

International Humanitarian City

Ultimate Beneficial Ownership Regulations

TABLE OF CONTENT

1. INTRODUCTION	3
1.1 Application and Interpretation	3
1.2 Compliance	4
2. EXEMPTIONS	6
3. BENEFICIAL OWNERSHIP OF REGISTERED PERSONS	7
3.1 Ultimate Beneficial Owner	7
3.2 Beneficial Ownership Data	9
3.3 Notice in respect of Ultimate Beneficial Ownership	9
4. BENEFICIAL OWNERSHIP REGISTER	10
4.1 Requirements relating to Beneficial Ownership Register	10
5. Nominee Arrangements	12
5.1 Duty of Nominee Directors and Nominee Shareholders.....	12
5.2 Register of Nominee Arrangements.....	13
6. PARTNERS OR SHAREHOLDERS	13
6.1 Register of Partners or Shareholders.....	13

7. PROVISION OF INFORMATION TO REGISTRAR	15
7.1 Access to Registers	15
7.2 Notification to the Registrar	15
7.3 Notices issued by the Registrar	16
8. OBLIGATIONS OF REGISTRAR	19
9. ENFORCEMENT	19
9.1 Removal of Ultimate Beneficial Owner	19
9.2 Strike off	19
10. ADMINISTRATIVE PENALTIES	20

1. INTRODUCTION

1.1 Application and Interpretation

1.1.1 These Regulations apply to:

- a) Humanitarian Organizations
- b) Commercial Entities including Commercial Companies and FZLLC
- c) officers and owners of the Humanitarian Organizations or the Commercial Entities; and
- d) any person who has an obligation under these Regulations.

1.1.3 The following words and expressions, wherever mentioned in these Regulations, will have the meaning indicated opposite each of them unless the context implies otherwise:

Defined Term	Definition
Beneficial Ownership Register	A specific register of the Ultimate Beneficial Owners in the Humanitarian Organization or the Commercial Entity, which includes all of their data referred to as Beneficial Owner's Data
Commercial Entity	a branch of a Commercial Company or an FZLLC licensed by the Registrar
Commercial Company	An entity that is formed to conduct commercial activities in return of profit
FZLLC	Commercial Company incorporated, registered and licensed in the IHC Free Zone
Governing Body	in the case of: (a) Commercial Entity, the partners or shareholders or the board of directors (b) Humanitarian Organization, the board
Humanitarian Organization	the branch of local organization, International Organization, Governmental Organization, Non-Governmental Organization or Non-Profit Organization licensed in the Free Zone; or an organization,

	agency, programme or fund of the United Nations operating from IHC Free Zone.
IHC	International Humanitarian City also hereinafter referred to in these Regulations as Registrar
IHC Regulations	IHC regulations version 2022 as amended
Nominee Arrangement(s)	<p>Refers to nominee director(s) and/or nominee shareholder(s).</p> <p>A nominee director refers to a representative of a company or other professional intermediary acting as a director or a board member or secretary of a company, a partner of a partnership, or a similar position in relation to other legal persons.</p> <p>A nominee shareholder refers to a company member holding the shares on behalf of the actual owner or beneficial owner. S/he is the registered owner of the share. Formal nominee shareholder: Stock (shares) purchased through or placed with a nominee (attorney, bank, broker, etc.) whose name appears as the registered owner of the shares (instead of the name of their actual or beneficial owner). A formal nominee shareholder holds the share under a custodial agreement. Informal nominee shareholder ("front men"): Close associates and family members that are the registered owners on behalf of the actual beneficial owner, who in this way tries to shield their identity from the authorities.</p>
Ownership Interest	an interest entitling the owner to receive distributions of income or capital, or to exercise voting rights, in relation to a Registered Person and if the proportion of distributions of either kind, or voting rights, is not identical, the highest proportion of these shall be the ownership interest
Registrar	The International Humanitarian City Authority
Registered Person	Humanitarian Organization or Commercial Entity registered at IHC
Register of Nominee Arrangements	A specific register of nominee directors or shareholders in the Registered Person, which includes all their data

Register of Partners or Shareholders	A specific register of the partners or the shareholders in the Commercial Entity, which includes all their data
Relevant Jurisdiction	the UAE or any other jurisdiction
Ultimate Beneficial Owner	has the meaning given to it by Regulation 3.1

1.1.4 A term that is used in these Regulations, which does not appear in the table above and is defined in IHC Regulations, shall have in these Regulations the same meaning as it has in IHC Regulations.

