

1. Definition of beneficial ownership & mechanisms for obtaining beneficial ownership information

1.1 Please provide the definition of “beneficial ownership” in your country for: (a) legal persons; and (b) legal arrangements, including the relevant legislation (if applicable). Please describe criteria and thresholds that are applied to determine beneficial ownership, including any criteria for exercising control without legal ownership (e.g. voting rights, right to appoint or remove board of directors).

Definition of beneficial ownership in Slovakia is in Section 6a of the AML Law (Act No. 297/2008 Coll.) which provides:

Article 6a Beneficial owner

(1) ‘Beneficial owner’ shall mean any natural person who effectively controls a legal entity or a business natural person or an association of assets, and any natural person to whose benefit such person or entity carries out its operations or business; the reference to a beneficial owner shall include, without limitation, the following:

(a) for a legal entity other than an association of assets or an issuer of securities admitted to trading on a regulated market that is subject to disclosure requirements pursuant to the relevant law³⁷ or an equivalent law of a Member State of the European Union or of another state which is a contracting party to the Agreement on the European Economic Area (hereinafter referred to “Member State”), or pursuant to equivalent international standards, any natural person who

1. holds a direct interest or an indirect interest, or a sum of the two, amounting to at least 25% of the legal entity's voting rights or share capital, including bearer shares;
2. has the power to appoint or otherwise designate or remove the legal entity's statutory body or management body or supervisory body or audit body, or any member thereof;
3. controls the legal entity in a manner other than referred to in points one and two;
4. is entitled to an economic benefit in an amount of at least 25% from the legal entity's business or operations;

(b) for a business natural person, a natural person who is entitled to an economic benefit in an amount of at least 25% from the business natural person's business or operations;

(c) for an association of assets, a natural person who

1. is the founder of the association of assets, and where the founder is a legal entity, the natural person referred to in sub-paragraph (a);
2. has the power to appoint or otherwise designate or remove the association of assets's statutory body or management body or supervisory body or audit body, or any member thereof, or is a member of the body having the power to appoint, otherwise designate or remove those bodies or their members;
3. is a statutory body or management body or supervisory body or audit body, or a member of any such body;
4. is the beneficiary of at least 25% of the funds provided by the association of assets if the future beneficiaries of such funds have been designated; if no such future beneficiaries of the an association

of assets's funds have been designated, the beneficial owner shall be deemed to be the circle of persons having a substantial benefit from the founding or operation of the association of assets.

(2) Where there is no natural person meeting the criteria in sub-paragraph (1)(a), beneficial owners of the person or entity concerned shall be the members of its senior management; a senior management member shall mean the statutory body or a member of the statutory body.

(3) A natural person who alone does not meet the criteria in sub-paragraph (1)(a) or (1)(b), or points two and four of sub-paragraph (1)(c), but meets at least some of those criteria if considered together with another person acting in accord with that natural person, shall be deemed a beneficial owner.

We enclose the full version of the Act effective to November 2020. The definition therein is general and other Acts refer to it.

2.1 Please describe the process for obtaining basic information on legal persons created or registered in your country, including the role of the company registry.

Introduction

Types of legal persons in Slovakia are following: limited liability companies, joint stock companies, simple joint stock companies, unlimited partnerships, limited partnership, cooperative, associations, non-profit organizations, non-investment fund and foundations. All types of legal persons in Slovakia must be registered through the different registries to be considered created. The information obtained by the Commercial Register, Register of Non-Governmental Non-profit Organizations is online and publicly available, except for joint stock company with more than one shareholder (particularly JSC shareholder data). Information contained in the mentioned Registers is available either for free in case of electronic extracts or is subject to a small fee for requesting a "paper-form" extract.

Slovakia does not know/legislate trust or other legal arrangements.

Commercial Register

The Commercial Register is maintained by 8 Register courts. It holds basic and shareholder information on trade companies and cooperatives. It does not contain information on entrepreneurs – natural persons. In case of JSC with a sole shareholder, such shareholder will be registered with the Commercial Register. JSC with more shareholders (public or private) is registered in the Commercial Register but data on shareholders are registered with the Central Securities Depository. When registering data in the Commercial Register, the checks depend on the type of registered entity. For limited liability company, the most common type of company in Slovakia (cca. 270,000 out of total 340,000 number of companies), there are 19 checks with other State-kept registries (such as the Registry of natural persons, Registry of addresses, Registry of misdemeanours, Registry of distraints for enforcement proceedings, Registry of debtors of the Social Security, Registry of motor vehicles, Tax Registry, Registry or disqualification etc. Some of the checks are made automatically, others manually. The whole registration process is electronic and the registration must be handled by the court within two working days from submitting the application. For detailed description please see Section 5 to 8 of the enclosed Act on Commercial Register effective to April 2022.

Register of Non-Governmental Non-profit Organizations

The Register of Non-Governmental Non-Profit Organizations (NGNPO) is based on Act no. 346/2018 Coll. and was put into operation on January 1, 2021 ".

The NGNPO register represents a reliable, up-to-date and unified source register of non-governmental non-profit organizations, whose registration is carried out in the department of the Ministry of the Interior of the Slovak Republic. Legal entities registered in the NGNPO register are clearly identified and form a reliable and up-to-date resource agenda for the register of legal entities, entrepreneurs and public authorities. The non-governmental non-profit organizations whose data are recorded in the NGNPO register are:

- a) foundations,
- b) non-profit organizations providing generally beneficial services,
- c) non-investment funds,
- d) civic associations, trade unions and employers' organizations,
- e) organizations with an international element.

