

26 July 2023



## New Beneficial Ownership Regulations Issued

- Previous Regulations' approach maintained
- Regulations applicable to companies incorporated in Tanzania only
- Direct and indirect BOs distinguished
- Competent authorities' access to BO information guaranteed
- Registrar may extend time for BO filings
- Previous BO Regulations revoked

On 21 July 2023, the Minister for Investment, Industry and Trade issued the Companies (Beneficial Ownership) Regulations, 2023 (the new Regulations), vide the Government Notice No. 478 of 2023. It is worth noting that the new Regulations borrow substantially from Companies (Beneficial Ownership) Regulations, 2021 (the old Regulations) which have now been revoked. Also, the prescribed Forms for Beneficial Owner (BO) purposes are the same as in the old Regulations.

One of the major changes brought by the new Regulations is that the new Regulations apply only to companies incorporated in Tanzania. The old Regulations were applicable to companies incorporated and/or registered in Tanzania. The interpretation of the old Regulations suggested that the same were applicable even to foreign companies that had registered branches in Tanzania.

Further to the above, the new Regulations introduce the notion of direct and indirect BOs. A direct BO is defined as a natural person who holds or acquires a beneficial interest in the company and such interest is registered in his name, while an indirect BO is a natural person who holds or acquires a beneficial interest in the company, but such interest is not registered in his name. A direct BO is required by the new Regulations to notify the Registrar of Companies (the Registrar) and provide BO particulars in the manner as specified in the BO Portal within 30 days from the date on which such a BO is entered in the register of members and BOs. On the other hand, a company with an indirect BO is obliged to submit to the Registrar particulars of its BO through Form No. 14b within 30 days from the date on which his name is entered in the register of members and BOs.

As opposed to the old Regulations, the new Regulations expressly oblige the Registrar to make available to the competent authorities information regarding a company's BO. The said competent authorities, for BO purposes, are authorities with designated responsibilities for combating money laundering and terrorist financing; authorities responsible for investigation and prosecution of offences related to money laundering and terrorist financing; the Tanzania Revenue Authority; the Financial Intelligence Unit; and Government institutions responsible for overseeing or implementing economic empowerment of the Tanzanian nationals pursuant to the respective laws.

In so far as the extension of time is concerned, the new Regulations entrust the Registrar with mandate to grant extension of time (not exceeding 30 days) for filing BO information if satisfied that there were reasonable grounds for failure to do so within prescribed time. It should be noted that the old Regulations were silent on this aspect.

To read the Companies (Beneficial Ownership) Regulations, 2023 [click here](#)

To read the Companies (Beneficial Ownership) Regulations, 2021 [click here](#)

To read our previous update on disclosure of BO [click here](#)

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