

NEW MANDATORY REGISTER FOR COMPANIES IN AUSTRIA

The EU Commission, further incited by the Paris terrorist attacks, has declared the fight against tax avoidance, money laundering and terrorist financing a top priority; in 2018 stricter rules will enter into force also in Austria – legal entities should prepare themselves in good time.

Background: As part of the implementation of the 4th EU Money Laundering Directive, a new register will be set up in Austria based on the recently announced Economic Ownership Register Act (Wirtschaftliche Eigentümer Registergesetz - "WiEReG"), which requires the beneficial owners of companies, other legal entities and trusts to be registered.

Affected legal entities will be obliged inter alia to determine the identity of their so-called economic owner(s) respectively their ultimate beneficial owners and to take measures to verify the identity of those owners. Economic owners are classified as any natural persons who, directly or indirectly, hold (shares of more than 25% in a legal entity or have control through the management of the company - otherwise the top management level has to be registered. The reporting and disclosure of relevant personal data and documents is carried out online via the corporate service platform of the Austrian Government.

Since in some cases identifying the beneficial owner may be difficult, the law provides that professional representatives such as lawyers and accountants can identify and register economic owners on behalf of their clients.

Rather severe penalties are foreseen in cases of non-performance of the above-mentioned obligations; intentional violations of the reporting obligations are punishable by fines of up to 200,000 Euro among other coercive sanctions.

Current Timetable 2018:

- 15 January: WiEReG enters into force, first opportunity to submit registrations
- 2 May: Queries from the registry are possible
- 1 June: Deadline for first registration ends

The legal experts of Wolf Theiss will gladly assist you regarding these new reporting requirements.

About WOLF THEISS

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