



Guidance on Ultimate Beneficial Ownership (“UBO”) – October 2020

The Federal Laws on Anti-Money Laundering and Countering the Financing of Terrorism ([Federal Law 20 of 2018](#) and [Cabinet Decision 10 of 2019](#) “AML Laws”), including the new [Cabinet Decision No. \(58\) of 2020](#) (“Decision”), require each relevant free zone Regulatory Authority in the UAE to obtain and maintain up-to-date records of the **ultimate beneficial owners** of entities registered in their free zone. Media Zone Authority-Abu Dhabi (“MZA”) requires all entities registered in the Media Zone to disclose information in respect of their ultimate beneficial owners.

1. What are the UBO disclosure requirements?

MZA has always collected UBO information as part of the onboarding process for new companies. The AML Laws and Decision require MZA to ensure that the UBO information we have on record is up-to-date at all times during the life cycle of the entity. In addition, the AML Laws and Decision require that all entities (FZ LLCs and Branches) registered in the Free Zones maintain their own records of their beneficial owners in their own register.

Further, the new Decision sets out the minimum requirements for obtaining and maintaining accurate and up-to-date data and registers in respect of the entity’s UBO (please refer to the Decision for further detail). Please note that MZA registered entities are already obliged to maintain a register of shareholders under clause 22 of the MZA Companies Regulations 2016 (“CRs”), however the Decision requires additional information about the shareholders to be contained in that register.

2. How do I determine the UBO of my entity?

For the purposes of the AML Laws, **an ultimate beneficial owner is an individual who owns or controls, directly or indirectly, 25% or more of a legal entity**. Please refer to the Decision for additional detail on what this means.

3. Does the law apply to me?

The disclosure requirements under the AML Laws and Decision apply to all types of entities registered in the free zone (FZ-LLCs and Branches). **All licensees with one or more shareholders that are corporate entities** are required to disclose details of their ultimate beneficial owners to MZA in Form CR 88. If the shareholders of your entity are **individuals only**, MZA does **not** require any disclosure of additional information as we already hold individuals’ information in our register. **However, please note that the Decision requires that all entities maintain accurate registers of shareholder and UBO information.**

4. Next steps

All existing MZA registered entities (FZ LLC and Branches) with **corporate shareholders** must (under clause 88 of the MZA Companies Regulations 2016):

- on an ongoing basis provide updates to MZA immediately (and in any event no later than 10 business days as per clause 11.1(s) of the CRs) after any changes to UBO information have occurred;
- submit ultimate beneficial ownership information annually as part of the renewal process; and
- maintain and keep their own records up-to-date with ultimate beneficial ownership information as detailed in the Decision, which may be inspected on request at anytime by MZA.

27th October 2020