



Companies and Intellectual
Property Commission

a member of the **dtic** group

BENEFICIAL OWNERSHIP TRANSPARENCY

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BACKGROUND

- The General Laws Amendment Act, 22 of 2022, written into law in December 2022, amended the Companies Act to mandate CIPC to establish a Beneficial Ownership Register and to collect information regarding corporate vehicles beneficial ownership status.
- Companies Act Regulations Amendment was promulgated on 24 May 2023 (GG Notice 48648), which provides legal backing to the requirements of the GLAA and the subsequent Companies Act amendment.
- As a result, entities incorporated **before** 24 May 2023, is required to file their beneficial ownership information with the CIPC, within 30 business days from its anniversary date / incorporation date – in line with the AR submission date; as and when it changes or once annually.

BACKGROUND (CONT...)

- Entities incorporated **after** 24 May 2023 is required to file its beneficial ownership information with the CIPC within 10 business days from date of incorporation, and thereafter update as and when it changes, or once annually.
- Entities that already passed its incorporation date at 24 May 2023 (promulgation of Regulations) are required to file their beneficial ownership information as soon as possible.
- The purpose of the requirements is to ensure that ALL companies, external companies and close corporations comply with the beneficial ownership declaration requirements for the current financial year.
- *Notice 53 of 2023 – Enforcement of beneficial ownership filings and securities registers as from 1 October 2023.*

BENEFICIAL OWNERSHIP REGISTER

- CIPC released the Beneficial Ownership Register functionality on its e-services platform on 1 April 2023 and to date **11 490** Beneficial Ownership applications have been received and completed.
- The functionality provides for corporate vehicles (companies and close corporations) to submit with the CIPC details regarding its beneficial ownership status (5% and above) in terms of mentioned corporate vehicles.
- Failure to submit the required information is tantamount to non-compliance of the Companies Act, which could result in court ordered administrative fines – sanctions.

BO REGISTER ENHANCEMENTS

- **OTP's to filer only** – initially OTP's were sent to directors and members of CC's to confirm submission of the beneficial ownership information. This proved to be cumbersome a process and it was subsequently enhanced to send OTP's only to the filer – importance of mandate.
- **Interest types** – definition of beneficial ownership is quite wide, and list a number of beneficial ownership types and forms of control – register provides a “drop-down” list for filers to select.
- **Different categories of companies** – 3 specific company categories are provided for on the register, namely -

BO REGISTER ENHANCEMENTS

- (a) Non-affected company with beneficial ownership information – companies that are not classified as “affected companies”, and have beneficial ownership information to declare – standard BO-register requirements;
- (b) Affected company – companies classified as affected companies, whether beneficial ownership to declare or not – upload mandatory documentation (no BO-information is completed);
- (c) Non-affected company without beneficial ownership information – companies not classified as affected companies with zero beneficial owners – upload of mandatory documentation.

SELECTION OF CATEGORIES

In order to guide on the correct process to follow, each entity must answer 2 questions-

1. First, a company must ascertain whether it is an “affected” company or “non-affected” company as per the definition in the legislation;
2. Once this question is answered, the company must ascertain whether it holds any beneficial owners as per the definition provided for in the Act.

Certain criteria can be applied, when ascertaining whether beneficial ownership is applicable to an entity or not, including:-

- 5% threshold;
- Ownership – members of an NPC, are not necessarily owners; i.e. derives any benefit from the company, etc.
- Board of directors exercises effective control – if the answer is yes, then the board is regarded as beneficial owners and can be declared.

The responses to the above 2 questions will guide any company in filing its BO information with the CIPC correctly.

FREQUENTLY ASKED QUESTIONS

Content of mandate –

- Letter / resolution / power of attorney;
- Declaring company letterhead;
- Mandate to individual (natural person);
- Signed by 50% + 1 of directors / all CC members

Content of securities register – Regulation 32(3)

- Name and ID (unique identifier);
- Number and class of securities;
- Beneficial interest – extent of interest
 - Name & ID;
 - Business, residential / postal address;
 - Contact info (e-mail)
- Beneficial owner information
 - Full name; d.o.b; ID / passport number;
 - Residential and postal address;
 - E-mail address;
 - Extent of ownership / effective control

FREQUENTLY ASKED QUESTIONS

Content of beneficial interest register – Reg 32A

- Natural person – full name; ID / passport; country of issue;
- Juristic person – full name and reg number;
- Business / residential / postal address;
- E-mail;
- Extent of beneficial interest – ownership / control

Disclosure Form (not mandatory)

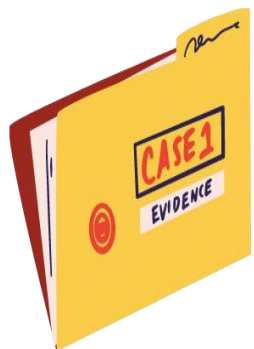
- Complex ownership structures – organogram;
- CIPC may at any time require, or cause, the verification of information and documentation – Regulation 5(2).

