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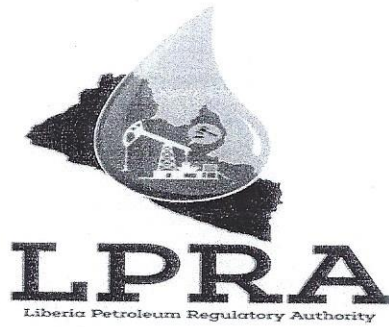
The Government of the Republic of Liberia announces that the Liberia Petroleum Regulatory Authority (LPRA), pursuant to its mandate under the New Petroleum Exploration and Production Reform Law of 2014 and specifically consistent with part XIX Section 75.1, has issued its Regulation NO. LPRA/0003/20 herein under:

REGULATION CONCERNING DISCLOSURE OF ULTIMATE BENEFICIAL OWNERSHIP

BY ORDER OF THE PRESIDENT

GBEHZONGAR M. FINDLEY
MINISTER OF FOREIGN AFFAIRS

MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA



REPUBLIC OF LIBERIA
Liberia Petroleum Regulatory Authority
(LPRA)

SINKOR 18TH STREET, MONROVIA LIBERIA

REGULATORY INSTRUMENT:
DISCLOSURE OF ULTIMATE BENEFICIAL OWNERSHIP
REGULATION 2020

REGULATORY INSTRUMENT No. 0003/LPRA/20

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PART I. PRELIMINARY

1.0 Title

These Regulations shall be cited as “**ULTIMATE BENEFICIAL OWNERSHIP REGULATIONS 2020**”.

2.0 ABBREVIATIONS

AEOI- Automatic Exchange of Information

AML—Anti-Money Laundering

BO- Beneficial Owner

NO – Nominated Officer

LEITI- Liberia Extractive Industry Transparency Initiative

LPRA- Liberia Petroleum Regulatory Authority (the “Authority”)

NOCAL- National Oil Company of Liberia

PEP- Politically Exposed Person(s)

3.0 DEFINITIONS

In this Regulation, unless context otherwise requires:

“**Beneficial Owner**”- means the natural person(s) who ultimately owns directly or indirectly (shares or voting rights), exercises ultimate effective controls, or economically benefits from the income or assets of a company including a Politically Exposed Person(PEP).

“**Controlling Person**” means any natural person who holds directly or indirectly (eg. through a chain of entities) more than 25 percent of the shares or voting rights of an entity as a beneficial owner. To the extent there is doubt that the person with the controlling ownership interest is the beneficial owner or where no natural person that exerts control through ownership interests can be identified, the Controlling person of the entity is the natural person (if any) that is exercising control of the entity through other means. In the case of a partnership or similar structures, controlling person means any natural person who exercises control through direct or indirect ownership of the capital or profits of the partnership, voting rights in the partnership, or who otherwise exercise control over the management of the partnership of similar arrangement.

In the case of a trust (and entities equivalent to trusts), Controlling Person means the Settlor(s), Trustee(s), the Protector(s) (if any), the Beneficiary(ies) of class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust. If the Settlor, Trustee, Protector, or Beneficiary, the identity of the Controlling person must be provided to the LPRA.

“**Nominee**” means a person or entity that is asked or named to act for another (such as an agent or trustee) and may hold legal ownership of another person’s property.

“**Politically Exposed Person**” (PEP)- means an individual who is or has been entrusted domestically (or by a foreign country or international organization providing aid to Liberia) with a prominent public function, for example Heads of State of Government, Senior Politicians, Members of the National

Legislature or parliament (where applicable), Judicial or Military Officials, senior executives of state owned corporations or enterprises (excluding middle and junior officers), important political party officials, etc. For purposes of this Regulation, a PEP ceases to be considered a PEP at least five (5) years after leaving a public office.

“**Timely Filing**” means filing of beneficial ownership information with the Authority along with the submission of bid documents or within 30 days of the transfer or sale of ownership or voting rights of a Beneficial Owner.

4.0 OBJECTIVES

- 4.1. This Regulation is to ensure that ownership information of companies seeking to acquire, own or operate a license and /or exercise control over companies operating within the oil and gas sector of Liberia is made publicly available;
- 4.2. To ensure greater transparency in the award process and operation of licenses and other ownership rights within the oil and gas sector by making public identities of persons owning shares in oil and gas companies; thus making the Authority compliant with the New Petroleum Law, 2014, LEITI reporting requirement and other international best practices for the award of licenses in the Oil and gas sector.

5.0 SCOPE

This regulation covers all persons considered beneficial owners and politically exposed persons (PEPs), disclosure requirements, penalties and sanctions for failure to comply, amendments and miscellaneous provisions.

