



REPUBLIC OF ZAMBIA

REPORT

OF THE

COMMITTEE ON NATIONAL ECONOMY, TRADE AND LABOUR MATTERS

ON THE

COMPANIES (AMENDMENT) BILL, N.A.B. NO. 25 OF 2025

FOR THE

FIFTH SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY

Printed by the National Assembly of Zambia

FOREWORD

Honourable Madam Speaker, the Committee on National Economy, Trade and Labour Matters has the honour to present its Report on the Companies (Amendment) Bill, N.A.B. No. 25 of 2025, for the Fifth Session of the Thirteenth National Assembly. The functions of the Committee are set out under Standing Orders 206(j) and 207(j) of the National Assembly of Zambia Standing Orders, 2024.

The Committee held eight sittings to consider the Bill. In order to gain insight into the ramifications of the Bill, the Committee sought both written and oral submissions from various stakeholders. The list of stakeholders is at Appendix II of the Report.

The Report is in three Parts. Part I contains the salient provisions of the Bill. Part II highlights concerns raised by stakeholders, while Part III contains the Committee's observations and recommendations.

The Committee wishes to pay tribute to all stakeholders who appeared before it and tendered both oral and written submissions. It further wishes to thank you, Madam Speaker, for affording it an opportunity to consider the Companies (Amendment) Bill, N.A.B. No. 25 of 2025. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.



Ms Sibeso K Sefulo, MP
CHAIRPERSON

December, 2025
LUSAKA

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1.0 MEMBERSHIP OF THE COMMITTEE

The Committee consisted of Ms Sibeso K Sefulo, MP (Chairperson); Mr Joel Chibuye, MP (Vice-Chairperson); Mr Gary Nkombo, MP; Mr Kabwe T Chewe, MP; Mr Davison Mung'andu, MP; Mr Derricky Chilundika, MP; Dr Simon Mwale, MP; Mr Simon Banda, MP; Mr Walusa Mulaliki, MP; and Mr Wesley Kolala, MP.

2.0 BACKGROUND

The Companies (Amendment) Bill, N.A.B. No. 25 of 2025, seeks to amend the *Companies Act, Chapter. 388 of the Laws of Zambia*, so as to, among others, give effect to the Financial Action Task Force (FATF) recommendations relating to beneficial ownership of legal persons and impose a penalty on a company that continues to carry on a business with members, or share capital, below the minimum threshold.

Once the Companies (Amendment) Bill, N.A.B. No. 25 of 2025, is enacted, it will strengthen transparency of company ownership structures to prevent the misuse of companies for financial crimes such as money laundering, terrorism financing and proliferation financing. Further, the Bill will ensure that companies comply with the threshold on the minimum number of members and shares.

3.0 OBJECT OF THE BILL

The object of the Bill is to amend the *Companies Act, Cap. 388* of the Laws of Zambia, 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.

PART I

4.0 PROVISIONS OF THE BILL

The provisions of the Bill are as set out hereunder.

Clause 1: Short Title

The clause provides for the short title and commencement of the Act, once enacted.

Clause 2: Amendment of Section 3

This clause seeks to amend section 3 of the Principal Act by the deletion of the definitions of beneficial owner, citizen, control and nominee and the substitution

therefor of new definitions and by the introduction of new definitions which include, among others, accurate information, adequate information, basic and beneficial ownership information, de-registration, designated person or entity and foreign counterpart, in order to make the law easy to understand by the citizens and those tasked to implement it.

Clause 3: Amendment of Section 10

The clause seeks to amend section 10 of the Principal Act by the insertion of a new subsection (4), so as to mandate a company limited by guarantee to include in the company's articles information on, the rights, privileges, restrictions and conditions attached to the guaranteed amount by a subscriber and information on the authority given to the directors to determine the guaranteed amount, the rights, privileges, restrictions and conditions attached to each guaranteed amount.

Clause 4: Insertion of Section 11A

This clause seeks to amend the Principal Act by the insertion of a new section 11A, so as to prohibit a person from operating an entity as a company without having the entity incorporated in accordance with the procedure provided under the Act. The clause further provides a sanction for failure to comply with the prohibition.

