



Tax & Business Lawyers

# NEWSLETTER

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Nº 02/26

05 JANUARY 2026

**UBO REGISTER:  
ACCESS LIMITED TO THOSE WITH A  
LEGITIMATE INTEREST**

The Ultimate Beneficial Owner Register (UBO Register) now limits access to beneficial ownership information to those with a legitimate interest, strengthening personal data protection.

Decree-Law No. 115/2025 aligns Portuguese law with EU Directive 2024/1640.

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Business Team

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## **THE ULTIMATE BENEFICIAL OWNER REGISTER FOLLOWING DECREE-LAW NO. 115/2025: WHAT CHANGED AND WHY**

On 27 October 2025, Decree-Law No. 115/2025 was enacted, introducing significant amendments to the Legal Regime of the Ultimate Beneficial Owner Register (UBO Register), following the transposition into Portuguese law of Article 74 of Directive (EU) 2024/1640. This directive forms part of the European Union's updated package to combat money laundering and terrorist financing and amends Articles 30 and 31 of Directive (EU) 2015/849, which originally established the UBO Register.

The need to amend the national regime arises from a significant evolution of the European framework, reflecting an effort to balance two objectives that are not always easily reconciled: on the one hand, the transparency of ownership and control structures of legal entities; on the other hand, the protection of fundamental rights, particularly the right to personal data protection.

### **FROM UNRESTRICTED PUBLIC ACCESS TO THE LEGITIMATE INTEREST CRITERION**

The UBO Register was initially established by Law No. 89/2017 of 21 August, later amended by Law No. 58/2020, and regulated through various ministerial orders, partially transposing Directive (EU) 2015/849 (commonly referred to as AMLD 4). Following Directive (EU) 2018/843, the European regime required that information on ultimate beneficial owners be publicly accessible without the need to demonstrate a specific reason.

This approach was challenged by the Court of Justice of the European Union in Joined Cases C-37/20 and C-601/20 (Wm and Sovim SA v Luxembourg Business Registers), which held that unrestricted public access constituted a disproportionate interference with the fundamental rights to privacy and data protection.

In this context, Directive (EU) 2024/1640 abandons the general access model and introduces a requirement that only persons or entities demonstrating a legitimate interest may access ultimate beneficial ownership information. Decree-Law No. 115/2025 implements this change at the national level, amending the UBO Register accordingly.

### **KEY CHANGES TO THE UBO REGISTER**

The principal amendment introduced by Decree-Law No. 115/2025 is the requirement to demonstrate a legitimate interest when consulting information on ultimate beneficial

owners, which until now was publicly accessible. This maintains the system's transparency while adding a safeguard for the fundamental rights of data subjects.

The decree also clarifies two interpretative points. First, it confirms the exclusion of inheritances from the UBO Register's scope. Previously, the regime explicitly excluded "bona vacantia" estates, leaving some uncertainty regarding undivided estates. The legislator clarifies that inheritances, in themselves, are not subject to UBO Register, as their existence does not result from a voluntary act of the heirs, nor is there a legal obligation to effect partition.

Second, the decree specifies the data to be collected regarding legal representatives of minor or legally assisted adult beneficial owners. In accordance with the data minimization principle, it is deemed inappropriate to equate the legal representative fully with a ultimate beneficial owner. The adopted solution treats the legal representative as a declarant, limiting identification data to what is strictly necessary, in line with their responsibilities under the register.

Outside of these clarifications, the regime remains substantially unchanged.

## **WHO IS AN ULTIMATE BENEFICIAL OWNER?**

The concept of the ultimate beneficial owner remains central to the system. The law establishes as a primary criterion for identification any natural person who holds, directly or indirectly, a sufficiently significant interest in the capital or voting rights of an entity.

Generally, control is considered to exist where a natural person holds more than 25% of the share capital directly, or indirectly through entities controlled by the same person or group of persons. Where this criterion does not allow for identification, subsidiary criteria apply, including control through other means or, ultimately, identification of top management personnel, provided no indications of suspicion exist.

For fiduciary arrangements (trusts), ultimate beneficial owners include, among others, the settlor, the trustees, the curator (if applicable), the beneficiaries or, if not yet determined, the class of persons for whose benefit the trust was created, as well as any natural person exercising ultimate control over the arrangement. These criteria are similarly applied, with adaptations, to foundations and other collective interest structures without legal personality that are functionally equivalent to trusts.

## WHO MUST DECLARE AND HOW THE UBO REGISTER WORKS

Once ultimate beneficial owners are identified, obliged entities must maintain an internal record that is complete, accurate, and continuously updated, to be reported to the UBO Register.

Entities required to declare include, among others, commercial and civil companies, associations, cooperatives, foundations, representations of foreign entities in Portugal, other legal arrangements without legal personality with their own objectives, as well as certain fiduciary instruments and structures registered in the Madeira Free Trade Zone, whenever a Portuguese tax identification number (NIF) is assigned or they are subject to anti-money laundering legislation.

Initial declarations must be submitted within 30 days of the entity's incorporation. Any subsequent changes must be reported within 30 days from the event triggering the update. In addition, an annual confirmation obligation exists, to be fulfilled by 31 December each year, even if no changes have occurred.

## SUPERVISION, SANCTIONS, AND TAX IMPLICATIONS

Compliance with UBO Register reporting obligations has become a key element of legal and fiscal regularity. Proof of an updated register must be provided whenever required by law to demonstrate tax compliance.

Non-compliance may result in fines ranging from € 1,000 to € 50,000 and severe operational restrictions, including the inability to distribute profits, enter contracts with public authorities, access EU funds, participate in public service concessions, or conduct legal transactions involving real estate. Non-compliance is also publicly disclosed on the UBO Register portal, without prejudice to potential civil or criminal liability for providing false information.

Beyond these direct consequences, the UBO Register is increasingly relevant for tax purposes. Automatic exchange of information between tax authorities, notably under DAC 5 and 6, enables more effective application of anti-abuse rules, including the general anti-abuse clause of the Portuguese General Tax Law, the Principal Purpose Test under ATAD, and provisions under double taxation conventions, as well as specific regimes such as Controlled Foreign Companies, or the use of the ultimate beneficial owner concept for conventional and EU purposes—while maintaining the distinction between the “ultimate” beneficial owner of an entity and the beneficial owner of a specific transaction.

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