1.2 Compliance

These Regulations are issued in compliance with the United Arab Emirates following legislation on Anti-Money Laundering and Combatting of the Financing of Terrorism and Illegal Organizations (AML/CTF) and shall be read and interpreted with it:

- Federal Decree Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations;
- Federal Decree-Law No. (32) of 2021 on Commercial Companies;
- Federal Decree-Law No. (37) of 2021 on the Commercial Register;
- Federal Decree-Law No. (26) of 2021 on Amending some provisions of Federal Decree Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations;
- Cabinet Decision No. (10) of 2019 concerning the Executive Regulations of Federal Decree Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations;
- Cabinet Decision No. (58) of 2020 regulating the Beneficial Owner Procedures;
- Cabinet Decision No. (74) for 2020 concerning the UAE list of terrorists and implementation of UN Security Council decisions relating to preventing and countering financing terrorism and leveraging non-proliferation of weapons of mass destruction;
- Cabinet Decision No. (16) of 2021 regarding the unified list of violations and administrative fines for the said violations of measures to combat money laundering and terrorism financing that are subject to the supervision of the Ministry of Justice and the Ministry of Economy;

- Cabinet Decision No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet Decision No. (58);
- Cabinet Decision No. 24 of 2022 on Amending Some Provisions of Cabinet Decision No. (10) of 2019 concerning the Executive Regulations of Federal Decree Law No (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Illegal Organizations;
- Ministerial Decision No. (89-2) of 2021 On Authorizing Registrars to Enforce Administrative Sanctions for Violations of Cabinet Decision No. (58) of 2020 on the Regulation of Beneficial Owner Procedures;
- Ministerial Decision no. (97-1) of 2021 On Amending Ministerial Decision (89-2) of 2021 on Authorizing Registrars to Enforce Administrative Sanctions for Violations of Cabinet Decision (58) of 2020 on the Regulation of Beneficial Owner Procedures;
- Ministerial Decision No. 114 of 2021 regarding grievance against administrative penalties that were imposed on violators of the provisions of Cabinet Decision (58) of 2020 on the Regulation of Beneficial Owner Procedures;
- Ministerial Decision no. (122) of 2021 on Amending Ministerial Decision (89-2) of 2021 on Authorizing Registrars to Enforce Administrative Sanctions for Violations of Cabinet Decision (58) of 2020 on the Regulation of Beneficial Owner Procedures;
- Ministerial Decision no. (123) of 2021 on Amending Ministerial Decision No. 114 of 2021 regarding grievance against administrative penalties that were imposed on violators of the provisions of Cabinet Decision (58) of 2020 on the Regulation of BO Procedures.

2. EXEMPTIONS

2.1 The requirements in Regulations 3 to 6 do not apply to a Registered Person which:

- (a) is wholly owned by the Local Government or Federal Government or any other companies wholly owned by such companies, and the Financial Free Zones;
- (b) established under a law of the United Arab Emirates to perform governmental functions;
- (c) is owned by a company listed on a recognized stock exchange subject to disclosure requirements which ensure sufficient transparency on its beneficial owners or a company wholly owned by such listed company.

