

18 February 2021



Disclosure of Beneficial Owners Deadline Extended

- Requires all companies to disclose ultimate owner
- Initial deadline to disclose was 31 Dec 2020
- Deadline now extended to 31 Dec 2021

On 1 July 2020 the Finance Act introduced changes to the Companies Act, the Anti-Money Laundering Act, the Income Tax Act and the Trustees Incorporations Act by establishing beneficial ownership rules.

The term beneficial owner has been defined to mean a natural person who directly or indirectly ultimately owns or exercise substantial control over an entity or an arrangement; who has a substantial economic benefit from an entity or an arrangement directly or indirectly whether acting alone or together with other persons; on whose behalf an arrangement is conducted or who exercises significant control or influence over a person or agreement.

The Finance Act imposes a mandatory obligation for legal entities to declare their beneficial owners when filing annual returns and notify the Registrar of Companies of any changes to the beneficial owner within 30 days of any such changes. It is important to note that such beneficial owner disclosure is also required to be filed in the Company Registry during the incorporation process.

The Finance Act provided for companies to disclose their beneficial owners by 31 December 2020. However, on 12 February 2021, vide the Companies (Extension of Period for Submission of Information of Beneficial Ownership) Notice 2021, the Minister for Industry and Trade has extended the period for compliance to December 2021.

It is worth noting that the particulars to be filed in the Company Registry concerning Beneficial Owners include; full name, date and place of birth; telephone number, nationality, national identity/passport number, residential, postal and email; place of work and position held; nature of interest including the details of the legal, financial, security, debenture or informal arrangement giving rise to the beneficial ownership and oath or affirmation as to whether the beneficial owner is politically exposed person or not.

Moreover, the Registrar of Companies is required to establish and maintain a register of Beneficial Owners of all companies registered in Tanzania. The register will be accessible to FIU; TRA; authorities with responsibilities for combating money laundering and terrorist financing as well as the authorities that have the function of investigating or prosecuting offences related to money laundering and terrorist financing, seizing, freezing and confiscating criminal assets.

To read the Companies (Extension of Period for Submission of Information of Beneficial Ownership) Notice, 2021 [click here](#).

For further information on legal updates please contact:

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