



APAC & ASSOCIATES LLP  
Company Secretaries

# ONE CONCEPT ONE SLIDE

Web Series – Sep. 2019\_3

Topic – SBO (Significant Beneficial Owner)

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# SBO

## IMPORTANT TO KNOW

**Indirect (>0%) + Direct Holding >= 10%** (shares/voting rights/distributable dividend);  
**OR**  
**Control or Significant Influence** (Power to participate in financial and operating policy decisions)

### SBO

**Majority stake** of individual in member of the Company:  
• If **Body Corporate**- >50% shares/voting rights/distributable dividend  
• If **HUF**- Karta  
• If **Partnership Firm**- Partner  
• If **Trust** – Trustee/Beneficiary/Settlor

### INDIRECT HOLDING

Name in Register of Members;  
**OR**  
Declaration u/s Section 89  
(Exercise the rights attached to shares/participate in any dividend etc.)

### DIRECT HOLDING

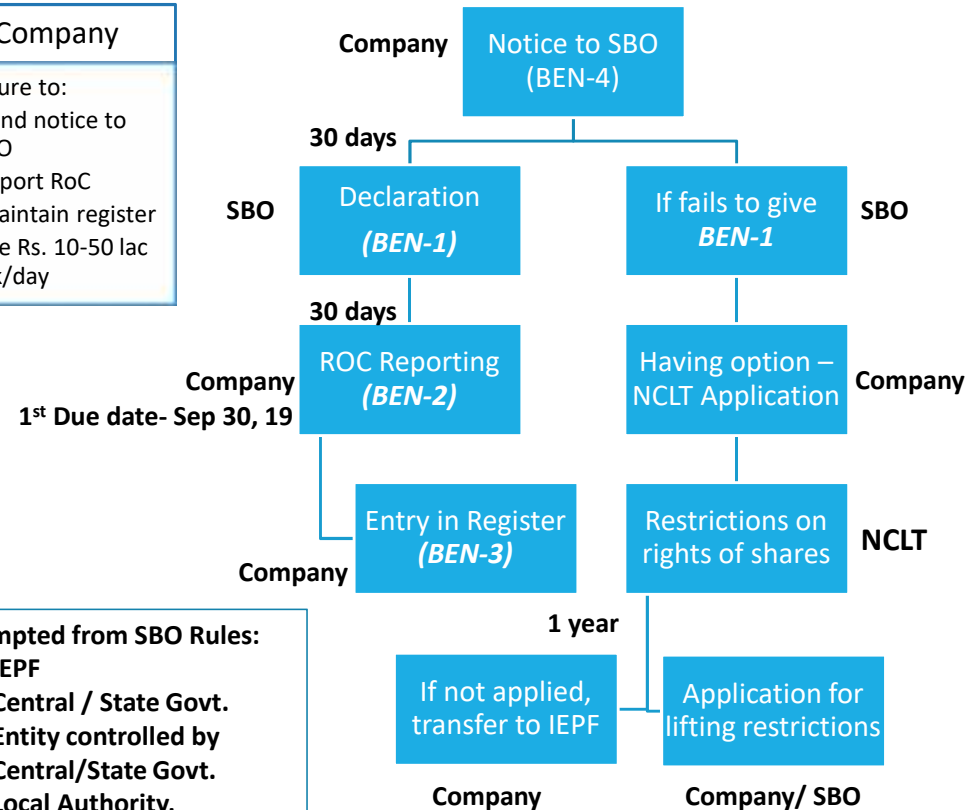
## NON COMPLIANCE

SBO	Company
<ul style="list-style-type: none"> <li>Failure to give declaration</li> <li>Fine Rs. 1-10 lac + 1k/day</li> </ul>	<ul style="list-style-type: none"> <li>Failure to:               <ul style="list-style-type: none"> <li>send notice to SBO</li> <li>report RoC</li> <li>maintain register</li> </ul> </li> <li>Fine Rs. 10-50 lac + 1k/day</li> </ul>

**Exempted from SBO Rules:**

- IEPF
- Central / State Govt.
- Entity controlled by Central/State Govt.
- Local Authority,
- Investment Vehicles,
- Holding Reporting Company (except BEN-2)

## PROCESS



THANK  
YOU!

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