2.2 Notwithstanding Regulations 3 to 6, where a person referred to in Regulation 2.1(a), 2.1(b) and 2.1(c) beneficially owns or controls (directly or indirectly) at least 25% of a Registered Person, the Registered Person shall:

- (a) not be required to make any further inquiry as to its Ultimate Beneficial Ownership, to the extent that such ownership is directly or indirectly held by or through such an entity; and
- (b) record the following information in respect of each such entity on its Beneficial Ownership

Register:

- i. full legal name;
- ii. registered address;
- iii. the category under Regulation 2.1 that applies to the entity; and
- iv. if the entity:
 - has its securities listed or traded on a recognized stock exchange, the name of the recognized stock exchange;
 - is wholly owned by a government or government agency, its name, and the Relevant Jurisdiction; or
 - is established under a law of the United Arab Emirates to perform governmental functions, the name of such law.

3. BENEFICIAL OWNERSHIP OF REGISTERED PERSONS

3.1 Ultimate Beneficial Owner

3.1.1 For the purposes of these Regulations, an “Ultimate Beneficial Owner” of a Registered Person means a natural person (other than a person acting solely in the capacity of a professional adviser or professional manager) who:

- (a) in relation to a Commercial Entity,
 - i. owns or controls (directly or indirectly) shares or other Ownership Interests of at least 25%;
 - ii. owns or controls (directly or indirectly) voting rights of at least the 25%;
 - iii. has the right to appoint or remove the majority of the Directors; or
 - iv. has the legal right to exercise, or actually exercises, significant control or influence over the activities of the Commercial Entity.

(b) in relation to a Humanitarian Organization,

- i. owns or controls (directly or indirectly) voting rights of at least the 25%;
- ii. has control by any other means;
- iii. is a trustee;
- iv. is a beneficiary or where the individual benefiting from the legal arrangement or entity have yet to be determined, the person in whose main interest the legal arrangement or entity is set up or operates;
- v. is a senior managing official or board member; or
- vi. has the legal right to exercise, or actually exercises, significant control or influence over the activities of the Governing Body, person or other arrangement administering the property or carrying out the objects of the Humanitarian Organization.

3.1.2 Beneficial ownership may be traced through any number of persons or arrangements of any description.

3.1.3 If two (2) or more natural persons jointly own or control an interest in a Registered Person in accordance with Regulation 3.1.1, each of them is treated for the purposes of these Regulations as owning or controlling that interest.

3.1.4 If no natural person is identified as an Ultimate Beneficial Owner of a Registered Person under Regulation 3.1.1, any natural person upon whose instructions the Registered Person or its Governing Body is required or is accustomed to act, shall be an Ultimate Beneficial Owner.

3.1.5 If there is no Ultimate Beneficial Owner of a Registered Person under either of Regulations 3.1.1 or 3.1.4, each:

- (a) natural person that is a member of its Governing Body; and
- (b) Ultimate Beneficial Owner of a body corporate member of its Governing Body,

shall be deemed to be an Ultimate Beneficial Owner of the Registered Person.

3.2 Beneficial Ownership Data

- 3.2.1 Each Registered Person shall at all times take reasonable steps to obtain, maintain and hold adequate, accurate and current Beneficial Owner's Data in relation to each of its Ultimate Beneficial Owners and (if applicable) the information required under Regulation 2.2(b).
- 3.2.2 A Registered Person shall be taken to have obtained, and shall hold, all information in relation to its Ultimate Beneficial Owners which is supplied to the Registrar in connection with its application for incorporation, registration, or continuation, as the case may be.
- 3.2.3 A Registered Person who is provided with a share transfer or other document relating to a change in ownership shall not register, recognize, or give effect to that transfer or document, unless it is also provided with a statement by or on behalf of the transferee, which states:
- (a) whether the transfer will result in a change in the Ultimate Beneficial Ownership of the Registered Person;
 - (b) if it will result in such a change, the nature of the change; and
 - (c) provides the Beneficial Owner's Data in respect of each new Ultimate Beneficial Owner, as a result of the change.

