



KEMENTERIAN PERDAGANGAN DALAM NEGERI
DAN KOS SARA HIDUP



SURUHANJAYA SYARIKAT MALAYSIA
COMPANIES COMMISSION OF MALAYSIA

CONSULTATIVE DOCUMENT ON THE PROPOSED:

- (1) GUIDELINE FOR THE
REPORTING FRAMEWORK
FOR BENEFICIAL OWNERSHIP
OF COMPANIES (REVISED);
AND**

- (2) CASE STUDIES AND
ILLUSTRATIONS OF THE
GUIDELINE FOR THE
REPORTING FRAMEWORK
FOR BENEFICIAL OWNERSHIP
OF COMPANIES**

CONSULTATIVE DOCUMENT ON THE PROPOSED:

- (1) GUIDELINE FOR THE REPORTING FRAMEWORK FOR BENEFICIAL OWNERSHIP OF COMPANIES (REVISED); AND**
- (2) CASE STUDIES AND ILLUSTRATIONS OF THE GUIDELINE FOR THE REPORTING FRAMEWORK FOR BENEFICIAL OWNERSHIP OF COMPANIES**

The Companies Commission of Malaysia (SSM) invites comments on the proposed guideline and case studies as set out in the Consultative Document by **31 January 2024**.

Please provide your name and the organisation you represent (where applicable) and to provide reference on the question(s) you are commenting.

Comments must be forwarded by email to: lrpia@ssm.com.my

Confidentiality: Any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your fax cover sheet will be taken to apply only to information in your response for which confidentiality has been requested.



GUIDELINE FOR THE REPORTING FRAMEWORK FOR BENEFICIAL OWNERSHIP OF COMPANIES (REVISED)

This guideline is issued pursuant to section 20C of the Companies Commission of Malaysia Act 2001 [Act 614] (CCMA 2001) and section 60A of the Companies Act 2016 [Act 777] (CA 2016).

OBJECTIVES

2. This guideline is issued to assist companies to understand and fully comply with the beneficial ownership reporting requirements pursuant to the amendments made to the CA 2016. In particular, this guideline will highlight the criteria in determining a beneficial owner, the obligation of companies to provide the name of a senior management where a beneficial owner cannot be identified and other related obligations.

A. BACKGROUND

3. Business entities such as companies, limited liability partnerships and businesses play a vital role in supporting the economic growth of a country. In Malaysia, businesses drive economic stability and growth by providing valuable goods and services as well as contributing to nation building through direct and indirect taxes.

4. On the other hand, businesses are also susceptible to be misused for carrying out illicit activities such as money laundering, terrorism financing, proliferation financing and other serious crimes. Often the individual perpetrators hiding behind such businesses employ devious means to avoid their identity from being easily detected.

5. To minimize the risks faced by companies in Malaysia against illicit activities, the CA 2016 has introduced provisions relating to beneficial ownership reporting framework with the objective of promoting corporate transparency through a disclosure regime.

6. Taking into consideration the importance of having a robust reporting framework, further amendments were proposed to the CA 2016 through the Companies (Amendment) Act 2023 by introducing a more comprehensive beneficial ownership reporting framework in line with the current international standards and best practices.

7. Under the new beneficial ownership reporting framework, several improvements are introduced, amongst others:

- (a) New definition of 'beneficial owner' as a natural person who ultimately owns or controls a company through interest in shares and includes an individual who exercises ultimate effective control over the company;
- (b) Obligation of companies to have in place a separate register of beneficial owners that must be kept at the registered office; and

- (c) Obligation of beneficial owners to notify companies of their status as beneficial owners of the companies including any changes to the beneficial ownership information recorded in the register of beneficial owners kept by the companies in the registered office.

B. A GLANCE THROUGH OF THE DEFINITION OF 'BENEFICIAL OWNERS'

8. Beneficial owner is always a natural person who ultimately owns or controls a company.

9. Section 60A of the CA 2016 defines beneficial owner as 'a natural person who ultimately owns or controls over a company and includes a person who exercises ultimate effective control over a company.

10. In addition, section 60A of the CA 2016 also empowers the Registrar to specify the criteria in determining and identifying the beneficial owner of a company.

11. It is important to state that the concept of beneficial ownership extends beyond ownership structure, therefore appropriate guidance will be provided in this guideline to ensure all companies will comply with the reporting framework.

C. APPLICATION

12. Unless otherwise stipulated, this guideline is applicable to local and foreign companies incorporated or registered under the CA 2016.

D. EXEMPTION

13. Companies which are gazetted by the Minister through a gazette order pursuant to section 60E of CA 2016 are exempted from the application of the beneficial ownership reporting framework provisions under Division 8A of the CA 2016 either unconditionally or subject to certain terms and conditions as may be imposed.

14. For avoidance of doubt, companies that will be exempted under this guideline are companies which are subjected to any other written laws regulated by other regulators similar to Division 8A of the CA 2016.

DRAFT

SECTION 1: PERSONS RESPONSIBLE FOR THE BENEFICIAL OWNERSHIP INFORMATION

15. Generally, companies have the duty to obtain, verify and record the beneficial ownership information in the register of beneficial owners and to maintain the register of beneficial owners together with the relevant supporting documents.

16. In addition, the company must ensure that the beneficial ownership information is accurate and up to date at all times and can be accessed in a timely manner.

17. As various parties are involved in ensuring the beneficial ownership reporting framework is fully complied, it is imperative that these parties fully understand their roles and responsibilities.

18. The roles and responsibilities of the relevant parties with regard to the beneficial ownership information of companies are as follows:

(a) Board of directors

The board of directors is ultimately responsible in ensuring that the company has exercised its powers under subsections 60C(1), (2) and (3) of the CA 2016 in obtaining the beneficial ownership information from its members or any persons who is believed to be a beneficial owner. After the beneficial owners are identified, the board of directors must ensure that once the beneficial ownership information is received pursuant to subsection 60B(1), the information must be recorded in the register of beneficial owners pursuant to

subsection 60C(4) and to be kept at the registered office pursuant to the requirement under subsection 60B(2).

The board of directors must also ensure that the company exercises its powers when there are changes to the beneficial ownership information stated in the register of beneficial owners pursuant to subsection 60C(5), and when there is any incorrect particulars of the BO in the register of beneficial owners pursuant to subsection 60C(6), the board of directors must ensure the beneficial ownership information in the register of beneficial owners is accurate at all times.

(b) Members of the company

If a member of a company receives a notice issued pursuant to subsections 60C(1) or (3) of the CA 2016, the member has an obligation to inform the company whether he is a beneficial owner as defined under section 60A of the CA 2016 and provide the relevant information including the criteria categorising him as a beneficial owner under paragraph 29 of this guideline.

The obligations of a member under subsections 60C(1) and (3) also extend to the need of that member to indicate as far as possible persons by name and other particulars sufficient to enable any person to be identified as BOs of the company.

(Please refer to **Annexure A** of this guideline for samples of notices and replies)

(c) Any person other than a member of the company who has been given notice under subsections 60C(2) and (3) of the CA 2016

If a person who is not a member of a company receives a notice from the company under subsections 60C(2) or (3) of the CA 2016, that person has the obligation to confirm and inform the company if he is the BO of the company as defined under section 60A of the CA 2016 or to state if he knows or has reasonable ground to believe any other person is a BO of the company.

The person who is being identified by the member as a beneficial owner has similar obligations as the member as far as possible to indicate any person by name and provide other particulars sufficient to enable those persons to be identified as BOs of the company.

(Please refer to **Annexure A** of this guideline for samples of notices and replies)

(d) Company secretary/Agent

In line with the responsibilities to properly record, keep and regularly maintain the register of beneficial owners pursuant to subsection 60C(4) of the CA 2016, company secretary/agent must ensure that the beneficial ownership information is entered into the register of beneficial owners of the company in accordance with the requirement set out under section 60B of the same Act. In addition, the secretary/agent is also responsible to lodge any changes to the beneficial ownership information with the Registrar pursuant to subsections 60C(5) and (6).

(e) Beneficial owner

A beneficial owner is responsible in ensuring that he exercises his responsibilities to notify the company if he is a beneficial owner of the company and provide the relevant information as required under subsections 60D(1), (2) and (3) of the CA 2016. The beneficial owner is also obliged to notify the company of any changes in his particulars in the register of beneficial owners as provided under subsection 60D(2) including when he ceases to be a beneficial owner by informing the company as soon as practicable the date and particulars of the cessation.

The beneficial owner is also obligated to confirm and reply with the notices issued by the company pursuant to subsections 60C(5) and (6).

(Please refer to **Annexure A** of this guideline for samples of notices and replies)

SECTION 2: SCOPE OF REPORTING

19. The beneficial ownership reporting framework under Division 8A of the CA 2016 is applicable to local and foreign companies incorporated and registered under the CA 2016.

20. For avoidance of doubt, government-owned or state-owned companies are also required to fully comply with this guideline unless exempted under paragraph 21.

Companies which are exempted from the beneficial ownership reporting framework

21. Companies which are exempted from the application of this guideline pursuant to a gazette order under section 60E of the CA 2016 are required:

- (a) To notify the Registrar of the exemption status together with the information of their senior management; and
- (b) To provide beneficial ownership information to other regulators, competent authorities and law enforcement agencies in accordance with the respective written laws under their purview.

22. Companies which are no longer exempted under this guideline shall comply with the whole beneficial ownership reporting framework within 60 days from the date the companies cease to be exempted. The company is required to notify the Registrar within 14 days from the date the beneficial ownership information is recorded in the register of beneficial owners. For clarification purposes, the

60-day period shall include the 14-day period to lodge the beneficial ownership information with the Registrar.

DRAFT

SECTION 3: ENTRY POINTS OF THE BENEFICIAL OWNERSHIP INFORMATION

23. The entry points of the beneficial ownership information for local and foreign companies are as follows:

(a) New local companies

Prior to the obligation to submit the first annual return, companies shall:

- (i) obtain the beneficial ownership information within 30 days from the appointment of company secretary;
- (ii) record the beneficial ownership information into the register of beneficial owners within 60 days from the date of appointment of the company secretary specified in paragraph 23(a)(i) above;
- (iii) notify the Registrar within 14 days from the date the beneficial ownership information is recorded in the register of beneficial owners.

(b) Existing local companies

Commencing from the obligation to submit the first annual return and subsequently, companies shall:

- (i) lodge with the Registrar within 14 days from the date of any changes to the particulars of beneficial ownership information is recorded in the register of

beneficial owners pursuant to subsection 60B(3) of the CA 2016;

- (ii) lodge annual return together with the beneficial ownership information not later than 30 days from the anniversary of its incorporation date pursuant to subsection 68(1) and paragraphs 68(3)(*ia*) and (*ib*) of the CA 2016.

(c) New foreign companies

New Foreign companies shall:

- (i) obtain and lodge the beneficial ownership information at the registration stage pursuant to paragraph 562(1)(*fa*) of the CA 2016;
- (ii) record the beneficial ownership information in the register of beneficial owners with 14 days after the companies have been registered as foreign companies under the CA 2016.

(d) Existing foreign companies

Existing Foreign companies shall:

- (i) lodge with the Registrar within 14 days from the date of any changes to the particulars of beneficial ownership information is recorded in the register of beneficial owners pursuant to subsection 60B(3) of the CA 2016;

- (ii) lodge annual return together with the beneficial ownership information not later than 30 days from the anniversary of its registration date pursuant to subsection 576(1) and paragraphs 576(2)(*ha*) and (*hb*) of the CA 2016.

DRAFT

SECTION 4: IDENTIFYING, OBTAINING AND KEEPING THE BENEFICIAL OWNERSHIP INFORMATION ACCURATE AND UP TO DATE

PART 1 – REASONABLE MEASURES

24. Companies must take reasonable measures to identify their beneficial owners by adopting at least one or more of the following actions:

- (a) Consider all interests in the company which are held by individuals, corporate bodies and/or held in trusts;
- (b) Review all documents and information available at the company's level (e.g. register of members, shareholders agreement, constitution, certificates of incorporation, etc.);
- (c) Send out notices pursuant to subsection 60C(1), (2), (3), (5) or (6) of the CA 2016 (Please refer to Annexure A of this guideline). Further, companies are required to send a notice under subsection 60C(1) at least once in a calendar year for the purpose of submission of the annual return;
- (d) Consider any indication or evidence that may show interests or rights held or effective control in the company through a variety of means that may ultimately be owned or controlled by the same person; and
- (e) Any other actions that may have to be taken depending on the circumstances of each company.