6.0 BACKGROUND / PREAMBLE

WHEREAS, Section 15.8 of the Liberia Petroleum (Exploration and Production) Act, 2014, (the “Petroleum Law”), requires the Liberia Petroleum Regulatory Authority (“the Authority”) established pursuant to the New Petroleum Law to issue regulations as to the disclosure of beneficial ownership of companies holding interests in a petroleum agreement before the date of the issuance of the initial bid round conducted under the New Petroleum Law.

WHEREAS, in many countries endowed with natural resources such as Liberia, it has become mandatory that companies seeking petroleum rights, the regulator (in this case the LPRA) conducts due diligence checks for some basic information before granting the company a license and accompanying contract.

WHEREAS, majority of these countries have developed or are developing legal policies and information systems for collecting and publishing data about the beneficial owners of extractive companies- i.e. the real people who own, control, or economically benefit from a company.

WHEREAS, the Business Corporation Act of Liberia as amended 2018 which provides for the custodialization of bearer shares, defines Beneficial Owner as “the natural person who(s) who ultimately owns or controls a corporation and/or the natural person on whose behalf a transaction is being conducted including a person who exercises ultimate effective control over a legal person or arrangement

WHEREAS, Section 15.2(d) of the Liberia Petroleum (Exploration and Production) Law, 2014, provides in part that:

PART II. PROCEDURES FOR DISCLOSURE AND FILING OF BENEFICIAL OWNERSHIP INFORMATION

7.0 WHO TO FILE

- 7.1. All Companies who apply for or bid for petroleum rights whether through international competitive bidding or direct negotiation must be required to register and file Beneficial Ownership (BO) Info with the Authority. This applies, similarly, to companies that farm-in or take equity interest in a block which has been offered to NOCAL through Executive Allocation.

8.0 DISCLOSURE THRESHOLD

- 8.1. Companies are required to disclose the details of individuals who own 5% shares or stock in the company

9.0 WHAT INFORMATION TO BE FILED / DISCLOSED

- 9.1. Sufficient information that would enable the Authority to identify the natural person(s) that directly ultimately own, control or economically benefits from the income or assets of a company wanting to explore for oil and gas in Liberia.

- 9.2. The information, for example, should include, at minimum:

9.2.1. **For Natural Person:** Full name of shareholder; Functional title & role; Date & Place of birth; Country of citizenship; Country of residence; Full Physical Address, and National Identification Number (Passport or National ID), percentage ownership in Company, and such other information as provided in the template found in the appendix to this Regulation.

9.2.2. **For Legal Person:** Full company name; Nature of business; Date of incorporation or creation; Jurisdiction of incorporation; Full Physical Address, List of Stock Exchange of Company; Date registered on Stock Exchange, and such other information as provided in the template found in the appendix to this Regulation.

10.0 DISCLOSURE MECHANISM:

- 10.1. Disclosure is required in the following cases:

10.1.1. when an entity is seeking pre-qualification under the New Petroleum Law;

10.1.2. when an entity is bidding for a petroleum right;

10.1.3. when an entity is admitted as a new Participant or Operator to an already existing petroleum agreement;

10.1.4. when there is an amendment to a petroleum agreement that materially enhances the value of the Petroleum Agreement to the entity;

11.0 OBLIGATIONS OF COMPANIES REGARDING BO INFORMATION

- 11.1. Companies must maintain an adequate, accurate and current information of its BOs on their website and other platforms to enable easy access to said information by the Authority

- 11.2. Companies must file along with their bid documents all information required in this regulation of its BOs

12.0 VERIFICATION OF DISCLOSURE BY ENTITY

- 12.1. The Company(ies) shall execute a verified affidavit indicating that the information provided on its BOs are adequate, accurate and correct and that any false information provided will incur significant penalties as outlined in this Regulation

12.2. The Central Registry shall be an online portal maintained by the Authority where BO information is stored in a database and government entities and the general public can easily access

12.3. All information filed with the Authority must be verified through an electronic verification system put in place by the Authority.

13.0 FREQUENCY OF FILING.

13.1. **REGULAR FILING** – first filing should be done as part of the bidding process (a requirement for interested bidders to file BO information with their bidding document).

13.2. **UPDATES TO RECORDS DUE TO CHANGES IN OWNERSHIP (SALE OR TRANSFER)** Companies seeking petroleum rights in Liberia must update records whenever there are sales or transfers of shares; such updates must be effected within thirty (30) days of such sale or transfer ownership.

13.3. Companies are required to file UBO information annually even if there are no sales or transfer of shares, or interest by beneficial owners.

13.4. **FILING FORMS/TEMPLATES** – an electronic reporting template shall be provided by the Authority to collect BO information/ data

14.0 **ADEQUACY OF INFORMATION FILED / DISCLOSED** – information / data contained in the filing by the company must be adequate, accurate, current and complete, in accordance with the specific requirement of this Regulation as shall be contained in the TEMPLATE(S) or otherwise.

