

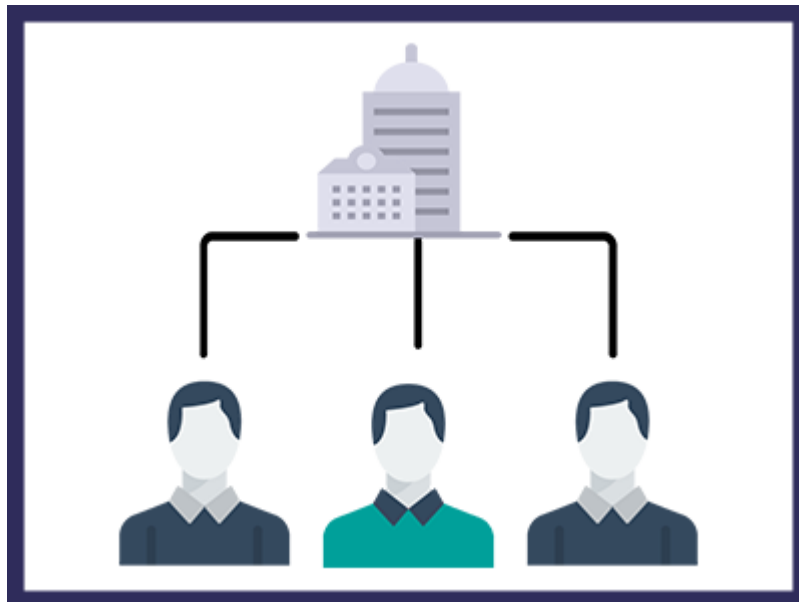
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## Uganda Beneficial Ownership Scoping Report

### Final Report



**Implementing Consortium:**

**Contract No.:** FED/2019/405904

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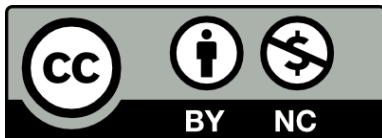
## Acknowledgements, Contributors and Credits

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<b>Acknowledgements, Contributors and Credits</b>	<b>i</b>
<b>Contents</b>	<b>ii</b>
<b>List of Acronyms and Abbreviations</b>	<b>iii</b>
<b>Executive Summary</b>	<b>iv</b>
Objective of the Study	iv
Key Recommendations	iv
<b>1 Introduction</b>	<b>1</b>
1.1 Background	1
1.2 Specific objectives of the assignment	2
1.2.1 Purpose	2
1.2.2 Scope	2
1.3 Methodology and key issues framing	3
1.3.1 Qualitative analysis	3
<b>2 Overview of Beneficial Ownership Legal and Institutional Frameworks</b>	<b>5</b>
2.1 Legal and regulatory framework	5
2.2 Institutional framework	6
2.3 Assessment of BO Legislation and URSB Processes Against Best Practices	8
2.3.1 Definition of a Beneficial Owner	8
2.3.2 BO Legislation Coverage	12
2.3.3 Details of a Beneficial Owner	14
2.3.4 BO Legislation Coverage	16
2.3.5 Public Access to BO	17
2.3.6 BO Data Verification	18
2.3.7 Sanctions and Penalties	20
<b>3 Beneficial Ownership Implementation Plan</b>	<b>22</b>
<b>4 Beneficial Ownership Proposed Forms</b>	<b>27</b>

## List of Acronyms and Abbreviations

<b>AEOI</b>	Automatic Exchange of Information
<b>AML/TF</b>	Anti-Money Laundering/Terrorist Financing
<b>BO</b>	Beneficial Ownership
<b>CH</b>	Company House
<b>CSOs</b>	Civil Society Organizations
<b>DGSM</b>	Directorate of Geological Survey and Mines
<b>EITI</b>	Extractive Industries Transparency Initiative
<b>ESAAMLG</b>	Eastern and Southern Africa Anti-Money Laundering Group
<b>EU</b>	European Union
<b>FATF</b>	Financial Action Task Force
<b>FIA</b>	Financial Intelligence Authority
<b>LEA</b>	Law Enforcements Agencies
<b>NBOC</b>	National Beneficial Ownership Committee
<b>NIRA</b>	National Identification and Registration Authority
<b>OECD</b>	Organization of Economic Co-Operation Development
<b>OO</b>	Open Ownership
<b>PAU</b>	Petroleum Authority of Uganda
<b>PSC</b>	Persons with Significant Control
<b>SRS</b>	Software Requirement Specification
<b>UGEITI</b>	Uganda Extractives Industries Transparency Initiative
<b>UNCAC</b>	United Nations Convention Against Corruption
<b>URA</b>	Uganda Revenue Authority
<b>URSB</b>	Uganda Registration Services Bureau

### Objective of the Study

This work assesses the current BO legislative framework and the readiness of existing systems and institutions assigned responsibilities on BO disclosure implementation in Uganda. It will also be used to enhance the capabilities of the National Beneficial Ownership Committee (NBOC) and Uganda Stakeholders on Beneficial Ownership Transparency.

### Key Recommendations

Below are the report's key findings, organised around the following areas.

Area – Best Practice	Recommendations
<i>Robust Definitions</i>	<ul style="list-style-type: none"> <li>• <i>The definition of beneficial owner should be expanded to encompass direct and indirect ownership and control. This can be achieved with the use of regulations</i></li> <li>• <i>The definition of beneficial owner should be expanded to include individual persons who ultimately enjoys direct and indirect economic benefits from a legal entity, transaction, or legal arrangements.</i></li> <li>• <i>The definition of beneficial owner should be explicit on the request of Politically Exposed Person’s status in line with the Uganda’s Anti Money Laundering Act, 2013 and subsequent amendments and regulations</i></li> <li>• <i>The definition of a beneficial owner should be expanded to include applicable minimum thresholds. The NBOC should consider a lower threshold to ensure maximum disclosure of beneficial ownership interests and control. The setting of the threshold must be evidenced based and should be well articulated and published in the appropriate procedures to ensure effective implementation as most stakeholders may leverage on loopholes in the BO regime to avoid BO information disclosure.</i></li> <li>• <i>The BO regulations should provide clear guidance on how to identify qualifying beneficial owners by providing a non-exhaustive list of examples of ownership and controlling interests and mechanisms through which these interests can be maintained.</i></li> </ul>
<i>Legislative Coverage</i>	<ul style="list-style-type: none"> <li>• <i>The BO regulations should explicitly state the legal obligations for all entities organized, or which may be organized or authorized to undertake business in Uganda, either domestic or external companies</i></li> </ul>

	<ul style="list-style-type: none"> <li>• <i>The BO regulations should provide guidance on reporting obligations for all entities and clearly provide any exemptions for BO disclosure</i></li> <li>• <i>In practice, URSB could adopt a phased approach to BO implementation by piloting reporting obligations by categories of companies</i></li> </ul>
<i>Beneficial Owners Particulars</i>	<ul style="list-style-type: none"> <li>• <i>The BO regulations should expand the requirements of BO particulars to capture details on beneficial owner, details on company and details on nature of interest, in line with international best practices</i></li> <li>• <i>URSB's existing BO forms should be reviewed to include beneficial owner's politically exposed person's status as well as include guidance on how to complete the forms</i></li> </ul>
<i>BO Data Accessibility</i>	<ul style="list-style-type: none"> <li>• <i>BO Regulations should provide explicit provisions on publication and accessibility to BO information/data. This should be done in alignment with the Data Protection and Privacy Act, 2019 and the Data Protection and Privacy Regulation, 2021</i></li> <li>• <i>The BO Regulations should provide explicit provisions on processes and potential opportunities for data redactions or exemption from publication where an individual or person have a genuine reason for anticipated risk of physical safety, attack against individual's home and family, kidnap, or significant financial loss</i></li> <li>• <i>URSB and the NBOC should consider options to publish BO information and make it freely accessible.</i></li> </ul>
<i>BO Data Verification</i>	<ul style="list-style-type: none"> <li>• <i>BO Regulations should provide explicit provisions on how BO data shall be verified, as well as identify existing databases for data integration, authentication, and management</i></li> <li>• <i>URSB should consider the development of a verification system that allows easy reporting of discrepancies, omissions, errors, suspicious patterns, or activities</i></li> <li>• <i>URSB should establish an internal compliance or verification unit with the requisite technical capacity to conduct investigations into suspicious false BO information</i></li> </ul>
<i>Sanctions and Enforcements</i>	<ul style="list-style-type: none"> <li>• <i>The NBOC and URSB should establish a clear legislative framework for the application of sanctions in the BO regulations</i></li> </ul>

- |  |   |
|--|---|
|  | <ul style="list-style-type: none"><li>• <i>The BO Regulations should establish clear points of breaches and associated sanctions – for instant late submissions, false information, etc.</i></li><li>• <i>The BO Regulations should define sanctions (either monetary and nonmonetary) for each breach, either administrative noncompliance or criminal sanctions</i></li><li>• <i>Define the application of the sanctions, either to the declaring entity or beneficial owner</i></li><li>• <i>Define sanction application procedures and timelines</i></li><li>• <i>Indicate how enforcement of sanctions would be done, including clear procedures for both implementing agency (URSB) and potential applicants (declaring entities)</i></li></ul> |
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# 1 Introduction

## This section sets out the following:

- Background and introduction to the report.
- Specific objectives and scope of the work.
- The methodology used, limitations and structure of the report.

