

**THE COMPANIES (AMENDMENT)**

**BILL, 2025**

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**MEMORANDUM**

The object of this Bill is to amend the Companies Act so as to -

- (a) enhance the provisions relating to disclosure of beneficial ownership information;
- (b) introduce new measures to enhance compliance with the minimum number of shareholders or directors and minimum prescribed share capital;
- (c) introduce the requirement to disclose nominee status of a shareholder or director;
- (d) prohibit the issuance of bearer shares and share warrants;
- (e) enhance enforcement provisions under the Act; and
- (f) provide for matters connected with, or incidental to, the foregoing.

**M. D KABESHA,**  
**ATTORNEY-GENERAL**

**GOVERNMENT OF ZAMBIA**

**A BILL**

**ENTITLED**

An Act to amend the Companies Act

		<b>ENACTED</b> by the Parliament of Zambia
Short title  Act No. 10 of 2017	1.	This Act may be cited as the Companies (Amendment) Act, 2025, and shall be read as one with the Companies Act, in this Act referred to as the principal Act.
Amendment of section 3	2.	Section 3 of the principal Act is amended by –  (a) the deletion of the definitions of “beneficial owner”, “control” and “substantial interest”; and  (b) the insertion of the following new definitions in the appropriate places:  “accurate information” means information that has been verified for the accuracy of the identity and status of the beneficial owner using reliable and independently obtained documents, data or any other information;  “adequate information” means information that is specified under section 12(3)(e) to identify the natural person who is the beneficial owner and the means and mechanisms through which that natural person exercises beneficial ownership or control;  “basic information” means the information specified under section 30;  “bearer share” means a share owned by whoever physically holds the share certificate, despite the transfer of ownership of the share not being recorded in the shareholder register of a company;

Act No. of 46  
of 2010

“bearer share warrant” means a negotiable instrument that accords ownership in a company to the person who has possession of a share certificate for a bearer share;

“beneficial owner” means a natural person—

- (a) who directly or indirectly ultimately owns more than five percent of the issued shares or any other interest of the company;
- (b) who exercises ultimate effective control over a company, directly or indirectly.
- (c) on whose behalf a transaction is conducted.

“beneficiary” in relation to a trust means the natural or legal person who is entitled to the benefit of any trust arrangement or other type of legal arrangement;

“competent authority” has the meaning assigned to the words under the Financial Intelligence Centre Act, 2010;

“control” means the control of a company by a natural person who—

- (a) is entitled to vote a majority of the votes that may be cast at a meeting of the company, directly or indirectly;
- (b) has the ability to control, either directly or indirectly, the voting of a majority of the votes cast at a meeting;
- (c) is able to appoint or to veto the appointment of a majority of the directors of the company;
- (d) derives substantial economic benefit from the company;
- (e) has direct or indirect control over significant decisions of the company, including the management of the company and decisions relating to borrowing, amending the business plan or nature of business; or

		<p>(f) exercises control through any other means as may be prescribed.</p> <p>“de-registration” means the removal by the Registrar of a company from the Register of Companies;</p> <p>“foreign counterpart” means a foreign competent authority that exercises similar responsibilities and functions with the Agency in relation to the co-operation that is sought;</p> <p>“foreign designated authority” includes a foreign counterpart or an authority designated for the receipt, requesting, analysis and dissemination of disclosures of beneficial owners in a foreign country;</p> <p>“foreign legal arrangements with sufficient links to the Republic” means a foreign created legal arrangement that -</p>
<p>Act No. 46 of 2010</p>		<p>(a) has significant and ongoing business relationships with a reporting entity in the Republic;</p> <p>(b) has significant real estate or other local investment in the Republic;</p> <p>(c) is subject to taxation in the Republic; or</p> <p>(d) owns or controls a company or legal arrangement established within the Republic.</p>
<p>Act No. 46 of 2010</p>		<p>“law enforcement agency” has the meaning assigned to the words in the Financial Intelligence Centre Act, 2010;</p> <p>“legal arrangement” means a trust or any other similar legal arrangement;</p> <p>“nominator” means the person who issues instructions directly or indirectly to a nominee</p>

