



Companies and Intellectual
Property Commission
a member of **the dtic** group

CUSTOMER NOTICE

IMPLEMENTATION OF THE BENEFICIAL OWNERSHIP REGIME BY THE COMPANIES AND INTELLECTUAL PROPERTY COMMISSION (CIPC)

The Commission (CIPC) has been participating in the mutual and evaluation process conducted by the Financial Action Task Force (FATF). The purpose of the evaluation was to assess the countries law's and the putting in place measures to combat money-laundering and the financing of terrorism. The mutual evaluation process was then concluded and the mutual evaluation report was published in October 2021. The country as a jurisdiction was expected to take certain measures to address the deficiencies which were highlighted in the Mutual Evaluation report.

In one of the recommended actions contained in the mutual evaluation report, the CIPC was required to have a law which permits it to collect beneficial ownership of legal persons within its register. It was for this purpose that the the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act 22 of 2022 was passed. The Act amends the Companies Act and gives the mandate to the Commission to collect beneficial ownership information. The Commission has been working with the National Treasury and the Financial Intelligence Centre (FIC) and other competent authorities in ensuring that the above Act caters for Beneficial Ownership requirement in terms of the Companies Act amendment. The Commission has been putting measures in place in ensuring that it will have systems in place to enable it to collect such information and address the deficiencies that were highlighted in the FATF mutual evaluation report of South Africa.

the dtic Campus (Block F - Entfutukweni), 77 Meintjies Street, Sunnyside, Pretoria | P O Box 429, Pretoria, 0001
Call Centre: 086 100 2472
Website: www.cipc.co.za

Although tangible progress was made in addressing the deficiencies, it was ruled as not being sufficient enough to warrant the avoidance of placing the country in the (FATF) grey list. The country was therefore placed in the FATF grey list which will mean more effort will be required to convince the FATF in order to be removed from the grey list. The Commission will therefore be implementing the collection of Beneficial Ownership information upon promulgation of the Regulations. The purpose of such is to ensure that ultimate beneficial owners of entities on our register is known and that abuse of corporate vehicles as means to facilitate money-laundering and the financing of terrorism is reduced and mitigated.

More information on this will be further communicated as soon the process of amending the regulations in terms of the Companies Act to give effect to the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act 22 of 2022 are passed.

Yours sincerely,



Adv. Rory Voller

Commissioner

1 **March 2023**