

## THE COMPANIES (AMENDMENT) BILL, 2025

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### MEMORANDUM

The object of this Bill is to amend the Companies Act, so as to—

- (a) prohibit the operation of an entity as a company without incorporation;
- (b) revise the grounds on which the Registrar can reject an application for incorporation;
- (c) give effect to the Financial Action Task Force recommendations relating to beneficial ownership of legal persons;
- (d) impose a penalty on a company that continues to carry on a business with members, or share capital, below the prescribed minimum;
- (e) revise the penalty on a company that continues to carry on a business with directors below the minimum number specified under this Act;
- (f) prohibit the issue of a bearer share or bearer share warrant;
- (g) revise the provision relating to documents to be lodged with the annual returns of a company;
- (h) revise the grounds on which the Registrar may de-register a company; and
- (i) provide for matters connected with, or incidental to, the foregoing.

M. MUCHENDE,  
*Solicitor-General*



# A BILL

ENTITLED

**An Act to amend the Companies Act.**

ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the Companies (Amendment) Act, 2025, and shall be read as one with the Companies Act in this Act referred to as the principal Act.

Short title  
Cap. 388

5 2. Section 3 of the principal Act is amended by the—

Amendment  
of  
section 3

(a) deletion of the definitions of—

“beneficial owner”, “citizen”, “control” and “nominee”  
and the substitution therefor of the following in  
the appropriate places in alphabetical order:

10 “beneficial owner” means a natural person who—

- (a) directly, or indirectly, holds at least five percent of a legal person’s shares;
- (b) exercises ultimate effective control over a legal person; or

- (c) directly, or indirectly, through a contract, arrangement, understanding, relationship or any other means has, substantial interest in, or receive substantial economic benefits from, a legal person; 5 and the term “beneficial ownership” shall be construed accordingly;
- Cap.1 “citizen” has the meaning assigned to the word in the Constitution;
- “control” means the control of a company by a person 10 who—
- (a) is entitled to vote a majority of the votes that may be cast at a meeting of the company, directly or indirectly;
- (b) has the ability to control the voting of a 15 majority of the votes cast at a meeting, directly or indirectly;
- (c) is able to appoint or to veto the appointment of a majority of the directors of the company; 20
- (d) has direct, or indirect, control over significant decisions made by the company; or
- (e) exercises control through any other means as may be prescribed.; 25
- “nominee” means a—
- (a) person—
- (i) entitled to exercise a right in a company in accordance with instructions given by another 30 person; or
- (ii) who exercises associated voting rights, or receives dividends, on behalf of a nominator; or
- (b) natural person that exercises the functions 35 of a director in a company on behalf of a nominator and subject to the direct, or indirect, instructions of the nominator; and

(b) insertion of the following new definitions in the appropriate places in alphabetical order:

5 “accurate information” means information that has been verified by the Registrar using reliable and independently obtained documents, data or any other information for the purpose of determining the identity and status of a beneficial owner;

“adequate information” means—

10 (a) information that is sufficient to identify a beneficial owner as may be prescribed; or

15 (b) the mechanisms and means through which a beneficial owner exercises ownership or control as may be prescribed;

“basic and beneficial ownership information” means a document or record kept by a company in accordance with sections 30 and 195;

20 “bearer share” means a negotiable instrument that accords ownership in a legal person to the person who possesses the physical bearer share certificate, and any other similar instrument without traceability;

25 “bearer share warrant” means a negotiable instrument that accords entitlement to ownership in a legal person who possesses the physical bearer share warrant certificate, and any other similar warrant or instrument without traceability;

30 “competent authority” has the meaning assigned to the words in the Financial Intelligence Centre Act; Cap. 384

“de-registration” means the removal of a company by the Registrar from the Register of Companies;

35 “designation” has the meaning assigned to the word in the Anti-Terrorism and Non-Proliferation Act; Cap. 128

“designated person or entity” has the meaning assigned to the words in the Anti-Terrorism and Non-Proliferation Act; Cap. 128