Clause 5: Amendment of Section 12

The clause seeks to amend section 12 of the Principal Act by the deletion of subsection (3) and the substitution therefor of a new subsection, so as to mandate a person to submit together with an application for incorporation, a copy of the proposed articles of the company, where the standard articles are not adopted, signed by each subscriber to the application for incorporation, a copy of a national registration card for each person named as a member, beneficial owner, director or secretary, in the case of a citizen or a valid passport for each person named as a member, beneficial owner, director or secretary in the case of a non-citizen.

The clause further seeks to delete subsection (4) and substitute it with a new subsection, so as to mandate a person that intends to make an application for incorporation to include in the application for incorporation information on, among others, the name and address of the individual lodging the application, the proposed name of the company, the physical address of the office to be the registered office of the company, the type of company to be formed, a declaration of guarantee by each subscriber, if the company is limited by guarantee, and a statement containing accurate, adequate and up-to date information on beneficial ownership as prescribed.

Clause 6: Amendment of Section 19

The clause seeks to amend section 19 of the Principal Act by the deletion of subsection (1) and the substitution therefor of a new subsection, so as to mandate the Registrar to reject an application for incorporation of an entity where an applicant does not meet the requirements of the Act, an applicant submits false information in the application for incorporation or a proposed shareholder, beneficial owner or director is a designated or nationally listed person or entity.

Clause 7: Amendment of Section 21

This clause seeks to amend section 21 of the Principal Act in subsection (1) by the deletion of paragraph (a) and the substitution therefor of a new paragraph, so as to mandate the Registrar to maintain in the Register of Companies a chronological

record of any particulars in relation to the company as required under the Act, and any other particulars as may be prescribed.

Further, the clause seeks to amend subsection 2(b)(i) of the Principal Act by the insertion of the words “and designating number” immediately after the word “name”, so as to mandate the Registrar to include in the Register of beneficial owners in relation to a legal person the body corporate name and designated number.

Clause 8: Insertion of Section 21A

The clause seeks to amend the Principal Act by the insertion of a new section 21A, so as to mandate a Registrar to conduct periodic review and verification of the record of particulars and record of documents entered in the Register of companies and information entered in the Register of beneficial owners.

Further, the clause empowers the Registrar to direct a company to update the company’s record of particulars, documents and information entered in the Register of companies and Register of beneficial owners, for purposes of ensuring that the record of particulars, documents and information is adequate, accurate and up-to-date.

Furthermore, the clause mandates the Registrar to take prescribed measures to ensure that the basic and beneficial ownership information in the two registers is adequate, accurate and up-to-date.

Additionally, the clause provides sanctions for failure to comply with the directive of the Registrar.

Clause 9: Amendment of Section 30

Clause 9 seeks to amend section 30 of the Principal Act in subsection (1) by the deletion of paragraph (b) and the substitution therefor of a new paragraph, so as to mandate a company to keep at its registered office a register of, among others, members indicating in the case of a registered member who is a nominee, the details of the nominator on whose instructions the nominee is acting; and separately for each class of shares, the number of shares held by each member, including a nominee shareholder, a register of beneficial owners containing accurate, adequate and up-to-date information on beneficial ownership, debenture holders and any other security holders.

It further seeks to amend section 30 by the deletion of subsection 5 and the substitution therefor of a new subsection, so as to provide a sanction for failure to comply with the provision.

Clause 10: Amendment of Section 31

Clause 31 seeks to amend section 31 of the Principal Act in subsection (2) by the insertion of a new paragraph (e), so as to expand the particulars to be entered in a register of directors and secretaries to include the particulars of a nominee and the nominator.

Clause 11: Repeal and Replacement of Section 64

This clause seeks to repeal section 64 of the Principal Act and the substitution therefor of a new section, so as to empower the Registrar, on the application of a director or member entitled to vote at a meeting, where it is impracticable to convene a meeting of a company in accordance with the Act and the articles of a company, to direct a

meeting of the company to be convened, held or conducted in a manner as the Registrar may determine or give authority or consequential directions, which the Registrar considers expedient, including a direction that one member shall make a resolutions relating to the matters for that meeting, which resolution shall be deemed to be resolutions of the company.

