

Guide on Record of Ultimate Beneficial Owner under Section 123A of the Act under Regulation 19A Companies (General Provisions and Forms) Regulations, 2018

Brief

Subsequent to the amendments in Companies (General Provisions and Forms) Regulations, 2018 and section 123A of the Act, **every incorporated company (including a section 42 company) and registered LLP** shall have to provide a declaration of compliance to the registrar with the requirements to obtain, maintain and update UBO information. In case of a listed company, a copy of the said declaration shall also be filed with the Commission.

Further, Regulation 19A of the Companies (General Provisions and Forms) Regulations, 2018 specifies that a member/ natural person may be classified as ultimate beneficial owner by virtue of exercising control through other means, which may be exercised, inter-alia, through close relatives or associates having significant influence or control over the finances or decisions of the company.

Additional particulars relating to the UBOs of subscribers holding **at least 25% of shares**, voting rights or controlling interest shall be obtained and maintained, and a declaration to this effect as required under section 16 of the Companies Act 2017 is required to be provided by the declarant authorized by the subscribers at the time of incorporation of a company in the “Application for Company Incorporation” on Inc. Form-II.

The foreign company shall also have to file a declaration that necessary UBO information at the time of “Registration of Documents of a Foreign Company” has been obtained and is available on record, as specified in FNC. Form-II.

STEPS TO MAKE COMPLIANCE

1. As per **Form 42** (*attached and marked as Annexure A*), by issuing a notice to every member who directly holds at least 25% of shares or voting rights in the company or to the representative of every legal person or legal arrangement which holds at least 25% of shares or voting rights in the company;
2. In reply to the aforesaid notice issued by the company, every person to whom the notice has been issued, shall submit a declaration to the company as per **Form 43** (*attached and marked as Annexure B*), within 14 days of the notice, indicating the name, address and other particulars as specified therein, as are necessary to properly identify the ultimate beneficial owner.

Furthermore, any person becoming a new member subsequently shall also, within a period of 14 days of his name being entered in the register of members, submit the said declaration to the company.

3. The company shall make a note of such declaration in a register of ultimate beneficial owners to be maintained by it for such purpose in the format *attached and marked as Annexure C*.
4. Every company shall, within 15 days from the receipt of declaration received as mentioned above, and thereafter along with its annual return, submit to the registrar concerned **Form 45** (*attached and marked as Annexure D*).

Provided that in case of listed companies, a copy of the said form shall also be filed with the Commission.

5. Where any change occurs in the particulars of ultimate beneficial owner or his ownership of the Company, such person shall, within a period of 14 days from the date of any change, submit a declaration to the company as per **Form 44** (*attached and marked as Annexure E*), stating the nature of change and other particulars as mentioned therein

SUMMARY TABLE FOR COMPLIANCE

Information required to be reported	File by/Issued by	File to/Issued to	Time period
<p>Ultimate beneficial information</p> <p><i>“Ultimate Beneficial Owner” means a natural person who ultimately owns or controls a company, whether directly or indirectly, through at least 25% shares or voting rights or by exercising effective control in that company through such other means, as may be specified</i></p>	Form 42 to be issued by Company	Form 42 to be issued to every member/shareholder who directly holds at least 25% of shares or voting rights in the company or to the representative of every legal person or legal arrangement which holds at least 25% of shares or voting rights in the company.	Immediately
	Form 43 to be sent by the member/shareholder	To the Company	Within 14 days of Form 42 issuance
	Based on info. received, Form 45 to be submitted by the Company .	<ul style="list-style-type: none"> • Registrar; and • Commission in case of Listed Co. 	Within 15 days from the receipt of Form 43/Form 44, and thereafter along with annual return of the Company .

Other Important Information

Circular No, 16 of 2018 dated August 29, 2018 and Circular 20 of 2018 dated November 01, 2018 have been repealed vide amendments in the Companies (General Provisions and Forms) Regulations, 2018 and are no longer effective. Therefore, the company shall be required to maintain record of ultimate beneficial owners under the existing minimum threshold (25%) of ownership or control as specified under section 123A of the Companies Act, 2017 read with Regulation 19A of the Companies (General Provisions and Forms) Regulations, 2018.

FAQs by SECP

<https://www.secp.gov.pk/document/faqs-on-ultimate-beneficial-ownership-2/?wpdmdl=40815&refresh=5feac6d85503c1609221848>

RHZ CONTACT

- FOR CLIENTS WITH ALPHABETS: A, E, F, G, H, I, J, U, V, W, X, Y, Z | Mukesh Kumar (Ext. 142).
- FOR CLIENTS WITH ALPHABETS: B, C, D, K, L, M, N, O, P, Q, R, S, T | Muhammad Ali Zubair (Ext. 140).

