

### 1. Why should the declaration of beneficial ownership template be filled in?

It is a regulatory requirement for banks to keep on file a Declaration of Beneficial Ownership for their Customers. This is to assist the Bank to comply with the mandatory AML/ CFT provisions of the Financial Intelligence and Anti-Money Laundering Act 2002, the Financial Intelligence and Anti-Money Laundering Regulations 2018, the Bank of Mauritius Guideline on Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation 2020 and the Financial Services Commission Anti-Money Laundering and Combating the Financing of Terrorism Handbook 2020 (as amended from time to time).

In terms of the aforesaid provisions, every bank should require their Customers to complete a written declaration of the identity and details of **natural person(s)**, if any, who is/are the ultimate beneficial owner(s) of the business relationship or transaction.

### 2. What does beneficial owner mean?

“**Beneficial owner**” means the natural person who exercises ultimate control over a legal person or arrangement.

“**Legal person**”:

- (a) means any entity, other than a natural person; and
- (b) includes a company, a foundation, an association, a limited liability partnership or such other entity as may be prescribed.

“**Legal arrangement**” means an express trust or any other similar arrangement.

“**Senior managing official**” means an individual who makes or participates in making decisions that affect the whole, or a substantial part, of the business of a customer or who has the capacity to affect significantly the financial standing of a customer.

“**Chief Executive Officer**” means the person responsible under the immediate authority of the board of directors for the conduct of business of the financial institution.

“**Managing Director**” means a person who is entrusted with substantial powers of management of the affairs of the company.

#### (i) Where the applicant for business is a corporate body (Legal Person)?

The beneficial owner is the natural person(s), who ultimately own(s) or effectively control(s) the entity, irrespective of shareholding. To note though, that MCB Ltd will consider natural persons holding 20% or more effective interest as a beneficial owner.

Where there is a doubt as to whether the person with the controlling ownership interest is the beneficial owner or where no natural person exerts control through ownership interests, the natural person exercising control of the legal person through other means will be considered as the beneficial owner.

In certain circumstances, the natural person who holds the position of “Executive Director” or “Senior Managing Official” or “Chief Executive Officer” or “Managing Director” or “Office Bearer” (e.g for associations) may be considered as beneficial owner.

#### (ii) Where the applicant for business is a trust?

For Customers that are legal arrangements:

- (a) For trusts: the settlor, the trustee, the beneficiaries or class of beneficiaries, and where applicable, the protector or the enforcer, and any other natural person exercising ultimate effective control over the trust, including through a chain of control or ownership.
- (b) For other types of legal arrangements: persons in equivalent or similar positions as above.

#### (iii) Where the applicant for business is a partnership?

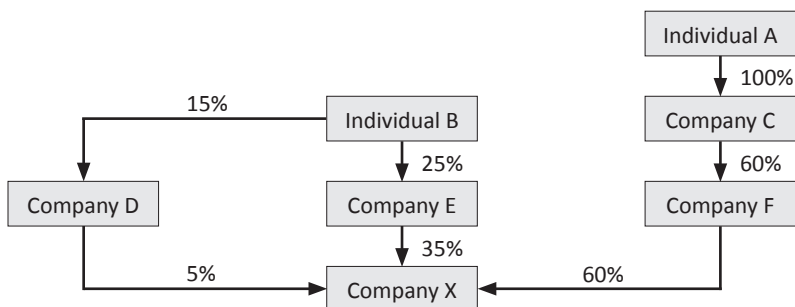
Individual(s) owning 20% or more of the partnership.

### 3. Should there be a need to identify any beneficial owners under section 2 of the DBO form-F1760?

Yes, verification shall be performed for instances where the bank has doubts about the veracity of the CDD information or suspects that the customer, business relationship with, or transactions for the customer may be connected with money laundering or terrorist financing or proliferation financing activities.

#### 4. What do we mean by effective interest?

The effective interest in an entity is arrived at by pooling the direct holdings in that entity with any indirect holdings, i.e. holdings through an intermediary entity or person. The following example illustrates how the 'effective interest' in company X is determined.



Effective interest of A in X =  $100\% \times 60\% \times 60\% = 36\%$ . A being a natural person, he has to be reported in the Declaration template.

Effective interest of B in X =  $(25\% \times 35\%) + (15\% \times 5\%) = 9.5\%$ . B does not need to be reported in the Declaration template.

#### 5. Is there a need to notify the Bank of any change in beneficial ownership in the course of the business relationship?

Yes, changes in the ownership structure of the Customer shall be brought to the attention of the Bank without undue delay, as mandated by the Bank's Terms and conditions and the Bank of Mauritius Guideline on Anti-Money Laundering and Combating the Financing of Terrorism and Proliferation 2020. A new Declaration template must be filled in and signed by the authorised signatory(ies), director(s) or Company Secretary of the Customer and an updated Register of shareholders or Extract of Files and the relevant KYC documents provided accordingly.

Please do not hesitate to contact your Account Officer/Relationship Manager, should you need further clarification on the matter.