The administrator and operator of the register is the Ministry of the Interior of the Slovak Republic. The Ministry of the Interior of the Slovak Republic is the registry office of civil associations, trade unions and employers' organizations, organizations with an international element and foundations, the registry office of non-profit organizations providing generally beneficial services and non-investment funds is the district office in the seat of the region competent according to the seat of the non-profit organization providing generally beneficial services or non-investment fund.

The founder of a foundation and the founder of a non-investment fund according to special legal regulations (Act No. 34/2002 Coll. on Foundations and Act No. 147/1997 Coll. on Non-Investment Funds,) can be a natural person and a legal entity, the founder of a non-profit organization providing generally beneficial services according to Act no. 213/1997 Coll. on non-profit organizations providing generally beneficial services, may be a natural person, a legal entity or the state. When registering a legal entity in the NGNPO register, the registry office equates the data of natural persons as founders/incorporators with the reference register of addresses and the reference register of natural persons. The existence of a legal entity as a founder/founder is verified by the registry office through the OverSi portal, which is kept the Ministry of Investments, Regional Development and Informatization of the Slovak Republic. If the founder is a foreign legal entity, in the case of foundations, an extract from the register in which it is entered is submitted to the registry office.

The registry office shall register the foundation in the NGNPO register within 30 days from the start of the procedure and within this period shall send to the administrator of the foundation one copy of the foundation deed, on which the date of entry of the foundation into the register shall be indicated (Section 9 paragraph 1 of the Act on Foundations).

In the case of non-profit organizations providing generally beneficial services, the registration office issues a decision on registration and makes an entry in the NGNPO register, if the charter and statute are in accordance with the law. A non-profit organization providing generally beneficial services is created on the day when the registration office's decision on registration becomes final.

The registry office issues a decision on the registration of a non-investment fund and makes an entry in the NGNPO register, if the founding agreement and the statute are in accordance with the law. The fund is created on the day it was registered in the NGNPO register.

The proceedings and decision-making on the registration of a non-profit organization providing generally beneficial services and a non-investment fund are subject to the provisions of the general regulations on administrative proceedings, unless the law provides otherwise.

Pursuant to Article 2 para 1 of Act no. 83/1990 Coll. on the association of citizens, citizens may establish associations, companies, unions, movements, clubs and other civil associations, as well as trade unions (hereinafter referred to as "associations") and associate in them. The conditions for the establishment of civil associations are regulated in Art 6 to 9 of Act no. 83/1990 Coll. When registering a civil association in the NGNPO register, the registry office equates the data of natural persons with the reference register of addresses and the reference register of natural persons. The association is created by registration. If the registration office does not find a reason for refusing registration, it will perform the registration within 15 days from the start of the procedure and, within this period, it will send one copy of the statutes to the representative of the preparatory committee, on which it will indicate the date of registration, which is the date of dispatch.

A trade union organization and an employers' organization becomes a legal entity on the day following when a proposal for its registration has been delivered to the registry office (Article 7 paragraph 1 of Act No. 83/1990 Coll.). When registering a trade union and an employer's organization in the NGNPO register, the registry office equates the data of natural persons with the reference register of addresses and the reference register of natural persons.

The conditions of activities of organizations with an international element are regulated by Act No. 116/1985 Coll. on the operating conditions of organizations with an international element in the Czechoslovak Socialist Republic. The law establishes the conditions under which an organization with an international element can be established, develop activities or have its headquarters in the Slovak Republic.

According to Act no. 346/2018 Coll. for civil associations, trade unions and employers' organizations and organizations with an international element, data on BOs are not entered in the NGNPO register.

2.2 Please list the categories of basic information on legal persons that is obtained and recorded by the company registry (or other relevant registries), e.g. name of entity, date of incorporation, tax ID number, etc.

Commercial Register

The list of categories for companies and cooperatives is set in enclosed Act on Business Register. For general list (all types of companies and cooperatives) please see Section 2 para 1. For individual types of companies or cooperatives, please see Section 2 para 2. Section 2 para 3 sets the obligation to register the BO and defines who are obliged persons (all companies except for public JSC which is registered outside the Commercial Register) as well as the range of registered data on BO. Please note that BO data are not made public in the Commercial Register but are sent to another Register to be published (Register of Legal Persons). Section 2 para 4 defines information which has to be registered for foreign persons with registered office in the EU Member State. Section 2 para 4 defines information to be registered for foreign persons with registered office outside EU Member State. Section 3 then defines the contents of the Collection of deeds.

NGNPO register

The data to be recorded in the NGNPO register are specified in § 3 par. 1 of Act no. 346/2018 Coll.

In the case of a *non-profit organization providing generally beneficial services*, the following is also entered in the register:

- a) the time for which the non-profit organization providing generally beneficial services is established, if it is not established for an indefinite period of time,
- b) type of generally beneficial services,

c) monetary deposits of individual founders, non-monetary deposits of individual founders and their monetary value determined by an expert opinion, if they are deposited.

In the case of a *foundation*, the following is also entered in the register:

- a) a public purpose that the foundation supports,
- b) the value and object of the foundation's capital, indicating the amount of money, real estate and their price determined by an expert opinion, securities and their market price, other property rights and other property values valued with money, valued by an expert opinion.

