

Deadline for Providing Beneficial Ownership of Companies Approaching

The enactment of the Finance Act No. 8 of 2020 came with a significant amendment to the Companies Act (Cap. 212) (the **Act**) and introduction of the Companies (Beneficial Ownership) Regulations of 2020 (the **Regulations**) which made it a requirement for companies to file details of their beneficial owners with the Registrar of Companies by 1st January 2021. This was followed by an extension of the deadline for filing beneficial ownership information to 31st December 2021 by virtue of the Companies (Extension of Period for Submission of Information of Beneficial Ownership) Notice that was published on 12 February 2021.

In terms of the Regulations, a beneficial owner is a natural person who: (a) directly or indirectly ultimately owns or exercises substantial control over an entity or an arrangement; (b) has substantial economic interest in or receives substantial economic benefit from an entity or an arrangement directly or indirectly whether acting alone or together with other persons; (c) on whose behalf an arrangement is conducted; or (d) who exercises significant control or influence over a person or arrangement through a formal or informal agreement.

Information of beneficial ownership can now be filed by through the Business Registration and Licensing Agency (BRELA) online portal which is accessible through www.bo.brela.go.tz.

The information required include completed statutory forms for the filing of beneficial ownership information as well as details of the beneficial owner's identity, passport details, work address, designation, whether the person is a politically exposed person and if yes so, a declaration to support the same, the date when the person became a beneficial owner as well as the nature of ownership or control the beneficial owner has in the company (i.e. percentage of shares; and percentage of voting rights).

Where the beneficial owner is a body corporate, details of the ultimate individual beneficial shareholder must be provided.

Notably, every company is required to update its registration on the online registration system (ORS) before it can submit the required beneficial ownership information through the online portal. Any changes of the beneficial ownership must also be filed with BRELA within thirty (30) days.

Failure to comply with the beneficial ownership filings amounts to an offence under the Regulations and attracts a fine of between Tanzanian Shillings five million (TZS 5,000,000) and Tanzanian Shillings ten million (TZS 10,000,000).

- With just a few days left to file beneficial ownership information, our corporate team at Dentons EALC East African Law Chambers will be pleased to address and queries that you may have and help you with the filings required to ensure compliance.

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