

Reporting obligation to German Transparency Register

Have you already registered in the Transparency Register? If not, it is about time to register. Since the 1st of August 2021 the reporting obligation is mandatory for all companies with a legal entity in Germany. Anyone who does not comply with the notification obligation risks a high fine. In the following text we have summarized all the important details for you.

What is the Transparency Register?

On 26 June 2017, the Anti-Money Laundering Directive Implementation Act came into force. The new "Transparency Register and Financial Information Act" (TraFinG) is an essential part of this. It collects information on the ownership structures of companies, foundations and similar forms of corporate law based in Germany. This means that there is a duty of notification on the part of those affected with precise information on the beneficial owners of the respective company. The previous regulation according to section 20 para. 2 of the German Anti-Money Laundering Act (GWG), according to which the obligation to register is omitted if the relevant data from other registers (e.g., the commercial register) can be retrieved, is no longer valid.

What is a beneficial owner?

The beneficial owner of a German entity is in general any natural person who ultimately owns or controls the contracting party or at whose instruction a transaction is ultimately carried out or a business relationship is ultimately established. In the case of legal persons or other associations, the beneficial owner shall be that natural person who directly or indirectly holds more than 25 % of the capital shares, who controls more than 25 % of the voting rights or who can exercise control in a comparable manner. If no beneficial owner can be identified according to these criteria, the legal representative or the managing director must be registered as an economic person. The following information is relevant for the Transparency Register:

- First and last name
- Date of birth
- Place of residence
- Nature and extent of the beneficial interest
- Nationality

What are the transitional arrangements?

The draft law provides for staggered transition periods:

- For Stock corporations, SE, partnerships limited by shares the intended deadline is 31st March 2022
- Limited liability companies, cooperatives, European cooperatives, or partnerships must register by 30th June 2022.
- in all other cases (e.B registered partnerships), the notification must be made by 31st December 2022 at the latest.

Further information can be found under the following link:

[Transparency register](#)