

# Ultimate Beneficial Ownership in Intestate Cases: Cypriot Legal Perspectives and Practical Implications

## Determining Ultimate Beneficial Ownership (UBO) When There Is No Will:



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In cases where a person passes away intestate (without a Will), the court appoints one or more administrators of the deceased's estate through letters of administration. This appointment usually follows an application by the deceased's relatives or other interested parties. According to the Administration of Estates Chapter 189 (Cap. 189), once an administrator is appointed, they become the deceased's personal representative. As the personal representative, the administrator is deemed the trustee of both the movable and immovable property of the deceased. In this capacity, they are the natural person with ultimate control over the company as defined under Article 2 of the Prevention and Suppression of Money Laundering Activities Law of 2007 - 188(I)/2007. This law defines "beneficial owner" as the natural person with ultimate control over a company, thereby classifying the administrator as the Ultimate Beneficial Owner (UBO) during estate administration.

### **Scenario Where There Is a Will:**

If a Will exists, the executor(s) named in the Will, upon validation of the Will by the court, are considered the deceased's personal representatives. They, too, become trustees of the estate, holding the authority to manage the deceased's shares and other assets. This means that executors are also considered UBOs, as long as they retain control over the company's assets until the estate administration process concludes.

### **Administrator or Executor as Interim CEO:**

When an executor or administrator is appointed but the estate's administration is still ongoing, that individual can be recorded as the company's highest managerial authority if they exercise control over the company's operations, even if indirectly. In this case, the administrator or executor can be listed as the ultimate beneficial owner (UBO) until the estate is settled and final control of the assets is determined.

In some cases, if the heirs are identified but the administration process is not finalized, a legal heir can also be registered as the UBO or as the company's highest managerial officer, provided they exert control over the company.

### **When There Are No Heirs or Administrators:**

According to the Article 47 of Wills and Succession Law Cap. 195, if no relatives exist up to the sixth degree of kinship, the estate is considered heirless and the undisposed portion of the inheritance, including any non-allocated part, becomes the property of the Republic of Cyprus. If no application for estate management is filed and no personal representative is appointed, it is impossible to identify a natural person who has the ultimate ownership or control of the company. In such cases, the company's highest-ranking officer is considered the UBO under Article 2 of the Prevention and Suppression of Money Laundering Activities Law of 2007 - 188(I)/2007 unless Article 27 of Administration of Estates Chapter Cap. 189 applies. This article allows for the direct transfer of ownership to heirs in limited circumstances, generally for estates valued at less than €6,000.

### **Cases Involving a Surviving Spouse and Minor Children**

When a decedent leaves behind a spouse and minor children but no Will, if no administrator is appointed, the highest-ranking officer of the company is recorded as the UBO until an administrator is appointed, following the legal provisions of Article 2 of the Prevention and Suppression of Money Laundering Activities Law of 2007 - 188(I)/2007. Again, this can change if Article 27 of Cap. 189 applies, allowing the transfer of ownership directly to the legal heirs.

### **Death of the Sole Company Officer and Beneficial Owner Without a Will:**

When a sole company officer and beneficial owner dies intestate, and no letters of administration have been granted, no natural person qualifies as the UBO. This results in the company's temporary inactivity, as no individual meets the criteria of a UBO under Article 2 of Law 188(I)/2007. The company may remain inactive until further legal action is taken to appoint a personal representative or otherwise determine control.

### **Conclusion**

The identification of the ultimate beneficial owner in the absence of a Will or administrator follows a structured legal approach based on the Cyprus Companies Law and inheritance regulations. While executors or administrators are the default UBOs during estate management, specific situations may call for the appointment of legal heirs or the highest-ranking company officer to act as interim UBOs. Each case requires careful consideration of applicable laws, including Cap. 189, and Cap. 195, and Law 188(I)/2007, ensuring the appropriate individual is registered as the beneficial owner during the transitional phase.

