

Stockholm, December 22, 2017

Information on registration of beneficial owners

Background

On August 1, 2017, a new law took effect on the registration of beneficial owners¹. The law implements the EU's new anti-money laundering directive and requires companies to register their beneficial owners with the Swedish Companies Registration Office (Bolagsverket). As a result, all companies must be able to identify their beneficial owners.

The registration requirement also applies to foreign companies that operate in Sweden and have *not* filed a similar report in another EES country² in which it is domiciled.

Definition of *beneficial owner*

A beneficial owner is a legal entity or entities that ultimately controls a company, if he or she, alone or together with another party:

- ✓ due to a shareholding controls more than 25% of the total number of votes in the company
- ✓ has the right to appoint or dismiss more than half of the company's board members or equivalent officers, or,
- ✓ due to agreements with the owners, members or the company, or through the articles of association, contract or similar documents, can exercise control according to 1 or 2.

What do you have to do?

Beneficial owners must be registered with the Companies Registration Office. Registration can be done free of charge through February 1, 2018. If there is *no* beneficial owner, this must be registered as well. Notification should be submitted and signed electronically by the company's representatives, e.g., using Mobile Bank ID. Foreign citizens will have to hire a proxy to submit the notification or apply for an exemption to submit a hard copy of the form.

It is the obligation of every company to continuously update their information in the register. When information that has been submitted or will be submitted has changed, the company must notify the Companies Registration Office.

AktieTorget's recommendation

- Determine who the company's beneficial owners are, if any
- Register the beneficial owners with the Companies Registration Office by February 1, 2018

¹ The new Swedish law on the registration of beneficial owners has entered into force. The law is designed to increase the transparency of company ownership and control. The law is an implementation of the Fourth Anti-Money Laundering Directive from the EU and seeks to prevent money laundering and terrorism financing.

² The European Economic Area is a collaboration between the European Union and its member states on the one hand, and Iceland, Liechtenstein and Norway on the other.

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For more information, see the Companies Registration Office' website – <http://www.bolagsverket.se/om/oss/fler/verklig-huvudman/verklig-huvudman-1.13878> – or call us at AktieTorget at +46 (0)8 511 68 000 and we will guide you in the right direction.

Kind regards from the Information Surveillance team