



**REVISED GUIDELINES ON IDENTIFICATION OF
BENEFICIAL OWNERS OF LEGAL ENTITIES AND
OTHER ARRANGEMENTS**

By

The Companies and Intellectual Property Authority

Gaborone, Botswana

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Authority, Purpose and Scope

Authority

1. These Guidelines are issued by the Companies and Intellectual Property Authority (CIPA) to all legal persons registered or applying for registration with CIPA to facilitate compliance with the requirements for ensuring the availability of beneficial ownership information as outlined in the Companies (Amendment) Act, 2022, the Companies (Amendment) Act, 2025 and the Financial Intelligence Act (FI Act).

Purpose

2. The Companies Act and the FI Act require a legal person registered or applying for registration with CIPA to identify its beneficial owners, to keep a register of its beneficial owners and to disclose its beneficial owners to the Registrar of CIPA.
3. The Guidelines lay out the procedures to be followed by a legal person to identify its beneficial owners including the procedures for the identification of the beneficial owners of any legal entity or arrangement which has been interposed in its ownership chain in line with the requirements of the FI Act and the Companies Act and the minimum conditions that must be fulfilled by a legal person.

Scope

4. These Guidelines shall apply to all companies (private companies, public companies, close companies, companies limited by guarantee and external companies) registered or applying for registration in Botswana.

Responsibility

5. It shall be the responsibility of the resident director and the company secretary to ensure that beneficial ownership information is obtained, kept,

updated, and availed to law enforcement authorities and other competent authorities in line with Section 27 of the Companies Act

Definitions

6. In these guidelines, the following definitions apply:

- a) **Companies Act:** the Companies Act (Cap. 42:01).
- b) **Beneficial Owner:** shall be as defined in the Financial Intelligence Act
- c) **Contractual agreement:** a contractual agreement is a legally binding agreement entered into among the shareholders, or among entities.
- d) **Legal Arrangement:** means a relationship established pursuant to a contract between two or more parties that does not result in the emergence of a legal person. It includes a legal arrangement created or recognised under the laws of a jurisdiction other than Botswana.
- e) **Legal person:** any entity, other than a natural person, created by law and recognised as a legal entity having distinct identity, legal personality, duties, and rights, that can establish a relationship with a financial institution or otherwise own property, and includes a legal person created or recognised under the laws of a jurisdiction other than Botswana. Legal persons can include companies, body corporate, foundations, partnerships, associations, and similar other entities that have legal personality. In addition, legal persons can include non-profit organisations (NPOs) such as churches, foundations, associations, or cooperative societies.
- f) **Senior Management Official:** a director, controlling officer, partner, settlor, trustee, or any person who is concerned with the management of the affairs of a legal entity or legal arrangement. This includes a managing director or chief executive officer (and deputies), chief financial or operations officer, chief lending officer, chief internal auditor, and chief treasury officer (or their equivalents).

- g) **Shareholder:** an individual, group, or organisation that owns one or more shares in a company and whose name appears in the share register or register of members.
- h) **Trust:** shall mean as defined in the Trust Property Control (Amendment), 2025.
- i) **Ultimate effective control:** where ownership or control is exercised through a chain of ownership or by means of control other than direct control.
- j) **Verify:** establishing the veracity of information received from the customer on the basis of documents or information obtained from a credible source that is independent of the person whose identity is being verified.

Steps in the determination of Beneficial Owners

Legal persons

7. The beneficial owners of a legal person must be determined following a three-tier approach generally known as the “cascade approach”¹. Under this approach, the company must take the following steps:
 - (a) **Step 1:** Identify the **natural persons** (if any, as ownership interests can be so diversified that there are no natural persons, whether acting alone or together, who exercise control of the legal person through ownership) who **ultimately have a controlling ownership interest in a legal person**; and
 - (b) **Step 2:** To the extent that there is doubt as to whether the persons with the controlling ownership interest are the beneficial owners, or where no natural person exerts control through ownership interests, identify

¹ For more details see Paragraph 5(b)(i) of the Interpretative Note to FATF Recommendation 10.

the **natural persons** (if any) **exercising control of the legal person through other means**.

(c) **Step 3: Exceptionally**, where no natural person is identified under (a) or (b) above, the legal person must identify and take reasonable measures to verify the identity of the relevant natural person(s) who holds the position of senior managing official.

8. It is also possible that more than one natural person may be identified as the beneficial owner of a legal person. In this case, the legal person shall document all the natural persons identified as its beneficial owners.

Step 1: identifying the natural person(s) who may control the legal person through ownership interests

9. As a first step, the legal person must identify the natural person(s) who controls it through ownership interests. This may be manifested through owning or controlling the shares, voting rights or property rights in the company.

Establishing the beneficial owners of a legal person using a threshold

10. The legal person must take reasonable steps to identify the natural person(s) who owns or controls it, either through owning or controlling at least 10 per cent (10%) of its shares or voting rights or other ownership interest.
11. It must be noted that specific rules may apply to a partnership that is a legal person (i.e. a partnership with a legal personality) as detailed below in the section dealing with the identification of beneficial owners of partnerships.
12. In some cases, there may be only one natural person who owns all the shares or voting rights of the legal person. In such cases, the sole shareholder who is a natural person qualifies to be identified as the

beneficial owner. However, additional due diligence needs to be undertaken to verify that (s)he is not acting as a nominee, that he is not holding the shares on behalf of another person as discussed below or that there is no other natural person who controls the company through other means.