## 1.1 Background

**Globally, there is a push for strong and robust legislations necessary to require corporate entities to publish information on their beneficial owners. The need for a public beneficial ownership (BO) register has come to light after the Panama papers leaks in 2016. The aim is to deter and reduce bribery and corruption; guard against tax evasion and avoidance; mitigate money laundering and terrorist financing; enhance transparency in public procurement; and increase corporate and government transparency globally.** Corporations, particularly those who operates in multiple countries, adopts a variety of corporate vehicles that allows them to function effectively in different jurisdictions. However, the combination and use of these vehicles gradually leads to complex, multi layered ownership structures. There is growing evidence of misuse of such complex structures (such as shell companies, trusts, anstalts, foundations, investment funds, joint ventures, or partnerships among other types of legal arrangements), in the context of criminal and illicit behaviours, including escaping international sanctions and the funding of terrorist organizations.

Global efforts to achieve beneficial ownership transparency have received international under the Financial Action Taskforce (FATF) and its regional bodies; United Nations Convention Against Corruption (UNCAC); and the Extractives Industries Transparency Initiative (EITI). Over 170 countries have already taken steps to implement beneficial ownership disclosure. Uganda has obligations under FATF and EITI to implement beneficial ownership transparency.

- **Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG)** – Uganda is a member of ESAAMLG with the aim to combat money laundering and terrorist financing crimes by implementing the Financial Action Task Force (FATF) Recommendations. Under FATF recommendations 24 and 25<sup>1</sup>, countries are required to maintain beneficial ownership information and facilitate its access to law enforcement agencies and other competent authorities.
- **Extractives Industries Transparency Initiative (EITI):** Uganda signed up to the EITI in 2020. Under the EITI Standard, all extractives companies that bid for, operate, or invest in oil, gas and mining sectors are required to publicly disclosed their beneficial owners via the EITI reports
- **EU Directives on Anti-money Laundering:** Under the EU’s Anti money Laundering Directive, Uganda has been classified as a high-risk country of which the lack of beneficial ownership disclosure has been identified as a major threat. Uganda is required by the EU to establish a BO regime to avoid sanctions

**Since 2013, Uganda has put in place multiple legislative and regulatory frameworks on BO disclosure, including the Anti-Money Laundering Act, 2013 and its Amendments in 2017 and 2022; the Income Tax (Amendments Act); the Companies (Amendments) Act, 2022; the Trustees Incorporations (Amendments) Act, 2022; the Partnerships (Amendments) Act, 2022.** The legislations provide for the basis for collection, processing, management, and publication of BO data. Despite the

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<sup>1</sup> FATF Guidance on Transparency and Beneficial Ownership



enactments of these legislations, Uganda's implementation of BO disclosure still faces challenges. The legislations still have major gaps compared to international best practices. The institutional framework for BO implementation is not well coordinated despite recent efforts by the Uganda EITI (UGEITI) to improve coordination between relevant agencies. The Uganda Registration Services Bureau (URSB), expected to lead the implementation of BO disclosure, faces capacity challenges. There is no BO central register to collect, process and manage BO data.

**After the passage of legislations to support BO implementation in 2022, assessment of BO provision as well as the anticipated institutional structure for its implementation has become necessary to identify areas of strength and weakness to form the basis for the development of regulations.** This encompasses an assessment of the key legal provisions against international best practices as well as the readiness of the institutions assigned duties by the law to ensure effective BO disclosure implementation.

The findings from the study will be shared with the Multistakeholder group of UGEITI, the URSB, the National Beneficial Ownership Committee (NBOC) as well as government institutions, key stakeholders, including Civil Society Organisations (CSOs), development partners, the media, and the public. It will form the basis for a national BO stakeholder capacity building and sensitization for government, professional bodies, CSOs and the media.

## **1.2 Specific objectives of the assignment**

### *1.2.1 Purpose*

**This work assesses the current BO legislative framework and the readiness of existing systems and institutions assigned responsibilities on BO disclosure implementation in Uganda.** It will also be used to enhance the capabilities of the National Beneficial Ownership Committee (NBOC) and Uganda Stakeholders on Beneficial Ownership Transparency.

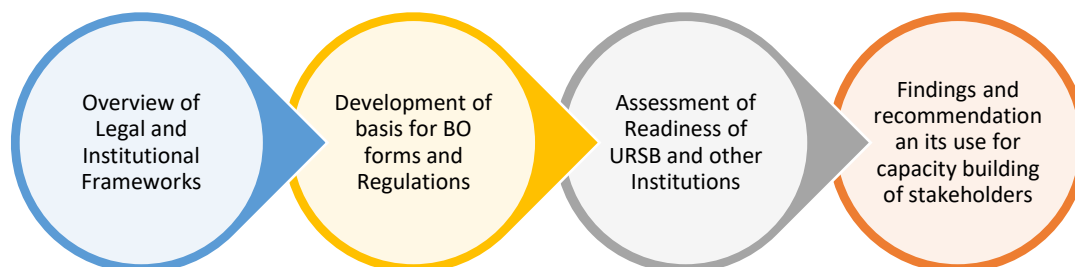
### *1.2.2 Scope*

**This assignment ultimately encompasses providing an overview of Uganda's BO legislations and outlook for BO disclosure implementation, including the basis for the development of regulations, BO forms, and overall implementation plan.** The report also assesses the readiness of URSB and other relevant institutions against best practices in the following thematic areas:

- Existing processes for BO data collection
- BO data collection systems
- BO data processing internal procedures
- BO data verification system
- BO Sanctions and Enforcement procedures

Finally, the report will proffer recommendations on effective BO disclosure implementation and the way forward for Uganda to satisfy its international obligations to BO disclosure under EITI and FATF.

**Figure 1 Broad scope of the report**



Source: Authors' construct

### **1.3 Methodology and key issues framing**

The methodology used in producing this report encompassed qualitative, and political economy analysis: These are explained in more detail below.

#### *1.3.1 Qualitative analysis*

- **Desk literature review:** The consultant conducted an extensive literature review covering relevant documents on the Beneficial Ownership Disclosure Implementation in other EITI and FATF implementing countries. The assessment of the BO legal and institutional frameworks in Uganda was based on desk review of the following:
  - Anti-Money Laundering Act, 2013 and its Amendments in 2017 and 2022
  - Income Tax (Amendments) Act, 2019
  - The Companies (Amendments) Act, 2022
  - The Trustees Incorporations (Amendments) Act, 2022
  - The Partnerships (Amendments) Act, 2022
  - EITI Standard Requirement and Guides on Beneficial Ownership Disclosure
  - Open Ownership principles based on the Beneficial Ownership Data Standard (BODS)
  - EU Anti-money Laundering Directives with particular emphasis on Beneficial Ownership requirements
  - Tax Justice Network's research on Beneficial Ownership Information Verification
  - OECD's Disclosure of Beneficial Ownership Disclosure of Listed Companies
  - Other relevant practice notes and literature on BO disclosures
  - FATF Guidance on Transparency and Beneficial Ownership Disclosure

- Beyond the review, the consultant analysed Uganda’s existing BO disclosure regime and plans for BO disclosure reforms against OO’s BO principles to understand the gaps to meeting relevant requirements under FATF, EITI and other international BO requirements.
- **Stakeholder mapping and interviews:** This involved a deep dive mapping and analysis of the different stakeholders involved in or intended to be part of national BO disclosure implementation. To validate findings from the desk review and independent research, the consultant conducted a face-to-face interview with the relevant stakeholders, including NBOC, UGEITI, Ministry of Mines and Petroleum Directorate, URSB, Financial Intelligence Authority (FIA), and the Petroleum Authority of Uganda (PAU). This exercise also helped identify stakeholder interests and understanding of their role in BO implementation in Uganda.

