



Beneficial Ownership Guidance

AML – CFT Department

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Overview

Corporate vehicles are fundamental to commercial and entrepreneurial activities and play an essential role in the global economy. For the most part, legal persons and arrangements serve legitimate and meaningful purposes. However, under certain conditions, legal entities and legal arrangements may be used for illicit purposes, for example, money laundering, bribery and corruption, insider dealings, tax fraud and terrorist financing. Criminals who wish to circumvent anti-money laundering and counter-terrorist financing (AML/CFT) measures use corporate vehicles as an attractive way to conceal the true beneficial owners and the real reasons for holding assets and for integrating proceeds of crime into the global financial system.

The key methods which the Financial Action Task Force (FATF) has identified as being used by criminals to obscure beneficial ownership can be categorized in the following ways:

a. Generating complex ownership and control structures through the use of legal persons and legal arrangements, particularly when established across multiple jurisdictions. Adding numerous layers of ownership between an asset and the beneficial owner in different jurisdictions, and using different types of legal structures can prevent detection and frustrate investigations. For example, through the use of:

Shell companies: Shell companies are one of the most common type of legal person designed to obscure beneficial ownership. When these structures are used for illegitimate purposes, funds may flow through multiple layers of shell companies before finally being withdrawn in cash or transferred to its final destination internationally. While shell companies can be difficult to detect as their incorporation is often the same as companies formed for other purposes, there are a number of indicators such as the use of only a post-box address, a lack of personnel (or only a single person as a staff member), nominee directors and no physical presence.



Shelf companies: These companies allow investors or other people planning a new undertaking to quickly secure a company structure which is ready for immediate transactions. Where shelf companies have been in operation for a number of years, the new owner can use this history to assist in securing business relationships or lines of credit. Some shelf companies may already have established customer relationships with financial institutions, facilitating access to the international financial system. When the shelf company is sold, the inactive shareholders transfer their shares to the purchaser and the directors resign. Sometimes the company directors will continue to function as nominees.

Front companies: A front company is a fully functioning company, with assets, income, expenses as well as other characteristics associated with the operation of a legitimate business.

Any functioning company can be a front company, but the most common form of front company is one that operates in the customer service industry as these businesses commonly handle cash. Front companies can be exploited to launder the proceeds of crime through the integration of illegitimate funds with legitimate income, often by disguising the illegitimate funds as cash sales made during the course of business. When a front company is used to launder illicit wealth, the “customer” is often the business owner or a close associate. However, company records will record the transfer as having originated from a customer interaction, thereby concealing the business owner or associate as the originating beneficial owner. Front companies are not always cash-intensive businesses and can take the form of anything that is expected to generate income from multiple sources



Trusts and other legal arrangements: Trusts and other legal arrangements can be used to enhance anonymity by adding an additional layer which enables a separation of legal ownership and beneficial ownership of assets. In a trust, the legal title and control of an asset are separated from the equitable interests in the asset. This means that different persons might own, benefit from, and control the trust, depending on the applicable trust law and the provisions of the document establishing the trust. The enhanced anonymity offered by trusts and trust-like legal arrangements can provide significant benefits to a criminal operation, and can present challenges to financial transparency.

b. Using individuals and financial instruments to obscure the relationship between the beneficial owner and the asset, including bearer shares nominees and professional intermediaries

Bearer shares and bearer share warrants: Bearer shares are company shares that exist in certificate form and are legally owned by the person that has physical possession of the bearer share certificate at any given time. Ownership and control of bearer shares can be exchanged anonymously between parties by way of physical exchange alone, as no record of the exchange needs to be documented or reported. Therefore, determining beneficial ownership of legal persons controlled by bearer shares is nearly impossible.

Formal nominee shareholders and directors: A nominee shareholder is the registered owner of shares held for the benefit of another person. A nominee director is a director appointed to the board of a company to represent the interests of his/her appointer on that board. Nominees can be used to disguise ownership and control, or to circumvent laws designed to manage foreign business ownership and foreign trade.

Criminals and individuals who have been prohibited from serving as a director of a company due to previous wrongdoing may also use nominee services. As a result, the availability and use of formal nominee services are vulnerable to exploitation for the purposes of disguising beneficial ownership.



Informal nominee shareholders and directors: Informal nominee shareholders and directors perform the same function as formal nominee service providers; however, their connection with the true director, shareholder, or beneficial owner is often of a personal, rather than of a professional, nature. Informal nominees commonly include spouses, children, extended family, business associates (who are being controlled by the actual owner or controller of the company), and other personal associates otherwise unrelated to the beneficial owner's business interest.

c. **Falsifying activities through the use of false loans, false invoices and misleading naming conventions.**

False Loans and invoices: this involve money being sent to companies which are owned or controlled by, or on behalf of, the same individual, and returned in the guise of a loan. These schemes generally [include 2 steps:](#)

1 - Payment of business invoices: the individual or business pays an invoice or series of invoices to a company (which is often located in another country) that is controlled/beneficially owned by them, or to an associate or professional intermediary operating on their behalf. The funds may be sent via numerous legal persons in the guise of legitimate business transactions, but will ultimately pool in the account of an international company that is operating in the interests of the beneficial owner of the company that paid the initial invoice. The purpose of this stage is to reduce the taxable income of the originating company or individual by increasing their (seemingly legitimate) business expense.



