

ADDING A BENEFICIAL OWNER

This manual illustrates the step-by-step online procedure with your Estonian eresidency card, how to add a benecial owner to your company.

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Who is the real beneficiary?

Pursuant to subsection 9 (1) of the Money Laundering and Terrorism Prevention Act (hereinafter Money Laundering Act):

A natural person who, by taking advantage of his or her influence, performs a transaction or act or otherwise has control over a transaction, act or other person and in whose interest, for whose benefit or at the expense the transaction or act is performed.

In the case of a company, the beneficial owner is a natural person who ultimately owns or controls a legal person through the direct or indirect holding of a sufficient number of shares, voting rights or ownership, including participation in the form of shares or other means.

Pursuant to § 9 (3) of the Money Act, direct ownership is a method of exercising control in which a natural person holds a 25 per cent shareholding in a company plus one share or an ownership right of more than 25 per cent; indirect ownership, however, is a form of control in which a 25 per cent holding in a company plus one share or a holding of more than 25 per cent is held by a company controlled by a natural person or by several companies controlled by the same natural person.

Who has to provide the data?

Data must be provided by companies, NGOs and foundations. Data not required:

- associations with the status of "in liquidation"
- self-employed
- building/apartment associations
- companies listed on a regulated market which are subject to disclosure requirements in accordance with European Union law or equivalent international standards which ensure adequate transparency of information about owners
- foundations whose economic activity is for the purpose of holding or collecting assets in the interests of the beneficiaries or a group of persons specified in the statutes and who have no other economic activity

The above organizations themselves must indicate on the Entrepreneur Portal on the Designation of Beneficial Beneficiaries page that they do not have a legal obligation to submit data on beneficial owners.



In the case of building/apartment associations and listed companies, the portal automatically detects that the association does not have to provide data on the actual beneficiaries, and the association does not have this possibility in the enterprise portal either.

Who are the real beneficiaries of the NGO?

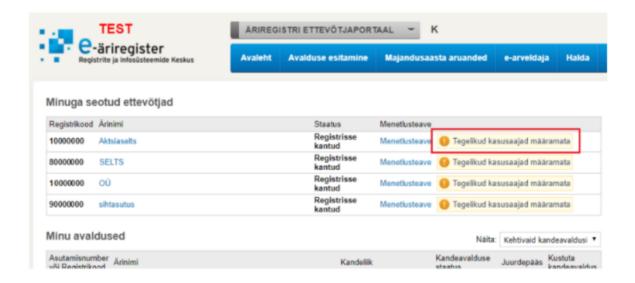
The beneficial owner must also be indicated in the case of non-profit organizations, although none of them is intended to make a profit. In this case, according to the definition of the beneficial owner, the person (s) under whose control the company operates are indicated. They are usually board members.

Exceptions are possible, for example, if the founders or members of a non-profit association are legal persons: in this case, the beneficial owner is determined in the same way as for companies. Here, too, the principle applies that in the case of a board of more than four members, it is sufficient to appoint the chairman of the board

Submission of beneficial owner data

By logging in to the entrepreneur portal, a person with the right to represent the association can submit the data of the actual beneficiaries of the association.

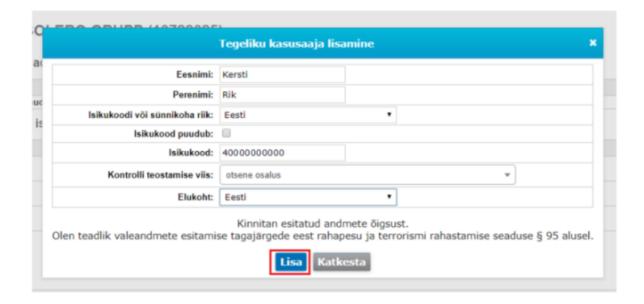
To do this, after logging in, click on the link "Actual beneficiaries not specified" in the list of companies related to me on the home page of the Enterprise Portal



The page that opens displays a list of actual beneficiaries (initially blank) and a list of persons related to the company identified by the commercial register. If the actual beneficiary of the association is mentioned in the list, the "Add" button must be clicked at the end of the line to mark it as the actual beneficiary.



