

MONACO UPDATE: Changes in relation to Sociétés Civiles



Two recent laws (Law n° 1,549 of 6 July 2023 and Law n° 1,550 of 10 August 2023), amending provisions of the regulations against money laundering, terrorism financing and the proliferation of weapons of mass destruction, have introduced various changes affecting non-commercial companies (so called “*Sociétés Civiles*”). These changes focus on ensuring transparency and accuracy in relation to the ownership and control of these entities, aim to prevent financial crimes and promote compliance with relevant laws.

Some further details relating to the application of the new measures are set out in Sovereign Ordinance n° 10.117 of 21 September 2023.

Key points regarding the changes concerning *Sociétés Civiles*:

1) All *Sociétés Civiles* have the obligation to appoint a Designated Person (“*personne responsable*”) who will be in charge of maintaining and providing the information qualified as essential including the information related to the beneficial owners.

The name of the Designated Person should be provided to the Direction du Développement Economique (“DDE”) within 1 month following the registration of the company with the Répertoire Spécial des Sociétés Civiles (“RSSC”). The person who can be appointed as Designated Person may be either:

a) One or more individuals chosen amongst the shareholders and/or directors, provided that they are Monaco residents, or

b) Certain professionals established in Monaco such as Corporate Service Providers, Multi Family Offices, chartered accountants and lawyers (including notaries, bailiffs and “*avocats*”).

If a *Société Civile* does not have a bank account in Monaco, the company must appoint a professional as the Designated Person (point (b) above) and cannot simply appoint a shareholder or a director.

2) The request for registration of a *Société Civile* (“*Demande d’inscription*”) must cover the essential information of the company (ie legal form, company name, object clause, address of the registered office, details of the share capital, financial year-end date, personal information of each shareholder and director with supporting documents etc).

3) The below information will appear on the extract issued by the RSSC, which will be available to the public.

- Date of the company set up and the registration number,
- Company name,
- Object clause,
- Duration fixed in the bylaws,
- Address of the registered office,
- Date of creation,
- Amount of the share capital,
- Financial year-end date,
- Identity of the director (*gérant*),
- Proof of company creation (ie the date of registration with the Tax Services),
- Any information reflected automatically in the Company Register (ie court decisions, absence of annual declaration etc),
- Main elements reflecting how the company operates,
- Status of the company.



4) All *Sociétés Civiles* must keep a shareholder register indicating the shareholders' full names, date and place of birth, nationality, personal address and civil status. The register should also mention the number of shares owned by each shareholder, the numbers, the voting rights etc. The register must be kept at the registered office address of the company or kept by the person appointed as the Designated Person for essential information including the shareholder information. The information must be accurate and updated regularly.

5) The director(s) and/or the liquidator(s) have the obligation to maintain the essential information related to a *Société Civile* and all the supporting documents for a period of 10 years following the dissolution or the company's liquidation. The RSSC should be informed of the place where these records are kept. They may also be held by the Designated Person.

6) All *Sociétés Civiles* registered with the RSSC have the obligation to declare annually the continuation of their activity. On the same occasion, the company needs to confirm the information provided upon registration with the RSSC or any subsequent modifications. Should the company fail to comply with the filing obligation following the receipt of a notification from the DDE, the company will be automatically struck off from the register. The same is applicable in case of failure to declare the identity of the Designated Person. The company can also be automatically struck off in case of an unsuccessful investigation and checks related to the company.

7) The new law simplifies the dissolution procedure for *Sociétés Civiles* with no assets and no liabilities. These can now be dissolved and struck off by a simple declaration and with no liquidation formalities to be carried out. The declaration must be signed by all the shareholders (or their heirs) and by the directors.

How Moore Stephens can help you

Moore Stephens Monaco was founded in 1956 and is one of Monaco's leading service providers offering international client's advice and assistance.

We have a dedicated team for Monaco *Sociétés Civiles*, covering the administrative, accounting and legal needs of these entities.

In particular, in respect of the new legal obligations, we can assist with the following services:

- ✓ Act as the company's professional Designated Person;
- ✓ Prepare and file the annual declarations;
- ✓ Ensure the ongoing compliance of a *Société Civile* with all legal requirements in relation to the DDE (i.e. accounting obligation, shareholder registers, maintenance of all company records etc).

For more information, please contact:



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