

Memorandum

FROM Alain Costantini & Julian Delplanche – DWMC Legal

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Data related to the UBO Register

I. General comments

Since 2019, various legal entities are legally required to register their Ultimate Beneficial Owners (“**UBO**”) in the so-called UBO Register, including associations.

The UBO Register is now giving access to various data, and it is interesting to note that, as of 30 September 2024:

- 94.5 % of entities are registered in the UBO Register. Accordingly, most legal entities that must comply with the UBO obligations have now been registered.
- Non-Profit Associations (hereafter “**NPAs**”) and International Non-Profit Associations (hereafter “**INPAs**”) represent approximately 11 % of the registered entities. More precisely, 87,406 NPAs and 1,950 INPAs are registered in the UBO Register.
- The number of Ultimate Beneficial Owners per entity is also detailed:
 - 5 UBOs per NPA on average (resulting in a total of 441,771 UBOs for NPAs);
 - 7.5 UBOs per INPA on average (resulting in a total of 14,601 UBOs for INPAs).
- Finally, the number of reminders sent to comply with the UBO obligations, as well as the fines imposed, are also disclosed:
 - Number of reminders sent since 2021:
 - NPAs: 13,594 (with 1,649 reminders sent so far in 2024¹);
 - INPAs: 375 (with only 27 reminders sent so far in 2024¹);
 - Number of fines imposed since 2021:
 - NPAs: 2,795 (with 113 fines imposed so far in 2024¹);
 - INPAs: 96 (with only 4 fines imposed so far in 2024¹).

Although the number of fines imposed on associations is limited in 2024, associations must bear in mind that new fines are expected to be continuously applied by the Belgian General Administration of Treasury for non-complying entities.

¹ Meaning from 01/01/2024 until 30/09/2024.

In order to avoid these unnecessary financial penalties, please make sure:

- if not already done, to proceed with the UBO registration;
- to update the UBO registration when needed;
- to confirm annually that the UBO registration is up-to-date (even if the UBO registration has not been modified in the course of the year).

II. Removal from the Crossroads Bank for Enterprises for failure to comply with the UBO obligations

Aside from fines that may be imposed, the Crossroads Bank for Enterprises has also been empowered, under certain conditions, to ex-officio strike off associations that do not comply with the UBO obligations.

As a result of these new powers, close to 21,000 legal entities have already been struck off from the Crossroads Bank for Enterprises. And 8,000 additional entities were expected to be involved in a second phase.

The strike-off is purely of an administrative nature. In other words, it does not affect the existence of the association, nor result in its dissolution or liquidation. However, it may have significant adverse consequences for the association. Indeed, the strike-off is published in the Belgian Official Journal, which can be damaging to its activities and its relations with third parties (especially banks for instance).

III. Conclusion

Now more than ever, associations must ensure that they fully comply with their UBO obligations and also that their publications in the Belgian Official Journal are up to date. Not doing so may have significant adverse consequences for the association, notably in its relationship with its banks which do not hesitate to suspend or even to terminate their relationship if the situation is not remedied rapidly, leaving them in very precarious situations.

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