In the case of a *non-investment fund*, the register also enters:

- a) the purpose that will be supported from the funds of the non-investment fund,
- b) the time for which the non-investment fund is established,
- c) the amount of each founder's deposit and the extent of its repayment, the name of the bank or branch of a foreign bank and the account number of the founder, where the repaid deposits and other funds are deposited.

According to § Articles para 4 of Act no. 346/2018 Coll., if it is a non-profit organization providing generally beneficial services, a non-investment fund or a foundation, identification data about the BO in the scope of name, surname, identification number or date of birth, if the identification number has not been assigned, are also entered in the NGNPO register as well as address of residence, nationality and the type and number of the identity document or the range of persons who are considered to be BO, and the data establishing the status of the BO according to a special regulation; data on the type and number of the identity document are not entered in the register if it is a citizen of the Slovak Republic.

If it is an organizational component of a foreign foundation, the following is entered in the register

- a) the name of the organizational unit of the foreign foundation,
- b) the address of the headquarters of the organizational unit of the foreign foundation,
- c) identification number of the organizational unit of the foreign foundation,
- d) a public purpose that the organizational component of the foreign foundation supports,
- e) identification data of a natural person who is a statutory body of an organizational component of a foreign foundation, to the extent
 1. name,
 2. surname,
 3. date of birth,
 4. address of permanent residence or address of temporary residence in the territory of the Slovak Republic,
 5. identification number, if assigned,
- f) the date of creation of the position and the date of termination of the position of the statutory body of the organizational component of the foreign foundation and its authorization,
- g) the value of the capital contribution of the organizational unit of the foreign foundation,
- h) date of dissolution of the organizational unit of the foreign foundation,

- i) name and address of the headquarters of the foreign foundation,
- j) the register or other records in which the foreign foundation is entered, and the registration number.

The NGNPO register is kept in electronic form and is divided into a public part and a non-public part. Data that are recorded in the public part of the NGNPO register are listed in Article 5 par. 2 of Act no. 346/2018 Coll.

2.3 Is the company registry available publicly & online in your country? YES / NO

If YES, please provide links to the company registry and any other relevant registries of legal persons, or provide details about how the public can access them.

The Commercial Register is publicly available free of charge on the web site www.orsr.sk which is also accessible in English.

The Public Sector Partners Register is not a company registry but complements the BO data system in Slovakia by registering entities trading with State in a broad sense (not just public procurement). It is not an AML/CTF register but rather a transparency and anti-corruption register. We enclose the Act on Public Sector Partners Register (no. 315/2016 Coll.). The register is accessible on the web page of the Ministry of Justice of the Slovak Republic in Slovak only <https://www.justice.gov.sk/sluzby/register-partnerov-verejneho-sektora/>.

The Register of Legal Persons (RPO) is publicly available free of charge on web site <https://rpo.statistics.sk/rpo/#login> It is not a company register but it contains BO data on all entities registered in the Register. It is a referential register, which means that public authorities are obliged to use its data when exercising public authority. It also means that data in this Register are considered complete unless proven otherwise.

Register of Non-Governmental Non-profit Organizations is publicly available free of charge on web site of the Ministry of Interior <https://ives.minv.sk/rmno/> which is accessible in English language version as well.

All these registers are accessible via the Central portal of public administration in Slovakia which concentrates digital services of the state.

3. Access to beneficial ownership information of legal persons

3.1 Through which mechanism(s) can competent authorities (such as law enforcement, police, financial intelligence unit and tax agencies) access beneficial ownership information on companies and other legal persons created or registered in your country. Please select all that apply.

- Through a registry/registries with beneficial ownership information
- Through a different mechanism
- Competent authorities do not currently have access to beneficial ownership information

Competent authorities can gain access for the purposes of carrying out their tasks in AML/CFT to BO information of legal entities established under the Slovak legal order electronically through the Legal Persons Register (RPO). A condition for the direct, automated, remote, access to this information is the integration proving the applicant's identity as a competent authority. Currently, all competent authorities have this access established without any restriction. Competent authorities include Financial Police, Ministry of Finance, National Bank, National Security Authority, Antimonopoly Office, courts, state authorities responsible for taxes, fees and customs and law enforcement authorities.

Register of Non-Governmental Non-profit Organizations (through a different mechanism): The NGNPO register is a source register for the register of legal entities (RPO), entrepreneurs and public authorities. The provision of data from the register of legal entities in connection with the BOs in the legal form of foundations, non-profit organizations providing generally beneficial services and non-investment funds is regulated in § 7a of Act no. 272/2015 Coll. on the register of legal entities, entrepreneurs and public authorities and on amendments to certain laws as amended.

If REGISTRY, please provide further details on such registry(ies) including:

- Authority(ies)/agency(ies) responsible for obtaining and maintaining beneficial ownership information and for maintaining the register(ies). Please list if more than one;

For Legal Persons Register (RPO), which is a referential register there are multiple source registers, primarily the Commercial Register kept by the Ministry of Justice of the Slovak Republic but also the Non-Governmental Non-Profit Organizations Register kept by the Ministry of Interior of the Slovak Republic. Agency responsible for managing the information system of the RPO is the Statistical Office. It is also responsible for maintaining BO information.