Additionally, the clause provides that a meeting convened, held or conducted under the direction of the Registrar shall, for all purposes, be considered to be a meeting of the company duly convened, held or conducted.

Clause 12: Amendment of Section 83

This clause seeks to amend section 83 of the Principal Act by the deletion of paragraph (d) and the substitution therefor of a new paragraph, so as to amend the mandate of the company secretary from the current mandate of ensuring that the company secretary maintains and updates information on beneficial owners of all shares of the company to ensuring that the company secretary maintains and updates information on beneficial owners of the company and not shares.

Clause 13: Repeal and replacement of section 90

The clause seeks to repeal section 90 of the Principal Act and replace it with a new section, so as to provide for an administrative penalty for a company that carries on business with less than the minimum number of directors prescribed under the Act for a period of ninety days.

This clause further, empowers the Registrar to de-register a company that carries on business for a period of one year with less than the minimum number of directors.

Clause 14: Amendment of Section 123

Clause 14 seeks to amend section 123 of the Principal Act, by the deletion of the marginal note and substitution therefor of a new marginal note, so as to align the marginal note with the provisions of the section.

It seeks to amend section 123 of the Principal Act in subsection (2) by the deletion of paragraph (a) and the substitution therefor of a new paragraph, so as to mandate a beneficial owner or a person acting or holding a share on behalf of a beneficial owner to make a declaration to the company specifying the nature of the beneficial interest held or control exercised.

Additionally, it seeks to amend section 123, by the deletion of subsection (5) and the substitution therefor of a new subsection, so as to provide a sanction for a natural person or a legal person who fails to make a declaration.

The clause further provides for the deletion of subsection (7) and the substitution therefor of a new subsection, so as to provide for a sanction where a company fails to comply with section 123(6) of the Act, which mandates a company to record the declaration in the register of beneficial ownership and lodge with the Registrar a return in respect of the declaration.

Furthermore, the clause seeks to insert a new subsection immediately after subsection (7), so as to provide for an administrative sanction in addition to the criminal sanction provided under the new subsection (7).

Clause 15: Insertion of Section 124A

The clause seeks to amend the Principal Act by the insertion of a new section 124A, so as to mandate a company to, among others, 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 and 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.

In addition, the clause mandates a company to notify a reporting entity where there is a change in the beneficial ownership information provided to a reporting entity.

It further, provides a sanction for failure to comply with the provision.

Clause 16: Amendment of Section 139

This clause seeks to amend section 139 of the Principal Act in subsection (2) by the insertion of the words as prescribed immediately after the word "amount", so as to empower the minister to prescribe the guaranteed amount for a company limited by guarantee.

It also seeks to insert a new subsection (3), so as to provide for a sanction for a company that carries on business with less than the prescribed share capital.

Clause 17: Insertion of Sections 142A and 142B

The clause seeks to amend the Principal Act by the insertion of a new section 142A, so as to prohibit a company from issuing a bearer share or bearer share warrant and provide a sanction for failure to comply with the provision.

It also seeks to amend the Principal Act by the insertion of a new section 142B, so as to mandate a holder of a bearer share warrant issued under the Act to notify the company, within six months after the coming into effect of the section, about the bearer share warrant. In addition, the clause mandates the company to convert the bearer share warrant into any of the shares issued under the Act.

It further mandates a company that converts a bearer share warrant to lodge a notice of conversion with the Registrar. The clause further provides that a bearer share warrant that has not been converted into a share issued under the Act within the time frame specified for conversion shall be void.

Clause 18: Amendment of Section 257

The clause seeks to amend section 257 of the Principal Act by the deletion of subsection (3) and the substitution therefor of a new subsection, so as to prohibit the engagement of an individual as an auditor in the same public interest entity for a period of more than seven consecutive years in the roles of a partner responsible for signing an audit report, an individual appointed to perform the audit quality review or an individual involved in any other key audits role.

