



BRIEFING NOTE: INTRODUCTION OF A MANDATORY UBO DISCLOSURE FRAMEWORK IN SRI LANKA – PRACTICAL COMPLIANCE GUIDE



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BACKGROUND

The Government of Sri Lanka has formally operationalised the **Ultimate Beneficial Ownership (UBO) disclosure framework** via the Companies (Beneficial Ownership) Regulations, No. 01 of 2026 published in the Gazette Extraordinary No. 2480/48 dated 21st March, 2026.



Effective Date: 30th March, 2026

This marks a **significant regulatory shift towards corporate transparency**, aligning Sri Lanka with global beneficial ownership disclosure practices.

For a detailed overview of the legal changes introduced, please refer to our [previous e-alert](#). This update focuses on practical implications and immediate steps required for compliance with the UBO disclosure framework.

WHO DOES THIS APPLY TO?

The UBO framework applies broadly to **all entities registered under the Companies Act, No. 07 of 2007 (as amended) (“Companies Act”), without exemption**. This includes private limited companies, public companies, companies limited by guarantee, offshore companies and registered overseas companies operating in Sri Lanka, such as branch offices, liaison offices and representative offices.

WHAT SHOULD BE DONE – AT A GLANCE

All companies falling within the scope of the Companies Act are now required to comply with several key UBO disclosure obligations. These include identifying their Ultimate Beneficial Owner/s, maintaining an accurate and up-to-date internal Register of Beneficial Owners, and appointing a UBO Compliance Officer (Authorised Person) responsible for ensuring ongoing compliance. In addition, companies must submit UBO information to the Department of the Registrar General of Companies (“ROC”) through its Beneficial Ownership Registry Module (“BO System”) and file the prescribed statutory Beneficial Ownership (BO) Forms within the stipulated timelines.

WHO CAN ACCESS THE BO SYSTEM

Access to the BO System is structured across four primary user modules, each with distinct roles and levels of access. These include **company users** (such as directors, company secretaries, and the Authorised Person), **public users** (members of the general public), **authority users** (regulatory and law enforcement bodies such as the Criminal Investigation Department and the Attorney General's Department), and **ROC staff**. Each category is granted differentiated access and viewing rights within the system, ensuring that information is available on a need-to-know basis while maintaining appropriate levels of confidentiality and regulatory oversight.

UNDERSTANDING UBO – PRACTICAL APPLICATION

A UBO is defined as a natural person who ultimately owns or controls a company, whether through ownership interests or other means. This includes any individual who directly or indirectly, in whole or in part, holds 10% or more of the shares or voting rights or other ownership interest in a company as well as any individual who otherwise exercises effective control over the company. UBO identification must therefore be assessed across the following dimensions, as per Section 130J of the Companies Act:

- i. **Direct ownership**, where individuals hold any shares in their own name at or above the 10% threshold.
- ii. **Indirect ownership**, where interests are held through one or more intermediate entities, requiring companies to trace ownership through each layer, by calculating aggregate indirect interests.

The following formula for calculating total indirect ownership was presented during the administrative explanatory sessions conducted by the ROC in relation to this subject matter.

Indirect ownership = % owned in intermediate entity x % that entity owns in targeted company

- iii. **Effective control**, which captures individuals who may not meet the ownership threshold but exert influence through rights such as appointing or removing directors, controlling strategic decision-making of the targeted company, or operating via nominee or contractual arrangements.

DATA TO BE COLLECTED IN RESPECT OF THE UBO

Companies must collect and maintain comprehensive information on each UBO, covering **personal details, addresses, and ownership disclosure**. This includes core personal information such as full name (as per National Identity Card number [NIC] or passport), any previous names, title, gender, date and place of birth, nationality, country of residence, and identification documents (NIC or passport with supporting copies). Where applicable, tax identification details must also be provided.

In addition, companies must record **residential, business, and postal addresses** (if different), along with **active contact details** including mobile number, email address, and preferred method of communication. Crucially, each UBO must provide a **signed statement** clearly describing the nature and extent of their beneficial ownership, explaining whether it arises through direct or indirect shareholding or effective control, the percentage of ownership or voting rights held, and whether such interest is held individually or jointly with others.

UBO COMPLIANCE OFFICER (AUTHORISED PERSON)

Each company is required to appoint a UBO Compliance Officer (Authorised Person), who must be a natural person resident in Sri Lanka. This individual is responsible for maintaining and updating the UBO Register, ensuring the accuracy of beneficial ownership records, facilitating filings with the ROC, and safeguarding all beneficial ownership information.

A corporate entity cannot act in this role, and the appointed person must provide documentary proof of residency, such as a Sri Lankan National Identity Card (for Sri Lankan citizens) or a passport with a valid Sri Lankan residence visa (for foreigners residing in Sri Lanka) through the BO System. The Authorised Person may be held personally liable for non-compliance and must ensure that their details are submitted to the BO System on or before 30th June, 2026. These details include, but are not limited to, their full name, title, nationality, residency status, identification documents, and comprehensive contact information, including residential, business, and postal addresses, as well as an active mobile number, email address, and preferred method of communication.

UBO FILINGS & STATUTORY FORMS – PRACTICAL OVERVIEW

A structured set of BO forms have been introduced, each triggered by a specific event, as mentioned below.



FORM BO 01

When to file:

- At incorporation of a new company, or,
- At the registration of an overseas company in Sri Lanka

What it covers:

Initial disclosure of all UBOs.

