

## **Bill on a Central Register of Shareholders**

For the purposes of introducing a central register of shareholders, the bill on the Central Register of Shareholders Act ("the bill") was presented to the Lower House on January 19, 2017. The Central Register of Shareholders (abbreviated: CRS) is a register which collects data on shareholders and their shares and where this data can be accessed. This memorandum briefly summarizes the purpose of the CRS, who will manage the register, which information will be recorded in it and who can access it.

### **The purpose of the CRS**

The CRS is a structured system for centralizing the digital gathering of information on shares, shareholders, usufructuaries and pledgees of private limited liability companies and non-listed public limited companies. The CRS will be accessible to the Dutch tax authorities and other designated public services to assist them in the performance of their statutory duties. By doing this the CRS aims to combat certain forms of financial economic crime. The CRS will not replace a company's own register of shareholders, which it maintains for internal purposes, but will exist next to this.

### **Manager**

According to the bill, notaries will be obliged to register certain information in the CRS. Under existing legislation, notaries are already obliged to register executed deeds in the digital repository maintained by the Royal Association of Notary Publics; registration in the CRS will be an additional obligation. It has been proposed to also place the CAHR with the Royal Association of Notary Publics.

### **Information recorded in the CRS**

The CRS will record information about shares and the shareholders of private limited liability companies and non-listed public limited companies, thereby taking into account statutory provisions on privacy protection. Therefore only specific (government) services that are legally authorized to do so will be permitted to gather, save, process and grant access to the personal data for the purposes of performing a specific task.

Various elements of the law require the mandatory intervention of a notary in respect of transactions related to registered shares, for example, the issue or transfer of shares and the establishment of a usufruct or a pledge on registered shares. Which information contained in the notarial deeds governing such transactions is to be registered in the CRS, will be stipulated in a ministerial regulation. This concerns the details of the shareholder, but also the details of usufructuaries and pledgees of registered shares, given that this may involve the transfer of voting rights in or the ownership of the underlying shares. The bill does not contain any thresholds for distinguishing whether a specific interest held should or should not be registered: minority shareholdings will also be recorded in the CRS. All shareholdings of qualifying private limited liability and public limited companies will be recorded in the CRS.

The intervention of a notary is not mandatory in the case of, for example, issued or transferred shares that are not registered shares but bearer shares. Therefore, information on such shares will not be recorded in the CRS. Nor is the intervention of a notary mandatory for the issue of depositary receipts and information about depositary receipt holders will also not have to be recorded in the CRS.

It is possible that the scope of the information that must be recorded in the CRS will be expanded. The bill makes it possible to do this by way of ministerial regulation.

### **Access**

The purpose of the bill – combating financial economic crime – means that the CRS will be ‘closed’ and due to the privacy of the shareholders involved will not be publicly accessible.

The information in the CRS can be accessed by the Dutch tax authorities and notaries. Other public services will have access to the CRS; this will be elaborated in a ministerial regulation. Institutions dealing with the prevention of money laundering and terrorist financing (*Wwft-instellingen*) will have access to the CRS for the purposes of carrying out their statutory client verification obligations. Shareholders can, upon request, also receive information on the details that have been recorded in the CRS about them. This also applies to usufructuaries and pledgees of shares.

To safeguard the privacy of those registered in the CRS, the bill provides for persons and organizations that are granted access to the CRS to be subject to a confidentiality obligation.

### **The UBO register**

The CRS exists next to the [UBO register](#). The CRS only contains information on the direct shareholders of qualifying legal entities and will only be accessible to a select group. The ministries involved have indicated that they would like to make the UBO register a [public register](#). The announced draft legislation establishing the UBO register has not yet been published.

As stated above, this concerns a bill. We will of course keep a close eye on the legislative agenda and update you on its progress. If you have any questions about the bill, please get in touch with Meijburg & Co and Meijburg Legal.

Meijburg & Co en Meijburg Legal  
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