13. It is also possible that more than one natural person may be identified as the beneficial owner of a legal person. In this case, the legal person shall document all the natural persons identified as beneficial owners.

Establishing the beneficial owner of a legal person through indirect ownership

14. A natural person may seek to circumvent the established threshold of 10 per cent (10%) by dispersing his/her shareholding in the legal person to avoid being identified as a beneficial owner. For example, a natural person may directly own less than 10 per cent (10%) of a legal person. However, this natural person may also own or control the legal person through other legal person(s) or arrangement(s) that have an ownership or controlling interest in the legal person which, when taken together with his/her direct ownership or control of the legal person, results in him/her owning or controlling at least 10 per cent (10%) of the legal person. In other cases, the natural person may not own shares in the legal person but may do so through other legal persons or arrangements.
15. As a result, where a legal person is owned by another legal person or arrangement, or has another legal person or arrangement interposed in the ownership chain, the legal person must identify the natural persons who indirectly owns or controls at least 10 per cent (10%) of its shares or voting rights through the interposed legal person or arrangement.
16. Please note that, following the indirect ownership or control approach, it is possible that more than one natural person may be identified as a beneficial owner of a legal person. In this case, a legal person shall document all the natural persons identified as its beneficial owners.

Indirect control or ownership of a legal person: the case of shareholder agreements and nominee shareholders

17. In some cases, a natural person may not, directly or indirectly, own or control at least 10 per cent (10%) of the shares or voting rights of the legal person. However, shareholders can collaborate to diffuse level of control by one person through use of nominees or by entering into informal shareholder agreements. Therefore, a natural person may exercise control, alone or together with other shareholders, by entering into formal or informal agreements to increase the level of control by a person or appointing other persons to act in his/her place.
18. It is therefore possible that the persons identified as owning or controlling the legal person are actually acting on behalf of another person. A natural person who owns or controls the legal person through ownership interest such as shares or voting rights on behalf of somebody else must, therefore, not be considered as the beneficial owner of the legal person but must be declared as a nominee shareholder on/or nominee director.
19. In other cases, more than one natural person can act together to exert control over a legal person. For example, a shareholder may own or control less than 10 per cent (10%) of a legal company as an individual but may act in concert with another natural person to influence the decisions of the legal person because when taken together, they own or control more than 10 per cent (10%) of the legal person.
20. The legal person must therefore take all reasonable steps to establish whether a natural person is acting as a nominee for another person or whether a natural person is holding his/her ownership alone or together with other natural persons. Where the legal person establishes that a legal person or arrangement is a nominee or is under the control of another person, it must look through it and identify the natural person on whose behalf the nominee is acting or who is controlling it, and declare such person to be the nominating shareholder/director.

Step 2: identifying the natural person(s) who may control the legal person through other means

21. Where a legal person has doubts as to whether the natural person(s) with the controlling ownership interest identified as the beneficial owner(s) under step 1 is/are the beneficial owner(s), or where the legal person has not identified any natural person(s) who exerts control through ownership interest, it must identify the natural persons (if any) who exercise control over it through other means.
22. A natural person may exercise control through other means in a number of ways. This may include for instance:
 - (a) Differential voting rights as different classes of shares may give certain shareholders more control than others.
 - (b) Power to appoint directly or indirectly the majority of senior management officials like the managing director, chief executive officer or board of directors.
 - (c) Power to control the legal person through debt instruments or other financing arrangements, for example where a lender or creditor can control a legal person via the provisions of the lending agreement (such as debt that is convertible into voting equity), or by a third party who can otherwise influence a shareholder by means of a financial or other relationship.
 - (d) Control through positions held within a legal person by exercising substantial control over a legal person and being responsible for strategic decisions that fundamentally affect the business practices or general direction of the legal person. For example, depending on the legal entity, directors may or may not take an active role in exercising control over the affairs of a legal person.

- (e) Control through informal means such as close personal connections to relatives or associates (e.g. personal connections to persons that own or control the legal person).
- 23. The beneficial owner(s) identified under step 2 must not substitute the natural persons that may have already been identified as beneficial owners under step 1. The legal person must report all natural persons identified as beneficial owners under both steps 1 and 2.

Step 3: identifying the relevant natural person who hold the position of Senior Managing Official

- 24. In exceptional circumstances, a legal person may have to proceed to step 3. This step must only be followed where the legal person has taken reasonable measures and has not been able to identify a natural person under step 1 or step 2, above. In these circumstances, the legal person must identify and take reasonable measures to verify the identity of the relevant natural person who holds the position of senior managing officials. This would be the case if under step 2, it has not been possible to identify any natural person that controls the legal person through other means, including control through an influential position held within the legal person.
- 25. The legal person must document the steps taken to identify the beneficial owner(s) following steps 1 and 2 to justify the use of this last step.

Partnerships

- 26. In the context of Botswana CIPA's mandate does not extend to the registration or regulation of partnerships. Partnerships are legal arrangements formed under common law. They are therefore formed as natural persons without limited liability. It is important to note that they are not regulated by any statutes. They are established through contractual agreements between the parties.