The information contained in herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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THE COMPANIES ACT, 2017
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018
[Section 123A(1) and Regulation 19A(1)]

**NOTICE TO MEMBERS FOR PROVIDING PARTICULARS OF ULTIMATE
BENEFICIAL OWNERS**

<<Insert Date>>

[By post/email]

To: Name and address of member

Date:

Subject: Notice under regulation 19A of the Companies (General Provisions and Forms) Regulations, 2018 (“the Regulations”)

1. Take Notice that sub-regulation (2) of Regulation 19A of the Regulations requires every member of the company who is not the ultimate beneficial owner and who directly holds at least 25% shares or voting rights in the company to submit a declaration to the company providing information and particulars of the ultimate beneficial owner(s), as defined in Regulations.
2. Sub-regulation (7) of regulation 19A defines an ultimate beneficial owner as a natural person who ultimately owns or controls a company, whether directly or indirectly, through at least twenty five percent of shares or voting rights or by exercising effective control in that company through other means. Exercise of control through other means may be exercised through a chain of ownership or through close relatives or associates having significant influence or control over the finances or decisions of the company.
3. Sub-section (3) of section 123A of the Companies Act, 2017 (the “Act”) provides, *inter-alia*, that any contravention or default in complying with requirement of the said section shall be liable in case of a director or officer of the company or any other person, to a penalty which may extend to one million rupees.

4. Accordingly, in case you do not hold beneficial interest in the shares or voting rights in the Company yourself, please submit the following information about the ultimate beneficial owner(s) of the company, as defined in the Regulations, on whose behalf you are holding such interest, within fourteen days of the date of this notice in accordance with regulation 19A(2) of the Regulations, failing which the company will proceed in the matter without further notice as per the provisions of the Act and the Regulations*:

1. Name
2. Father's Name/Spouse's Name
3. CNIC/NICOP/Passport no. alongwith date of issue (attach copy)
4. Nationality
5. Country of origin (in case of foreign national or dual national)
6. Usual residential address
7. Email address
8. Date on which shareholding, control or interest acquired in the company
9. In case of indirect shareholding, control or interest being exercised through intermediary companies, entities or other legal persons or legal arrangements in the chain of ownership or control, following additional particulars to be provided:

Name	Legal form (Company/LLP/ Partnership Firm/ Trust/Any other body corporate (to be specified))	Date of incorporation/ registration	Name of registering authority	Business Address	Country	Email address	Percentage of shareholding, control or interest of UBO in the legal person or legal arrangement	Percentage of shareholding, control or interest of legal person or legal arrangement in the Company	Identity of Natural Person who ultimately owns or controls the legal person or arrangement
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)

10. Any other information incidental to or relevant to enable the company to evaluate this matter.

Name & signature

(Person authorized to issue notice on behalf of the company)

* In case the government or any company or body corporate owned or controlled by it is a member of a company, the particulars required vide this para shall be provided in respect of the senior management official(s) nominated by the said government on the board of directors or governing body of the said company or body corporate, to the extent of investment of the government in the company.

THE COMPANIES ACT, 2017
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018
[Section 123A(1) and Regulation 19A(2)]

DECLARATION BY MEMBER ABOUT ULTIMATE BENEFICIAL OWNERS

(To be submitted to the company by every member as specified under regulation 19A(1) or regulation 19A(2))

Name of Company _____

CUIN _____

Presented by _____

I _____ do solemnly declare as follows;

1. I _____ having _____ CNIC/Passport No.* _____ and having address at _____ am a person whose name is entered in the register of members of < name of the company > as the holder of _____ (state the percentage of shares or controlling interest) in the company.

2. I (became the holder of the shares)/(acquired control/interest)* in the company on the following date(s) and continue as such at the date of this declaration:

Number and classes of shares/nature of control/interest in the company	Date of becoming a member of the company

3. I (myself hold/do not hold) [___] %percentage in the said share(s) or controlling interest in the company.

4. The particulars of the ultimate beneficial owner(s), as defined¹ in the Companies (General Provisions & Forms) Regulations 2018, in respect of the aforesaid number of shares/control/ interests, is/are:**

¹ Sub-regulation (7) of regulation 19A defines an ultimate beneficial owner as a natural person who ultimately owns or controls a company, whether directly or indirectly, through at least twenty five percent shares or voting rights or by exercising effective