<p>Act No. 46 of 2010</p> <p>Act No. 46 of 2010</p>		<p>to act on that person’s behalf in the capacity of a director or shareholder;</p> <p>“reporting entity” has the meaning assigned to the word in the Financial Intelligence Centre Act, 2010;</p> <p>“sanctioned person” means a person on whom sanctions relating to money laundering, terrorist financing or any other financial crime have been imposed by a national or international authority;</p> <p>“supervisory authority” has the meaning assigned to the words in the Financial Intelligence Centre Act, 2010; and</p> <p>“up to date information” means information which is as current and up to date as possible, and is updated within a reasonable period as may be prescribed.</p>
<p>Amendment of section 9</p>	<p>3.</p>	<p>The principal Act is amended in section 9 by the deletion of subsection (1) and the substitution thereof with the following:</p>
		<p>(1) A private company limited by shares shall have share capital and the articles shall state the—</p> <p>(a) rights, privileges, restrictions and conditions attaching to each class of shares; and</p> <p>(b) authority given to the directors to determine the number of shares in, the designation of, and the rights, privileges, restrictions and conditions attaching to each series, in a class of shares.</p>
<p>Amendment of section 12</p>	<p>4.</p>	<p>Section 12 of the principal Act is amended –</p> <p>(a) in subsection (3), by the deletion of paragraph (e) and the substitution therefor of the following:</p> <p>(e) a statement of beneficial ownership which shall state, in respect of each beneficial owner-</p>

		<ul style="list-style-type: none"> <li>(i) the full name;</li> <li>(ii) the date of birth;</li> <li>(iii) the nationality;</li> <li>(iv) the national identity number;</li> <li>(v) the country of residence;</li> <li>(vi) the residential address;</li> <li>(vii) the mobile number;</li> <li>(viii) the email address;</li> <li>(ix) Prominent Influential Person (PIP) status, where applicable; and</li> <li>(x) any other particulars as may be prescribed.;</li> </ul> <p>(c) by the insertion immediately after paragraph (e) of the following new paragraph:</p> <p style="padding-left: 40px;">(f) where a company is a State-owned enterprise or public limited company, the beneficial ownership information to be declared shall be as prescribed by the Minister;;</p> <p>(d) by the renumbering of paragraph (f) as paragraph (g); and</p> <p>(e) by the deletion of the newly numbered paragraph (g) and the substitution thereof of the following:</p> <p style="padding-left: 40px;">(g) a declaration by the applicants that the particulars stated in accordance with paragraphs (e) and (f) have been submitted to the Registrar with the knowledge of the individuals to whom the particulars relate</p>
Insertion of section 14A	5.	The principal Act is amended by the insertion of the following new section immediately after section 14:
Prohibition of use of company name without incorporation or registration	14A	<ul style="list-style-type: none"> <li>(1) A person shall not use a company name without a certificate of incorporation or registration issued under this Act.</li> <li>(2) A person who contravenes subsection (1) commits an offence and is liable, on conviction, to a fine not exceeding three hundred thousand penalty units or to</li> </ul>

		imprisonment for a term not exceeding three years, or to both.
Amendment of section 19	6.	Section 19 of the principal Act is amended by the deletion of subsection (1) and the substitution therefor of the following new subsection:  (1) The Registrar shall reject an application for incorporation of an entity where—  (a) an applicant does not meet the requirements of this Act; (b) an applicant submits false information in the application for incorporation; or (c) a proposed shareholder, beneficial owner or director of the entity is a sanctioned person.
Amendment of section 21	7.	Section 21 of the principal Act is amended –  (a) by the deletion of subsection (1) (a) and the substitution therefor of the following: (a) chronological record of the particulars as provided in this Act in relation to the company, and of any other particulars as may be prescribed; and (b) in subsection (2) (b) (i), by the insertion after the word “name” of the following words: “and designation number”.
Insertion of sections 21A and 21B	8.	The principal Act is amended by the insertion of the following new sections immediately after section 21:
Registrar to ensure information in Register of Companies	21A.	(1) The Registrar shall periodically review and verify the basic information included in the Register of Companies and the Register of Beneficial Owners maintained in accordance with section

