

**Cabinet Resolution No. (58) of 2020,
On the Regulation of the Procedures of the Real Beneficiary**

The Cabinet:

- Upon review of the Constitution;
- The Federal Law No (1) of 1972, concerning the competencies and powers of ministries, and the amendments thereto;
- The Federal Law No (5) of 1975 on Commercial Register;
- The Federal Law No (2) of 2015, concerning the commercial companies, and the amendments thereto;
- The Federal Law No (14) of 2016, on violations and administrative penalties, and the amendments thereto;
- The Federal Law by Decree No (20) of 2018, on anti–money laundering and combating the financing of terrorism and illegal organisations;
- The Cabinet’s Resolution No (10) of 2019, on the Executive Regulations of the Law by Decree No. 20 of 2018, pertaining to anti–money laundering and combating the financing of terrorism and illegal organisations;
- The Cabinet’s Resolution No (34) of 2020 on regulating the real beneficiary's procedures;
- And based on the information presented by the Minister of Economy and the Cabinet’s approval;

Hereby resolves:

Article (1)

Definitions

In applying the provisions of this Resolution, the following words and expressions shall have the meanings ascribed thereto, unless the text requires otherwise:

State:	The United Arab Emirates.
Minister:	The Minister of Economy
Ministry:	The Ministry of Economy
Law by Decree:	The Federal Law by Decree No. 20 of 2018, concerning anti-money laundering and combating the financing of terrorism and illegal organisations.
Executive Regulation:	The Cabinet's Resolution No (10) of 2019, on the Executive Regulations of the Law by Decree No. (20) of 2018, concerning anti-money laundering and combating the financing of terrorism and illegal organisations.
Licensing Authority Registrar:	The Competent Authority to license or register a Legal Person in the State.
The Concerned Authorities:	The Competent Body supervising the Register of commercial names of different corporations and institutions Registered in the State, the Licensing Authority is included.
Real Beneficiary:	Governmental Bodies authorised to enforce any provision of this Law by Decree and Regulations.
	A Legal Person who has the ultimate ownership or exercises ultimate control over a Legal Person, directly or through a chain of ownership or control, or other

indirect means, as well as the Natural Person who conducts transactions on behalf thereof, or who exercises ultimate effective control over a Legal Person, that is determined according to the provision of Article (5) hereof.

Board	A natural member acts in accordance with the
Nominal	guidelines, instructions or will of another person.
Member:	
Senior	The decision-making authority of a Legal Person
management:	
Real	The Register of Legal Person's real beneficiaries, which
Beneficiary	contains their information.
Register:	
Partners or	The Register of a Legal Person's Partners or
Shareholders	Stockholders, which contains their information.
Register:	
Testator:	A natural or Legal Person who transfers the
	management of his funds to a trustee by virtue of a
	document.
Trustee:	A natural or legal person enjoying the rights and powers
	granted to him by the testator or the trust fund, under
	which he manages, uses and disposes of the testator's
	funds in accordance with the conditions imposed on him
	by any of them.
Trust Fund:	A legal relationship whereby the testator places the
	funds under the control of the trustee for the benefit of a
	beneficiary or for a specific purpose, and is considered

independent funds from the trustee's property, and the right to the trustee's funds remains in the name of the testator or in the name of another person on behalf of the testator.

Article (2)

Resolution objectives

The Resolution aims at the following:

1. To contribute to the development of the business environment, the state's capabilities and its economic standing in accordance with international requirements, by organizing the minimum obligations of the registrar and legal persons in the state, including licensing or registration procedures, and organizing the real beneficiary register and the partners or shareholders register.
2. Develop an effective and sustainable implementation and regulatory mechanisms and procedures for the real beneficiary data.

Article (3)

Scope of Application

1. The provisions of this Resolution shall apply to the Registrar and Legal Persons licensed or registered in the state, including the commercial free zones.
2. This Resolution excludes companies that are wholly owned by the federal or local government or any other companies wholly owned by such companies, and the Financial Free Zones.

Article (4)

Licensing or registration of the legal person

1. A legal person shall be licensed or registered in the state, and upon submitting a license or registration application, he shall provide the registrar with the following basic data:
 - a. Name, legal form, and articles of association.
 - b. Address of the headquarters or the main place of business. If the legal person is a foreigner, the name and address of his legal representative in the country shall be mentioned and evidence to that effect shall be provided.
 - c. The articles of association or any other similar documents approved by the relevant authority in the state.
 - d. Names of the relevant persons, who hold positions in the senior management of the legal person. Their data shall be recorded in accordance with the Passport or ID card, its number, issue date, expiry date and issuer.
2. A legal person may not be licensed or registered with a name that is previously registered in the state or a similar name to the extent that it leads to confusion.
3. The legal person shall refrain from using a name other than his registered name, and that the name shall be followed by his legal form. He may submit a request to the registrar to change his name, and if the request is approved, he shall refrain from using the cancelled name. In addition, his name and address should be clearly included in all his correspondences and documents in the state.
4. The legal person should have a clear, detailed address registered in the state to be notified to the registrar, and used to receive all correspondence and notifications thereon.