PART II - IDENTIFYING THE BENEFICIAL OWNERS

25. Under section 60A of the CA 2016, a beneficial owner is defined as “a natural person who ultimately owns or controls a company and includes a person who exercises ultimate effective controls over a company”.

26. The phrase “ultimately owns or controls a company” refers to the ownership through interest in shares of the company in not less than 20%.

27. The phrase “ultimate effective control” refers to situations where an individual who holds less than 20% shares or voting rights, but still exercises significant control or influence over the directors or the management of the company, whether formal or informal, is accustomed or is under an obligation to act under the directions, instructions or wishes of that individual.

28. The individual who has the ultimate effective control is not necessarily someone who holds any shares in the company or has any position in the company.

29. Companies shall determine a beneficial owner(s) of their company based on the following 6 criteria. An individual is a beneficial owner if he meets one or more of the criteria:

(a) Criteria A

Holds directly or indirectly in not less than 20% of the shares of the company

The information in the register of members and the constitution (if any) will determine whether any individual or corporate entity has an interest in not less than 20% of

the shares in the company. The shares refer to share which carry voting rights that will have significant impact on the company's decision or business direction.

In most cases of direct ownership, the beneficial owner would be listed as one of the shareholders. If the shares are held through indirect ownership, the beneficial owner will be determined based on effective interest.

This situation shall include joint interests, joint agreements and nominees.

(b) Criteria B

Holds directly or indirectly in not less than 20% of the voting shares of the company

Voting shares confer the right of the holder to vote on resolutions, either at general meetings or otherwise, on all or substantially all matters and the right may vary depending on the types of shares. If the shares are directly owned, information in the register and constitution (if any) will determine if an individual or corporate entity has an interest of not less than 20% in the voting shares of the company.

(c) Criteria C

Has the right to exercise ultimate effective control whether formal or informal over the company or the directors or the management of the company

An individual exercises ultimate effective control over a company when the recommendation made by him is always followed by the members holding a majority of the voting rights in the company. The recommendation refers to any

recommendation or proposal which influence the decision of the company and can be made whether formal or informal. The individual is not necessarily a member or director of the company but consistently exercises dominant influence or control over the company or is regularly consulted for the decision of the board of directors.

(d) Criteria D

Has the right or power to directly or indirectly appoint or remove a director(s) who holds the majority of the voting rights at the meeting of directors

Companies must consider an individual who may directly or indirectly appoint or remove a director who holds a majority of the voting rights at the meeting of directors must be considered by the company as having significant influence or control over the company.

(e) Criteria E

Is a member of the company and, under an agreement with another member of the company, controls alone a majority of the voting rights in the company

Control over a company may also be identified through the cumulative effect of an agreement which leads to the actual exercising of the control over a company.

(f) Criteria F

Has less than 20% of shares or voting rights but exercises significant control or influence over the company

Although an individual has less than 20% shares in the company, that individual could still be considered as a beneficial owner when such person has significant influence or control over the company.

30. In determining a beneficial owner for a company limited by shares, all criteria in paragraph 29 must be assessed. For company without shares (e.g., company limited by guarantee), the assessment will be based on criteria C, D, E and F. A beneficial owner is determined based on any or a combination of any of the criteria.

BO of a trust company acting as a trustee

31. Before companies can be registered under the Trust Companies Act 1949 [Act 100] as trust companies, they must first be incorporated as a public company under the CA 2016. As a company, trust companies are required to fully comply with the beneficial ownership reporting framework for companies limited by shares outlined under this guideline.

32. In addition to the requirements under this guideline, where trust companies are acting as trustees or controlling a company or other type of legal persons, the trust companies are required to comply with the applicable requirements with regards to the beneficial ownership of the legal arrangements under the relevant guideline relating to BO of legal arrangements issued separately by the Registrar.

Illustrations and case studies

33. Please refer to the Case Studies and Illustrations issued separately by the Registrar.

Acting in a professional capacity

34. An individual that provides advice, recommendations or proposals in his professional capacity shall not be considered as having the right to exercise significant influence or dominant control over a company, as the case may be.

PART III - OBTAINING THE BENEFICIAL OWNERSHIP INFORMATION

35. Companies are required to obtain the following information relating to the beneficial owner:

- (a) Full name.
- (b) Address of usual place of residence.
- (c) Business address, if any.
- (d) Email address, if any.
- (e) Nationality.
- (f) Date of birth.
- (g) Race.
- (h) Gender.
- (i) NRIC/Passport No.
- (j) Position in the company, if applicable.
- (k) Type and criteria of beneficial owner.
- (l) Date of becoming a beneficial owner.
- (m) Date of cessation as beneficial owner.

36. For the purpose of the register of beneficial owners, any notice sent and reply received by the company pursuant to section 60C of the CA 2016 must be recorded (including the date the notices were

sent and the date the replies to the notices received) and kept together with the register of beneficial owners.

37. To enable companies to fully comply with the obligations relating to the beneficial ownership information, including the annual submission of beneficial ownership information and to ensure the beneficial ownership information is accurate and up-to-date and can be accessed in a timely fashion, companies are required to carry out the following:

- (a) Obtain, verify and confirm the beneficial ownership information by sending out notices pursuant to subsection 60C(1), (2), (3), (5) or (6) of the CA 2016 (Please refer to **Annexure A** of this guideline). Companies are required to send a notice under subsection 60C(1) at least once in a calendar year for the purposes of the submission of the annual return pursuant to paragraph 68(3)(*ia*) for local companies and paragraph 576(2)(*ha*) and (*hb*);
- (b) Take reasonable steps to identify the beneficial owner(s) of the company based on the criteria described in paragraph 29 of this guideline, as the case may be;
- (c) Keep the beneficial ownership information in the register of beneficial owners and to ensure the information is accurate and up-to-date and can be accessed in a timely manner; and
- (d) Provide access to competent authorities, law enforcement agencies, the beneficial owner whose name has been entered in the register of beneficial owners and any other person authorised by the BO.

38. In addition to the above, foreign companies are required to carry out an additional duty to lodge the beneficial ownership information at the registration stage pursuant to paragraph 562(1)(fa) of the CA 2016.

39. In a situation where a company is unable to obtain the beneficial ownership information pursuant to paragraph 35 of this guideline, the company must show proof that attempts to obtain such information by sending at least two (2) notices have been made to the members. The records of such attempts must be kept together with the register of beneficial owners.

Government/State-Owned Companies

40. Where the Government or State owns or controls a company, it is deemed to be a Government-Owned or State-Owned company. The Government-Owned or State-Owned company is required to submit and declare the relevant office as the beneficial owner of the company.

41. It is an accepted fact that the information of the "highest" office holder is to be submitted for the purpose of completing the overall beneficial ownership reporting under this guideline. The Government-Owned or State-Owned company is required to declare the relevant office of the company and obtain the following information:

- (a) The Office of Government/State Official.
- (b) Office address.
- (c) Email address.
- (d) Phone number.
- (e) Type and criteria of beneficial owner.

42. For avoidance of doubt, the requirements under paragraphs 38 and 39 of this guideline shall also apply to a foreign Government-Owned or State-Owned company.

Senior Management in Place of Beneficial Owner

43. When a company has taken all reasonable measures to identify a beneficial owner and the company is unable to obtain the beneficial ownership information due to the following reason:

- (a) the company has no beneficial owner;
- (b) the beneficial owner of the company cannot be identified;
or
- (c) the company is still in the process of obtaining the beneficial ownership information,

the company must provide the name and particulars of a natural person who holds the position of senior management who is primarily in charge of the management of the company in place of the beneficial owner (*ex-officio*).

44. The company must obtain the following information of the senior management:

- (a) Full name.
- (b) Office address.
- (c) Business address.
- (d) Email address.
- (e) Phone number.
- (f) Nationality.

- (g) Date of birth.
- (h) Race.
- (i) Gender.
- (j) NRIC/Passport No.
- (k) Position in the company.
- (l) The date of appointment to the position.
- (m) The reason of naming the senior management in place of the beneficial owner.

45. Depending on the outcome of the assessment carried out by the company in identifying the senior management, the company can name more than one (1) person holding a senior management position in place of the BO.

Senior Management of Exempted Companies

46. When a company is exempted from the application of this guideline, the company shall declare its exemption status with the Registrar and to name the natural person who holds the position of senior management in the company (*ex-officio*). Hence, the company must obtain the following information of the senior management:

- (a) Full name.
- (b) Office address.
- (c) Email address.
- (d) Phone number.
- (e) Nationality.
- (f) Date of birth.
- (g) Race.
- (h) Gender.
- (i) NRIC/Passport No.

- (j) Position in the company.
- (k) The date of appointment to the position.

PART IV - VERIFICATION OF BENEFICIAL OWNERSHIP INFORMATION

47. A company is obliged to conduct verification of the beneficial ownership information when any of the following situation occurs:

- (a) When an obligation arises to record the name of a beneficial owner in the register of beneficial owners;
- (b) When an obligation arises to record the changes to any particulars of the beneficial ownership information in the register of beneficial owners;
- (c) When an obligation arises to register a foreign company under the CA 2016; or
- (d) As and when instructed by the Registrar from time to time.

48. A company secretary is obliged to conduct verification when any of the following situations occurs:

- (a) When an obligation arises to record the name of a beneficial owner in the register of beneficial owners; or
- (b) When an obligation arises to record the changes to any particulars of the beneficial ownership information in the register of beneficial owners,

the obligation under this paragraph need not be carried out if the obligations under paragraphs 46(a) and (b) have been carried out.

49. An agent of a foreign company is obliged to conduct verification of beneficial ownership information when any of the following situation arises:

- (a) When an obligation arises to provide the beneficial ownership information for the purpose of registering a foreign company under the CA 2016; or
- (b) When an obligation arises to enter the beneficial ownership information into the register of beneficial owners.

50. Nonetheless, companies may voluntarily conduct verification of beneficial ownership information in the register of beneficial owners from time to time by invoking its powers under subsections 60C(5) and (6) of the CA 2016.

Supporting documents

51. A company must rely on reliable and sufficient information and/or documentation as a basis upon which the beneficial owner is identified and verified.

52. Such information or supporting documents may include, but not limited to, certified copies of a national identification card, passport or other similar documents, founding documents and agreements regulating the power to bind the company.

53. Notices issued under section 60C of the CA 2016 together with the replies are part of the supporting documents and must be kept at the same location with the register of beneficial owners. The supporting documents kept by the company are proofs to show that reasonable steps have been taken in identifying the beneficial owner.

54. The register of beneficial owners and the relevant supporting documents must be kept:

- (a) either in the national language or English language;
- (b) either in physical or electronic form; and
- (c) from the day the individual becomes a beneficial owner and up until seven (7) years after such individual ceases to be a beneficial owner.

SECTION 5: KEEPING OF THE BENEFICIAL OWNERSHIP INFORMATION AT THE REGISTERED OFFICE

PART I – KEEPING THE BENEFICIAL OWNERSHIP INFORMATION

55. Every company shall obtain the beneficial ownership information and at all times hold adequate, accurate and up-to-date beneficial ownership information of its beneficial owners. The register of beneficial owners must be kept at the registered office, or if kept at another place, notification to that effect has been given to the Registrar.

56. The supporting documents to verify the beneficial ownership information together with the register of beneficial owners.

57. The beneficial ownership information and the supporting documents must be kept from the day the individual becomes a beneficial owner and up until seven (7) years after such individual ceases to be a beneficial owner.

58. The beneficial ownership information must be kept either in the national language or English language and may be kept either in physical or electronic form.

PART II – ACCESS

59. The beneficial ownership information is not publicly available. However, in cognisance that beneficial ownership information is critical for certain activities, access is provided to persons or class of persons when they are exercising or discharging their roles and responsibilities under other written laws. The Minister will prescribe

persons or class of persons that will be given access to registry of beneficial owners (RBO) and register of beneficial owners.

Register of Beneficial Owners of Company

60. Companies must ensure that the register of beneficial owners can be accessed in a timely manner by competent authorities and law enforcement agencies for inspection or investigation purposes, as and when required.

61. In addition, companies must also give access in a timely manner to the BO whose name is recorded in the register of beneficial owners or the persons authorised by the BO as and when requested. The BO and persons authorised by the BO shall only be given access to the beneficial ownership information relating to that BO.

62. Companies must also ensure that the competent authorities, law enforcement agencies, the BO and the persons authorised by the BO are provided with copies of the beneficial ownership information and supporting documents, upon request.