Public Sector Partners Register is a source register for BO data. Authority responsible for obtaining and verification of BO data is the District Court Zilina, authority responsible for managing the information system of the Register is Ministry of Justice of the Slovak Republic. This register is connected neither to the Commercial Register nor to the RPO register. Also, commercial companies (registered also in the Commercial Register) which enter their BO data into the Public Sector Partners Register are not obliged to enter their BO data into the Commercial Register.

The Commercial Register is a source register of BO data. Authorities responsible for obtaining BO data are 8 district courts with local competence for registration of trade companies. Authority responsible for managing the information system of the Register is the Ministry of Justice of the Slovak Republic.

For The NGNPO register please see answer 2.1.

- Categories of beneficial ownership information (data fields) obtained, recorded and maintained on the registry(ies), e.g. name, nationality, date of birth, address, etc.;

Commercial Register contains following BO data: first name, surname, personal identification number or date of birth, if no personal identification number has been assigned, address of permanent residence or other residence, nationality and type and number of identity document and data that establish the status of the ultimate beneficiary pursuant to a special regulation (AML Act 297/2008 Coll.)

Public Sector Partners Register contains following BO data: first name, surname, date of birth, address of permanent residence, nationality and whether or not the BO holds a public office in the Slovak Republic.

RPO (Legal Persons Register) contains following BO data: first name, surname, personal identification number or date of birth if no personal identification number has been assigned, address of permanent residence or other residence, nationality and data that establish the status of ultimate beneficiary pursuant to a special regulation (AML Act). BO can be one or several persons.

Register of Non-Governmental Non-Profit Organizations (Act 346/2018 Coll, Section 3 para 4) contains following BO data: name, surname, identification number or date of birth if no identification number was assigned, address, nationality and type and number of identity document, the range of persons who are considered to be BOs and data that establish the status of the ultimate beneficiary

pursuant to a special regulation (AML Act No. 297/2008 Coll.). Data on the type and number of the identity document are not entered in the register if BO is a citizen of the Slovak Republic. BO can be either an individual person or group of persons.

- **Types of legal entities covered within the scope of the beneficial ownership registry(ies), including any exempt entities;**

RPO contains data from Commercial Register and Register of Non-Governmental Non-Profit Organizations. Thus it covers those entities, which are covered by these Registers – its source registers. The Public Sector Partners Register is a separate register (although there are plans to connect it with RPO) since it was established for other than AML/CFT purpose.

Commercial Register registers unlimited partnerships, limited partnerships, limited liability partnerships, joint stock companies (both private and public), simple joint stock companies, cooperatives, European economic interest grouping, European Cooperative Society, European Company, legal persons, established by law or based on law, if a special law determines that these are registered in the Business register, state-owned companies, organizational units of the organizations of Slovak legal persons, organizations of foreign legal entities and organizational units of organizations of foreign legal persons (Section 27 para 2 of the Commercial Act). The Commercial Register gathers BO data for all Slovak entities and sends them to the Register of Legal persons.

The Public Sector Partners Register registers all public sector partners. The term covers entities that receive public money, property or performance from the state in a broad sense of meaning. It is not linked only to public procurement but it covers all contractors and moreover, it includes also subcontractors (those who should be aware that the performance is related to public money). In addition to that, the registration is obligatory also for all healthcare providers, healthcare insurance companies and public license holders (e.g. companies in energetics or dealing with vignettes).

There are numerous exclusions from the scope, which include for example public authorities, State owned enterprises and non-profit organizations except of those participating in public procurement, Banks, insurance companies and some other entities operating in the financial sector, Other states and their authorities and International organizations. Except of entities that are registered mandatorily, there is also a possibility of voluntary registration.

To limit the impact on small companies, the threshold for registration is EUR 100 000 (one off performance) or EUR 250 000 (aggregated sum of performances over one year). The Public Sector Partner has to be registered at least for the duration of the respective contract.

At the moment the Public Sector Partners Register is connected neither to the Commercial Register nor to the Register of Legal Persons. The Ministry of Justice has undertaken to analyze how to interconnect these registers to improve the quality of BO data and user-friendliness of BO register in Slovakia.

Register of Non-Governmental Non-Profit Organizations (Act 346/2018 Coll, Section 3 para 4) contains BO data on non-profit organization providing generally beneficial services, non-investment funds and foundations.

- **Details of the registry's(ies') access policy:**

o Is the information on the registry(ies) available to the public? YES / NO

- If YES, please include a link(s) to the registry(ies).**

□ If NO, please list the authorities/agencies that have access to this information, or that can request access.

o Does accessing beneficial ownership information in the registry(ies) entail any costs?

The **Commercial Register** is publicly available free of charge on the web site www.orsr.sk which is also accessible in English.

The **Public Sector Partners Register** is publicly available free of charge on the web site <https://www.justice.gov.sk/sluzby/register-partnerov-verejneho-sektora/>.

The **Register of Legal Persons** is publicly available free of charge on web site <https://rpo.statistics.sk/rpo/#login>

However, due to the Sovim case¹, the Slovak Republic is currently assessing how to limit the access to the BO data of this register so that it would be in line with the current EU GDPR legislation. Since there will be election in Slovakia in September 2023, the solution will be presented to the new Parliament for adoption in the end of 2023.

