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Dear Sir

RE: BENEFICIAL OWNERSHIP

We refer to the abovementioned matter and in particular, your e-mail correspondence dated 2 October 2023, the content of which was noted.

It is commendable that the secretarial fraternity as stakeholders in South Africa's journey in the process of removal from the FATF "grey –listing", provides guidance and inputs with regards to beneficial ownership and compliance therewith.

As mentioned in previous correspondence, the CIPC, is responsible for the development of a beneficial ownership register, containing accurate and up to date data for use by law enforcement agencies in particular, in the fight against money laundering and financing of terror activities.

Certain requirements for beneficial ownership transparency, were set down by the Financial Action Task Force (FATF) in their Mutual Evaluation Report of South Africa, and the beneficial ownership register of each respective Regulator in the area that they are responsible for, was developed and continues to be enhanced to conform to the FATF requirements.

The Department of Trade, Industry and Competition as well as the CIPC is committed to comply with the requirements in terms of beneficial ownership, in line with the mandate provided for in the legislation to establish and maintain a beneficial ownership register in terms of corporate entities regulated by the CIPC.

In order to understand the concept of beneficial ownership transparency and ensure compliance with the legislation, each corporate entity should, as part of their governance processes, take the necessary steps in obtaining the beneficial ownership information that relates to each entity and report such information to the various regulatory bodies, to ensure compliance.

The CIPC as Regulator, cannot and should not provide legal advice to entities in terms of their beneficial ownership structures, but do have a responsibility to educate and guide on the context of the legislation and the compliance requirements in terms of the mentioned legislation. Through the process of publishing guidance notices, frequently asked questions-lists and the hosting of webinars on the subject of beneficial ownership, the CIPC is providing the required guidance.

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With the amendment of section 50 of the Companies Act, to provide for the maintenance and submission (with the CIPC) of the securities register of a company, the Act further provides for prescribed requirements to be established in terms of the content of these registers. The CIPC, as part of the Inter-Departmental Committee on Beneficial Ownership Transparency, is working diligently with other Regulators in developing the prescribed requirements as provided for – Section 50(3A)(b).

In the interim, the Companies Act Regulations (as amended) provides guidance on the content of a company securities register and beneficial interest register – see Regulations 32 and 32A.

There is no conflict in the Act in terms of information sharing as it pertains to beneficial ownership information with law enforcement agencies and other regulatory authorities. In this regard you are referred to the content of Regulation 30(10), which provides for the Commission (in consultation with the Minister and the FIC) to establish the conditions of information sharing and to which persons such information may be shared.

The various webinars, user guides on the register functionality, etc. is aimed at simplifying the legislation as much as possible and to provide guidance in the navigation of the complex beneficial ownership concept. It is however, reiterated that it remains the responsibility of each corporate entity to familiarize themselves with the content of the legislation (as amended), and to make use of the channels of guidance on legislative content as provided by the Commission.

We, confirm that the CIPC is continuously enhancing the established CIPC Beneficial Ownership Register to simplify filing of beneficial ownership information for corporate entities, as much as possible. Webinars, guidance notices, user guidelines and articles on the subject of beneficial ownership, are all tools used by the CIPC to assist corporate entities in meeting their compliance objectives in terms of beneficial ownership.

We trust the above provides some clarity.

Yours sincerely



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Adv Rory Voller  
Commissioner: CIPC  
03 OCTOBER 2023