Further, the clause seeks to provide a time frame after which the individuals who are barred from performing the functions of an auditor shall be eligible to perform the said functions.

Clause 19: Amendment of Section 270

This clause seeks to amend section 270 of the Principal Act by the deletion of subsection (3) and the substitution therefor of a new subsection, so as to mandate a director or secretary to sign an annual return of the company and mandates a company to include in the annual returns adequate, accurate and up-to-date information on beneficial owners and information on the total number of employees of the company.

Clause 20: Repeal and Replacement of Section 273

Clause 20 seeks to amend the Principal Act by the repeal of section 273 and the replacement therefor of a new section, so as to mandate a public company to lodge with the Registrar, together with the annual return, among others, a certified copy of current financial statements, statement of comprehensive income and directors' reports and auditors' report sent to members and debenture holders.

It further, mandates a private company to lodge with the Registrar, together with the annual returns, financial statements.

Clause 21: Amendment of Section 299

The clause seeks to amend section 299 of the Principal Act in subsection (2) by the insertion of a new paragraph (f), so as to mandate a body corporate formed outside the Republic to include in an application for registration as a foreign company, among other things, information of shareholders and directors and their country of origin.

Clause 22: Amendment of Section 317

This clause seeks to amend section 317 of the Principal Act by the deletion of subsection (1) and the substitution therefor of a new subsection, so as to expand the grounds upon which the Registrar may de-register a company which include, among other things, the company operating with less than the prescribed minimum number of members for one year, company operating with less than the minimum number of directors specified under the Act for one year, the company operating below the prescribed minimum share capital or guaranteed amount for two consecutive years and where the shareholder, director or beneficial owner of the company is a designated or nationally listed person or entity.

Additionally, the clause seeks to delete subsection (7) and substitute it with a new subsection, so as to mandate the Registrar to, among others, 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.

The clause further seeks to delete subsection (9) and substitute it with a new subsection, so as to provide the date on which the de-registration of a company shall take effect.

Clause 23: Amendment of Section 318

Clause 23 seeks to amend section 318 of the Principal Act by the deletion of subsections (3), (4) and (5) and the substitution therefor of new subsections, so as to mandate the Registrar to publish a notice of a company's request for de-registration in the Gazette, on the Agency's website or in a daily newspaper of general circulation in the Republic. It further mandates the Registrar to, unless the contrary is shown, de-register a company after the expiration of ninety days from the publication of the notice and issue a certificate of de-registration.

Clause 24: Insertion of Section 318A

The clause seeks to amend the Principal Act by insertion of a new section 318A, so as to empower a former director or former member of a company that was de-registered to apply to the Registrar, within 10 years from the date of de-registration, to restore the de-registered company. The clause further prohibits the Registrar from restoring to the register of companies a company that does not meet the grounds specified under the section.

Clause 25: Amendment of Section 326

This clause seeks to amend section 326 of the Principal Act by the insertion of a new subsection (3), so as to limit access by the public to the beneficial ownership information entered in the registers or documents lodged with the Registrar, to instances only where a legitimate interest exists as maybe prescribed.

Clause 26: Insertion of Section 329A and 329B

Clause 26 seeks to amend the Principal Act by the insertion of a new section 329A, so as to mandate the Registrar to 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.

The clause further mandates the Registrar to 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. The clause also mandates the Attorney-General to communicate the feedback to the foreign counterpart on the quality of assistance received.

Additionally, the clause seeks to amend the Principal Act by the insertion of a new section 329B, so as to mandate the Registrar to, in collaboration with a competent authority, reporting entity, law enforcement agency or the Financial Intelligence Centre, update the Register of Beneficial Owners and beneficial ownership information to identify any discrepancies in the Register of Beneficial Ownership and beneficial ownership information.

The clause further empowers a competent authority, reporting entity, law enforcement agency or the Financial Intelligence Centre to report to the Agency any discrepancy in the Register of Beneficial Ownership and beneficial ownership information available to that competent authority, reporting entity, law enforcement agency or the Financial Intelligence Centre.