Cap. 384	“Financial Intelligence Centre” means the Financial Intelligence Centre established under the Financial Intelligence Centre Act;	
	“foreign counterpart” means a foreign competent authority that exercises similar responsibilities and functions with the Agency in relation to the co-operation that is sought;	5
Cap. 384	“law enforcement agency” has the meaning assigned to the words in the Financial Intelligence Centre Act;	10
Cap. 128	“National Anti-Terrorism Centre” means the National Anti-Terrorism Centre established under the Anti-Terrorism and Non-Proliferation Act;	
Cap. 128	“national listing” has the meaning assigned to the words in the Anti-Terrorism and Non-Proliferation Act;	15
	“nominator” means a person who issues instructions directly, or indirectly, to a nominee to act in the capacity of a director or shareholder on that person’s behalf;	20
Cap. 384	“reporting entity” has the meaning assigned to the words in the Financial Intelligence Centre Act;	
Cap. 128	“state owned enterprise” has the meaning assigned to the words in the Public Finance Management Act;	25
Cap. 384	“supervisory authority” has the meaning assigned to the words in the Financial Intelligence Centre Act;	
	“ultimate effective control” means ownership or control of a legal person exercised through a chain of ownership or by means of control other than direct control;	30
	“up-to-date information” means information which is current and up-to-date and is updated within the period specified in section 21A;	35
Cap. 129	“passport” has the meaning assigned to the word in the Passport Act;	

- “procuring entity” has the meaning assigned to the words in the Public Procurement Act, 2020; Act No.8 of 2020
- “public procurement” has the meaning assigned to the words in the Public Procurement Act, 2020; Act No.8 of 2020
- 5 “public interest entity” means a body corporate which—
- (a) has significant impact on the public;
- (b) is of economic importance in the Republic; or
- 10 (c) is subject to regulatory oversight, except for entities which are regulated under the Banking and Financial Services Act, 2025; and Act No. of 2025
- 15 “without delay” has the meaning assigned to the words in the Anti-Terrorism and Non-Proliferation Act. Cap. 128
3. Section 10 of the principal Act is amended by the— Amendment of section 10
- (a) insertion of the following new subsection immediately after subsection (3):
- 20 (4) The articles of a company limited by guarantee shall state the—
- (a) rights, privileges, restrictions and conditions attaching to the amount guaranteed by a subscriber; and
- 25 (b) authority given to the directors to determine the guaranteed amount in, the designation of, and the rights, privileges, restrictions and conditions attaching to each guaranteed amount.; and
- 30 (b) renumbering of subsections (4),(5), (6) and (7) as subsections (5), (6), (7) and (8), respectively.
4. The principal Act is amended by the insertion of the following new section immediately after section 11: Insertion of section 11A
- 35 11A. (1) A person shall not operate an entity as a company unless that entity is incorporated in accordance with this Act. Prohibition of operation of entity as company without incorporation

- (2) A person who contravenes subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding two hundred thousand penalty units or to imprisonment for a term not exceeding two years, or to both.
- Amendment of section 12      5. Section 12 of the principal Act is amended by the— 5
- (a) deletion of subsection (3) and the substitution therefor of the following:
- (3) The following documents shall accompany an application for incorporation of a company:
- (a) a copy of the proposed articles of the company, signed by each subscriber to the application for incorporation, where the company does not adopt the Standard Articles; 10
- (b) consent in the prescribed form signed by a person named as a member, director or secretary of the company; and 15
- (c) a copy of a—
- (i) national registration card for each person named as a member, beneficial owner, director or secretary, in the case of a citizen; or 20
- (ii) valid passport for each person named as a member, beneficial owner, director or secretary, in the case of a non-citizen.; and 25
- (b) deletion of subsection (4) and the substitution therefor of the following:
- (4) An application for incorporation referred to under subsection (1) shall contain— 30
- (a) the name and address of the individual lodging the application;
- (b) the proposed name of the company;
- (c) the physical address of the office to be the registered office of the company; 35
- (d) the postal address, if available, electronic mail address and phone number of the company;