Registry of beneficial owners (RBO)

63. Other than competent authorities, law enforcement agencies, the BO and persons authorised by the beneficial owner, the Minister may prescribe other public bodies and reporting institutions gazetted under the First Schedule of the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 [Act 613] for access to the beneficial ownership information in the RBO kept by the Registrar.

PART III - DISCREPANCIES

64. To ensure the accuracy of the beneficial ownership information, companies are obliged to notify the Registrar of any discrepancies between the beneficial ownership information recorded in the register of beneficial owners kept by the company and the beneficial ownership information lodged with the Registrar. This obligation is in addition of the companies' obligation to lodge any changes with the Registrar pursuant to subsections 60C(5) and (6) of the CA 2016.

65. Any discrepancies to the beneficial ownership information that come to the company's knowledge must be reported to the Registrar via email (email address to be identified later) and the Registrar will take the appropriate action to resolve the discrepancies.

PART IV - TIME FRAME

66. The time frame for filing or lodgement of documents for the beneficial ownership reporting requirement is as prescribed in:

- (a) Division 8A of the CA 2016;
- (b) PD No. 1/2017;
- (c) PD No. X/XXX; and
- (d) any updates and amendments made by the Registrar from time to time.

Registrar of Companies

Companies Commission of Malaysia

Date: XXX 2024

[This guideline supersedes the guideline dated 1 March 2020 and the revised guideline dated 18 December 2020]

DRAFT

ANNEXURE A

Samples of notice to be send by companies pursuant to section 60C of the CA 2016

(1) Notice to members (individual members) to inform the company that the member is a beneficial owner or otherwise to indicate the persons by name and particulars sufficient to be identified as beneficial owner of the company pursuant to subsection 60C(1) of the CA 2016

[Date]

[Addressee],

Re: [Company Name] ("Company")

Pursuant to subsection 60C(1) of the CA 2016, as a member of the Company you are required to inform and confirm whether or not you are the beneficial owner of the Company within **30 days** from the date of this notice.

2. If your answer in paragraph 1 above is **YES**, please proceed to **Appendix A** for your reply.

3. If your answer in paragraph 1 above is **NO**, please proceed to **Appendix B** for your reply. You are required to indicate the persons by name and particulars sufficient to enable those persons to be identified as beneficial owner(s) of the Company.

4. Please include the following declaration as part of your reply:

"I hereby confirmed that the facts and information stated in this letter are true to the best of my knowledge and belief."

5. Please be informed that any person who fails to comply with this notice commits an offence under subsection 60C(7) of the CA 2016 and/or provides false or misleading information commits an offence under section 593 of the CA 2016.

Yours faithfully,

[Name]

[Director/Company Secretary]

For and behalf of

[Name and number of the company]

(2) Notice to members (body corporate members) to inform the company who are the beneficial owner(s) of the company or otherwise to indicate the persons by name and particulars sufficient to be identified as beneficial owner(s) of the company pursuant to subsection 60C(1) of the CA 2016

[Date]

[Addressee],

Re: [Company Name] ("Company")

Pursuant to subsection 60C(1) of the CA 2016, as a member of the Company you are required to inform and confirm who are the beneficial owner of the Company within **30 days** from the date of this notice (please proceed to **Appendix B** for your reply).

2. You are required to indicate the persons by name and particulars sufficient to enable those persons to be identified as beneficial owner (s) of the Company.

3. If you have taken all reasonable measures to identify the BO and arrived at the following conclusion, please proceed to **Appendix C** as you are required to provide the information of senior management in place of the beneficial owner:

- (a) The Company has no beneficial owner (please provide the name of the senior management of the Company);

- (b) The beneficial owner of the Company cannot be identified (please provide the name of the senior management of the Company);
- (c) The Company is still in the process of obtaining the beneficial ownership information (please provide the name of the senior management of the Company); and
- (d) The ultimate owner or controller of the company is exempted (please provide the name of the senior management of the exempted entity).

4. Please include the following declaration as part of your reply:

"I/We hereby confirmed that the facts and information stated in this letter are true to the best of my/our knowledge and belief."

5. Please be informed that any person who fails to comply with this notice commits an offence under subsection 60C(7) of the CA 2016 and/or provides false or misleading information commits an offence under section 593 of the CA 2016.

Yours faithfully,

[Name]

[Director/Company Secretary]

For and behalf of

[Name and number of the company]

(3) Notice to the persons identified by the members as beneficial owners under subsection 60C(1) of the CA 2016 to inform the Company or otherwise to state whether he knows or has reasonable grounds to believe that the other person is a beneficial owner of the Company and provide particulars of that person that are within his knowledge pursuant to subsection 60C(2) of the CA 2016

[Date]

[Addressee],

Re:[Company Name] ("Company")

Pursuant to subsection 60C(2) of the CA 2016, we know or have reasonable ground to believe that you are the beneficial owner of the Company and required to inform and confirm whether or not you are the beneficial owner of the Company within **30 days** from the date of this notice.

2. If your answer in paragraph 1 above is **YES**, please proceed to **Appendix A** for your reply.

3. If your answer in paragraph 1 above is **NO**, please proceed to **Appendix B** for your reply. You are required to indicate the persons by name and particulars sufficient to enable those persons to be identified as beneficial owner(s) of the Company.

4. Please include the following declaration as part of your reply:

"I/We hereby confirmed that the facts and information stated in this letter are true to the best of my/our knowledge and belief."

5. Please be informed that any person who fails to comply with this notice commits an offence under subsection 60C(7) of the CA 2016 and/or provides false or misleading information commits an offence under section 593 of the CA 2016.

Yours faithfully,

[Name]

[Director/Company Secretary]

For and behalf of

[Name and number of the company]

(4) Notice to any member or person to inform the Company that the member or person knows the identity of a person who is a beneficial owner of the Company and provide particulars of that person that are within his knowledge pursuant to subsection 60C(3) of the CA 2016

[Date]

[Addressee],

Re: [Company Name] ("Company")

Pursuant to subsection 60C(3) of the CA 2016, we know or have reasonable ground to believe that you know or has reasonable ground to believe that you know the identity of the beneficial owner of the Company and required to inform and confirm the beneficial ownership information within **30 days** from the date of this notice.

2. Please proceed to **Appendix B** and include the following declaration as part of your reply:

"I/We hereby confirmed that the facts and information stated in this letter are true to the best of my/our knowledge and belief."

3. Please be informed that any person who fails to comply with this notice commits an offence under subsection 60C(7) of the CA 2016 and provides false or misleading information commits an offence under section 593 of the CA 2016.

Yours faithfully,

[Name]

[Director/Company Secretary]

For and behalf of

[Name and number of the company]

DRAFT

(5) Notice to the beneficial owner of the Company to inform the Company when the Company has reasonable grounds to believe that a change has occurred to the particulars of the beneficial owner of the Company in the register of beneficial owners of the Company pursuant to subsection 60C(5) of the CA 2016

[Date]

[Addressee],

Re: [BO Name] ("BO")

Pursuant to subsection 60C(5) of the CA 2016, we have reasonable grounds to believe that a change has occurred to the particulars of your beneficial ownership information stated in the register of beneficial owners and please confirm whether or not such change has occurred within **30 days** from the date of this notice.

2. If the change has occurred, please state the date of the change and provide the particulars of the change.

3. Please include the following declaration as part of the reply:

"I/We hereby confirmed that the facts and information stated in this letter are true to the best of my/our knowledge and belief."

4. Please be informed that any person who fails to comply with this notice commits an offence under subsection 60C(7) of the CA 2016

and provides false or misleading information commits an offence under section 593 of the CA 2016.

Yours faithfully,

[Name]

[Director/Company Secretary]

For and behalf of

[Name and number of the company]

DRAFT

(6) Notice to the beneficial owner of the Company to inform the Company when the Company has reasonable grounds to believe that the particulars of the beneficial owner of the Company in the register of beneficial owners of the Company might be incorrect pursuant to subsection 60C(6) of the CA 2016

[Date]

[Addressee],

Re: [BO Name] ("BO")

Pursuant to subsection 60C(5) of the CA 2016, we have reasonable grounds to believe that the particulars of your beneficial ownership information stated in the register of beneficial owners of the Company might be incorrect so please confirm whether or not the particulars (please state the relevant particulars) are correct within **30 days** from the date of this notice.

2. If the particulars are incorrect, please state the correct particulars.

3. Please include the following declaration as part of the reply:

"I/We hereby confirmed that the facts and information stated in this letter are true to the best of my/our knowledge and belief."

4. Please be informed that any person who fails to comply with this notice commits an offence under subsection 60C(7) of the CA 2016

and provides false or misleading information commits an offence under section 593 of the CA 2016.

Yours faithfully,

[Name]

[Director/Company Secretary]

For and behalf of

[Name and number of the company]

DRAFT

Appendix A
(Particulars of beneficial owner)

1. The beneficial ownership information:

NO	DETAILS OF THE BENEFICIAL OWNER
1	Full name:
2	Address of usual place of residence:
3	Business Address, if any:
4	Email address, if any:
5	Nationality:
6	Date of Birth:
7	Race:
8	Gender:
9	NRIC/Passport No.:
10	To state position in the company, if applicable:
11	The date becoming a beneficial owner:

2. Category and criteria of beneficial owner:

<p>Category of Beneficial Owner</p> <input type="checkbox"/> Direct ownership <input type="checkbox"/> Indirect ownership <input type="checkbox"/> Direct & Indirect ownership <input type="checkbox"/> Control by other means	
CATEGORY OF BO	CRITERIA
Direct Ownership	<input type="checkbox"/> Criteria A – Holds directly in not less than 20% of the shares of the company [Please state the percentage:%] <input type="checkbox"/> Criteria B – Holds directly in not less than 20% of the voting shares of the company [Please state the percentage:%]
Indirect Ownership	<input type="checkbox"/> Criteria A – Holds indirectly in not less than 20% of the shares of the company [Please state the percentage:%] <input type="checkbox"/> Criteria B – Holds indirectly in not less than 20% of the voting shares of the company [Please state the percentage:%]
Direct & Indirect Ownership	<input type="checkbox"/> Criteria A – Holds directly or indirectly in not less than 20% of the shares of the company [Please state the total percentage (combination of Direct & Indirect must be 20% and more):%]

	<input type="checkbox"/> Criteria B – Holds directly or indirectly in not less than 20% of the voting shares of the company [Please state the total percentage (combination of Direct & Indirect must be 20% and more): %]
Control by other means	<input type="checkbox"/> Criteria C – Has the right to exercise ultimate effective control whether formal or informal over the company or the directors or the management of the company <input type="checkbox"/> Criteria D - Has the right or power to directly or indirectly appoint or remove a director(s) who holds the majority of the voting rights at the meeting of directors <input type="checkbox"/> Criteria E – Is a member of the company and, under an agreement with another member of the company, controls alone a majority of the voting rights in the company <input type="checkbox"/> Criteria F - Has less than 20% of shares or voting shares but exercises significant control or influence over the company
Note: - <i>An individual can be a beneficial owner under any one of the Criteria or a combination of any of the Criteria.</i> - <i>You may attach illustration of ownership/control, if any.</i>	

Appendix B
(Particulars of others as beneficial owner)

1. The beneficial ownership information:

NO	DETAILS OF THE BENEFICIAL OWNER
1	Full name:
2	Address of usual place of residence:
3	Business Address, if any:
4	Email address, if any:
5	Nationality:
6	Date of Birth:
7	Race:
8	Gender:
9	NRIC/Passport No.:
10	To state position in the company, if applicable:
11	The date becoming a beneficial owner:

2. Category and criteria of beneficial owner:

Category of beneficial owner	
<input type="checkbox"/> Direct ownership <input type="checkbox"/> Indirect ownership <input type="checkbox"/> Direct & Indirect ownership <input type="checkbox"/> Control by other means	
CATEGORY OF BO	CRITERIA
Direct Ownership	<input type="checkbox"/> Criteria A – Holds directly in not less than 20% of the shares of the company [Please state the percentage:%] <input type="checkbox"/> Criteria B – Holds directly in not less than 20% of the voting shares of the company [Please state the percentage:%]
Indirect Ownership	<input type="checkbox"/> Criteria A – Holds indirectly in not less than 20% of the shares of the company [Please state the percentage:%] <input type="checkbox"/> Criteria B – Holds indirectly in not less than 20% of the voting shares of the company [Please state the percentage:%]
Direct & Indirect Ownership	<input type="checkbox"/> Criteria A – Holds directly or indirectly in not less than 20% of the shares of the company [Please state the total percentage (combination of Direct &

