

# **Cabinet Resolution No. (109) of 2023**

## **Regulating the Real Beneficiary Procedures**

### **The Cabinet,**

- Upon reviewing the Constitution; and
- Federal Law No. (1) of 1972, Concerning the Competences of Ministries and the Capacities of Ministers, and its amendments thereof; and
- Federal Decree-Law No. (20) of 2018, Concerning Anti-Money Laundering and Combating the Financing of Terrorism and the Financing of Illegal Organisations, and its amendments thereof; and
- Federal Decree-Law No. (32) of 2021, Concerning Commercial Companies; and
- Federal Decree-Law No. (37) of 2021, Concerning the Commercial Register; and
- Cabinet Resolution No. (58) of 2020, Regulating the Real Beneficiary Procedures; and
- Pursuant to the Proposal submitted by the Minister of Economy and the Cabinet's approval,

### **Hereby resolves:**

## **Article (1)**

### **Definitions**

In application of the provisions herein, the following words and expressions shall have the meanings ascribed thereto, unless the context otherwise requires:

<b>State</b>	: United Arab Emirates.
<b>Ministry</b>	: Ministry of Economy.
<b>Minister</b>	: Minister of Economy.
<b>Decree-Law</b>	: Federal Decree-Law No. (20) of 2018, Concerning Anti-Money Laundering and Combating the Financing of Terrorism and the Financing of Illegal Organisations.
<b>Executive Regulations</b>	: Cabinet Resolution No. (10) of 2019 concerning the Executive Regulation of Decree-Law No. (20) of 2018 Concerning Anti-Money

Laundering and Combating the Financing of Terrorism and the Financing of Illegal Organisations.

- Registrar** : The Competent Authority supervising the Register of commercial names of different establishments registered in the State.
- Concerned Authority** : Competent Government Authority concerned with implementing any of the provisions of the Decree-Law and the Executive Regulations.
- Real Beneficiary** : Natural Person to whom ultimate ownership vests or who exercises ultimate control over Legal Person directly or through a chain of ownership or control, or other indirect means. It also means Natural Person on whose behalf transactions are conducted or who legally exercises ultimate effective control over Legal Person or arrangement. Such control shall be specified in accordance with the text of Article (5) of this resolution.
- Board Nominee Member** : Any Natural Person who acts in accordance with the directions, instructions, or will of another person, who is officially appointed or holds a position in Legal Person and is usually a representative of Shareholders, members, or any other interested party.
- Senior Management** : Power of Legal Person in decision-making.
- Real Beneficiary Register** : Private Real Beneficiary Register of Legal Person that includes all their information.
- Partners or Shareholders Register** : Private Partners or Shareholders Register of Legal Person that includes all their information.
- Settlor** : Natural Person or Legal Person who entrusts his funds management to Trustee by virtue of official or customary document.
- Trustee** : Natural Person or Legal Person who has the granted rights and powers by the Settlor or the Trust Fund, under which, he manages, uses and disposes of the Settlor funds in accordance with the conditions imposed on him by either of them.

- Trust Fund** : Legal relationship by which the Settlor places the funds under the control of Trustee for the benefit of a beneficiary or for a specific purpose, and they are considered as independent funds from Trustee property. The right to Trustee Funds shall remain in the name of the Settlor or in the name of another person on behalf of the Settlor.
- Supreme Committee** : The Supreme Committee for supervising the National Strategy on Anti-Money Laundering and the Financing of Terrorism.
- Complex Structure** : Institutional mechanism that identifies Legal Person as part of a group of different, complexly connected entities with the aim of concealing the identity of Natural Person who owns or controls Legal Person.
- Government Partner** : Federal or Local Government which is Partner or Shareholder in the company.

## **Article (2)**

### **Resolution Objectives**

This Resolution aims to:

1. Contribute to the development of the business environment, the State capabilities, and its economic standing in accordance with international requirements by regulating at least the minimum obligations of Registrar and Legal Persons in the State, including licensing or registration procedures, organising Real Beneficiary Register and Partners or Shareholders Register
2. Develop effective and sustainable executive and regulatory mechanisms and procedures for Real Beneficiary.

