

SOUTH AFRICA'S COMMITMENT TO IMPLEMENT G20 HIGH LEVEL PRINCIPLES ON BENEFICIAL OWNERSHIP TRANSPARENCY

Corporate vehicles, including companies, trusts, foundations, partnerships and other types of legal persons and arrangements, play an essential role in the global economy and conduct a wide variety of legitimate commercial and entrepreneurial activities. However, they have also been misused by criminals for illicit purposes, including money laundering, bribery and corruption, insider dealings, tax fraud, terrorist financing and other illegal activities.

South Africa commits to take concrete actions to implement the G20 High Level Principles on Beneficial Ownership Transparency and to meet the Financial Action Task Force (FATF) standards regarding the beneficial ownership of companies and other legal arrangements such as trusts.

South Africa will:

- Develop a definition of 'beneficial owner' that captures the natural person(s) who ultimately owns or controls the legal person or legal arrangement.
- Assess the existing and emerging risks associated with different types of legal persons and arrangements, which should be addressed from a domestic and international perspective.
- Ensure that legal persons maintain beneficial ownership information onshore and that information is adequate, accurate and current.
- Ensure that competent authorities (including law enforcement and prosecutorial authorities, supervisory authorities, the South African Revenue Service (SARS) and the Financial Intelligence Centre) have timely access to adequate, accurate and current information regarding the beneficial ownership of legal persons and legal arrangements.
- Ensure that trustees of express trusts maintain adequate, accurate and current beneficial ownership information, including information of settlors, the protector (if any) trustees and beneficiaries. These measures should also apply to other legal arrangements with a structure or function similar to express trusts.
- Require financial institutions and DNFBPs, including trust and company service providers, to identify and take reasonable measures, including taking into account country risks, to verify the beneficial ownership of their customers.
- Ensure effective supervision of these obligations, including the establishment and enforcement of effective, proportionate and dissuasive sanctions for non-compliance.
- Ensure that its national authorities cooperate effectively, both domestically and internationally. South Africa should also ensure that its competent authorities participate in information exchange on beneficial ownership with international counterparts in a timely and effective manner.