

## RESPONSE TO THE COMMISSIONERS LETTER

Dear Commissioner,

Thank you for your prompt response dated 03 October 2023 regarding our concerns on beneficial ownership.

We appreciate the CIPC's commitment to the development of a beneficial ownership register and its alignment with the FATF requirements. We understand the importance of this initiative in the fight against money laundering and the financing of terror activities. To this end, we have made a study of beneficial ownership according to FATF as well as all your guidelines.

However, our primary concern still remains the clarity and consistency of the guidance provided by the CIPC. While we acknowledge the efforts made by the CIPC in publishing guidance notices, FAQs, and hosting webinars, we believe there is a need for more specific and detailed guidance on certain aspects of the legislation.

**You mention that the CIPC cannot and should not provide legal advice in terms of beneficial ownership structures. We'd like to draw your attention to Section 188(2) of the Companies Act, where the CIPC is mandated to provide explanatory notices outlining its procedures, or a non-binding opinion on any provision in the act, or apply to court for a declaratory order. Given this mandate, we believe it's within the CIPC's purview to offer clearer guidance on the matter, and we expect you to do so.**

However, if the current stance persists, we'll be compelled to inform stakeholders that, without definitive guidance, it's unfeasible to accurately produce the securities register, with the inclusion of beneficial owners. Given the potential enforcement implications, we earnestly request clear and actionable answers.

If indeed you do not know the answer, there is no reason why you cannot say so. On each and every attempt that we have tried to engage, you have failed to answer, causing a huge amount of wasted time and unhappiness.

**Prescribed Requirements:** You mentioned that the CIPC is working with other regulators to develop the prescribed requirements as provided for in Section 50(3A)(b). Please indicate who the other regulators are so that we can have a better understanding of what is happening. We have no problem in engaging with anyone in order to resolve the impasse. We would appreciate a tentative timeline for when these requirements will be finalized and made available to stakeholders.

**Companies Act Regulations:** While we note the guidance provided in Regulations 30 and 32, we believe there are still ambiguities that need to be addressed, especially in the context of practical implementation as no guidance is given.

**Information Sharing:** We understand that there is no conflict in the Act regarding information sharing. However, we would appreciate further clarity on the conditions under which beneficial ownership information will be shared with law enforcement agencies and other regulatory authorities.

**Webinars and Guidance:** While we value the webinars and guidance provided by the CIPC, we believe there is room for improvement in terms of the depth and specificity of the content. We

would also appreciate more interactive sessions where stakeholders can raise questions and receive direct answers and not be fobbed off.

**CIPC Beneficial Ownership Register:** We commend the CIPC's efforts in enhancing the Beneficial Ownership Register. However, we would like to know more about the upcoming enhancements and how they will simplify the filing process for corporate entities. In the light that we are all in the digital age, we would like to know when there will be engagement in updating the securities register and the BO register electronically from secretarial practitioners' systems, making the whole process easier.

In conclusion, our primary objective remains to ensure that our stakeholders are well-informed and compliant with the legislation. We believe that with clearer and more detailed guidance from the CIPC, this objective can be achieved more efficiently.

We look forward to continued collaboration with the CIPC and hope that our concerns will be addressed in future communications and guidance materials.

Best regards,

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