## 2 Overview of Beneficial Ownership Legal and Institutional Frameworks

### This section examines

- The legal, institutional, and regulatory framework governing Uganda’s beneficial ownership disclosure.
- Specifically, this section reviews the definition of beneficial owners against international best practices
- It also reviews key aspects including its comprehensive coverage, BO register requirements, among other parameters based on Open Ownership’s BO Data Standard

### 2.1 Legal and regulatory framework

**The legal framework governing Uganda’s BO regime is a combination of statutory provisions enshrined in multiple Acts of Parliament and Legislative Instruments.** The current principal legislations governing BO implementation in Uganda includes:

- **The Anti-Money Laundering Act, 2013; and its Amendments in 2017 and 2022; The Anti-Money Laundering Regulations, 2015:** Under FATF recommendations 24 and 25<sup>2</sup>, countries are required to maintain beneficial ownership information and facilitate its access to law enforcement agencies and other competent authorities. Following this requirement, Uganda enacted its first Beneficial Ownership Disclosure provisions in 2013, however the definition of a beneficial owner as per the Act did not satisfy the relevant requirements under FATF. The definition in the 2013 Act failed to target the ultimate individual beneficial owner. Subsequent amendments were made in 2017 to broaden the definition of a beneficial owner to enhance BO transparency in the financial sector. This notwithstanding, the definition is limited to only ultimate owners that are traceable in a financial transaction and not persons who bears ultimate ownership of a company through indirect means (either through a legal owner, shell companies, professional intermediaries or nominee and bearer shareholdings or trust).
- **Petroleum (Exploration, Development and Production) Act, 2013:** The Act (Section 56) provides the basis for the collection of beneficial ownership information from all persons or companies that bid for or applies for petroleum exploration license in Uganda. BO provisions only applies to the Oil and Gas sector.
- **Income Tax (Amendments) Act, 2019:** The Act provides the basis for the recognition of beneficial owners of companies as well as defines the thresholds for beneficial owners’ tax exemptions under double taxation agreements
- **Mining and Mineral Act, 2022:** The Bill (Section 43) provides the basis for the collection and publication of beneficial ownership information of all persons or companies that bid for or applies for mineral exploration license in Uganda. BO provisions under this law applies to the mining sector.
- **The Companies (Amendments) Act, 2022; the Trustees Incorporations (Amendments) Act, 2022; the Partnerships (Amendments) Act, 2022; and the Cooperative Societies (Amendments) Act, 2022.** The Acts provides for the basis for the collection, processing, management, and publication of beneficial ownership information of all companies, trustees, and

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<sup>2</sup> FATF Guidance on Transparency and Beneficial Ownership

partnerships that conduct business in Uganda. These legislations are the main BO legislations that are intended to provide the establishment of a central BO register in Uganda

## 2.2 Institutional framework

The **institutional** capacity to oversee BO disclosure implementation rests with various government agencies, (Figure 1). The table below provide key institutions and their role in BO implementation in Uganda:

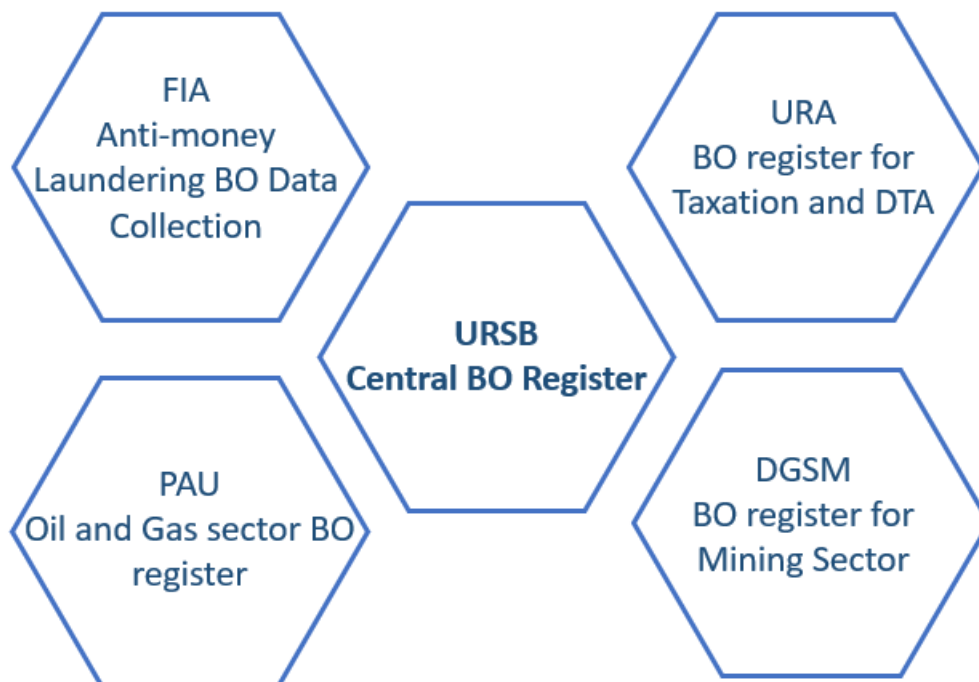
**Table 1 Institutional Responsibilities on BO Implementation in Uganda**

Institutions	Responsibility
Uganda Registration Services Bureau (URSB)	URSB is the legally mandated agency responsible for the overall implementation of a central BO register in Uganda. As part of its responsibilities, URSB leads the collection, processing, maintenance, and publication of BO data across all sectors in Uganda
Financial Intelligence Authority (FIA)	FIA is mandated by law to fight against Money Laundering and combat Terrorist Financing in Uganda. As part of its mandate, FIA ensures that accountable institutions (as defined in the Anti-Money Laundering Act) conduct the necessary customer due diligence and collect the beneficia ownership information of all customers based on the level of transactions. Further, accountable institutions also for suspicious transactions reports with the FIA to coordinate further investigations. Ultimately, FIA coordinate between accountable institutions and law enforcements agencies to verify BO information
Department of Geological Survey and Mines (DGSM)	Under the Ministry of Energy and Minerals Development, DGSM is responsible for geological and mineral surveys and detailed exploration mineral deposits in Uganda. It processes prospecting/ mining lease applications, carries out inspections and demarcation of mining areas, monitors mineral revenue and peruses mineral litigation. With regards to BO, DGSM is responsible for the collection, processing, maintenance, verification, and disclosure BO information from all companies that apply for mining exploration license in Uganda.
Petroleum Authority of Uganda (PAU)	PAU bears the overall responsibility to collect and maintain beneficial ownership information of all companies that apply for petroleum exploration license.
Uganda Revenue Authority (URA)	URA is charged with the responsibility to ensure compliance with all relevant tax laws.  Uganda is a signatory to the Multilateral Convention on Mutual Administrative Assistance on Tax Matters; it has committed to implement the International Standard for the Automatic Exchange of Financial Account Information in Tax Matters (AEOI) by 2023 and domestic law has been revised to enable the Uganda Revenue Authority to facilitate the automatic exchange of information.

	With regards to BO implementation, URA collects BO information of companies to ensure double taxation exemptions are appropriately applied.
Uganda Extractives Industries Transparency Initiative (UGEITI)	EITI promotes the open and accountable management of oil, gas, and mineral resources. As part of Uganda's implementation of the EITI initiative, UGEITI's Multi-Stakeholder Group (MSG) is responsible for the promotion and implementation of EITI Standard.  As part of implementing the Standard, UGEITI coordinates with extractive stakeholders to collect and publish beneficial ownership information of all companies that bid for, invest or operate in the extractive sector in Uganda

Source: Authors' construct

**Figure 1 Uganda BO Disclosure Institutional Framework**



Source: Author's Construct

## 2.3 Assessment of BO Legislation and URSB Processes Against Best Practices

This section assesses key aspect of the primary BO legislations (the Companies (Amendments) Act, 2022; the Trustees Incorporations (Amendments) Act, 2022 and the Partnerships (Amendments) Act, 2022) against best practices and principles.

