

Information for clients

Czech Republic
September 13, 2022

Amendment to the Act on the Register of Beneficial Owners

The Act on the Register of Beneficial Owners will be amended with effect from October 1, 2022. The most important change concerns the simplification of the definition of beneficial owner and the abolition of the definition of ultimate beneficiary and person with ultimate influence.

Due to the change in the law, in many cases it will be necessary to correct or supplement the information in the register of beneficial owners, with a six-month deadline.

A material beneficial owner of a corporation is any natural person who, directly or indirectly:

- a) holds an interest in the corporation or a share of voting rights exceeding 25%,
- b) is entitled to a share in the profits, other equity or liquidation balance of more than 25%,
- c) has a decisive influence over one or more companies which individually or jointly hold an interest of more than 25 % in that company; or
- d) otherwise has a decisive influence on the Company.

Decisive influence over the company is exercised by those who can adapt the decisions of the company's governing body to their will. Decisive influence in a company is exercised by the controlling person as defined by the Law on Commercial Corporations. In addition, decisive influence is also exercised by the person who can appoint or dismiss the majority of the members of the statutory body of the company.

According to the amendment, it is irrelevant whether a person with a shareholding of more than 25% actually exercises a decisive influence or not. It will therefore be necessary in many cases to record additional persons in the register of beneficial owners who were not previously required to be recorded.

The entry of data into the register due to the amendment will be exempt from the fee in the amount of CZK 4,000 for six months from the effective date of the amendment.

We will be very happy to help you with the necessary registrations.

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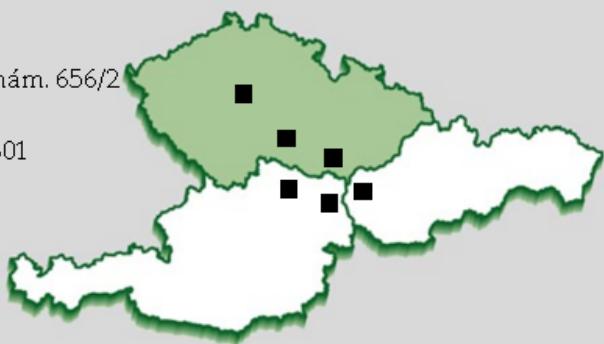
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