2- Third-party loan: once the funds have been pooled in the accounts of the international company, they are returned to the original company/individual, or a close family relation (commonly a spouse or child) or associate, in the form of a private loan. Occasionally these loans will be accompanied by false loan documents, but often the loan is recorded only in the description of the bank transfer. The purpose of this step is to return the wealth to the beneficial owner in a manner that is exempt from income taxation.

Manipulation of a company's annual report and prospectus: This may, for example, allow a company to be publicly listed which may result in simplified due diligence measures and obscure beneficial ownership.



Introduction

Royal Decree No. 30/2016 on the Law on Combating Money Laundering and Terrorism Financing (the AML/CFT Law) defines the beneficial owner as the natural person who ultimately owns or controls the customer, directly or indirectly. This includes the natural person on whose behalf a transaction is being conducted, and the natural person who has ultimate effective control over a legal person or legal arrangement. It should be noted that more than one natural person can be the ultimate beneficial owner of a given legal entity or arrangement.

Reference to “ultimately owns or controls” refers to situations in which ownership / control is exercised through a chain of ownership or by means of control other than direct control. The beneficial owner is sometimes called the “ultimate beneficial owner”.

Where the legal owner is a natural person that fits under the beneficial owner definition, then in such a situation, the legal owner is the beneficial owner as well. However, the beneficial owner is not necessarily the legal owner.

Could in other cases encounter companies owned by other companies. In such cases, the legal owner is an entity, but the beneficial owner is the natural person that owns or controls that legal owner. Another example is when a company's legal owner is a nominee shareholder. In this case, the beneficial owner is the natural person who appointed, or that is behind such nominee shareholder.





How should obliged entities identify the customer's beneficial owner(s)?

In most cases, the beneficial owner is likely to be the natural person party to a transaction, or the immediate individual directing the customer legal person. Still, it may not always be possible to ascertain the identity of a beneficial owner. In those cases, the following individual(s) should be identified:

- 1** - Where there is doubt about whether a person with a controlling ownership interest in a legal person is the beneficial owner, or where no natural person exerts control through ownership interests, the identity of the natural persons (if any) exercising control of the legal person or arrangement through other means should be determined; or
- 2** - Where no natural person is identified in the role above, then the natural person who holds the position of senior managing official.



Other important considerations

1 - A beneficial owner must always be a natural person, although more than one person can be considered a beneficial owner(s) of a given legal entity or arrangement. If two or more natural persons jointly own or control capital or voting rights in the Legal Person, all of them shall be deemed as beneficial owners.

In the case of a trust, this would be the trustee of the trust (sometimes referred to as the individual acting in their capacity as trustee of a given trust).

2 - In complex corporate structures, the beneficial owner may be traced through several legal persons or arrangements until a natural person is reached.

In the case of a trust, this would be the trustee of the trust (sometimes referred to as the individual acting in their capacity as trustee of a given trust).



Overview of types of Legal Persons that may be created in Oman

Under Article 4 of the Commercial Companies Law (Royal Decree No 18/2019), the following types of commercial companies may be created:

General partnership

Limited partnership

Joint venture

Joint stock company (public/ closed)

Holding company

Limited liability company

One - Person Company

A legal person must first apply for registration and incorporation of the legal entity before obtaining licenses to practice economic activities. All licenses are subject to an approval process by the MOCI (and possibly other relevant parties as well). In addition to this, all companies are required to have a permanent presence in the Sultanate through a valid leasing agreement. It should be noted that participation by foreign individuals in the Omani economy through legal entities is prohibited without an appropriate license from the MOCI pursuant to the Foreign Capital Investment Law (FCIL).



General Partnership

A general partnership is a company consisting of two or more natural persons, who are jointly liable in all their funds to the obligations resulting from their Partnership. Upon the death of any of them, the Responsibility shall be carried by his estate for the obligations he did not fulfill.

Limited Partnership

Limited Partnerships can consist of two categories:

1. One or more general partners who shall be jointly and severally liable for the company's debts to the full extent of their property;
2. one or more limited partners whose liability for the company's debts shall be limited to the extent of their contribution to the share capital, provided that the amount of such contribution shall be stated in the Constitutive Documents.

A limited partner shall not be entrusted with or participate in the management, nor bind it with their acts. If a limited partner performs any role in the management of the company, they shall be jointly liable for any obligations arising against the Limited Partnership for the duration of their performance of such role. The linkage of limited partnerships to general partnerships and restrictions on participation in management reduces the risk associated with these legal persons.

joint venture

The Commercial Companies Law allows the establishment of joint venture companies. A joint venture is company comprised of two or more natural or juristic persons. Its existence shall not be raised as a defense against third parties. It does not enjoy a juristic personality and is not subject to any procedures of registration. A joint venture contract may be established by all methods of proof. However, if any joint venture partner discloses the existence of the joint venture to a third party who deals with him/her in such capacity, the provisions regulating the general partnership and the general partner thereof shall be applicable to such contract.



