



Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, No. 10 of 2023

Kenya has recently implemented the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, No. 10 of 2023, referred to as “the Amendment Act.”

This legislative update has brought about noteworthy alterations to various existing laws, introducing fresh obligations for companies, branches, limited liability partnerships (LLPs), and foreign LLPs. Among these changes, a significant emphasis is placed on the concept of Beneficial Ownership, which is the focal point of this discussion.

Beneficial Ownership

While the requirement to disclose beneficial ownership has been in place since the Companies Act (Beneficial Ownership Information) Regulations, 2020 (the BO Regulations) came into effect, the recent Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, No. 10 of 2023 has now explicitly codified this requirement into law. Under these updated regulations:

i. Existing companies are obligated to submit their registers of beneficial owners to the Registrar of Companies within 60 days from the commencement of the Amendment Act, which became effective on September 15, 2023, thereby requiring compliance by November 14, 2023.

-
- ii. Failure to meet this 60-day deadline carries a potential penalty of up to KES 500,000 for both companies and their officers upon conviction.
 - iii. Publicly listed companies now have a specific 30-day window in which to report any amendments made to their registers of beneficial owners following any changes.
 - iv. The Act further mandates companies to keep records of beneficial owner information for at least ten years after a person ceases to be a beneficial owner,
 - v. The Act mandates that companies maintain records of beneficial owner information for a minimum of ten years after a person ceases to be a beneficial owner.
 - vi. A noteworthy change introduced by the Amendment Act is the extension of the requirement to file beneficial ownership information to foreign companies operating in Kenya. This requirement applies from the point of registration for new branches and throughout the branch's existence in Kenya.
 - vii. The Act stipulates that registered foreign companies must notify the Registrar of any changes specified in Section 986 (1) of the Act. Failure to do so constitutes an offense, and upon conviction, both the company and any defaulting officers may be subject to fines not exceeding two hundred thousand shillings (Kshs 200,000/).

The changes under the Amendment Act come with strict deadlines and penalties for non-compliance, highlighting the importance of compliance. We strongly advise all companies to promptly adhere to these regulations in order to avoid potential fines and legal actions.

For more information, please contact us at marjorie@tarraagility.com