



Malaysia

Guideline for the reporting framework for beneficial ownership of legal persons

The Malaysia Companies Commission (SSM) has issued the **Guideline for the Reporting Framework for Beneficial Ownerships of Legal Persons (the Guidelines)**. The Guidelines apply to all companies incorporated under the Malaysian Companies Act 2016 and limited liability partnerships registered under the Malaysian Limited Liability Partnerships Act 2012 (local and foreign) (the Affected Entities), with certain exceptions including companies whose shares are quoted in a local or foreign stock exchange.

The Guidelines initially allowed for a transitional period between 1 March 2020 to 31 December 2020 for Affected Entities to obtain and keep their beneficial ownership information accurate and up to date. It was anticipated that, commencing 1 January 2021, the Affected Entities will be required to provide information on their beneficial owners to the SSM. On 17 December 2020, the SSM announced an extension of the above mentioned transitional period to a later date to be determined by the SSM.

In an easily comprehensible diagram, the Guidelines illustrate the beneficial ownership reporting framework in 7 steps, starting with (1) identifying the beneficial ownership information; (2) obtaining the information through notices, where required; (3) verifying the information; (4) entering the information on the register of beneficial ownership; (5) notifying the SSM of the information; (6) keeping the information accurate and up-to-date; and (7) giving access to the information to competent authorities and law enforcement agencies.

The Guidelines further outline the obligation on the directors and secretaries or agents of an Affected Entity (where it is a company) and partners and compliance officers of an Affected Entity (where it is a limited liability partnership) to ensure compliance with the requirements of the Guidelines.

Please let us know if you would like a copy of the Guidelines or the SSM's FAQs on this area.

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