Joint stock companies (public/ closed)

A Joint Stock company is a commercial company whose share capital is divided into shares which shall be traded in the manner prescribed by law, whose shareholders must consist of at least three natural persons or legal entities*. A Joint Stock Company (particularly those that are publicly listed) are subject to strict disclosure requirements for beneficial ownership and financial information. Joint Stock Companies must register and request a license at CMA. This register includes up-to-date information of the Joint Stock Company's beneficial owners at the Muscat Clearing and Depository (SAOC) (MCD), which is in charge of registering and keeping records of all share movements and updating information in relation to open Joint Stock Companies. The transfer of ownership of shares in the Joint Stock Company is effective once it is entered into the shareholders' register. Joint Stock Companies must keep a register containing the data of holders of securities or bondholders and the amounts borrowed from them. The register is accessible for perusal by holders of securities or bondholders and by the Joint Stock Company's shareholders. The management of the Joint Stock Company is entrusted to a board of directors,

the number of which is specified by the Joint Stock Company's constitutional document (articles of association) and which must be comprised of an uneven number. The number of the members of the board is not less than five in the case of a public joint stock company or three in the case of a closed joint stock company. The number of the members in either of them cannot exceed eleven members.



Holding Company

A Holding Company is a type of joint stock company exercising financial and administrative control over one or more joint stock or limited liability companies, which become its subsidiaries through the holding at least (51%) of the shares of each of such companies. A holding company shall invest its funds through its subsidiaries companies. A holding company shall not acquire shares in general partnership or limited partnerships, or own any shares in other holding companies.

Since holding companies are one of their most important activities, participating in the establishment of joint-stock companies, or limited liability companies and their management, it requires a large amount of capital to establish them.

Limited Liability Companies

limited liability company is a company consisting of natural or legal persons whose number is not less than (2) two and not more than (50) fifty persons, and their liability for the company's obligations is limited to the extent of their share in the capital. The company's capital shall be divided into shares of equal value, which shall be issued upon registration. It is permissible, by a decision of the Minister - taking into account the public interest and considerations - to increase the number of partners in some companies over the maximum limit referred to in the previous paragraph. Companies established by the state on its own are excluded from the provision of this article.

Limited Liability Companies are one of the most flexible vehicles available to set up in Oman, permitting their owners to undertake a wide variety of activities. Similarly, the ability to change shareholding and appointment non-shareholder managers to act on behalf of the company and bind it makes Limited Liability Companies easier to use in or as part of an ML / TF scheme. Limited Liability Companies represent the main type of legal person which is incorporated in Oman.

* JSCs established solely by the Government or jointly with another are exempt from this provision.

One-person company

One person company is a type of limited liability company whose capital is owned by one natural or legal person. One person company shares a number of characteristics with a limited liability company but is limited to one shareholder and one natural owner making it less vulnerable to illegal uses.

Other types of Legal Persons

The Commercial Companies Law allows the establishment of commercial representation offices or accreditation offices

Commercial representation office:

It is the office that is established in the Sultanate of Oman to manage the interests of companies and institutions whose head office is abroad, and it is subject to its control, supervision and directives.

Commercial representation offices are registered with the Ministry of Commerce, Industry and Investment Promotion, where they operate in accordance with the laws and procedures applicable in the Sultanate. The Ministry has the right to take the necessary legal measures in case of violation of the provisions of the laws in force in this regard.

Accreditation offices:

Offices of approving investor applications stipulated in Article (7) of the executive regulations of the Foreign Capital Investment Law.

license applicants are required to take the form of a company in accordance with the provisions of the Commercial Companies Law and have professional competence and good reputation. The Investment Services Center at the Ministry of Commerce, Industry and Investment Promotion is responsible for examining the license application and following up on the performance of the accreditation offices.

Identifying the beneficial owner in a legal person

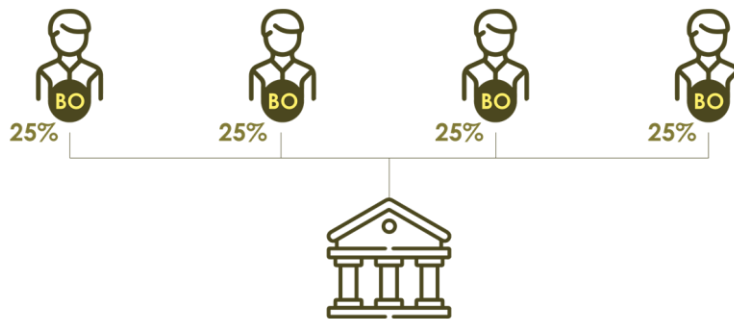
Ownership or control in legal persons is generally identified through consideration of the entity's shareholders or partners with voting rights. The guiding principle, however, should always be to narrow down ownership or control of the legal person – which may be exercised through various means (directly or indirectly).

The graphics below illustrate how the beneficial owner of a legal person might be identified in a range of circumstances.

Step 1 ➔ **Through Ownership Interest:** In order to identify a Beneficial Owner, start by determining if there is any **natural person who** directly or indirectly **owns or controls 25% or more of (i) shares or (ii) voting rights of the Legal Person.**

a. Direct ownership interest: directly own a specific ownership percentage through legal ownership structure.

Example 1



Example 2 (direct ownership)



b. Indirect ownership interest: indirectly own a specific ownership percentage through legal ownership structure.

