



SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

No. CLD/CCD/AML/FATF/Rec.24/2018

August 29, 2018

CIRCULAR NO. 16 OF 2018

MAINTENANCE OF REGISTER OF ULTIMATE BENEFICIAL OWNERSHIP INFORMATION BY THE COMPANIES

1. Section 453 of the Companies Act, 2017 (the “Act”) requires every officer of a company to endeavor to prevent commission of any fraud, offences of money laundering including predicated offences as provided in the Anti-Money Laundering Act, 2010 (VII of 2010) with respect to affairs of the company, who shall take adequate measures for the purpose.
2. The Financial Action Task Force (FATF), an independent inter-governmental body, has issued international standards containing recommendations to combat money laundering and the financing of terrorism and proliferation.¹ The FATF recommendations require countries to take measures to prevent the misuse of legal persons for money laundering and terrorist financing, and ensure that there is adequate, accurate and up-to-date information available with the companies on the ultimate (actual) beneficial ownership and control of legal persons that can be accessed in a timely manner by competent authorities.
3. Accordingly, companies having legal persons as members or shareholders are directed to take reasonable measures to obtain and maintain up-to-date information relating to their ultimate beneficial owners, i.e. natural persons or individuals who ultimately own or control the company, in a register of ultimate beneficial ownership (the “register”). The information is required to be obtained and maintained irrespective of the number of levels of ownership pattern, until the natural person or individual exercising ultimate ownership or control and lying at the end of the ownership chain, is revealed.
4. The minimum information of ultimate beneficial owner that is required to be maintained in the register includes full name, father’s name/husband name, NIC/NICOP/Passport number, nationality, country of origin (in case of foreign national or dual national), email address (if available), usual residential address, date on which name was entered in the register and the date on which the person ceased to be a beneficial owner alongwith reasons of cessation. In exceptional

¹ <http://www.fatf-gafi.org/publications/fatfrecommendations/documents/fatf-recommendations.html>

cases where no natural persons are identified, there shall be entered in the register the names of the natural person(s) who hold the position of senior managing official(s) of the legal person (including their date of birth, NIC/NICOP/Passport number, nationality and residential addresses).

5. All the companies having legal persons as their members or shareholders are required to obtain and maintain information from their members and shareholders about their ultimate beneficial owners within ninety days of this circular and within thirty days in case of any subsequent change in ultimate beneficial ownership information.
6. The Commission may require the information from a company or a class or classes of companies relating to its/their ultimate beneficial owners or changes thereto within such time period as specified in the notice. Companies shall also provide this information to any other authority or agency of the Government pursuant to the powers to call for information entrusted by law to such authority or agency. For the purpose, each company shall authorize its chief executive officer or one of its directors to provide the requisite information to the concerned authorities, and provide further assistance as may be needed.
7. Failure to comply with the requirements of this circular is subject to penal action as provided under sub-section (2) of section 510 of the Companies Act, 2017.



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Distribution:

1. Chief Executive Officers of all Companies.
2. The Institute of Chartered Accountants of Pakistan, Karachi.
3. The Institute of Cost & Management Accountants of Pakistan, Karachi.
4. Federation of Pakistan Chambers of Commerce and Industry, Karachi.
5. All Company Registration Offices.
6. Official website for information.
7. Office copy.