

Ultimate Beneficial Owner (UBO)

In accordance with **UAE Cabinet Decision No. (109) of 2023 concerning the Regulation of Beneficial Owner Procedures**, all companies established in the United Arab Emirates, including entities registered in commercial free zones, are required to maintain accurate, complete and up-to-date records of their Beneficial Owners, partners and shareholders.

Licensed entities must submit such information to the relevant Licensing and Registration Authority upon request and within the prescribed timelines.

Objectives of the Decision

The Decision aims to:

- Strengthen transparency within the UAE business environment
- Establish minimum obligations for registrars and legal entities in relation to licensing and registration procedures
- Regulate the establishment and maintenance of the Register of Beneficial Owners and the Register of Partners or Shareholders
- Develop effective and sustainable mechanisms for the collection, management and protection of beneficial ownership data

Definition of a Beneficial Owner

A **Beneficial Owner** is a natural person who ultimately owns or controls a legal entity, whether directly or indirectly through a chain of ownership or by any other means of control.

This includes:

- A natural person who owns or controls 25% or more of the shares or voting rights of the legal entity.
- A natural person who exercises ultimate effective control over the entity; or
- A natural person on whose behalf transactions are conducted,

in accordance with Article (5) of Cabinet Decision No. (109) of 2023.

Statutory Registers

Companies shall prepare, maintain and keep at their registered office:

- **Register of Partners or Shareholders** (pursuant to Article 10)
- **Register of Beneficial Owners** (pursuant to Article 8)

Such registers must be accurate, complete, and available to the Authority upon request.

UBO Identification Requirements

1. Natural Person (Individual)

To identify and verify a natural person as a UBO, the following documents must be submitted:

- Valid passport copy (clear and legible)
- Emirates ID (if UAE resident)
- Valid residence visa (if applicable)
- Signed UBO Declaration confirming ownership or control status

The Authority may request additional documentation where necessary for verification purposes.

2. Legal Person (Corporate Shareholder)

Where a shareholder is a legal person, the entity must provide:

- Valid trade license and/or certificate of incorporation
- Memorandum and Articles of Association (or equivalent constitutional documents)
- Register of shareholders or partners indicating ownership percentages
- Corporate structure chart clearly tracing ownership to the natural person(s)
- Board resolution authorizing ownership or shareholding (where applicable)
- Supporting documentation evidencing indirect ownership or control

Entities are required to trace ownership through all intermediate entities until the natural person(s) exercise ultimate ownership or effective control are identified.

Ongoing Compliance Obligations

Licensed entities are required to:

- Maintain an updated Register of Ultimate Beneficial Owners
- Notify the Authority of any changes to UBO information within the legally prescribed timeframe
- Retain UBO records in accordance with applicable legislation
- Ensure that all submitted information remains accurate, complete and up to date

Failure to comply with these obligations may result in administrative penalties or other regulatory measures in accordance with applicable UAE legislation.