3.3 Notice in respect of Ultimate Beneficial Ownership

- 3.3.1 Without prejudice to the generality of Regulation 3.2.1, a Registered Person shall, subject to Regulation 3.3.3, give any person it has reasonable cause to believe is an Ultimate Beneficial Owner, and whose Beneficial Owner's Data are not correctly or fully recorded on its Beneficial Ownership Register, the notice referred to in Regulation 3.3.2.
- 3.3.2 The notice referred to in Regulation 3.3.1 is a notice that:
- (a) states that it is given under these Regulations;
 - (b) sets out the relevant Beneficial Owner's Data that the Registered Person reasonably knows or believes to be the relevant data and leaves a space in the appropriate place to indicate that a relevant particular is not known;
 - (c) requests the addressee to:
 - i. state whether or not he or she is a beneficial owner of the Registered Person;
 - ii. confirm or correct any data that are included in the notice; and

iii. supply any data that are missing; and

(d) states that should the addressee fail to comply with the notice within fifteen (15) days of receipt of the notice, the notified data will be entered in the Beneficial Ownership Register maintained by the Registered Person.

3.3.3 A Registered Person is not required to give a notice under Regulation 3.3.1, if it has already been supplied with all the required Beneficial Owner's Data by that person or with the knowledge of that person; or

3.3.4 For the purpose of identifying natural persons who are Ultimate Beneficial Owners, a Registered Person is entitled to reasonably rely, without further enquiry, on the response of a person to whom a notice in writing was given under Regulation 3.3.1, unless the Registered Person has reason to believe that the response is misleading or false.

3.3.5 A Registered Person who fails to comply with Regulation 3.2.1 or 3.3.1 shall be liable to an administrative penalty and/or a fine, as specified in the United Arab Emirates Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures.

4. BENEFICIAL OWNERSHIP REGISTER

4.1 Requirements relating to Beneficial Ownership Register

4.1.1 A Registered Person shall keep and maintain a Beneficial Ownership Register in which the Beneficial Owner's Data in respect of each of its Ultimate Beneficial Owners and (if applicable) the information required under Regulation 2.2(b), shall be recorded, within fifteen (15) days from the date of issue of these Regulations or sixty (60) days from the date on which the Registered Person comes into existence. The Registered Person shall record any changes to this information in the Beneficial Ownership Register within fifteen (15) days of becoming aware of such change.

4.1.2 Subject to Regulation 2.2(b), the Registered Person shall cause the following information to be entered in its Beneficial Ownership Register in respect of each Ultimate Beneficial Owner:

(a) full legal name;

- (b) residential address and, if different, an address for service of notices under these Regulations;
- (c) date and place of birth;
- (d) nationality;
- (e) information identifying the person from their passport or other government-issued national identification document, including:
 - i. identifying number;
 - ii. country of issue; and
 - iii. date of issue and of expiry;
- (f) the date on which the person became an Ultimate Beneficial Owner of the Registered Person; and
- (g) the date on which the person ceased to be an Ultimate Beneficial Owner of the Registered Person.

4.1.3 If after having exhausted all reasonable means:

- (a) no natural person is identified as the Ultimate Beneficial Owner of the Registered Person;
or
- (b) there is reasonable doubt that that any natural person so identified is an Ultimate Beneficial Owner of the Registered Person,

the Registered Person shall enter on its Beneficial Ownership Register, the Beneficial Owner's Data of the natural persons who are deemed to be the Ultimate Beneficial Owners pursuant to Regulation 3.1.5.

4.1.4 If a Registered Person causes an entry to be made in its Beneficial Ownership Register naming a natural person as an Ultimate Beneficial Owner, and the information and data were not provided either by that natural person or with his knowledge, the Registered Person shall within fifteen (15) days of making the entry, notify the person whose name has been included in the Beneficial Ownership Register of that fact.

4.1.5 A Registered Person who fails to comply with Regulation 4.1.1 or 4.1.2 shall be liable to an administrative penalty and/or a fine, as specified in the United Arab Emirates Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of

the Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures.

