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Public Procurement and Disposal of Assets Authority

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Ref. No. PPDA/01/22

22nd June 2023

FROM : The Director General, Public Procurement and Disposal of Assets Authority, Private Bag 383, Lilongwe 3.

TO : All Controlling Officers and Heads of Public Institutions

cc : The Secretary to the President and Cabinet, Office of President and Cabinet, Private Bag 301, Lilongwe 3.

: The Auditor General, P.O. Box 30045, Lilongwe 3.

: The Secretary to the Treasury, P.O. Box 30049, Lilongwe 3.

DECLARATION OF BENEFICIAL OWNERSHIP AND/OR SHAREHOLDERS OF BIDDERS IN PUBLIC PROCUREMENT AND DISPOSAL OF PUBLIC ASSETS

As you are aware, Section 52 of the Public Procurement and Disposal of Public Assets (PPD) Act (No. 27 of 2017) provides for eligibility criteria of suppliers to participate in public procurement and disposal of public assets proceedings. Section 52(1) (a) states that in order to be eligible for award of a contract, a bidder shall be registered, depending on the nature of contract, with the Registrar of Companies or the National Construction Industry Council or such other entity as may be prescribed by Regulations. Pursuant to this section, Standard Bidding Documents require bidders to submit proof of registration through production of registration or incorporation certificates.

I write to inform you that the Government promulgated the Companies (Beneficial Ownership) Regulations, 2022 which came into force on 13th December 2022. The Authority wishes to draw the attention of all PDEs to Regulation 11(1) of the Companies (Beneficial Ownership) Regulations, 2022 which provides that –

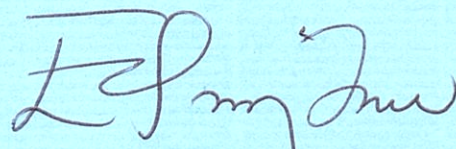
"Any beneficial ownership information shall be treated as public information and may be accessible to the public."

In view of Regulation 11(1), the Authority would like to advise all PDEs that it is mandatory for each bidder participating in public procurement and disposal of public asset proceedings to submit Beneficial Ownership or Shareholding information in its bid. Such information shall be submitted in a "*Beneficial Ownership Disclosure Form*" prescribed by the Authority, a copy of which is attached. Therefore, this form now becomes part of **ALL** Standard Bidding Documents (SBDs).

The Authority wishes to remind all Controlling Officers or Heads of PDEs that in line with section 45(2) of the Public Procurement and Disposal of Public Assets (PPD) Act, the use of Standard Bidding Documents in public procurement and disposal activities is mandatory. As such, all PDEs are advised to ensure that, with immediate effect, every bidding document issued to prospective bidders must include the "Beneficial Ownership Disclosure Form". The Authority urges all PDEs to comply with this Circular in order to fight multiple bidding, among other public procurement challenges, to ensure enhanced transparency for an effective and efficient public procurement and disposal system. To this end, all PDEs are hereby advised to ensure that bid evaluation takes into consideration the Beneficial Ownership information disclosed by bidders.

I would like to emphasize that failure to comply with the disclosure requirement shall lead to disqualification of the bid at preliminary screening stage.

I shall be grateful if the contents of this Circular are brought to the attention of all staff involved in public procurement and disposal activities.



Dr Edington Chilapondwa
DIRECTOR GENERAL

BENEFICIAL OWNERSHIP DISCLOSURE FORM

INSTRUCTIONS TO BIDDERS: DELETE THIS BOX ONCE YOU HAVE COMPLETED THE FORM

This Beneficial Ownership Disclosure Form ("Form") is to be completed by the Bidder. In case of a joint venture, the Bidder must submit a separate Form for each member of the Joint Venture. The beneficial ownership information to be submitted in this Form shall be current as at the date of its submission.

For the purposes of this Form, a Beneficial Owner of a Bidder is any natural person who ultimately owns or controls the Bidder by meeting one or more of the following conditions-

- 1. directly or indirectly holding 5% or more of the shares*
- 2. directly or indirectly holding 5% or more of the voting rights*
- 3. directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder.*
- 4. directly or indirectly, has a substantial economic interest in or receives substantial economic benefit from, a company, whether acting alone or together with other persons;*
- 5. has a significant stake in a company and on whose behalf activity of a company is conducted; or*
- 6. exercises significant control or influence over a person through a formal or informal agreement, and where such ownership, control or interest is through a trust, the trustee (s), beneficiaries, or anyone who controls the trust.*

Date: **[insert date]**

Procurement Reference No.: **[insert procurement reference number]**

Page **[insert page number]** of **[insert total number of pages]** pages.

To: **[insert complete name of Procuring and Disposing Entity]**

In response to the invitation for bid dated **[insert date of invitation for bid]** we hereby submit beneficial ownership information: **[select one option as applicable and delete the options that are not applicable]**

(i) we hereby provide the following beneficial ownership information.

Details of beneficial ownership

Identity of Beneficial Owner	Directly or indirectly holding 5% or more of the shares (Yes / No)	Directly or indirectly holding 5 % or more of the Voting Rights (Yes / No)	Directly or indirectly having the right to appoint a majority of the Board of the Directors or an equivalent governing body of the Bidder (Yes / No)
[include full name (last, middle, first), nationality, country of residence, telephone number(s), email address, postal and physical addresses]			

OR

(ii) We declare that there is no Beneficial Owner who has not been disclosed meeting one or more of the following conditions-

1. directly or indirectly holding 5% or more of the shares
2. directly or indirectly holding 5% or more of the voting rights
3. directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder.
4. directly or indirectly, has a substantial economic interest in or receives substantial economic benefit from, a company, whether acting alone or together with other persons;

5. has a significant stake in a company and on whose behalf activity of a company is conducted; or
6. exercises significant control or influence over a person through a formal or informal agreement, and where such ownership, control or interest is through a trust, the trustee (s), beneficiaries, or anyone who controls the trust.

OR

(iii) We declare that we are unable to identify any Beneficial Owner meeting one or more of the following conditions. [If this option is selected, the Bidder shall provide explanation on why it is unable to identify any Beneficial Owner]

7. directly or indirectly holding 5% or more of the shares
8. directly or indirectly holding 5% or more of the voting rights
9. directly or indirectly having the right to appoint a majority of the board of directors or equivalent governing body of the Bidder]"
10. directly or indirectly, has a substantial economic interest in or receives substantial economic benefit from, a company, whether acting alone or together with other persons;
11. has a significant stake in a company and on whose behalf activity of a company is conducted; or
12. exercises significant control or influence over a person through a formal or informal agreement, and where such ownership, control or interest is through a trust, the trustee (s), beneficiaries, or anyone who controls the trust.

Name of the Bidder: [insert **complete name of the Bidder**]¹

Name of the person duly authorized to sign the Bid on behalf of the Bidder:
[insert **complete name of person duly authorized to sign the Bid**]²

Title of the person signing the Bid: [insert **complete title of the person signing the Bid**]

Signature of the person named above: _____

Date signed [insert **ordinal number**] day of [insert **month**], [insert **year**]

¹ In the case of the Bid submitted by a Joint Venture specify the name of the Joint Venture as Bidder. In the event that the Bidder is a joint venture, each reference to "Bidder" in the Beneficial Ownership Disclosure Form (including this Introduction thereto) shall be read to refer to the joint venture member.

² Person signing the Bid shall have the power of attorney given by the Bidder. The power of attorney shall be attached with the Bid Schedules.