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Corporate Implications of Switzerland's New Federal Transparency Act and Transparency Register

A Corporate and M&A-focused analysis of the practical impact of the new Federal Transparency Act and the Transparency Register

I. INTRODUCTION

In Switzerland, the Federal Act on the Transparency of Legal Entities of 26 September 2025 (the **Transparency Act**; RS 955.3) created a central federal register of ultimate beneficial owners (**UBO(s)**) that will be kept in electronic form by the Federal Office of Justice (**FOJ**). The referendum period having lapsed unused on 30 January 2026, the Transparency Act and its implementing ordinance (the **Transparency Ordinance**; RS 955.31) will enter into force on 1 October 2026.

The new UBO register – operated under the name **TranspaReg** – is the central instrument of the new legal regime. TranspaReg is not open to the public, and its purpose is to let authorities, financial intermediaries and advisers who carry out anti-money-laundering due diligence, identify quickly and reliably the individuals standing at the end of a chain of control. Entries are purely declaratory and have no constitutive effect, but accuracy matters in practice considering that financial intermediaries and advisers may rely on such register. In addition, inconsistencies trigger discrepancy reports and supervisory measures.

This Bulletin is structured in three parts. It first sets out the *Scope and Core Obligations* of the Transparency Act under Section II – the entities concerned, a reminder of the UBO definition, and the identification, reporting and access arrangements on TranspaReg, including the position of newly incorporated and existing entities. It then turns to Section III, *Supervision and Enforcement*, covering the supervisory measures and the sanctions that back the regime. It finally examines the *Implications for M&A Transactions* under Section IV – due diligence, change-of-control announcements and transaction documentation – before drawing together the practical takeaways in the *Conclusion* under Section V.

II. SCOPE AND CORE OBLIGATIONS

A. Scope of the Transparency Act

The Transparency Act applies to the following Swiss entities (Art. 2[1]):

- companies limited by shares (*sociétés anonymes* - **SA**), limited liability companies (*sociétés à responsabilité limitée* - **Sàrl**), partnerships limited by shares (*société en commandite par action*s – **SCA**), and cooperatives companies (*sociétés cooperatives* - SC);

[1] When referring to a certain Art., unless otherwise explicitly specified, we refer to an article of the Transparency Act.

- investment companies with variable capital (**SICAV**) and with fixed capital (**SICAF**), and limited partnerships for collective investment;
- foreign legal entities that hold a Swiss branch entered in the commercial register, that have their effective administration in Switzerland, or that own or acquire real estate in Switzerland within the meaning of Art. 4 of the Federal Act on the Acquisition of Immovable Property in Switzerland by Foreign Non-Residents (**Lex Koller**; RS 211.412.41)[2].

Trustees domiciled or seated in Switzerland, or administering a trust from Switzerland, are subject to specific obligations (Art. 15–16), save those already subject to the Federal Act on Combating Money Laundering and Terrorist Financing (**AMLA**; RS 955.0).

Listed companies, subsidiaries held to more than 75% by listed companies, occupational pension institutions and supervised pension-serving institutions, and entities at least 75% held by public bodies are out of the scope of the Transparency Act (Art. 3), and so are foundations and associations themselves. That said, Art. 7 and 8 of the Transparency Ordinance remain applicable where an entity is controlled by an association or foundation under Swiss law[3].

B. Core Obligations

The entity falling within the scope of the Transparency Act must identify its UBOs, verify their identity and status with the requisite diligence, report it to the TranspaReg within one month and retain the information for ten years after the loss of that status (Art. 7–9).

By way of reminder, the UBO is the natural person who ultimately controls the company by holding – directly or indirectly, alone or in concert with third parties – at least 25% of the capital or of the voting rights, or by controlling it in another manner. Where no one meets those criteria, the highest-ranking member of the management body[4] shall be designated as the UBO, so there is always someone to report (Art. 4).

The concept of "*control in another manner*" is deliberately broad and captures. Art. 3(1) of the Transparency Ordinance specifies that "*control in another manner*" may arise, in particular, when a natural person has the right or the actual ability to:

(a) appoint or remove more than half of the members of the legal entity's management or administrative body;

(b) veto decisions made by the competent bodies of the legal entity that aim to change the entity's purpose, appoint members of management, modify or expand the company's strategy, plan the budget or investments, or finance the legal entity with equity or debt capital; or

(c) have decisions adopted that result in the distribution of the legal entity's profits or other acts of disposal of its assets.

"*Control in another manner*" can also be exercised by entering into contracts with shareholders/partners, equity instruments (options, debts instruments, etc.), provisions of the legal entity's articles of incorporation or bylaws, legal representation relationships (e.g. the exercise of parental authority, guardianship, and conservatorship), fiduciary relationships, or relationships between related parties (Art. 3(2) of the Transparency Ordinance).