<p>and Register of Beneficial Owners remains adequate, accurate and up to date</p>		<p>21, and take required measures, including sending a request, in the prescribed manner and form, to a company or the beneficial owner concerned to ensure that the basic or beneficial owner information in the Register of Companies and the Register of Beneficial Owners is adequate, accurate and up to date.</p> <p>(2) A company or beneficial owner that receives a request under subsection (1) shall comply with the request within thirty days from the date of receipt of the request.</p> <p>(3) Where a company or beneficial owner fails to comply with the request under subsection (1), the Registrar shall impose a penalty not exceeding three hundred penalty units for each day that the failure to comply continues.</p> <p>(4) Where a company fails to comply with the request under subsection (1), the Registrar shall insert a note in the Register of Companies or the Register of Beneficial Owners indicating that the information is not adequate, accurate or up to date.</p> <p>(5) If after a period of six months from the date of insertion of the note under subsection (4), the company fails to provide adequate, accurate and up to date basic or beneficial ownership information, the Registrar shall initiate the necessary measures to de-register the company in accordance with section 317.</p> <p>(6) The Registrar shall de-register a company in accordance with section 317 where a shareholder, director or beneficial owner becomes a sanctioned person.</p>
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<p>Number of members falling below prescribed minimum</p>	<p>21B.</p>	<p>Where the number of members of a company reduces below the minimum of two members and the company carries on business-</p> <ul style="list-style-type: none"> <li>(a) for more than six months with one member, a member or officer of the company who was aware that the business was being carried on with only one member shall be severally liable for the payment of all the debts and liabilities of the company incurred after the end of six months; and</li> <li>(b) for one year – <ul style="list-style-type: none"> <li>(i) the company, member and each officer of the company who was aware that the business was being carried on with only one member shall be liable to pay a prescribed fee;</li> <li>(ii) the Registrar shall deregister the company in accordance with section 317 where the company fails to pay the prescribed fee in clause (i)</li> </ul> </li> </ul>
<p>Amendment of section 30</p>	<p>9.</p>	<p>Section 30 (1) of the principal Act is amended by the deletion of paragraph (b) (i) and the substitution therefor of the following:</p> <ul style="list-style-type: none"> <li>(b) a register of- <ul style="list-style-type: none"> <li>(i) members indicating - <ul style="list-style-type: none"> <li>(aa) in the case of a registered member who is a nominee, the details of the nominator; and</li> <li>(bb) separately for each class of ordinary or preference shares, the number of ordinary or preference shares held by each member, including a nominee shareholder residing within or outside the Republic;</li> </ul> </li> </ul> </li> </ul>

Amendment of section 31	10.	<p>Section 31 of the principal Act is amended by-</p> <p>(a) the insertion of the following new subsections immediately after subsection (4):</p> <p>(5) A nominee director shall disclose the nominee status, identity of the nominator and basis and terms of appointment to the company within fourteen days from the date of appointment.</p> <p>(6) The particulars of the nominator to be disclosed are those referred to under subsection (2).</p> <p>(7) The company shall include the identity of the nominee and the nominator in the register of directors and secretaries and disclose this information to the Registrar within fourteen days from the date of receipt of the information.</p> <p>(8) The Registrar shall include the information received under subsections (5) and (7) in the Register of Companies and make this information available to the public upon payment of a prescribed fee.; and</p> <p>(b) the renumbering of subsection (5) as subsection (9).</p>
Amendment of section 83	11.	<p>Section 83 of the principal Act is amended by the deletion of paragraph (d) and the substitution therefor of the following new paragraph:</p> <p>(d) ensuring that the company maintains and updates information on the beneficial owners of the company;</p>
Repeal and replacement of section 90	12.	<p>The principal Act is amended by the repeal of section 90 and the substitution therefor of the following:</p>

Number of directors falling below prescribed minimum	90.	<p>If a company carries on business with less than the minimum number of directors specified under section 85(2)(a) or (b) for a period of –</p> <p>(a) more than ninety days, the company and each officer of the company commit an offence and are liable, on conviction, to a fine not exceeding two hundred thousand penalty units; and</p> <p>(b) one year, the Registrar shall de-register the company in accordance with section 317.</p>
Amendment of section 123 (Declaration of beneficial ownership interest)	13.	<p>Section 123 of the principal Act is amended –</p> <p>(a) by the deletion of subsection (1) and the renumbering of subsection (2) to (9) as subsection (1) to (8) accordingly.</p> <p>(b) by deletion of subsection (2)(a) and the substitution thereof of the following new paragraph:  (a)the nature of the ownership interest held or control exercised.</p>
Insertion of sections 124A and 124B	14.	<p><del>The principal Act is amended by the insertion of the following new sections immediately after section 124:</del></p>
Risk assessment of legal persons, trusts and legal arrangements	—124A.	<p><del>— A competent authority shall conduct an assessment of money laundering or terrorist financing risks—</del></p> <p><del>(a) associated with the different types of legal persons in the Republic to which the Republic is exposed and associated with different types of foreign companies;</del></p> <p><del>(b) associated with the different types of trusts and other legal arrangements governed under any written law in the Republic;</del></p> <p><del>(c) associated with the different types of trusts and other legal arrangements which are administered in the Republic or for which the trustee resides in the Republic; and</del></p>