5. NOMINEE ARRANGEMENTS

5.1 Duty of Nominee Directors and Shareholders

5.1.1 A nominee director or shareholder shall inform the Registered Person that he is a nominee and provide all the required data referred to in Regulation 5.2.1(a) to (e) of the person for whom the nominee director or shareholder is a nominee within:

- (a) fifteen (15) days from the date of issue of these Regulations;
- (b) fifteen (15) days from the date on which the Registered Person comes into existence; or
- (c) fifteen (15) days from the date on which the nominee director or shareholder becomes a nominee.

5.1.2 A nominee director or shareholder shall inform the Registered Person of any change to the data provided under Regulation 5.1.1 within fifteen (15) days of the change.

5.1.3 A nominee director or shareholder shall also inform the Registered Person that he ceased to be a nominee within fifteen (15) days of the cessation.

5.1.4 For the purposes of this Regulation 5, a person that is a nominee director or shareholder if he is under an obligation to act in accordance with the directions, instructions or wishes of another person.

5.2 Register of Nominee Arrangements

5.2.1 A Registered Person which has one (1) or more Nominee Arrangement shall keep and maintain a Register of Nominee Arrangements in which, the following information obtained pursuant to Regulation 5.1.1 or otherwise known by it, shall be entered in relation to the person on whose behalf, each nominee director or shareholder acts:

- (a) full legal name;
- (b) residential address and, if different, an address for service of notices under these Regulations;
- (c) date of birth;

- (d) nationality;
- (e) information identifying the person from their passport or other government-issued national identification document, including:
 - i. identifying number;
 - ii. country of issue; and
 - iii. date of issue and of expiry,

and, in respect of each nominee director or shareholder:

- (a) the date on which the nominee director or shareholder became a nominee director or shareholder of the Registered Person; and
- (b) the date on which the nominee director or shareholder ceased to be a nominee director or shareholder of the Registered Person.

5.2.2 A Registered Person which fails to comply with Regulation 5.1 and/or 5.2.1 shall be liable to an administrative penalty and/or a fine, as specified in the United Arab Emirates Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures.

6. PARTNERS OR SHAREHOLDERS

6.1 Register of Partner or Shareholders

6.1.1 A Commercial Entity shall keep and maintain a Register of Partners or Shareholders, in which it includes the data in respect of each of its partners or shareholders.

6.1.2 The data in respect of natural partners or shareholders include the following:

- (a) full legal name;
- (b) residential address and, if different, an address for service of notices under these Regulations;
- (c) date of birth;
- (d) nationality;
- (e) information identifying the person from their passport or other government-issued national identification document, including:

- i. identifying number;
 - ii. country of issue; and
 - iii. date of issue and of expiry,
- (f) number of shares held by the partner or shareholder along with their categories and associated voting rights;
- (g) date on which such partner or shareholder acquired that capacity in the Commercial Entity.

6.1.3 The data in respect of corporate partners or shareholders include the following:

- (a) name, legal form and memorandum of association;
- (b) head office address or the principal address of business and, in case of foreign legal person, the name and the address of its legal representative in the United Arab Emirates, with the proof thereof;
- (c) articles of association or any other similar documents approved by the relevant entity in the United Arab Emirates;
- (d) names of the relevant persons who are holding higher management positions in the corporate entity, providing their data from their passport or other government-issued national identification document, including such documents' identifying number, country of issue and date of issue and of expiry.

6.1.4 A Commercial Entity may not issue bearer share warrants.

6.1.5 A Commercial Entity shall, on the issuance of shares in the name of persons or board members, disclose to the Registrar the data in respect of such shares and the identity of such persons or board members within (15) fifteen days of such issuance

6.1.6 A Commercial Entity which fails to comply with Regulations 6.1.1, 6.1.2, 6.1.3, 6.1.4 and/or 6.1.5 shall be liable to an administrative penalty and/or a fine, as specified in the United Arab Emirates Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures.

