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## BENEFICIAL OWNERSHIP INFORMATION REGULATIONS

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The Companies (Beneficial Ownership Information) Regulations, 2020 came into force on 18 February 2020. This is in line with Section 93A of the Companies Act 2015 which requires a Kenyan incorporated company to disclose information relating to the beneficial owners of the company.

### Who is a beneficial owner?

The regulations define a Beneficial Owner as a person who satisfies the following requirements;

- Holds at least 10% of the issued shares in the company either directly or indirectly;
- Exercises directly or indirectly at least 10% of the voting rights in the company;
- Holds a right directly or indirectly to appoint or remove a director of the company; or
- Exercises significant influence or control directly or indirectly in the company.

### Timeline

The Registrar of Companies operationalized the (BO) E-Register with effect from 13th October. Therefore, every Company was required to comply with the aforementioned provision of the Act and submit a copy of the BO Register within 30 days of its preparation.

For further information on how the Beneficial Ownership Information Regulations will affect your business or assistance on how you can lodge your beneficial Ownership information kindly contact your regular Taxwise Africa analyst or the contacts below.

**The deadline of filling the beneficial Ownership information is 31<sup>th</sup> January 2021.**

### Penalty for Non-Compliance

Section 93 of the Companies Act stipulates that if company fails to keep and lodge a register of its beneficial owners, the company and each officer of the company who is in default commits an offense which if convicted each will be liable to a fine not exceeding Kshs. 500,000.

### Let's talk

For further information on Beneficial Ownership queries kindly contact your regular Taxwise Africa Analyst or the contacts below.

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