Register of Non-Governmental Non-Profit Organizations (Act 346/2018 Coll, Section 3 para 4) is publicly available free of charge on the web site of the Ministry of Interior of the Slovak Republic web site <https://ives.minv.sk/rmno/> accessible also in English language version.

o Does the registry(ies) provide features to search information by different types of information, e.g. legal entity name, name of director, name of beneficial owner, by first or last name, by business address, by registered agent? Is it possible to search for a combination of information (Boolean searches)?

The **Commercial Register** is updated daily (also in online version) and contains features to search information by business name, identification number, registered office, name of natural person or file number. However, since BO data are not made public in the Commercial Register but sent to the RPO, when searching name of natural person, BO data will not be referenced and therefore search by BO name is not possible here. Search by first name is not possible either because it provides with too many hits. When searching, you can opt for searching in currently valid data or all data (also historical).

The **Public Sector Partners Register** is updated daily (also in online version). It provides for search in three categories: a) Public Sector Partner (by business name, by legal form, by identification number of entity, by file number, by state (valid or historical) data), and by date of registration and deregistration allowing also for search in periods of time); b) Gatekeeper (by business name, by public sector partner, by identification number or by file number) and c) BO (by name and surname, by public sector partner, by date of birth, by file number or by person's status (public official).

The **Register of Legal Persons**: searching possibilities varies for public and for competent authorities. But it does not enable Boolean searches.

The **Register of Non-Governmental Non-Profit Organizations** is updated (also in the online version) immediately after entry/change of data and allows searching by legal form, organization identification number, organization name, region, municipality, natural person (name, surname), legal entity (identification number, name), generally beneficial purpose and registration number. Boolean search is not possible.

¹ Case of the Court of Justice of the EU no. C-601/20 (Joined Cases C-37/20, C-601/20)

Combination of information (Boolean searches) are not possible in any of these registers but Public Sector Partners Register are in open data format which can be downloaded by anyone and Commercial Register.

- **Frequency of updates of information and triggers for updates;**

The Commercial Register is updated daily and online.

The Public Sector Partners Register is updated daily and online.

The Register of Legal Persons is updated daily online.

The Register of Non-Governmental Non-Profit Organizations is updated immediately after entering/changing the data.

- **Any mechanisms to verify beneficial ownership information submitted to the registry(ies) by legal persons or their representatives (if they exist).**

The Commercial Register applies its usual system of verification also BO data. However, unlike other data in this Register, the BO data are not made public in this Register but are sent to the RPO, making the verification by general public more difficult. We are in the process of analyzing how to introduce multiple automatic and manual checks in the new IT system for Commercial Register that will start to be built this year (2023).

The Public Sector Partners Register has a thorough verification of BO data: BO data can only be registered on the basis of application submitted by “gatekeepers” (authorized persons such as lawyers, banks, auditors) who carry out the first check of BO data on the basis of information given by the Public Sector Partner. They also draw up a verification document with shareholder structure and control structure of the chain from Partner to the BO. This is an ex ante check, which is done before submitting the application. However, there is also a possibility of ex post checks done usually on the basis of an ex officio check by the court or by a qualified proposal. Anyone questioning data in the Register can initiate the review (we experienced interest especially from investigative journalists). The court then checks all the facts and if necessary - decides on possible sanctions.

The Register of Legal Persons: No, the register has no possibility of checks since it is not a source register but a referential register. It merely receives data sent by source registers. However, from October 1, 2023 onwards the Statistical Office will have the possibility to red-flag incorrect or incomplete BO data in the RPO, impose fines, even repeatedly and set additional deadlines to complete the BO data. It will also be able to propose to the manager of a source register technical and organizational measures for improvement and to notify registered person (trade company etc.) about incorrect or incomplete BO data.

When registering natural persons in the register of Non-Governmental Non-Profit Organizations as BOs, the entries are based on the documents submitted by the relevant legal entity. In the case of a citizen of the Slovak Republic, data on a natural person is identified (verified) with the reference register of natural persons and the reference register of addresses

3.2 Please describe any other sources (mechanisms) through which competent authorities/agencies can access beneficial ownership information in your country. In each case, please describe how beneficial ownership information on companies and other legal entities is made available to authorities and/or the public (if applicable).

Examples may include through private-public partnerships (e.g. involving financial institutions, notaries and/or corporate service providers), through stock exchange or security exchange commission, or disclosure obligations for participation in public procurement processes, etc.

There are multiple possibilities for the FIU to acquire BO information in Slovakia:

- through RPO and Public Sector Partners Register

- Through a public-private partnership, which is regulated by AML Act in Section 21 where it gives the FIU powers to request from the obliged person any information (including information on ultimate ownership) that the FIU needs to fulfill its tasks and in this way requests from the obliged person. For each transaction, the obligated person must identify (Section 7 AML Act), verify (Section 8 AML Act) assess (Sections 10, 11 and 12 AML Act) due diligence in relation client's BO in the relationship with the client of the liable person

- in accordance with Section 10a of the AML Act – storage of data on BO – para. 1 – obligation of a legal entity to maintain and update data, para. 3 – if the data is not up-to-date (or if the register does not contain any data), the legal entity (also by FIU) may be invited to complete or update the data

The FIU provides information on BO of relevant entities to competent authorities as part of deeper analyses, which are in accordance with the individual provisions of Section 26 of the AML Act. Also, the FIU (in accordance with Section 26, para. 2, letter k) immediately provides the competent court (District court Zilina) with the BO identification of the client of the obliged entity, whenever the FIU discovers discrepancies in BO identification and the BO is registered in the Public Sector Partners Register.

