

4 January 2022



## Deadline for Disclosure of Beneficial Ownership Extended to June 2022

With only 14% of companies having complied and after several requests by the business community, the Minister for Industries and Trade, Professor Kitila Mkumbo has extended the requirement to comply with the Companies (Beneficial Ownership) Regulations 2021 Regulations, from 31 December 2021 to 30 June 2022. This will be a welcome extension by the business community.

To read the Press Statement [click here](#).

### FAQ's on Beneficial Ownership Regulations

**Qs: When did the Companies (Beneficial Ownership) Regulations 2021 (Regulations) come into force?**

14 May 2021

**Qs: What is the deadline to comply?**

The new deadline is now 30 June 2022

**Qs: Is Beneficial Owner defined:**

Yes. It means a natural person who directly or indirectly ultimately owns or exercises 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. Moreover, BRELA in a recent press release had guided that a beneficial owner could be a shareholder with more than 25% of shareholding and/or voting rights, whether held directly or indirectly.

**Qs: Who has to comply?**

All companies incorporated in Tanzania.

**Qs: Do branches of foreign companies need to comply?**

No. The Regulations do not apply to branches of foreign companies.

**Qs: All my company's shareholders who appear at BRELA are both registered and beneficial owners? Do I still need to fill these forms?**

Yes. Even if the registered owners are the beneficial owners, you still need to file Form 14b.

**Qs: Do I have to notify BRELA about changes in beneficial owners?**

Yes. You must do so within 30 days of such change.

For further information on legal updates please contact:

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### About FB Attorneys

FB Attorneys is an all service law firm based out of Dar es Salaam, Tanzania.

We cover all aspects of the law and specialise in all corporate and commercial matters including Mining, Oil & Gas, Tax, Litigation, Competition, Banking & Intellectual Property law.

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# LEGAL UPDATE

**FB** ATTORNEYS

4 January 2022

## Qs: How many types of forms are there?

Forms to be filed with the Company (please note that these are not filed with BRELA):

- Form 14d – Declaration of the registered owner of shares but who does not hold the beneficial interest in such shares
- Form 14e – Declaration by the beneficial owner who holds or acquires beneficial interest in shares but whose name is not entered in the register of members
- Form 14b below needs to be filed by the Company with BRELA.
- Form 14b – Particulars of Beneficial owners

Others Forms to be filed based on different circumstances:

- Form 14d – Declaration of change of the beneficial owner (filed with the Company by the registered owner of the shares)
- Form 14e – Declaration of change in the beneficial interest (filed with the Company by the beneficial owner)
- Form 14c – Notice of Ceasing to be a Beneficial Owner (filed by the Company with BRELA)
- Form 14f – Change of Beneficial Ownership particulars (filed by the Company with BRELA)

## Qs: What if the person who exercises substantial control or has substantial economic interest or receives substantial economic benefit, does so through an informal arrangement which may or may not be documented? Does such a person also need to be disclosed?

Yes. The Regulations apply to both formal and informal arrangements.

## Qs: What if I don't comply?

Failure to comply with the Regulations amounts to an offence punishable by a fine of not more than TZS 10M.

## Qs: Can a company be a beneficial owner under the Regulations?

No. A company who is a shareholder of a company incorporated here and has substantial economic benefit or interest over the company cannot be disclosed as a beneficial owner and be seen as having complied with the Regulations. The beneficial owner must be traced all the way until a natural person is identified.

## Qs: Who will this beneficial ownership information be shared with? Is the information open to the public on making official search at the Company Registry?

Under the Regulations, this information will only be shared with specific authorities stated under the law including FIU, TRA and other national competent authorities responsible for prevention of money laundering and funding terrorism.. Hence, the whole public will not have access to these details of beneficial owners.

## Qs: Do publicly listed companies have to file?

Yes. You must comply.

## Qs: Where will this information on Beneficial Owners be held?

This will be held by BRELA.

## Qs: I do not wish to disclose Beneficial Ownership as the ultimate shareholder is not interested in such disclosure and has a confidentiality agreement in place? What should we do?

The law cannot be overridden by any private agreement. As such, you must comply. Failure to do comply is an offence punishable by way of a fine.

## Qs: What safeguards are there to avoid leakage of Beneficial Ownership information from BRELA?

The Regulations strictly provide that the Registrar and officers at BRELA have an obligation during employment and even after termination of employment to maintain full confidentiality to persons not entitled to such information.

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