



*Office of Deputy
Corporate Registrar*

**REPUBLIC OF LIBERIA
MINISTRY OF FOREIGN AFFAIRS
MONROVIA, LIBERIA**

**ANNOUNCEMENT OF REQUIREMENTS ON BEARER SHARES OF LIBERIAN
NONRESIDENT CORPORATIONS AND OTHER ENTITIES**

WHEREAS, the Business Corporation Act (the “BCA”), Part I, Title 5, Liberian Code of Laws Revised, as amended, authorizes the issuance of bearer shares by nonresident Liberian corporations with no mandatory requirement to file information regarding directors, officers or shareholders of said corporations;

WHEREAS, the OECD Global Forum on Tax Transparency and Exchange of Information for Tax Purposes (“Global Forum”) has identified the risk of allowing the holding of shares in bearer form which may facilitate tax evasion, illicit flow of capital, money laundering and terrorist financing;

WHEREAS, the issuance of bearer shares may also deprive governments in developing and developed countries, including Liberia, of resources that would otherwise be available to support sustainable development through investments in infrastructure, health and other common goods;

WHEREAS, the Government of Liberia recognizes the new international requirements and standards for maintaining beneficial ownership information for domestic and foreign entities, and, having joined the Global Forum, is required to give total adherence to the Global Forum standards;

WHEREAS, the Global Forum has been working to enhance global tax transparency, end banking secrecy, and protect public finances by curtailing tax evasion and has therefore developed a series of international tax transparency standards;

WHEREAS, the Global Forum constantly monitors and reviews implementation and adherence to those standards by its members;

WHEREAS, the Government of Liberia recognizes its obligations as a member of the Global Forum to effect legislative changes to the BCA to ensure compliance with said obligations;

WHEREAS, Liberia is expected to undergo a peer review in the Third Quarter of 2018 in respect of its compliance with and adherence to the standards of the Global Forum in order to maintain compliant status and avoid other negative outcomes;

Now, therefore, the following requirements are hereby set forth:

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I. Bearer Shares

These requirements shall apply to ownership information of all nonresident Liberian corporations and other nonresident legal entities (each a “Liberian Entity,” and collectively, “Liberian Entities” (1.2(k.) (v.)).

a) Any Liberian Entity established after May 31, 2018 will not be authorized to issue shares or other equity interests in bearer form.

b) Any Liberian Entity established on or before May 31, 2018 shall be required on the first anniversary of its date of incorporation or formation subsequent to December 31, 2018 to:

(1) File an amendment to the articles of incorporation or equivalent constitutional document of any Liberian Entity to remove the power to issue shares or other equity interests in bearer form, and to convert to registered form any shares or other equity interests issued and outstanding in bearer form; or,

(2) Enter into a Custodial Agreement with the LISCR Trust Company or an alternative Custodian approved by the Registrar.

c) The details and requirements of the Custodial Agreement referenced above will be specified in the forthcoming legislation. Pending such legislation, the Ministry of Foreign Affairs will provide appropriate custodial requirements on or before March 31, 2018.

d) The articles of incorporation or equivalent constitutional document of any Liberian Entity that fails to comply with paragraph (b) will be deemed to be amended, effective as of the relevant anniversary date, to state that the legal entity is authorized to issue shares or equity interests in registered form only without the necessity of any further filings or any amendments of the articles of incorporation or equivalent constitutional document of such legal entity. Any issued and outstanding shares or other equity interests in bearer form of a legal entity shall be disabled effective as of the first anniversary of the date of incorporation or formation of such legal entity occurring after December 31, 2018, and until such legal entity complies with paragraph (b) of these requirements.

For purposes of these requirements, “disabled” means that the relevant shares or equity interests remain outstanding, but do not carry any of the rights that would ordinarily attach to such shares or other equity interests, and any holder of a bearer certificate representing any such share(s) or equity interest shall not have any right to vote, to receive any dividends or any distribution of the assets in the event of a dissolution or winding up or transfer any interest in such shares or other equity interests.

e) Any Liberian Entity that fails to comply with paragraph (b) of these requirements shall be liable to a fine not less than Five Thousand United States Dollars (US\$5,000) but not exceeding Twenty Five Thousand United States Dollars (US\$25,000), and/or be subject to revocation or cancellation of the articles of incorporation or equivalent constitutional document of such legal entity and dissolution, or any combination of the penalties herein prescribed.



II. Effective Date

These requirements shall become effective as of the date on which the Registrar or the Deputy Registrar affixes his or her signature hereto.

Dated this 16th day of January A. D. 2018

A handwritten signature in black ink, appearing to be 'M. S. M. A. G.', written over the printed name of the Deputy Registrar.

Deputy Registrar of Corporations
Ministry of Foreign Affairs