Indirect control is the one exercised through one or more intermediate individuals, entities, partnerships or trusts; a holding as indirect where intermediate entities are themselves controlled to at least 50% and thereby reach the

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2 Any legal entity acquiring property in Switzerland must prove its registration in the TranspaReg when applying for entry in the land register; failing that, the registrar suspends the procedure and grants ten days to regularize, after which the application is rejected (Art. 40; Arts 956a/966 of the Swiss civil code (CC; RS 210)).

3 Where control is exercised by a foundation, the UBOs are deemed to be the effective founder, the specifically named beneficiaries, groups of beneficiaries, and any other person with the authority to designate or appoint representatives of the foundation, where such representatives may dispose of the foundation's assets or have the right to alter the allocation of such assets or the designation of beneficiaries. If any of these roles is exercised by a legal entity, that entity's beneficial owners are deemed to be the UBOs of the foundation. In addition, where control is exercised by an association, any natural person who ultimately exercises effective control over the association's decisions is considered to be its UBO; if no one meets these requirements, the highest-ranking member of the governing body is deemed to be the UBO.

4 The Art. 20(3) of the Transparency Ordinance provides that the highest-ranking member of the management body is the chief executive officer (when the legal entity has a separate management body), the chair of the board of directors or the administrative board (when the legal entity does not have a separate management body), the liquidator (in the event of liquidation), and the commissioner (in the event of composition proceedings).

25% threshold at the level of the company concerned (Art. 2 of the Transparency Ordinance).

For trusts (Art. 15), the UBOs are the settlor, trustee, protector, beneficiary and any person otherwise controlling the trust[5]; where a legal entity occupies such a role, one looks through to that entity's own UBO.

For each UBO, the data to be reported are: name, date of birth, nationality, municipality of residence and country of residence, and the nature and extent of the control[6]. If a UBO cannot be identified or verified, the company records and flags this and provides all available information, including the name of the highest-ranking member of the management body.

In more complex structures – broadly, those with at least two intermediate levels of control, or in which a trust or a fiduciary relationship appears in the chain – the company must also report identifying information on the intermediate entities, trust and fiduciary relationship forming the control chain, not only on the UBO (for details on the information to be provided, see Art. 15 and Art. 20(1) of the Transparency Ordinance).

The duties are shared across the chain. Shareholders or partners exercising ultimate control must notify the company of the UBO and of the nature and extent of control <u>within one month, with updates on any change within one month</u> (Art. 13(3) and (5)).

UBOs themselves must announce their status – to the relevant shareholder or directly to the company where control is exercised otherwise or through a chain – and report changes within one month (Art. 14(2)).

Responsibility for the company's filings rests with the highest-ranking member of the governing body (typically the chairman of the board of directors), even where execution is delegated (Art. 12).

III. REPORTING AND ACCESS

A. In General

Reporting on – and access to – the TranspaReg are made through Switzerland's EasyGov platform. The mechanics matter, because access is not instantaneous and should be arranged before any deadline falls due. In summary, the steps are the following:

1) Create a personal AGOV (i.e., login for Swiss public authorities) account and register on EasyGov (i.e., the federal portal operated by SECO).

2) Link that personal account to the UID (business identification number) of the entity subject to the reporting duty. This triggers a validation process at the entity, which usually takes a few days.

3) Once validated, the announcement can be submitted on TranspaReg in the name of the entity (and authorized organizations can consult the register).

Registration can be done now – the platform is already open for set-up – and because validation takes several days, companies (or their delegated providers) should not leave it to the last moment. One person may be authorized to file for several entities. That is the legal and technical basis on which a law firm, fiduciary or trustee can act as the delegate and make the announcements on the company's behalf – consistent with Art. 12, which allows execution of the reporting duty to be delegated while leaving responsibility with the highest-ranking member of the governing body.

In practice, clients will either (a) file themselves via their own EasyGov/AGOV access, or (b) mandate someone to register as their delegate, link to their UID, and file and maintain their entries. Preparatory guidance is published at *https://www.easygov.swiss/easygov/#/en/transparency-register*.

Notwithstanding the foregoing, where all UBOs are already entered in the commercial register as a partner or officer, an entity may file through the competent cantonal commercial-register office, and simplified procedures let certain companies (notably Swiss limited liability companies whose members are their UBOs and single-shareholder

[5] The "*Control in another manner*" exists where a person has the right or the effective ability to dispose of or invest the trust's assets; to direct, execute, or approve distributions from the trust; to add or remove a person as a beneficiary or as a member of a class of beneficiaries; to appoint or remove trustees; and to terminate or revoke the trust (Art. 5(2) of the Transparency Ordinance).