27. In the local context of Botswana, the identification of beneficial owners for partnerships will follow the approach stipulated under paragraph
- 29(b) as local partnerships are formed by natural persons,
 - 30(c) dealing with the identification of other natural persons, who are not necessarily partners, but who exercise effective control over the partnership.
28. The other approaches to identify beneficial owners as outlined below cover other scenarios brought by foreign companies with link to partnerships that end up having ownership in local registered companies or having invested in local companies.
29. The actual identification of the beneficial owner(s) of a partnership will depend on whether it is treated as a legal person with a separate legal personality or as a legal arrangement.
- (a) Where a partnership has a separate legal personality, its beneficial owners must be identified by following the steps for the identification of the beneficial owner(s) of a legal person i.e. use the cascading approach. However, it must be noted that a partner with unlimited liability must always be identified as a beneficial owner regardless of his/her percentage of shareholding or voting rights.
- (b) Where a partnership is regarded as a legal arrangement (i.e. has no separate legal personality), all parties to the partnership, in principle all the partners, and any other natural person exercising control over the partnership must be identified as beneficial owners.
30. The legal person must understand the particular features (i.e. nature, form and structure) of a partnership interposed in its ownership chain and take this into account when identifying its beneficial owners.
- (a) Partnerships (limited and general) may have differences in their structure and level of control when compared to companies. For example, the control or liability of the general partners may not depend on their contribution to the partnership or on a particular threshold. As a

consequence, where such a partnership is considered as a legal person, the mere application of the ownership interest criterion provided in step 1 of the cascading approach (using the control ownership interest threshold) would not be appropriate for the identification of its beneficial owners as it would not lead to the identification of general partners who can only be identified under step 2 (as they may exercise control through other means. To ascertain whether limited partners are beneficial owners, the steps 1 and 2 of the cascading approach must be followed.

- (b) Where a legal person is party to a partnership either as a limited or general partner, the beneficial owner(s) of this limited or general partner must also be identified.
- (c) In addition, depending on the particular circumstances of the partnership, there could also be other natural persons, who are not necessarily partners, but who exercise effective control over the partnership. Such persons must be considered and identified as beneficial owners.
- (d) In principle, both Steps 1 and 2 of the cascading approach must be followed as the identification of beneficial owners through ownership interest should raise doubt as if the natural persons identified in Step 1 are the only beneficial owners of the partnership.
- (e) Finally, all natural persons exercising control over the partnership by any means must also be identified as beneficial owners.

Legal arrangements²

Trusts

31. In the case of a trust, the cascade approach followed in the identification of beneficial owners of a legal person is not applicable because the legal title and control of an asset are separated from the interest in the asset which

² For more details see Paragraph 5(b)(ii) of the Interpretative Note to the FATF Recommendation 10.

means that different categories of persons may own, benefit from, and control the trust.

32. For a trust, the natural persons holding the following positions must be identified as beneficial owners:
 - (a) the settlor(s)
 - (b) the trustee(s)
 - (c) the protector (if any)
 - (d) the beneficiaries or, where applicable, the class of beneficiaries³ or objects of power; and
 - (e) any other natural person exercising ultimate effective control over the trust.
33. A legal person or legal arrangement may be party to a trust. For example, a trustee may be a legal person or arrangement, or the trust may own shares or other rights as a legal owner. In the case where a party to a trust is not a natural person (i.e. is a legal person or legal arrangement), the beneficial owners of that legal person or arrangement must be identified as beneficial owners of the trust, following the methodology applicable to the identification of the beneficial owners of that legal person or arrangement. This means that non-natural persons who are party to a trust must be looked through to identify their beneficial owners. The rules for the determination of the beneficial owners of that legal person must be followed e.g. the cascade approach must be followed for the determination of the beneficial owners of a legal person that is party to a trust.

³ Trusts may have beneficiaries that are not determined but the class must be clear: for example, the victims of an accident X or all the descendants of Mr. Z. The way the class is identified must be known in order to identify the natural person when their rights are known and vested. Where the natural person(s) who will be the beneficiaries of the legal arrangement have not yet been designated, the class or classes of beneficiaries in whose main interest the trust has been constituted or operates and the objects of a power shall be identified so that the identity of the beneficiary or beneficiaries can be established subsequently in particular at the time of payment of the benefits, at the time when the beneficiary or beneficiaries intend to exercise the rights acquired, at the time when an accumulation period is completed or at the time when the administrator(s) or trustee(s) exercise(s) a discretionary power.

34. The same rules apply for the identification of the beneficial owners of a foreign trust.
35. If a resident of Botswana is a trustee of a trust created in a foreign jurisdiction, the beneficial owners of the foreign trust that the Botswana resident trustee is managing must be identified following the rules above and all the natural persons who are party to the foreign trust must therefore be identified.

Foundations

36. The natural persons holding the following positions must be identified as the beneficial owners of a foundation:
 - (a) the founder(s) who is the person who endows the foundation with the initial capital or assets
 - (b) the members of the foundation council who are responsible for managing the foundation
 - (c) the beneficiaries (where applicable) who include persons entitled to derive an economic benefit from the foundation
 - (d) the executor, protector or guardian (where applicable) who may be person tasked with monitoring the foundation council to ensure that the foundations achieves its objectives
 - (e) any natural person(s) with authority to represent the foundation or any other natural person exercising effective control over the foundation. These include persons with powers which may be exercised alone or jointly with another person to:
 - (i) vary the objectives of the foundation or to terminate it
 - (ii) add or remove a person as a beneficiary
 - (iii) dispose of, advance, lend, invest, the assets of the foundation

(iv) appoint or remove a member of the foundation council or give another person control over the foundation

(v) direct, withhold, consent or overrule the exercise of the powers above.