		<del>(d) associated with different types of foreign legal arrangements that have sufficient links with the Republic.</del>
Company to cooperate with competent authority or reporting entity	124B.	<p>(1) A company shall-</p> <p>(a) cooperate with a competent authority to the fullest extent possible in determining the beneficial owner of the company;</p> <p>(b) upon receipt of a request from a competent authority, provide adequate, accurate and up to date beneficial ownership information to the competent authority within the timeframe and in the format referred in the request; and</p> <p>(c) provide adequate, accurate and up-to-date beneficial ownership information when establishing a business relationship or executing an occasional transaction with a reporting entity and notify that reporting entity about any changes to the beneficial ownership information with an indication of when the change occurred, within fourteen days from the date the company became aware of the change.</p> <p>(2) A company that fails to comply with subsection (1) is liable to pay the Agency a fine of one hundred thousand penalty units.</p> <p>(3) An officer of the company who fails to comply with subsection (1) commits an offence and is liable upon conviction to a fine not exceeding two hundred and fifty thousand penalty units or to imprisonment for a period not exceeding two years or both.</p>
Amendment of section 139	15.	Section 139 of the principal Act is amended by the insertion of the following subsection immediately after subsection (2):

		<p>(4) If a company carries on business with less than the prescribed share capital for a period of –</p> <p>(a) more than ninety days, the company and each officer of the company commit an offence and are liable, on conviction, to a fine not exceeding two hundred thousand penalty units; and</p> <p>(b) two consecutive years, the Registrar shall de-register the company in accordance with section 317.</p>
Insertion of section 157A	16.	The principal Act is amended by the insertion of the following new section immediately after section 157:
<p>Prohibition of issuance of bearer shares and share warrant</p> <p>Cap. 388</p> <p>Act No. 26 of 1994</p> <p>Act No. of 2025</p>	157A	<p>(1) A company shall not issue a bearer share or bearer share warrant.</p> <p>(2) A bearer share or bearer share warrant issued in contravention of this section shall be void.</p> <p>(3) A holder of a bearer share or bearer share warrant issued under the repealed Act, 1994, shall within six months from the date of coming into force of the Companies (Amendment) Act, 2025, notify the company about the bearer share or bearer share warrant.</p> <p>(4) The company shall on receipt of the notification under subsection (3) convert the bearer share or bearer share warrant into any of the shares issued under the Act and record in the register of members-</p> <p>(a) the identity of the holder of the bearer share or bearer share warrant; and</p> <p>(b) the rights attached to the converted share.</p> <p>(5) The company shall on conversion of the bearer share or bearer share warrant under subsection (4) lodge with the</p>

		<p>Registrar an application for conversion in the prescribed manner and form on payment of the prescribed fee.</p> <p>(6) The application for conversion referred to in subsection (5) shall contain adequate beneficial ownership information specified in section 12(3)(e).</p> <p>(7) A right attached to the bearer share or bearer share warrant shall not be exercised unless the bearer share or bearer share warrant is converted into a registered share.</p> <p>(8) Upon the expiry of the period stated in subsection (3), a bearer share or bearer share warrant that has not been converted into a registered share shall become void.</p> <p>(9) This section shall apply despite any contrary provision in the articles of the company.</p> <p>(10) A company which contravenes this section commits an offence and is liable, on conviction, to a fine not exceeding three hundred thousand penalty units or to imprisonment for a term not exceeding three years, or to both.</p>
Insertion of section 198A	17.	The principal Act is amended by the insertion of the following new section immediately after section 198:
Company to ensure basic and beneficial ownership information is adequate, accurate and up to date	198A.	<p>(1) A company shall ensure that basic and beneficial ownership information referred to under sections 30, 31 and 195 is adequate, accurate and up to date.</p> <p>(2) A company shall give written notice to a natural person that the company knows or has reasonable grounds to believe is a beneficial owner of the company and require that natural person to-</p> <p>(a) state whether the natural person is a beneficial owner of the company; and</p>