1. Name									
2. Father's Name/Spouse's Name									
3. CNIC/NICOP/Passport no. alongwith date of issue (copy attached)									
4. Nationality									
5. Country of origin (in case of foreign national or dual national)									
6. Usual residential address									
7. Email address									
8. Date on which shareholding, control or interest acquired in the company									
9. Date on which shareholding, control or interest acquired in the company from former ultimate beneficial owner									
10. In case of indirect shareholding, control or interest being exercised through intermediary companies, entities or other legal persons or legal arrangements in the chain of ownership or control, names and particulars are as follows:									
Name	Legal form (Company/LLP/ Partnership Firm/Trust/ Any other body corporate (to be specified))	Date of incorporation/ registration	Name of registering authority	Business Address	Country	Email address	Percentage of shareholding, control or interest of UBO in the legal person or legal arrangement	Percentage of shareholding, control or interest of legal person or legal arrangement in the Company	Identity of Natural Person who ultimately owns or controls the legal person or arrangement
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
11. Any other information incidental to or relevant to enable the company to evaluate this matter									

And I make this solemn declaration conscientiously believing the same to be true.

This _____ day of _____, 20_____

Name & signature

control in that company through other means. 'Control through other means' may be exercised through a chain of ownership or through close relatives or associates having significant influence or control over the finances or decisions of the company.

* Delete whichever is inapplicable

** Please provide information required under para 4 if you are a:

- (i) Legal person, i.e. not an individual or natural person; or
- (ii) Natural person, but do not yourself hold [] % of shares or interest in the company.

Note: 1. The form of declaration may be modified or adapted to the circumstances in which the non-beneficial owner is a body corporate or in which there is more than one non-beneficial owner in respect of a particular share.

2. Please add further columns to the table in para 4 above depending upon the number of ultimate beneficial owners of the company

Annexure C

- (i) Name
- (ii) Father's Name/Spouse's Name
- (iii) CNIC/NICOP/Passport no. along with date of issue
- (iv) Nationality
- (v) Country of origin (in case of foreign national or dual national)
- (vi) Usual residential address
- (vii) Email address
- (viii) Date on which shareholding, control or interest acquired in the company
- (ix) Date on which shareholding, control or interest acquired in the company from former ultimate beneficial owner
- (x) In case of indirect shareholding, control or interest being exercised through intermediary companies, entities or other legal persons or legal arrangements in the chain of ownership or control, the company shall take reasonable measures to obtain names and particulars of the ultimate beneficial owner of the legal persons or arrangements, as specified below. If there is no natural person, it should obtain the particulars of relevant natural person who holds the position of senior managing official:

Name	Legal form (Company /LLP/Part nership Firm/Trust/Any other body corporate (to be specified))	Date of incorporation/ registration	Name of registering authority	Business Address	Country	Email address	Percentage of shareholdin g, control or interest of UBO in the legal person or legal arrangeme nt	Percentage of shareholding , control or interest of legal person or legal arrangement in the Company	Identity of Natural Person who ultimately owns or controls the legal person or arrangement
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)

Any other information incidental to or relevant to enable the company to evaluate this matter.

THE COMPANIES ACT, 2017
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018
[Section 123A(2) and Regulations 19A(5)]

DECLARATION OF COMPLIANCE WITH THE PROVISIONS OF SECTION 123A OF
THE COMPANIES ACT, 2017

PART I

- 1.1 CUIIN (Registration No.)
- 1.2 Name of the Company
- 1.3 Fee Payment Details
- 1.3.1 Challan No.
- 1.3.2 Amount

PART II

2.1 Compliance against notice issued under sub-regulation (1) of Regulation 19A:

Sr. No.	Particulars	Response
i.	The Company in <month> has issued, a notice as per Form 42 to every member directly holding at least twenty five percent of shares or voting rights in the company or to the representative of every legal person or legal arrangement which holds at least twenty five percent of shares or voting rights in the Company, to obtain information of its ultimate beneficial owners, in compliance with sub-regulation (1) of regulation 19A. The total number of notices issued is _____.	Yes/No
ii.	If reply to (i) is Yes,	Yes/No
	The Company has received declarations as per Form 43 from the members/persons to whom notices have been issued, as required under sub-regulation (2) of regulation 19A:	

