

As we have noted in prior Insights¹, in accordance with the regulations of the European Union, EU member states are taking regulatory action to require greater entity transparency.

Luxembourg has joined in, with a law that establishes a public register of beneficial owners of entities (the REBECO Act). The REBECO Act went into force on March 1, 2019, and entities that fall within its scope will have until September 1, 2019 to comply with its provisions.

The REBECO Act applies to entities registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés* or *RCSL*), including civil and commercial companies, branches of foreign companies, Luxembourg common investment funds and certain other types of investment funds, but excludes companies whose securities are listed on a qualifying regulated securities market. Under the REBECO Act, entities must maintain at their offices, and provide to the Luxembourg Business Register (LBR), regularly updated information on their ultimate beneficial owner(s). This information includes the ultimate beneficial owner's first and last name, nationality, date and place of birth, country of residence and national identification/registration number, and the nature and scope of the interest held in the entity. Luxembourg's national tax, law enforcement, customs and similar authorities will have unlimited access to the information stored in the LBR. The REBECO Act also provides that "any person" will be entitled to access certain of the information (including the scope of the beneficial interest), although the Act provides the ability for beneficial owners, in exceptional circumstances and on a case-by-case basis, to request that the LBR limit access to the information on file to the national authorities and banking and financial institutions.

Family offices should be aware that direct or indirect ownership in Luxembourg entities will no longer be "opaque". While Luxembourg will likely remain a favored jurisdiction for sophisticated cross-border corporate and investment fund entity structuring, this new requirement of entity transparency should be taken into consideration by family offices and their advisers when considering potential investment structures.

Please contact your principal Squire Patton Boggs lawyer or the lawyers listed in this publication for additional information, or for help on these matters from our global Family Office team.

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¹ "Beneficial Owners of German Subsidiaries" (January 2018) and "UK Register of Beneficial Owners – The Details" (August 2018).