## **Article (3)**

### **Scope of Application**

1. The provisions of this Resolution shall apply to Registrar and Legal Persons licensed or registered in the State.
2. The following shall be excluded from the provisions of this resolution:

- a. Companies wholly owned by the Federal or Local Government, or any other companies wholly owned by those companies.
- b. Financial Free Zones
- c. Government Partner

## **Article (4)**

### **Legal Person Licence or Registration**

1. When applying for licence or registration, Legal Person shall be licensed or registered in the State shall provide Registrar with the following basic information:
  - a. Name, legal form and Articles of Incorporation.
  - b. Address of the main office or the main place of work. If Legal Person is a foreigner, the name and address of his legal representative in the State shall be mentioned and evidence of that shall be submitted.
  - c. Articles of Association or any other similar documents approved by the Concerned Authority in the State.
  - d. Names of the relevant persons who hold Senior Management positions with Legal Person who have the power to issue decisions. Their information shall be registered from the passport or the ID, its number, and its issue and expiry date.
2. Legal Person may not be licensed or registered under a name previously registered in the State or under a name that is so similar that it can cause confusion.
3. Legal Person shall refrain from using a name other than his registered name. Name shall be followed by the legal form of Legal Person. Legal Person may apply to Registrar to change his name, and if approved, Legal Person may not use the cancelled name immediately after its cancellation. All their correspondences and documents shall include his name and his address obviously in the State.
4. Legal Person shall have a clear, detailed and registered address in the State informed to Registrar and shall be used to receive all correspondence and Notices on it.

## **Article (5)**

### **Determining Real Beneficiary**

1. Subject to the provisions of this Resolution, Real Beneficiary of Legal Person is whoever owns or finally controls Legal Person, through direct or indirect ownership shares of (25) twenty-five per cent or more of Legal Person capital. Also, it shall be the one who has the right to vote in it by shares of (25) twenty-five per cent or more including the retention of such ownership through ownership or control or through control by any other means such as the right to appoint or remove majority of the BOD members.
2. In order to determine Real Beneficiary in accordance with Clause (1) of this Article, the risk-based approach of Registrar shall be applied, especially in Complex Structures of Legal Person.
3. Real Beneficiary shall be tracked through any number of Legal Persons or arrangements of any kind.
4. If more than one person participates in owning or controlling a percentage of the capital in Legal Person, they shall all be treated as owners and controllers of this percentage.
5. If all possible means have been exhausted and Natural Person with a controlling ownership has not been identified as set out in Clause (1) of this Article or there is a suspicion that Natural Person with controlling ownership is Real Beneficiary, then Natural Person exercising control over Legal Person through other means shall be Real Beneficiary.
6. If no Natural Person is identified as set forth in Clause (4) of this Article, Real Beneficiary shall be deemed to be Natural Person holding the position of Senior Management Officer.

## **Article (6)**

### **Transparency and Real Beneficiary**

1. Legal Person shall take reasonable measures to obtain and maintain appropriate, accurate and up-to-date information on Real Beneficiary thereof.
2. Legal Persons, licensed or registered in the State owned by a company listed in a regulated market subject to disclosure requirements that impose conditions to ensure adequate transparency for Real Beneficiary or a majority-owned subsidiary of that listed company, shall be excluded from applying the provision of Clause (1) of this Article.

## **Article (7)**

### **Notices Related to Real Beneficiary**

1. If it becomes clear to Legal Person that there is Natural Person who could be a Real Beneficiary and the details of his Real Ownership are not properly registered in the Real Ownership Register, Legal Person shall inquire about the status of that person as its Real Beneficiary. If fifteen (15) days lapse from the date of the inquiry without a response, Legal Person shall inform Real Beneficiary of this
2. Notice referred to in Clause (1) of this Article shall include the following:
  - a. Proof of the notice issuance under this Resolution.
  - b. Details of Information related to his being Real Beneficiary, which Legal Person believes to be correct, with a request to provide the missing information required to complete the information of Real Beneficiary Register.
  - c. Requesting the addressee to do the following:
    1. Provide a proof of whether or not he is Real Beneficiary of Legal Person
    2. Confirm or correct any details included in the notice.
    3. Provide any missing information in the notice.
3. If the person to whom the notice is given does not comply within (15) fifteen days from the date it is sent, Legal Person shall include the notified details in Real Beneficiary Register.
4. Legal Person, for determining the identity of Real Beneficiary, may rely on Natural Person written on the notice unless he has reasonable grounds to suspect that the response is misleading or incorrect. Legal Person shall register the details of Real Beneficiary ownership for being Real Beneficiary and inform thereof.