37. If any member of the foundation is a legal person or arrangement, the natural person(s) who are the beneficial owners of that legal person or arrangement must be identified as beneficial owners of the foundation. Depending on the type of legal person or arrangement, the specific rules for determining the beneficial owners must apply (e.g. if the legal person is a company, the cascade approach must be followed and if the legal arrangement is a trust, the rules for the identification of beneficial owners of trusts must be followed).

Societies

38. Since there is no controlling ownership interest in a Society, the company must identify the natural persons (if any) who exercise control over it through other means.
39. The natural persons holding the positions of office bearers must be identified as the beneficial owners of a Society.

Other legal arrangements

40. For other types of legal arrangements (examples of other similar include *fiducie*, *treuhand*, *fideicomiso* or *Waqfs*), the natural person(s) in equivalent or similar positions to a trust must be identified as the beneficial owners.

Internal register of beneficial owners

41. Pursuant to the section 186A of the Companies Act (as read together with section 11) and section 84 of the Companies (Amendment) Act, each legal person is obligated to maintain in Botswana, a register of its beneficial

owners and keep it up to date. A legal person will take the following steps to obtain beneficial ownership information:

- a) Require shareholders to notify the legal person of the identity of its beneficial owners.
- b) Notify any person that it has reasonable grounds to believe to be its beneficial owner or whom it believes has knowledge of its beneficial owners.
 - (i) In case a person is believed to be a beneficial owner he/she must state whether he/she is a beneficial owner of the legal person named in the notice; and provide its particulars as provided in paragraph 37 below.
 - (ii) In case the person is believed to know the beneficial owners of the legal person, it must confirm whether it knows who the beneficial owners of the legal person are; and if yes, provide the particulars of the beneficial owner of the legal person as provided in paragraph 37.

Any person who receives a notice under this paragraph and fails to provide the information within 10 days as provided in section 186A(3) of the Companies Act commits an offence as provided in section 186A(4) of the Companies Act and is liable to a penalty set out in section 492 of the Companies Act.

42. Pursuant to section 186A of the Companies Act, the register of beneficial owners maintained by the legal person must include the following details of the beneficial owner as well as all supporting documents obtained in order to verify the identity of the beneficial owner:

- a) Full name, provided in a serial form of first name, middle name and last name, and any former names, each provided in a serial form of first name, middle name and last name.
- b) Date and the country and city of birth.

- c) Nationality and occupation or profession.
 - d) Contact details including postal address, physical address, electronic address (email) and telephone number.
 - e) The basis on which the individual has been identified as a beneficial owner including the nature of ownership and/or control including the exact percentage of ownership or control.
 - f) The date on which he/she became a beneficial owner of the legal person.
 - g) If applicable, any changes in beneficial owners, including:
 - (i) the date on which the natural person ceased to be a beneficial owner and the reason for ceasing to be a beneficial owner;
 - (ii) changes in the level of ownership or controlling interest.
 - h) Any other particulars prescribed by the Registrar of CIPA from time to time.
43. Each legal person must therefore take reasonable steps to identify its beneficial owners including those using interposed legal entities and arrangements in its ownership chain. the legal person shall:
- a) Send a notice to each individual identified as a beneficial owner requiring the individual to provide his/her identity and contact details.
 - b) Require the individual to produce a copy of a government issued photo identification document for example a national identification card or passport.
 - c) Maintain copies of the notices sent to the identified beneficial owners and the responses and documents received by the legal person.
44. Upon request, a natural person who has been identified as beneficial owner of a legal person shall provide the legal person with an official photo identification document issued by the government of Botswana or, where applicable, a foreign government, for purposes of verifying his/her identity.

45. Pursuant to section 186A of the Companies Act, each legal person must update the register of beneficial owners it maintains if there is any change in any beneficial owners or their particulars.
- a) Any natural person who ceases to be a beneficial owner of a legal person must notify the legal person within 10 days of ceasing to be a beneficial owner.
 - b) Any natural person who becomes a beneficial owner of a legal person must notify the legal person within 10 days of becoming a beneficial owner.
 - c) Any natural person who is included in the register of beneficial owners must notify the legal person of any change in his/her particulars contained in paragraph 37 within 10 days of the changes.
 - d) A legal person which has reasonable grounds to believe that there is a change in its beneficial owners may issue a notice provided for in paragraph 36 above to confirm its beneficial owners.

Each legal person is also obligated to update its register of beneficial owners at the time it files an annual return to the Registrar of CIPA as required by section 217 of the Companies (Amendment) Act 2018.

Submission of beneficial ownership information to the Companies and Intellectual Properties Authority

46. All legal persons (including all domestic and external companies) are obligated to submit information on their beneficial owners to the CIPA at registration (pursuant to section 3 of the Companies Re-registration Act and section 7 of the Business Names Act) in the form and manner approved by the Registrar of CIPA.
47. All legal persons (including all domestic and external companies) are obligated to notify the CIPA of any changes to their beneficial owners within 10 days of such changes occurring (pursuant to section 186A of the

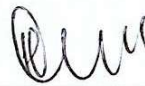
Companies Act and section 11 of the Re-registration of Business Names Act) in the form and manner approved by the Registrar of CIPA.