Where the owner(s) of a legal person is another legal person, is it important to explore the ownership structure to identify any individuals exercising direct or indirect control. It is possible that a natural person that fits the examples referred to in Step 1 is several layers above in a corporate structure that represents indirect control which may extend beyond formal ownership or through a chain of corporate vehicles.

In such cases, it is key that the legal person registers the beneficial owner information correctly even if such natural person is far up in the corporate structure or is not a resident in the Sultanate.

Examples of indirect control:

Figure 1:



Figure 2:

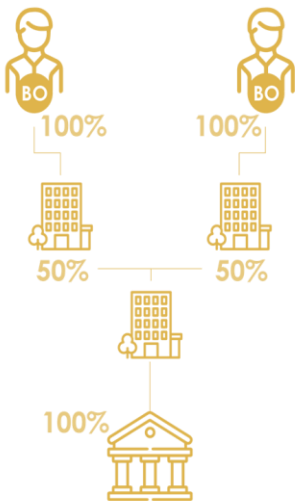


Figure 3:

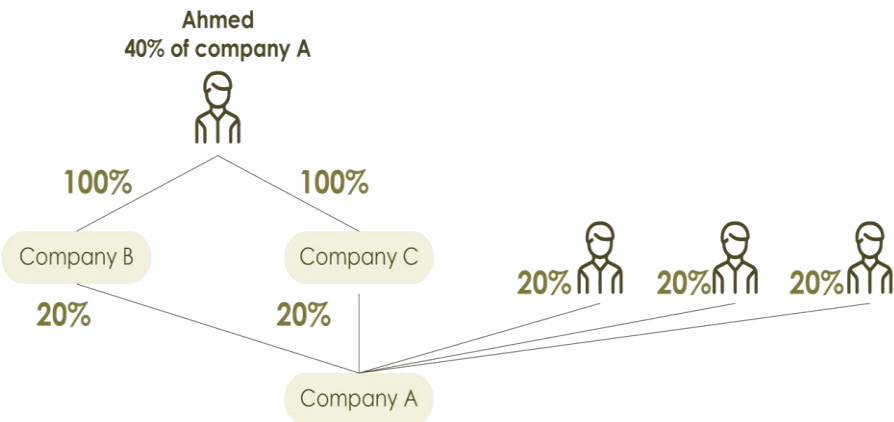


Figure 4:

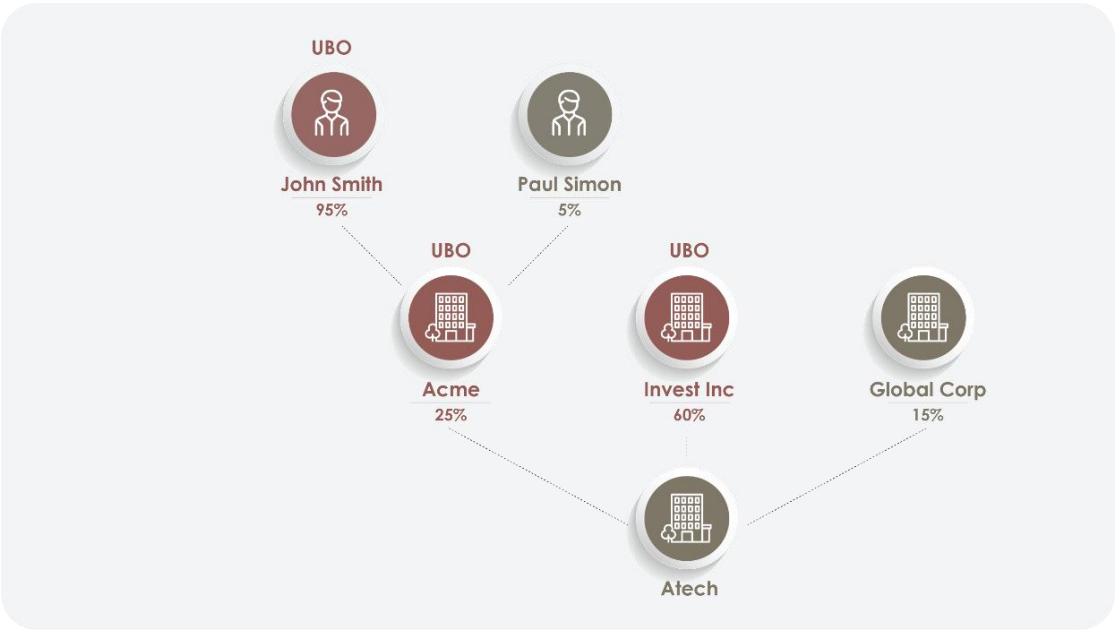


Figure 5:



How to Calculate the ownership percentage in complex structure

Figure 1:

