



**Financial Intelligence Centre  
Republic of Namibia**

---

PO Box 2882  
Windhoek  
Namibia

Phone: + 264 61 283 5286  
Fax: + 264 61 283 5918  
Helpdesk@fic.na

---

**DIRECTIVE 01 OF 2024**

**REQUIREMENT TO MANAGE BENEFICIAL OWNERSHIP  
RELATED RISKS IN VIEW OF NOTED FAILURES TO SUBMIT  
BENEFICIAL OWNERSHIP INFORMATION TO BIPA**

**Dated: 25 APRIL 2024**

---

## 1. PURPOSE AND INTRODUCTION

**1.1** The Financial Intelligence Act 13 of 2012 (as amended) (herein referred to as the FIA) requires the Business and Intellectual Property Authority (BIPA) to obtain and maintain Ultimate Beneficial Ownership information of Companies and Close Corporations in Namibia. This requirement is necessary to ensure and enhance the effective functioning of the national Anti-Money Laundering, Combatting the Financing of Terrorism and Proliferation Financing framework. This framework is herein simply referred to as AML/CFT/CPF. In simple terms, Beneficial Ownership (BO) refers to the natural person(s) who ultimately own, benefit from or effectively control a juristic person or another corporate arrangement such as a Trust.

**1.2** Namibia's company registry data needs significant improvement. One of the primary reasons why the country is under enhanced monitoring (*or FATF Grey listing*) is the identified inadequacies in the current company registry, in view of international standards. Enhancing such registry is a collective effort at national level in conjunction with BIPA.

**1.3** Section 122A (3) of the Companies Act, (Act No. 28 of 2004) as amended and section 16A of the Close Corporations Act, (Act No. 26 of 1988) as amended requires all Companies and Close Corporations (entities) at incorporation and thereafter, annually at the end of their respective financial year(s), to file accurate and up-to-date Beneficial Ownership Information with BIPA. In practice this means all entities must file the BO information with BIPA:

- a. at incorporation for new entities.
- b. at a current entities' financial year end (Annual BO update).
- c. within 7 days after there has been any change to the BO information; and
- d. when doing an entity update or amendment.

**1.4** In furtherance of the above, BIPA issued Directive 01 of 2023 on 24 July 2023 calling on all entities to file mandatory Beneficial Ownership information to BIPA with effect from **07 August 2023**. Additionally, BIPA issued Directive 03 of 2024 on 01 February 2024 and Directive 04 of 2024 on 01 March 2024. All these Directives call on non-complying entities to complete and file the Beneficial Ownership Declaration Form with BIPA. The said Directives can be accessed on the BIPA website via the following link:

<https://www.bipa.na/beneficial-ownership/bipa-fic-directives-2/>

**1.5** The Financial Intelligence Centre (FIC) has through print media publications on 19 March 2024 and 08 April 2024 called on Close Corporations and Companies to duly submit their UBO information to BIPA. Such media publications, along with the use of social media, as well as radio and TV broadcasting will be continued to encourage the public to comply.

**1.6** BIPA has in writing notified the FIC that many Companies and Close Corporations have failed to comply with the requirements of filling the required Beneficial Ownership information and filling annual returns, this is despite the issuance of the directives referred to herein. The failure by these Companies and Close Corporations undermines the adequacy and accuracy of the national company registry and Beneficial Ownership information.

## **2. SCOPE AND APPLICABILITY OF DIRECTIVE**

This Directive applies to all Banking Institutions. Banking services are unfortunately most vulnerable to ML, TF and PF abuse as reflected in the country's various National Risk Assessment. Banking Institutions are gatekeepers to the financial system and AML/CFT/CPF framework. The fact that almost all transactions at some point pass through the banking system and given that Companies and Close Corporations make extensive use of banking services, it is prudent to direct that banks take appropriate actions to mitigate risks emanating from Beneficial Ownership inadequacies especially in relation to Companies and Close Corporations that remain non-compliant with the filing of such information with BIPA.

### **3. IMPORTANCE OF BENEFICIAL OWNERSHIP INFORMATION**

#### **3.1 Risk Exposure Within Private Sector and Financial System**

Inadequacies in Beneficial Ownership information significantly escalates the risks of economic crimes such as Money Laundering, Terrorism and Proliferation Financing by disguising:

- a. the identity of known or suspected criminals.
- b. the true purpose of an account or property held by a juristic entity or arrangement; and/or
- c. the source or use of funds or property associated with such a juristic entity.

The above factors enhance vulnerabilities through which the financial system's integrity can be undermined in advancement of such economic crimes as the private sector ought to rely on adequate and accurate information in the day-to-day risk management activities as per the FIA and other laws.

#### **3.2 National Combatting and Prevention Framework**

Combatting authorities such as the Financial Intelligence Centre, Anti-Corruption Commission, Namibia Revenue Agency, Namibian Police, and the Office of the Prosecutor General rely on accurate and adequate Beneficial Ownership information to combat economic crimes such as Corruption, Fraud, Tax Evasion, Money Laundering, Terrorism and Proliferation Financing activities.

### **4. MEASURES TO SAFEGUARD THE INTEGRITY OF THE NATIONAL FRAMEWORK AND FINANCIAL SYSTEM**

As part of its mandate to advance an effective AML/CFT/CPF framework which includes maintaining the integrity of the financial system, the FIC has an obligation to ensure banking institutions, amongst others, take the necessary measures to safeguard the AML/CFT/CPF framework. In furtherance of this, the FIC hereby directs all banking institutions as follows:

4.1 To engage, notify or remind their clients (Close Corporations and Companies) to file their updated Beneficial Ownership information to BIPA as soon as required by law and present proof of such submission to their respective banking institutions.<sup>1</sup> This directive is valid for a period of two months from 26 April until 26 June 2024 after which the FIC may;

4.2 As provided in the FIA, direct that all Close Corporations and Companies that have failed to submit such Beneficial Ownership information to BIPA be **denied access to banking services such as withdrawal and transferring of funds/assets from their bank accounts**. These are services which escalate ML, TF, and PF risks.

## 5. CONCLUSION

All correspondence relating to this matter should be directed to Kristian Hamutenya at +264 61 283 5216 or [Kristian.Hamutenya@fic.na](mailto:Kristian.Hamutenya@fic.na)



**B EISEB  
DIRECTOR**

---

<sup>1</sup> To gain assurance that such non-complying clients do not unduly expose the system to risks, Institutions need to request proof of submissions from clients. The FIC and BIPA will consider ways to publish or share such information. Note that if uncertain, Institutions are still required to continue with conventional due diligence on BO such as directly verifying with BIPA.