



Regulations regarding Real Beneficiaries in the UAE

The UAE Ministry of Cabinet Affairs issued the Cabinet Resolution No. 34 of 2020 on the regulation of the Procedures of the Real Beneficiary (“Resolution”) came into effect on **28 August 2020** (“Commencement Date”). The Resolution applies to all UAE entities, apart from those registered in the Abu Dhabi Global Market, Dubai International Financial Centre or those whose shares are listed on a stock exchange.

Who are the real beneficiaries?

Under the Resolution, a Real Beneficiary, is what is usually known as an Ultimate Beneficial owner, is:

1. A natural person who has the ultimate ownership/control/right to vote over a UAE company, directly or indirectly (through a chain of ownership/control), holding at least 25% of the company; or
2. A natural person who has the right to appoint/dismiss the majority of the directors of the company;

In absence of the above, the Real Beneficiary would be a natural person who manages or administers the company, or failing that a natural or legal person holding the most senior management position in the company.

What do you need to do?

Under the Regulation, by **27 October 2020**, or within 60 days from the date of a company’s license issuance, whichever comes first, any concerned company shall produce, update and keep at its office premises (and share with relevant authorities if and when requested) registers of:

1. Real Beneficiaries, including details of :
 - a) Name,
 - b) Nationality,
 - c) Place of birth,
 - d) Residential address,
 - e) Travel id card number and date of issuance and expiry,
 - f) Reason why the individual is classified as a real beneficiary; and

- g) The date on which the person became a Real Beneficiary or ceased to be a Real Beneficiary (if applicable);

2. Partners/ Shareholders, including details of:

- a) The number of shares held by each partner or shareholder and the voting rights attached to such shares,
- b) The date of acquisition of shares;
- c) For physical shareholders/partners: their full names, nationality, address, place of birth, employer name and address and a ID or travel document copy ;
- d) For corporate shareholders/partners: their constitutional documents, address and details of their senior management.; and

3. Directors, Nominee Directors and Managers, which should include:

- a) Full names
- b) Nationality
- c) Address
- d) Place of birth
- e) Employer name;
- f) Address; and
- g) An ID or travel document copy.

Companies are required to take reasonable measures to preserve them from damage, loss or perish, and to update the Registers within 15 days of any change.

If and when any relevant authorities (such as the Department of Economic Development, Ministry of Economy, etc.) request any of the above registers, you would be required to submit the registers to them.

The authorities have not yet specified the sanctions for non-compliance with the above.

Should you require assistance with the preparation of the above Registers, please do not hesitate to contact us.

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