

CABINET RESOLUTION NO. (132) OF 2023

ADMINISTRATIVE PENALTIES AGAINST VIOLATORS OF THE BENEFICIAL OWNER PROCEDURES REGULATION

United Arab Emirates

The cabinet

Cabinet Resolution No. (132) of 2023

Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet

Resolution No. (109) of 2023 Concerning the Regulation of Beneficial Owner Procedures

Abrogating:

Cabinet Decision No. 53/2021

The Cabinet

- Pursuant to the perusal of the Constitution;
- Cabinet Decision No. (109) of 2023 on regulating Beneficial Ownership Procedures;
- Cabinet Decision No. (53) of 2021 on the administrative fines to be imposed on the violators of Cabinet Decision No. (58) of 2020 concerning the regulation of Beneficial Ownership Procedures; and
- Based on the proposal of the Minister of Finance and the Minister of Economy, and the approval of the Council of Ministers,

Herby resolved:

Article 1

Definitions

In implementing the provisions of this Decision, the following terms and expressions shall have the meanings assigned thereto, unless the context otherwise requires:

Country:	The United Arab Emirates.
Ministry:	The Ministry of Economy.
Minister:	The Minister of Economy.
Decree-Law:	Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing Illegal Organisations, and its amendments.
Implementing Regulations:	Cabinet Decision No. (10) of 2019 on the Implementing Regulation of Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing Illegal Organisations, and its amendments.
Registrar:	Authority having competence to supervise the trade names register for the various types of establishments registered in the country.
Concerned Entities:	The government authorities concerned with the implementation of any provision of the Decree-Law and the Implementing Regulation.
Beneficial Owner:	The natural person who ultimately owns 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 on whose behalf transactions are conducted or who exercises ultimate effective control over a legal person or a legal arrangement, specified in accordance with the text of Article (5) of the aforementioned Cabinet Decision No. (109) of 2023.
Nominee Board Director:	Any natural person acting in accordance with the directions, instructions or will of another person. Nominee Board Director is

	officially appointed or holds a position in the legal person and usually represents shareholders, members or any other relevant entity.
Senior Management:	Decision-making authority of the legal person.
Beneficial Owners' Record:	Special register for the actual beneficiaries of the legal person, that includes all their data.
Register of Partners or Shareholders:	Special register for the partners or the shareholders of the legal person, that includes all their data.
Written Warning:	An official announcement sent to the legal person or its representative through legitimately available means.

Article 2

Scope of Application

The provisions hereof shall apply to legal persons licensed or registered in the country, including non-financial free zones, in violation of the provisions of aforementioned Cabinet Resolution No. (109) of 2023.

Article 3

Administrative Penalties

1. Without prejudice to any penalty or procedure stipulated in the Decree-Law and other relevant legislation, the Registrar may impose the administrative penalties applicable against the violators of the provisions of Cabinet Resolution No. (109) of 2023, according to the violations and penalties in the schedule attached hereto.
2. In addition to the fine prescribed for violations committed for the third time as mentioned in the schedule attached hereto, the Registrar may suspend the commercial licence and close the commercial store of the violating legal person, provided that the suspension can be released once the said legal person pays the fine prescribed for the violation and corrects it by fulfilling the requirements which were violated.

Article 4

Amendment of Fines

The Cabinet shall have the authority to make any amendments, addition, deletion or change, to the fines mentioned herein.

Article 5

Federal Government and Local Governments shares of the Administrative Penalty Proceeds

The Cabinet shall issue a resolution determining the percentages for sharing the administrative penalty proceeds contained herein between federal government and local governments, based on the proposal of the Minister of Finance and after coordination with the Minister and the Registrar.

Article 6

Final Provisions

1. Fines stipulated herein shall be collected by the means determined by Ministry of Finance.
2. For the purposes of collecting the administrative fines mentioned herein, a part of the day shall be considered a full day and a part of the month shall be considered a full month.

Article 7

Executive Decisions

The Minister shall, in coordination with the registrar, issue the directives and procedures necessary to implement the provisions hereof.

Article 8

Abrogation

Cabinet Decision No. (53) of 2021 on the Administrative Penalties to be Imposed on the Violators of Cabinet Decision No. (58) of 2020 Concerning the Regulation of Beneficial Ownership Procedures shall be abrogated, and so shall any provision deemed contrary to or inconsistent with the provisions of this Decision.

Article 9

Publication and Enforcement of the Decision

This Resolution shall be published in the official gazette and shall be effective the following date of its publication.

Issued by

Date: 02/06/1445 H.

Corresponding to: 15/12/2023

H.H Sheikh Mohammed Bin Rashid Al Maktoum
Prime Minister

This Decision was published in the Official Gazette, Issue No. 766, P. 33.



Schedule Attached to Cabinet Decision No. (132) of 2023
On the Administrative Penalties to be Imposed on the Violators of Cabinet Decision No. (109) of 2023 Concerning the Regulation of Beneficial Ownership Procedures

S.N.	Violation	Legal Reference: Cabinet Decision No. (109) of 2023	Administrative Penalties		
			First-time violation	Second-time violation	Third-time violation
1	Failure of legal person to properly register details of beneficial ownership of the Beneficial Owner.	Article (6) and Article (7)	A written warning to the legal person to correct the violation within 15 days from the date of sending the warning letter.	AED (20.000) twenty thousand and a warning to the legal person to correct the violation within (15) days from the date of notifying the violator.	AED (40.000) forty thousand in addition to notifying the legal person to correct the violation.
2	Failure to include the data mentioned in Clause 2 of Article 8 of the aforementioned Cabinet Decision No. (109) of 2023 in the Register of Beneficial Owners.	Article (8)	A written warning to the legal person to correct the violation within 15 days from the date of sending the warning letter.	AED (20.000) twenty thousand and a warning to the legal person to correct the violation within (15) days from the date of sending the violation.	AED (40.000) forty thousand in addition to notifying the legal person to correct the violation.
3	Failure of the legal person to establish the Register of Beneficial Owners and maintain its data.	Article (8/1)	A written warning to the legal person to correct the violation within (30) days from the date of sending the warning letter.	AED (50.000) fifty thousand and a warning to the legal person to correct the violation within (30) days from the date sending the violation.	AED (100.000) hundred thousand in addition to a notifying the legal person to correct the violation.