Article (5)

Real Beneficiary Identification

1. For the purposes of the application of this resolution provisions, the Legal Person's Real Beneficiary shall be whoever owns or finally controls the Legal Person, through direct or indirect shares or equity of the Legal Person's Capital at 25% or more, or has the right to vote therein at 25% or more, including retaining that ownership through a chain of ownership or control, or through control through any other means, such as the right to appoint or dismiss the majority of its directors;
2. The Real Beneficiary shall be tracked through any number of Legal Persons or arrangements of any kind.
3. If more than one person participates in owning or controlling a share of the Legal Person's Capital, all of them shall be treated as owners and controllers of such share.
4. If all possible means have been used and no Natural Person with final controlling ownership has not been identified as stipulated in Clause (1) hereof, or there is suspicion that the natural person who has final controlling ownership is the Real Beneficiary, then the Real Beneficiary shall be deemed the Natural Person who who exercises control over the legal person, through other means.
5. If there is no Real Beneficiary for the Legal Person in accordance with Clause (4) hereof, the Real Beneficiary shall be deemed the natural person who occupy the senior management official.

Article (6)

Transparency & Real Beneficiary

1. The Legal Person shall take reasonable measures to obtain and maintain appropriate, accurate and updated information on an ongoing basis on the Real Beneficiary.
2. Exempt from the application of the provisions of Clause (1) hereof are legal persons licensed or registered in the state and companies owned by a company listed in an organized market that is subject to disclosure requirements that impose requirements to ensure adequate transparency for the Real Beneficiary or a subsidiary company owned by the majority of that listed company.

Article (7)

Real Beneficiary's Notifications

1. If the Legal Person becomes aware that there is a person who can be a Real Beneficiary and his beneficial ownership details are not properly authenticated in the Real Beneficiary's Register, the Legal Person shall inquire about the status of such person as the Real Beneficiary. If a period of (15) fifteen days elapses from the date of inquiry without response, the Legal Person shall notify the Real Beneficiary of this matter.
2. The notification referred to in Clause (1) hereof shall include the following:
 - a. Evidence indicating that the notification is issued hereunder;
 - b. Details of the information related to being a Real Beneficiary, which the Legal Person believes to be correct, along with a request to provide the missing and required information to complete the Real Beneficiary's Register information.
 - c. Request the addressee to do the following:

- (1) Indicate whether or not he is the Real Beneficiary of the Legal Person;
 - (2) Confirm or correct any details included in the notification; and
 - (3) Provide any information missing in the notification.
3. If the addressee does not respond to the notification within (15) fifteen days of the dispatch date, the Legal Person shall include the details reported in the Real Beneficiary's Register.
4. For the purpose of identifying the Real Beneficiary, a Legal Person may rely on the person's response written on the notification, unless the Legal Person has reasonable grounds to suspect that the answer is misleading or wrong, so, he should register the details of the usufruct of this person as a Real Beneficiary and shall inform him of that.

Article (8)

Real Beneficiary Register

1. The Legal Person shall, within sixty (60) days from the date on which this Resolution is effective or the date the Legal Person's presence, keep the information of each Real Beneficiary in the Real Beneficiary Register he creates. The Legal Person shall also update this Register and include any change occurring thereto within fifteen (15) days from the date of being aware thereof.
2. The Register should include the information of each Real Beneficiary as follow:
 - a. Full name, nationality, date and place of birth;
 - b. Place of residence, or address to which notifications are sent hereunder;

- c. Passport or ID number, country and date of issue and expiry;
 - d. The basis on which he became a Real Beneficiary of the Legal Person, and the date on which it acquired that capacity;
 - e. The date on which a person ceases to be a Real Beneficiary of the Legal Person.
3. If the Legal Person lists the Natural Person's name in the Real Beneficiary Register as a Real Beneficiary, and such Natural Person does not present himself or acknowledging the information and details, the Legal Person shall notify the included Natural Person thereof within (15) thirty days from the date of being listed.
5. Each one who has a capacity or interest may apply to the Competent Court requesting the correction of the Real Beneficiary's Register, as follows:
- a. List or delete the name of any person from the Real Beneficiary Register, without sufficient reason;
 - b. Not listing a person's name in the Real Beneficiary Register;
 - c. An unjustified delay in listing a person's name in the Real Beneficiary Register or deleting the name of a person who is no longer a Real Beneficiary.
5. A legal person may not register or execute any document related to a change of ownership therein, unless the transferee or his representative submits a statement that includes whether the transfer will result in a change in the Real Beneficiary of the legal person, the nature of this change, and the provision of the data of the new Real Beneficiary and listing such data in the Register.