### 2.3.1 Definition of a Beneficial Owner

#### **Robust Definition**

Definition of beneficial owner must be robust, clearly enshrined in law and include the following scope:

- Natural person
- Comprehensively cover all forms of ownerships including interests, control, and influence
- Direct and indirect interest
- Target the ultimate beneficial owner to avoid the risk of documenting different layers of legal owners
- Single unified definition in a primary legislation
- Consideration to an applicable threshold
- Mechanisms of holding interest

There are four key definitions of beneficial owner in the following legislations, although the primary legislation is the Companies Amendments Act. Based on the assessment, the definition of a beneficial owner in the Companies Act aligns with international best practice, however, there remain some challenges. The law grants the Minister the opportunity to develop regulations for the effective implementation of the Act. These challenges can be rectified the regulations.

#### **Pros**

- The definition of a beneficial owner is focused on an individual natural person with ultimate interest in a legal entity or arrangements. This presents the benefit of targeting ultimate owners to avoid the risk of documenting different layers of legal owners. The definition is not limited to only ultimate owners that are traceable in the ownership structure of a company but those who have concealed their identities either for legal or illegal reasons.
- Further, the definition anticipates and emphasizes on all forms of ownership and control, including but not limited to shareholding, influence, and control over a legal person or arrangements. Individual's influence or control over a legal person or arrangements can be exercised through voting rights, individual exercises the right to supervise on final decision making or has significant influence over decisions made in a company.
- The definition is intended as the primary definition for beneficial owner in Uganda

#### **Cons**

- The definition does not explicitly emphasize on direct and indirect ownership and controlling interest which is a primary feature of best practices on the definition of a beneficial owner. A beneficial owner of a legal entity or arrangements can be identified directly or indirectly in the form of shareholdings and voting rights or have controlling rights over a company (i.e., individual

exercises the right to supervise on final decision making or has significant influence over decisions made in a company). At the same time, a persons can have ultimate ownership of a company through indirect means (either through a legal owner, shell companies, professional intermediaries or nominee and bearer shareholdings or trust).

- The definition does not encompass persons' who directly or indirectly gains substantial economic benefits or interest from a company, for instance, in the form of debenture arrangements, profit sharing arrangement, enjoyment from assets, etc.
- The definition of a beneficial owner does not specifically provide for thresholds in the law but empowers the Registrar to propose and enact relevant guidance for the implementation of the Act.
- The definition does not explicitly require the reporting for Politically Exposed Persons (PEPs), even though the requirements for beneficial owners to indicate their PEPs status is central to the use of BO information as a tool to fight corruption. Article 52 of the United Nations Convention Against Corruption (UNCAC)<sup>3</sup> defines PEPs as “*individuals who are, or have been, entrusted with prominent public functions and their family members and close associates*”. This includes persons with prominent positions in country, from a foreign country or represent a foreign country domestically. Persons include current and former heads of states, senior government officials, heads of political parties, Parliamentarians, judges and other senior officials in the judiciary, executive officers of state owned enterprises or corporations, and senior military officials. The definition of PEPs also encompasses their close associates either professional or personal (such as former school mates, extended family associates, or work associates) and family members by blood, marriage or other civil partnership arrangements. Both the Financial Action Taskforce (FATF) and UNCAC definition of PEPs focus on the high level ranks who often lead decision making in their respective positions. There are different kinds of PEPs<sup>4</sup> including:
  - **Domestic PEPs:** individuals who are or have been entrusted domestically with prominent public functions. Domestic PEPs encompasses persons with current positions or have formerly held such position
  - **Foreign PEPs:** Individuals who are or have been entrusted with prominent public positions by a foreign country. The emphasis is on persons from foreign countries who can influence decision or engage in improper actions outside of their country due to their position or through diplomatic ties they have built as result of their position (either current or former). Specifically, this covers in addition to the kind of official as listed above, high commissioners, ambassadors, senior officials who work in high commissions and embassies, etc.
  - **International organisation PEPs:** Individuals who are or have been entrusted with a prominent function by an international organisation, including members of senior management or individuals who have been entrusted with equivalent functions, i.e. directors, deputy directors and members of the board or equivalent functions

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<sup>3</sup> The UNCAC is also referred to as the Mérida Convention, after the Mexican city where the high level signing Conference was held. The UNCAC was adopted by the United Nations General Assembly in October 2003, and subsequently entered into force in December 2005.

<sup>4</sup> FATF Guidance on Recommendations 12 and 22, June 2013 - <http://www.fatf-gafi.org/media/fatf/documents/recommendations/Guidance-PEP-Rec12-22.pdf>



**Table 2 Assessment of BO Definitions Against Best Practices**

Key Aspects of Definition	Companies Amendments Act, 2022	Mining and Minerals Act, 2022	Anti-Money Laundering Law, 2013
<b>Definition of a Beneficial Owner</b>	<i>“Beneficial owner” means a natural person who has final ownership or control of a company or a natural person on whose behalf a transaction is conducted in a company, and includes a natural person who exercises absolute control over a company”</i>	<i>, “beneficial ownership” means the control, possession, custody, or enjoyment by any person, directly or indirectly, of a reasonably significant economic interest in a given legal entity or receives significant economic benefit from such a legal entity, even where formal ownership or title may be in the name of another person or entity”</i>	<i>““beneficial owner” means the natural person who ultimately owns or controls a customer or the natural person on whose behalf a transaction is conducted, and includes a natural person who exercises ultimate effective control over a legal person or legal arrangement;”</i>
<b>Does the definition specify a BO as a natural person?</b>	Yes	No	Yes
<b>Is the definition explicit an individual who ultimately owns a company?</b>	Yes, even though it uses the word final which could be interpreted differently	No	Yes
<b>Does definition specifies direct and indirect forms of ownership?</b>	No	Yes	No
<b>Does the definition include interest via ownership and control?</b>	Yes	Yes	Yes
<b>Does the definition include forms of economic interests?</b>	No	Yes	No
<b>Does the law specifies thresholds</b>	No, but empowers Minister to make further regulations to guide implementation	5% shares	No, but FATF Style legislations are guided by recommendations which suggest not more than 25%

### **Box 1: Threshold in BO Disclosure Implementation**

Another important regulatory parameter regarding BO disclosure is minimum reporting thresholds - the minimum ownership interest of a beneficial owner that will require their details to be reported by a legal entity. For the common forms of ownership and control, namely, direct, or indirect possession of ownership shares, voting rights, and right to income, most countries apply minimum thresholds.

This means information on beneficial owners who have interest below the minimum threshold will be deemed insignificant to be reported, and vice versa. This means information on beneficial owners who have interest<sup>5</sup> below the minimum threshold will be deemed insignificant to be reported, and vice versa. Although BO disclosure remains a critical deterrent against improper acts engaged into by beneficial owners, its implementation could be challenging. Reporting thresholds should allow for a more pragmatic BO disclosure implementation. Global Witness recommends 5 percent or lower thresholds because of corruption risks in the extractive industry<sup>6</sup>. In the banking industry, 10 percent minimum threshold is often used while many other countries have used a 25 percent threshold in their Anti-Money Laundering and Countering Terrorist Financing (AML/TF) guidelines or legislative frameworks.

Other countries<sup>7</sup> have also adopted a “no threshold” policy in their BO disclosure process which means all companies or corporate entities are required to disclose their beneficial owners. The adoption of a minimum reporting thresholds could also be varied within the same legislative framework. For instance, a country could require no minimum thresholds for beneficial owners with control via voting rights but require a 5 percent threshold for beneficial ownership through shareholdings.

#### ***BO Thresholds in Selected Countries***

- United Kingdom – 25%
- Ukraine – 25%
- Argentina – 1 share and above
- Senegal – 2%
- Nigeria – 5%
- Ghana- 5 % for high risk sectors and 10 % for all other sectors
- Paraguay- 10%
- Kenya – 10%
- Cayman Islands – 10%

*Source: Author's Construct*

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<sup>5</sup> Interest in the form of shareholding, voting rights, control, etc.