	<p>Indirect must be 20% and more):%]</p> <p><input type="checkbox"/> Criteria B - Holds directly or indirectly in not less than 20% of the voting shares of the company [Please state the total percentage (combination of Direct & Indirect must be 20% and more): %]</p>
<p>Control by other means</p>	<p><input type="checkbox"/> Criteria C - Has the right to exercise ultimate effective control whether formal or informal over the company or the directors or the management of the company</p> <p><input type="checkbox"/> Criteria D - Has the right or power to directly or indirectly appoint or remove a director(s) who holds the majority of the voting rights at the meeting of directors</p> <p><input type="checkbox"/> Criteria E - Is a member of the company and, under an agreement with another member of the company, controls alone a majority of the voting rights in the company</p> <p><input type="checkbox"/> Criteria F - Has less than 20% of shares or voting shares but exercises significant control or influence over the company</p>
<p>Note: - An individual can be a beneficial owner under any one of the Criteria or a combination of any of the Criteria. - You may attach illustration of ownership/control, if any.</p>	

Appendix C
(The company is exempted, the company
has no beneficial owner, beneficial owner
cannot be identified & in the process of
obtaining the beneficial ownership
information)

NO	DETAILS OF THE SENIOR MANAGEMENT IN PLACE OF BENEFICIAL OWNER
1	Full name:
2	Office address:
3	Email address:
4	Phone number:
5	Nationality:
6	Date of Birth:
7	Race:
8	Gender:
9	NRIC/Passport No.:
10	To state position in the company:
11	The date of appointment to the position:
12	To state the reason for naming the senior management in place of the beneficial owner [Note: Please state either one of the reasons as per paragraph 2 of the notice]

D. Sample of notice to be send by the beneficial owner of the Company pursuant to section 60D of the CA 2016

(1) Notice to Company to notify the Company that he is a beneficial owner of the Company and to provide his beneficial ownership information pursuant to subsection 60D(1) of the CA 2016

[Date]

[Company Name],

Re:[BO name] ("BO")

Pursuant to subsection 60D(1) of the CA 2016, I would like to inform and confirm that I am the beneficial owner of the Company.

2. Please provide your beneficial ownership information as per **Appendix A**.
3. Please include the following declaration as part of your reply:

"I hereby confirmed that the facts and information stated in this letter are true to the best of my/our knowledge and belief."

4. Kindly take the necessary action pursuant to section 60B of the CA 2016.

Yours faithfully,

[Name]

[Beneficial Owner]

(2) Notice to Company to notify the Company that there is changes to his particulars as beneficial owner in the register of beneficial owners of the Company and to the changes pursuant to subsection 60D(2) of the CA 2016

[Date]

[Company Name],

Re: [BO name] ("BO")

Pursuant to subsection 60D(2) of the CA 2016, I would like to inform and confirm that there is a change in my particulars as beneficial owner in the register of beneficial owners of the Company.

2. Please state the date of the change and provide the particulars of the change.

3. Please include the following declaration as part of your reply:

"I hereby confirmed that the facts and information stated in this letter are true to the best of my knowledge and belief."

4. Kindly take the necessary actions pursuant to section 60B of the CA 2016.

Yours faithfully,

[Name]

[Beneficial Owner]

(3) Notice to Company to notify the Company he has ceased to be a beneficial owner of the Company pursuant to subsection 60D(3) of the CA 2016

[Date]

[Company Name],

Re: [BO name] ("BO")

Pursuant to subsection 60D(3) of the CA 2016, I would like to inform and confirm that I have ceased to be a beneficial owner of the Company.

2. Please state the date the cessation occurred and particulars of the cessation.
3. Please include the following declaration as part of your reply:

"I hereby confirmed that the facts and information stated in this letter are true to the best of my knowledge and belief."

4. Kindly take the necessary action pursuant to section 60B of the CA 2016.

Yours faithfully,

[Name]

[Beneficial Owner]

Appendix A
(Particulars of beneficial owner)

1. The beneficial ownership information:

NO	DETAILS OF THE BENEFICIAL OWNER
1	Full name:
2	Address of usual place of residence:
3	Business Address, if any:
4	Email address, if any:
5	Nationality:
6	Date of Birth:
7	Race:
8	Gender:
9	NRIC/Passport No.:
10	To state position in the company, if applicable:
11	The date becoming a beneficial owner:

2. Category and criteria of beneficial owner:

Category of beneficial owner <input type="checkbox"/> Direct ownership <input type="checkbox"/> Indirect ownership <input type="checkbox"/> Direct & Indirect ownership <input type="checkbox"/> Control by other means	
CATEGORY OF BO	CRITERIA
Direct Ownership	<input type="checkbox"/> Criteria A – Holds directly in not less than 20% of the shares of the company [Please state the percentage:%] <input type="checkbox"/> Criteria B – Holds directly in not less than 20% of the voting shares of the company [Please state the percentage:%]
Indirect Ownership	<input type="checkbox"/> Criteria A – Holds indirectly in not less than 20% of the shares of the company [Please state the percentage:%] <input type="checkbox"/> Criteria B – Holds indirectly in not less than 20% of the voting shares of the company [Please state the percentage:%]
Direct & Indirect Ownership	<input type="checkbox"/> Criteria A – Holds directly or indirectly in not less than 20% of the shares of the company [Please state the total percentage (combination of Direct & Indirect must be 20% and more):%]

	<input type="checkbox"/> Criteria B – Holds directly or indirectly in not less than 20% of the voting shares of the company [Please state the total percentage (combination of Direct & Indirect must be 20% and more): %]
Control by other means	<input type="checkbox"/> Criteria C – Has the right to exercise ultimate effective control whether formal or informal over the company or the directors or the management of the company <input type="checkbox"/> Criteria D - Has the right or power to directly or indirectly appoint or remove a director(s) who holds the majority of the voting rights at the meeting of directors <input type="checkbox"/> Criteria E – Is a member of the company and, under an agreement with another member of the company, controls alone a majority of the voting rights in the company <input type="checkbox"/> Criteria F - Has less than 20% of shares or voting shares but exercises significant control or influence over the company
Note: - <i>An individual can be a beneficial owner under any one of the Criteria or a combination of any of the Criteria.</i> - <i>You may attach illustration of ownership/control, if any.</i>	

Appendix C
(Ultimate owner is exempted, the company
has no beneficial owner, beneficial owner
cannot be identified & in the process of
obtaining beneficial ownership information)

NO	DETAILS OF THE SENIOR MANAGEMENT IN PLACE OF BENEFICIAL OWNER
1	Full name:
2	Office address:
3	Email address:
4	Phone number:
5	Nationality:
6	Date of Birth:
7	Race:
8	Gender:
9	NRIC/Passport No.:
10	To state position in the company:
11	The date of appointment to the position:
12	To state the reason for naming the senior management in place of the beneficial owner [Note: Please state either one of the reasons as per paragraph 2 of the notice]

CASE STUDIES AND ILLUSTRATIONS OF THE GUIDELINE FOR THE REPORTING FRAMEWORK FOR BENEFICIAL OWNERSHIP OF COMPANIES

Disclaimer: This document is issued to complement the issuance of the "Guideline for the Reporting Framework for Beneficial Ownership of Companies" (Guideline). The case studies and illustrations in this document are for illustrative purposes only and to facilitate understanding of the Guideline.

1. Under section 60A of the CA 2016, a beneficial owner is defined as "a natural person who ultimately owns or controls a company or an LLP and includes a person who exercises ultimate effective controls over a company or an LLP".
2. In determining a beneficial owner for a company limited by shares, all criteria (Criteria A until F) must be assessed. For company limited by guarantee, the assessment must be done for Criteria C, D, E and F only.
3. An individual is a beneficial owner of a company if he meets one or more of the following criteria:

(g) Criteria A

If he holds directly or indirectly in not less than 20% of the shares of the company.

(h) Criteria B

If he holds directly or indirectly in not less than 20% of the voting shares of the company.

(i) Criteria C

If he has the right to exercise ultimate effective control whether formal or informal over the company or the directors or the management of the company.

(j) Criteria D

If he has the right or power to directly or indirectly appoint or remove a director(s) who holds the majority of the voting rights at the meeting of directors.

(k) Criteria E

If he is a member of the company and, under an agreement with another member of the company, controls alone a majority of the voting rights in the company.

(l) Criteria F

If he has less than 20% of shares or voting rights but exercises significant control or influence over the company.

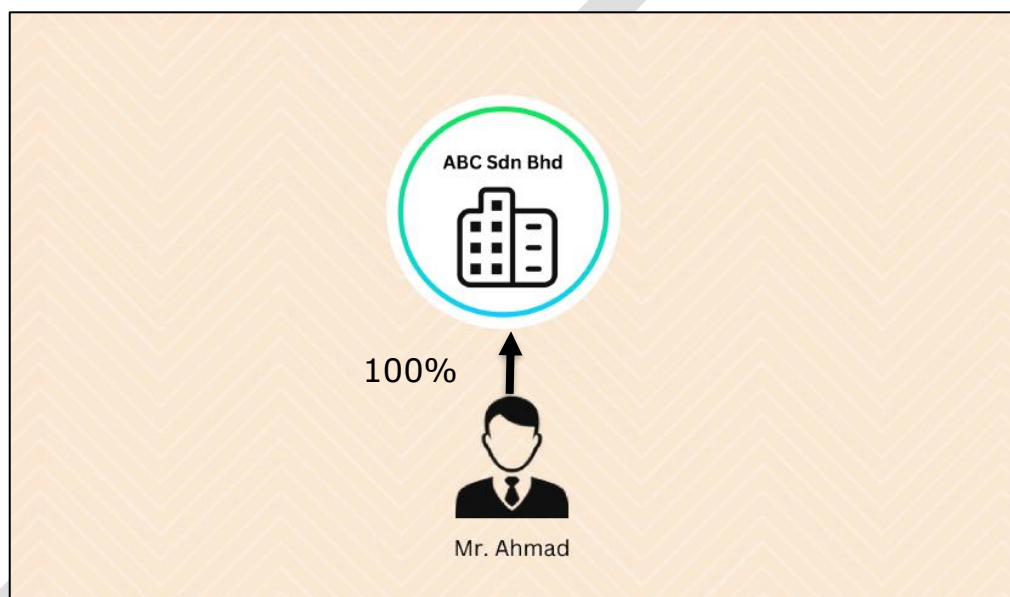
4. The case studies and illustrations on how to identify a beneficial owner of companies based on paragraphs 2 and 3 above are as per Annexure A. These case studies and illustrations are provided and intended to serve only as general guidance and may not be the exact representation of any situation.

ANNEXURE A

1. An individual is a beneficial owner in a company limited by shares based on direct ownership if he holds:

(a) directly in not less than 20% of the shares in the company.

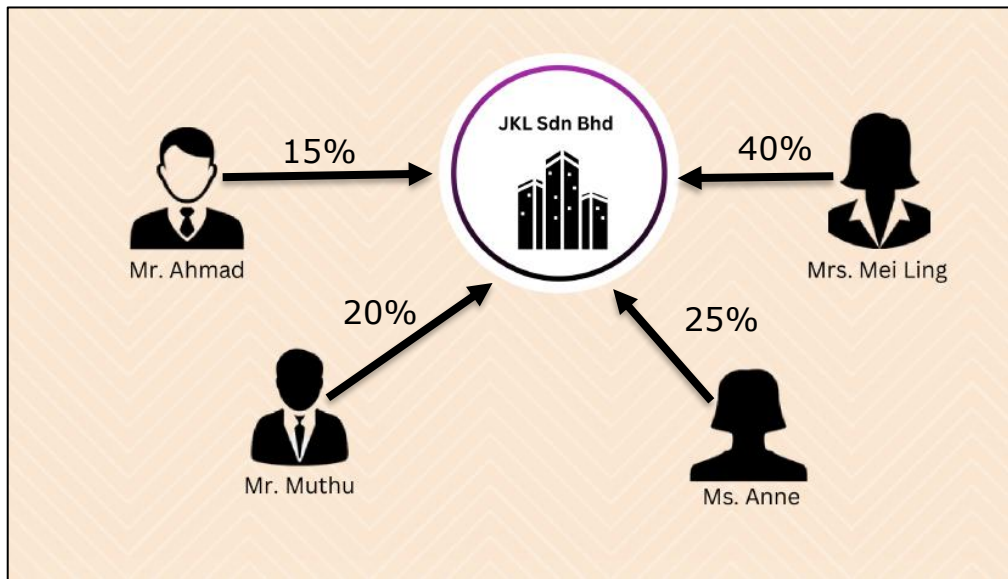
Illustration 1(a): Beneficial owner of ABC Sdn Bhd



Based on illustration 1(a) above, Mr. Ahmad has a direct interest in ABC Sdn Bhd through 100% ownership. Therefore, Mr. Ahmad is the ultimate owner of the shares of ABC Sdn Bhd and his name must be recorded in the register of beneficial owners as the beneficial owner of ABC Sdn Bhd.