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- (e) the type of company to be formed;
- (f) the particulars of the persons who shall be the first directors of the company, first secretary or joint secretaries of the company;
- 5 (g) the nature of the company's proposed business or activity;
- (h) declaration of compliance made in accordance with section 13;
- 10 (i) declaration of guarantee by each subscriber, if the company is limited by guarantee;
- (j) a statement containing accurate, adequate and up-to-date information on beneficial ownership as prescribed, except that this requirement shall not apply to a state owned enterprise;
- 15 (k) a declaration by the applicant that the particulars stated in accordance with paragraph (j) have been submitted to the Registrar with the knowledge of the beneficial owners referred to under paragraph (j); and
- 20 (l) the number of expected employees.

6. Section 19 of the principal Act is amended by the deletion of subsection (1) and the substitution therefor of the following:

Amendment  
of section 19

- (1) The Registrar shall reject an application for incorporation of an entity where—
- (a) an applicant does not meet the requirements of this Act;
- 30 (b) an applicant submits false information in the application for incorporation; or
- (c) a proposed shareholder, beneficial owner or director is a designated or nationally listed person or entity.

Amendment  
of section 21

7. Section 21 of the principal Act is amended—

(a) in subsection (1), by the deletion of paragraph (a) and the substitution therefor of the following:

(a) chronological record of any particulars in relation to the company as required under this Act, and of any other particulars as may be prescribed; and

(b) in subsection (2)(b)(i), by the insertion of the words “and designating number” immediately after the word “name”.

Insertion of  
section 21A

8. The principal Act is amended by the insertion of the following new section immediately after section 21:

21A. (1) The Registrar shall—

(a) conduct a periodical review and verification of the—

(i) record of particulars and record of documents entered in the Register of Companies; and

(ii) information entered in the Register of Beneficial Owners;

(b) direct a company to update its record of particulars, documents and information referred to under paragraph (a), in a prescribed manner and form, for purposes of ensuring that the record of particulars, documents and information is adequate, accurate and up-to-date; and

(c) take prescribed measures, to ensure that the basic and beneficial ownership information in the Register of Companies and the Register of Beneficial Owners is adequate, accurate and up-to-date.

(2) A company shall, within thirty days of receipt of the directive referred to under subsection (1)(b), comply with the directive.

(3) A company that contravenes subsection (1)(b) is liable to pay to the Agency an administrative penalty not exceeding five hundred thousand penalty units.

Periodic  
review and  
verification  
of record of  
particulars,  
documents  
and  
information  
in Register of  
Companies  
and  
Beneficial  
Owners

(4) The Registrar shall, in addition to the penalty specified under subsection (3), within seven days of expiry of the period specified under subsection(2)—

5 (a) insert a note in the Register of Companies and Register of Beneficial Owners stating that the record of particulars, documents or information entered by the company under subsection (1)(b) is not adequate, accurate or up-to-date; and

10 (b) de-register the company in accordance with section 317.

9. Section 30 of the principal Act is amended by the deletion of—

Amendment of section 30

(a) subsection (1)(b) and the substitution therefor of the following:

15 (b) a register of —

(i) members indicating—

20 (A) in the case of a registered member who is a nominee, the details of the nominator on whose instructions the nominee is acting; and

25 (B) separately for each class of shares, the number of shares held by each member, including a nominee shareholder, residing in, or outside, the Republic;

(ii) beneficial owners, containing accurate, adequate and up-to-date information on beneficial ownership as prescribed;

30 (iii) debenture holders; and

(iv) any other security holders;

(b) subsection (5) and the substitution therefor of the following:

(5) If a company fails to maintain a document —

35 (a) in accordance with this section, except for a document referred to in subsection (1)(b)(ii), the company and every officer of the company in default commit an offence and are liable, on conviction, to a fine not exceeding one hundred thousand penalty units; or