48. On an annual basis, all legal persons must confirm the accuracy of the information of their beneficial owners at the time allocated for filing their annual returns to the CIPA (pursuant to section 217 of the Companies (Amendment) Act 2018) in the form and manner approved by CIPA.

Non-compliance

49. A legal person that fails to comply with these Guidelines, the obligations of the Companies Act, including the obligation to obtain beneficial ownership information, to keep an internal register of beneficial owners, to submit the beneficial ownership information, to notify the CIPA of any changes within 10 days and to file an annual return commits an offence and can be subjected to the sanctions and penalties outlined in the Companies Act.

Issued this 15th day of
 July 2026



ACTING CARETAKER REGISTRAR GENERAL
 COMPANIES AND INTELLECTUAL PROPERTY AUTHORITY

Appendix A. Examples for the identification of beneficial owners

The examples provided below elaborate on the methodology for the identification of beneficial owners of legal persons and any legal entity or arrangement interposed in its ownership chain.

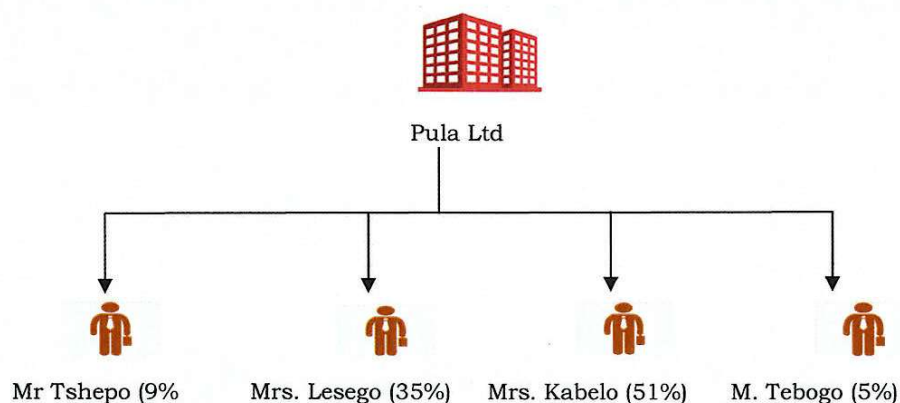
Legal persons - examples

Example 1

Pula Ltd is incorporated in Botswana. Its shareholders are Mr. Tshepo (9%), Mrs. Lesego (35%), Mrs. Kabelo (51%) and Mr. Tebogo (5%).

In Botswana, the controlling ownership interest criterion used for being a beneficial owner is having at least a 10% ownership interest in the company (Step 1 of the cascade approach).

In this example, Mrs. Lesego (35%) and Mrs. Kabelo (51%) must be identified as the beneficial owners of Pula Ltd.



Example 2

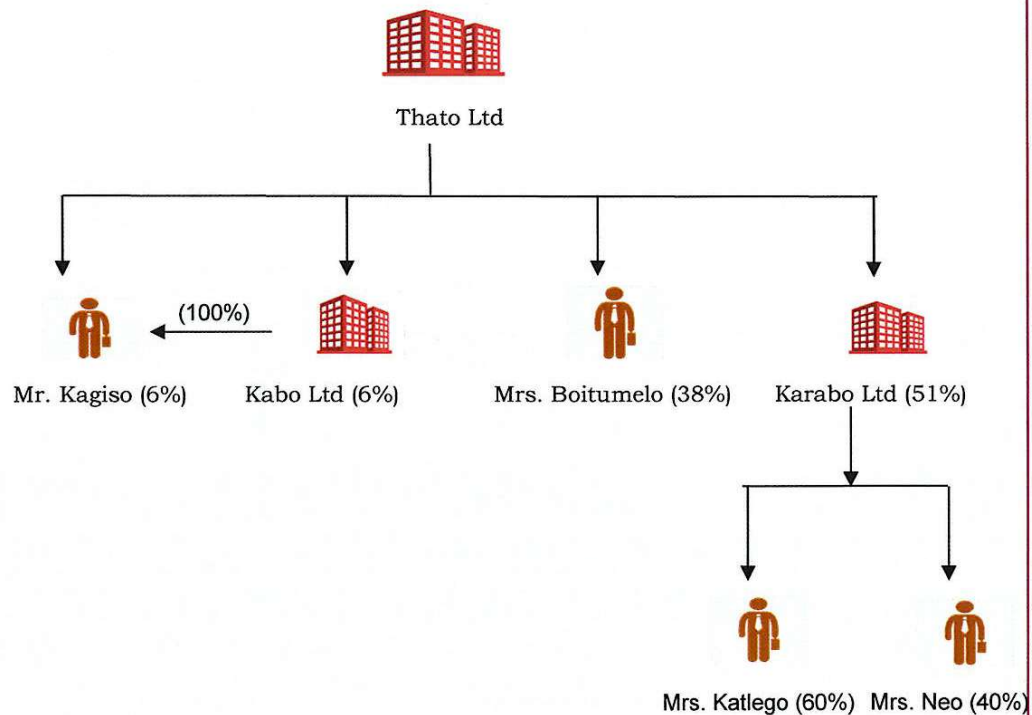
Thato Ltd is incorporated in Botswana. Its shareholders are Mr. Kagiso (6%), Kabo Ltd (6%), Mrs. Boitumelo (38%) and Karabo Ltd (50%).