4	Failure of the legal person to update the Register of Beneficial Owners.	Article (8/1)	A written warning to the legal person to correct the violation within 15 days from the date of sending the warning letter.	AED (15.000) fifteen thousand and a warning to the legal person to correct the violation within (15) days from the date of sending the violation.	AED (30.000) thirty thousand in addition to notifying the legal person to correct the violation.
5	Failure of the legal person to provide the Registrar with the data, referred to in Article (10) of Cabinet Decision No. (109) of 2023, related to the Nominee of the Board of Directors/Director.	Article 10	A written warning to the legal person to correct the violation within (30) days from the date of sending the warning letter.	AED (40.000) forty thousand and a warning to the legal person to correct the violation within (15) days from the date of sending the violation.	AED (80.000) eighty thousand in addition to notifying the legal person to correct the violation.
6	Failure of the legal person to establish the Register of Partners or Shareholders.	Article 10	-	AED (50.000) fifty thousand and a warning to the legal person to correct the violation within (30) days from the date of sending the violation.	AED (100.000) hundred thousand in addition to notifying the legal person to correct the violation.
7	Failure of the legal person to update the Register of Partners or Shareholders within (15) days from the date of the amendments or the date he became aware about it.	Article (10)	A written warning to the legal person to correct the violation within (30) days from the date of sending the warning letter.	AED (15.000) fifteen thousand and a warning to the legal person to correct the violation within (15) days from the date of sending the violation.	AED (30.000) thirty thousand in addition to notifying the legal person to correct the violation.

8	Failure of the legal person to keep the details of the data related to every partner or shareholder, or failure to include the data mentioned in Clause (1) of Article (10) of the aforementioned Cabinet Decision No. (109) of 2023 in the Register of Partners or Shareholders.	Article (10)	A written warning to the legal person to correct the violation within (30) days from the date of sending the warning letter.	AED (30.000) thirty thousand and a warning to the legal person to correct the violation within (15) days from the date of sending the violation.	AED (60.000) sixty thousand in addition to notifying the legal person to correct the violation.
9	Failure of the legal person to provide the Registrar with the data of the Register of Beneficial Owners and the Register of Partners or Shareholders, and failure to protect these Registers from damage, loss or destruction.	Article (11/1)	A written warning to the legal person to correct the violation within (30) days from the date of sending the warning letter.	AED (15.000) fifteen thousand and a warning to the legal person to correct the violation within (15) days from the date of sending the violation.	AED (30.000) thirty thousand in addition to notifying the legal person to correct the violation.
10	Failure of the legal person to provide any additional data requested by the Registrar within (14) days from the date of sending the request.	Article (11/2)	A written warning to the legal person to correct the violation within (30) days from the date of sending the warning letter.	AED (15.000) fifteen thousand and a warning to the legal person to correct the violation within (15) days from the date of sending the violation.	AED (30.000) thirty thousand in addition to notifying the legal person to correct the violation.
11	Failure of the legal person to disclose the ownership layers of the Beneficial Owner in complex ownership structures.	Article (5)	A written warning to the legal person to correct the violation within (30) days from the date of sending the warning letter.	AED (50.000) fifty thousand and a warning to the legal person to correct the violation within (30) days from the date of sending the violation.	AED (100.000) hundred thousand in addition to notifying the legal person to correct the violation.
12	Failure of the legal person to provide the Registrar with the name of a natural person residing	Article (11/4)	A written warning to the legal	AED (10.000) ten thousand and a warning to	AED (20.000) in addition to notifying

	in the country who is authorised to disclose the data or information required under the Decree-Law and its Implementing Regulation.		person to correct the violation within (30) days from the date of sending the warning.	the legal person to correct the violation within (15) days from the date of sending the violation.	the legal person to correct the violation.
13	Failure of the legal person to disclose to the Registrar the issuance of shares or stocks in the names of persons or directors within (15) days from the date of issuance of the shares or stocks.	Article (11/6)	A written warning to the legal person to correct the violation within (30) days from the date of sending the warning letter.	AED (15.000) fifteen thousand and a warning to the legal person to correct the violation within (15) days from the date of sending the violation.	AED (30.000) thirty thousand in addition to notifying the legal person to correct the violation.
14	Failure of the legal person, at the stage of dissolution or liquidation, to deliver the Register of Beneficial Owners and the Register of Partners or Shareholders to the liquidator within (30) days from the date of appointment of the liquidator.	Article (11/7)	A written warning to the legal person to correct the violation within (30) days from the date of sending the warning letter.	AED (5.000) five thousand and a warning to the legal person to correct the violation within (15) days from the date of sending the violation.	AED (10.000) ten thousand in addition to notifying the legal person to correct the violation.
15	Failure of the liquidator to keep the Registers and all data mentioned in the aforementioned Cabinet Decision No. (109) of 2023 for a period of (5) years from the date of dissolution, liquidation or write off.	Article (11/8)	AED (100.000) hundred thousand.	-	-