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		(b) referred to in subsection (1)(b)(ii), the company and every officer of the company in default commit an offence and are liable, on conviction, to a fine not exceeding five million penalty units. 5
Amendment of section 31	<b>10.</b> Section 31 of the principal Act is amended—	
	(a) in subsection (2), by the insertion of the following new paragraph immediately after paragraph (d):	
	(e) particulars of a nominee and the nominator;; and	
	(b) by the renumbering of paragraphs (e) and (f) as paragraphs (f) and (g), respectively. 10	
Repeal and replacement of section 64	<b>11.</b> The principal Act is amended by the repeal of section 64 and the substitution therefor of the following:	
Meeting by directive of Registrar	64. (1) The Registrar may, where it is impracticable to convene a meeting of a company in accordance with this Act and the articles, on the application of a director or a member entitled to vote at the meeting—	15
	(a) direct a meeting of the company to be convened, held or conducted in a manner as the Registrar may determine; or 20	
	(b) give authority or consequential directions which the Registrar considers expedient, including a direction that one member shall make resolutions relating to the matters for that meeting which resolutions shall be deemed to be resolutions of the company. 25	
	(2) A meeting convened, held or conducted in accordance with subsection (1) shall, for all purposes, be considered to be a meeting of the company duly convened, held or conducted.	
Amendment of section 83	<b>12.</b> Section 83 of the principal Act is amended by the deletion of paragraph (d) and the substitution therefor of the following: 30	
	(d) ensuring that the company maintains and updates information on the beneficial owners of the company;.	
Repeal and replacement of section 90	<b>13.</b> The principal Act is amended by the repeal of section 90 and the substitution therefor of the following: 35	

90. If a company carries on business with less than the minimum number of directors specified under section 85(2) for a period of—
- Number of directors falling below minimum number
- 5 (a) more than ninety days, the company is liable to pay the Agency an administrative penalty of four hundred penalty units for each day that the contravention continues; or
- (b) one year, be de-registered in accordance with section 317.
- 10 **14.** Section 123 of the principal Act is amended by the—
- Amendment of section 123
- (a) deletion of the marginal note and the substitution therefor of the following:
- Declaration of beneficial ownership interest in company
- 15 (b) deletion of subsection (2)(a) and the substitution therefor of the following:
- (a) the nature of the beneficial ownership interest held or control exercised;;
- (c) deletion of subsection (5) and the substitution therefor of the following:
- 20 (5) A person referred to in subsection (1) who fails to make a declaration in accordance with this section commits an offence and is liable, on conviction, in the case of a—
- 25 (a) natural person, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a term not exceeding five years, or to both; or
- (b) legal person, to a fine not exceeding three million penalty units.;
- 30 (d) deletion of subsection (7) and the substitution therefor of the following:
- (7) If a company fails to comply with subsection (6), the company and every officer of the company in default, commits an offence and is liable, on conviction, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a term not exceeding five years, or to both.;
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(e) insertion of the following new subsection immediately after subsection (7):

(8) A company shall, in addition to the penalty specified under subsection (7), be liable to pay the Agency an administrative penalty not exceeding ten percent of the company's annual turnover.; and 5

(f) by the renumbering of subsections (8) and (9) as subsections (9) and (10), respectively.

Insertion of section 124A 15. (1) The principal Act is amended by the insertion of the following new section immediately after section 124: 10

Company to cooperate with competent authority or reporting entity

124A. (1) A company shall—

(a) cooperate with a competent authority to the fullest extent possible in determining the beneficial owner, including making the information available to a competent authority in a timely manner; or 15

(b) cooperate with a reporting entity to provide adequate, accurate and up-to-date information on the company's beneficial ownership information in a timely manner; and

(c) provide adequate, accurate and up-to-date beneficial ownership information when establishing a business relationship or executing an occasional transaction with a reporting entity. 20

(2) A company shall, where the beneficial ownership information provided under subsection(1)(c) changes, notify a reporting entity within fourteen days from the date the change occurs. 25

(3) A company or an officer of the company that fails to comply with this section commits an offence and is liable, on conviction— 30

(a) in the case of an officer of the company, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a period not exceeding five years, or to both; or

(b) in the case of a company, to a fine not exceeding three million penalty units. 35

(4) An officer of the company who fails to comply with this section, is liable, in addition to the penalty specified under subsection (3), to pay the Agency an administrative penalty not exceeding two hundred thousand penalty units. 40

16. Section 139 of the principal Act is amended—

Amendment of section 139

(a) in subsection (2), by the insertion of the words “ as prescribed” immediately after the word “amount”;

5 (b) by the insertion of the following subsection immediately after subsection (2):

(3) If a company carries on business with less than the prescribed share capital for a period of—

10 (a) more than ninety days, the company is liable to pay the Agency an administrative penalty not exceeding four hundred penalty units for each day that the contravention continues; or

(b) two consecutive years, be de-registered in accordance with section 317.