		<p>(b) if applicable, provide the information referred to under sections 12(3)(e), 123 and 195 and any other information as may be prescribed.</p> <p>(3) A person who receives the notice under subsection (2) shall respond in writing and provide the requested information within fourteen days from the date that the notice was received.</p> <p>(4) A company that fails to comply with subsection (1) is liable to pay the Agency a fine of one hundred thousand penalty units.</p> <p>(5) A person who fails to comply with subsection (2) commits an offence and is liable upon conviction to a fine not exceeding two hundred and fifty thousand penalty units or to imprisonment for a period not exceeding two years or both.</p>
Amendment of section 257	18.	The principal Act is amended in section 257 – by the deletion of subsection (3) and the substitution thereof with the following:
	257(4)	<p>(3) In respect of an audit of a public company, an individual shall not be engaged for a period of more than seven cumulative years in any of the following roles –</p> <p>(a) as the engagement partner;</p> <p>(b) as the individual appointed to perform the engagement quality review; or</p> <p>(c) in any other key audit partner role.</p> <p>(b) by the insertion immediately after subsection (3) of the following new subsection:</p> <p>(4) After the period referred to in subsection (3), the individual shall</p>

		serve a cooling-off period of five years.
Repeal and replacement of section 273	19.	The principal Act is amended by the repeal of section 273 and the substitution therefor of the following:
Documents lodged with annual return of company	273.	A company shall lodge with the Registrar, together with the annual return – (a) in the case of a public company, a certified copy of every financial statement, statement of comprehensive income, group accounts, directors’ report and auditors’ report sent to members and debenture holders since the last annual return was made; or (b) in the case of a private company, financial statements.
Amendment of section 317	20.	Section 317 of the principal Act is amended - (a) in subsection (1) by the deletion of paragraph (b) and the substitution therefor of the following new paragraph: (b) Court issues an order that the company be de-registered; (b) in paragraph (c) by the deletion of the word “or” at the end of the paragraph; (c) in paragraph (d) by the deletion of the full stop and the substitution therefor of a semi colon; and (d) by the insertion of the following new paragraphs immediately after paragraph (d):  (e) company operates with less than two members for more than one year; (f) company operates with less than two directors for more than one year; (g) company operates below the prescribed minimum share capital for two consecutive years;

		<p>(h) the company, shareholder, director or beneficial owner has become a sanctioned person and no remedial measures have been taken by the Company within fourteen days of being made aware of that status.</p> <p>(i) shareholder, director or beneficial owner of the company is a sanctioned person.;</p> <p>(b) by the deletion of subsection (7) and the substitution therefor of the following:</p> <p>(7) The Registrar shall, on the de-registration of a company, in accordance with this section—</p> <p>(a) publish a notice of the de-registration in the prescribed form on the Agency’s official website, in a bulletin issued by the Agency, the <u>Gazette</u> or any other media of general circulation in the Republic; and</p> <p>(b) take any additional steps necessary to inform the public of the de-registration of the company.; and</p> <p>(c) by deletion of subsection (9)</p>
Amendment of section 318	21.	<p>Section 318 of the principal Act is amended -</p> <p>(a) by the deletion of subsections (3) and (4) and the substitution therefor of the following new subsections:</p> <p>(5) The Registrar shall cause to be published form a notice of voluntary de-registration of a company on the Agency’s official website, in a bulletin issued by the Agency, the <u>Gazette</u> or any other media of general circulation in the Republic.</p> <p>(4) The notice referred to under subsection (3) shall remain valid for ninety days.</p>

		<p>(5) After the expiration of ninety days from the publication of the notice referred to under subsection (3), the Registrar shall, unless cause to the contrary is shown, de-register the company and issue a certificate of de-registration.; and</p> <p>(b) by the renumbering of subsection (5) as subsection (6).</p>
Insertion of 319A	22.	The principal Act is amended by the insertion of the following new section immediately after section 319:
Restoration of de-registered company by Registrar	319A	<p>(1) A former director or former member of a company that was de-registered pursuant to sections 317 or 318 may make an application to the Registrar to restore the de-registered company to the Register of Companies in the prescribed manner and form on payment of the prescribed fee.</p> <p>(2) The application referred to under subsection (1) shall be made within ten years from the date of de-registration of the company.</p> <p>(3) The Registrar shall not restore a company to the Register of Companies unless the person making the application for restoration can demonstrate that-</p> <p>(a) the Company was not dormant at the time the company was deregistered;</p> <p>(b) the company was not dissolved and there are no proceedings for dissolution of the company pending pursuant to the Corporate Insolvency Act;</p> <p>(c) the application for restoration is accompanied by basic and adequate beneficial ownership information; and</p> <p>(d) Where the de-registration was due to non-compliance, the company has</p>