3.3 Are foreign legal persons, foreign (express) trusts or foreign legal arrangements allowed to operate in/own assets/ and/or register in your country? YES / NO

If YES,

- how is basic information on these arrangements recorded (if at all)?
- how is beneficial ownership information on these arrangements recorded (if at all)? Please provide details of the relevant legislation and practices.

When it comes to trust/other legal arrangement, it is necessary to say that Slovak law does not allow for this type of entity nationally. As for operation/existence of foreign trusts, Slovakia as a Member State of the European Union has to respect European law which manifests itself here through freedom of establishment. The Court of Justice interpreted this freedom broadly in case C-646/15 when it said that *“an entity such as a trust which, under national law, possesses rights and obligations that enable it to act in its own right, and which actually carries on an economic activity, may rely on freedom of establishment.”* (point 34 of the Judgement). Therefore Slovakia must allow an EU foreign trust to operate and own assets in our territory.

With this in mind, all foreign trade companies which want to carry out business activity in Slovakia must enter their data into the Commercial Register either as an enterprise of a foreign legal person or as a registered organizational unit of a foreign legal person in the Slovak Republic. We assume that the same applies to a legal arrangement which wishes to operate in Slovakia, although in practice we usually meet foreign trusts which are (sole) shareholders of Slovak trade companies. As for its BO, their BO is not recorded in Slovakia since it should be recorded in the country of their seat.

4. Access to basic information and beneficial ownership information of (express) trusts and other similar legal arrangements

4.1 Does your country recognize (express) trusts or other similar legal arrangements? YES / NO

- If YES, please provide a broad overview of your country's system and mechanisms for obtaining beneficial ownership information on (express) trusts and other similar legal arrangements created or registered in your country.
- If NO, please skip to question 5

Yes, for details please see answer 3.3.

4.2 How is basic information on (express) trusts and other legal arrangements obtained and recorded in your country?

Please see answer 3.3.

4.3 How is beneficial ownership information on (express) trusts and other legal arrangements obtained and recorded in your country?

It is not recorded, please see answer 3.3.

If **REGISTRY**, please provide details on the registry(ies), authority(ies)/agency(ies) in charge of maintaining the registry(ies), type of information collected, and details on the access policy.

If **ALTERNATIVE MECHANISM**, please provide details on the mechanism, type of information collected, and details on the access policy.

Under the AML/CFT Act lawyers, accountants, auditors and tax advisors, when acting as professional trustees are designated and obliged entities and thus must undertake CDD measures for customers. There is also a general requirement to establish identity of BO which could help identify trustees in practice. But there is no duty obliging trustees to disclose their status to authorities.

5. Sanctions

5.1 Please describe the types of sanctions, sanctionable conduct, and targets of sanctions for non-compliance with beneficial ownership disclosure regulations (whether on the registry(ies) or through an alternative mechanism).

There are general AML/CFT sanctions in the AML Act and then there are sanctions for not entering correct BO data into some of specific registers (Commercial Register, Register of Public Sector Partners, RPO, NGNPO).

AML Act Section 33 :

Article 33

Other Administrative Delinquencies

Except as otherwise provided in paragraph 2, the Financial Intelligence Unit may impose a fine of up to twice the amount of the undue benefit, if such undue benefit can be determined, or up to EUR 1,000,000, whichever is higher, on a legal person and a natural person - entrepreneur for failure to comply with or breach of any of the obligations set out in this Act in Article 10(1) to (4) and (6), Article 12, Articles 14 to 17, Article 19(2) to (4), Article 21, Article 24(1) and (2).

The Financial Intelligence Unit may impose on a bank or financial institution, for failure to comply with or breach of any of the obligations set out in paragraph 1, a fine of up to EUR 5,000,000 or up to 10 % of the total annual turnover according to the latest regular financial statements, whichever is higher; where the bank or financial institution is part of a consolidated entity, a fine of up to 10 % of the total annual turnover according to the latest consolidated financial statements of the consolidated entity which the bank or financial institution is part of.

Article 10

Basic Due Diligence

(1) Basic customer due diligence applied by the obliged person shall include

a) identification of the beneficial owner and taking reasonable steps to verify the information relating to the identification of the beneficial owner, including steps to establish the ownership structure and management structure of the customer which is a legal person or pool of assets; the obliged person shall not rely solely on data obtained from the Register of Legal Entities, Entrepreneurs and Public Authorities^{41c} (hereinafter referred to as the “Register of Legal Entities”) for the identification of the beneficial owner if, on the basis of a risk assessment pursuant to Article 20a, there is a higher risk of money laundering or terrorist financing and it is obliged to verify the information relating to the identification of the beneficial owner from an additional credible source,

d) determining whether the customer or the beneficial owner of the customer is a politically exposed person or a sanctioned person

Commercial Register – according to the Section 11 Act on Commercial Register (no. 530/2003 Coll., enclosed) fines up to EUR 3,310 can be imposed on a natural person or natural person authorized to act on behalf of a legal person who submit false or inaccurate information in the application for registration or if such persons fails to comply with the obligation to file information within the time limit provided for by law.