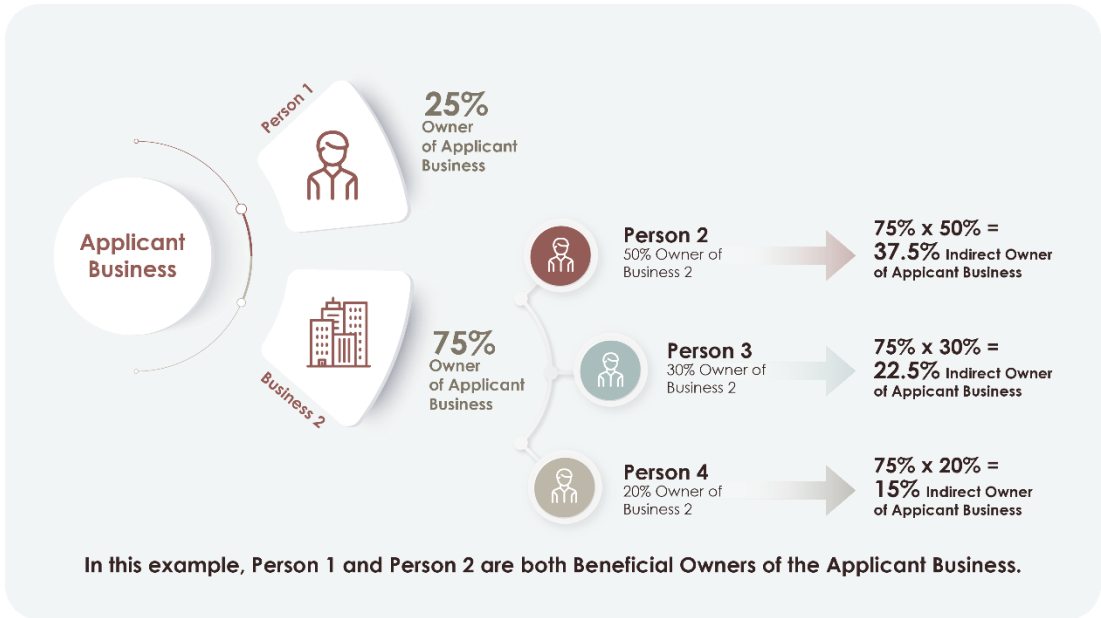
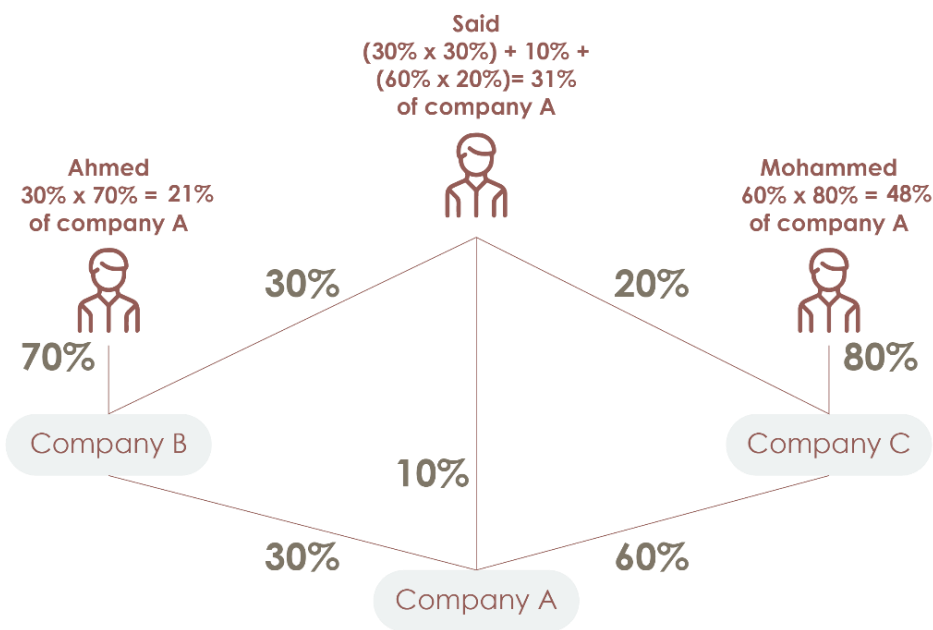


Figure 2:



Similarly, it may be that the owner of a legal person is a legal arrangement. Where that is the case, the guidance from (page 24) may assist with identifying the beneficial owner(s).

Step 2 ➡ Through other means: If after all the reasonable steps have been taken, and no natural person is identified through ownership as per the steps taken in **Step 1**, a beneficial owner may be a natural.

Attention!!

Control may be presumed even if control is never actually exercised, such as using, enjoying or benefiting from the assets owned by the legal person. This should be understood as the natural person who ultimately controls the legal entity.

Such controls can be excised by the following: -

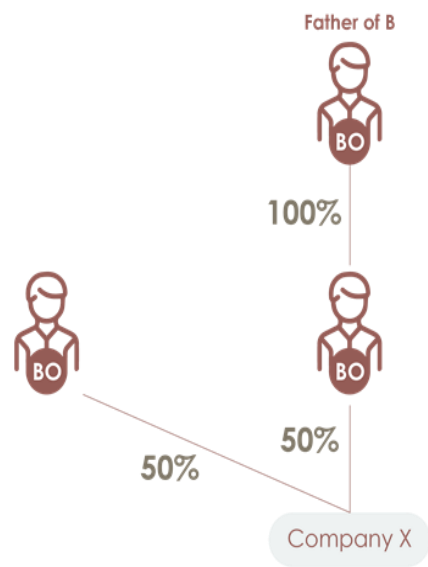
Shareholders who exercise control alone or together with other shareholders, including through any contract, understanding, relationship, shareholder's agreement, exercise of dominant influence or power to appoint senior management, intermediary or tiered entity.

