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UAE Beneficial Ownership Rules: What Companies Must Record, Update and Prove

A shareholder register is not always a beneficial ownership analysis. UAE companies must look through ownership chains, voting rights and other control to identify the natural persons behind the structure.

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EDITORIAL GUIDE

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> UAE beneficial ownership compliance requires a company to identify the natural persons who ultimately own or control it. The legal shareholder is an important starting point, but layered entities, voting arrangements, nominee roles and other forms of control may require the analysis to go further.

Cabinet Resolution No. 109 of 2023 regulates Real Beneficiary procedures. It applies across the UAE subject to its stated scope and exceptions, and works alongside the commercial register and the country's wider anti-money laundering framework. For boards and owners, the central task is to keep adequate, accurate and current information—and to be able to explain how the conclusion was reached.

Beneficial ownership essentials

PRIMARY THRESHOLD	A natural person who directly or indirectly owns or finally controls 25% or more of the capital or voting rights is a Real Beneficiary.
OTHER CONTROL	Control may also arise through another means, including the right to appoint or remove a majority of board members.
LOOK-THROUGH	The analysis follows ownership or control through any number of legal persons or arrangements.
INITIAL REGISTER	A legal person must create its Real Beneficiary Register and maintain the prescribed details within the applicable statutory period.

Do not confuse legal ownership with ultimate control

A UAE company may be owned directly by individuals, by another UAE company, by a foreign holding company, by a trust or by several layers. The name on the trade licence or share certificate may therefore be a legal person rather than the natural person whose ownership or control the rules seek to identify.

The primary test looks for a natural person who owns or finally controls at least 25% of the capital, directly or indirectly, or has at least 25% of the voting rights. Shares held through a chain must be traced. Where more than one natural person participates in ownership or control of the relevant percentage, the Resolution provides that they are treated as owners and controllers of that percentage.

Ownership mathematics alone is insufficient. A person may exercise control through rights to appoint or remove a majority of the board, contractual rights, voting arrangements or other means. Management should review shareholder agreements, articles, nominee arrangements, reserved matters, financing rights and other governance documents—not only the corporate chart.

Apply the tests in the right order

Article 5 provides a sequence for identifying the Real Beneficiary. First, identify natural persons meeting the ownership, voting or other-control test. If no natural person can be identified or there is doubt, consider the natural person who exercises control by other means. If that still does not identify a person, the natural person responsible for senior management is treated as the Real Beneficiary for the relevant purpose.

This last step should not be used as a shortcut. A file that lists the general manager while ignoring a traceable ownership chain is unlikely to be persuasive. The company should record which tests were applied, the documents reviewed, the percentage calculations and why each relevant person was included or excluded.

> *“A beneficial ownership register should record a conclusion and preserve the reasoning that supports it.”*

Build a register that can survive change

The Real Beneficiary Register is a private company register containing prescribed information for each beneficial owner. The company also maintains a partners or shareholders register and, where relevant, information concerning nominee board members. These records serve different purposes and should be reconciled rather than maintained in isolation.

For each identified natural person, collect the information prescribed by the Resolution and the competent registrar. This commonly includes identifying details, nationality, date and place of birth, residence or correspondence information, identity-document data, and the basis and date on which the person became or ceased to be a Real Beneficiary. Requirements and filing methods should be confirmed with the company's licensing authority.

The evidence file may contain passports or Emirates IDs, commercial-register extracts, certificates of incorporation, constitutional documents, registers, ownership schedules and agreements. Access should be restricted because the register contains sensitive personal information. Data-protection and security controls apply even though the information is collected for legal compliance.

Calculate indirect ownership transparently

For a simple chain, indirect ownership is generally understood by multiplying interests through each level. If an individual owns 60% of Holding Company A, which owns 50% of the UAE company, the indirect economic interest is 30%. But real structures can involve multiple paths, preference shares, partnerships and control rights that do not follow economic percentages.

Use a dated ownership chart showing every intermediate entity, jurisdiction, registration number and percentage. Attach the calculation workbook and source documents. If ownership is dispersed below 25%, still examine coordinated voting, family or contractual arrangements and other control. Where reliable information cannot be obtained, escalate the matter rather than assuming that no beneficial owner exists.

Manage notices and missing information

The Resolution contains a notice process where the company believes a natural person may be a Real Beneficiary but the details are not properly registered. The company should inquire about that person's status. If 15 days pass without a response, the formal notice process and subsequent register treatment described in Article 7 become relevant.

This process needs controlled correspondence and evidence of delivery. The notice should state the information believed to be correct, identify what is missing and request confirmation or correction. If there is reason to believe a response is misleading or inaccurate, reliance on that response should not be automatic.

Make updates event-driven

A once-a-year confirmation is not enough for an active group. Share transfers, capital increases, restructurings, death, new voting agreements, nominee appointments, changes in senior management and mergers can alter the conclusion. Corporate secretarial, legal, finance and compliance teams should share one trigger list.

Before completing a transaction, identify the expected register and filing changes, the responsible person and the deadline. Closing checklists should not be marked complete until internal registers, registrar filings, bank KYC and tax or licence records have been assessed and reconciled.

For acquisitions, review the target's historical beneficial ownership records rather than relying only on a current chart. Gaps can affect banking, regulatory due diligence, transaction warranties and post-completion remediation.

Govern nominee and complex structures carefully

A nominee director or shareholder is not automatically the beneficial owner merely because their name appears in a formal position. The company must identify the person for whom the nominee acts and preserve the relevant declarations and instructions. The 2025 AML framework also expands attention to nominees and legal arrangements.

Complexity is not itself unlawful, but unexplained complexity is a risk indicator. The business rationale for each layer should be documented. If structures cross jurisdictions, obtain reliable foreign evidence and consider translation, certification and currency of registers. A screenshot from a commercial database may help, but it should not replace primary or independently reliable evidence where that is available.

A practical control checklist

01	**Map:** Create a complete legal ownership and control chart through to natural persons.
02	**Test:** Apply the 25% ownership, voting and other-control tests in the statutory sequence.

03	**Evidence:** Retain primary records, calculations, agreements and the rationale for conclusions.
04	**Register:** Reconcile Real Beneficiary, shareholder and nominee information.
05	**Update:** Link share, governance and restructuring events to filing and register deadlines.
06	**Protect:** Restrict access and secure the sensitive personal information collected.

Beneficial ownership compliance is strongest when the same ownership story appears in the company’s internal registers, licensing records, banking KYC, transaction documents and management understanding. When those sources disagree, the gap should be investigated before a registrar, bank, investor or regulator asks the company to explain it.

Official sources

1. **Cabinet Resolution No. 109 of 2023 Regulating Real Beneficiary Procedures**
2. **Federal Decree-Law No. 10 of 2025 on AML, CFT and Proliferation Financing**
3. **Federal Decree-Law No. 32 of 2021 on Commercial Companies**

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