Article (9)

Board Nominal Members

1. The Director or the Broad Member who acts as a Nominal Member shall notify the Legal Person of being a Nominal Member and provide all information referred to in Article (10) hereof within (15) fifteen days from the date on which he acquires such capacity. A Board Nominal Member, who acquires this capacity, before the publication of this Resolution, shall notify the Legal Person within (30) thirty days of its publication date.
2. The Board Nominal Member shall inform the Legal Person of any amendment in the information referred to in the Article (8) hereof within (15) fifteen days from the date of such amendment.
3. The Board Nominal Member shall inform the Legal Person of his incapacity as a Nominal Member within (15) fifteen days from the date of becoming incapable.

Article (10)

Partners or Shareholders Register

1. A Legal Person shall keep the details of the data of each partner or shareholder in The Partners or Shareholders Register. He shall update this Register and include any change occurring thereto within (15) fifteen days from the date of his knowledge of it, provided that it shall include the following data:
 - A. Number and class of shares or equates owned by each of them, and the voting rights associated with them.
 - B. The date on which the partner or shareholder capacity was acquired.

- C. For partners or shareholders who are natural persons: Full name according to what is contained in the ID or Passport, nationality, address, place of birth, name and address of the employer. In addition to attaching a true copy of a valid ID or Passport.
- D. For the partners or shareholders of legal persons: Provide the data mentioned in Clause (1) of Article (4) of this decision.
2. A legal person who has one or more of the shareholders who acts as a trustee or as a Nominal Board Member shall record his data in the Partners or Shareholders Register.
 3. The Partners or Shareholders Register shall include the data of the persons represented by each trustee or Nominal Board Member as stipulated in Clause (2) of Article (8) hereof.

Article (11)

Information Availability to the Registrar

1. The Legal Person shall, within (60) sixty days from the date of the publication of this Resolution is published or the date of the Legal Person's registration or license, provide the Registrar with the information of the Real Beneficiary Register or the Partners or Shareholders Register. The Legal Person shall take reasonable measures to preserve its registers from damage, loss or destruction.
2. The Legal Person shall provide any additional information required by the Registrar within the period he specifies,
3. Subject to the legislation in force, the Legal Person shall provide the Registrar with all information referred to in Clause (1) of Article (4) hereof when requesting incorporation, licensing, registration, renewal, making

amendment, or any other procedures that the Registrar deems necessary for this purpose.

4. Every legal person shall provide the Registrar with the name of a natural person residing in the state authorized to disclose to the Registrar all the details and information required by the decree-law or the executive regulation referred to, or this Resolution, as well as his address, contact information and a copy of his or Passport of ID.
5. No Legal Person who is licensed or registered in the State may issue bearer share guarantees.
6. When issuing shares or equities in the name of persons or the Board of Directors members, the Legal Person shall disclose the information of such shares or equities within (15) fifteen days and the identity of the persons as well as members of the Board of Directors to the Registrar.
7. If the Legal Person is in the stage of dissolution or liquidation, the liquidator shall hand over the Real Beneficiary Register and Partners and Shareholders Register, if any, or a true copy to the Registrar within (30) thirty days from the date of his appointment.
8. The Legal Person, administrator, the liquidator or other parties concerned with its dissolution shall maintain the Registers and all information referred to herein for a period of at least five (5) years from the date of its dissolution, liquidation or its demise.

Article (12)

Notifications issued by the Registrar

1. For the purposes of enabling the Registrar to carry out his duties, the Legal Person or any other person who has Information or documents related to the real beneficiaries or Board Nominal Members, and without prejudice to any privilege to such person, shall ask the Registrar to submit or inform his employees or his authorised representatives of such information or documents, pursuant to a written notification sent to either of them in the time and place specified in the notification.
2. The powers vested in the Registrar under Clause (1) hereof include the following:
 - a. Keep a copy of the submitted documents as the Registrar desires;
 - b. Request the person – who has to submit information or documents – to in case they are not provided, to determine its place, attend in the time and place specified by the Registrar and answer any questions related to any matters that require submitting information.
3. Lawyers, other independent legal professionals and independent chartered auditors shall be exempted from providing any information required in the notification, if they have obtained them on the occasion of their assessment of the Legal Person’s legal position, defence, or representing the Legal Person before the court, arbitration, mediation, or conciliation procedures, or providing legal opinion in an issue related to judicial procedures, including providing advice concerning the commencement or avoiding taking such procedures, whether the information was obtained before, during, or after judicial procedures, or in other circumstances where they are subject to professional confidentiality.