PART III. REQUIREMENT TO PRODUCE AND PUBLISH CURRENT REGISTER OF UBO

15.0 CENTRAL REGISTRY

The Authority shall compile the information received from companies into a Central Registry, on BO, and make same publicly available. This registry containing BO information shall be linked to the National Registry for corporate entities maintained at the Liberia Business Registry. There shall be nothing confidential about the information received through the filing by companies as far as making such information publicly available and the need to promote transparency are concerned.

16.0 SOURCES OF DATA FOR THE REGISTER

16.1. The Data on BO shall be taken from the information filed by the Company seeking petroleum rights in its bid documents;

16.2. The data may also be taken from the Company's official website or provided by its registered agent and verified by the Authority;

16.3. The information may also be gathered from other jurisdictions and institutions that have AEOI mechanisms

17.0 CONFIDENTIALITY OF DATA

The data provided by the Company on its BO shall not be restricted to any Confidentiality rules and shall be shared with all entities on an AEOI basis.

18.0 METHODS OF PUBLICATION

All publications shall be made on the official website of the Authority and at the National Registry maintained by the Liberia Business Registry, and shall also be placed at other public locations in each of the fifteen counties as deemed appropriate by the Authority. Such publications shall be accompanied by adequate notice to the general public through print and electronic medium.

19.0 RETENTION OF BENEFICIAL OWNERSHIP INFORMATION- BO information held by the Authority shall be retained for five (5) years.

PART IV. PENALTIES

20.0 LATE FILING- if a Company seeking petroleum rights in the Oil and Gas sector fails to disclose the information on its BO during submission of its bid documents or anytime thereafter, the said Company shall be subject to a late fee of not less than Five Thousand United States Dollars(US\$5,000)

21.0 FALSE DECLARATION – a company that knowingly or intentionally makes a false statement or provides information on its beneficial owners that is false and misleading commits an offense and shall immediately be excluded from the bid rounds. If a petroleum right is granted before the false information is discovered, the petroleum right shall be revoked upon receipt of report of the false information by the Authority.

22.0 PROCEDURES FOR APPLICATION OF PENALTY- the Authority shall set up a Complaints and Objections Panel (COP) to handle issues relating to fines and revocation of petroleum rights o. The Board shall determine the composition of the COP. Companies dissatisfied with the decision of the Authority to impose a fine or revoke a petroleum right, shall file a complaint to the COP within seven (7) working days of the imposition of the fine or suspension of its license. Appeals from the COP shall be taken to the Commercial Court of Liberia.

PART V. ENFORCEMENT

23.0 AUTHORITY TO DESIGNATE OVERSEER

The Authority shall designate an employee(s) to oversee and ensure internal mechanisms for the proper implementation and enforcement of this Regulation.

24.0 DUTY OF DESIGNATED OVERSEER

The terms of reference of the designated overseer shall be approved by the Board of the Authority. The designated employee(s) must take reasonable steps to verify the information on registrable beneficial owners and report same to the Authority in a to the Central Registry for inclusion in the BO database;

25.0 DEMAND BY AUTHORITY FOR INITIAL COMPLIANCE

The Authority shall upon failure of the Company to provide the request BO information, make timely demand of the information from the Company;

26.0 OTHER STEPS OF ENFORCEMENT

Failure to provide the requested BO information following timely demand, the Authority shall give notice to the Company to provide reason(s) why a fine should not be imposed. The Authority shall impose fines and to extent applicable revoke the petroleum right of companies for violation of the provisions of this Regulation consistent with due process of law.

PART VI. AMENDMENTS

27.0 FREQUENCY: This Regulation shall be amended from time to time to address contemporary issues surrounding disclosure of ultimate beneficial owner's information.

28.0 PROCEDURE / PROCESS: The Director General of the Authority shall present a policy document to the Board outlining the reason(s) for the Amendment of this Regulation. The Board where necessary shall approve the Amendment by a majority of the members of the Board at a regular or emergency meeting of the Board.

PART VII. EFFECTIVE DATE

THESE REGULATIONS SUPERSEDE ALL OTHER REGULATIONS REGARDING PREQUALIFICATION APPLICATION AND FEES REQUIREMENTS FOR OFFSHORE AREAS AND SHALL TAKE EFFECT AFTER FIVE (5) DAYS UPON APPROVAL BY THE BOARD OF DIRECTORS, APPROVAL BY THE PRESIDENT OF LIBERIA AND PUBLICATION ON THE WEBSITE THE AUTHORITY.

PART VIII. APPENDIXES

29.0 BO DECLARATION TEMPLATES / FORMS

30.0 BO REGISTER