(b) directly in not less than 20% of the voting shares in the company.

Illustration 1(b): Beneficial owner of JKL Sdn Bhd

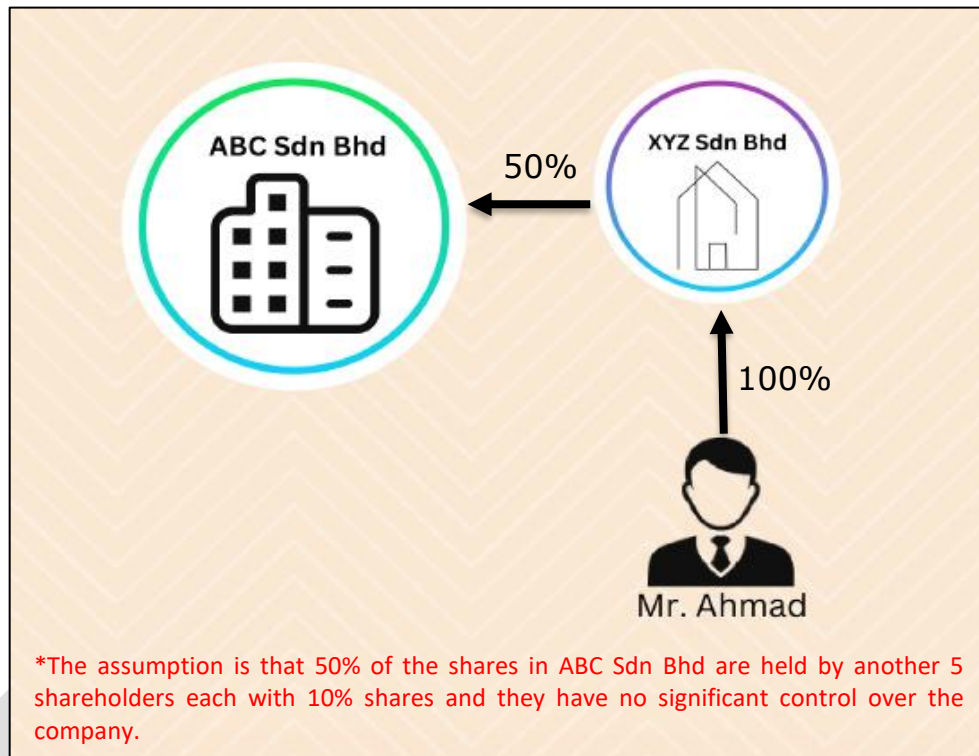


Based on illustration 1(b) above, JKL Sdn Bhd has 4 shareholders namely, Mr. Ahmad, Mr. Muthu, Ms. Anne and Mrs. Mei Ling. Each holds 15%, 20%, 25% and 40% respectively. However, although Mr. Muthu holds 20% shares, only 15% shares were paid so he is not entitled to exercise the total of 20% voting shares. Therefore, only Ms. Anne and Mrs. Mei Ling are deemed to be the beneficial owners of JKL Sdn Bhd because they hold more than 20% fully paid shares in the company and their names must be recorded in the register of beneficial owners of JKL Sdn Bhd.

2. An individual is a beneficial owner in a company limited by shares based on indirect ownership if he holds:

(a) indirectly in not less than 20% of the shares in the company.

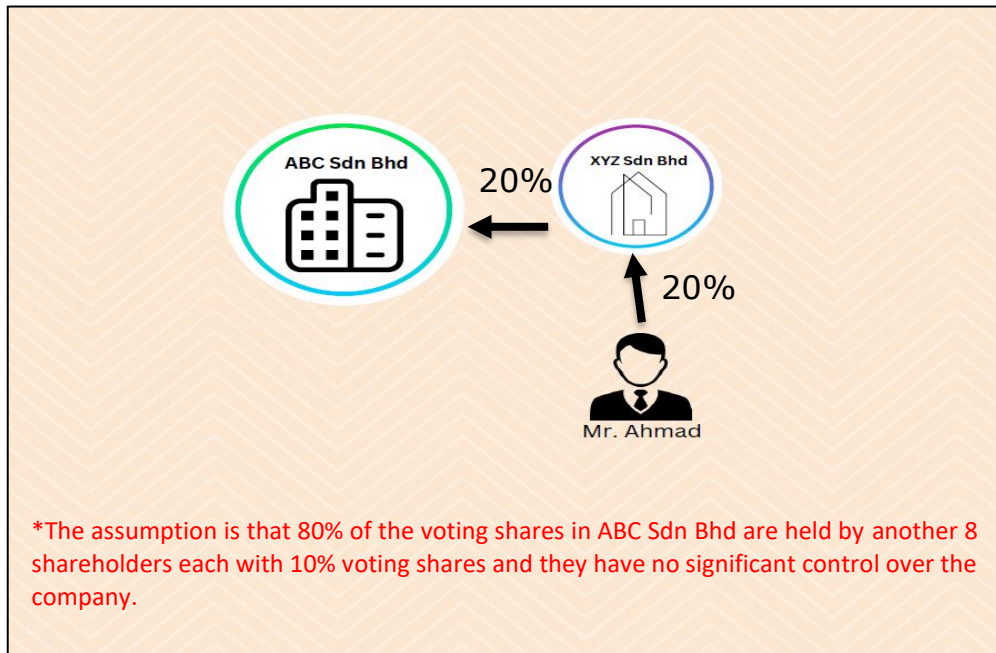
Illustration 2(a): Beneficial owner of ABC Sdn Bhd



Based on illustration 2(a) above, XYZ Sdn Bhd is one of the shareholders of ABC Sdn Bhd. XYZ Sdn Bhd holds 50% shares in ABC Sdn Bhd. Mr. Ahmad has a direct interest in XYZ Sdn Bhd through 100% ownership and has indirect interest (effective interest) of 50% shares in ABC Sdn Bhd through XYZ Sdn Bhd. Therefore, Mr. Ahmad is the ultimate owner of the shares through indirect ownership and deemed to be the beneficial owner of ABC Sdn Bhd. and his name must be recorded in the register of beneficial owners of ABC Sdn Bhd.

- (b) indirectly in not less than 20% of the voting shares in the company.

Illustration 2(b): Beneficial owner of ABC Sdn Bhd

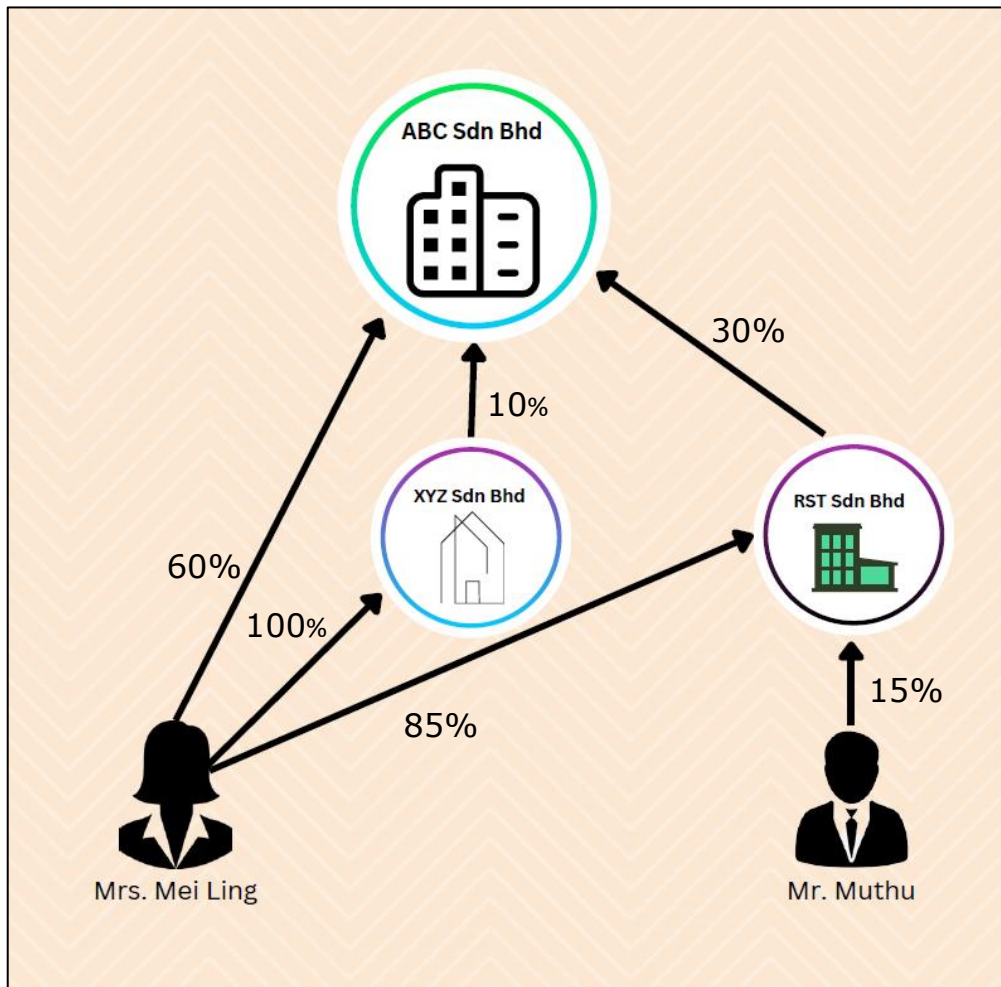


Based on illustration 2(b) above, XYZ Sdn Bhd is one of the shareholders of ABC Sdn Bhd. XYZ Sdn Bhd holds 20% shares in ABC Sdn Bhd. Meanwhile, Mr. Ahmad holds 20% shares in XYZ Sdn Bhd and therefore has indirect interest of 4% in ABC Sdn Bhd. In this case study, Mr. Ahmad cannot be deemed as the beneficial owner of ABC Sdn Bhd because he only has 4% shares through effective interest in ABC Sdn Bhd.

3. An individual is a beneficial owner in a company limited by shares based on direct and indirect ownership if he holds:

- (a) directly and indirectly in not less than 20% of the shares in the company.