15 17. The principal Act is amended by the insertion of the following new sections immediately after section 142:

Insertion of sections 142A and 142B

142A. (1) Despite section 142, a company shall not issue a bearer share or bearer share warrant.

Prohibition of issuance of bearer share or bearer share warrant

20 (2) A company or an officer of the company who contravenes subsection (1) commits an offence and is liable, on conviction—

25 (a) in the case of an officer of the company, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a term not exceeding five years, or to both; or

(b) in the case of a company, to a fine not exceeding three million penalty units.

142B. (1) This section shall come into operation on 15th December, 2025.

Commencement of section

30 (2) A holder of a bearer share or bearer share warrant issued under the Act shall, within six months from the commencement of this provision, notify the company, in writing, about the bearer share or bearer share warrant.

(3) The company shall, on receipt of the written notification under subsection (2), convert the bearer share or bearer share warrant into any of the shares issued under this Act and record in the register of members—

(a) the identity of the holder of the bearer share or bearer share warrant; and 5

(b) the rights attached to the converted share.

(4) The company shall, on conversion of the bearer share or bearer share warrant under subsection (3), lodge with the Registrar a notice of conversion in the prescribed manner and form. 10

(5) The notice of conversion referred to in subsection (4) shall contain accurate, adequate and up-to-date information.

(6) A person shall not exercise any right attached to the bearer share or bearer share warrant, unless the bearer share or bearer share warrant is converted into a share issued under section 142. 15

(7) On expiry of the period specified in subsection (2), a bearer share or bearer share warrant that has not been converted into a share issued under this Act shall become void. 20

(8) A person shall not issue a bearer share or bearer share warrant after 15th December, 2025.

Amendment  
of section 257

18. Section 257 of the principal Act is amended by the— 25

(a) deletion of subsection (3) and the substitution therefor of the following:

(3) An individual shall not be engaged as an auditor in the same public interest entity for a period of more than seven consecutive years in any of the following roles: 30

(a) as the partner responsible for signing an audit report;

(b) as an individual appointed to perform the audit quality review; or 35

(c) as an individual involved in any other key audit role.;

(b) by the insertion of the following new subsections immediately after subsection (3)—

(4) An individual referred to under subsection (3) shall, at the expiration of seven years, only be eligible to perform the functions of an auditor after the expiration of the following periods:

(a) in the case of a partner responsible for signing the audit report, five years;

(b) in the case of an individual appointed to perform the audit quality review, three years; or

(c) in the case of an individual involved in any other key audit role, two years.; and

(5) Subsections (3) and (4) shall not apply to a firm.

**19.** Section 270 of the principal Act is amended by the deletion of subsection (3) and the substitution therefor of the following: Amendment of section 270

(3) An annual return shall be signed by a director or the secretary and shall include the following information:

(a) adequate, accurate and up-to-date information on beneficial owners; and

(b) the total number of employees of the company.

**20.** The principal Act is amended by the repeal of section 273 and the substitution therefor of the following: Repeal and replacement of section 273

273. (1) A company shall lodge with the Registrar, together with the annual return, in the case of— Documents lodged with annual return of company

(a) a public company—

(i) a certified copy of—

(A) current financial statement; and

(B) outstanding financial statement, where applicable;

(ii) statement of comprehensive income;

(iii) group accounts, where applicable; and

(iv) directors' report and auditors' report sent to members and debenture holders; or

(b) a private company, financial statements.