NEXT STEPS



MOU'S with registries:

The Commission has conducted an analysis with regards to external companies registered and identified key jurisdictions – engaging to conclude MOU's, while others are already in place.



Information sharing with other regulators and law enforcement agencies (LEA's):

The Commission has been working with other agencies (SARS, FIC, FSCA, etc.) in developing the system to collect BO information with the objective that this information will be triangulated.

Plans for listed companies (defined as Affected Companies in GLAA):

The Commission provides a separate dispensation in relation to Affected Companies which are listed on a recognised Exchange. The purpose of this is mainly to avoid the duplication of records in that such info is already collected and kept in the records on other Competent Authorities (i.e. STRATE and Computershare). The sharing of this information will be periodically on an Inter-Agency basis.



WHAT'S NEXT FOR THE BO-REGISTER

Processing of filed beneficial ownership information by CIPC

- Verification of submitted information and supporting documents – truthful and complete
- Errors / incomplete / invalid – rejected / nullified

Re-filing mechanism

- Opportunity to re-file rejected or nullified submissions and correct any errors or incomplete information filed;
- Nullified applications – verification - discrepancies










WHAT'S NEXT FOR THE BO-REGISTER

Amendments – legislative requirements

- **Regulation 32B** – non-affected companies must file with the Commission a copy of the updated securities register;
- Within 10 business days after updating;
- As and when information on security holders, beneficial interest holders and beneficial ownership information changes – such changed must be filed with the CIPC.
- **Regulation 121A** – affected companies must file with the Commission a copy of the updated beneficial interest register;
- Within 10 business days after updating

BO FILING CAPABILITY ON E-SERVICES

You are here: CIPC eServices » Home » Transact

 COMPANY REGISTRATION	 AMEND COMPANY DIRECTOR DETAILS	 AMEND CC MEMBER DETAILS	 NAME RESERVATIONS	 FILE ANNUAL RETURNS	 AUDITORS & ACC. OFFICERS
 CO & CC ADDRESS CHANGES	 FINANCIAL YEAR END CHANGES	 CERTIFICATES & DISCLOSURES	 ENTERPRISE ENQUIRY	 TRANSACTION STATUS	 CUSTOMER TRANSACTIONS
 NAME CHANGES	 DOCUMENT UPLOAD	 THIRD PARTIES	 HOW-TO VIDEOS	 BANKING DETAILS	 EXTERNAL COMPANY REPRESENTATIVES
 DISQUALIFIED DIRECTORS REGISTER	 DOMAIN NAME REGISTRATION	 AUTHORISED SHARE CHANGES	 UPDATE DIRECTOR / MEMBER CONTACTS	 B-BBEE CERTIFICATES	 FINANCIAL STATEMENTS
 COMPLIANCE CHECKLIST	 BENEFICIAL OWNERSHIP				

Beneficial Ownership Register

SUMMARY AND CONCLUSION

- The CIPC remains committed to the development of the BO-register; implementation of legislation; enforcement of compliance and collaboration with ALL stakeholders in terms of SA Inc.
- Removal of South Africa from the “grey list” by FATF is a country priority and providing law enforcement agencies (LEA’s) with an accurate, up to date and reliable register of beneficial owners, is paramount in achieving that goal.
- Realizing the purpose of GLAA – fight against money laundering and financing of terror activities.

CHANGE MANAGEMENT (LINKS)

- <https://www.cipc.co.za/wp-content/uploads/2023/05/USER-GUIDELINES-BO-LEGISLATIVE-REQUIREMENTS.pdf>
- https://www.cipc.co.za/wp-content/uploads/2023/05/Beneficial-Owner-Filing-Requirements-Guidance-Notice-25_May-2023.pdf
- <https://www.cipc.co.za/wp-content/uploads/2023/05/Companies-amendment-regulations-2023.pdf>
- https://www.cipc.co.za/?page_id=4160 (BO FAQ's)



**THANK YOU –
QUESTIONS WELCOME!**