The clause also mandates the Agency, on receipt of a report from a competent authority, reporting entity, law enforcement agency or the Financial Intelligence Centre to request a company to clarify the discrepancy within a period as the Registrar may specify. The clause furthermore, empowers the Registrar to request a person who the Registrar reasonably believes is a beneficial owner of the company, which is the subject of a discrepancy report, to state whether the person is a beneficial owner of the company and request the person to disclose that person's identity within a period as the Registrar may specify.

Furthermore, the clause provides a sanction for failure to comply with the request.

Clause 27: Insertion of Section 334A

This clause seeks to amend the Principal Act by the insertion of a new section 334A so as to provide sanctions for a company that carries on business with less than the prescribed minimum number of members.

Clause 28: Insertion of Clause 347A

Clause 28 seeks to amend the Principal Act by the insertion of a new section 347A, so as to mandate a company that becomes aware that a member, director or beneficial owner is a designated or nationally listed person or entity to remove the member, director or beneficial owner and notify the Registrar of the removal without delay.

The clause also mandates the Registrar to notify the National Anti-terrorism Centre of the removal upon receipt of the notification.

It further empowers the Registrar, on the Registrar's own motion, to direct a company to remove a member, director or beneficial owner who becomes a designated or nationally listed person or entity.

The clause further provides a sanction for failure to comply with the provision.

Clause 29: Insertion of Section 356A, 356B and 356C

The clause seeks to amend the Principal Act by insertion of a new section 356A, so as to mandate the Registrar to keep records or books of a de-registered company for a period of ten years from the date that the company is de-registered, dissolved or ceases to exist.

It also seeks to amend the Principal Act by insertion of a new section 356B, so as to mandate a company to obtain and hold beneficial ownership information that is adequate, accurate and up-to-date and provides a sanction for failure to comply with the provision.

Additionally, the clause mandates a company, where the company knows or has reasonable grounds to believe that a natural person is a beneficial owner of the company, to notify the person, in writing, requesting the person to confirm whether that natural person is a beneficial owner of that company. The clause mandates a natural person who confirms the beneficial owner status to provide a basic and beneficial ownership information and any other information to the company as maybe prescribed. The clause provides a sanction for a failure to comply with the provision.

The clause further seeks to amend the Principal Act by the insertion of a new section 356C, so as to facilitate the timely access by a competent authority, law enforcement agency or the Financial Intelligence Centre to the basic and beneficial ownership information held by a public authority or body, other competent authority or reporting entity, which holds basic or beneficial ownership information.

The clause also facilitates for the timely access by a procuring entity to basic and beneficial ownership information on legal person in the course of public procurement.

The clause further exempts a competent authority, procuring entity or the Financial Intelligence Centre from the payment of a fee when accessing basic beneficial ownership held by a public authority or body, other competent authority or reporting entity.

Furthermore, the clause seeks to amend the Principal Act by the insertion of a new section 356D, so as to mandate a nominee director to disclose to the company, among other things, the nominee's status and basis and terms of appointment. The clause mandates a company to submit to the Registrar the information disclosed by the nominee, within fourteen days of the disclosure.

Clause 30: Amendment of Section 370

This clause seeks to amend section 370 of the Principal Act by the insertion of a new subsection (3), so as to facilitate criminal proceedings to be initiated despite the imposition of an administrative penalty for an offence under the Act.

Clause 31: Repeal and Replacement of Section 373

Clause 31 seeks to amend the Principal Act by the repeal of section 373 and the replacement of a new section, so as to provide for a specific general penalty for a natural person and a legal person.

PART II

5.0 CONCERNS RAISED BY STAKEHOLDERS

Stakeholders who appeared before the Committee supported the Bill. However, in doing so, they raised the concerns outlined below.

i. Rejection of Application for Incorporation

Some stakeholders submitted that in order to ensure that the Registrar had grounds to reject an application even where the company secretary may be listed or subject to designation, Clause 6(1)(c) be amended by inclusion of the word '*secretary*' for rejection of an application on account of listing or designation. It was, therefore, proposed that the words read as proposed below: '*a proposed shareholder, beneficial owner, director or secretary is a designated or nationally listed person or entity.*'

ii. Mandate of Registrar

Some stakeholders commended the introduction of section 21A (1) (c), which mandated the Registrar to take prescribed measures to ensure that the basic and beneficial ownership information in the Register of Companies and the Register of Beneficial Owners was adequate, accurate and up-to-date.

