

Country-specific Information United Arab Emirates

Beneficial Owner Registry Authority

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The Country-specific Information is intended to help identify and verify the beneficial owners with regard to relevant foreign legal entities. It offers an initial overview of the legal framework, main legal forms and the sources of information available in the respective jurisdictions regarding the identification and verification of beneficial owners.

Please note that the information provided in this document is not intended to provide a complete overview over the legal system of the jurisdictions concerned and does not constitute a binding assessment by the Austrian Federal Ministry of Finance. The responsibility for the assessment of the documentation requirements for each legal form and the identification and verification of the beneficial owners concerned lies with the legal entities and the obliged entities.

1.1 General information

The United Arab Emirates (UAE) is a major international and regional financial centre and trading hub, with a population of approximately 9.9 million. Its jurisdictional structure comprises 7 Emirates, 2 financial free zones (FFZs) and more than 40 commercial free zones (CFZs).

The UAE implements a federal government structure. According to the UAE Constitution, the Federal Government (Union) is empowered to legislate on the certain defined matters (e.g. foreign affairs, defence, public health or federal finance), while the seven Emirates retain all other powers not allocated for the Union. The country's judicial system is based on civil law,

allowing for a Federal judicial system and also granting the Emirates the right to establish their own judicial systems.

The seven **Emirates** are Abu Dhabi, Dubai, Sharjah, Ajman, Fujairah, Umm Al-Quwain, and Ras al-Khaimah (with Abu Dhabi, Dubai and Ras Al Khaimah having their own judicial system).

The two **FFZs** are the Dubai International Financial Centre (DIFC) and the Abu Dhabi Global Market (ADGM).

The **CFZs** are generally formed by the Rulers of each Emirate, and each is subject to a number of distinct rules and measures including company registration.

1.2 Registers

Company registration in the UAE is conducted either through Emirate-level **Departments of Economic Development** or through a relevant **Financial Free Zone (FFZ) or Commercial Free Zone (CFZ) Authority**, according to the economic substance of the company's activities and its main place of business.

Each registering authority in the UAE has its own commercial register of the companies licensed by them, and therefore the UAE has **more than 40 different company registries** (including one for each of the emirates, FFZs and CFZs).

Recognizing the need to standardise registrar processes, the UAE Ministry of Economy together with Telecommunications Regulatory Authority are working on updating and connecting all company registers to the **National Economic Register (NER)**, which is intended to significantly enhance information exchange in respect of basic information on companies. It is publicly accessible through a dedicated website in both Arabic and English:

<https://u.ae/en/information-and-services/business/national-economic-register>

Several search options are provided via the following website:

<https://u.ae/en/information-and-services/business/inquire-about-licences-names-and-activities>

Some of the information on companies registered in the UAE is already publicly available, either through the websites of particular registrars (for example DIFC: <https://www.difc.ae/> and the ADGM: <https://www.adgm.com/>) or upon written inquiry to the relevant registrar.

The Departments of Economic Development (DEDs) manage the registries for the Mainland Emirates, whereas each CFZ and FFZ registry is independent. All registers across the UAE are required to collect basic and beneficial ownership information which can be accessed by competent authorities. Furthermore, each registrar is responsible for providing public information on the different types, forms and basic features of legal persons, as well as the process of their creation.

1.3 General information on legal forms

The type of legal forms of businesses registered by the relevant **Departments of Economic Development** are stipulated within **UAE Federal Law No. 2 of 2015 on Commercial Companies**. That includes Limited Liability Companies (LLCs), Joint Liability Companies (JLCs) and Public or Private Joint Stock Companies (PJSC or JSC). Limited Liability Companies (LLCs) represent the majority of the companies established in the UAE.

Businesses registered in **CFZs** are primarily regulated by each free zone's set of regulations. Typically, the CFZs also offer formation of LLCs, Simple Partnership Companies and Public or Private Joint Stock Companies.

The UAE also has two **FFZs**: Dubai International Financial Centre (DIFC) and Abu Dhabi Global Market (ADGM). DIFC and ADGM have very similar legal frameworks with regards to available legal entity forms. These include the Limited Company (LTD), Limited Liability Company (LLC), Limited Special Purpose Company, Limited Liability Partnership (LLP) and other types of partnerships.

