

The UAE Cabinet has issued Cabinet Resolution no. 58 of 2020 concerning **Regulation of the Real Beneficiary Procedures** ('UBO Regulations')

➤ **Objective:**

The UBO Regulations lays down framework for reporting details of ultimate beneficial owners, their interest and nominee directors / trustees.

➤ **Applicability:**

Obligations under this regulation is applicable to all UAE mainland entities as well as entities incorporated in non-financial free zones. However it is not applicable to entities incorporated in financial free zones (since DIFC & ADGM have their own regulations for same) and entities owned by UAE local or federal govt.

➤ **Definition of Beneficial Owner:**

- A Beneficial Owner is a Natural Person who ultimately owns or controls or has right to vote over at least 25% of the shareholding of the company whether directly or indirectly through a chain of ownership or control, who has the right to appoint or remove the majority of the directors of the company.
- Where no such natural person is identified or where there is doubt whether a natural person is exercising ultimate control, the natural person who otherwise controls the company is considered as the ultimate beneficial owner of the company.
- If no such individual has been identified, the natural person holding the senior management position will be considered as the Ultimate the Beneficial Owner.
- Listed companies or their subsidiaries, disclosure made by such entities to relevant stock exchanges can be considered as a proof of beneficial ownership.



➤ **Obligations:**

The UBO Regulations lays down framework for reporting details of ultimate beneficial owners, their interest, trustees as well as nominee directors.

1. UAE companies must comply with the reporting obligations prescribed by the UBO Regulations and maintain:
 - i. register of shareholders,
 - ii. register of ultimate beneficial owners &
 - iii. register of nominee directors.
2. Companies are required to file the above stated information with the relevant Registrar / licensing authorities by 27th October 2020.
3. Companies must notify the Registrar of any change or amendment to the information provided within 15 days of such change or amendment.
4. Companies should designate an individual who the Registrar may contact for any matter relating to such disclosure.



5. Each company must take reasonable steps to ensure transparency, to obtain accurate information regarding the beneficial ownership and update the information on the registers on an ongoing basis.

➤ **Consequences of non-compliance**

Administrative penalties may be imposed on companies that fail to comply with the UBO Regulations.

Annexure 1: Deadlines for filing Notification

Authority Name	Due Date of Filing *	Mode Of Submission
Ajman Free Zone	27 th October 2020	Online through portal
DMCC	27 th October 2020	Online through portal
Dubai Development Authority	30 th September 2020	Online through portal
Fujairah Creative City	27 th October 2020	Form to be sent to ubo@ccfz.ae
Hamriyah Free Zone	27 th October 2020	Online through portal
KIZAD	27 th October 2020	Form to be sent to adfz@kizad.ae
RAKEZ	27 th October 2020	Form to be sent to ubo@rakez.com
SAIF Zone	Not Published	Online (Link not published yet)
Other free zones & Economy Dept.	Not Published	Details Awaited

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The firm is registered in UAE Ministry of Economy & Commerce having offices in Dubai and Sharjah. The firm excels in offering accounting, audit services and host of consulting services.

The fact that firm is enlisted on the panel of approved auditors of many local and international banks as well as free zones authorities' in UAE has made Kothari Auditors and Accountants a reputed audit firm in UAE.

Global Business Services (GBS), an associate of Kothari Auditors & Accountants, was established to offer company Incorporation services in various onshore and offshore jurisdiction around the world.

GBS is dedicated to provide advisory on corporate formation, legal structuring, double tax avoidance treaties and assistance for formation of companies in various jurisdictions.

Our team of professionals include experts in the international business structuring, tax consultants, finance & laws.

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