In this regard, it was suggested that the Patents and Companies Registration Agency should develop the contemplated measures in readiness for their issuance immediately after the enactment of the Bill to facilitate implementation of the provision.

iii. Records kept at Company's Registered Office

Other stakeholders submitted with concern that the Bill, under Clause 9, only provided for criminal sanctions for breach of this provision. It was, therefore, suggested that a clause be included to provide for administrative penalties for breach, as they were more effective in encouraging compliance.

iv. Declaration in Respect of Beneficial Interest in Shares

Some stakeholders noted that Clause 14 created criminal offences for a person or company that failed to make declarations regarding beneficial owners. They were, however, of the view that Sub-Clause 8 seemed to imply that the administrative penalties could only be imposed where there was a conviction under subsections (6)

and (7). They were, therefore, of the suggestion that the imposition of administrative penalties should not be tied to the conviction but should be a stand-alone provision.

v. Company to Cooperate with Competent Authorities

Other stakeholders submitted that it was not clear, under Clause 15, what the rationale was for providing beneficial ownership information, in an event where there was no relationship with the reporting entity, and there was no underlying transaction. Given the confidential nature of such information, it was important for such sharing to be justified by legitimate interests.

In this regard, it was suggested that the obligation of the company to provide beneficial ownership information to reporting entity should be in the context of an existing relationship between the company and the regulated entity. It was proposed that Subsection 124A(1)(b) should, therefore, read as follows: *‘where it is in an existing business relationship with a regulated entity and there is a change in its beneficial ownership information, cooperate with the reporting entity to provide adequate, accurate, and up-to-date information on the company’s beneficial ownership information in a timely manner.’*

vi. Access to Basic or Beneficial Ownership Information

Some stakeholders submitted that in line with FATF Recommendation 24, the proposed Section 356(C)(1), addressed the issue of access to basic and beneficial ownership information held by a public authority or body, other competent authority or reporting entity. In this regard, it was submitted that rather than placing an obligation on the entity seeking to access the information, the obligation should be placed on the holder of the information to provide timely access to the information sought by a competent authority, law enforcement agency or the Financial Intelligence Centre. It was, therefore, proposed that the section read as follows: *‘A public authority or body, competent authority or reporting entity, which holds basic or beneficial ownership information, shall ensure that it provides timely access to it by a competent authority, law enforcement agency or the Financial Intelligence Centre seeking that information.’*

vii. Reference to a Repealed Law

Some stakeholders had noted that the side note under clause 1 was referring to “Chapter 388,” which was repealed and subsequently replaced, therefore, it could no longer be cited as the basis for the current amendment. They were of the view that the correct reference should, therefore, be “the *Companies Act, No. 10 of 2017*,” being the most recent enactment that replaced the earlier legislation. This would ensure legal accuracy and maintain consistency with standard legislative drafting practices.

viii. Definition of Nominee

Some stakeholders observed that while the definition of “nominee” under Clause 2 was now more detailed, the word “other person” could be stated to mean “shareholder” as this was the person entitled to receive dividends but may nominate another person to receive those dividends. The phrase “other person” should therefore be given more clarity or replaced with “shareholder” to avoid interpretational uncertainty.

PART III

6.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

The Committee notes that all stakeholders who appeared before it, were in support of the Bill. The Committee also supports the Bill and in doing so makes the observations and recommendations outlined below.

i. Reference to a Repealed Law

The Committee notes that the side note, under clause 1 is referring to "Chapter 388," of the Companies Act, which is repealed and subsequently replaced. Therefore, it can no longer be cited as the basis for the current amendment.