<sup>6</sup> Global Witness, “Assessment of EITI Beneficial Ownership pilots”, March 2015.

[https://www.globalwitness.org/documents/18014/Beneficial\\_Ownership\\_Report\\_March\\_24\\_FINAL.pdf](https://www.globalwitness.org/documents/18014/Beneficial_Ownership_Report_March_24_FINAL.pdf). Accessed on July 9, 2017

<sup>7</sup> Such as China, Bangladesh, Malaysia, Nigeria

## **Recommendations**

- *The definition of beneficial owner in should be expanded to encompass direct and indirect ownership and control. This can be achieved with the use of regulations*
- *The definition of beneficial owner should be expanded to include individual persons who ultimately enjoys direct and indirect economic benefits from a legal entity, transaction, or legal arrangements.*
- *The definition of beneficial owner should be explicit on the request of Politically Exposed Person's status in line with the Uganda's Anti Money Laundering Act, 2013 and subsequent amendments and regulations*
- *The definition of a beneficial owner should be expanded to include applicable minimum thresholds. The NBOC should consider a lower threshold to ensure maximum disclosure of beneficial ownership interests and control. The setting of the threshold must be evidenced based and should be well articulated and published in the appropriate procedures to ensure effective implementation as most stakeholders may leverage on loopholes in the BO regime to avoid BO information disclosure.*
- *The BO regulations should provide clear guidance on how to identify qualifying beneficial owners by providing a non-exhaustive list of examples of ownership and controlling interests and mechanisms through which these interests can be maintained.*

### **2.3.2 BO Legislation Coverage**

#### **Comprehensive Coverage**

Beneficial ownership disclosure should comprehensively cover all relevant types of legal entities and natural persons

- All types of relevant entities and arrangements through which ownership and control can be exercised should be included in declarations
- All exemptions from full declaration should be clearly defined and justified, and assessed on an ongoing basis
- Any exemptions from declaring beneficial owners should be granted only when the entity is sufficiently declaring its beneficial ownership
- All exemptions from declarations should be treated narrowly

To develop an efficient BO disclosure regime, it should comprehensively capture different forms of entities, arrangements, as well as clearly articulate any entities exempted from disclosing BO information. This is critical in guarding against exploitation of potential loopholes in a BO regime for illegitimate activities. Beneficial ownership requirements should also comprehensively cover all forms of natural persons (for example, domestic and foreign citizens who meet the definition of beneficial owner) to avoid gaps that could be potentially exploited. It is recommended that exemptions should be granted to entities that are already disclosing BO information in sufficient detail and easily accessible by the public and state authorities.

#### **Pros**

Based on the review of the Companies (Amendments) Act, 2022; the Trustees Incorporations (Amendments) Act, 2022 and the Partnerships (Amendments) Act, 2022, the following

- Uganda’s BO regime covers entities including companies limited by shares, guarantee, unlimited companies, external companies, trusts and limited partnerships, either being public or private.
- BO regime does not exempt any form of natural person, hence it encompasses all forms of natural persons, including domestic and foreign citizens who meet the definition of a beneficial owner.

### **Cons**

- BO provisions does not set explicit obligations for companies to file for BO information with the central registry
- There law does not impose statutory obligations for external companies to report or file for BO information
- Even though the BO legislations requires various entities such as companies limited by shares, companies limited by guarantee, unlimited companies, trusts, limited partnerships, among others, there remain a more complex entity structures that are not covered by the BO legislations. For instance, foreign maritime agencies, shelf companies, anstalt, private investment funds, state owned enterprises etc.

### **Box 2: Types of Legal Entities and Structures**

- Limited liability company
- Partnerships (Limited liability partnership and limited partnership)
- Anstalt
- Protected cell companies
- Joint -stock companies
- Trust
- Investment Fund
- Corporate Protector
- Not for profit corporations (Foundations and Private Foundations)
- State owned Enterprises
- Publicly company

### **Recommendations**

- *The BO regulations should explicitly state the legal obligations for all entities organized, or which may be organized or authorized to undertake business in Uganda, either domestic or external companies*
- *The BO regulations should provide guidance on reporting obligations for all entities and clearly provide any exemptions for BO disclosure*
- *In practice, URSB could adopt a phased approach to BO implementation by piloting reporting obligations by categories of companies*

### 2.3.3 Details of a Beneficial Owner

#### Sufficient Details

#### OO Principle

Beneficial ownership disclosure should collect sufficient information to enable users to adequately understand and use the data

Information should be collected on the beneficial owner, company and means of controlling ownership

Sufficient information should be collected to remove any form of ambiguities in the data collected

Absolute figures, not ranges, should be used to describe beneficial ownership control

Data should be collected using online forms with clear guidelines that facilitate compliance

In instituting a robust and effective Beneficial Ownership regime, collecting relevant data about the beneficial owner and the declaring company facilitates correct use of data in determining which individuals and companies a particular declaration is about. Additionally, collecting and publishing the means of ownership and control enables users to understand the beneficial ownership regime.

An assessment of Uganda's BO legislative provisions shows a requirement for certain information to be collected from all beneficial owners. The data requirement is more focused on the beneficial owner with no requirements for the nature of interest and company that the BO is related to. This notwithstanding, the law empowers the Minister to include additional information particulars from a beneficial owner.

Further, URSB, the main implementer of the Act, has an existing BO form that requires disclosure beneficial ownership details; however, this has not been obligatory in the past. The forms collect information on the beneficial owner, the company, and nature of interest but the information is not sufficient. The form does not come with guidance notes which ensures the accurate completion of the forms. Currently, there is no online form for the collection of BO information, although URSB confirmed that plans are advanced to move completely online after the integration of BO into the Company Register.

#### ***Pros***

- The BO legislation requires beneficial owners to disclose their relevant particulars for the BO register
- The BO legislation empowers the Minister to prescribe additional data points to be collected from beneficial owners

#### ***Cons***

- The requirement for BO particulars is not exhaustive and sufficient as it does not require information on nature of interest and mechanisms by which beneficial owner exercise control or influence
- The existing BO forms by URSB does not capture the politically exposed person's status for each beneficial owner.
- The existing BO forms does not provide guidance to support the completion of the forms even though URSB developed guidelines, but this is not public

**Table 3 Assessment of BO Legislations on Beneficial Owner Particulars**

Details of Individuals Based Best Practice	Uganda BO Legislations (Companies Act)	URSB BO Forms
Clear identifiers for people (e.g. tax number, or national ID number)	Yes – National ID Number	Yes
Full name (First and Last Names)	Yes	Yes
Alternative names (Alias, maiden name)	No	No
Residential Address	No	Yes
Service or Correspondence Address	Yes – Postal address	Yes – postal address
Means of contact (Email Address)	No	Yes
Date of Birth	No	Yes
Nationalities	Yes- but not explicit	Yes
Politically Exposed Persons Status	No	No
Nature of Interest	No	Yes
Date when Beneficial Interest was Acquired	Yes	Yes
Declaring Company Details	Yes - Implicit	Yes

**Box 3: International Requirements for Beneficial Owners Particular**

The scope of information required for each beneficial owner differ across countries and under different laws or directives. The following information are required or recommended under EITI 2016 Standard, UK’s Small Business, Enterprise and Employment Act 2015, and the EU’s 4th Anti-Money Laundering Directive ownership disclosure:

1. Fourth EU Anti-Money Laundering Directive (“4AMLD”):

- Name
- Month and year of birth
- Nationality
- Country of residence
- Nature and extent of beneficial interest held

2. EITI International Standard 2016

Required

- Name
- Nationality
- Country of Residence
- Identification of Politically Exposed Persons

## Recommended

- National Identity Number
- Date of birth
- Residential or Service address
- Means of contact

### 3. UK's Small Business, Enterprise and Employment Act 2015

- Name of the beneficial owner
- Month and year of birth
- Nationality
- Country of residence
- Date when beneficial interest was acquired
- Service address
- Method of control

## **Recommendations**

- *The BO regulations should expand the requirements of BO particulars to capture details on beneficial owner, details on company and details on nature of interest, in line with international best practices*
- *URSB's existing BO forms should be reviewed to include beneficial owner's politically exposed person's status as well as include guidance on how to complete the forms*

### **2.3.4 BO Legislation Coverage**

#### **BO Central Register**

Beneficial ownership data should be collated in a central register

- Information should be collected and stored in a single register

It is recommended that BO data is collated and stored in a single register to ensure easy management, access, and standardization of BO information. Further, central BO registers tend to be more efficient as it reduces practical barriers and other challenges in the management of the data. A centralized register ensures that people and state authorities can access BO data from a single central location in a standardized form. Additionally, evidence from the FATF suggests that maintaining a single register for BO data reduces corruption and corruption-related activities.