Illustration 3(a): Beneficial owner of ABC Sdn Bhd

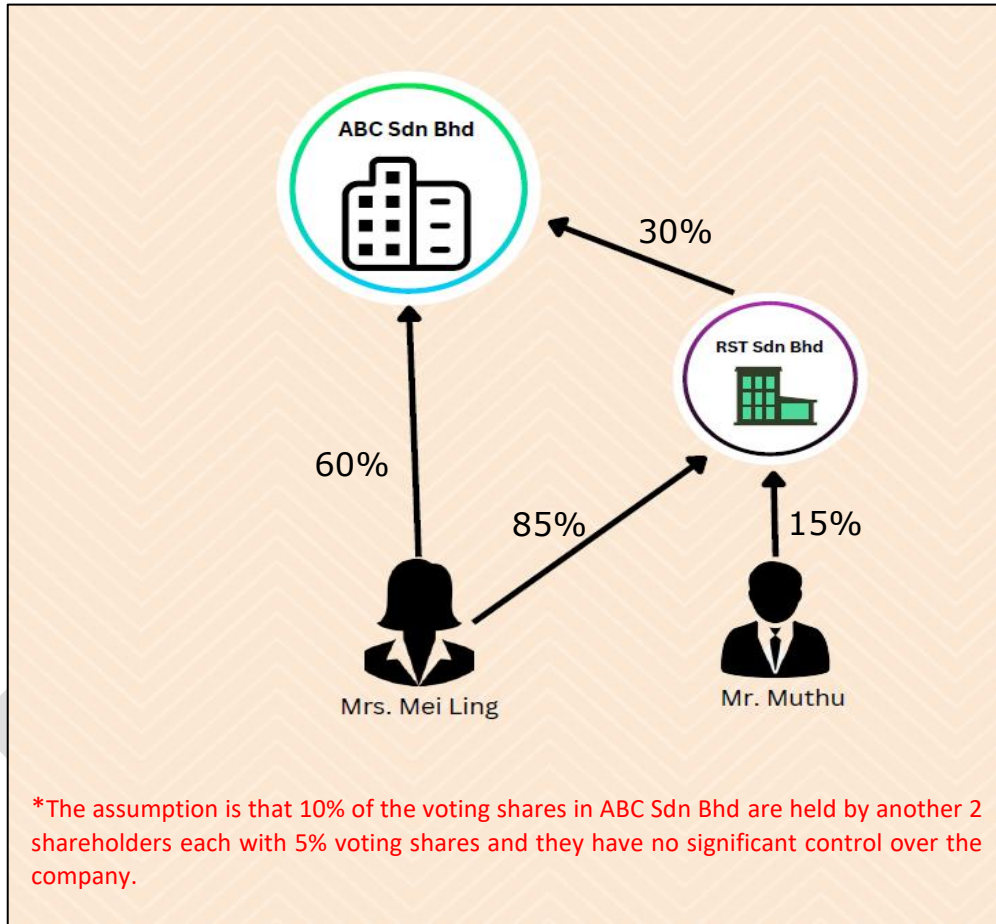


Based on illustration 3(a) above, ABC Sdn Bhd has 3 shareholders namely Mrs. Mei Ling, XYZ Sdn Bhd and RST Sdn Bhd. Mrs. Mei Ling has direct interest of 60% shares in ABC Sdn Bhd and she also holds 100% ownership in XYZ Sdn Bhd and in turn XYZ Sdn Bhd holds 10% shares in ABC Sdn Bhd. RST Sdn Bhd has 2 shareholders namely Mrs. Mei Ling and Mr. Muthu and each holds 85% and 15% shares respectively. Therefore, Mrs. Mei Ling is deemed to be the beneficial owner of ABC Sdn Bhd through direct ownership of 60% shares in ABC Sdn Bhd, 10% indirect ownership through XYZ Sdn Bhd and 25.5% indirect ownership through RST Sdn Bhd. Effectively Mrs. Mei Ling has a total of 95.5% direct and

indirect shares in ABC Sdn Bhd and her name must be recorded in the register of beneficial owners of ABC Sdn Bhd.

- (b) directly and indirectly in not less than 20% of the voting shares in the company.**

Illustration 3(b): Beneficial owner of ABC Sdn Bhd



Based on illustration 3(b) above, ABC Sdn Bhd has 2 shareholders namely Mrs. Mei Ling and RST Sdn Bhd. Mrs. Mei Ling has direct interest of 60% shares in ABC Sdn Bhd and she also holds 85% ownership in RST Sdn Bhd and in turn RST Sdn Bhd holds 30% shares in ABC Sdn Bhd. Meanwhile, RST Sdn Bhd has 2 shareholders namely Mrs. Mei Ling and Mr. Muthu and each holds 85% and 15% shares respectively. Although Mrs. Mei Ling holds 60% shares in ABC Sdn Bhd,

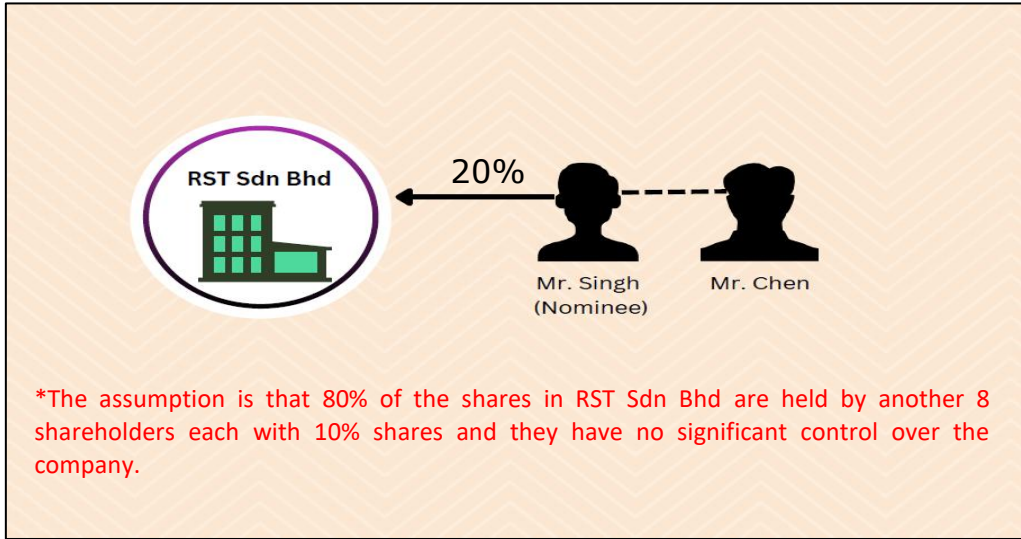
only 30% were paid shares. Mrs. Mei Ling is deemed to be the beneficial owner of ABC Sdn Bhd because she has 30% voting shares in ABC Sdn Bhd and 25.5% fully paid shares through RST Sdn Bhd. In total, Mrs. Mei Ling has an effective control through 55.5% of the voting shares in ABC Sdn Bhd. Therefore, her name must be recorded in the register of beneficial owners of ABC Sdn Bhd.

4. An individual is a beneficial owner in a company limited by shares based on control by other means if he:

- (a) has the right to exercise ultimate effective control whether formal or informal over the company or the directors or the management of the company.**

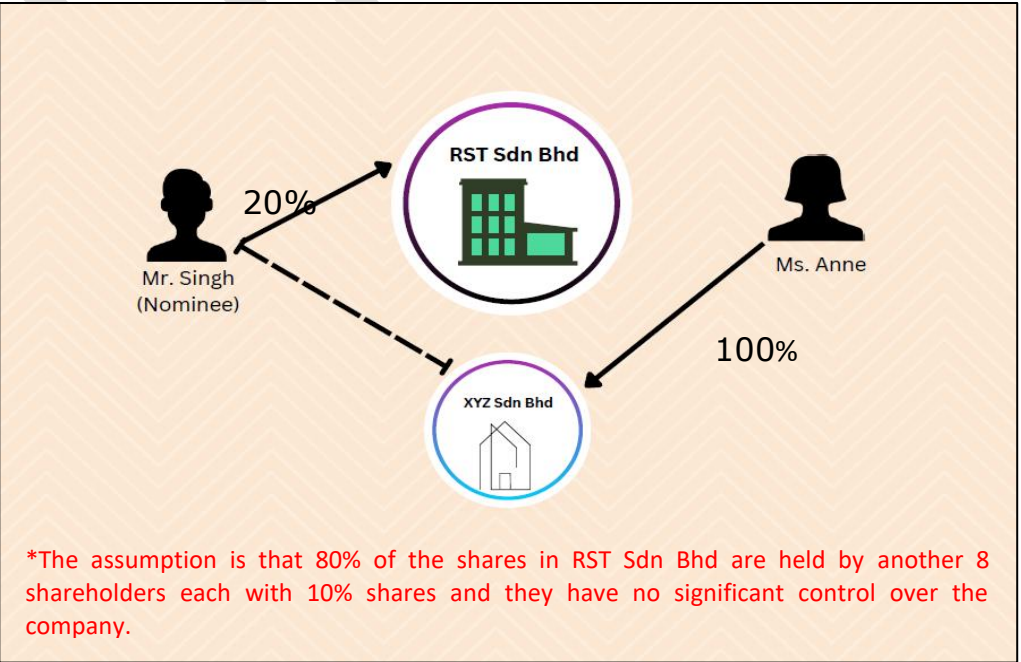
If a nominee is acting on behalf of an individual or corporate entity, the company is required to take steps to identify the individual who is the ultimate owner of the shares or has significant influence or dominant control over the company.

Illustration 4(a)(i): Beneficial owner of RST Sdn Bhd



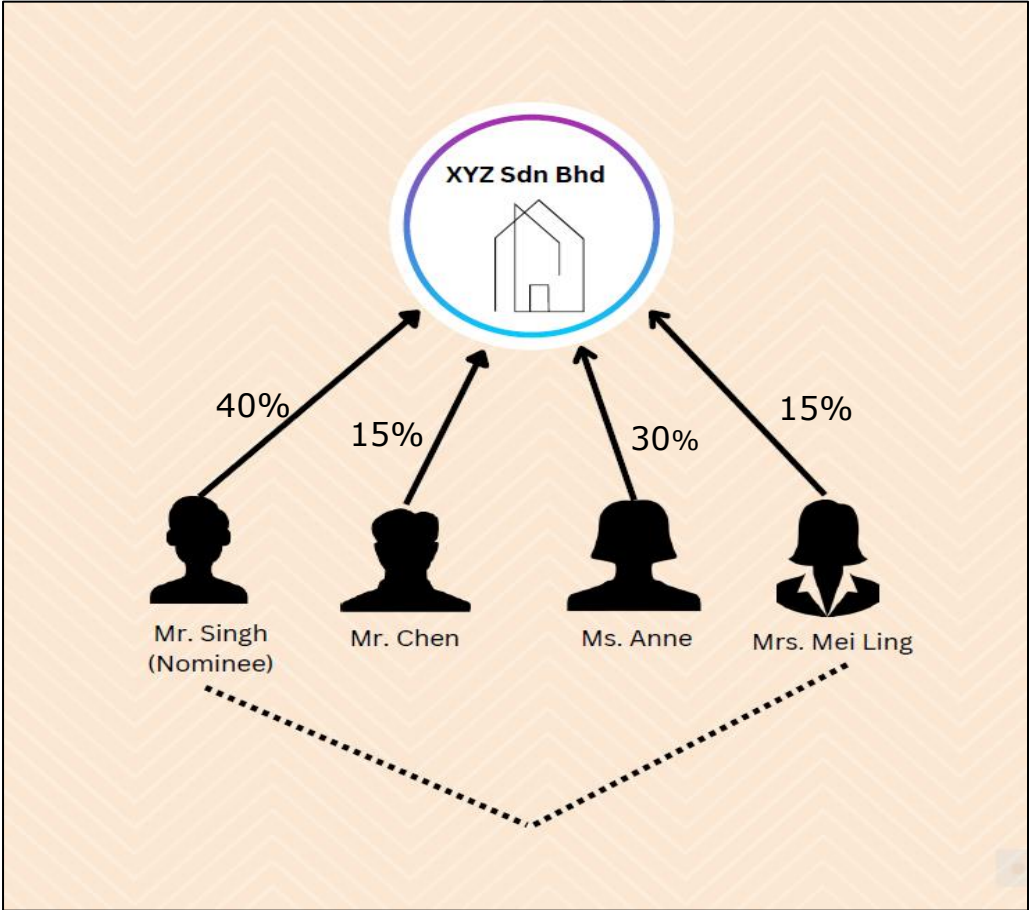
Based on illustration 4(a)(i) above, Mr. Singh holds 20% shares in RST Sdn Bhd. He has been appointed as a nominee by Mr. Chen to hold the shares on his behalf. Therefore, Mr. Chen is deemed to be the beneficial owner of RST Sdn Bhd and his name must be recorded in the register of beneficial owners of RST Sdn Bhd. Mr. Singh’s holding of 20% shares are disregarded as he is a nominee for Mr. Chen.

Illustration 4(a)(ii): Beneficial owner of RST Sdn Bhd



Based on illustration 4(a)(ii) above, Mr. Singh has been appointed as a nominee to hold 20% shares on behalf of XYZ Sdn Bhd. XYZ Sdn Bhd is wholly owned by Ms. Anne through 100% ownership. Hence, Ms. Anne is deemed to be the beneficial owner of RST Sdn Bhd and being the ultimate owner of the shares (an individual), her name must be recorded in the register of beneficial owners of RST Sdn Bhd. Mr. Singh's holding of 20% shares is disregarded as he is merely a nominee.