		<p>taken steps to ensure compliance with the relevant provisions of the Act.</p> <p>(4) Where there is no application for restoration made pursuant to this section within the period referred to subsection (2) the Registrar shall strike off the company from the Register.</p>
Insertion of 326A	23.	The principal Act is amended by the insertion of the following new section immediately after section 326:
Prohibition of issuance of permit, license, certificate or provision of goods or services without certificate of compliance	326A	<p>(1) A person, Government ministry, department, agency, institution, authority or any other entity that issues licences, permits or certificates under any written law shall not issue or renew the licence, permit or certificate to a company where the company has not provided a prescribed compliance certificate relating to the-</p> <p>(a) filing of annual returns for that particular year;</p> <p>(b) prescribed minimum share capital; and</p> <p>(c) declaration of beneficial ownership information.</p> <p>(2) A person, Government ministry, department, agency, institution, authority or any other entity that offers goods or services to a company shall not provide the good or service to the company where the company has not submitted a prescribed compliance certificate relating to the-</p> <p>(a) filing of annual returns for that particular year;</p> <p>(b) prescribed minimum share capital; and</p> <p>(c) declaration of beneficial ownership information.</p>
Repeal and replacement of section 356	24.	The principal Act is amended by the repeal of section 356 and the substitution therefor of the following:
Retention of records by Registrar	356	Where a company is de-registered, dissolved or otherwise ceases to exist in accordance with this Act or the Corporate Insolvency Act, 2017, the Registrar shall retain records or books

Act No. 9 of 2017		required to be kept in accordance with this Act for a period of ten years from the date on which the company is de-registered, dissolved or otherwise ceases to exist.
Insertion of sections 364A and 364B	25.	The principal Act is amended by the insertion of the following new sections immediately after section 364:
International cooperation by Agency and competent authority	364A.	<p>(1) The Registrar is the central designated authority responsible for responding to all international requests for basic and beneficial ownership information.</p> <p>(2) The Registrar shall closely cooperate and coordinate with other competent authorities for the verification and exchange of basic and beneficial ownership information with foreign counterparts, including having mechanisms in place for the secure and swift transmission and execution of requests.</p> <p>(3) The Registrar and competent authorities shall -</p> <p>(a) ensure international cooperation with foreign counterparts on matters related to transparency of companies based on cooperation agreements, international treaties or the principles of reciprocity and confidentiality;</p> <p>(b) not place unreasonable or unduly restrictive conditions on the verification and exchange of basic and beneficial ownership information or the provision of assistance related to transparency of companies;</p> <p>(c) share information with foreign counterparts, regardless of -</p>

		<ul style="list-style-type: none"> <li>(i) whether the request is considered to involve fiscal matters; or</li> <li>(ii) whether an inquiry, investigation or proceeding is underway;</li> <li>(d) not invoke a bank secrecy or any other legally protected secret as a basis to refuse the exchange of basic or beneficial ownership information or the provision of assistance;</li> <li>(e) facilitate access to basic information contained in the Register of Companies or register of beneficial owners and exchange information on shareholders; and</li> <li>(f) monitor the quality of assistance received from other countries in response to a request for basic or beneficial ownership information or for assistance in locating a beneficial owner residing outside the Republic.</li> </ul>
Discrepancy reporting	346B.	<p>(1) Where a competent authority or reporting entity reasonably believes that there is a discrepancy between the information in the Register of Beneficial Owners and the beneficial ownership information available to that competent authority or reporting entity, the competent authority or reporting entity shall report the identified discrepancy to the Agency, setting out the particulars of the discrepancy.</p> <p>(2) The discrepancy report under subsection (1) shall be filed within 15 days from the date of the identification of the discrepancy, in a prescribed manner and form.</p> <p>(3) A competent authority or reporting authority shall not report a discrepancy</p>