- Amendment of section 299      **21.** Section 299 of the principal Act is amended—
- (a) in subsection (2), by the insertion of the following new paragraph immediately after paragraph (e):
- (f) information of shareholders and directors and their country of origin;; and      5
- (b) by the renumbering of paragraphs (f), (g) and (h) as paragraphs (g), (h) and (i), respectively.
- Amendment of section 317 of—      **22.** Section 317 of the principal Act is amended by the deletion
- (a) subsection (1) and the substitution therefor of the following:      10
- Cap. 431      (1) Despite the Corporate Insolvency Act, but subject to this Act, the Registrar may de register a company on the grounds that the—
- (a) company has not filed annual returns for two consecutive years;      15
- (b) court has issued an order that the company be de-registered;
- (c) Registrar has reasonable cause to believe that a company is a dormant company;      20
- (d) company has applied for de-registration for reason that it is a dormant company;
- (e) company operates with less than the prescribed minimum number of members for one year;      25
- (f) company operates with less than the minimum number of directors specified under this Act for one year;
- (g) company operates below the prescribed minimum share capital or guaranteed amount for two consecutive years;      30
- (h) shareholder, director or beneficial owner has become a designated or nationally listed person and the company fails to comply with section 330A (1) or (4) within fourteen days of being made aware of that status; or      35
- (i) shareholder, director or beneficial owner of the company is a designated or nationally listed person or entity.;      40

(b) subsection (7) and the substitution therefor of the following:

(7) The Registrar shall, on the de-registration of a company, in accordance with this section—

5 (a) publish a notice of the de-registration, in the *Gazette*, on the Agency's official website or in a daily newspaper of general circulation in the Republic; and

10 (b) take any additional steps necessary to inform the public of the de-registration of the company.; and

(c) subsection (9) and the substitution therefor of the following:

15 (9) The de-registration of a company in accordance with this section is effective from the date of the publication of the notice referred to under subsection (7)(a).

23. Section 318 of the principal Act is amended by the—

Amendment of section 318

(a) deletion of subsections (3),(4) and (5) and the substitution therefor of the following:

20 (3) The Registrar shall cause to be published a notice of request to de-register a company in the *Gazette*, on the Agency's official website or in a daily newspaper of general circulation in the Republic.

(4) The notice referred to under subsection (3) shall remain valid for ninety days.

25 (5) The Registrar shall, unless cause to the contrary is shown, after the expiration of ninety days from the publication of the notice referred to under subsection (3), de-register the company and issue a certificate of de-registration.

30 24. The principal Act is amended by the insertion of the following new section immediately after section 318:

Insertion of 318A

35 318A. (1) A former director or former member of a company that was de-registered in accordance with sections 317 or 318 may apply to the Registrar to restore the de-registered company to the Register of Companies in the prescribed manner and form on payment of a prescribed fee.

Restoration of de-registered company by Registrar

(2) The application referred to under subsection (1) shall be made within ten years from the date of de-registration of the company.

(3) The Registrar shall not restore a company to the Register of Companies unless the person making the application for restoration can demonstrate that—

(a) the company was not de-registered on account of the ground specified under section 317(1)(d);

(b) the company was not dissolved and there are no proceedings for dissolution of the company pending under the Corporate Insolvency Act;

(c) the application for restoration is accompanied by basic and beneficial ownership information which is accurate, adequate and up-to-date; and

(d) the company has, where the de-registration was due to non-compliance, taken steps to ensure compliance with the relevant provisions of the Act.

Cap. 431

Cap. 431

(4) The Corporate Insolvency Act, shall apply where no application for restoration is made pursuant to this section within the period referred to in subsection (2).

Amendment of section 326

**25.** Section 326 of the principal Act is amended by the insertion of the following new subsection immediately after subsection(2):

(3) Despite subsection (1), access to basic and beneficial ownership information shall be open to the public, where a legitimate interest exists as may be prescribed.

Insertion of sections 329A and 329B

**26.** The principal Act is amended by the insertion of the following new sections immediately after section 329:

International cooperation by Agency and competent authority

329A. (1) The Registrar shall rapidly, constructively and effectively cooperate and coordinate with the Financial Intelligence Centre, a law enforcement agency, foreign counterpart and competent authority to provide international cooperation in relation to basic and beneficial ownership information as prescribed.

