

BUSINESS LAW QUARTERLY

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Corporate Governance -King IV in brief

The overarching objective of King IV is to make corporate governance more accessible and relevant to a wider range of organisations, and to be the catalyst for a shift from a compliance based mindset to one that see corporate governance as a lever for value creation.

- Professor Mervyn King

The King IV on corporate governance was published on 1 November 2016, and came into effect on 1 April 2017.

King IV is seen as a positive step towards corporate governance, it confirms the notion that organisations do not operate in a vacuum and should be accountable to all their stakeholders. It replaces King III in its entirety, and it comes with a few bold changes.

Key Changes:

- King IV is drafted to apply to all organisations, i.e. company, retirement funds, non-profit organisations, state owned enterprises, municipalities, trusts and any other organisation regardless of its form incorporation. King IV provides for sector supplements that provide specific guidance to the specific organisations in interpreting and implementing King IV
- For easier interpretation and application, the King IV has reduced the 75 principles of King III to 17 principles
- The King IV has shifted from the “apply or explain” regime to an “apply and explain” regime. This means that organisations are expected to explain to their stakeholders as to how they have applied the principles
- King IV further amends the remuneration policy of organisations, independence of directors and enhanced disclosure.

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A quarterly newsletter published by PwC Namibia providing informed commentary on current developments in the Namibian business arena and related fields.

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Business and Intellectual Property Authority - Public Notice

BIPA issued a public notice with respect to implementation of database controls. All applications for registration of businesses must be submitted with the following appended thereto:

1. A copy of the Identity Document of the applicant(s) / member(s)
2. Contact information of the applicant (s) / member(s) as follows:
 - land line number (if any)
 - Mobile number
 - Fax number
 - Full postal address
 - E-mail address

The applications that this applies to, include:

- Name reservations in respect of Companies, Close Corporations and Defensive names;
- Registration of Companies, Close Corporations and Defensive names;
- Amendment of Companies, and Close Corporations

The information is required for the implementation of mandatory controls on the Integrated Companies Registration System (ICRS) to ensure data integrity.

The information is also required in order to comply with the requirements of the Financial Intelligence Act, and failure to submit such information, is a contravention with this Act.

Business registration forms will be amended to incorporate the required changes.

Please note that as of 1 June 2017, applications that are submitted without the required information will not be accepted for registration. To avoid any delays in the registration, please ensure that applications are submitted in a complete format

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Business & Investment Guide for Namibia 2016

DOWNLOAD Our Business & Investment Guide prepared in collaboration with the Ministry of Industrialisation, Trade and SME Development & The Namibian Chamber of Commerce

<http://www.pwc.com/na/en/publications/business-and-investment-guide-for-namibia.html>



Namibian Financial Intelligence Act: Identification of Beneficial Ownership

In order to mitigate corporate vehicles' participation in activities of money laundering, bribery, corruption, insider dealings, tax fraud, terrorist financing, proliferation financing and other illegal activities, the Financial Intelligence Act requires accountable and reportable institutions to perform due diligence on customers and beneficial owners.

Beneficial Owner

This refers to the **natural person(s)** who ultimately owns or controls a legal person, and / or the natural person on whose behalf a transaction is being conducted, and those persons who exercise ultimate effective control over the legal person.

Key Elements:

1. **Natural persons** who own **20% or more shareholding** in the legal person
2. **Natural persons** with **effective control** over the legal person
3. **Natural persons** on whose behalf a transaction is conducted

The best way to identify a beneficial owner, would be to obtain an **ownership and control structure** from the client. This will help you determine who has the required shares, who the CEO is and who has effective control.

In a nutshell, the term “beneficial owner” includes but is not limited to the following: **directors, members, partners, shareholders, CEO, trustees, banking account signatories, founders** and **beneficiaries of trusts**.

See below guidance from the FIC :

<https://www.fic.na/uploads/Publications/Guidance%20Notes/Guidance%20Note%201%20of%202015%20-%20Beneficial%20Ownership%20Identification.pdf>

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