

GOVERNMENT OF ZAMBIA

**ACT**

**No. 12 of 2020**

Date of Assent: 30th November, 2020

**An Act to amend the Companies Act, 2017.**

[2nd December, 2020

ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the Companies (Amendment) Act, 2020, and shall be read as one with the Companies Act, 2017, in this Act referred to as the principal Act.

Short title

Act No. 10  
of 2017

2. Section 2 of the principal Act is amended by the—

Amendment  
of section 2

(a) deletion of the definition of “beneficial owner” and the substitution therefor of the following:

“beneficial owner” means a natural person who—

(a) directly or indirectly, through any contract, arrangement, understanding, relationship or any other means ultimately owns, controls, exercises substantial interest in, or receives substantial economic benefit from a corporate;

(b) exercises ultimate and effective controls over a legal person or legal arrangement; or

(c) effectively controls a legal person or legal arrangement on whose behalf a transaction is conducted;

and the terms “beneficially own”, “beneficial ownership” and cognate expressions shall be construed accordingly; and

(b) insertion of the following new definitions in the appropriate places:

“substantial economic benefit” means the benefit realised by a natural person from a body corporate legally or equitably, of at least five percent of the—

(a) distribution of dividends; or

(b) proceeds of a transaction; and

“substantial interest” means at least five percent ownership of shares of a body corporate by a natural person, legally or equitably.

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