

A register of beneficial owners (Register) has been introduced in the Czech Republic, based on the European Anti-Money Laundering Directive as of 1 January 2018.

The Register is an information system of public administration, which is operated electronically by competent courts. It is not a public record, but, as well as a public authorities, persons who can demonstrate a legitimate interest in the prevention of selected crimes are also able to access it (e.g. financial institutions, real estate developers or lawyers).

A "beneficial owner" is any natural person who owns or controls a legal entity (a business corporation, association, foundation, trust or any other legal arrangement without a legal personality), i.e. any natural person who, directly or indirectly, holds more than 25% of voting rights in, or through other means exercises the controlling influence over, the legal entity. A legal entity is obliged to trace the ownership up to the top, to find a natural person who owns or controls it. If no such natural person is identifiable, members of the statutory body are deemed to be the beneficial owners.

Legal entities must file the following details in the Register about any beneficial owners:

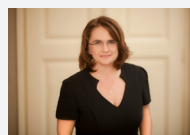
- Name, surname and address
- Date of birth and birth certificate number, if assigned
- Nationality
- Details specifying the relationship between the beneficial owner and the respective legal entity

Registration must be made without any undue delay from the date on which someone becomes a beneficial owner. **For legal entities that are currently registered in the Commercial Register, this must be completed by 1 January 2019.** For other entities, the deadline is 1 January 2021.

There are no financial sanctions for non-compliance with the obligation, but there is a risk that transactions made by a non-complying entity may be considered suspicious by its business partners, rejected and reported to the Financial Analytical Office.

Our corporate advisors can guide you through each stage of your own registration process. Please contact them with any questions you may have, to help you protect your business relationships and company's reputation.

## Contacts



**Markéta Lukešová**  
Senior Associate, Prague  
T +420 221 662 264  
E [marketa.lukesova@squirepb.com](mailto:marketa.lukesova@squirepb.com)



**Ivan Chalupa**  
Associate, Prague  
T +420 221 662 274  
E [ivan.chalupa@squirepb.com](mailto:ivan.chalupa@squirepb.com)