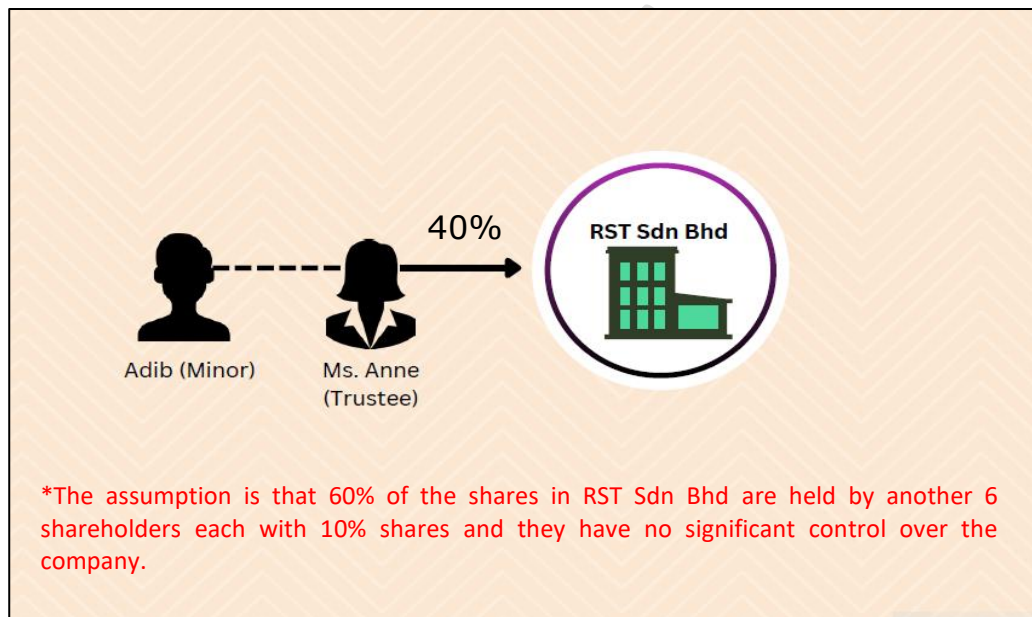
Illustration 4(a)(iii): Beneficial owner of XYZ Sdn Bhd



Based on illustration 4(a)(iii) above, XYZ Sdn Bhd has 4 shareholders namely, Mr. Singh, Mr. Chen, Ms. Anne and Mrs. Mei Ling. Each holds 40%, 15%, 30% and 15% respectively. However, although Mr. Singh holds 40% shares in XYZ Sdn Bhd, he has been appointed as a nominee to hold the shares on behalf of Mrs. Mei Ling. Altogether Mrs. Mei Ling holds 55%

shares in XYZ Sdn Bhd. Therefore, Ms. Anne and Mrs. Mei Ling are deemed to be the beneficial owners of XYZ Sdn Bhd through 30% and 55% shares respectively and their names must be recorded in the register of beneficial owners of XYZ Sdn Bhd. Mr. Singh's holding of 40% shares is disregarded as he is a nominee.

Illustration 4(a)(iv): Beneficial owner of RST Sdn Bhd



Based on illustration 4(a)(iv) above, Ms. Anne has been appointed as a trustee to hold 40% shares on behalf of Adib whose age is 14 years old (a minor and the beneficiary) in RST Sdn Bhd. Since Adib is a minor, Ms. Anne being the trustee makes decisions on behalf of Adib regarding the 40% shares. She is deemed to be the beneficial owner of RST Sdn Bhd and her name must be recorded in the register of beneficial owners of RST Sdn Bhd.

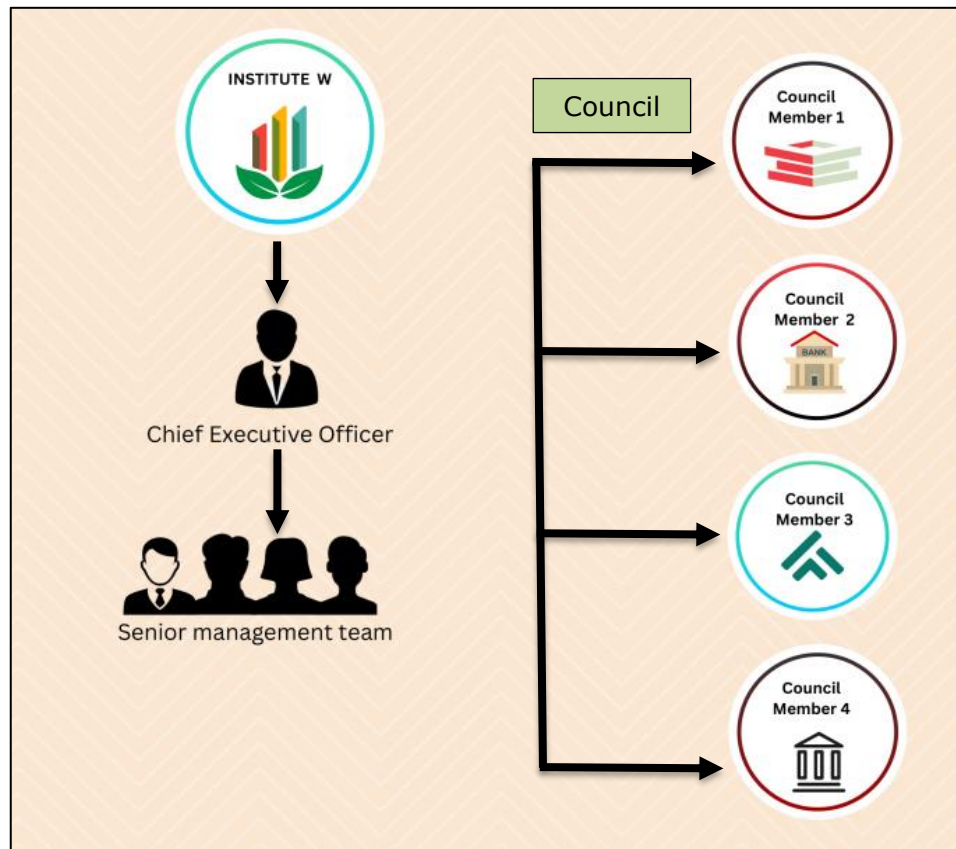
5. An individual is a beneficial owner in a company limited by guarantee based on control by other means if he:

(a) has the right to exercise ultimate effective control whether formal or informal over the company or the directors or the management of the company.

This is where an individual has the right to exercise ultimate effective control over a company as a result of, for example, the company's constitution (if any), a shareholders' agreement and/or any other agreements. The following examples are non-exhaustive of what may constitute exercising ultimate effective control:

- (i) An individual with absolute decision making and/or veto rights over decisions relating to the running of the business of the company, among others:
- Amending the company's business plan
 - Changing the nature of the company's business
 - Making any borrowing from the lenders
 - Appointing or removing the chief executive officer

Illustration 5(a)(i): Beneficial owner of Institute W



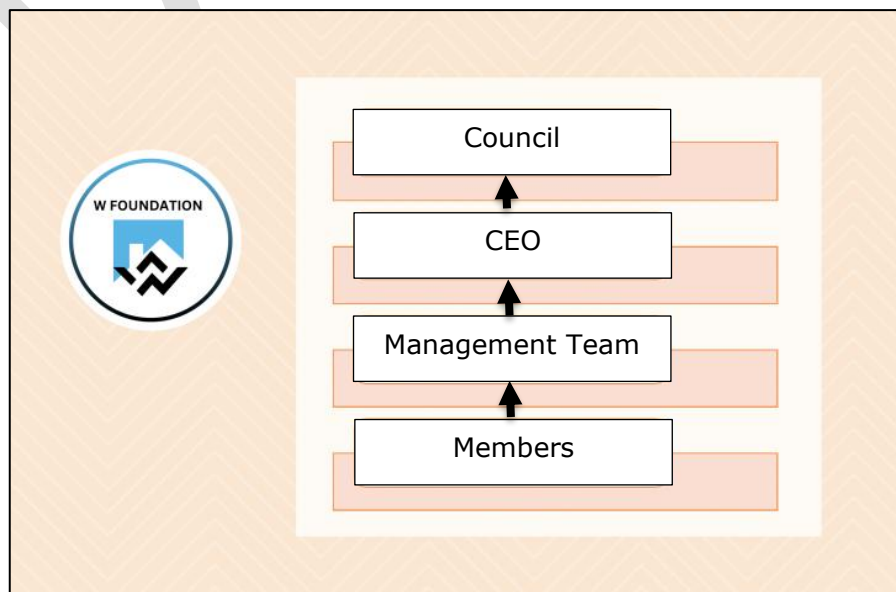
Based on illustration 5(a)(i) above, Institute W is a company limited by guarantee (CLBG). Based on its organization structure, Institute W is governed by an independent Board of Council consisting of 4 Council members. In this case study, all 4 Council members are representatives of various bodies governing or representing financial institutions. The constitution of Institute W states:

- The Chief Executive Officer (CEO) of Council member 1 shall be the Chairman of the Board
- The Board of Council shall be responsible for all the affairs and management of the fund involving Institute W

- All matters requiring member's resolution, approval, authorization or consent shall be subjected to the instructions and approvals of the Council members.
- The Chairman has no voting right and the members shall exercise equal voting rights.

Generally, a company can have more than one beneficial owner who must be an individual and ultimately has the ultimate effective control of the company. In this illustration, although the Council has the ultimate effective control over Institute W, the Council of Institute W cannot be named collectively as the beneficial owner but each and every individual who exercises significant control over Institute W must be named as the beneficial owners of Institute W and their name must be recorded in the register of beneficial owners of Institute W. Therefore, there are 4 beneficial owners for Institute W.

Illustration 5(a)(i): Beneficial owner for W Foundation



Based on illustration 5(a)(i) above, W Foundation is a company limited by guarantee (CLBG) and has 10,000 members consisting of individual and corporate members. In W Foundation, the organization structure comprising Chairman (founder of W Foundation), the Council, Chief Executive Officer (CEO), and the management team. The criteria to determine the beneficial owner in a CLBG shall be based on the ultimate effective control of the company. Under the constitution of W Foundation, the Council has the following powers:

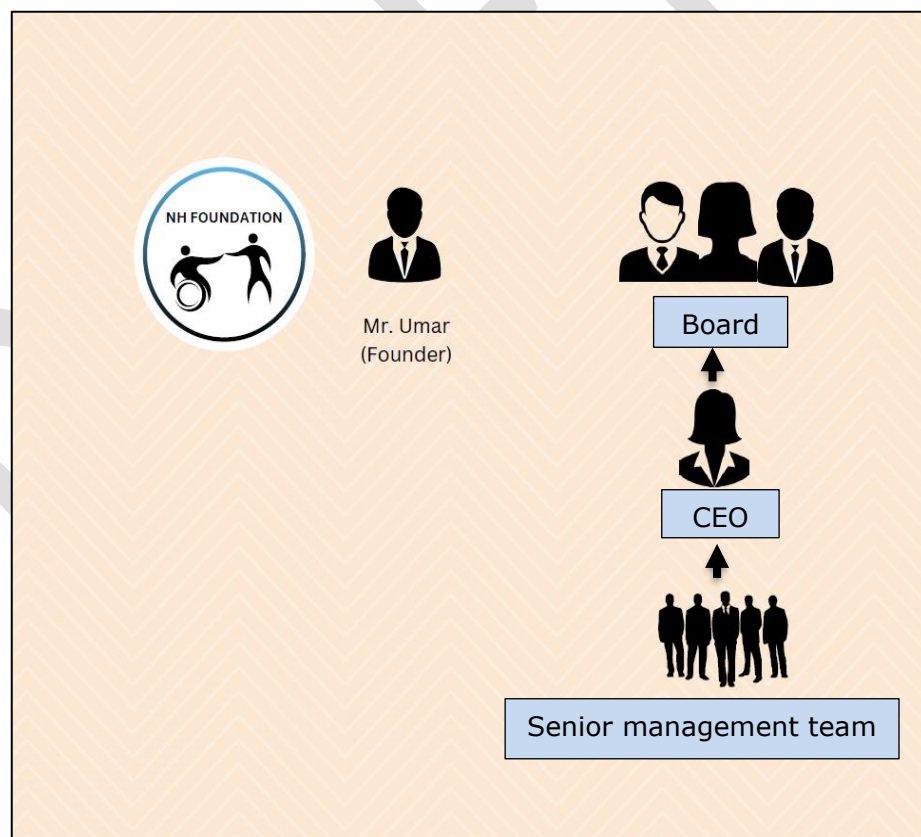
- The power to appoint CEO
- The power to make regulations for the purpose of carrying into effect any provision in the constitution.
- Power to make business decision
- Power to raise or borrow money required for the purposes of W Foundation
- Power to invest and deal with any moneys of W Foundation for the purposes of W Foundation in such manner as may from time to time.