## **Article (8)**

### **Real Beneficiary Register**

1. Legal Person shall maintain the details of the information of each Real Beneficiary in Real Beneficiary Register that it creates within (60) sixty days from the date of the implementation of this Resolution or from the date of the existence of this Legal Person.

Legal Person shall update this Register and include any change in it within fifteen (15) days from the date of being informed thereof.

2. Real Beneficiary Register shall include the information of each Real Beneficiary as follows:
  - a. Full name, nationality, date and place of birth.
  - b. Residence or the address to which notices are sent under this Resolution.
  - c. Passport or the ID number, the State, and the issue and expiry dates.
  - d. Grounds on which he has become Real Beneficiary of Legal Person, and the date on which he has that capacity.
  - e. Date on which the person ceased to be Real Beneficiary of Legal Person.
3. If Legal Person includes the name of Natural Person in Real Beneficiary Register as Real Beneficiary and this Natural Person does not in person provide or by authorised person the information and details related to him, then, Legal Person shall inform Natural Person within (15) fifteen days from the date of their inclusion.
4. Anyone with a capacity or interest may submit to Registrar a request to correct Real Beneficiary Register, in the event that the name of any person is included or deleted from Real Beneficiary Register without sufficient reason on the part of Registrar.
5. Legal Person may not Register or enforce any document related to a change of ownership thereof unless the person to whom the ownership is transferred or his representative submits a statement including whether the transfer will result in a change in Real Beneficiary of Legal Person, the nature of this change, and the provision of information of the new Real Beneficiary and to be included in the Register.

## **Article (9)**

### **Board Nominee Member**

1. Manager or Board Member who shall act as Board Nominee Member shall inform Legal Person of being a Nominal Member, and he shall submit all the data referred to in Article (10) herein within (15) fifteen days from the date of his acquisition of this capacity, and the nominal management member who acquired this status prior to the publication of this resolution shall inform Legal Person of that within (30) thirty days from the date of its publication.

2. Board Nominee Member shall inform Legal Person of any change in the data referred to in Article (10) herein, within (15) fifteen days from the date of such change.
3. Board Nominee Member shall inform Legal Person of the cessation of his capacity as Nominal Member within (15) fifteen days from the date of cessation of the capacity.

## **Article (10)**

### **Partners or Shareholders Register**

1. Legal Person shall maintain the details of the data of each Partner or Shareholder in Partners or Shareholders Register. In addition, Legal Person shall update this Register and record any amendment or change thereto within (15) fifteen days from the date of coming to his knowledge, provided that the Register shall include the following data:
  - a. Number of shares or stocks held by each of them, their categories, and the voting rights associated thereto;
  - b. Date of acquiring capacity as a Partner or Shareholder;
  - c. Partners or Shareholders from Natural Persons: full name pursuant to the ID or passport, nationality, address, place of birth, name and address of the employer, and a valid copy of the ID or passport shall be attached; and
  - d. Partners and Shareholders from Legal Persons, the data mentioned in Clause (1) of Article (4) herein shall be provided.
2. Legal Person who has one or more Partners or Shareholders who act as Trustee or as Board Nominee Member shall have his data recorded in Partners or Shareholders Register.
3. Partners or Shareholders Register shall include the data of the persons represented by each Trustee or Board Nominee Member as stated in Clause (2) of Article (8) herein.

## **Article (11)**

### **Providing Data to Registrar**

1. Legal Person shall submit the data of Real Beneficiary Register and Partners or Shareholders Register to Registrar and take reasonable measures to preserve its registers from damage or loss, within (60) sixty days from the date of implementation of this resolution or from the date of licensing and registration of Legal Person.