1. Direct control refers to a controlling party in the legal structure. For example, a partner or shareholder with a deciding capacity over the company, such as the right to appoint or dismiss the majority of its directors or managers, is to be registered as the beneficial owner.
2. Indirect control refers to shareholders may thus collaborate to increase the level of control by a person through formal or informal agreements, or through the use of nominee shareholders. Examples of such controls: -
 - Personal connections to persons in positions (positions in step3) or that possess Ownership (step 1).
 - Participate in the financing of the enterprise/company, or because of close and intimate family relationships (family owned company, a family member who is not in the legal structure but has power over those owning the company or family member who has control over other family member (such as wife, son, daughter shares), historical or contractual associations, or if a company defaults on certain payments and the person is paying in behalf of them.
 - Use, enjoy or benefit from the asset owned by the legal person even if control is never exercised.



Example of control through Family member:

Figure 1:



Explanation: Company (X) has a business in high risk industry they planned to secured the company loan by personal guarantees from father of one of the owners the company shareholders ((B) owned 50% of the company, (C) owned 50% of the company) credit exposure on the company was covered by a natural person (A) who controls the legal person by other means of control: The beneficial owner (A) appointed his son (B) to buy 50% of company (X) by providing credit guarantees with other company he owned.

Example of indirect control

Figure 1:

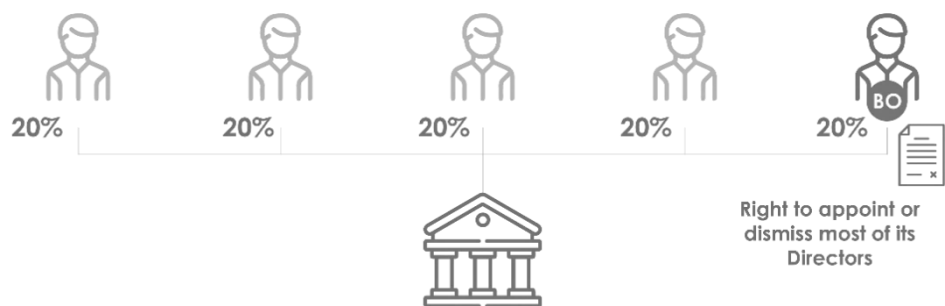
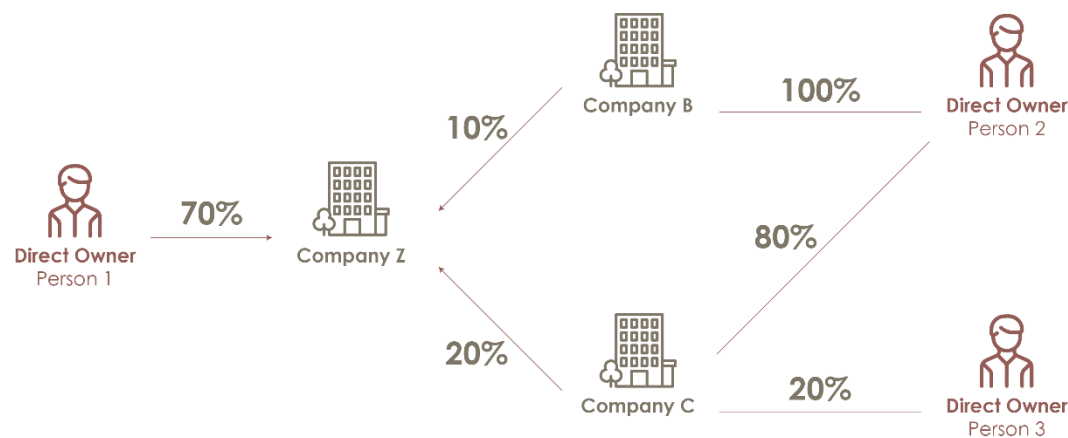


Figure 2:

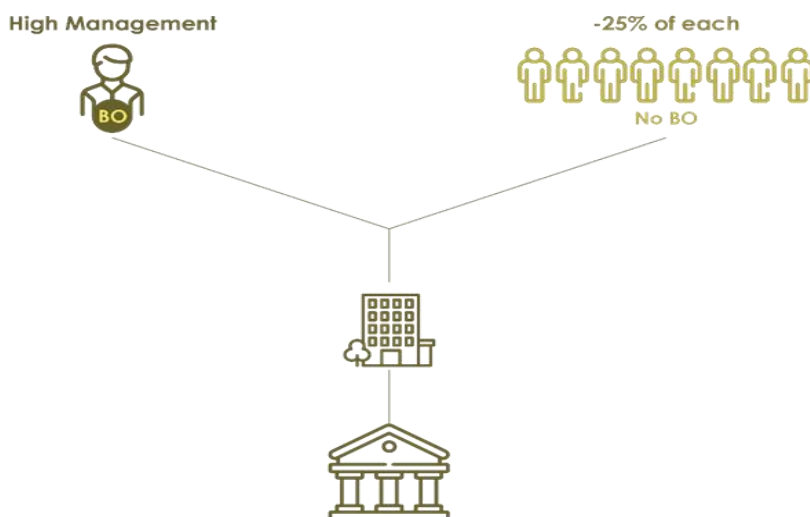


Step 3 ➔ Through Control Position: If no natural person can be identified under Step 1 or Step 2, then the beneficial owner to be identified and registered is a natural person who is responsible for the business practice and direction (daily/regularly), it has control over the senior management of the legal person, exercise significant authority or strategic decisions that fundamentally affect the business.