The Committee, therefore, recommends that the correct reference should, be "the *Companies Act, No. 10 of 2017*," being the most recent enactment that replaced the earlier legislation. The Committee is of the view that this will ensure legal accuracy and maintain consistency with standard legislative drafting practices.

ii. Clarity of the Word 'Person'

The Committee observes that, while the definition of "nominee" under Clause 2 is enhanced, the word "Person," as provided under Clause 2 (a)(1), should be refined, as this is a person entitled to receive dividends, or nominate another person.

The Committee, therefore, recommends that the phrase 'person' be given more clarity or replaced with "shareholder" to avoid interpretational uncertainty.

iii. Mandate of Registrar

The Committee commends the introduction of section 21A(1)(c) in the bill, which mandates the Registrar to 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.

In this regard, the Committee recommends that the Patents and Companies Registration Agency should develop the contemplated measures in readiness for their issuance immediately after the enactment of the Bill, to facilitate implementation of the provision.

iv. Records Kept at Company's Registered Office

The Committee observes with concern that the Bill, under Clause 9, only provides for criminal sanctions for breach of this provision.

The Committee, therefore, recommends that a Clause be included to provide for administrative penalties for breach, as they are more effective in encouraging compliance.

v. Declaration in Respect of Beneficial Interest in Shares

The Committee notes with concern that Clause 14 of the Bill, creates criminal offences for a person or company that fails to make declarations regarding beneficial owners. It is, however, of the view that Sub-Clause 8 seems to imply that the administrative penalties can only be imposed where there is a conviction under subsections (6) and (7).

The Committee, therefore, recommends that the imposition of administrative penalties should not be tied to the conviction but should be a stand-alone provision.

vi. Access to Basic or Beneficial Ownership Information

The Committee observes that in line with FATF Recommendation 24, the proposed section 356C(1), addresses the issue of access to basic and beneficial ownership information held by a public authority or body, other competent authority or reporting entity. In this regard, the Committee recommends that rather than placing an obligation on the entity seeking to access the information, the obligation should be placed on the holder of the information to provide timely access to the information sought by a competent authority, law enforcement agency or the Financial Intelligence Centre.

7.0 CONCLUSION

The Companies (Amendment) Bill, N.A.B. No. 25 of 2025, represents a positive and significant step toward modernising corporate regulation, enhancing transparency, and strengthening governance standards in Zambia. The Bill's focus on beneficial ownership, share capital requirements, shareholder rights, and prohibition of bearer shares aligns Zambia with international best practices, including anti-money laundering (AML) and corporate governance standards. If complemented by coherent thresholds and definitions, robust sanctions, adequate institutional capacity, clear transitional arrangements and carefully designed access rules, the amendments have the potential to materially enhance Zambia's ability to detect and deter the misuse of corporate structures and shell entities, in line with regional and global standards. Furthermore, these measures are likely to enhance investor confidence, attract responsible investment, and promote a fair and predictable business environment.

In view of the foregoing, the Committee supports the enactment of the Companies (Amendment) Bill, N.A.B. No. 25 of 2025, into law.



Ms Sibeso K Sefulo, MP
CHAIRPERSON

December, 2025
LUSAKA

APPENDIX I

LIST OF NATIONAL ASSEMBLY OFFICIALS

Mr Stephen Chiwota, Director (Financial Committees)
Mr Geoffrey Zulu, Deputy Director (Financial Committees)
Ms Chitalu R Mulenga, Senior Committee Clerk (FC2)
Mr Moses Chuba, Committee Clerk
Mrs Racheal M Kanyumbu, Administrative Assistant
Mr Daniel Lupiya, Senior Committee Assistant
Mr Muyembi Kantumoya, Committee Assistant

APPENDIX II

LIST OF WITNESSES

Anti-Corruption Commission
Bank of Zambia
Bankers Association of Zambia
Competition and Consumer Protection Commission
Financial Intelligence Centre
Ministry of Justice
Ministry of Commerce, Trade and Industry
National Economic Advisory Council
Parliamentary Budget Office
Patents and Companies Registration Agency
Zambia Institute of Chartered Accountants
Zambia Information and Communications Technology
Zambia Revenue Authority
Zambia Chamber of Commerce and Industry