



## Basic guide to Beneficial Owners for Not-for-Profit entities in Uganda

### Introduction

The International Movement to fight Money Laundering (ML) and Terror Financing (TF) has pushed countries to adopt a number of laws and practices that are aimed at limiting the potential of ML and TF. Uganda has been no exception; the country has made various laws aimed at controlling ML and TF. One such law is the Companies (Amendment) Act, 2022, and the Companies (Beneficial Ownership) Regulations which introduces aspects of Beneficial Ownership and makes it mandatory for all companies with Beneficial Owners to have a register of Beneficial Owners and notify the Registrar of Companies (on top of other obligations).

In this brief, we bring you the commonly asked questions about Beneficial Ownership for NGOs in Uganda. The brief is aimed at helping NGO actors get basics of Beneficial Ownership and how to register and meet other obligations.

### 1. Who is a beneficial owner?

A beneficial owner is a natural person who owns or controls a company.

When it comes to direct ownership and control of limited liability companies which form the bulk of NGOs in Uganda, the control may depend on how the Company is structured. Examples of Beneficial Owners may include

- i. A patron of an organization
- ii. A board of trustees
- iii. The board of directors
- iv. Members with direct control of the company (e.g., members of the AGM).
- v. Members of senior management (normally the board and the Chief Executive where the Chief Executive is not a member of the board, and may include members of staff (executive/secretariate) who are key decision makers.

### 2. Are project beneficiaries same as beneficial owners?

No, project beneficiaries should not be mixed or confused with beneficial owners because these do not have a direct control on the organization.

### 3. When should an organization register beneficial owners?

Yes, the Companies (Amendment Act) 2022 require Companies to register beneficial owners.

An NGO in Uganda incorporated as a Company Ltd by Guarantee is expected to fulfill legal requirements relating to beneficial ownership (on top of other requirements).

### 4. What information should be put in the register of beneficial owners?

The following information should be included in the register of Beneficial Owners of the Company

- a. Full names of the Beneficial Owner
- b. National Identification Number (NIN) of the Beneficial Owner (or passport details in cases of nonresident foreign nationals)
- c. Nationality of the Beneficial Owner
- d. Date of Birth
- e. Physical Address of the Beneficial Owner
- f. Postal Address of the Beneficial Owner
- g. Email Address of the Beneficial Owner
- h. Telephone contact of the Beneficial Owner
- i. Occupation of the Beneficial Owner
- j. Date when the person became a Beneficial Owner
- k. Date when a person ceased being a Beneficial Owner



**5. Where is the register of beneficial owners for an organization kept?**

A Register of Beneficial Owners may be kept at any of the following

- a. At the registered office of the Company
- b. At another office of the Company
- c. Where the Company has made an arrangement/agreement with another person/entity to keep the register of the Beneficial Owners, at the office of that person/entity

**NOTE:** The register of Beneficial Owner must be kept within Uganda

**6. Can a person change from being a beneficial owner of a company? How do I change from being a beneficial owner of an organization**

Yes, a person can change from being a Beneficial Owner of the Company. First the change must happen within the company following its own internal systems e.g., change of board through an election or appointment or a resolution etc.

Once the internal system is fulfilled the person will be changed as a Beneficial Owner. Such a change will require the officers of the company to fill with the Registrar of Companies a notice of change.

**7. Do I need to notify the registrar of who the beneficial owners of the company is/are?**

Yes, the registrar of Companies has to be notified of the Beneficial Owners of the Company. This has to be done within 14 days after;

- a. Developing the register of Beneficial Owners
- b. Making Changes in the register of Beneficial Owner

**8. How does a Company notify the Registrar of the Beneficial Owners or of the changes in beneficial ownership?**

Notification is by filling any of these forms.

- a. Form 1 for Notice of Beneficial Owner(s) or
- b. Form 2 for changes in Beneficial Owners.

The forms are found in the Companies (Beneficial Owner) Regulations. They can also be found on Uganda Registration Services Bureau (URSB) website <https://ursb.go.ug/forms/business-ownership-forms>

**9. When should we notify the registrar about beneficial owners?**

A company should notify the Registrar of Companies within 14 days after developing the list of beneficial owners or within 14 days after making changes to the list.

**10. What is the consequence of not having a register of beneficial owners? What is the penalty for not keeping a register of beneficial owners?**

A company is expected to do the following;

- a. Develop a register of Beneficial Owners of the Company
- b. Keep the register of Beneficial Owners of the Company
- c. Give a notice of Beneficial Owners to the Registrar of Companies
- d. Give a notice of the changes of the Beneficial Owners to the Registrar of Companies
- e. Carry out any other thing relating to Beneficial Owners as required by law.

A company and an officer who does not do any of the above, as required by law is liable to a fine or Uganda shillings 500,000 (five hundred thousand) per day in default.

**For more details Contact**

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