



FREQUENTLY ASKED QUESTIONS

BENEFICIAL OWNERSHIP REPORTING FRAMEWORK OF LEGAL PERSONS

NO	QUESTION	ANSWER
1	Who is a beneficial owner?	Beneficial owner is an individual or natural person who ultimately owns or control an entity.
2	For a person to be a beneficial owner, must he fulfil all the criteria mentioned in the 'Guideline for the Reporting Framework for Beneficial Ownership of Legal Persons' (the Guidelines)?	<p>A person is a beneficial owner if he fulfils at least one (1) of the criteria or a combination of any of the criteria stated in the Guidelines.</p> <p>For the purpose of beneficial ownership reporting where the person fulfils more than one criteria, each criteria must be reported accordingly.</p>
3	Can an entity have more than one (1) beneficial owner?	Yes.
4	Who should determine the beneficial owner of an entity?	<p>The entity or the person responsible appointed by the entity must determine a beneficial owner based on reasonable measures to be carried out in accordance of the Guidelines.</p> <p>Upon obtaining the beneficial ownership information, the company secretary must update the register of beneficial owners maintained by the entity.</p>

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5	If a person is a beneficial owner in a company, is he entitled to any remuneration?	The Companies Act 2016 does not provide specific provision relating to remuneration of a beneficial owner. Therefore, any remuneration or payment as a beneficial owner will be a private arrangement between his nominee and the beneficial owner.
6	If a person is unable to determine the date he becomes a beneficial owner, what will be the date for him to state when he responds to the entity's requests for beneficial ownership information?	<p>During the transitional period, if a person has taken reasonable steps to ascertain the date he becomes a beneficial owner but he is still unable to do so, he can deem that he is a beneficial owner of the entity as at 31 January 2017 or the date he has reasonable cause to believe he is a beneficial owner, whichever is the later.</p> <p>However, if the person can determine the date he becomes a beneficial owner, he is required to state that date and the above paragraph does not apply.</p>
7	When is the effective date of the revised form under section 68 of the Companies Act 2016 to include the submission of beneficial ownership information as per the Guidelines?	<p>The effective date of the revised form is on 1 January 2021.</p> <p>Therefore, the revised form is applicable to all companies if the anniversary of its incorporation date falls on or after 1 January 2021.</p>
8	What are the circumstances for a company to submit the beneficial ownership information together with annual return?	<p>Based on the current Guidelines, companies must submit the beneficial ownership information with the annual return (AR) if,</p> <p>(i) the company has a beneficial owner either through a nominee or trustee; and</p>

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		<p>(ii) the legal owners are not individuals (corporate shareholders).</p> <p>However, if all the legal owners of the company are individuals and they are also the beneficial owners, it should be stated as such in the AR.</p> <p>Please refer to Scenario 2 of Annexure B in the Guidelines.</p>
9	<p>Will a subsidiary of an exempted company also be exempted from the beneficial ownership reporting framework?</p>	<p>The duty to obtain, record and maintain beneficial ownership information is at the respective entity's level.</p> <p>Company will only be exempted if it falls under one of the categories exempted in paragraph 17 of the Guidelines.</p> <p>The subsidiary must declare in the register of beneficial owners and state that its shareholder is exempted by virtue of the relevant categories in the Guidelines.</p> <p>Therefore, unless the subsidiary is an exempted entity pursuant to paragraph 17 of the Guidelines, the subsidiary of an exempted company is not exempted from beneficial ownership reporting framework.</p>
10	<p>Does a company in the process of winding up/liquidation subjected to the beneficial ownership reporting framework?</p>	<p>Once a company enters a winding-up/liquidation process, the company is no longer subjected to the register of beneficial owners. However, if the winding-up process stopped or the dissolved company</p>

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		is being reinstated, the company will be subjected to the beneficial ownership reporting framework and the beneficial ownership information must be updated.
11	Will a company acting as a trustee pursuant to the Trust Companies Act 1949 be subjected to the beneficial ownership reporting framework?	<p>Under the current legal framework, trustee companies are subjected to the beneficial ownership reporting framework under the CA 2016.</p> <p>SSM will issue separate guidelines on legal arrangements specifically for trust business or trust activities under the Trust Companies Act 1949.</p> <p>In the future, trust companies will be subjected to two (2) different guidelines (legal persons and legal arrangements).</p>
12	Who can have access to the register of beneficial owners?	Only law enforcement agencies will have the right of access to the register of beneficial owners to carry out law enforcement activities.
13	Can auditors have access to the register of beneficial owners by virtue of his duty to form an opinion on the registers maintained by the company including subsections 266(3), (4), (5) and (12) of the Companies Act 2016?	<p>No, auditors are not required to state in his report particulars of any deficiency, failure or shortcoming in respect of the register of beneficial owners.</p> <p>Therefore, auditors do not need to have the right of access to the register of beneficial owners together with its related information and explanations for the purposes of his audit.</p>