7. PROVISION OF INFORMATION TO REGISTRAR

7.1 Access to Registers

7.1.1 A Registered Person must not disclose, or make available for inspection, the Beneficial Ownership Register, the Register of Nominee Arrangements, the Register of Partners or Shareholders or any data contained in either register to any person, except:

- (a) as provided in these Regulations; or
- (b) as required under any applicable law.

7.1.2 Each Registered Person in existence at the Commencement Date shall within fifteen (15) days from the date of issue of these Regulations or sixty (60) days from the date on which the Registered Person comes into existence provide to the Registrar the names and other required data of:

- (a) any person whose name is included in its Beneficial Ownership Register; and
- (b) any nominee director or shareholder whose name is included in its Register of Nominee Arrangements;
- (c) any partner or shareholder whose name is included in its Register of Partners or Shareholders.

7.1.3 A Registered Person who fails to comply with Regulation 7.1.2 shall be liable to an administrative penalty and/or a fine, as specified in the United Arab Emirates Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures.

7.2 Notification to the Registrar

7.2.1 A Registered Person which makes a change in its Beneficial Ownership Register or Register of Nominee Arrangements or Register of Partners or Shareholders, shall within fifteen (15) days of the date of making the change, notify the Registrar of the data of the change.

7.2.2 The Registrar may pursuant to Regulations 7.1.2 and 7.2.1 require the provision of such further information in relation to any Ultimate Beneficial Owner on the Beneficial Ownership Register, or

nominee director or shareholder on the Register of Nominee Arrangements, or Partners or Shareholders on the Register of Partners and Shareholders, as the Registrar may require.

- 7.2.3 A Registered Person who fails to comply with Regulation 7.2.1 shall be liable to an administrative penalty and/or a fine, as specified in the United Arab Emirates Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures.

7.3 Notices issued by the Registrar

- 7.3.1 The Registrar may, by notice in writing served on a Registered Person or any other person who may have information or documents related to Ultimate Beneficial Owners or Nominee Arrangements or Partners or Shareholders, whichever is applicable to:

- (a) provide; or
- (b) produce for the purposes of inspection; or
- (c) furnish, to the Registrar's officers, servants or agents authorized for the purposes of inspection under this Regulation 7.3, on production of evidence of such authority,

such information or documents, in such form and manner, within such time and at such place as may be specified in the notice, as the Registrar may require for the performance of his functions under these Regulations.

- 7.3.2 The powers conferred on the Registrar by Regulations 7.3.1 to require a natural person to provide information or produce any documents of the Registered Person, includes the power:

- (a) where the documents are produced, to take copies of them or extracts from them, in circumstances where the Registrar is satisfied that the taking of such copies or extracts is necessary for the proper exercise of powers under or in relation to these Regulations;
- (b) where the documents are not produced, to require the person who was required to produce them to state, to the best of his knowledge and belief, where they are;
- (c) to attend at such time and place as may be required and explain and answer questions relating to any matters in relation to which the production of the information may be required; and

- (d) where required by the urgency of the situation or other relevant circumstances, to attend at the Registered Person's place of business or its registered office in the premises of the Registrar, without prior notice and to request any such information or documents to be produced immediately.
- 7.3.3 A person to whom a notice or other request is directed is not required to provide any information that is subject to legal professional privilege (such as lawyers, and other independent legal professionals and chartered auditors).
- 7.3.4 A statement made by a person in response to a requirement imposed by or under Regulations 7.3.1 to 7.3.2 may be used in evidence against him in:
- (a) proceedings other than criminal proceedings; and
 - (b) in criminal proceedings:
 - i. where evidence relating to it is adduced, or a question relating to it is asked, in the proceedings by or on behalf of that person; or
 - ii. for:
 - A. an offence under these Regulations, and the Laws of the United Arab Emirates;
 - B. some other offence where, in giving evidence, he makes a statement inconsistent with it, but the statement is only admissible to the extent necessary to establish the inconsistency;
 - C. perjury; or
 - D. perverting the course of justice.
- 7.3.5 If a Registered Person is in the process of being wound up or dissolved, the Registered Person must provide the liquidator or other person responsible for the winding up of the affairs of the Registered Person with the Beneficial Ownership Register and (if applicable) the Register of Nominee Arrangements of the Registered Person and (if applicable) the Register of Partners or Shareholders or a true copy thereof, within thirty (30) days of his or her appointment. The liquidator shall deliver these registers to the Registrar.
- 7.3.6 In the case where a Registered Person is in the process of being struck off the Register, the members of the Governing Body shall deliver to the Registrar the Beneficial Ownership Register and (if applicable) the Register of Nominee Arrangements of the Registered Person and (if