Public Sector Partners Register operates with multiple sanctions system. First of all there are financial penalties for all engaged parties in case of false application to the registry (BO, gatekeeper and the company making business with the State). Second of all, management of a Partner (company making business with the State) is disqualified i.e. cannot act as a member of management or supervisory body in a company². And lastly, the other party to the contract (a public authority) has right to withdraw from the contract and does not have to perform its contractual duty even if the Partner performed his duty. The second and third option proved to be very useful and this sanctions kit is an example of efficient system of sanctions in Slovakia.

Act on Public Sector Partners Register (Sections 13-15):

Penalties

Section 13

(1) If there is untrue or incomplete data about final beneficiaries or public officials under section 4(3)(f) in the application for entry, the obligation to submit an application for entry of a change in final beneficiary data entered within the time limit under section 9(1) is not met or there is a breach of the ban under section 19, the registering authority will impose

² To be precise, such person cannot act as a member of the statutory body or supervisory body in a company or cooperative. This shall also apply to acting as the head of a branch of an enterprise, head of a foreign person's enterprise, head of a branch of a foreign person's enterprise or as an authorised signatory (procurator).

- a) upon the public sector partner concerned a fine in the amount of operating income made by the public sector partner concerned; where the operating income cannot be determined, the registering authority will impose a fine between EUR 10,000 and EUR 1,000,000,
- b) upon a statutory body or every member of the statutory body of the public sector partner at the time of breach of the obligation under the introductory sentence a fine between EUR 10,000 and EUR 1,000,000.
- (2) The registering authority will remove the public sector partner entered where it has legally imposed a fine for breach of the obligation to submit an application for entry for a change in the final beneficiary data entered within the time limit under section 9(1) or for breach of the ban under section 19 and this fine has not been paid within the time limit set out by the court.
- (3) The registering authority will impose upon the final beneficiary a fine of up to EUR 10,000 where the latter fails to meet the obligation under section 11(8).
- (4) The registering authority will impose upon an authorised person a fine between EUR 10,000 and EUR 1,000,000 if the latter breaches the ban under section 19.
- (5) Guarantee for payment of the fine under para 1(b) shall be provided by the authorised person entered in the register at the time of breaching the obligations under para 1. The authorised person is not required to pay the fine if he/she proves to have acted with professional care. The authorised person is also a party to the fine proceedings under para 1.
- (6) When imposing a fine, the registering authority takes into account in particular the nature, gravity, method and consequences of the breach of the obligation.
- (7) Only the authorised person may file an appeal against decision on the fine under para 1, if the registering authority has imposed on the authorised person an obligation to pay the fine jointly and severally with a person under para 1(b).
- (8) Fines constitute the state budget income.

Section 14

Decision about dismissal

A decision about removal under section 12 and on a fine on the grounds under section 13(2) refers to a decision about dismissal under section 13a of the Commercial Code. A person dismissed refers to a statutory body or members of a statutory body of a legal entity entered in the Business Register that is a public sector partner and has been removed from the register under section 12 or section 13(2).

Section 15

- (1) As of the date a decision about removal under section 12 and fine on the grounds under section 13(2) becomes final and binding, any party to a contract providing funds under section 2(1)(a)(1.) or property, rights to property or other property rights under section 2(1)(a)(2.) may withdraw from the contract concerned. Any party to a contract referred to in the previous sentence may also withdraw from the contract concerned if the public sector partner concerned is in default on the obligation under section 10(2)(the third sentence) for more than 30 days.
- (2) In the event the obligation under section 11(2) is not met or the public sector partner concerned is in default on the obligation under section 10(2)(the third sentence), the party to the contract concerned under para 1 is not in default if the party fails to perform as set out in the contract concerned for that reason.

RPO – As from October 1, 2023 the Statistical office will be able to impose fines for incorrect or incomplete BO data of legal persons in RPO, set deadlines to registered legal persons for submitting BO data additionally and suggest technical and organizational measures to managers of source registers. It will also be able to notify managers of source registers that registered data are incomplete

or incorrect. RPO can also impose a fine to the manager of the source register, namely to the Commercial Register and Non Profit Non-Governmental organizations Register.

Register of Non-Profit Non-Governmental organizations (which covers non-profit organization providing generally beneficial services, non-investment fund or foundation) does not provide any sanctions for not informing the Register on BO data.

5.2 Please describe the powers available to the designated authority(ies)/agency(ies) to enforce sanctions for non-compliance with the beneficial ownership disclosure requirements, including any statistics on enforcement of such sanctions.

The Statistical Office does not have any statistics available as the application of sanctions will only start on October 1, 2023.

6. International Cooperation, asset recovery and challenges

6.1. Does your country make beneficial ownership information available to foreign competent authorities (directly or upon request)? Please provide details of the relevant legislative and regulatory framework in your country that allows for the international exchange of such information.

FIU obtains BO information as described in the answer under point no. 3.2 of this questionnaire. Subsequently, the FIU has the possibility to withdraw this information in accordance with Section 28/1 of the AML Act, by the following authorities and under the following conditions:

(1) The Financial Intelligence Unit shall cooperate with competent authorities of the Member States, the Commission, the Council of the European Union, the Secretariat of the Council of the European Union and members of the European System of Financial Supervision, including in particular in the sharing and verification of information required for preventing and detecting money laundering and financing of terrorism; such cooperation shall be provided without undue delay, whether spontaneously or upon request. The Financial Intelligence Unit's request for information must include the reasoning and the intended purpose of information sought. Where information was provided by the competent authority of a Member State on the condition of a specific use, the Financial Intelligence Unit shall be bound by such condition. The Financial Intelligence Unit shall be allowed to use the information provided only for the reason for which it was requested. The Financial Intelligence Unit may use such information for other purposes, or make it available to other authorities, only with prior approval of the Member State's authority which provided the information to the Financial Intelligence Unit. No limitations shall be applied to international co-operation, except as otherwise provided in Article 26(5).

