the current year have clearly focused on significant changes in law that will require adequate preparation in the months to come. Following a Business Breakfast on the new General Data Protection Regulation, the new Act on the Register of Beneficial Owners was discussed and also attracted a large crowd of interested CMS guests. This is hardly surprising considering that violations may result in fines of up to EUR 200,000 (in case of intent) or EUR 100,000 (in case of gross negligence).

Oliver Werner, attorney-at-law at CMS specialised in Corporate/M&A and particularly questions of compliance, says the clock is ticking, "Companies need to act now. The rules of the Register of Beneficial Owners are very complex. Still, beneficial owners have to be registered by 1 June 2018."

The establishment of a register of beneficial owners of Austrian companies, private foundations and trusts is a result of the implementation of the EU Anti-Money Laundering Directive into national law. Legal entities are now obligated to report data on their beneficial owners and update them annually.

Know-how transfer for breakfast

The new law applies to almost all Austrian legal entities, but it can be difficult to keep track of all regulations without legal support. How are beneficial owners defined? In which cases must holding companies be registered? What to do regarding private foundations and associations? Which data concerning beneficial owners has to be reported via the electronic Business Service Portal? Which documents have to be submitted and/or kept as evidence? Is only the legal entity itself allowed to report the data or can a lawyer handle this task? Who has access to the data stored in the register? Checking whether shareholders have to be

reported to the register as beneficial owners is the first step, but it does not suffice. Therefore, the more than 60 managing directors and board members attending were served information on all other significant duties of care, reporting obligations and duties requiring action for breakfast.

Trending topics at CMS in 2018

The Act on the Register of Beneficial Owners and the General Data Protection Regulation are only two of many topics CMS covers in a comprehensive series of events specifically catering to companies that want to be timely informed about aspects of risk & prevention. But it does not stop there. CMS Vienna also organises numerous events on another major topic: the digital economy. These events are designed to present and discuss increasingly important legal questions on topics such as fintechs, cybercrime, smart contracts or ICO (initial coin offerings).

You can find a photo of Oliver Werner to download [here](#).

You can find information on other events of CMS Vienna on the website cms.law/en/AUT/ by clicking [Events](#).

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