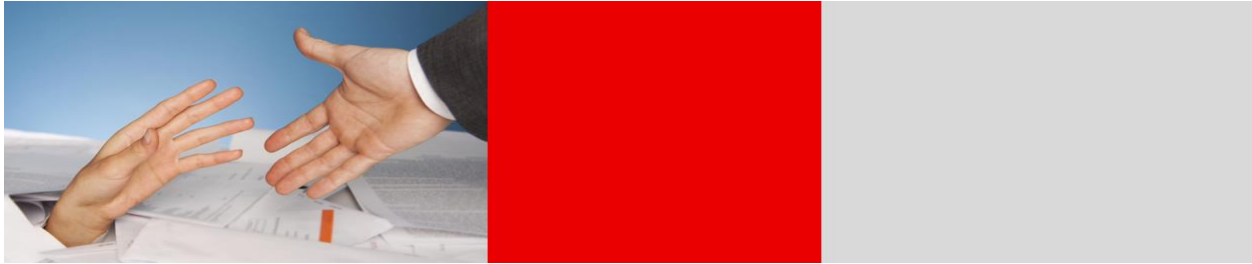


NEW REPORTING REQUIREMENTS - BENEFICIAL OWNERSHIP REGISTRATION



WHY IS THIS IMPORTANT!



CIPC finalised and introduced their requirements and processes surrounding the registration of Beneficial Ownership this week on 29 May 2023 in line with their Guidance Note 2 of 2023.

As a result, Companies and Close Corporations are now required to file and register their Beneficial Ownership information and related documents with CIPC.

This poses significant development regarding Company and Close Corporation compliance requirements.

CIPC recognises the following 12 months as a transitional period during this time in terms of which Companies and Close Corporations would be required to lodge their Beneficial Ownership information and documents when they submit their CIPC annual returns and after any changes to their Beneficial Owners.

These requirements follow the Companies Amendment Regulations was promulgated on 24 May 2023 which resulted from the Companies Act Amendments per the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act 22 of 2022. [Click here](#) to access the regulations.



WHAT NEEDS TO BE DONE?



Going forward, Companies and Close Corporations must file their Beneficial Ownership information and documents:

- every year with their annual returns;
- within 10 business days after any changes thereto (including changes in the shareholders of the Company, its holding or ultimate holding companies); and
- Companies and Close Corporations must maintain a Beneficial Ownership or interest register with their securities register.



Beneficial Ownership considers the *ultimate natural* person or persons that owns or controls the entity concerned. Whilst some exceptions exist (local listed companies to a degree), Beneficial Owners holding or controlling more than 5% in a company must be registered with CIPC. The registration process includes the lodgement of the Beneficial Owner's personal information particulars, certified ID or Passport together with the company's Beneficial Ownership and Securities (share) register.

OTHER IMPORTANT CHANGES.

Brought on by the above legislation amendments include:

- Re-iteration in the Companies Regulations that amendments to company particulars such as directors, addresses, company names, Beneficial Owners, etc must be filed with CIPC within 10 business days after the change occurs, not doing so is regarded as non-compliance with the Companies Act.
- Director Ineligibility and Disqualification criteria (Section 69 of the Companies Act) was expanded to include additional disqualification criteria related to money laundering, terrorist financing, or proliferation financing activities, UN sanctions and other items.



HOW CAN WE HELP?



Statucor is ready to assist their clients with the lodgement of their beneficial information and we look forward to working with you on this new requirement.



Clients that wish to proceed with their filings in advance of their annual return submissions or whose annual returns will be due in the upcoming month are welcome to reach out to their Statucor consultant or our annual returns team to discuss the requirement in greater detail.

CONTACT US

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