(2) The Financial Intelligence Unit may provide information referred to in paragraph (1) to a Member State's authority on the condition of a specific use. If the Member State's authority asks the Financial Intelligence Unit for approval for the provision of the information to another authority, the Financial Intelligence Unit shall grant such approval; the Financial Intelligence Unit shall not be obliged to grant such approval if the granting thereof could prevent or threaten the processing of an unusual transaction or on-going criminal proceedings, or if the provision of information would apparently be inadequate in light of the legitimate interests of the person to which they relate, or in conflict with the purpose for which the request for information was made, provided that the Financial Intelligence Unit must provide reasoning for withholding the approval.

(3) The Financial Intelligence Unit shall cooperate with authorities of other countries within the scope and under the conditions laid down in the applicable international treaty which is binding on the Slovak Republic, or on the basis of the principle of non-contractual reciprocity.

- (4) The Financial Intelligence Unit may also cooperate with international organisations operating in the area of the prevention and detection of money laundering and financing of terrorism.
- (5) The Financial Intelligence Unit shall provide Europol without undue delay, based on a reasoned request sent through the national Europol unit, data from the central register of accounts, as well as financial information and financial analyses; the provision of information is adequately covered by Article 26 para 5 to 7.
- (6) The Financial Intelligence Unit uses the designated protected communication channels for communication with foreign authorities."

As for the Central BO Register in Slovakia (RPO) kept by the Statistical Office, as of the October 1, 2023 the RPO will become a part of BORIS interconnection of member states' register system and authorized employees of competent authorities of other EU Member States will be able to obtain BO data directly from the RPO through the European Central Platform after identity verification using e-IDAS Regulation. Temporarily, pending resolution of the issue of providing data based on proof of legitimate interest by the applicant, who is not a competent authority responsible for taking measures to combat money laundering or terrorist financing, or a person liable pursuant to Section 5 of the AML Act, BO data are publicly available to everyone to a minimum extent, although the data cannot be used for legal purposes.

6.2. Please describe how foreign competent authorities may request or access beneficial ownership information on legal persons and legal arrangements formed in your country. Which agency(ies)/authority(ies) is/are responsible for receiving and responding to foreign requests? Please provide contact information and instructions.

FIU carries out international cooperation only in relation to its foreign partners defined in Article 28, para 1 of the AML Act. FIU receives requests from foreign partners through protected communication channels (Art. 28/6 of the AML Act). The scope and conditions of the exchange of such information are set out in Article 28 of the AML Act. However, the exchange of information between FIU and its foreign counterparts is generally also regulated by the so-called Egmont principles (Egmont Group of Financial Intelligence Units Principles for Information Exchange Between Financial Intelligence Units).

There are also other competent authorities in the Slovak Republic (such as tax authorities or law enforcement authorities) which, if there is an international treaty as a legal basis, can provide foreign authorities with BO information.

6.3. In your opinion, what are the main challenges faced by foreign competent authorities to access beneficial ownership information held in your country?

In general, it is no efficient verification framework in the BO source registers in Slovakia.

Regarding FIU's international cooperation, it can be stated that FIU has not experienced any significant problems or challenges in this area. From time to time, however, there will be a case where the information about the BO is not available in the relevant register, because a specific legal entity has not fulfilled its registration obligation to enter BO data in the relevant register. However, these are sporadic cases.

6.4. In your opinion, what are the main challenges faced by competent authorities of your country to access/receive beneficial ownership information held in a foreign country?

So far, the FIU has not had any fundamental problems in obtaining BO from its foreign partners, but in recent years there have been cases recorded mainly concerning third countries (outside the EU), the so-called tax havens and/or so-called off-shore countries where the company administrator went into liquidation and so our foreign partner (foreign financial intelligence unit) could not get the required information (e.g. also about the ultimate ownership).

6.5. Do you have any case studies or examples where the transparency of beneficial ownership has enabled or enhanced the effective recovery and return of proceeds of crime in (or for) your country?

No.

7. Good Practices for Beneficial Ownership Transparency

7.1. Has your country implemented any specific good practices relating to Beneficial Ownership Transparency that you wish to highlight? Examples could include good practices in verification, data format, searchability, use of technology, enforcement of sanctions, automatic red flagging, use or risk-based approach.

An example of good practice of BO registry in Slovakia is the **Public Sector Partners Register** which includes good practices in verification since it engages the general public (mainly media and NGOs) in data verification; data format with the possibility to download in open data format; wide searchability; gatekeepers as first level of verification upon entering the data into the register, reversed burden of proof for company (Partner) once a reasoned initiative has been submitted to the registering authority and very efficient sanctions kit.

8. Follow-up to the special session of the General Assembly against corruption

8.1. Please describe any other measures, if any, that your country may have taken to implement paragraph 161 of the political declaration adopted by the General Assembly at its special session against corruption held in June 2021.

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