In Uganda, the BO legislation requires companies to maintain their BO registers and file with the URSB. It anticipates BO information to be integrated with the existing companies register which is in line with international applicable practices.

## **Recommendations**

- *URSB should adopt a multistakeholder approach in integrating BO information with existing register. There should be consultation with UGEITI, FATF, DGSM, PAU, URA, and the NBOC on the design of a BO IT system to ensure all requirements are integrated into the system*
- *URSB should ensure the BO system is built to allow user portals where users can file their BO information online.*

### 2.3.5 Public Access to BO

#### **Public Access to BO Data**

Beneficial ownership data should be freely accessible to the public for use

- BO information should be readily accessible for the public for their understanding and use
- BO data should be publicly available at no cost
- Data should be available as an open data
- In instances where data has been exempted from publication, the publicly available data should note that the BO information is held by authorities but has been exempted from publication

Having a public BO data does not only provide readily BO information about individuals and companies to journalists, law enforcement and the public, but it also increases its utility as systemic barriers such as payments, registration and identification are eliminated. Most countries are beginning to realise the benefits of making beneficial ownership information freely accessible, even though this is expected to be context specific. Public access to BO data by third parties can drive up data quality and can increase impact by expanding the user base beyond authorities. For instance, publicly available beneficial ownership data can reduce the cost and complexity of due diligence and risk management for the private sector, thereby leveling the playing field and increasing competitiveness<sup>88</sup>.

In Uganda, there exist a practice with the access to legal ownership information. The public can access legal ownership information either manually or online upon satisfactory fulfilment of payments of request fees. This means although information is available to the public, its access is restricted. Whiles this practice is underpinned by the argument of generating revenues internally, it restricts access to information which is contrary to the EITI Standard and other best practices. It further contradicts the established evidence that publicly available BO data reduces the cost and risk of conducting due diligence for the private sector and enhances overall transparency in BO data administration.

Accessibility to BO information by competent authorities and Law Enforcement Agencies (LEA) agencies is free in Uganda. They are expected to have access to all data points maintained by URSB.

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<sup>88</sup> Beneficial Ownership Data Standard, Open Ownership. <https://www.openownership.org/en/principles/public-access/>



In best practices of well-established BO regimes, the broad objective for publishing BO data is explicitly stated in law. The assessment shows that the current BO legislation does not have any provision on obligation to publish or make BO information available to the public. In practice, URSB confirmed that access to BO information will follow the same arrangements as the access to legal owners data under the Companies Act.

#### **Box 4: Civil society data use leads to innovations to strengthen data quality in the UK**

In the largest-ever analysis of the data on beneficial owners of UK companies, Global Witness and Data Kind UK examined more than 10 million corporate records from CH in 2018. Combining persons of significant control (PSC) data with datasets about politicians and company officers, they developed algorithms to identify suspicious and erroneous filings. The analysis revealed that thousands of companies had filed suspicious entries that appeared not to comply with the rules. They highlighted methods for apparently avoiding disclosure of real owners, including naming an (ineligible) foreign company as the beneficial owner and creating circular ownership structures. Based on their research, the analysts developed a red-flagging system to help uncover higher-risk entries and identify companies that should be subject to further scrutiny. The results of this research formed the basis of civil society advocacy to improve data in the UK's BO register, and the findings were cited multiple times in the UK Government's subsequent public consultation on proposed improvements. Several of the recommendations have been incorporated into the UK Government's proposed reforms. Whilst the UK Government could have undertaken this research itself, public access to the data in machine-readable format enabled data scientists in civil society to swiftly identify weaknesses and loopholes, and propose evidence-based solutions direct to policymakers, acting as a de facto verification mechanism to drive up data quality.

*Source: Open Ownership Policy Briefing (2021) [Accessed](#)*

#### **Recommendations**

- *BO Regulations should provide explicit provisions on publication and accessibility to BO information/data. This should be done in alignment with the Data Protection and Privacy Act, 2019 and the Data Protection and Privacy Regulation, 2021*
- *The BO Regulations should provide explicit provisions on processes and potential opportunities for data redactions or exemption from publication where an individual or person have a genuine reason for anticipated risk of physical safety, attack against individual's home and family, kidnap, or significant financial loss*
- *URSB and the NBOC should consider options to publish BO information and make it freely accessible.*

#### **2.3.6 BO Data Verification**

## BO Data Verification

Measures taken to verify BO data

- Conducting verification of beneficial owner, entity, ownership or control relationship and person making the declaration
- Assess data for errors, inconsistencies and outdated entries by cross checking with other existing data bases
- Mechanisms should be in place to raise red flags, both by requiring entities (private and public) dealing with BO data to report discrepancies and by setting up systems to detect suspicious patterns

Data quality and authenticity in a BO regime is critical in ensuring that stakeholders have confidence and trust in a register. To ensure BO data reflects the identity of ownership and control of companies and entities, innovative data verification measures, at each stage of the data management cycle, is necessary. This includes verification at the point of submission and verification after submission of BO information. At the point of submission, data verification measures are comprehensive with the ultimate aim to generate a fairly accurate BO data and to form a better basis to strengthen data verification after submission.

In Uganda, there is no explicit measures to verify BO information even though there have been multiple discussions on the appropriate tools and methods that are applicable in verifying names, entities and ownership and control. As per section 39 of the Companies Amendments Act, 2022, the Registrar is required to verify the identities of beneficial owners. Registrar is expected to develop regulations for verification of information entered into the BO register.

It is important to assess the current capacity and internal structures of URSB to effectively set up and implement a robust verification regime. Currently, the Register for legal owners can authenticate inputted data such as correcting date of births, correcting names of Ugandan individual legal owners (including directors and shareholders) with the National Identification and Registry Authority (NIRA). However, verification measures after submission are yet to be fully designed (including protocols between URSB and other agencies, forms to file complaints, information request forms, etc).

### Assessment of Existing Verification Mechanisms

Stage of Verification	Verification Measures	URSB Existing System
Verification During Submission	System Conformance Checks (dates, spellings, valid name checks)	Yes
	Cross check with other databases to check consistency in data	Yes, with NIRA

	Cross check supporting evidence for data validation (automatic identification of dead, blacklist, criminal backgrounds, bankruptcy list, etc.	No
Verification After Submission	System to allow reporting of errors, omissions, and discrepancies by LEAs and competent authorities	No
	System to allow reporting of errors, omissions, and discrepancies by the public	No
	Risk based approach indicators - suspicious flagging of red flags	No
	Suspicious patterns of activity	No

### **Recommendations**

- *BO Regulations should provide explicit provisions on how BO data shall be verified, as well as identify existing databases for data integration, authentication, and management*
- *URSB should consider the development of a verification system that allows easy reporting of discrepancies, omissions, errors, suspicious patterns, or activities*
- *URSB should establish an internal compliance or verification unit with the requisite technical capacity to conduct investigations into suspicious false BO information*

### **2.3.7 Sanctions and Penalties**

Adequate sanctions and enforcement should exist for non-compliance

- Effective, proportionate, dissuasive and enforceable sanctions should exist for noncompliance with disclosure requirements, including non-submission, late submission, incomplete submission or false submission
- Sanctions should cover the person making the declaration, the beneficial owner, registered officers of the company, and the declaring company
- Sanctions should include monetary and non-monetary penalties
- Appropriate authorities and agencies should be adequately resourced to enforce sanctions

The establishment of appropriate, proportionate and fair sanctions and enforcement mechanisms in BO regimes of facilitates compliance with disclosure requirements, including by declaring

companies, beneficial owners and legal representatives. The Companies Amendments Act, 2022 empowers the Minister to develop sanctions and penalties through BO regulations to aid enforcements to BO disclosure implementation in Uganda.

