

Changes in the legislation concerning UBO disclosure

30 April 2024 | Issue 2 /2024

With State Gazette № 25 form 22.03.2024 changes concerning the Ordinance on keeping, storing and accessing the Commercial register were adopted. The essential ones concern the process of announcement of the UBO under the Measures Against Money Laundering Act (MAMLA) which is mandatory for companies owned by a foreign legal entity.

1. Detailed description of the attachments and documents which must be submitted by disclosure of UBO's.

Along with the current documents, the following must be attached to the application for UBO disclosure:

- a. certified up-to-date extract from the book of shareholders for the holders of registered shares (in relation to joint-stock companies and limited partnerships with shares established in the Republic of Bulgaria);
- b. up-to-date documents establishing the existence of the foreign legal entities through which control is directly or indirectly exercised, and certifying the persons who have the right to represent them under their national law;
- c. documents certifying the ownership of shares, shares or voting rights in foreign legal entities, as well as their amount - certified up-to-date statutes/membership agreements/constitutional acts; shares/provisional certificates together with the power of attorney thereto or relevant other evidence of transfer of shares, if any; certified up-to-date extract from the book of registered shareholders and others;
- d. minutes of founding meetings; minutes of general meetings;
- e. documents certifying the exercise of direct or indirect control in another way, other than ownership - certified up-to-date articles of association/membership agreements/constitutional acts; contracts; powers of attorney and others;
- f. up-to-date documents certifying the registered beneficial owners of foreign legal entities;
- g. other relevant documents;

I.e., documents proving the rights of the person declared as the beneficial owner and his/her capacity as such according to the relevant definition chosen in the declaration.

2. Mandatory notification to the Registry Agency for non-compliance of companies with the MAMLA – obligatory for the accountants and consultants regarding their clients.

Submit a non-compliance notification:

The companies providing accounting and consulting services are obliged to notify the Registration Agency when during their internal AML process for a client they establish a discrepancy between the data collected by themselves about the beneficial owners of a client and the data entered in the Trade register for the same client.

Notification procedure:

- The accountant/consultant submits a notification and attached a copy of all available documents related to the UBO identification. The notification shall be made within 14 days of the discovery of the discrepancy.
- Based on the notification of discrepancy received, the registration officer makes an entry with the updated information at the client's profile.
- The registration officer generates a written notification to the relevant legal entity and sends it to the legal entity's management address.

NB! The law explicitly says that the submission of a notification does not raise a liability for violation of the restrictions on disclosure of information provided by a contract, legal or by-law or administrative act.

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