	<p>Total no. of members directly holding at least twenty five percent of shares or voting rights in the company and representatives of legal persons or legal arrangements holding twenty five percent of shares or voting rights in the company, as on the date of Form 45: _____</p> <p>No. of members or Hsubmitting the declarations against the notice(s) issued is: _____</p> <p>No. of members or representatives who have failed to submit the declaration against the notice(s) issued is: _____</p>	
iii. If reply to (ii) is Yes,	The Company has noted accurate particulars of its ultimate beneficial owners, received from the persons vide declaration as per Form 43, in a register of ultimate beneficial owners, as specified under sub-regulation (4) of regulation 19A, and in compliance with the provisions of sub-section (2) of section 123A of the Act.	Yes/No
iv.	The board of directors of the Company has authorized its chief executive officer or one of its directors or officers to provide the information required under sub-regulation (6) of regulation 19A to the registrar or any other authority or agency pursuant to the powers to call for information entrusted by law to such authority or agency, and to provide further assistance as may be required.	Yes/No
v. If reply to (iv) is yes,	The Company has nominated the following officer, as required in terms of sub-regulation (6) of regulation 19A:	1. Name _____ 2. Father's Name _____ 3. Designation _____ 4. NIC No. _____ 5. Cell No. _____ 6. Email address _____ 7. Usual residential address _____

PART III

3.1 Compliance in respect of induction of new members in terms of sub-regulation (2) or changes in particulars of ultimate beneficial owners in terms of sub-regulation (3) of Regulation 19A:

Sr. No.	Particulars	Response
i.	The Company has received, during the <year>, declaration filed by the new members in Form 43, or declaration(s) for changes in the beneficial ownership or controlling interest from the member(s) in Form 44, as required under sub-regulation (2) or sub-regulation (3) of regulation 19A, respectively.	Yes/No
ii. If reply to (i) is Yes,	The Company has noted the accurate and updated particulars of its ultimate beneficial owners received through declaration(s) during the <year> in the register of ultimate beneficial owners, as specified under sub-regulation (4) of regulation 19A, and in compliance with the provisions of sub-section (2) of section 123A of the Act.	Yes/No
iii.	The board of directors of the Company has authorized its chief executive officer or one of its directors or officers to provide the information required under sub-regulation (6) of regulation 19A to the registrar or any other authority or agency pursuant to the powers to call for information entrusted by law to such authority or agency, and to provide further assistance as may be required.	Yes/No
iv. If reply to (iii) is yes,	The Company has nominated the following officer, as required in terms of sub-regulation (6) of regulation 19A	1. Name _____ 2. Father's Name _____ 3. Designation _____ 4. NIC No. _____ 5. Cell No. _____ 6. Email address _____ 7. Usual residential address _____

THE COMPANIES ACT, 2017**THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018****[Section 123A(2) and Regulation 19A(3)]****DECLARATION BY MEMBER ABOUT CHANGE OF ULTIMATE BENEFICIAL OWNERS OR PARTICULARS THEREOF**

Name of Company _____

CUIN _____

Presented by _____

1. This is to declare that I (name of member in block letters) having CNIC/Passport No.* _____ and having address at _____ am a person whose name was entered in the register of members of (name of the company) as the holder of (state the number and classes of shares/extent of voting rights/control rights etc.) in the company on _____.

2. With effect from the (date-----), the (natural person(s)/particulars of the natural persons)* who ultimately holds the beneficial ownership in the company (has/have)* been changed to:

1. Name of ultimate beneficial owner/former ultimate beneficial owner	
2. Number and class of shares or voting rights held	
3. Name of the new ultimate beneficial owner	
4. Father's Name/Spouse's Name	
5. CNIC/NICOP/Passport no. alongwith date of issue (copy attached)	
6. Nationality	
7. Country of origin (in case of foreign national or dual national)	
8. Usual residential address	
9. Email address	
10. Date on which shareholding, interest or control acquired in the company from former ultimate beneficial owner	

11. In case of indirect shareholding, control or interest being exercised through intermediate companies, entities or other legal persons or legal arrangements in the chain of ownership or control, names and particulars are as follows:

Name	Legal form (Company/LLP/Partnership Firm/Trust/Any other body corporate (to be specified))	Date of incorporation/ registration	Name of registering authority	Business Address	Country	Email address	Percentage of shareholding, control or interest of UBO in the legal person or legal arrangement	Percentage of shareholding, control or interest of legal person or legal arrangement in the Company	Identity of Natural Person who Ultimately owns or controls the legal person or arrangement
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)

12. Any other information incidental to or relevant to enable the company to evaluate this matter

And I make this solemn declaration conscientiously believing the same to be true.

This _____ day of _____, 20____

Name & signature

* Delete whichever is inapplicable

Note: 1. The form of declaration may be modified or adapted to the circumstances in which the non-beneficial owner is a body corporate or in which there is more than one non-beneficial owner in respect of a particular share.

2. Please add further columns to the table in para 2 above depending upon the number of ultimate beneficial owners of the company