		<p>under subsection (1) where the information obtained is subject to professional privilege, except that the competent authority or reporting authority shall provide the name and address of the client.</p> <p>(6) The Agency shall, upon receipt of a discrepancy report, request clarification from the company or its nominated officer in a prescribed manner and form.</p> <p>(7) The company or its nominated officer shall provide a response within a period specified by the Agency, stating -</p> <ul style="list-style-type: none"> <li>(a) why the identified discrepancy is not well founded; or</li> <li>(b) the amended particulars to be included in the Register of Beneficial Owners for purposes of rectifying the discrepancy and updating the Register of Beneficial Owners.</li> </ul> <p>(8) The Agency may request clarification from a person that the Agency knows or has reasonable grounds to believe is a beneficial owner of the company which is the subject of a discrepancy report and require that person to-</p> <ul style="list-style-type: none"> <li>(a) state whether the person is a beneficial owner of the company; and</li> <li>(b) if applicable, disclose information on that person's identity within the timeframe and the format referred to in the Agency's request.</li> </ul> <p>(7) A company or a natural person that fails to comply with a request from the Agency issued under this section shall be liable to pay one hundred thousand penalty units for each day that the company continues to be non-compliant.</p>
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		(8) The Registrar may de-register a company that is not cooperative with the resolution of a discrepancy report.
Insertion of section 369A	26.	The principal Act is amended by the insertion of the following new section immediately after section 369:
Directive to comply with Act	369A	<p>(1) If the Registrar has reasonable grounds to believe that a company or natural person has failed to comply with the Act, the Registrar shall issue a directive, in the prescribed manner and form, to the company or natural person concerned, instructing the company or natural person to comply with the directive within a period of fourteen days from the date of issuance of the directive.</p> <p>(2) The Registrar may revoke a directive issued under this section at any time.</p> <p>(3) If a company or natural person fails to comply with a directive issued under subsection (1), the Registrar may impose an administrative penalty in accordance with section 370.</p> <p>(4) In determining an appropriate administrative penalty, the Registrar shall consider the following factors:</p> <ul style="list-style-type: none"> <li>(a) the nature, duration, seriousness and extent of the non-compliance;</li> <li>(b) whether the company or natural person has previously failed to comply with the requirements of this Act; and</li> <li>(c) any remedial steps taken by the company or natural person to prevent a recurrence of the non-compliance.</li> </ul>

		<p>(5) An administrative penalty imposed under this section shall become due on the day on which the violation of the relevant provision occurred and may be increased by the imposition of a daily penalty for every day that the violation continues effective from the day on which the violation of the relevant provision occurred.</p> <p>(6) The daily penalty shall be as prescribed by the Minister.</p> <p>(7) An administrative penalty under this Act may be imposed by the Registrar irrespective of any criminal liability or penalty to which the company or natural person may be subjected to.</p> <p>(8) Where a company or natural person has been sentenced to a fine following a conviction for an offence, the Registrar shall take that fine into account when determining an administrative penalty under section 370.</p> <p>(9) An administrative penalty imposed under this Act shall be paid within the period and in the manner as may be specified by the Registrar.</p> <p>(10) If a company or natural person fails to pay a penalty imposed under section 370 within the specified period, the Registrar may initiate steps for recovery of the penalty.</p> <p>(11) A company shall be jointly and severally liable with its officers for the payment of any administrative penalty imposed under section 370.</p> <p>(12) In addition to an administrative penalty under section 370, if after a period of six months following the directive issued under subsection (1), the company or natural person has not complied with the provisions of this Act, the Registrar shall de-register the company in accordance with section 317.</p>
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		<p>(13) The Registrar shall before de-registering a company on the grounds specified in subsection (12)—</p> <p>(a) send the company a notice stating that, unless the company shows cause to the contrary, the company shall be struck off the Register of Companies on a date specified in the notice which shall not exceed ninety days from the date of the notice; and</p> <p>(b) publish a notice of the intention to de-register the company in a daily newspaper of general circulation in the Republic or other media.</p> <p>(14) After the expiration of the time specified in the notice, unless the company has shown cause to the contrary, the Registrar may de-register the company.</p> <p>(15) The Registrar shall publish a notice of the de-registration in a daily newspaper of general circulation in the Republic or other media.</p> <p>(16) The de-registration of a company is effective from the date of the publication of the notice.</p>
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