2. Legal Person shall provide any additional data requested by Registrar within (14) fourteen days from the date of the request.
3. Without prejudice to the legislation in force, Legal Person shall submit all the data referred to in Clause (1) of Article (4) herein to Registrar when requesting incorporation, licensing, registration, renewal, modification or other cases that Registrar may deem necessary for this.
4. Each Legal Person shall provide Registrar with the name of Natural Person residing in the State authorised to disclose to Registrar all data and information required by the law, the Executive Regulation referred to, or this resolution, as well as disclosure if his address, contact details, and a valid copy of his passport or ID.
5. No Legal Person, licensed or registered in the State, may issue Bearer Stocks.
6. When issuing stocks or shares in the name of persons or Board Members, Legal Person shall disclose within (15) fifteen days the details of those stocks or shares and the identity of the persons and the Board Members to Registrar.
7. If Legal Person was in dissolution or liquidation, the liquidator shall hand over Real Beneficiary Register, the Partners or Shareholders Register, if any, or exact copy thereof to Registrar within (30) days
8. Liquidator shall maintain the records and all data referred to in this resolution for a period of at least five (5) years from the date of its dissolution or liquidation.

## **Article (12)**

### **Notices Issued by Registrar**

1. Registrar may inform Legal Person, its employees, or its authorised agents to submit data or documents related to the Board Nominee Members within the period specified in the Notice.
2. Powers entitled on Registrar under Clause (1) of this Article shall include the following:
  - a. Copies of the documents submitted pursuant to the circumstances as deemed appropriate by Registrar.

- b. Request the person who shall submit data or documents if they are not submitted to indicate their location, to appear at the time and place specified by Registrar, and to answer any questions related to any matters for which data shall be submitted.
3. Attorneys and other independent legal professionals and independent auditors shall be exempted from submitting any data required in the Notice if they were obtained in connection with their assessment of the legal status of Legal Person, defence, or representation before the courts, arbitration procedures, mediation or conciliation, or the provision of a legal opinion in a matter related to judicial proceedings, including providing advice on the initiation or avoidance of such proceedings or inquiring about whether such data was obtained before, during or after judicial proceedings or in other circumstances in which they are subject to professional secrecy.

## **Article (13)**

### **Registrar Obligations**

Registrar shall comply as follows:

1. Prepare and issue work forms, notices and manuals by various means related to registration and licensing procedures or organising the procedures of Real Beneficiary in the required form that achieves effectiveness in accordance with this decision and relevant legislation.
2. Provide adequate human resources that shall enable him to carry out his duties effectively.
3. Automate the data it obtains and classifying it in a way that makes it easy to refer to and exchange with the Concerned Authorities upon request.
4. Provide the required data concerning the national economic registry in real time and immediately provide any other data requested by the Ministry.
5. Provide data of Legal Persons in the State and make them available to the public as follows:
  - a. Describe their different types or forms and their basic features.
  - b. Procedures for its licensing or registration.
  - c. Procedures for basic data mentioned in Clause (1) of Article (4) herein.
  - d. Procedures for obtaining data related to Real Beneficiary.

6. Basic data mentioned in Clause (1) of Article (4) herein shall be maintained, ensure its accuracy, update it and make it available to the public.
7. Obtain, update, ensure accuracy of Real Beneficiary data when licensing or registering Legal Person.
8. Maintain all Registers handed over to him under Clause (8) of Article (11) herein for (5) five years from the date of expiry of Legal Person through dissolution, liquidation or termination. 9
9. Update the basic data mentioned in Clause (1) of Article (4) herein, Real Beneficiary Register, and Partners or Shareholders Register on an ongoing basis, based on the data provided by Legal Person, provide them to the Ministry and disclose them at the request of the Concerned Authorities.
10. Apply a risk-based approach to the facilities registered with it and approved by the Ministry, in order to ensure that Legal Person is not misused for Money Laundering and Terrorist Financing Crimes through the following:
  - a. Classify and evaluate potential risks related to Money Laundering and Terrorist Financing Operations and address and mitigate them annually.
  - b. Take the necessary measures to reduce these risks and prevent their occurrence through assessing the risks of Legal Persons, verifying and monitoring them.
  - c. Implement the procedures required to manage risks and ensure their effective implementation.

## **Article (14)**

### **Establish a Unit Combating Money Laundering and Terrorist Financing at Registrar**

1. Administrative Unit shall be established at Registrar concerned with the implementation of policies, procedures, and requirements for combating Money Laundering Crimes, combating the Financing of Terrorism, and the financing of Illegal Organisations in accordance with the provisions stipulated in the Decree-Law, its Executive Regulations, and relevant supervisory decisions. The Unit shall submit reports and updates in a timely manner to the Ministry.