The senior management of the entity will depend on its organizational structure and Omani laws and regulations. Typically, a senior manager is the person with power to make important decisions, control ongoing financial affairs and is authorised to act on behalf of the company (including the power to hold accounts on behalf of a legal person), such as Board of Directors (BOD), Executive management (Chairman, CEO, GM, CFO, Financial Controller, persons who are authorised signature)

Example of senior management as Beneficial owner

Figure 1:



Identifying the beneficial owner in legal arrangements

Unlike legal persons which may have a legally defined form and relatively predictable set of binding regulations, legal arrangements can have a vast array of forms. As a starting point, the AML Law captures legal arrangements, which are defined as a legal relationship established between different parties by virtue of an agreement, such as trust funds or other similar legal arrangements. A “trust fund” under the AML Law is a legal relationship by virtue of which a trustor (being the individual who donates the trust property into the trust) entrusts the control of funds to a trustee in the interest of a beneficiary or for a specific purpose. Such assets shall be considered as independent from the trustee’s properties, and the right to the trustee’s assets shall remain in the name of the trustor or with a third party on behalf of the trustor.

As Oman is part of the wider global economy and deals with legal entities from abroad, this guidance also includes guidance on identifying the individual(s) who beneficially own the trust or exercise ultimate effective control over the trust

Identifying the beneficial owner in Waqf

What is Waqf?

A waqf can best be characterized as a charitable endowment which permits a person to donate property for the public good in the name of Allah. Typically, a waqf's purpose is to build mosques, schools, hospitals for the benefit of local communities. It is typically administered by individuals chosen by the settlor of the waqf, but can also be, agents, or legal entities.

Beneficial owner of Waqf

Where a waqf is involved, the obliged entity must, in addition to the Waqf itself, also identify the following individuals or entities: the founder, the administrator(s) of the waqf, anyone exercising oversight of regulatory power over the waqf³, and any natural person who may exercise ultimate effective control over the trust⁴. It should also obtain the foundational document and any ancillary documents dispensing power or control over assets of the waqf.

Such agents may either be chosen by the settlor or by the Ministry for Awqaf and Religious Affairs (MARA).

It is also possible to put in place powerholders or individuals exercising some form of oversight over the waqf (similar to a protector or enforcer) under the law of awqaf.

⁴ This could be, for instance, where the assets of the waqf are controlled by a third party through extensive contractual arrangements. Although taking the step to identify such individual(s) is unlikely to happen in practice, the guiding principle should be to understand precisely where the nexus of control over the assets of the waqf lies.



Identifying the beneficial owner in government ministries and government owned companies, foundations or any independent body established by the government

The beneficial owner of a government ministry or-owned company is the minister responsible for the area, which represents the government in the company or any person who is appointed as members of the supervisory boards of the companies in their area of government, the chairman of the supervisory board/management board of the company and the members of both bodies. For example: In the case of foundations established by the Government where the rights of a founder are exercised by ministries and foundations with government participation, the minister of the respective area, the chairman/members of the supervisory board and the chairman/members of the management board, authority signatory can be considered the beneficial owners.

The municipality shall have a president appointed by a royal decree, and the municipality shall have two assistants to the president, one for general services, and the other for technical services, who shall be appointed by a royal decree. Therefore, the president of municipality is the beneficial owner.

If an association or government owned companies has been established with the government body/ministry or several government ministries/bodies together, none of which have dominant influence over the association or government owned companies, the chairmen or members of the management board or supervisory board of the association or authority signatory are noted as the beneficial owners.

“Financial institutions should refer to the Laws, regulations and circulars applicable to the government companies and opening accounts for government relates entities.”

Financial Trusts and Collective Investment Funds

The Securities law promulgated by Royal Decree No. 46/2022 regulates the financial trusts and collective investment funds, which can only be established with a license from CMA, they are defines as follows:

Financial Trust:

Independent entity having the object of keeping and protecting trust property in favor of beneficiaries as per the terms and conditions in the trust certificate and the provisions of the Securities Law and the Regulation.

Collective Investment Funds:

Collective investment funds aim at pooling funds from investors and investing on their behalf in various types of investments according to the principles of professional management of collective investments.

Holders of Sukuk and bonds may be foreign investors as specified in the prospectus, however, the Sukukholders' agent or custodian representing Sukukholders or bondholders must be an entity licensed by CMA, and the trust agreement must be approved and registered with CMA. Issuers of Sukuk shall obtain CMA's consent.

A Sukuk is defined as a security (or securities) of equal value, issued for a specific term that represents joint ownership in the underlying assets which will be established from the proceeds of subscription.

A private company could in theory offer such trustee services. However, this would require a license from CMA, and presently no private company has applied (or intends to apply) for such a license.