In turn, Mr. Kagiso owns 100% of the shares in Kabo Ltd while Karabo Ltd is owned by Mrs. Katlego (60%) and Mrs. Neo (40%).

In this example, Mrs. Boitumelo qualifies to be identified as a beneficial owner because she directly owns 30% of the shares or voting rights of Thato Ltd.

Although Mr. Kagiso does not directly own at least 10% of Thato Ltd, he qualifies to be identified as a beneficial owner because he directly owns 6% of Thato Ltd and indirectly owns 6% through his 100% shareholding in Kabo Ltd therefore owning or controlling 12% of Thato Ltd, i.e 6% directly and 6% indirectly through Kabo Ltd.

In addition, although Mrs. Katlego and Mrs. Neo do not directly own any shares in Thato Ltd, they each hold 60% and 40% of Karabo Ltd which owns 50% of Thato Ltd. Therefore, they indirectly own or control 30% and 20% of Thato Ltd respectively. As a result, in addition to Mr. Kagiso and Mrs. Boitumelo, Mrs. Katlego and Mrs. Neo must also be identified as beneficial owners of Thato Ltd.



Example 3

Thabiso Ltd is a company incorporated in Botswana. Mrs. Thabiso is the sole shareholder and owns 100% of Thabiso Limited.

However, she holds these on behalf of Mrs. Ofentse, her sister-in-law, a civil servant who is precluded from owning shares in the company due to the conflict of interest rules established by the civil service.

In this example, although Mrs. Thabiso qualifies to be identified as the beneficial owner of Thabiso Ltd under Step 1 of the cascade approach because as sole shareholder, she owns or controls at least 10% of Thabiso Ltd.

However, she holds the shares as a nominee of Mrs. Ofentse. Therefore, both Mrs. Thabiso and Mrs. Ofentse must be identified as beneficial owners of Thabiso Ltd.



Example 4

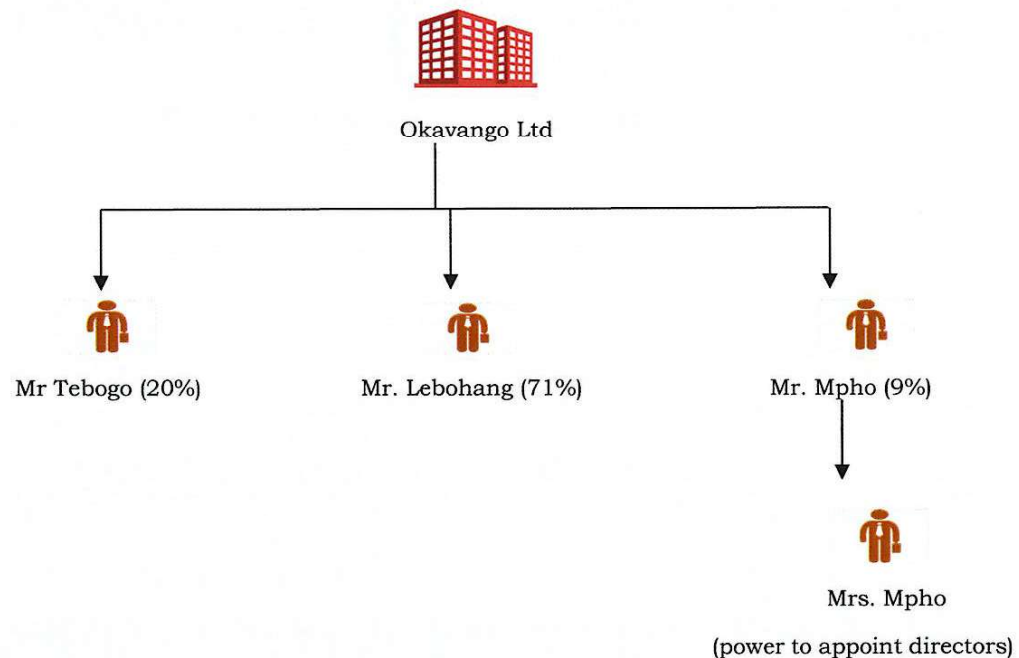
Okavango Ltd has three shareholders: Mr. Tebogo (20% of the shares), Mr. Lebohang (71% of the shares) and Mr. Mpho (9% of the shares). It appears that Mrs. Mpho who is married to Mr. Mpho has powers to appoint the directors of Okavango Ltd.

In this case, the following must be identified as the beneficial owners of Momo Ltd:

Following the approach in step 1: Mr. Tebogo and Mr. Lebohang must be identified as beneficial owners because they own or control at least 10% of the shares on Okavango Ltd.

Following the approach under step 2: Mrs. Mpho must be identified as a beneficial owner on the basis of control through other means i.e. control without ownership interest (power to appoint the directors of Okavango Ltd).

Overall, the legal entity must document the steps taken to identify Mr. Tebogo, Mr. Lebohang and Mrs. Mpho as beneficial owners and indicate the justification for their identification as such.



