

SERBIA: REGISTER OF ULTIMATE BENEFICIAL OWNERS

On 25 May 2018 the Parliament of the Republic of Serbia adopted the anticipated Law on the Central Register of **Ultimate Beneficial Owners** (the "Law").

The Law came into force on 8 June, at which point, the entities required thereunder and their authorized persons will have **30 days to identify their Ultimate Beneficial Owners (UBO)**. Pursuant to the Law, such entities are not only Serbian companies, but also a broad scope of entities and associations falling within the scope of the defined term "registered entity". These include subsidiaries, institutions and branches of foreign investors and various business entities and associations. The official Central Register of UBOs should be formed with the Business Registers Agency (the "BRA") by 31 December 2018 and registration of all required data therein will need to be performed no later than 31 January 2019.

UBOs are defined by the Law as **individuals, i.e. natural persons**, who meet certain criteria. One of the examples of a legal basis for having the status of UBO is a natural person with a shareholding which exceeds **25%**. What is important is that if there is no legal basis to determine any natural person as the UBO under the Law, then a registered representative of the entity (or member of its representative body) is deemed the beneficial owner of that entity. The information which needs to be submitted on the UBO includes at least the following:

- if the UBO is Serbian citizen – name, personal identification number, country of residence and legal basis for having the status of UBO; or
- if the UBO is a foreign citizen – name, passport number and state of issuance (i.e. other identification document), date and place of birth, place of residence, citizenship and legal basis for having the status of UBO.

The Law also envisages forthcoming obligations, i.e. once the Central Register of UBOs is formed, entities will have an obligation to provide **updates to the information on their UBOs** (e.g. as result from change in ownership structure) within 15 days of the change occurring.

Entities will have an obligation to keep accurate and current records on their UBOs for ten years and must make the same available at request to competent authorities, such as the National Bank. The Central Register of UBOs will keep a permanent record of registered information which will be **available at request** to all interested parties in the form of (i) an excerpt from the record of UBOs, (ii) a certificate on historic changes to UBO, or (iii) a confirmation that a certain individual is or was registered as UBO.

As a word of caution, it should be noted that under the Law entities in breach of legal obligations and their responsible persons may not only be subject to fines, but any

person with intent to conceal information on a UBO and which fails to register required information, registers inaccurate information, or changes or erases truthful information on a UBO, can be held criminally liable and sanctioned with up to **5 years imprisonment**.

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