

NOTICE TO CLIENTS ON NEW REQUIREMENTS TO SUBMIT INFORMATION OF BENEFICIAL OWNERSHIP



introduction:

The Finance Act 2020 amended the Companies Act, the Trustees Incorporation Act, the Anti-Money Laundering Act and the Income Tax Act introducing the concept of Beneficial Ownership aligning Tanzania's Beneficial Owners identification protocols to international and regional standards. The intention is to **identify the natural person or persons who ultimately own or controls a company or legal entity or arrangement, such as a company, a trust, or a foundation.**

The Companies (Beneficial Ownership) Regulations G.N. No. 391 were published on 14th May, 2021 (the "Regulations") to operationalize the Beneficial Ownership under the Companies Act. These Regulations apply to private, public, branches of foreign companies as well as trusts.

highlights:

- Existing companies have until the 31st of December 2021 to file information with BRELA concerning their Beneficial Owners.
- Companies required to maintain a Register of Members and Beneficial Owners instead of the traditional Register of Members
- Companies are obliged to use reasonable efforts to identify their Beneficial owners.
- Companies to provide information of all persons who are the beneficial owners of the company by filing Form No.14(b)
- Companies to notify the Registrar of Companies ("ROC") within 30 days if there is any change of particulars of a Beneficial Owner vide Form No. 14(f)
- Companies to notify the ROC whenever there is a transfer or transmission of shares or an increase or reduction of share capital or a restructuring of a company's share capital or changes in the voting rights leading to any change in beneficial owner by filing Form No. 14(f)
- A person whose name is entered in the Register of Members of a company as the registered owner of shares in that company but who does not hold the beneficial interest in such shares required to file with the company a declaration to that effect by filling in Form No. 14(d)
- Companies to file declaration by their beneficial owner who holds or acquires beneficial interest in shares but whose name is not entered in the register of members vide Form No. 14(e)
- Companies to notify the ROC when a person ceases to be a Beneficial Owner of the company vide Form No. 14(c)
- The ROC may refuse to register transfer or transmission of shares, alteration of capital or any arrangement that affects the Beneficial Ownership if he is satisfied that there is no adequate identification of Beneficial Owners

For access to the [Regulations](#) and new company forms please [click here](#). A full detailed article on the subject can be found on our website under the name "**Beneficial owners and company compliance requirements**"

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