Partnerships - examples

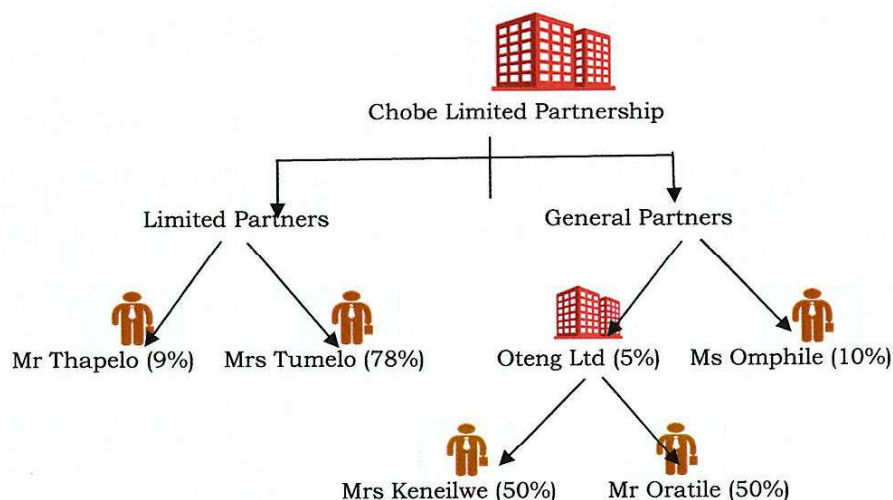
Example 5

The Chobe Limited Partnership has two limited partners, Mr Thapelo and Mrs Tumelo, who own 9% and 78% respectively, based on their investment contribution. The liability of the limited partners is limited to the extent of their contribution, and they do not have management control over the Chobe Limited partnership. Oteng Ltd and Ms Omphile are the general partners of Chobe Limited Partnership and they contributed with 5% and 10% of the total investment, respectively. The general partners have unlimited liability and exercise complete management and control, irrespective of their contribution. Ms. Keneilwe and Mr. Oratile each owns 50% of the shares of the Oteng Ltd. Ltd.

The beneficial owners of the Copping Limited Partnerships are as follows:

- Mrs. Tumelo as she owns 78% of the Chobe Limited Partnership even though she has no management control over it (this is in line with step 1 of the cascading approach).
- Considering that there are two general partners exercising control by other means than ownership interest, this must lead to a doubt as to whether the natural person identified in step 1 of the cascading approach (i.e. Mrs. Tumelo) is the only beneficial owner of the Chobe Limited Partnership. Therefore, step 2 of the cascade must apply and any other natural person exercising a control over the Chobe Limited Partnership must be also identified as beneficial owners. The level of management control of the general partners is irrespective of their ownership participation. Therefore, even if Ms Omphile contributed with only 10% of the total investment of the Chobe Limited partnership, she would be identified as a beneficial owner. There is the need to look through the general partner, Oteng Ltd to identify the beneficial owners, and Ms Keneilwe and Mr Oratile would be identified as beneficial owners of the Chobe Limited Partnership because they are beneficial owners of Oteng Ltd (i.e. surpass the 10% ownership threshold) and exercise, through Oteng Ltd, complete control over the Chobe Limited Partnership.

Mr. Thapelo is not identified as a BO as he owns or controls less than 10% of Chobe Limited and has no management control over it.



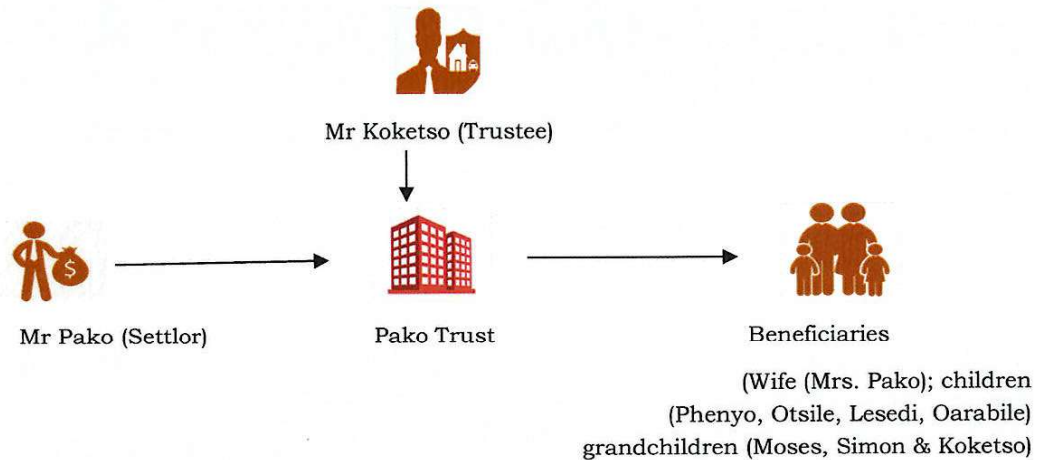
Trusts - example

Example 6

Mr. Pako, a successful businessman in Gaborone has recently been diagnosed with a terminal illness. He has established the Pako Trust for the benefit of his wife Mrs. Pako, his children Phenyo, Otsile, Lesedi and Oarabile and his grandchildren Moses, Simon and Koketso. He has appointed his lawyer, Mr. Koketso to manage the Pako Trust.

