



Insight ...

# Register of beneficial owners

Update May 2024

# INSIGHTS...

## Register of beneficial owners

### Updated May 2024

Since August 1, 2017, companies in the process of being created or already created have been required to declare their beneficial owners. Article 7 of law no. 2024-364 of April 22, 2024 extended this reporting obligation to associations, foundations, endowment funds and perennial funds.

Act no. 2024-364 is designed to bring French law into line with the European directive on "the *prevention of the use of the financial system for the purpose of money laundering or terrorist financing*", which requires member states to ensure that legal entities established on their territory identify their beneficial owners, and that this information is recorded in a centralized register.

Law no. 2024-364 of April 22, 2024 came into force on April 23, 2024.

#### Which entities were already covered by the beneficial owner declaration?

Pursuant to Article L. 561-45-1 of the French Monetary and Financial Code, all companies, whatever their corporate form (SARL, SA, SAS, SCI, etc.), a s w e l l a s GIEs, associations and foundations subject to registration with the RCS, are required to file a document designating their beneficial owners with the clerk of the Commercial Court.

#### Which entities are affected by the extended scope?

Article 7 of law no. 2024-364 of April 22, 2024 extended the scope of article L. 561-45-1 of the French Monetary and Financial Code to the following entities:

- Associations,
- Foundations,
- Endowment funds,
- Sustainability fund.

#### Who is a beneficial owner?

A beneficial owner is an individual who meets one of the following conditions:

- It holds or will hold, directly or indirectly, more than 25% of the voting rights or capital of the entity,
- It has ultimate control over the company by any other means (by appointing or dismissing the majority of the Board of Directors),
- In the absence of the first two cases, this is the natural person legally representing the entity.

The legislator gives the following examples of beneficial owners (in the absence of any suspicion of money laundering):

- In the case of legal representatives of SAS legal entities:
  - the natural person(s) legally representing these legal entities.
- In the non-profit sector :
  - the association's legal representative(s),
  - the Chairman, the Chief Executive Officer and, where applicable, the member(s) of the Foundation's Management Board,
  - the president of the endowment fund,
  - the natural person(s) and, where applicable, the permanent representative of legal entities, appointed as directors of the economic interest group.

## When should I declare?

The document must be filed no later than 15 days from the date of issue of the acknowledgement of filing for the creation of the entity.

In addition, a new document is filed within 30 days of any fact or act making it necessary to rectify or supplement the information contained therein.

## Who should I send my declaration to?

Depending on the legal nature of the entity concerned, the declaration of beneficial owner should be sent to the following persons:

- For companies (entities registered with the RCS), at the clerk's office of the Commercial Court through the "guichet unique des formalités des entreprises",
- For associations, the national register of associations (pending opening of the service),
- For other philanthropic structures, a specific register is currently being developed.

## What does the register contain?

The information on the beneficial owner declared at the time of application is as follows:

1°) For the company or legal entity, its name or corporate name, its legal form, the address of its registered office and, where applicable, its unique identification number, followed by the words RCS and the name of the town where the registry office is located.

2°) Regarding the beneficial owner :

- a) The name, surname, pseudonym, forename, date and place of birth, nationality and home address of the natural person(s),
- b) The nature and extent of control exercised over the company or entity concerned,
- c) The date on which the individual(s) became the beneficial owner(s) of the company or entity concerned.

## Who is authorized to consult the declaration of beneficial owner?

Only non-confidential information is accessible to the public. As part of their duties, the judicial and administrative authorities, the TRACFIN unit, customs, tax authorities and persons subject to anti-money laundering and combating the financing of terrorism have access to all this information.

## What are the penalties?

### 1.1. An injunction to file the document with the relevant register

The President of the Court, on his own initiative or at the request of the Public Prosecutor or any other person justifying his interest, may enjoin, if necessary, under a fine, any entity failing to comply with its obligation to file documents relating to the beneficial owner. This decision is not subject to appeal.

### 1.2. Criminal penalties

Penalties are set out in Article L. 574-5 of the French Monetary and Financial Code, which provides for a **penalty of 6 months' imprisonment and a €7,500 fine for :**

- **Do not declare** the beneficial owner document to the register corresponding to the legal nature of the entity,
- **Or declare inaccurate information.**

**Natural persons** found guilty of the above-mentioned offence are **also** liable to a **ban on managing a business and partial deprivation of civil and civic rights.**

**Legal entities** may also be subject to an **additional fine equal to €37,500** (5 times that of individuals) and/or temporary or permanent exclusion from public procurement contracts.



“ An agile firm, committed to working alongside you ”

RSA is a Paris-based audit, accounting and advisory firm and an independent member of Crowe Global, the world's 8<sup>th</sup> network.

With 19 partners and more than 160 professionals, the RSA Group has been contributing to the development of companies for more than 30 years by supporting them on a day-to-day basis and at key moments in their development, thanks to a multidisciplinary range of services : Audit, Chartered Accountancy, Consolidation, Employment, Corporate Finance- M&A, Valuation, International Business Services, Compliance and Risk Management, IT Consulting.

With an international outlook, RSA has developed expertise in supporting foreign companies in France. Its approach, based on agility and commitment, enables RSA to offer customised financial information solutions tailored to the needs and organisation of its customers.

## CONTACT

Groupe Crowe RSA

11/13 avenue de Friedland  
75008 Paris  
01 53 83 90 00 - [www.crowe-rsa.fr](http://www.crowe-rsa.fr)

RSA is a member of Crowe Global.

Each member company of Crowe Global is a separate and independent legal entity. RSA and its affiliates are not responsible for the acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not provide any professional services and has no ownership or partnership interest in RSA.