Nevertheless, obliged entities dealing with such entities must obtain information on the agents and trustees of the funds and beneficiaries (being Sukuk or Bonds). The agency or the trust agreements for the relevant trust should also be obtained.

When dealing with trusts, issuer must obtain the trust certificate, and any other requirements in this regard. The trust certificate is essential, as it lists trust's detailed information on each trust, and the Trustee must be given a certificate of registration of the trust in the Trusts' register with CMA. The trust shall only be deemed valid after registration and the trustee must inform CMA of any changes in the information or statements recorded in the trust register.

When an owner is a trust or collective investment fund or other type of legal arrangement, the obliged entity must also identify:

- a. The settlor or founder, custodian, enforcer, unitholders, beneficiaries and any other natural person who exercises ultimate effective control over the fund.
- b. For other types of legal arrangements: persons in equivalent or similar positions to those persons referred to in (a).

Ultimate effective control of the trust can come in many forms and depends heavily on the terms of the trust, as well as the structure of the trust or any relevant contractual agreements. However, it is increasingly common in offshore jurisdictions for trusts to have complex oversight mechanisms, hold a large number of companies or have connected trusts – each of which may exercise ultimate control over the trust indirectly. By way of example, a trust may hold shares in an underlying family trading company. Although the trust may have a pre-defined set of beneficiaries, it may well be the case that the individual exercising ultimate control over the trust is the individual who exercises direct or indirect control over the company .

For this reason, trusts should be appropriately scrutinized to ensure that the obliged entity understands precisely how a trust (and its underlying assets) operate and are controlled, to help the obliged entity discharge its obligations as concerns the beneficial owner of that trust.

Roles and responsibility of Financial Institutions

- i. Assess the risk posed by complex beneficial owners in the business risk assessment by assessing the inherent risk posed and the control mitigates applied. Link the assessment to the NRA findings, STR reported by the entity or any case announced by court or international organizations (UN, OFAC, Panama Papers).
- ii. Understand the ownership and control structure of the customer and understand the ML and TF risk in relation to legal person.
- iii. Adequately carry out CDD measures at the incorporation stage and conduct ongoing CDD to make sure that the information on beneficial ownership is accurate and up-to-date.
- iv. During the onboarding process inform the legal person in writing that in case of amendment, preservation and deletion of data, should the submitted data change, the company's management shall submit the correct data/ new CR or inform the FI within specific time period (e.g. at least within 20 working days). The management must confirm that the data relating to the beneficial owners are true (i.e. if no changes have occurred) annually through Relationship manager/Branch manager or whenever remittances occur.
- v. Identify indicators of misuse or unusual activity in the database and keep in view the trend/pattern of suspicious structure of beneficial ownership e.g. using red flags, sample testing, cross-checking with other data, public data and global official news and trends.
- vi. Conduct ongoing monitoring and scrutinize transactions throughout the course of that relationship to ensure that the transactions being conducted are consistent with the institution's knowledge of the customer and its business and risk profiles, including the customer's source of funds.
- vii. Record the CDD procedures performed and maintain these records for at least ten years. And maintain accurate and up-to-date beneficial owners record.
- viii. Report suspicious transaction activities to NCFI as necessary.



BENEFICIAL OWNER(s) FORM- Best Practice

The information contained in this form, is sought pursuant to Article 33 of Chapter 5 of the Law of Combating Money Laundering and Terrorism Financing (Royal Decree No.30/2016)

All persons opening an account on behalf of a legal entity must provide the following information:

1. First Name	2. Second Name	3. Last Name and title of Natural Person Opening Account
4. Name and type of Legal Entity for Which the Account is Being Opened		
Title/Position of the person opening the account		
ID / Passport number	City	Legal Entity Address
6. Contact Telephone Number	E-mail	Permanent Address/ Postal Code
Tax residency	Is the beneficial owner a Politically Exposed Person? ¹	

1 Refer to Politically Exposed Person form.

***Copy of ID is required.**

I, _____ (name of person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct.

Signature¹: _____ Date: _____

1 Signature of Ultimate beneficial owner or authorized to sign for beneficial owner



SECTION I

Please provide the following information for an individual(s), if any, who, directly or indirectly, through any contract arrangement, understanding, relationship, or otherwise owns 25% or more of the equity interests of the legal entity listed above. Check here if no individual meets this definition and complete Section II.

First Name	Last Name	Date of Birth
Nationality	ID /Passport (for nonresident)	Country of issuance
Contact Telephone Number	Address	Title/ position/ relationship/ Occupation
Ownership %	E-mail	
Tax residency	Is the beneficial owner a Politically Exposed Person ¹ ?	

SECTION II

Please provide the following information for an individual with significant responsibility for managing or directing the entity, including, an executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or Any other individual who regularly performs similar functions.

1. First Name	1. Last Name	1. Date of Birth
1. Legal Entity Address	1. ID / Passport number	1. Permanent Address
1. Contact Telephone Number	1. Title/ Position/ Occupation	1. E-mail
1. Tax residency	1. Is the individual a Politically Exposed Person ¹ ?	

1 Refer to Politically Exposed Person form.

2 Copy of ID is required.

I, _____ (name of person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct.

Signature³: _____

Date: _____

3 Signature of Ultimate beneficial owner or authorized to sign for beneficial owner



End

