Ownership Settings

Module Guide: Ownership Settings

Module Location

Settings > Organization Structure > Ownership Settings

Module Purpose

The **Ownership Settings** module is used to define and record the shareholding structure of a company by another entity. This feature is crucial in the context of a corporate group, where one company (the parent) owns some or all of the shares of another company (the subsidiary). The data entered here forms the basis for the financial statement consolidation process.?

1. Main View (List of Ownerships)

The main page displays the ownership list for the selected parent company.

View Explanation

- **Filter**:
  - **Company Name**: A dropdown to select the holding company whose ownership structure you wish to view.
- **Ownership Table**:
  - **Company Name**: Displays the name of the owned subsidiary company.

    - **Sharing Percentage (%)**: Shows the percentage of the subsidiary's shares owned by the parent company selected in the filter.

- Currently, the table shows "...No data...", which means no ownership structure has been defined for the selected parent company.

- **Action Buttons**:

    - **New Share**: A button to open the form and define a new ownership structure.

2. Add Ownership Setting Page

This form is used to record that a parent company owns shares in one or more subsidiary companies.

View Explanation

- **Company**: A dropdown to select the parent company that will be the owner.

- **[+ Add Row] / [- Delete]**: Buttons to add or remove subsidiary entry rows.

- **Ownership Input Table**:

    - **Company**: A dropdown in each row to select the subsidiary company whose shares are owned.

    - **Percentage (%)**: A field to enter the percentage of ownership.

- **Action Buttons**: **Save** and **Cancel**.

3. Steps to Define Ownership

- From the main page, click the **New Share** button.
- On the "Add" page, select the parent **Company** from the top dropdown.
- In the table, click the **Company** dropdown to select a subsidiary.
- To the right, enter the **Percentage (%)** of ownership (e.g., 80 for 80%).
- If the parent company owns more than one subsidiary, click **[+ Add Row]** and repeat steps 3-4.
- Click **Save**.

4. Integrated Workflow & Business Process

- **Basis for Financial Consolidation**: This ownership percentage information is crucial for the financial statement consolidation process.?
  - If ownership is > 50%, the subsidiary's financial statements must be fully consolidated into the parent's report.?
  - If ownership is between 20% and 50% (investment in an associate entity), it will be accounted for using the equity

method.

- The system will use this percentage in the **Consolidation Worksheet** to calculate and separate the **Non-Controlling Interest (NCI)** portion of the subsidiary's profit and equity.?

- **Corporate Governance**: This module provides an official record of the group's legal structure, which is important for reporting to regulators and other stakeholders.

5. Tips & Important Notes

- Ensure the percentage entered is accurate, as it has significant accounting and legal implications.?

- This module is at the core of accounting for corporate groups. Its management should be handled by a corporate accounting team or controller who understands consolidation accounting standards (like IFRS 10).

- Whenever an acquisition or divestiture of shares occurs, the data in this module must be immediately updated to reflect the new ownership structure.

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