

Company ownership: Unpacking new record-keeping, reporting requirements

By [Janine Will](#)

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On 1 April 2023, several changes to the Companies Act, 2008 came into force. They arose from the General Laws (Anti-Money Laundering and Combating Terrorism Financing) Amendment Act, 2022 - one of the Acts which were enacted in an effort to avoid the greylisting of South Africa. The goal is to establish and maintain official records of the natural persons who beneficially own or control companies, for the purpose of assisting authorities to detect crime and corruption.



Image source: Jakub Jirsak – [123RF.com](#)

A distinction is made between "affected companies" (regulated companies and the private companies controlled by them) and companies which fall outside that definition. In this article, I will focus on the record-keeping and reporting requirements of companies which fall *outside* the definition of "affected companies".

A company must record in its securities register prescribed information regarding the natural persons who are the beneficial owners of the company (section 50(3A) of the Companies Act). The precise information, the form in which it must be kept, and the time period within which it must be updated after any change, will be prescribed by Regulation.

The company must file a record with the Companies and Intellectual Property Commission (CIPC) regarding the individuals who are the beneficial owners of the company (section 56(12) of the Companies Act) and CIPC will maintain a register of this information. The precise information, the form in which it must be reported, and the time period within which it must be updated after any change, will be prescribed by Regulation.



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In its annual return, the company must include a copy of its securities register (section 33(1)(aA) of the Companies Act). CIPC will make the annual returns available electronically to any person as will be prescribed by Regulation.

Regulated companies and private companies controlled by them ("affected companies") have new record-keeping and reporting requirements in addition to the existing rules regarding reporting to the Takeover Regulation Panel. The company must, among other things, keep a register of the persons who hold beneficial interests in 5% or more of the total number of securities of that class issued by the company and the extent of those beneficial interests. This information will be published in its audited annual financial statements and included in its annual return. Beneficial owners must notify the company when their beneficial interest crosses thresholds (multiples of 5%) and, in turn, the company must notify CIPC for its records.

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