


# CHANGES TO THE FRAMEWORK ON BO REPORTING AND ACCESS TO BO INFORMATION (LEGAL PERSONS)

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# PRESENTATION OVERVIEW

**Part 1 : Where We Are**
Where we are: statutory framework, corporate obligations and MBR supervision.

**Part 2: What Changed**
What changed: L.N. 184 of 2026, control verification, regulation 5(3), Form BO4 and legitimate-interest access.

**Part 3: Where We're Going**
Where we're going: Regulation (EU) 2024/1624 (AMLR), Directive (EU) 2024/1640 (AMLD6), EU interconnection and targeted financial sanctions.

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## Part 1: Where We Are

# STATUTORY FRAMEWORK

- Companies Act, Chapter 386, and Companies Act (Register of Beneficial Owners) Regulations, S.L. 386.19
- Framework developed through the 4th and 5th Anti-Money Laundering Directives
- Core purpose: adequate, accurate and up-to-date beneficial ownership information
- Transparency and accountability to support AML/CFT work

# EXISTING CORPORATE OBLIGATIONS

- Identify beneficial owners and maintain an internal beneficial owners register
- Obtain and retain the particulars prescribed by regulation 5(1)
- Use the applicable prescribed MBR forms
- Notify changes in beneficial ownership, file the respective statutory annual beneficial ownership confirmation forms

# MBR SUPERVISORY LANDSCAPE

- MBR supervisory role under the relevant AML/CFT framework
- Monitoring of missing, late, incomplete BO filings and records
- Enforcement and other statutory supervisory powers
- The objective is reliable BO information, not merely completion of forms

# WHY L.N. 184 OF 2026?

- Brought into force on 10 July 2026
- EU driver: implementation of Articles 11, 12, 13 and 15 of Directive (EU) 2024/1640
- National driver: international commitments and measures to prevent abuse of corporate structures
- Together, the changes strengthen verification, reporting and access to BO information

# EXEMPTIONS&COMPLEX STRUCTURES

**Listed Companies (Exemptions):**

Exempt from standard BO filing requirements if subject to disclosure requirements under EU law or equivalent international standards ensuring adequate ownership transparency.

**Complex Ownership & Control:**

- Usufruct&Pledges: Assessing the implications of usufruct and pledge arrangements on beneficial ownership.
- Trustees, Nominees & Fiduciaries:Exclusion of the first proviso to regulation 5(3)
- Sanctions Links: Identifying hidden control or links to sanctioned individuals.

# REGULATION 5(2): THE CHANGE IN APPROACH

## BEFORE

The company obtained BO information from shareholders and persons reasonably believed to be beneficial owners.

## NOW

The company must also take reasonable and appropriate steps to verify whether another natural person exercises control through any means.

## RESULT

A person so identified must be treated as a BO and reported.

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# REGULATION 5(3): WHEN THE MEMBERS REGISTER SUFFICES

All four conditions must hold for as long as the register of members is deemed to constitute the BO register:

1. All registered shareholders are natural persons
2. None acts as trustee or in another fiduciary capacity
3. No natural person, other than any natural person who is disclosed in the company's register of members, ultimately owns or controls more than 25% of voting rights or other ownership interests or otherwise exercises control through other means.
4. No natural person holds the position of senior managing official

# FORM BO4: TRANSITION AND SCOPE

- Does not apply in the case of corporate shareholders
- Companies formed and registered before 10 July 2026 must assess whether regulation 5(3) proviso applies within six months
- If the proviso does not apply, the company must take the necessary steps and deliver a BO4 to MBR.

# UPDATED SANCTIONS & PENALTIES

**Existing penalties under S.L. 386.19:**
Failure to keep records or submit updates carry a penalty of up to €5,000 + €100 daily for continuing defaults, while false declarations risk up to €5,000 or imprisonment, or both.

**Newly introduced penalties under L.N. 184 of 2026:**
Failure to comply with regulation 5 within the transitional 6-month window carries a penalty of up to €10,000 + €500 daily for continuing defaults, while failure to report to the Registrar for the cessation of a legitimate interest carries a penalty of up to €5,000.

**Joint & Several Liability:**
Companies, officers, shareholders and beneficial owners share joint and several liability for compliance failures and administrative penalties.

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# LEGITIMATE INTEREST: WHY ACCESS HAS CHANGED

- L.N. 184 of 2026 implements differentiated BO-access categories under AMLD6.
- Specified competent authorities and obliged entities have distinct access routes.
- Other natural or legal persons must demonstrate a legitimate interest linked to preventing or combating money laundering, predicate offences or terrorist financing.
- The Registrar assesses access without alerting the company concerned.

# WHO MAY QUALIFY FOR LEGITIMATE-INTEREST ACCESS?

Statutory categories include:

- Journalists and other media actors carrying out relevant work
- Civil-society organisations and academia carrying out relevant work
- Persons likely to enter a transaction with a legal person for the stated AML/CFT purpose
- Certain third-country AML/CFT entities, EU authorities, public-funding and procurement bodies
- AML/CFT product providers, subject to statutory conditions

Eligibility and supporting evidence remain subject to the legislation.

