

The New Federal Act on the Transparency of Legal Entities and the Identification of Beneficial Owners

Background and Overview

The stability of the Swiss financial center is undermined by organized crime such as money laundering and the financing of terrorism. The new Federal Act on the Transparency of Legal Entities and the Identification of Beneficial Owners (TJPG; the Act) and the corresponding Ordinance on the Transparency of Legal Entities and the Identification of Beneficial Owners (TJPV; the Ordinance) aim to protect the integrity of Switzerland as a financial and economic center. The draft TJPV is currently in the consultation phase.

The new regulations are scheduled to come into force on October 1, 2026. Various transitional periods will apply to existing companies.

In this newsletter, we would like to provide you with an initial overview of the new legal regulations and the necessary actions to be taken. The TJPG provides for various exceptions for listed companies, however these exceptions will not be addressed below. We would be happy to advise you personally and in depth on all questions relating to the transparency register and assist you in submitting the required reports in a timely and compliant manner.

The TJPG introduces a non-public register of the beneficial owners of Swiss and foreign legal entities, which is maintained by the Federal Department of Justice and Police.

Although the transparency register is not public, it will be accessible to a large number of authorities and third parties (e.g., authorities involved in administrative assistance in tax matters, land registries, customs authorities) that work closely together. In addition, there are reporting obligations, in particular for the cantonal and federal tax authorities. The entries in the register will only have declaratory effect, i.e., no rights or obligations (e.g., the status of a shareholder) can be derived from the entry.

The TJPG and TJPV replace and tighten the current reporting obligations and the obligations to maintain an internal register of the beneficial owners (in particular art. 697j-697m and art. 790a CO), which were introduced on the basis of the FATF recommendations.

Scope

The new TJPG will be relevant for various legal entities, including Swiss corporations (*Aktiengesellschaften*) and limited liability companies (*Gesellschaften mit beschränkter Haftung*).

In addition, foreign legal entities are also subject to the TJPG if they either have a Swiss branch registered in the commercial register, are actually managed in Switzerland, or own or wish to acquire real estate in Switzerland (*Lex Koller*). Certain Swiss legal entities, such as legal entities in which at least 75 percent of the participation rights are held directly or indirectly by public authorities, are excluded from the scope of the new legislation.

The TJPG also applies to trusts. However, trusts are only subject to identification and documentation requirements; it is not necessary to report the beneficial owners.

New Obligations

With the introduction of the TJPG, legal entities, equity stakeholders (in particular shareholders (*Aktionäre*) and quotaholders (*Gesellschafterinnen und Gesellschafter*)) and the beneficial owners are subject to various reporting and cooperation obligations regarding the identification of the beneficial owners.

The TJPG defines beneficial owners on the one hand as natural persons, who control a company by holding, directly or indirectly, alone or in concert with third parties, at least 25% of its capital or voting rights. On the other hand, anyone who controls a legal entity by way of other means is also considered a beneficial owner.

Control by way of other means is not specified in the Act, but in the Ordinance. According to the draft Ordinance, which is still under consultation, control is exercised as soon as a natural person can appoint or dismiss more than half of the members of the board of directors or comparable functionaries, veto the company's decisions, or obtain decisions regarding the distribution of the company's profits. In addition, according to the draft, any exercise of significant influence within the company shall suffice, such as formal or informal agreements with shareholders, influence of a person based on the articles of association, or connections between family members. The consultation period for the TJPV will continue until January 30, 2026.

Obligations of the Company

The highest-ranking member of the governing body is responsible for fulfilling the company's obligations. This task may be delegated, but not the responsibility itself. Companies will henceforth be subject to the following obligations:



- Identification of the beneficial owners
- Obtaining the following information about the beneficial owners:
 - Last name and first name
 - Date of birth
 - Nationality
 - Address and country of residence
 - Required information about the nature and extent of the control exercised
- Verification of the identity of the beneficial owner and verification of their status as beneficial owner with the due diligence required by the circumstances
- Storage and regular updating of information regarding the beneficial owners
- Reporting of the above listed information (with the exception of the address – only the municipality of residence must be reported) to the transparency register within one month of the company's entry in the commercial register or, in the case of a foreign legal entity, within one month of becoming subject to the law
- Retention of the information for ten years after the person concerned has lost their status as a beneficial owner
- Reporting any changes to a fact entered in the transparency register to the transparency register within one month of the company becoming aware of them

If the company is unable to identify the beneficial owners or sufficiently verify their identity and status as beneficial owners, this fact and all relevant information available to the company, in particular the name of the highest-ranking member of the governing body, must be reported to the transparency register.

