



# BENEFICIAL OWNERSHIP

*SSM Annual Dialogue*

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Companies Commission of Malaysia

20 February 2020



# **OVERVIEW OF THE BENEFICIAL OWNERSHIP REPORTING FRAMEWORK FOR LEGAL PERSONS**



# PERSONS RESPONSIBLE FOR THE BO INFORMATION



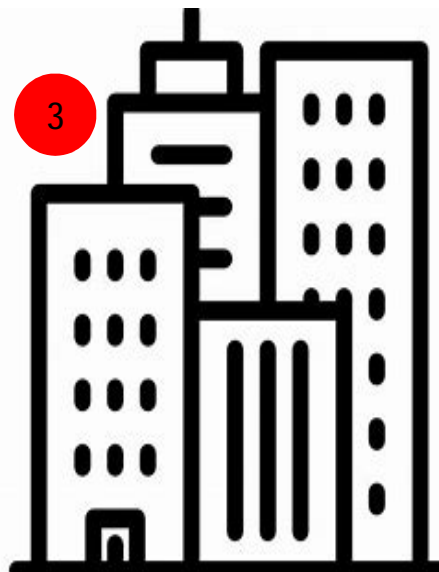
BOD/Partners



Members



CoSec/Agent/CO



Kept @  
registered office

1



Obtain

2



Verify

## SCOPE OF REPORTING



- q Companies incorporated or registered under the CA 2016
- q LLPs registered under the LLPA 2012



- q Companies licensed by BNM
- q Companies whose shares are quoted in a stock exchange
- q Companies whose shares are deposited in the central depository
- q Financial institutions registered under CMSA 2007 & LLPA 2012

# ENTRY POINTS



## New Companies

- § Obtain the BO info within 30 days after the appointment of CoSec
- § Enter the BO info into the register of BO within 60 days after the BO info obtained
- § Notify the Registrar within 14 days from the date the BO information is recorded

## Existing Companies

- § Notify the Registrar of the changes in the ROM within 14 days from the record
- § Lodge AR with the BO info not later than 30 days from the anniversary of the incorporation date

## Foreign Companies

- § Obtain the BO info during the registration stage
- § Enter the BO info into the branch register
- § Submit the BO info to the Registrar

## Existing Foreign Companies

- § Enter the BO info into the register of BO within 60 days after the BO info received
- § Notify the Registrar within 14 days from the date the BO information is recorded
- § Lodge AR with the BO info not later than 30 days from the anniversary of the incorporation date

# ENTRY POINTS



## New LLP

- § Obtain the BO info during the registration stage
- § Enter the BO info into the register of BO within 60 days after the BO info is obtained
- § Notify the Registrar within 14 days from the date the BO info is recorded

## New Foreign LLP

- § Obtain the BO info during the registration stage
- § Enter the BO info into the register of BO within 60 days after the BO info is obtained
- § Submit the BO info to the Registrar

## Existing / Foreign LLP

- § Notify the Registrar within 14 days from the date of the changes in the registered particulars
- § Lodge AD with the BO info within 90 days from the end of the financial year

## REASONABLE MEASURES TO IDENTIFY BO

Consider interest in the entity held by individual/corporate entity/trust

Review all documents/information available at the entity's level

Sending out notices under subsection 56(1), (2) or (3) (companies)

Consider any evidence to show interests or rights held through variety of means

Policy to require shareholders/partners to notify the entity

Any other actions that can be taken depending on the entity



# BENEFICIAL OWNER



# DEFINITION OF BENEFICIAL OWNER



## FATF Recommendations

Natural person(s) who ultimately owns or controls a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.

## Section 2 of the CA 2016

Ultimate owner of the shares and does not include a nominee of any description.

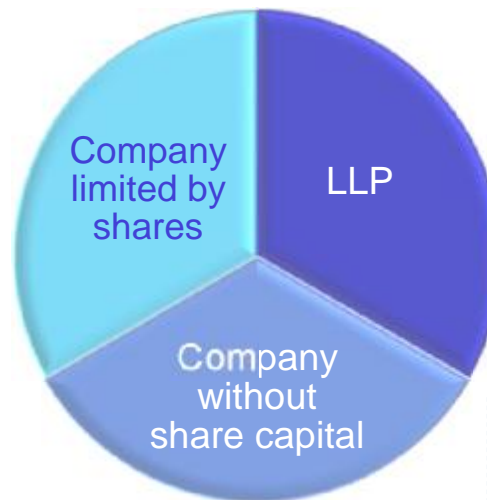


## Section 8 of the CA 2016

# CRITERIA



- (a) Has interest, directly or indirectly, in not less than 20% of the shares of the company
- (b) Holds, directly or indirectly, not less than 20% of the voting shares of the company
- (c) Has the right to exercise ultimate effective control whether formal or informal over the company; or the directors of the management of the company
- (d) Has the right or power to directly or indirectly appoint or remove a director(s) who holds a majority of the voting rights at the meeting of the directors
- (e) Is a member of the company and, under an agreement with another member of the company, controls alone a majority of the voting rights in the company



- (a) Holds directly or indirectly a right to share in not less than 20% for the capital contribution of the LLP
- (b) Holds directly or indirectly not less than 20% of the rights to vote in the LLP
- (c) Has the right to exercise ultimate effective control whether formal or informal over the limited liability partnership
- (d) Holds, directly or indirectly, the right to appoint or remove the majority of those involved in the management

- (a) Has the right to exercise ultimate effective control whether formal or informal over the company; or the directors or the management of the company
- (b) Has the right or power to directly or indirectly appoint or remove a director(s)
- (c) Has the right to exercise, or actually exercises ultimate effective control over the company

# KEEPING THE BO INFORMATION



Registered office / ROM / ROP

Keep the BO information at least 7 years

National language / English language

Physical / electronic form

Accessibility

# SANCTIONS



- § Sec. 584 CA 2016: Require a company or officer of the company to furnish information relating to shareholding of any person to the Registrar (penalty: a fine not exceeding RM1 million)
- § Sec. 584 CA 2016: Power to compel any person or individual to furnish information and particulars of shareholding, whether directly or indirectly, when required by the Registrar (penalty: maximum of 10 years imprisonment or a fine not exceeding RM3 million or to both)
- § Sec. 588 CA 2016: General penalty (penalty: Individual - maximum 3 years imprisonment or a fine not exceeding RM50,000 or to both / other than individual - a fine not exceeding RM50,000)
- § Sec. 593 CA 2016: Any person who are making false or misleading statement or report commits an offence (penalty: maximum 10 years imprisonment or a fine not exceeding RM3 million or to both)

# SANCTIONS



- § Sec. 17 LLPA 2012: Require an LLP or officer of the LLP to furnish information relating to any change made to the registered particulars to the Registrar (penalty: a fine not exceeding RM10,000)
- § Sec. 80 LLPA 2012: Any person who are making false or misleading statements commits an offence (penalty: maximum of 5 years imprisonment or a fine not exceeding RM500,000 or to both)

# GUIDELINE FOR THE REPORTING FRAMEWORK FOR BENEFICIAL OWNERSHIP OF LEGAL PERSONS



## Commencement of the guideline

To obtain, verify & keep the BO information at entity's level

After 31 December 2020 or such further extended time frame

- ✓ Registrar will invoke his power under section 56(6) of the CA 2016
- ✓ Notify the Registrar pursuant to section 56(6) for companies / within 14 days for LLPs



End of Presentation

Thank you