Practical note:

UBOs must be identified and verified before incorporation, ensuring that a UBO assessment is conducted during pre-incorporation phase.



FORM BO 02

When to file:

Every shareholder shall provide the BO details to the Company within Ten (10) working days of issuance of any shares of the said company. Within Twenty (20) working days from the effective date of any such issuance of shares, the targeted company shall file Form BO 02 through the BO system.

What it covers:

Captures changes in beneficial ownership resulting from new share issuances.

Practical note:

Requires fresh assessment of the ultimate natural persons behind any new shareholders, including corporate shareholders.



FORM BO 03

When to file:

Every shareholder shall provide the BO details to the Company within Ten (10) working days of transfer of any shares of the said company. Within Twenty (20) working days from the effective date of any such transfer of shares, the targeted company shall file Form BO 03 through the BO system.

What it covers:

Captures changes in UBO position resulting from the transfer of any shares in the targeted company.

Practical note:

Signatures of both transferor and transferee will have to be included in the Form.



FORM BO 04

When to file:

Within Thirty (30) working days from the date of the Annual General Meeting of the Company, together with the Annual Return (Form 15)

What it covers:

Annual confirmation / update of all UBO information as at the date of the Annual Return.

Practical note:

The internal UBO Register must be fully reviewed and updated before filing the Annual Return.



FORM BO 05

When to file:

- Initial appointment of the Authorized Person who is responsible for maintaining the UBO Register.
- Any subsequent change to the Authorized Person who is responsible for maintaining the UBO Register.

What it covers:

- Initial appointment of the Authorized Person has to be recorded within 3 months from 30th March, 2026
- Neither the Companies Act nor the associated Regulations provide for a statutory period for the filing of details pertaining to any subsequent change to the Authorized Person

Practical note:

The Authorized Person must be a natural person residing in Sri Lanka (for instance, a director, manager, or an employee of the targeted company). Non-Sri Lankan citizens must hold a valid Sri Lankan residence visa.



FORM BO 06

When to file:

Whenever the physical location of the UBO Register changes

What it covers:

Notifies the ROC of the updated address at which the UBO Register is maintained.



FORM BO 07

When to file:

Within 6 months from 30th March, 2026, as a one-off initial compliance exercise.

Who has to file:

All existing companies.

What it covers:

Full UBO disclosure for all existing companies. This is the core initial compliance form, as it provides a comprehensive snapshot of all UBOs with their personal details.

Practical note:

Details provided herein must align with your internal UBO Register. Both the UBO and a director/secretary must sign this form.

UBO COMPLIANCE – KEY DEADLINES & ONGOING OBLIGATIONS



KEY DEADLINES

i. On or before 30th April, 2026

Companies incorporated through the eROC system that have already submitted UBO details (only through the eROC system), to re-submit and update those details through the BO System in accordance with the new regulatory requirements;

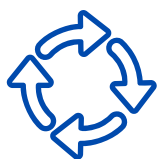
Every depository of a licensed stock exchange (i.e. Central Depository Systems (Private) Limited for the Colombo Stock Exchange), to verify, record, and submit to the ROC, details of shareholders holding 10% or more of the issued shares of a company through the BO System.

ii. On or before 30th June, 2026

All existing companies, to file Form BO 05 (Appointment of Authorized Person / UBO Compliance Officer) with the ROC.

iii. On or before 30th September, 2026

All existing companies, to file Form BO 07 (initial statutory form pertaining to BO) with the ROC.



ONGOING COMPLIANCE & 14-DAY UPDATE RULE

In addition to event-based filings, the Gazette imposes a strict ongoing reporting obligation:

Any change to UBO information must be notified within 14 working days, including changes to:

- Name
- Address
- Contact details
- Nationality
- NIC / Passport details
- Tax Identification Number

Such updates must be submitted through the Beneficial Ownership Change Module of the eROC system. These updates could be submitted on a free of charge basis.

However, information mentioned under the 14-day update rule and all other forms as mentioned above, can be recorded through the BO system, only upon the filing of BO Form 07.



PENALTIES FOR NON-COMPLIANCE

- Fines not exceeding LKR 1,000,000; and/ or
- Imprisonment for up to 10 years

Personal liability (as per Section 130G Companies Act): Shareholders, directors, officers and secretaries shall be held personally liable unless such person proves that the offence was committed without such person's knowledge or that such person exercised all due diligence to prevent the commission of such offence.








IMMEDIATE COMPLIANCE STEPS

1. Map ownership structure and identify control persons
2. Identify all UBOs (direct, indirect & effective control)
3. Collect required information of all the UBOs.
4. Appoint a UBO Compliance Officer / Authorized Person
5. Establish and maintain an internal UBO Register
6. File Forms BO 5 & BO 7 via the BO System with the ROC, as per the statutory deadlines mentioned above



ONGOING OBLIGATIONS

Event-driven updates are required whenever:

-  Shares of the targeted company are issued
-  Shares of the targeted company are transferred
-  Ownership structure changes
-  UBO particulars change (within 14 working days)
-  Annual return is filed

The UBO framework introduces a continuous transparency obligation, requiring companies to adopt structured compliance approaches. Early preparation, continuous diligent compliance, and supervision oversight are essential to mitigate regulatory exposure and operational delays.

FOR FURTHER INFORMATION, PLEASE CONTACT:



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