The design of appropriate sanctions should ensure that compliance violations are clearly defined; the types or extent of sanctions and responsible agencies are well defined; and sanctions are well targeted to actors. In other BO implementing countries, sanctions are applicable to declaring entity, person making the declaration, registered officers of the company and the beneficial owners. Sanctions can be described as proportionate, dissuasive, and enforceable, but exist for all types of non-compliance, including refusal to submit a beneficial ownership declaration, late submission, incomplete submission, or falsifying information. Sanctions regime should consist of both monetary and non-monetary penalties.

### ***Recommendations***

- *The NBOC and URSB should establish a clear legislative framework for the application of sanctions in the BO regulations*
- *The BO Regulations should establish clear points of breaches and associated sanctions – for instant late submissions, false information, etc.*
- *The BO Regulations should define sanctions (either monetary and nonmonetary) for each breach, either administrative noncompliance or criminal sanctions*
- *Define the application of the sanctions, either to the declaring entity or beneficial owner*
- *Define sanction application procedures and timelines*
- *Indicate how enforcement of sanctions would be done, including clear procedures for both implementing agency (URSB) and potential applicants (declaring entities)*

### 3 Beneficial Ownership Implementation Plan

**This section presents**

- **BO Implementation Framework to form the basis of BO Roadmap for Uganda**
- **Indicate implementation actions and activities and the responsible agencies**

Following the enactment of the Companies (Amendments) Act, 2022; the Trustees Incorporations (Amendments) Act, 2022; and the Partnerships (Amendments) Act, 2022, it is understood the main implementing agency for BO disclosure in Uganda shall be URSB. There are other periphery BO disclosure requirements, including UGEITI, DGSM, PAU, and URA whose responsibilities would support verification of the BO data in the central register. The table below provides the next set of implementation actions to be coordinated by NBOC

Activity	Objectives	Expected Outputs	Responsible Agency
<b>1. DEVELOPMENT OF BO REGULATIONS</b>			
<b>Development of Decision Document</b>	<p>To form the basis of coordinating stakeholders to make key decision on the following:</p> <ul style="list-style-type: none"> <li>• Definition of key terms on how to identify a beneficial owner with control or influence in a legal entity – key forms of ownership and control</li> <li>• Thresholds for reporting</li> <li>• Types and scope of companies to be obliged to disclose beneficial owners</li> <li>• Clarification of types of ownerships</li> </ul>	Decision document developed based on consultation by NBOC	URSB supported by NBOC

Activity	Objectives	Expected Outputs	Responsible Agency
	<ul style="list-style-type: none"> <li>• Categorization of entities by sectors and sizes</li> <li>• Politically exposed persons</li> <li>• How long to remain a PEP</li> <li>• Categories or position to be considered a PEP</li> <li>• Exemptions to Publicly Listed Companies and Government owned companies</li> <li>• What information to collect and what information to publish</li> <li>• Verification</li> <li>• Sanctions and Penalties</li> </ul>		
<b>Consultations on Decision Document</b>	To ensure decision are agreed to by relevant stakeholders including but not limited to government agencies, Civil Society, professional groups such as the Bar Association and the accounting groups and other professional groups – banking association, media associations, chamber of commerce, chamber of mines, etc.	Consultation report	URSB supported by NBOC
<b>Drafting of Regulations</b>	Draft regulations that detail out the key areas for BO implementation	Regulations	URSB supported by NBOC
<b>Final consultation on draft regulations</b>	Stakeholders understand the main regulations and how they will apply	Consultation report	URSB supported by NBOC
<b>Promulgation of Regulations</b>	Regulations is published and converted into a legal document	Regulations is officially published	URSB under the authority of the Minister

## 2. DEVELOPMENT OF BO SYSTEMS

Activity	Objectives	Expected Outputs	Responsible Agency
<b>Development of Software Requirements Specifications (SRS)</b>	To ensure all expected features of BO software conforms with legal requirements and international best practices	SRS	URSB with support from NBOC
<b>Stakeholder consultation on SRS</b>	To ensure stakeholders (NBOC) inputs are integrated into the BO software specification. IT consultant shall demonstrate software to stakeholders	Meeting report	URSB and IT consultant with support from NBOC
<b>Review of BO forms</b>	To ensure BO forms conforms with international best practices as well as Uganda's legal requirements	BO forms	URSB
<b>3. URSB STAFF CAPACITY BUILDING</b>			
<b>Initial staff capacity building for all staff</b>	To introduce BO as a general concept to staff – Basic principles and the legal requirements	BO Training	URSB
<b>Staff Capacity Building – Trainer of Trainers</b>	Selected staff from different units are trained on BO requirements and they serve as the knowledge hub to enhance learning within URSB	Training Report	URSB
<b>Development of Training Materials</b>	Develop video and other forms of training manuals that allow staff to refer to enhance continuous learning within URSB	Knowledge materials	URSB
<b>Specialised trainings for Staff</b>	Specialised training based on challenges identified by staff after the roll out of BO disclosure implementation to limit or reduce capacity gaps within URSB. Trainings are organised to respond to specific needs of URSB	Training Report	URSB
<b>4. DEVELOPMENT OF INTERNAL PROCEDURES AND MANUALS</b>			

Activity	Objectives	Expected Outputs	Responsible Agency
<b>Development of Manuals</b>	<p>Manuals are intended to formalise internal procedures on BO data review, processing, and maintenance.</p> <p>Intended manuals include: BO data collection, processing and approval manuals, verification manuals, sanctions manuals, data sharing manuals/protocols, client service manuals</p>	Manuals developed	URSB
<b>Staff Internal consultation on manuals</b>	Intended to get staff inputs on manuals and confirmation of procedures followed to receive, review and process BO information	Consultation report	URSB
<b>Finalization and Training of Staff on BO Manuals</b>	<p>Staff will build capacity on the manuals to be abreast with their internal responsibilities and procedures to follow in respect of BO disclosure implementation.</p> <p>Manuals will form the basis for integrating new staff members into BO related assignments</p>	Training report	URSB
<b>5. PUBLIC SENSITIZATION WORKSHOPS AND CAMPAIGNS</b>			
<b>Public sensitization workshops across the country</b>	<p>Workshops with key government agencies including national and subnational agencies with the aim to understand BO disclosure as a concept and also legal requirements for all businesses across various sectors</p> <ul style="list-style-type: none"> <li>• Key subnational governments</li> <li>• Regulatory institutions</li> <li>• Professional groups – extractive companies, banking associations</li> <li>• CSOs</li> </ul>	Workshop reports	NBOC with support from UGEITI, URSB, and FIA



Activity	Objectives	Expected Outputs	Responsible Agency
	<ul style="list-style-type: none"> <li>• Media groups</li> <li>• Chambers of various sectors</li> <li>• Other stakeholders</li> </ul>		
<b>Development of public campaign materials</b>	<p>Propagate BO disclosure in the public and broadcast its relevance through public campaign materials</p> <p>Consider jingles, flyers, radio discussions, public videos an ads.</p>	Number of persons reached	NBOC with support from UGEITI, URSB, and FIA
<b>Implementation of Public campaigns</b>	<p>Implement BO campaigns to increase BO awareness in Uganda</p> <p>Media interviews – morning shows</p> <p>TV programs</p> <p>School Seminars</p> <p>Public Workshops</p>	Number of persons reached	NBOC with support from UGEITI, URSB, and FIA

## 4 Beneficial Ownership Proposed Forms

**This section presents**

- A sample forms after review of existing BO forms

### Step 1: Company Information

<b>Company/Partnership Name</b>	
<b>Company Registration Number</b>	

### Step 2: Company Structure

Please indicate which of the following applies to your company	
<input type="checkbox"/> My company is a sole proprietorship <input type="checkbox"/> My company is a religious organization	If any apply, continue to Step 4
<input type="checkbox"/> My company is a: <ul style="list-style-type: none"><li>• Partnership</li><li>• general partnership</li><li>• limited partnership</li></ul> <input type="checkbox"/> My company is a: <ul style="list-style-type: none"><li>• private limited company</li><li>• public limited company</li><li>• Cooperative</li></ul> <input type="checkbox"/> My company is a foundation, association, or trust.	