applicable) the Register of Partners or Shareholders or a true copy thereof, within thirty (30) days of an application for strike off made by the Registered Person or a notice of strike off issued by the Registrar.

- 7.3.7 A Registered Person who fails to comply with a notice issued under Regulation 7.3.1 shall be liable to an administrative penalty and/or a fine, as specified in the United Arab Emirates Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures.
- 7.3.8 A Registered Person who fails to comply with Regulations 7.3.5 or 7.3.6 shall be liable to an administrative penalty and/or a fine, as specified in the United Arab Emirates Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures.
- 7.3.9 In the case of a Registered Person that has been wound up, dissolved, terminated or struck off, the Registered Person or the liquidator or other person responsible for the winding up of the affairs of the Registered Person shall retain any records the Beneficial Ownership Register and (if applicable) the Register of Nominee Arrangements of the Registered Person and (if applicable) the Register of Partners or Shareholders or a true copy thereof as at the date of its dissolution, termination or striking off (as the case may be) for a period of 5 years after that date.
- 7.3.10 A Registered Person or a liquidator or other person responsible for winding up of the affairs of the Registered Person who fails to comply with Regulations 7.3.9 shall be liable to an administrative penalty and/or a fine, as specified in the United Arab Emirates Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures.

8. OBLIGATIONS OF REGISTRAR

- 8.1 The Registrar shall collect and process information relating to Ultimate Beneficial Owners and Nominee Arrangements and Partners and Shareholders obtained by him under these Regulations only for the purposes of regulation in relation to money laundering and terrorism financing, unlawful organizations and sanctions compliance, or to comply with any other applicable laws issued in the United Arab Emirates.
- 8.2 The Registrar shall disclose such information only at the request of a regulator, a law enforcement agency or other government authority prescribed by law, and then only to the regulator, agency or authority which made the request, for the purpose of such a request.
- 8.3 In the case of a Registered Person that has been wound up, dissolved, terminated, or struck off, the Registrar shall retain any records delivered to him pursuant to Regulation 7.3.5 relating to that legal person as at the date of its dissolution, termination or striking off (as the case may be) for a period of 5 years after that date.

9. ENFORCEMENT

9.1 Removal of Ultimate Beneficial Owner

Where the Registrar is notified or becomes aware that an Ultimate Beneficial Owner of a Registered Person is the subject of a sanction imposed by any government; or involved or has been involved in any proceedings that are law enforcement related or criminal, civil, regulatory, tax or administrative in nature; and the Registrar considers that having such a person as an Ultimate Beneficial Owner of a Registered Person in its jurisdiction is contrary to the laws of the United Arab Emirates; or prejudicial to the interests of the Registrar; the Registrar may, by notice in writing served on a Registered Person, require the Registered Person to remove such a person as an Ultimate Beneficial Owner of the Registered Person within the time specified in the notice.

9.2 Strike off

If a Registered Person, fails to comply with any requirement of these Regulations or notice thereunder, the Registrar may strike the Registered Person off its register.