(2) The Registrar shall, for purposes of international cooperation referred to under subsection (1)—

(a) not place undue restrictive conditions on the exchange of information or assistance;

5 (b) facilitate access by a foreign competent authority to basic and beneficial ownership information held by the Agency;

(c) exchange information on shareholders; or

10 (d) using the Registrar's powers, obtain beneficial ownership information on behalf of a foreign counterpart.

(3) The Registrar shall report to the Attorney-General on the quality of assistance received from other countries in response to requests for basic and beneficial ownership information or requests for assistance in locating beneficial owners residing abroad.

(4) The Attorney-General shall, on receipt of the report referred to under subsection (3), communicate the feedback to a foreign counterpart on the quality of assistance received.

20 329B. (1) The Registrar shall, in collaboration with a competent authority, reporting entity, law enforcement agency or the Financial Intelligence Centre, update the Register of Beneficial Owners and the beneficial ownership information to identify any discrepancies in the Register of Beneficial Owners and beneficial ownership information. Discrepancy reporting

25 (2) Where a competent authority, reporting entity, law enforcement agency or the Financial Intelligence Centre reasonably believes that there is a discrepancy between the information in the Register of Beneficial Owners and the beneficial ownership information available to that competent authority, reporting entity, law enforcement agency or the Financial Intelligence Centre, that competent authority, reporting entity, law enforcement agency or the Financial Intelligence Centre shall, within fifteen days of identifying the discrepancy, report the discrepancy to the Agency, in writing, setting out the particulars of the discrepancy.

30 (3) The Agency shall, on receipt of the report under subsection (2), request for clarification from the company, in writing, within a period as the Registrar may specify.

(4) The company shall, on receipt of the request under subsection (3), within a period specified in the request, provide the Agency with the response stating, where applicable, the amended particulars to be included in the Register of Beneficial Owners for purposes of rectifying the discrepancy and updating the Register of Beneficial Owners. 5

(5) The Agency may request a person that the Agency knows or has reasonable grounds to believe is a beneficial owner of the company which is the subject of a discrepancy report and require that person to— 10

(a) state whether the person is a beneficial owner of the company; and

(b) where applicable, disclose information on that person's identity within a period that the Agency may specify in the request. 15

(6) A person that fails to comply with a request from the Agency issued under this section shall be liable to pay the Agency an administrative penalty not exceeding one thousand penalty units for each day that the company continues to be non-compliant. 20

Insertion of section 334A 27. The principal Act is amended by the insertion of the following new section immediately after section 334:

Number of members falling below prescribed minimum

334A. (1) A company that carries on business with less than the prescribed minimum number of members for—

(a) more than ninety days is liable— 25

(i) to pay the Agency an administrative penalty of four hundred penalty units for each day the contravention continues; or

(ii) with each director, for the payment of all the debts and liabilities of the company incurred after the expiry of the ninety days; or

(b) a period of one year, be de-registered in accordance with section 317. 30

Insertion of section 347A 28. The principal Act is amended by the insertion of the following new section immediately after section 347: 35

347A. (1) Despite the other provisions of this Act, a company shall, where that company becomes aware that a member, director or beneficial owner is a designated or nationally listed person or entity—

Removal of designated or nationally listed person or entity as director, member etc from company

5 (a) remove the member, director or beneficial owner as prescribed; and

(b) notify the Registrar of the removal under paragraph (a), without delay.

10 (2) The Registrar shall, on receipt of the notification under subsection (1)(b), without delay, notify the National Anti-Terrorism Centre of the removal.

15 (3) The Registrar shall, on the Registrar's own motion, direct a company, in writing, to remove a member, director or beneficial owner where the member, director or beneficial owner becomes a designated or nationally listed person or entity.

(4) A company shall, where a company receives a directive under subsection (3), remove a member, director or beneficial owner as prescribed.