In this illustration, the Council consisting of 5 members and the Chairman of the Council has veto power over the decision of the 5 Council members. Therefore, the Chairman of the Council is deemed to be the beneficial owner of W Foundation as he has the ultimate effective control over the decision made by the Council for W Foundation and his name must be recorded in the register of beneficial owners of W Foundation. The 10,000 members cannot be considered as beneficial owners as each of the member is unable to control W Foundation.

(ii) An individual who is not a member or director of a company:

- Regularly or constantly directs or influences the majority of the board of directors or chief executive officer of the company
- Is regularly consulted on board decisions and such direction or influence affects the decision made by the board of directors or chief executive officer.

Illustration 5(a)(ii): Beneficial owner of NH Foundation



Based on illustration 5(a)(ii) above, NH Foundation is a company limited by guarantee (CLBG). Mr. Umar is the founder of NH Foundation. Formerly, he was the chairman of the Board and he is still being consulted by

the Board before making any decision. His views, opinions and instructions are followed by the Board. Although he has no position in the company and not even a member, he is deemed to be the beneficial owner of NH Foundation as he exercises significant control over the Board. Therefore, his name must be recorded as the beneficial owner in the register of beneficial owners of NH Foundation.

- (b) has the right or power to directly and indirectly appoint or remove a director(s) who hold a majority of the voting rights at meeting of directors.**

Scenario 1

This is where an individual has the right or power to appoint or remove, for example, the chief executive officer, who holds a majority of the voting rights at a meeting of directors.

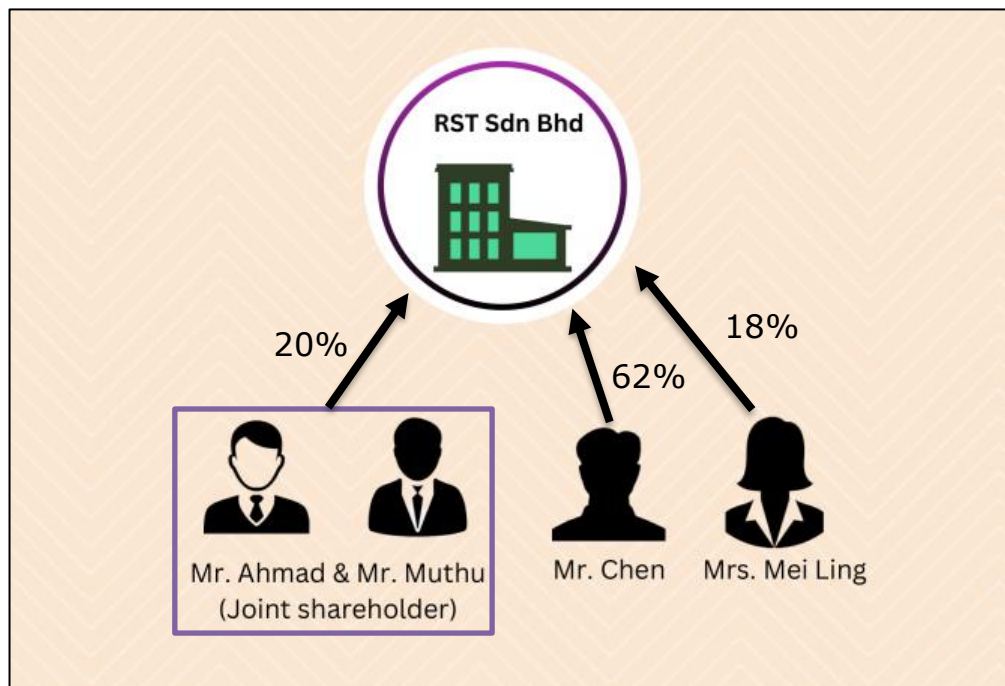
Scenario 2

The founder of a company who is no longer a member or director of the company, makes recommendations or gives instructions and these recommendations and instructions are always followed by majority of the directors of the company.

- (c) is a member of the company and, under an agreement with another member of the company, controls alone or jointly a majority of the voting rights in the company.**

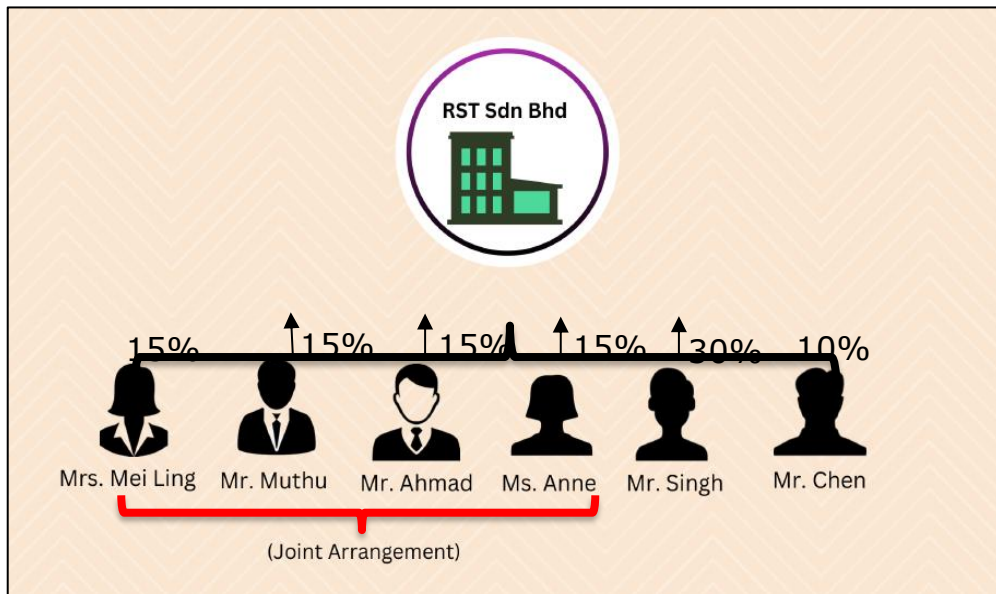
This is where an individual who is the member of a company enters into an agreement with other individuals to control the decision of the company through the majority of voting rights.

Illustration 5(c)(i): Beneficial owner of RST Sdn Bhd



Based on illustration 5(c)(i) above, RST Sdn Bhd has 4 shareholders namely, Mr. Ahmad, Mr. Muthu, Mr. Chen and Mrs. Mei Ling. Mr. Ahmad and Mr. Muthu jointly hold 20% shares while Mr. Chen and Mrs. Mei Ling each hold 62% and 18% shares respectively. Mrs. Mei Ling has an agreement with Mr. Ahmad and Mr. Muthu where both of them will always align their voting decisions with Mrs. Mei Ling. Therefore, in addition to Mr. Chen, Mr. Ahmad and Mr. Muthu, who has joint shareholders of 20% together with Mrs. Mei Ling are deemed to be the ultimate owner of the shares and deemed to be the beneficial owner of RST Sdn Bhd and their names shall be recorded in the register of beneficial owners of RST Sdn Bhd.

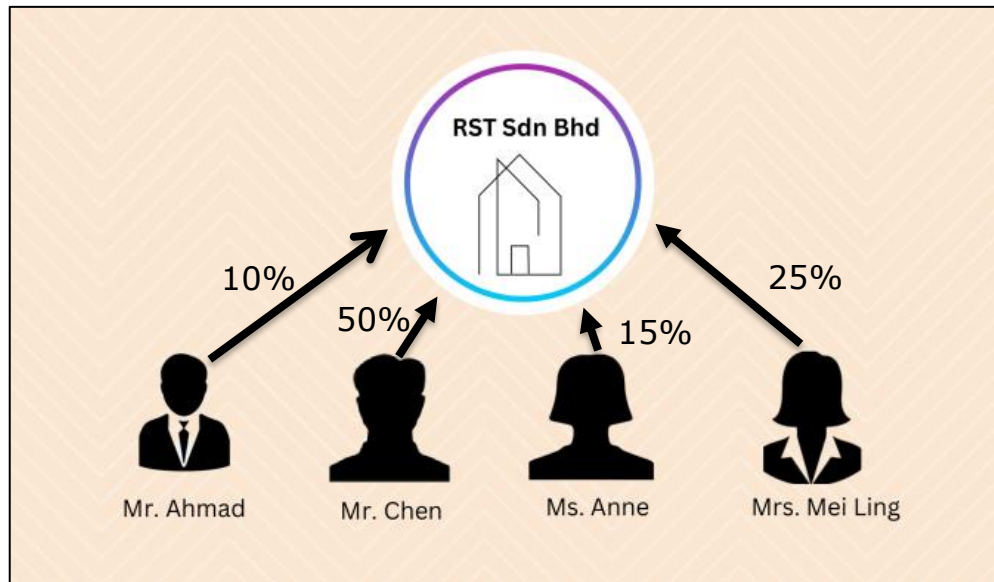
Illustration 5(c)(ii): Beneficial owner of RST Sdn Bhd



Based on illustration 5(c)(ii) above, RST Sdn Bhd has 6 shareholders namely, Mrs. Mei Ling, Mr. Muthu, Mr. Ahmad, Ms. Anne, Mr. Singh and Mr. Chen. Mr. Singh and Mr. Chen each holds 30% and 10% shares respectively. There is a pre-arrangement to jointly exercise voting rights in RST Sdn Bhd between Mrs. Mei Ling, Mr. Muthu, Mr. Ahmad and Ms. Anne for every meeting and the arrangement covers 60% of voting rights in RST Sdn Bhd. Therefore, Mrs. Mei Ling, Mr. Muthu, Mr. Ahmad and Ms. Anne are deemed to be the beneficial owners based on the joint arrangement, Mr. Singh who holds 30% shares in RST Sdn Bhd is also a beneficial owner of RST Sdn Bhd and all the names must be recorded in the register of beneficial owners of RST Sdn Bhd.

- (d) has less than 20% of the shares or voting rights but exercises significant control or influence over the company

Illustration 5(d): Beneficial owner of RST Sdn Bhd



Based on illustration (d) above, RST Sdn Bhd has 4 shareholders namely, Mr. Ahmad, Mr. Chen, Ms. Anne and Mrs. Mei Ling and each holds 10%, 15%, 30% and 25% shares respectively. Every shareholder holds fully paid shares and have the power to exercise full voting rights. Although Mr. Ahmad owns only 10% shares, he is the former Chairman of RST Sdn Bhd who is usually consulted on all matters by the Board. At the same time, he can also exercise his voting rights. Since Mr. Ahmad has the capacity to exercise significant control or influence over the company although he only holds 10% shares, he is deemed to be a beneficial owner. Hence, Mr. Ahmad and Mr. Chen are the beneficial owners of RST Sdn Bhd and their names must be registered in the register of beneficial owners of RST Sdn Bhd

B. Other types of Beneficial Ownership

(i) GOVERNMENT-OWNED COMPANY OR STATE-OWNED COMPANY

Where the Government or a State owns or controls a company, it is deemed to be a Government-owned or State-owned company. The Government-owned or State-owned company is required to submit and declare the relevant office as the beneficial owner of the company. For example, the beneficial owner for MOF Inc. is the Minister of Finance or the beneficial owner for the Perbadanan Menteri Besar Selangor is the Menteri Besar of Selangor.

The beneficial owner information is to be submitted solely for the purpose of the Beneficial Ownership Reporting Framework and will be so stated when the information is shared.

(ii) OFFICE BEARER

Where shares in a company is held by a society or co-operative society, the beneficial owner of the company is the respective public officer or the designated senior management. For example, office bearer for Selangor Football Club (Selangor FC) means any person in the society who is the president or vice-president, or secretary or treasurer of Selangor FC or who is a member of the committee or governing body or who holds any position analogous to any of those mentioned above.

C. Senior management in place of beneficial owner

Where all possible means have been exhausted and if conducting investigations and the findings reflect that a company has come to the following conclusions:

- (i) No beneficial owner;
- (ii) In the process of obtaining the beneficial owner;
- (iii) Beneficial owner cannot be identified; and/or
- (iv) Company is exempted from declaring their beneficial owner,

the company is still required to identify a senior management in place of beneficial owner.

This also applies to exempted entity. By virtue of the positions held within the corporation, persons that may be considered as persons in control of the company includes Members of the Board of Directors/Trustees or any similar body; and/or Senior Managing Official such as the President and Chief Operating Officer (COO).

These persons are responsible for strategic decisions that fundamentally affect the business practices or general direction of the corporation or exercising executive control over the daily or regular affairs of the corporation and their name must be submitted when the company reports its status as an exempted entity.