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# THE LEGITIMATE INTEREST ASSESSMENT

- The request must demonstrate an interest specifically connected to preventing or combating money laundering, predicate offences or terrorist financing.

- The applicant identifies their function or occupation and, except for the specified media/civil-society categories, the connection to the particular company.

# MBR LEGITIMATE-INTEREST APPLICATION: FIVE STEPS

1. Contact the BO Access Team at accesstobo@mbr.mt.
2. Submit executed Form LI1 with evidence supporting the AML/CFT connection.
3. Registrar assesses the request and may issue approval in principle.
4. Applicant submits the executed LI2 declaration.
5. Following approval, the BO Access Team provides access.

# Access to BO Information: Transparency and Applications

## REGULATIONS 7A & 7B

**Regulation 7A — Disclosure and confidentiality**

- The Registrar maintains records of access to BO information.
- Safeguards protect the identity of journalists, civil society organisations and specified foreign authorities.
- Disclosure of access information remains subject to data protection requirements.

**Regulation 7B — Applications based on legitimate interest**

- Applicants must submit a written request demonstrating legitimate interest, supported by documentary evidence.
- The Registrar verifies applicants' identities and assesses their eligibility.
- Initial response within 12 working days, subject to permitted extensions.
- Access certificates are valid for 3 years; subsequent requests are processed within 7 working days.

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# Refusal of Access and Rights of Appeal

## REGULATIONS 7C & 7D

**Regulation 7C — Grounds for refusal**

- Insufficient information or supporting documentation.
- Failure to demonstrate legitimate interest.
- Reasonable concerns about misuse or an unrelated purpose.
- Applicable access restrictions or other specified legal grounds.

**Regulation 7D — Refusal, revocation and appeals**

- The Registrar must communicate the reasons for refusal and the right of redress.
- Access may be revoked if grounds for refusal subsequently arise.
- Decisions may be appealed before the Administrative Review Tribunal within 20 days.
- A further appeal may be made to the Court of Appeal (Inferior Jurisdiction).

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# Ongoing Obligations and Exceptional Restrictions

## REGULATIONS 7E & 7F

Regulation 7E — Obligations following approval

- Approved applicants must confirm their legitimate interest annually.
- Changes that may result in cessation of legitimate interest must be reported within 3 working days.
- Access may be revoked where legitimate interest no longer exists.

Regulation 7F — Exceptional restrictions on access

- Restrictions may apply where disclosure exposes a beneficial owner to disproportionate risks, including fraud, kidnapping, extortion, violence or intimidation.
- Protection also applies where the beneficial owner is a minor or legally incapable.
- Restrictions require an individual, case-by-case assessment.
- Specific exceptions apply to certain legal professionals acting in defined transactions.

# ACCESS: INFORMATION AND PROCEDURAL SAFEGUARDS

- For Legitimate Interest (LI)- BO access, under regulation 7 specifies: name, month/year of birth, country of residence, nationality/ies and nature/extent of beneficial interest.

- If LI is approved, the certificate grants access for three years. The framework also provides for refusal, revocation, appeals, ongoing confirmation and exceptional restrictions.

# WHERE WE'RE GOING:

AMLR introduces a harmonised EU AML/CFT rulebook, principally applicable from 10 July 2027.

The ownership threshold becomes 25% or more, rather than more than 25%.

Ownership interests and control through other means must be considered independently and in parallel.

Indirect ownership chains and the use of senior managing officials are subject to more detailed rules.

**Exemptions**- The law introduces harmonised conditions concerning certain listed companies and public bodies from the scope of BO regulations.

**Foreign Legal Entities**-The future framework also addresses specified non-EU legal entities with an EU nexus, including certain real-estate, high-value-asset and obliged-entity relationships.

# ENHANCED BO INFORMATION

The forward-looking framework places emphasis on:

- Full identification, nationalities and country of residence
- Nature, extent and dates of ownership or control
- Intermediate entities and ownership/control structure
- Evidence supporting identification and exclusion decisions

MBR has already introduced additional data fields, including place of birth and residential address.

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# EU Registers: INTERCONNECTION

**EU Direction**
interconnection of national beneficial ownership registers

**AIM**
More consistent cross-border access to BO information

**IMPLICATION FOR PRACTITIONERS**
Quality and consistency of national filings become increasingly important

# TARGETED FINANCIAL SANCTIONS

AMLD6 introduces ongoing screening of BO information against targeted financial sanctions lists.

Relevant indicators include a sanctioned legal entity, ownership/control by a designated person, or a sanctioned BO.

Indicators are intended to be visible to authorised users until sanctions are lifted.

MBR cooperation with competent authorities supports identification of sanctions exposure and evasion.

# KEY TAKEAWAYS FOR PRACTITIONERS

## NOW

Ensure adequate, accurate and current BO records; assess control beyond the share register.

## BY 10 JANUARY 2027

Relevant pre-existing companies complete the regulation 5(3) assessment and any required transition filing.

BO ACCESS: use the correct statutory access route and evidence.

NEXT: prepare for the more detailed framework and EU interconnection.

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# THANK YOU

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## WEBSITE

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