[6] The Art. 10(2) of the Transparency Ordinance provides that to identify the individuals to be reported, the company must verify whether they have a social security number (AVS/AHV). If they do not, the company must ask them to provide a copy of their Swiss or foreign passport, their Swiss or foreign ID card, or their Swiss permit.

companies) rely on data already held in that register (Art. 11; Art. 19; Art. 32–38 of the Transparency Ordinance).

B. Making the report on TranspaReg

How and when an entity must first appear in TranspaReg depends on whether it is incorporated after the Transparency Act takes effect or already exists on that date.

1. Entities incorporated on or after 1 October 2026

An entity incorporated after entry into force must make its first announcement within one month of its entry in the commercial register (Art. 9(3)). There is no transitional cushion: beneficial-owner mapping, identity verification and EasyGov access should be organized as part of the incorporation itself. The practical sequence is to identify and verify the UBOs while preparing the formation file, set up EasyGov access (or instruct counsel as delegate) in parallel, and file within the month following registration. The same one-month rule applies to foreign entities from the moment they become subject to the Transparency Act.

2. Existing entities

Entities existing prior to the entry into force of the Transparency Act benefit from a transitional regime (Art. 51). They must file within one month of the first change entered into the commercial register after entry into force, and in any event no later than the following outer deadlines, all running from 1 October 2026:

Deadline	Category of existing entity
2 years	Entities which have all their UBOs already entered in the commercial register as a partner or officer.
3 months	SAs subject to an ordinary audit.
4 months	Other companies subject to an ordinary audit.
5 months	SAs not meeting the conditions for an ordinary audit.
6 months	Other companies not meeting the conditions for a limited audit, and all other legal entities.

Two practical points: (i) the outer deadline is a backstop only: any commercial register change before it falls due (a new director, a capital increase, a change of registered office) starts the one-month clock immediately; (ii) on a company's first post-entry register change, the commercial register flags the reporting duty and informs the register authority, which verifies compliance (at the earliest six months after entry into force) and, failing compliance, issues a summons stating the consequences (Art. 52).

Foreign entities have six months from entry into force to make their filings required (Art. 53).

UBOs lists kept under the old law must be retained by SAs and Sàrls for ten years (Art. 50), and the financial intermediaries' discrepancy-reporting duty starts six months after entry into force (Art. 54(1)).

C. Access to the information on TranspaReg

TranspaReg is not public. Access is reserved to the competent authorities – federal and cantonal criminal and administrative authorities (including tax), authorities handling international administrative assistance, and anti-money-laundering authorities (Art. 26). Financial intermediaries and advisers may consult it where necessary to discharge their AML due-diligence duties, excluding deleted data and information identifying the author of a report (Art. 27).

The practical consequence is a continuous reconciliation duty. A financial intermediary that finds material persisting discrepancy must report it to the register within 30 days after asking the client to resolve it (Art. 30). An entry that is incomplete or out of step with reality therefore exposes a company not only to supervisory measures but to banking friction – delayed onboarding, blocked transactions, account reviews.

IV. SUPERVISION AND ENFORCEMENT

The OFJ (i.e., authority that keeps the register) checks that the required filings have been made, that they contain the mandatory information, and that the identity of the persons reported is established; absent a timely filing, the entity may be entered *ex officio* (Art. 33). Entries may carry an annotation signalling doubt as to their accuracy, completeness or currency – following, for example, an unanswered summons or a report by an intermediary or authority – whereupon the entity is summoned to correct or complete them (Art. 34).

A dedicated control authority – a unit within the Federal Department of Finance (**FDF**) – carries out risk-based or sample checks (Art. 35), may open a control procedure (Art. 36), and, where information proves inexact, incomplete or outdated, takes the measures needed to restore the lawful position, including ordering modification or deletion (Art. 38(1)).

Two measures are particularly incisive: (i) the suspension of the social and patrimonial rights of a non-compliant shareholder or partner (Art. 38(2)), and (ii), in extreme cases of repeated breach by an entity manifestly without activity or realisable assets, dissolution and liquidation (and deletion of a foreign entity's Swiss branch) (Art. 38(3)). A general duty to inform the control authority applies across the chain, subject to professional secrecy under Art. 321 of the Swiss Criminal Code (RS 311.0) (Art. 37).

In terms of sanctions, an intentional breach of the reporting obligations, or the communication of false information to the control authority, is punishable by a fine of up to CHF 500,000 (Art. 43), while non-compliance with a final decision might result in a fine of up to CHF 100,000 (Art. 44). Prosecution lies with the FDF (Art. 45(2)).

V. IMPLICATIONS FOR M&A TRANSACTION

A share deal installs a new UBO; a minority investment with governance rights can create "*control in another manner*"; a group reorganisation reshapes the chain of title. Each of these triggers reporting duties on a one-month clock, against a backdrop of fines, possible suspension of shareholder rights, and banks that now consult the register as part of financing and onboarding. The register therefore touches due diligence, deal documentation, closing mechanics and post-closing integration alike.