2. Registrar shall issue a decision specifying the mechanism and tasks of the unit work after coordination with the Ministry.
3. This unit shall report to the organisational structure to Registrar Senior Management.

## **Article (15)**

### **Change in Data**

1. Legal Person shall maintain all the basic data upon Article (8) herein, data of Partners or Shareholders Register, data of Real Beneficiary Register data, date of the records associated with it and any other data or information that it may be required to maintain under the legislation in force, provided that they shall be accurate and updated.
2. Legal Person shall submit any amendment or change to the data or information under this resolution to Registrar within (15) fifteen days from the date of the amendment or change.

## **Article (16)**

### **Confidentiality of Data**

1. The Ministry and Registrar may not disclose the data of Real Beneficiary Register or Partners or Shareholders Register and make them available to any person, unless they obtain written approval from Real Beneficiary or Board Nominee Member.
2. The following shall be excluded from the provisions of Clause (1) of this Article:
  - a. Disclosure obligations stipulated in this resolution.
  - b. International laws and agreements in force in the State, especially the provisions related to combating Money Laundering Crimes, combating the Financing of Terrorism, Financing Illegal Organisations, and exchanging information in tax matters.

## **Article (17)**

### **Local and International Cooperation**

1. The Ministry shall provide the basic data contained in Clause (1) of Article (4) of this decision, the data of Real Beneficiary Register, and the Register of Partners or Shareholders to the relevant authorities in the State upon request.

2. The Ministry shall provide means of international cooperation regarding the basic data of Legal Person, Real Beneficiary Register, and Partners or Shareholders Register, provided that such cooperation shall include the following:
  - a. Facilitate access by the Competent Foreign Authorities to the basic data available in the Registers of Legal Person upon request.
  - b. Exchange data and information on Partners or Shareholders of Legal Person.
  - c. Use its powers to obtain all the data of Real Beneficiary on behalf of the foreign counterparts.
3. The Ministry shall supervise the quality of the implementation of international cooperation operations received from other States concerning requests to obtain basic data of Legal Persons and data on, Real Beneficiary thereof, and requests for international cooperation regarding knowing the whereabouts of Real Beneficiary outside the State, in accordance with bilateral agreements, multilateral agreements, or the principle of reciprocity.

## **Article (18)**

### **Administrative Penalties**

In case of a violation of the provisions of this decision, Registrar may impose one or more penalties from the list of administrative penalties issued by resolution of the Cabinet based on the proposal of the Minister of Finance and after coordination with the Minister.

## **Article (19)**

### **Appeal**

1. Every person with a capacity may file appeal with Registrar Appeal Committee concerning the administrative penalties that were imposed in accordance with the provisions of Article (18) of this resolution within (30) thirty days from the date of notice. He may submit a request to suspend the implementation of administrative penalties. The committee shall decide on this request within (45) forty-five working days in accordance with its procedures.

2. The Minister shall issue a resolution in coordination with Registrar specifying the controls and conditions for appeal against administrative penalty decisions before Registrar Appeal Committee.

## **Article (20)**

### **Control Procedures**

The Ministry, in accordance with the supervisory role assigned to it, in coordination with Registrar, may establish the methods and procedures it deems necessary to supervise the extent of Registrar compliance with the provisions of this resolution and the resolutions implementing it.

## **Article (21)**

### **Compliance Results Reports**

1. Registrar shall submit semi-annual reports to the Minister on compliance with the requirements of the provisions of this resolution and relevant legislation.
2. The Minister shall submit report to the Supreme Committee for supervising the National Strategy Combating Money Laundering and the Financing of Terrorism.
3. The Supreme Committee shall submit reports on the results of Registrar compliance to the Cabinet and/or the Executive Councils in each Emirate, as the case may be.

## **Article (22)**

### **Repeals**

The Cabinet Resolution No. (58) of 2020 regulating Real Beneficiary Procedures shall be cancelled. Any provision that contradicts or violates the provisions of this resolution shall be repealed.

## **Article (23)**

### **Publication and Entry into Force**

This Resolution shall be published in the Official Gazette and shall enter into force as of the day following the date of its publication.

**Mohammed bin Rashid Al Maktoum**

**Prime Minister**

Issued by Us:

On 22 / Rabi' Al-Akhar / 1445 AH

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