### Step 3: Beneficial Owner's Particulars

## Beneficial Owner Information

Full name of Beneficial Owner	<i>First                      Middle                      Last</i>	<i>Insert the full first or given name or names of the individual beneficial owner</i>
Any previous/former name		<i>Insert any previous names used by the beneficial owner including maiden names and any alias</i>
Date of Birth:	<i>DD - MM - YYYY</i>	<i>Date of Birth should correspond with information on ID</i>
Gender	<input type="checkbox"/> Male  <input type="checkbox"/> Female	
Nationality(ies):		<i>Nationality of the beneficial owner</i>  <i>If dual nationalities, please list both</i>
Residential Address (including street name, city, country, and: Postal/Zip code)	<i>Street</i>  <i>Town                      City                      State</i>  <i>Country                      Postal/Zip Code</i>	<i>Insert the residential address, even if that is outside of Uganda.</i>
Service Address (including street name, city, country, and: Postal/Zip code)	<i>Street</i>  <i>Town                      City                      State</i>  <i>Country                      Postal/Zip Code</i>	<i>Insert the service address. This can be the office address through which the beneficial owner can be contacted or the reporting company's address</i>
Telephone/Mobile Number:		<i>Include country code</i>
Email address		
Primary ID Number ( <i>please attach a copy of your ID</i> ):		<i>For Ugandan nationals, beneficial owner's, national ID Card Number/Drivers License/NSSF Card</i>  <i>For foreigners:</i> <i>Passport</i>  <i>National identity card</i>  <i>Driving license</i>

Primary ID Type:		<i>See previous section's instructions</i>
ID Issuing Country/ State/Province:		<i>Insert the country, state or province which issued the primary ID identified</i>
Visa/Resident Permit/Work Permit Number		<i>For Foreigners</i>
Date the Individual Became a Beneficial Owner	<i>DD - MM - YYYY</i>	

#### Step 4: Politically Exposed Persons Status

<b>Politically Exposed Persons (PEP) Status of Beneficial Owner</b>		
<p>Is the individual named above a <b>Politically Exposed Persons</b>, as a result of holding a position of importance or being a close relative or associate of a person holding a position of importance?</p>	<input type="checkbox"/> Yes, domestic Ugandan PEP <input type="checkbox"/> Yes, Foreign PEP <input type="checkbox"/> No ( <i>skip to Step 5</i> )	<p><i>Ugandan PEP, means a Ugandan national who holds prominent public function in Uganda</i></p> <p><i>Foreign PEP is a non-Ugandan national and/or holds a prominent public function in an International or multilateral organization, including embassies, UN, NGOs, etc.</i></p>
<p>Reason for PEP Status (<i>See instructions</i>)</p>	<input type="checkbox"/> Head of State / Government  <input type="checkbox"/> Senior Political Party Official  <input type="checkbox"/> Military Official  <input type="checkbox"/> Executive of State-Owned Company  <input type="checkbox"/> Government Official  <input type="checkbox"/> Judicial official	<p><i>Qualification of a PEP includes a rank equivalent to a director or above, including board members</i></p> <p><i>A person identified as a PEP remains a PEP for eight years after the person entrusted in a prominent public position has left that office and not been entrusted in another prominent public position</i></p>

	<input type="checkbox"/> State Security Official (including police service)  <input type="checkbox"/> International and multilateral organizations	
Role title of this office holder and office/department		
Nature of Connection to office holder	<input type="checkbox"/> In Person ( <i>skip to Step 5</i> )  <input type="checkbox"/> Immediate Family of PEP  <input type="checkbox"/> Close Associate of PEP	<p><i>immediate family member” includes spouse or civil partner; children; parents; siblings; grandparents; grandchildren and immediate in-laws</i></p> <p><i>Close associates include but not limited to: (i) any individual who are joint owners of a corporation, partnership, NGO or foundation with a PEP; (ii) any individual who manages a corporation, enterprise, NGO or foundation set up by a PEP or who is a key manager, officer, agent or known operative of said entity or enterprise; (iii) any individual who has joint beneficial ownership, is a key manager, officer, agent or known operative of a Corporate vehicle;</i></p>
Family or surname of office holder		<i>Insert the full surname or family name(s) of the individual office holder</i>
Full first or given name of office holder:		<i>Insert the full first or given name or names of the individual office holder</i>
Any previous name (e.g., maiden name) of office holder:		<i>Insert any previous names used by the office holder including maiden names and any alias</i>
Date of Birth of office holder		
	<i>DD - MM - YYYY</i>	

## Step 5: Nature of Interest of Beneficial Owner

## Details on the nature of interests held by the Beneficial Owner

<b>1. Does the individual directly or indirectly own 5% or greater shareholding in the company?</b>	<input type="checkbox"/> Yes – Direct  <input type="checkbox"/> Yes – Indirect  <input type="checkbox"/> No ( <i>skip to 2.</i> )	<i>Effective percentage interest</i>  <i>Where the beneficial owner is a domestic PEP, his/her shareholding requirement should be 1% or more</i>						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border: 1px solid black; padding: 2px;">Percentage held directly</td> <td style="width: 40%; border: 1px solid black;"></td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;">Percentage held indirectly</td> <td style="border: 1px solid black;"></td> </tr> </table>	Percentage held directly		Percentage held indirectly				
Percentage held directly								
Percentage held indirectly								
<b>2. Does the individual directly or indirectly hold 5% or more voting rights in the company?</b>	<input type="checkbox"/> Yes  <input type="checkbox"/> No ( <i>skip to 3.</i> )	<i>Effective percentage interest</i>  <i>Where the beneficial owner is a domestic PEP, his/her voting rights requirement should be 1% or more</i>						
	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border: 1px solid black; padding: 2px;">Percentage held directly</td> <td style="width: 40%; border: 1px solid black;"></td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;">Percentage held indirectly</td> <td style="border: 1px solid black;"></td> </tr> <tr> <td style="border: 1px solid black; padding: 2px;">Right to Veto</td> <td style="border: 1px solid black; padding: 2px;"> <input type="checkbox"/> Yes   <input type="checkbox"/> No         </td> </tr> </table>	Percentage held directly		Percentage held indirectly		Right to Veto	<input type="checkbox"/> Yes  <input type="checkbox"/> No	
Percentage held directly								
Percentage held indirectly								
Right to Veto	<input type="checkbox"/> Yes  <input type="checkbox"/> No							
<b>3. Does the individual have a right to appoint or remove a majority of directors or partners in the company?</b>	<input type="checkbox"/> Yes  <input type="checkbox"/> No							
<b>4. Does the individual has the right to exercise, or actually exercises direct or indirect influence over significant decisions related to the running of business of the company?</b>	<input type="checkbox"/> the appointment and removal of the head managing director, chief executive officer or equivalent position  <input type="checkbox"/> the appointment or removal of majority of Board members  <input type="checkbox"/> the right to veto or the right to overrule Board decisions	<i>Please select as many as applicable</i>						

	<input type="checkbox"/> changes to the nature of business  <input type="checkbox"/> amending business plans  <input type="checkbox"/> approval of, lending, or other significant transactions other than administrative signatories per force of employment  <input type="checkbox"/> An individual is a signatory to the bank account of the company other than administrative signatories per force of employment  <input type="checkbox"/> any other decision that affects the overall direction of the company	
<b>5. Does the individual has the right to benefit, or actually benefits from up to fifteen percent or greater of the company's annual profit</b>	<input type="checkbox"/> Yes  <input type="checkbox"/> No	<i>Please select whether the Natural Person directly or indirectly benefit from the company's annual profit</i>

## Step 6: Attestation

Attestation											
<b>ATTESTATION</b>											
<p>1. I, undersigned, for and on behalf of the reporting company confirm that all information provided in the above beneficial ownership declaration is accurate and reliable.</p>											
Name of Director* _____	(Signature) _____										
Position. _____	Date (ddmmyyy) <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> <td style="width: 20px; height: 20px;"></td> </tr> </table>										

2. I, undersigned, for and on behalf of the reporting company confirm that all information provided in the above beneficial ownership declaration is accurate and reliable.

Name of Company Secretary\* \_\_\_\_\_ (Signature)\_\_\_\_\_

Position. \_\_\_\_\_

Date (ddmmyyy)

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