A. Due Diligence

UBO compliance becomes a standard diligence workstream. For the target and its group, the buyer should:

- **Confirm scope and status** – whether each entity is subject to the Transparency Act or validly exempt, and whether it is a newly or currently registered entity for transitional purposes.
- **Check the register entry** – that the target is (or, within its transitional deadline, will be) entered, that the entry is accurate and current, and – critically – that it carries **no annotation**. An annotation signals an unresolved doubt and is liable to be read by banks as an AML red flag.
- **Test the control chain** – map ownership and control through holdings, sub-holdings, foreign vehicles, trusts and fiduciary or nominee arrangements to the ultimate individuals, paying particular attention to shareholder agreements, veto and nomination rights, options and convertible instruments that may constitute control in another manner.
- **Verify the documentation** – that the target actually holds the verification evidence (identity documents, org. charts, etc.) it must keep for ten years. A common gap is a company that knows its shareholders but never collected the underlying proof, which then stalls any filing.
- **Probe enforcement exposure** – any pending control-authority procedure, summons, or historic non-compliance that could give rise to fines or to suspended rights.

B. Change of Control Announcement

When a transaction changes control, several reporting duties are engaged in parallel, each generally within one month of the control arising (in most deals, at closing):

- **The acquirer** who, on completion, holds at least 25% or otherwise controls the target becomes a beneficial owner and must announce that status (Art. 14) – to the relevant shareholder, or directly to the company where control is exercised through a chain or in another manner.
- **The controlling shareholder/partner** must notify the company of the new UBO and of the nature and extent of control (Art. 13).
- **The target company** must update its register entry accordingly (Art. 9–10); responsibility rests with its most senior management member, though filing can be delegated – including to the parties' counsel.
- **Exiting sellers** lose beneficial-owner status, which must be reflected; the company's ten-year retention duty continues to run for the historic information.

Because "*control in another manner*" is broad, **minority and structured deals are not exempt**: a private-equity investor with board-nomination and veto rights, an earn-out backed by governance rights, or a lender holding a convertible instrument may each create a reportable beneficial owner even below 25%.

C. Transaction Documentation

Practitioners should expect Transparency-specific provisions to migrate into the standard deal toolkit:

- **Representations and warranties** — that the target is in scope/exempt as stated; that UBOs have been correctly identified, verified and documented; that the register entry is accurate, complete and current; that there is no annotation; and that there is no pending control-authority procedure or sanction.

- **Conditions precedent** – evidence of register compliance, and the clearing of any annotation, before completion.

- **Covenants** – to maintain compliance between signing and closing; to file the post-closing update within one month; and undertakings from sellers and exiting beneficial owners to provide the information and documents needed for verification (Art. 13–14).

- **Closing deliverables** – a UBO documentation pack and confirmation that EasyGov access (or a delegate, e.g. counsel) is in place so the filing can be made promptly at completion.

- **Indemnities and W&I** – a specific indemnity for historic non-compliance and resulting fines, and scoping of warranty-and-indemnity insurance to cover the Transparency warranties.

VI. CONCLUSION

The Transparency Act represents a structural change rather than a further administrative formality. By consolidating beneficial-ownership information in a single, supervised federal register, it gives the authorities – and, indirectly, the financial intermediaries who may rely on TranspaReg – a far clearer view of who ultimately controls Swiss legal entities. From 1 October 2026, identifying, verifying and reporting UBOs becomes a continuous obligation, reinforced by short one-month reporting cycles, a register that is non-public yet widely consulted, and a genuine enforcement regime ranging from fines of up to CHF 500,000 to the suspension of shareholder rights and, in extreme cases, dissolution.

For most companies, the substance of the analysis will be familiar, but the discipline it requires is new: chains of control must be mapped to the ultimate individuals, supporting evidence must be collected and retained for ten years, and entries must be kept current. Timing is critical. Newly incorporated entities must file within one month of their registration, whereas existing entities benefit only from staggered transitional deadlines that any change to the commercial register can accelerate. Because EasyGov access is not instantaneous, companies should arrange it – or appoint a delegate such as their counsel or fiduciary – well before any deadline falls due.

The impact is felt most acutely in M&A. Every transaction that creates, transfers or alters control engages reporting duties and now warrants a dedicated workstream – in due diligence, in the representations, covenants and closing mechanics of the transaction documents, and in post-closing integration. A target carrying an annotation, or a seller whose social and patrimonial rights have been suspended, can bear directly on deal value and execution. Anticipation is therefore the watchword: the companies and deal teams that map their structures, organise their EasyGov access and build the Transparency Act into their processes now will treat the new regime as a routine compliance step rather than a last-minute obstacle. We would be pleased to assist you in assessing your situation, identifying your beneficial owners and managing your filings – including by acting as your delegate on EasyGov – in Switzerland and across cross-border structures.

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