

Italy has introduced an electronic register of beneficial owners (the **Register**) by ministerial decree no. 55 dated March 11, 2022 (the **Decree**), according to the provisions set forth under the Anti-Money Laundering Directive 2015/849 (the **Directive**). According to the Decree, the register will enter into operation on June 9, 2022.

According to the provisions of Article 21, paragraph 5, of Legislative Decree no. 231/2007, as amended by Legislative Decree no. 125/2019, Italy has granted delegated powers to the Ministry for Economic Affairs for the establishment of specific guidelines for the implementation, access and subsequent consultation of the Register.

On May 25, 2022, following the favorable opinion of the Italian Data Protection Authority and the Italian Council of State, the Decree to implement the Directive and establish the Register of the Italian Ministry for Economic Affairs together with the Italian Ministry for Economic Development was published in the Official Gazette.

According to Article 3 of the Decree, within 60 days from the date on which the Decree comes into force (i.e. by August 8, 2022), the Italian Ministry for Economic Affairs must adopt a provision certifying the operation of the Register. From the publication of such provision, the legal entities will have 60 days to communicate the relevant information on their beneficial owners.

According to Article 2 of the Decree, the aim of the Register is to record information on individuals (i.e. the beneficial owners) having control over Italian legal entities (business corporations, associations, foundations or trusts) to counter the use of the Italian economic and financial system for the purposes of money laundering or terrorism, as well as to provide protection for corporate transactions.

According to Article 1, paragraph 2(o) of the Decree, the term “beneficial owner” refers to a natural person who, directly or indirectly, owns more than 25% of the equity interests or voting rights in a legal entity or which, through other means, exercises a controlling influence over such legal entity. In the event that a beneficial owner is not identifiable under the abovementioned criteria, the beneficial owners would then be deemed to be the persons who are the legal representatives of the legal entity or who are members of the management bodies of the related entity.

According to Article 2 of the Decree, all relevant data and information on beneficial owners must be communicated electronically to and managed by the competent Italian Companies’ Registry, where the relevant legal entity is registered. From the date of registration of information on beneficial owners and for a further period of 10 years, such data and information will be available for consultation in a specific section of the relevant Companies’ Registry.

Legal Entities Obligated to Notify Beneficial Owners

According to Article 2 of the Decree, the following legal entities are obliged to report to the Companies’ Registry information on their beneficial owners:

- i. Companies that have legal personality (i.e. joint stock companies (S.p.A.), limited liability companies (S.r.l.), general partnerships (S.n.c.), limited partnerships (S.a.s.) and limited joint-stock partnerships (S.a.p.a.).
- ii. Private legal entities (i.e. recognized associations and foundations and other private institutions that have obtained legal personality through recognition granted by decree of the President of the Italian Republic).
- iii. Trusts and similar legal arrangements.

Filing Requirements and Deadline

According to Article 3 of the Decree, the subjects who are responsible for notifying the relevant information on beneficial owners to the relevant Companies’ Registry are: (i) directors of companies that have legal personality; (ii) founder(s), if alive, or representatives of a private legal entity; and (iii) trustees of a trust or of similar legal arrangements (“**Responsible Subjects**”).

Responsible Subjects must collect and file such information at the relevant Companies’ Register without undue delay from the date on which a person becomes a beneficial owner.

The deadline for submitting the required form reporting on beneficial owners differs between newly established entities and entities already incorporated as of the date on which the provision of the Italian Ministry for Economic Affairs certifying the operation of the Register will come into force.

In particular, Article 3 of the Decree provides that: (i) for existing entities, Responsible Subjects must submit the relevant information on their beneficial owners by 60 days from publication of the provision of the Italian Ministry for Economic Affairs certifying the operation of the Register; and (ii) in relation to new entities, Responsible Subjects must notify the competent Companies’ Registry with the relevant information on their beneficial owners by 30 days from the date of incorporation of the relevant entity.

Responsible Subjects must provide adequate, up-to-date and accurate information at all times in order to meet the requirements of the Decree. In line with this objective, a 30-day obligation deadline applies in the event of a change in information previously provided.

Moreover, Responsible Subjects must confirm annually the accuracy of the data and information provided. In accordance to Article 3 of the Decree, Responsible Subjects of the companies with legal personalities may confirm the accuracy of the information provided together with the filing of the financial statements.

Information Recorded in the Register

According to the provisions of Article 4 of the Decree, the notification on beneficial owners must include the following:

- Identification data (i.e. name and surname, date and place of birth, nationality/ies, country of residence, registration address and national registration number) on each beneficial owner.
- For companies that have legal personality, the notification must also include information on (a) the percentage of the equity interest held by the beneficial owner in the corporate capital of the relevant legal entity; (b) the means through which the beneficial owner exercises control over the relevant legal entity; and (c) the powers of legal representation or management of such legal entity.
- For private legal entities, the notification must also include the tax code of such entities and, in case of first communication or changes, the name of the entity, the registered office and, if different from the registered office, the administrative office and the certified e-mail address of the entity.
- For trusts or similar legal arrangements, the notification must also include the tax code of such trusts or similar legal arrangements and, in case of first communication or changes, the name of the trusts or similar legal arrangements and the date, place and details of the deed of incorporation of such trusts or similar legal arrangements.
- Cases where there could be a risk for the beneficial owners to endure *inter alia*, fraud, harassment, violence or blackmail, as a result of the third parties' knowledge of information included in the Register.
- Declaration in lieu of responsibility and guilt in relation to the sanctions provided for fraudulent declarations and the falsification.

Sanctions for Failing to Report

According to Article 4, paragraph 2 of the Decree, legal entities that fail to comply with the reporting requirements with regard to the beneficial owner by the relevant deadlines will be subject to fines ranging from €103 to €1,032.

Access to the Register – Authorized Persons

According to Article 5 of the Decree, public authorities (including, *inter alia*, the Italian Ministry for Economic Development, relevant sectorial supervisory authorities and Financial Intelligence Units) will have access to all information on the Register.

In addition to public authorities, access to the Register is granted to those obliged to carry out anti-money laundering inspections and to the public. In particular, the public may have access, on request and without restriction, to the data on beneficial owners of companies that have legal personality and private legal entities. However, access to such data may be denied to the public, in cases where there could be a risk for the beneficial owners to endure *inter alia*, fraud, harassment, violence, or blackmail, as a result of the knowledge by the public of information included in the Register.

On the other hand, only natural or legal persons – who can prove to have a relevant legal interest – may have access to information on beneficial owners of trusts and similar entities, subject to the submission of a motivated request for access, which must be authorized by the competent territorial Italian chamber of commerce.

For both those obliged to carry out anti-money laundering inspections and the public, access is subject to the payment of specific administrative fees ("*diritti di segreteria*") that will be determined by means of secondary legislation. The amount of the fees has not yet been published.

Registry Interconnection System

As part of the ongoing process of sharing and digitization of information within the EU and according to Article 10 of the Decree, the records on beneficial owners will first be collected in the national registers (in Italy at a specific section of the competent Companies' Registry) and then transferred to the European beneficial ownership registers interconnection system (also known as "**BORIS**").

The BORIS system, therefore, should enable the interconnection at a decentralized level of the registers of beneficial owners established by member states. In this way, information on beneficial owners should be shared and made more accessible among member states of the European Union.

If you have any questions or concerns in connection with the register of beneficial owners, please contact your firm lawyer or any of the contacts below for a confidential consultation.

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