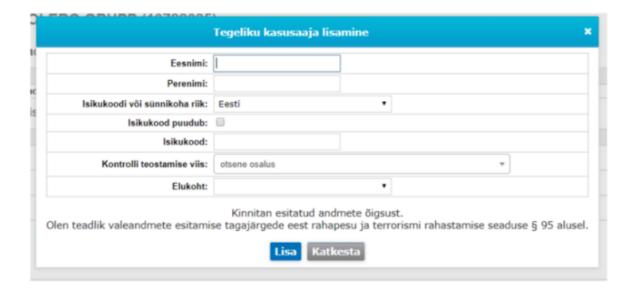
The opened form displays pre-filled data with known data, which must be supplemented and, if necessary, changed. To add a person to the list of beneficial owners, the information must be confirmed by clicking the "Add" button



If the actual beneficiary does not appear in the list of persons related to the given company, you must start adding a new person by clicking on the "Add new person" button.



In the form that opens, all the data must be filled in and then submitted by clicking the "Add" button.



The added persons are immediately automatically displayed as the actual beneficiaries in the data of the e-business register information system.

Modification of beneficial owners

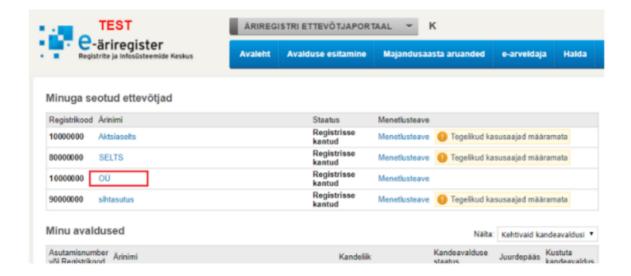
The persons appointed as the beneficial owner can be added, changed and removed at any time by the person entitled to represent the association.

In order to correct the data, after entering the company portal, the name of the respective company must be clicked on the home page under "Companies related to me".





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From the data of the beneficial owner already added, it is possible to change the "control method" and the "country of residence" of the beneficial owner. The added beneficial owner can be removed by clicking on the "Remove" button at the end of the name line. When removing, please indicate the reason for removal:

- the removal is made because the person was incorrectly entered in the list of beneficial owners. In this case, the data of this person will not be displayed in the list of beneficial owners.
- the removal is made because the person is no longer the beneficial owner

In this case, the person will later appear in the historical data of the actual beneficiaries.





How can the data of the actual beneficiaries be accessed?

The data can be accessed by everyone in the information system of the ebusiness register immediately after its submission.

How can the details of the actual beneficiaries be determined at the time of establishment?

The application for the first entry may indicate the persons who are the actual beneficiaries of the legal person

How often does the data need to be updated?

If the details of the beneficial owners have not changed, this will be confirmed annually during the submission of the annual report. If the data has changed, the updated information must be submitted immediately on the company portal.

The data will be deleted automatically after 5 years, after deletion of the legal entity from the register.

The beneficial owner himself has the right to demand that incorrect information be changed by the board. If the management board does not correct the data, the beneficial owner has the right to demand compensation from the legal person for the damage caused by incorrect data.

How to submit data if a member of the management board cannot log in to the company portal (he or she does not have an ID card or e-resident card)?

In this case, a notary operating in Estonia must be contacted to submit the data. If a member of the management board is abroad and cannot travel to Estonia, his or her representative may also apply to a notary in Estonia on the basis of a power of attorney issued by him or her. In such a case, however, the form and text of the power of attorney should definitely be approved in advance by the Estonian notary to whom it is planned to turn later.



What is the penalty for knowingly providing false information or failing to provide information about the actual beneficiary?

Penalties for non-submission of the data of the beneficial owner, failure to notify changes in the data or knowingly providing false data are provided in the form of a fine. For this purpose, there are up to 300 fine units for a natural person and up to 32,000 euros for a legal person.

What else to note?

If a person is designated as the beneficial owner because of his or her position as a member of the management body, it shall not be considered that he or she receives financial income from the association or that the association acts in his or her personal interests.