In this case, the beneficial owners of the Pako Trust are Mr. Pako (the settlor), Mr. Koketso (the trustee), and Mrs. Pako, Phenyo, Otsile, Lesedi, Oarabile, Moses, Simon and Koketso (as beneficiaries).

It must be noted that the specific parties involved in a trust may vary depending on the nature of the trust. Therefore, it must be established if the Pako Trust has a protector(s) or enforcer(s). In case they do, they must be identified as beneficial owners as well, provided that they are natural persons not acting on behalf of anyone else.



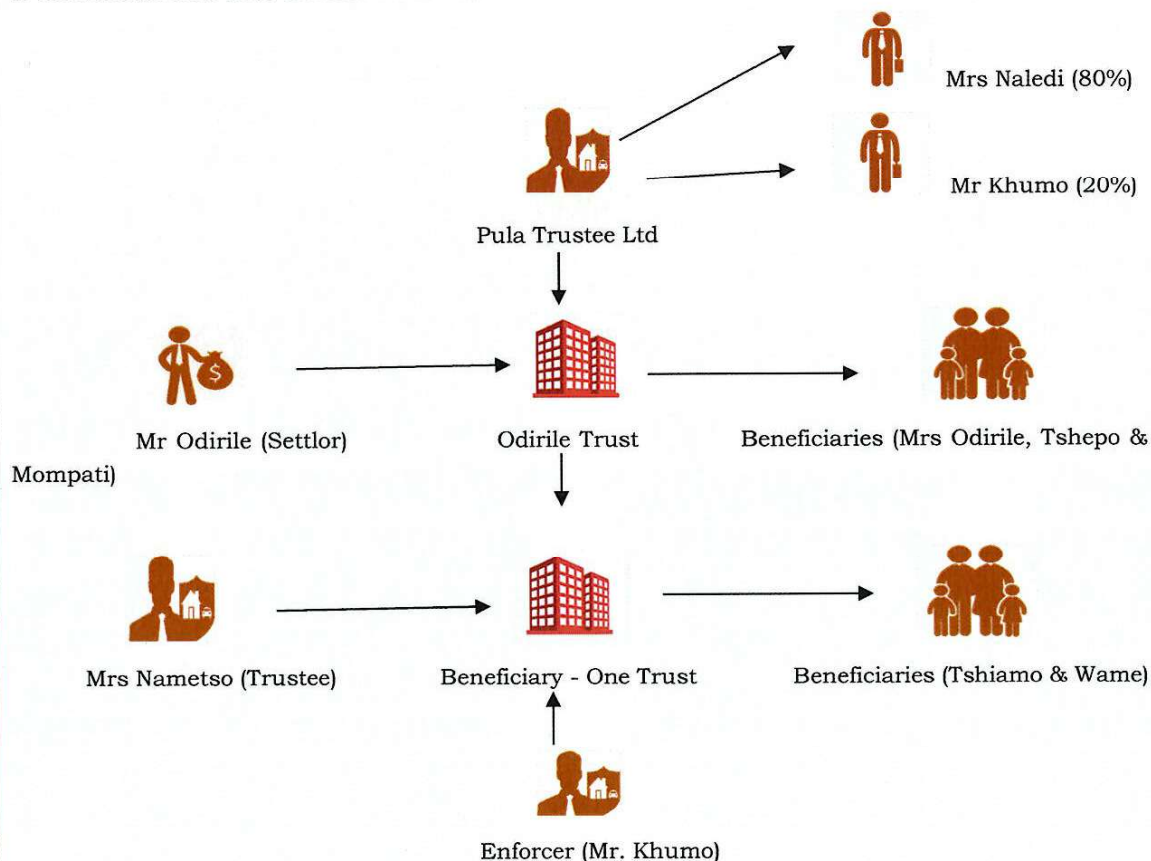
Example 7

Mr. Odirile established the Odirile Trust. The beneficiaries are his wife, Mrs. Odirile and his children Tshepo and Mompoti. The trustee of the Odirile Trust is the Pula Trustees Ltd which is owned 80% by Mrs. Naledi and 20% by Mr. Khumo. The Odirile Trust has also established another trust, the One Trust which is one of its beneficiaries. The beneficiaries of the One Trust are Tshiamo and Wame, who are children of Mr. Odirile's deceased brother. The trustee of the One Trust is Mrs. Nametso and the enforcer is Mr. Khumo.

In principle, all the parties to the trust who are natural persons must be immediately identified as beneficial owners of the Odirile Trust, unless they are acting on behalf of someone else as nominees. In this case Mr. Odirile (settlor) and Mrs. Odirile, Tshepo and Mompoti (beneficiaries) are all identified as beneficial owners.

The beneficiary, the One Trust and the trustee Pula Trustees Ltd cannot be beneficial owners of the Odirile Trust because they are a legal arrangement and a legal person respectively. It is therefore required that the beneficial owners of the One Trust are identified, and these are the trustee (Mrs. Nametso) and the beneficiaries (Tshiamo and Wame) and the enforcer (Mr. Khumo).

For the Pula Trustee Ltd we must apply the rules for identifying the beneficial owners of a legal person as it is a company. Therefore, based on the first step of the cascade any natural person who owns at least 10% must be identified as a beneficial owner and this is Mrs. Naledi and Mr Khumo as each owns or controls at least 10% of Pula Trustee Ltd.



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