

Kabalan & Associates

مكتب المحامي نورالدين قبلان

Lebanon Legal Update

13 December 2018

The Ultimate Beneficial Owner introduced in the Lebanese Laws

Pursuant to the OECD latest recommendations, the Lebanese Parliament have recently promulgated on 6 December 2018 the Law no 106 introducing the Ultimate Beneficial Owner to the scope of the Tax Procedure Law.

The Law no 106 defined the Ultimate Beneficial Owner (UBO) as being every physical person wherever he resides, owning or ultimately controlling directly or indirectly an activity exercised by any other physical person or entity on the Lebanese territories.

The Law imposed an obligation on tax payers to record and update special registers determining the UBOs and their related information.

The tax payers shall further declare the UBOs to the Ministry of Finance and keep updating the said Ministry of any changes subject to financial penalties in the event of failure to keep records or to declare.

Earlier, the Ministry of Finance had on 4 October 2018 issued a decision defining the UBO as above and further providing that every entity shall take necessary measures aiming to define the UBO being every physical person "hiding" behind:

- Every physical person owning directly or indirectly more than 20% of the entity's capital.
- Every physical person having the majority votes or rights to take major decisions including hiring and removing members from managerial and controlling commissions.
- Every person occupying a senior management position.

The Ministry shall put in place special forms for declaring the UBOs.

Please contact us should you have any queries in relation to this update.

Noureddine Kabalan
Nadine Azhari

This note is not comprehensive. Further advice should be taken before relying on the contents of this note.

Kabalan & Associates accepts no responsibility for loss occasioned to any person(s) acting or refraining from acting as a result of material contained in this note.

Kabalan & Associates is a law firm registered as Etude Maitre Noureddine Kabalan with the Beirut Bar Association.

KABALAN & ASSOCIATES

مكتب المحامي نورالدين قبلان

Contact:

legal@kabalanlaw.com

319 Michel Chiha Street,
Abi Rached Bldg 3rd Floor,
Kantari, Beirut, Lebanon
T: +961 1 365146

www.kabalanlaw.com