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EXTRAORDINARY

THE GOVERNMENT OF THE REPUBLIC OF LIBERIA PROMULGATES THIS REGULATION IN FURTHERANCE OF THE ASSOCIATIONS LAW OF LIBERIA, TITLE 5, LIBERIAN CODE OF LAWS REVISED, VOL. II: PROVIDING FOR THE APPLICATION OF THE TERMS OWNER, OWNERSHIP, BENEFICIAL OWNER AND NOMINEE, TO EXPAND THE KEEPING OF ACCOUNTING RECORDS AND INFORMATION REQUIREMENTS, AND PROVIDING RESTRICTIONS ON THE RIGHT TO CONVERT SHARES.

BY ORDER OF THE PRESIDENT

CLLR. DEWEH E. GRAY
ACTING MINISTER OF FOREIGN AFFAIRS

MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA
JULY 11, 2019

REPUBLIC OF LIBERIA
MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA

REGULATION IN FURTHERANCE OF THE ASSOCIATIONS LAW OF LIBERIA, TITLE 5, LIBERIAN CODE OF LAWS REVISED, PROVIDING FOR THE APPLICATION OF THE TERMS OWNER, OWNERSHIP, BENEFICIAL OWNER AND NOMINEE, TO EXPAND THE KEEPING OF ACCOUNTING RECORDS AND INFORMATION REQUIREMENTS, AND PROVIDING RESTRICTIONS ON THE RIGHT TO CONVERT SHARES.

WHEREAS, the Legislature, in 2016 enacted into law titled, “AN ACT TO FURTHER AMEND THE ASSOCIATIONS LAW, TITLE 5 OF THE LIBERIAN CODE OF LAWS REVISED, TO EXPAND THE REQUIREMENTS FOR KEEPING ACCOUNTING AND OTHER RECORDS, RIGHT OF ACCESS TO SUCH RECORDS, AND THE REGULATION OF BUSINESS ASSOCIATIONS AND EXTRACTING THEREFROM PART VII, CHAPTER 70, TO REPEAL AND DELETE IN ITS ENTIRETY PROVISION RELATING TO THE INCORPORATION OF REGISTERED BUSINESS COMPANIES AND ALL THEIR CONDUCT OF BUSINESS INCLUDING LIQUIDATION AND ALL MATTERS INCIDENTAL THERETO,” which Act required, inter alia, all businesses to maintain complete accounting and ownership records, including records of shareholders, directors and executive committee meetings in order to address increasing tax, money laundering and other financial transaction concerns relative to certain forms of businesses, and to ensure compliance with the tax code and other financial legislation,

WHEREAS, the Legislature in 2018 further amended the same law entitled “AN ACT TO AMEND PROVISIONS OF THE BUSINESS CORPORATION ACT, CHAPTER 1, ASSOCIATIONS LAW OF LIBERIA, TITLE 5, LIBERIAN CODE OF LAWS RELATING TO BEARER SHARES AND TO CREATE A NEW SECTION 5.15 RELATING TO THE CUSTODIALIZATION OF BEARER SHARES” in order to address issues of ownership and ownership information.

Whereas in the said amendments references are made to owners and beneficial owners, but the terms, and other relevant terms regarding share ownership or interest in business, are ambiguous and hence clarity is needed as would have the intent of the Legislature made clear that the terms, as used in the Act, are applicable to every

forms of business entities formed under the laws of Liberia or foreign corporations authorized to do business in Liberia, which absence may not enable the application of the law to their full intent of the law; and

WHEREAS Section 1.10 of the Associations Law, Title 5, Liberian Code of Laws Revised vests in the Registrar the authority to promulgate Regulations for the purpose of giving effect to the Act and giving clarity to provisions of the Act as removes any ambiguity, in furtherance of and consistent with the said Act, which Regulations shall have the force of law, the same as the Act; and

WHEREAS the Registrar has determined that in order to remove the ambiguity engendered by the lack of clarity regarding the application of the terms “Owner”, “Ownership”, “Beneficial Owner” and “Nominee”, pending further legislation by the Legislature in relation thereto, and under the authority granted by Section 1.10 of the Associations Law, Regulations are promulgated clarifying the application of the terms mentioned herein to all forms of business entities rather than to any limited forms for business, which clarification evidences the intent of the Act.

NOW, THEREFORE, the following Regulation, as contained in all of the paragraphs stated hereunder, is hereby promulgated with full legal effect:

1. That the term, “beneficial owner” as defined in Section 1.2 of the April 23, 2018 Amendment to the Business Corporation Act, shall be applicable to all forms of business entities established under the laws of Liberia or authorized to do business within the Republic of Liberia, inclusive of resident and non-resident corporations, foreign corporations authorized to do business in Liberia, limited liability companies, partnerships, limited partnerships, trusts, foundations, and other legal entities organized or which may hereafter be organized under the laws of Liberia or authorized to do business in Liberia.
2. That all of the requirements regarding complete and accurate accounting records, including records of and information on ownership of shares or interest in corporations stated in Section 8.1 of the BCA, shall apply to every legal entity formed under the laws of Liberia or authorized to do business in Liberia, and shall include corporations, limited liability companies, general partnerships, limited partnerships, trusts, foundations and other legal entities of whatever form or nature referenced under the Associations Law or any other laws of the Republic of Liberia. In regard to such matters, all references to ownership shall mean and include “owners”, “beneficial owners”, “trustees”, “nominees” and any other

representatives, legal and natural, holding in their names the shares or interest for the real or beneficial owners.

3. All business entities, to which this Regulation shall apply, but fail or refuse to comply with the provisions stated above, shall be subject to the same penalties as stipulated in Section 8.1, of the amended Business Corporations Act, including the imposition of fines, withdrawal of good standing, revocation of the entity's license to operate, and dissolution, as the Registrar shall determine to be appropriate.

4. This Regulation supersedes all other Regulations promulgated by the Registrar and relating to the subject matters stated herein.

5. Effective Date: This Regulation shall become effective immediately upon publication in manner prescribed by law.

Dated this 11th day of July A. D. 2019.

Registrar of Corporations
Ministry of Foreign Affairs