Trusts and foundations in the UAE are currently recognized only in the DIFC and ADGM.

As part of the UAE's reform processes, Cabinet Resolution No. (58) of 2020 regulating Beneficial Owner Procedures came into effect in August 2020. Unless exempt from this legislation, **companies** licensed to carry on business in the UAE **must maintain a register of partners or shareholders and a register of ultimate beneficial owners (UBO)**. The Resolution also requires such companies to submit UBO information to the relevant registrar or licensing authority.

In summary, the following legal forms are available in the United Arab Emirates:

1.3.1 Corporate entities

- Limited Liability Company (LLC)
- Joint Liability Company (JLC)
- Limited Company (LTD)
- Limited Special Purpose Company
- Public or Private Joint Stock Company (PJSC or JSC)
- Limited Liability Partnership (LLP)
- Simple Partnership Company
- Cooperative

1.3.2 Trusts

- Trust (can only be created in the DIFC and in ADGM)

1.3.3 Foundations and similar legal entities

- Foundation (recognized only in the DIFC and ADGM)

1.3.4 Legal arrangements similar to trusts

- Waqf (= an Islamic endowment of property to be used for charitable or religious purpose; A waqf can be either public or private.)

1.4 Detailed information on specific legal forms

1.4.1 Limited Liability Company (LLC)

According to the UAE's Commercial Companies Law, a Limited Liability Company is a company in which the number of partners is no more than 50 persons, and each of them is held liable to the extent of her/his capital share. The management of the limited liability company shall be assumed by one or more manager(s) as decided by partners in the **Memorandum of Association (MOA)**. Should there be more than seven partners, supervision shall be vested in a board comprising at least three partners (Supervisory Board). The General Assembly may re-appoint them after the expiry of the said period or appoint others from

partners, and may, for a good reason, remove them at any time. Shares of an LLC cannot be offered to the public.

The Company has to maintain at its head office a special **register of partners**, including the following information:

- Full name, nationality, date of birth and domicile of each partner and address of head office in case of legal entity
- Any transactions conducted regarding shares, and dates of the same

The LLC is obliged to send to competent authorities and Registrar in January of each year the data included in the Register of Partners, with any changes made to the same during the preceding fiscal year.

Proof of existence:

- Business register excerpt/ Certificate issued by the competent registry authority (e.g. Certificate of Good Standing, Certificate of Incumbency, Certificate of Registration, Certificate of Formation, Certificate of Incorporation)

Proof of ownership:

- Register of Partners / Share Certificate / Certificate of Incumbency / other documents providing shareholder information

1.4.2 Public or Private Joint Stock Company (PJSC or JSC)

A Public Joint Stock Company is any company whose capital is divided into negotiable shares of equal value and partners therein subscribe to a part of such shares, while the remaining part is offered for public subscription, and shareholder is held liable only to the extent of his share in capital. Five persons or more may incorporate a Public Joint Stock Company.

Each PJSC shall have a trade name, which may not be a name of natural person, unless the company's purpose is to invest a patent registered in name of such person or if the company acquires a trade name or the right to utilize the same, and in all cases, the term "Public Joint Stock Company" shall be annexed to company's name.

Term of company is determined in its **Memorandum of Association (MOA)** and **Articles of Association (AOA)**, and may by special decision be extended or reduced if company's

purpose so requires. Application for a company incorporation must be submitted to the competent authority together with its MOA and AOA.

The management of a PJSC is carried out by the board of directors. The formation, exclusive number of board members and membership term is determined by company's AOA, provided that it comprises an odd number of members of at least three members and not exceeding eleven members.

A **Private Joint Stock Company** is subject to all rules and regulations that apply to Public Joint Stock Companies, except for the rules and regulations relating to public share subscription. Private Joint Stock Companies are not allowed to have more than two hundred shareholders.

Proof of existence:

- Business register excerpt/ Certificate issued by the competent registry authority (e.g. Certificate of Good Standing, Certificate of Incumbency, Certificate of Registration, Certificate of Formation, Certificate of Incorporation)

Proof of ownership:

- Register of Shareholders / Share Certificate / Certificate of Incumbency / other documents providing shareholder information
- Bloomberg-Screenshot et al. (in case of a Listed Company)