10. ADMINISTRATIVE PENALTIES

The below administrative penalties listed in the Schedule attached to Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties Against Violators of the Provisions of Cabinet Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures shall apply to the violators of these Regulations.

#	Violation	Ref. in these Regulations	Legal Ref. in Cabinet Resolution No. (58) of 2020	Administrative Penalties		
				First Time	Second Time	Third Time
1	Failure of the legal person to create Register of Beneficial Owner and maintain its data.	4.1.1	Article (8)	Written Warning	AED 50,000 and warning the legal person to rectify its situation within Thirty (30) Days as of the violation issue.	AED 100,000 and suspension of the trade license for at least Twelve (12) Months.
2	Failure to include the data mentioned in Clause (2) of Article (8) of the mentioned Cabinet Resolution No. (58) of 2020.	4.1.2	Article (8)	Written Warning	AED 20,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 40,000 and suspension of the trade license for at least Six (6) Months.
3	Failure of the legal person to maintain adequate, accurate, specific and updated data of Beneficial Owner or Failure of the legal person to correctly record down the Beneficial Ownership.	3.2.1 or 3.3.1 or 7.2.1	Article (6) and Article (7)	Written Warning	AED 10,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 20,000 and suspension of the trade license for at least One (1) Month.



4	Failure of the legal person to provide the Registrar with the data referred to in Article (10) of the mentioned Cabinet Resolution No. (58) of 2020 regarding the details of the director or nominal board member.	5.1 or 5.2.1	Article (9)	Written Warning	AED 20,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 40,000 and restriction of the powers of the board members or directors, who are proved liable for the violation.
5	Failure of the legal person to create the Register of Partners or Shareholders.	6.1.1	Article (10)	-	AED 50,000 and warning the legal person to rectify its situation within Sixty (60) Days as of the violation issue.	AED 100,000 and suspension of the trade license for at least Twelve (12) Months.
6	Failure of the legal person to maintain the information of all partners or shareholders in the Register of Partners or Shareholders.	6.1.2 or 6.1.3	Article (10)	Written Warning	AED 30,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 60,000 and suspension of the trade license for at least Six (6) Months.
7	Failure of the legal person to provide the Registrar with the information of beneficial owner and the Register of Partners or Shareholders and maintain such registers from damage, loss or destruction.	7.1.2 or 7.3.6	Article (11.1)	Written Warning	AED 15,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 30,000 and suspension of the trade license for Three (3) months



8	Failure of the legal person to provide any additional information required by the Registrar.	7.3.1	Article (11.2)	Written Warning	AED 5,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 10,000 and suspension of the trade license for at least One (1) Month.
9	Failure of the legal person to provide the Registrar with the name of a natural person residing in the UAE and authorized to disclose to the Registrar all data and information required by the mentioned Federal Decree-Law or Executive Regulations thereof.	7.3.2	Article (11.4)	Written Warning	AED 1,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 2,000 and suspension of the trade license for at least One (1) Month.
10	legal person to issue shareholder's share guarantees.	6.1.4	Article (11.5)	Written Warning	AED 5,000	AED 10,000
11	Failure of the legal person, on the issuance of shares or stocks in the name of persons or board members, to disclose to the Registrar the information in respect of such shares or stocks and the identity of such persons or board members within Fifteen (15)	6.1.5	Article (11.6)	Written Warning	AED 5,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 10,000 and restriction of the powers of the board members, directors or owners, who are proved liable for the violation.



	Days as of such issuance.					
12	Failure of the legal person to hand over to the liquidator the Register of Beneficial Owner and Register of Partners or Shareholders within Thirty (30) Days as of appointing the said liquidator.	7.3.5	Article (11.7)	Written Warning	AED 5,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 10,000 and suspension of the trade license for at least One (1) Month.
13	Failure of the legal person or the liquidator to maintain the records and all information referred to herein for at least Five (5) Years as of the date of dissolution, liquidation or de-registration.	7.3.9	Article (11.8)	Written Warning	AED 20,000	AED 40,000