20 (5) A company or an officer of the company that contravenes subsection (1) or (4) is liable, on conviction—

(a) in the case of a company, to a fine not exceeding five million penalty units; or

25 (b) in the case of an officer of the company, to a fine not exceeding one million penalty units or to imprisonment not exceeding ten years, or to both.

30 (6) The Registrar shall, in addition to the penalty specified under subsection (5), within fourteen days of the company's failure to comply with the directive issued under subsection (4)—

(a) de-register the company in accordance with section 317; and

(b) notify the National Anti-Terrorism Centre of the de-registration, without delay.

35 **29.** The principal Act is amended by the insertion of the following new sections immediately after section 356:

Insertion of sections 356A, 356B, 356C and 356D

Retention of records of de-registered, dissolved company etc by Registrar Cap. 431

356A. Where a company is de-registered, dissolved or otherwise ceases to exist in accordance with this Act or the Corporate Insolvency Act, the Registrar shall retain records or books required to be kept in accordance with this Act for a period of ten years from the date on which the company is de-registered, dissolved or otherwise ceases to exist. 5

Basic and beneficial ownership information to be adequate, accurate and up to date

356B. (1) A company shall obtain and hold basic and beneficial ownership information referred to under sections 30 and 195 that is adequate, accurate and up-to-date.

(2) A company that fails to comply with subsection (1) is liable to pay the Agency an administrative penalty not exceeding five million penalty units. 10

(3) A company shall, where that company knows or has reasonable grounds to believe that a natural person is a beneficial owner of that company, give written notice to that natural person and require the natural person to confirm whether that natural person is a beneficial owner of that company. 15

(4) Where the natural person confirms the beneficial owner's status under subsection (3), that natural person shall provide that basic and beneficial ownership information and any other information to the company as may be prescribed. 20

(5) A person shall, within fourteen days of receipt of the request referred to under subsection (3), furnish the requested information, in writing, to the company. 25

(6) A person who contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding two hundred thousand penalty units or to imprisonment for a term not exceeding two years, or both.

Access to basic or beneficial ownership information

356C. (1) A competent authority, law enforcement agency or the Financial Intelligence Centre shall obtain timely access to the basic and beneficial ownership information held by a public authority or body, other competent authority or reporting entity which hold basic or beneficial ownership information. 30

(2) A procuring entity shall have timely access to basic and beneficial ownership information on legal persons in the course of public procurement. 35

(3) A competent authority, procuring entity or the Financial Intelligence Centre shall access basic or beneficial ownership information under subsection (1) without the payment of a fee. 40

5 (4) The Agency shall facilitate timely access by a reporting entity, competent authority, law enforcement agency, procuring entity, the Financial Intelligence Centre or a foreign counterpart to the basic and beneficial ownership information maintained under sections 30 and 195.

356D. (1) A nominee of a director shall, within fourteen days from the date of the appointment of that nominee, disclose to a company the— Disclosure of nominee status

(a) nominee's status;

10 (b) particulars referred to under section 12, of the nominator; and

(c) basis and terms of appointment.

15 (2) A company shall, with fourteen days of the disclosure of the information referred to under subsection (1), submit that information to the Registrar in a prescribed manner and form.

(3) The Registrar shall enter the information received under subsection (2) in the Register of Companies.

20 **30.** Section 370 of the principal Act is amended by the—

Amendment of section 370

(a) insertion of the following new subsection immediately after subsection (3):

(4) An administrative penalty imposed under this Act shall not preclude parallel criminal proceedings.

(b) renumbering of subsection (4) as subsection (5).

25 **31.** The principal Act is amended by the repeal of section 373 and the substitution therefor of the following:

Repeal and replacement of section 373  
General penalty

373. A person who contravenes any provision of this Act, where no specific penalty has been provided is liable, on conviction—

30 (a) in the case of a natural person, to a fine not exceeding five hundred thousand penalty units or to imprisonment for a term not exceeding five years, or to both, and, if the person is a foreigner, to a revocation of that person's immigration permit; or

35 (b) in the case of a legal person, to a fine not exceeding five million penalty units.