

Cyprus beneficial owners regime: factsheet

In 2021, the Cypriot competent authorities announced the establishment of the central register of the beneficial owners (**BOs**) of companies and other legal entities, to the extent that they are registered with the Department of Companies and Intellectual Property (**Registrar**) in an effort to comply with the European Union Directive against money laundering and terrorist financing.

The officers of Cypriot entities are obliged to identify and record electronically on the beneficial owner register (**BO Register**) the required information of the BOs of such entities.

All companies that have been set up or registered based on the Companies Law as well as European public limited liability companies (SE) and partnerships have an obligation to register their beneficial owners in the BO Register before the deadline expires in **12 March 2022**.

The obligation to submit this information has commenced on the so called 'interim platform' between the original commencement date (ie March 2021 up until 12 March 2022). If any company registered in Cyprus has not complied with this obligation by 12 March 2022, then the Registrar may impose monetary fines, as described below.

Who is considered a beneficial owner?

In accordance with the provisions of the Prevention and Suppression of Money Laundering and Terrorist Financing Law 188(I)/2007 (the Registrar has issued a Directive (the **Directive**¹) and accompanying Guidance pursuant to which the "Beneficial Owner" of a company and/or other entity is defined as the natural person who ultimately owns or controls the company, directly or indirectly.

- **Direct ownership** may be indicated by shareholding of 25 per cent + 1 share or an ownership interest of more than 25 per cent in a corporate entity.
- **Indirect ownership** may be indicated by a shareholding of 25 per cent + 1 share or an ownership interest of more than 25 per cent in the Entity held by a corporate entity, which is under the control of a physical person(s), or by multiple corporate entities, which are under the control of the same physical person(s) or through a nominee shareholder (whether physical or corporate) or other legal arrangements.

What information is required for reporting?

Companies

The information filed in the BO Register for each natural person who is the beneficial owner is the following:

- Name, surname, date of birth, nationality and residential address
- Nature and extent of the beneficial interest held directly or indirectly by each beneficial owner, including through

¹ Directive regarding the Central Register of Beneficial Owners and Companies and Other Legal Entities (Directive)

percentage of shares, voting rights, or the nature and extent of the significant influence or control with other means exercised by each controlling person

- Identification document number indicating the type of document and the country of document issuance (identity card or passport)
- Date on which the natural person was entered in the register as a beneficial owner
- 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

Trusts

In cases where the shareholding structure of a Cyprus company, leads to trust/s, other similar legal arrangements or listed companies as a beneficial owner(s), the information submitted in the BO Register is the following:

- Name of the trust
- Registration number (if any)
- Nature and extent of the beneficial interest
- Country of jurisdiction of the trust

Foundations

In cases where the shareholding structure of a Cyprus company, leads to foundation/s or other similar legal arrangements as a beneficial owner(s), the information submitted in the BO Register is the following:

- Name of the foundation
- Registration number (if any)
- Nature and extent of the beneficial interest
- Business address
- Country of jurisdiction of the foundation

Which companies and legal entities are exempt from reporting?

- Companies whose liquidation and/ or strike off application has taken place prior to the commencement of the Directive, namely 12 March 2021
- Overseas companies subject to equivalent international standards
- Companies listed on a stock exchange and subject to EU disclose law requirements

How can I report?

- The responsibility for the submission of details relating to the beneficial owner(s) of the legal entity lies with the legal entity itself through its officers (Director or Secretary). In order to submit such details, each entity must create a corporate profile in **Ariadni** governmental portal.
- A company officer or any authorized person must submit various documents to the nominated authorisation centres.
- Updating BO Register with the accurate information through the government portal.
- In case of a change in the information of a beneficial owner, an entity and its officers must, within fourteen (14) days from the change, file onto the BO register the information regarding the new BO or the change on the details of an existing beneficial owner.

- There is an annual obligation, during the last month of each calendar year to confirm electronically, to the Registrar its beneficial owners.

Who can access the BO register?

- During the first 12-month reporting period, ie, starting from 12 March 2021 to 12 March 2022, only Cyprus competent supervisory authorities such as the FIU, the customs department, the tax department and the police will have unrestricted access to the online BO Register without notifying the Obligated Entity.
- Following the end of the first reporting period, ie after 12 March 2022, online access to the BO Register will be granted to the following:
 - Cyprus Competent Supervisory Authorities
 - Obligated entities, in the context of conducting due diligence and identification measures for their client as defined in the AML Law, have access 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 an indicative fee
 - All members of the general public have access to the name, month and year of birth, nationality and country of residence of the beneficial owner, as well as the nature and extent of the beneficial interest held, following payment of an indicative fee

How can Harneys help?

- Collate all relevant beneficial owner information on your entity to perform Beneficial Owner assessment
- Registration to the Ariadni portal for the compulsory requirement of submit data
- Conduct all on-going compliance requirements relating to the BO Register



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