

Compliance with Significant Beneficial Owners (SBO) rules



The Registrar of Companies (ROC) has significantly stepped up its enforcement efforts to ensure companies comply with Significant Beneficial Owners (SBO) rules. This intensified crackdown has led to severe penalties against non-compliant companies, as evident in several high-profile cases. The ROCs are identifying individuals who exert substantial influence and control over a company's operations and decisions, mandating transparency in corporate structures.

Compliance with Significant Beneficial Owners (SBO) rules



Holds indirectly, or together with any direct holdings not less than 10% of :

- Shares
- Voting rights



Possesses right to exercise, or actually exercises:

- Significant influence
- Control



Has the right to receive or participate in not less than 10% of the total distributable dividend, or any other distribution, in a financial year through indirect holdings alone, or together with any direct holdings

Why is compliance with SBO rules vital?

01

Transparency:

Disclosing true owners with significant control promotes openness in corporate ownership.

02

Investor confidence:

Clear ownership structures foster trust, attracting investors seeking transparency.

03

Regulatory compliance:

Non-compliance risks severe penalties, including fines and legal action.

Essential questions to ponder



Is SBO identification accurate and comprehensive?



Does the analysis account for organisational complexity?



Are SBO disclosure processes up-to-date?



Are ownership/control changes promptly reported?



Who exercises significant influence and control?



Are disclosed SBO details consistent with public records?

How Grant Thornton Bharat can help

01 | Analyse downstream and upstream holding structures to identify sources of control and influence

04 | Provide advisory services and facilitate regulatory filings

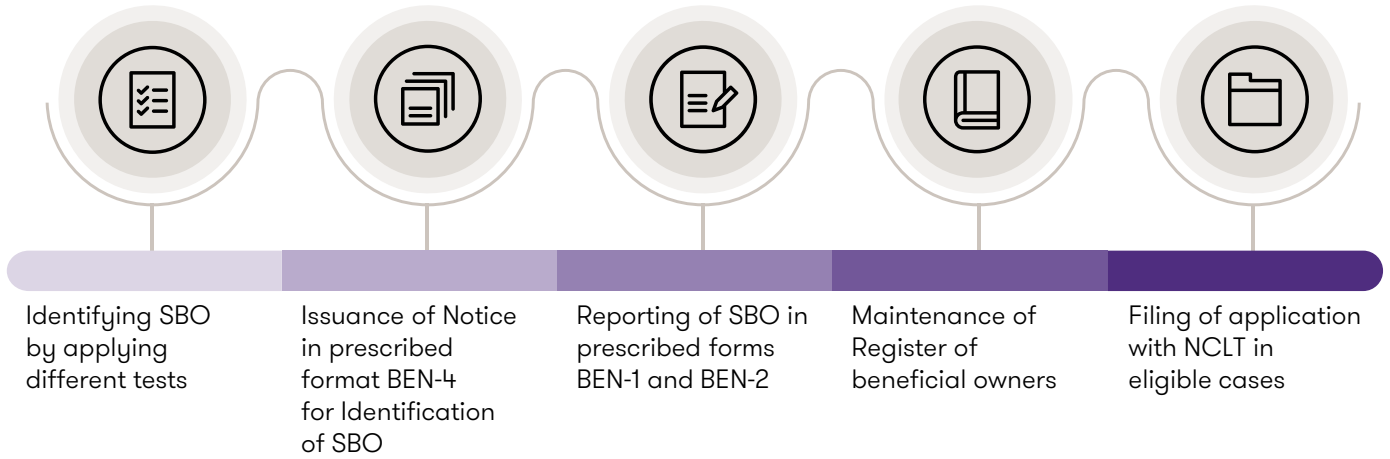
02 | Examine organisational reporting structures and hierarchies to establish authority and control

05 | Address queries from regulatory authorities

03 | Verify records of beneficial owners for accuracy

06 | Assist in preparing and filing applications with the National Company Law Tribunal (NCLT) for eligible cases

Our approach



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