



FREQUENTLY ASKED QUESTIONS

EXTENSION OF TIME FOR THE TRANSITIONAL PERIOD OF THE 'GUIDELINE FOR THE REPORTING FRAMEWORK FOR BENEFICIAL OWNERSHIP OF LEGAL PERSONS' TO A DATE TO BE DETERMINED BY THE REGISTRAR

NO	QUESTION	ANSWER
1	When will the extended transitional period end?	The transitional period which ends on 31 December 2020 will be extended to coincide with the enforcement of the Companies (Amendment) Bill and Limited Liability Partnerships (Amendment) Bill.
2	Does a company/limited liability partnership need to apply for an extension of the transitional period?	There is no necessity to apply for an extension as the extended transitional period is automatically applicable to all companies and limited liability partnerships.
3	Why is the transitional period extended?	<p>The extension of the transitional period is given to allow companies, limited liability partnerships, company secretaries and compliance officers to familiarise themselves with the beneficial ownership reporting framework and to take necessary actions in accordance with the Guideline.</p> <p>At the same time, the extended transitional period will facilitate the concurrent operations of provisions relating to beneficial ownerships proposed under the</p>

		Companies (Amendment) Bill 2020 and the Limited Liability Partnerships (Amendment) Bill 2020.
4	Will SSM take any enforcement action for failure to comply with the provisions in the Companies Act 2016/Limited Liability Partnerships Act 2012 and the Guideline during the extension of the transitional period?	<p>Due to the importance of the beneficial ownership reporting framework, SSM will conduct inspections during this period to ensure all companies and limited liability partnerships comply with the beneficial ownership reporting requirements.</p> <p>Under section 20C of the Companies Commission of Malaysia Act 2001, the Registrar has power to issue guidelines and any person who fails to comply with the guidelines commits a breach where actions can be taken pursuant to section 20E of the same Act.</p>
5	What must a company/limited liability partnership do during the extended transitional period to comply with the relevant provisions under the Companies Act 2016/Limited Liability Partnerships Act 2012 and the Guideline?	<p>Every entity shall continue to identify and verify its beneficial owners during this period.</p> <p>The entity shall maintain the beneficial ownership information, which are kept at the entity's level, accurate and up to date so that it can be accessed in a timely manner.</p> <p>Notwithstanding that, companies shall continue with the current practice to include beneficial ownership information as part of the annual return requirements under the Companies Act 2016.</p>
6	What are the obligations of a company/limited liability partnership after the extended transitional period ends?	Companies and limited liability partnerships shall comply with the beneficial ownership reporting framework including the timely

		lodgement of beneficial ownership changes with the Registrar.
7	Is there any revision to the existing <i>Guideline for The Reporting Framework for Beneficial Ownership of Legal Persons</i> ?	The Guideline was revised only on matters relating to the extension of the transitional period. Please refer to the following link on SSM's website for the revised Guideline: Legal Framework/Companies Act 2016/Guidelines