Article (13)

Registrar's Obligations

The registrar is obliged to the following:

1. Prepare and issue working model, notifications and guidelines related to licensing or registration procedures in the required form that achieves effectiveness.
2. Provide adequate human resources to enable him to carry out his work duties effectively.
3. Automate the details he obtains, and classify them in a way that makes it easy to refer to and exchange them with the concerned authorities upon request.
4. Provide the required information regarding the national economic registry within (6) six months from the date of publication of this Resolution and any other information required by the Ministry.
5. Provide data on legal persons in the state and make it available to the public as follows:
 - A. Description of their different types, shapes, and basic features.
 - B. Their licensing or registration procedures.
 - C. Procedures for obtaining its basic information stipulated in Clause (1) of Article (4) hereof.
 - D. Procedures for obtaining data related to the Real Beneficiary.
6. Maintain the basic information mentioned in Clause (1) of Article (4) of this hereof, and ensure that they are accurate, up-to-date and available to the public.
7. Obtain, update, and ensure the accuracy of the Real Beneficiary information when licensing or registering the legal person.
8. Keep all the registers handed over to him under Clause (7) of Article (11) hereof for a period of (5) five years from the date on

which the legal person became incapable by dissolution, liquidation or delisting.

9. Update the basic information mentioned in Clause (1) of Article (4) hereof, the Real Beneficiary Register information and the Partners or Shareholders Register Information on an on-going basis, based on the information provided by the legal person, and provide and disclose them to the Ministry upon the request of the concerned authority.

Article (14)

Information Change

1. A legal person shall keep all the basic information according to Article (8) hereof, the Partners & Shareholders Register, the Real Beneficiary Register information, the registers' information associated to him, and any other details or information that may be required to be kept under the legislation in force, provided that it shall be accurate and up to date.
2. The legal person shall submit any amendment or change to the details or information pursuant to this Resolution to the registrar within (15) fifteen days from the date of the amendment and change.

Article (15)

Information Confidentiality

1. The Ministry and the Registrar shall not disclose the information of the Real Beneficiary Register and Partners & Shareholders Register or making them available to any person, unless the written approval of the Real Beneficiary or the Board Nominal Member is obtained.

2. The provisions of Clause (1) hereof exclude the following:
 - a. The disclosure obligations provided for herein; and
 - b. The provisions included in the international laws and agreements in force in the State, in particular the provisions related to countering money laundering crimes, combating the financing of terrorism and illegal organisations.

Article (16)

Local and International Cooperation

1. The Ministry provides the basic information mentioned in the Clause (1) of Article (4) hereof, the information of the Real Beneficiary Register and the Partners & Shareholders Register to the concerned authorities in the State, upon request.
2. The Ministry shall provide ways of international cooperation on the basic information of Legal Persons, as well as information of the Real Beneficiary Register and the Partners & Shareholders Register, provided that the cooperation includes the following:
 - a. Facilitate access by the competent foreign authorities to the basic information available in the registries of Legal Persons;
 - b. Exchange information about partners and shareholders of Legal Persons; and
 - c. Use its powers to obtain all the information on the Real Beneficiary on behalf of foreign counterparts.
3. The Ministry supervises the quality of implementing the international cooperation operations received from other countries with regard to requests to obtain the basic information of Legal Persons and information of the Real Beneficiary thereof, and requests of international cooperation

regarding learning about the places of the Real Beneficiaries outside the State.

Article (17)

Administrative Sanctions

The minister – or whomever he delegates from among the licensing authorities–, in the event of a violation of the provisions hereof, may impose one or more sanctions from the Administrative Sanctions Regulation issued by a Cabinet resolution based on the proposal submitted by the Minister of Finance and after coordination with the Minister.

Article (18)

Grievance

A grievance may be made against the sanctions that have been imposed in accordance with the provisions of Article (17) hereof within (30) thirty days from the date of notification, before a committee formed for this purpose by a decision of the Minister or the head of the authorized licensing authority, provided that the committee shall decide on the grievance within (30) Thirty days from the date of submission thereof.

Article (19)

Repeals

Cabinet Resolution No. (34) of 2020 On the Regulation of the Procedures of the Real Beneficiary shall be repealed, as well as any provision that violates or contradicts the provisions of this Resolution shall be repealed.

Article (20)

Publication and Enforcement of the Resolution

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

The Prime Minister

Issued by us:

On: Muharram 05, 1442 AH

Corresponding to: August 24, 2020 AD