



PERSONS WITH SIGNIFICANT CONTROL REGULATION 2022

JEE REGULATORY NEWSLETTER



On 23rd November 2022, The Ministry of Industry, Trade and Investment through its Minister, approved the Persons with Significant Control Regulation ("PSC Regulation"). The key objective of the regulation is to provide an effective framework and procedure for obtaining relevant information of Persons with Significant Control/Beneficial Owners of companies under Part B and Limited Liability Partnership registered under Part C of the Companies and Allied Matters Act.

The PSC Regulation defines a Person with Significant Control (PSC) as a person who controls a company or limited liability partnership or the natural person on whose behalf a transaction is being conducted and includes those natural persons whose exercise ultimate effective control over a legal person or arrangement. In addition to the definition of a PSC, an individual will qualify as a PSC if one meets any of the following conditions:

1. Holds at least 5% of the issued shares of the company or interest in a limited liability partnership either directly or indirectly,
2. Exercises at least 5% of the voting rights in a

company or limited liability partnership directly or indirectly.

3. Holds a right directly or indirectly, to appoint or remove majority of the directors of the company or partners of the limited liability partnership,
4. Exercises significant influence or control, directly or indirectly, over the company or limited liability partnership; or having the right to exercise, or actually exercises significant influence or control over the activities of a trust or firm whether or not it is a legal entity but would itself satisfy any of the first 4 (four) conditions if it were an individual.

The PSC Regulation mandates relevant companies to submit the particulars of Persons with Significant Control in the company to the Corporate Affairs Commission, additionally, companies are required to inscribe the names of Persons with Significant Control in the register of members.

The regulation provides that the details be submitted by the reporting company which comprises of the full name, national identity number, nationality, date of birth and other

personal details as required by the PSC Regulation.

Details of registrable PSCs are confidential information which the regulation has set conditions for the disclosure of such details. The condition for the disclosure includes the following:

1. Where the disclosure is to comply with the requirement of the Act, a court order or a directive of any law enforcement agency or competent authority.
2. Where the written consent of the person with significant control is obtained.
3. For the purpose of communicating with the person with significant control.

The PSC Regulation sets out sanctions for failure to comply with any of requirements under the regulation. According to the PSC regulation the penalty range is from N5,000 (five thousand naira) to N200,000 (two hundred thousand naira) depending on the requirement breached and the type of company.

| CONCLUSION

The PSC Regulation expectedly will enhance transparency in obtaining corporate information of shareholders or persons that fall within the scope of Persons with Significant Control. Interestingly, the PSC provides for the confidentiality of this information thereby setting out conditions for the exposure of the information of a Person with Significant Control. We expect the full implementation of the Regulation in other to achieve its key objective as envisaged by the supervising Government Ministry.

KEY CONTACT

For further information, kindly reach the key contacts below:



YEYE NWIDAA

Partner, Regulatory,
Compliance & Governance
+234 1 4626841/3
E: yeye.nwidaa@jee.africa



RCO Court 3-5, Sinari Daranijo Street, Victoria Island, Lagos, Nigeria.

+234 (1) 4626841/3, +234 (1) 2806989, +234 (1) 2716889

@jeeafrica | www.jee.africa