The Ordinance may provide for simplified rules for certain types of legal entities that are considered to pose a limited risk. The draft Ordinance provides for this in particular for limited liability companies that meet certain requirements and for single-member corporations.

The reporting procedure to the transparency register is generally carried out electronically and submitted directly to the register-keeping authority (*registerführende Behörde*). Alternatively, in individual cases, reporting to the commercial register is also sufficient. Registration, modification, or deletion, as well as access to the transparency register and the issuance of a confirmation of registration, are free of charge. If further action by the register-keeping authority or the supervisory body (*Kontrollstelle*) is necessary, fees will be incurred. Ordering an extract from the transparency register, which is possible at any time, is also subject to a fee.

Obligations of Equity Stakeholders

The controlling equity stakeholders are subject to a duty to cooperate in reporting the beneficial owners. The information listed above, which the company must collect and forward, must be reported. The report must be made within one month of the control being established.

Obligations of Beneficial Owners and other affected Third Parties

Beneficial owners are obliged to report their status as well as the above-mentioned information to the equity stakeholders or, in certain cases, directly to the company. They must also report any changes to the above-mentioned information within one month.

Beneficial owners as well as third parties involved in the chain of control are obliged to cooperate in verifying the identity of the beneficial owners and in assessing their status as beneficial owners by providing information and supporting documentation.

Supervisory Procedure

In contrast to the previously maintained internal register of beneficial owners, reports under the Act are subject to dual external oversight. In addition, extensive reporting obligations apply.

The register-keeping authority verifies the completeness of the report as well as the identity of the people reported. However, it also reviews whether the legal entities subject to the TJPG have made the necessary reports. If a legal entity fails to comply with a request to register, the authority may register it *ex officio*, or forward this information, along with any other information of interest to the supervisory body.

A supervisory body within the Federal Department of Finance conducts reviews based on a risk-based approach, as well as on a random sampling basis. In particular, legal entities that have been flagged by the register-keeping authority are automatically assigned a higher (medium) risk level and subjected to a preliminary review by the supervisory body. A legal entity is flagged in particular if it fails to comply with requests from the authority or reports that the beneficial owner could not be identified.

Third parties are likewise subject to extensive disclosure obligations towards the supervisory body. For example, third parties who are in a contractual relationship with the beneficial owner are also required to provide information and supporting documentation. In this regard, the official message (*Botschaft*) refers to account relationships with financial institutions or mandate relationships with consulting firms.

It should be noted that financial intermediaries under the Anti-Money Laundering Act (especially banks), are obliged to submit reports to the transparency register if they discover discrepancies between the information contained therein and the information available to them and if the following conditions are met: 1) the discrepancy raises doubts about the accuracy, completeness, or currentness of the information about the beneficial owner of a legal entity, and 2) the discrepancy persists even after the clients have been informed and

given a reasonable period of time to remedy it.

Public authorities, such as tax authorities in particular, are also required to submit reports, thereby supporting the oversight carried out by the registry-keeping authority and the supervisory body.

Measures and Sanctions

If the supervisory body determines that the information submitted to the transparency register is incorrect, incomplete, or out of date, it will take the measures necessary to restore the proper state of affairs. In the event of repeated violations of reporting obligations or if a violation is not remedied despite multiple requests, the participation and financial rights (*Mitwirkungs- und Vermögensrechte*) of the affected equity stakeholder may be suspended. As a last resort, the supervisory body is also empowered to order the dissolution and liquidation of the legal entity if the circumstances justify it, for example, because the legal entity evidently no longer conducts business activities or no longer has any realizable assets.

If a foreign legal entity wishes to acquire real estate in Switzerland and fails to comply with its reporting obligation under the TJPG, the land registry entry will henceforth be rejected by the competent land registry office.

Criminal sanctions may also be imposed on legal entities subject to the reporting obligations, on equity stakeholders, on beneficial owners, and on third parties who disregard orders (*Verfügungen*). Only intentional violations constitute an offence, i.e. negligent conduct does not give rise to criminal liability.

Transitional Periods

With the anticipated entry into force of the regulations on October 1, 2026, not all reporting obligations will arise simultaneously. The transitional periods vary depending on, among other factors, the type of company and the type of audit performed.

Contact



Dr. Oliver Künzler | Partner
Head of Practice Group M&A / Corporate

oliver.kuenzler@wenger-plattner.ch
T +41 43 222 38 00



Valérie Berger | Senior Associate
Practice Group M&A / Corporate

valerie.berger@wenger-plattner.ch
T +41 43 222 38 00