

Circular 323: Ultimate Beneficial Ownership (“UBO”)

Date: June 16, 2019

Dear Business Partner,

We refer to earlier circulars sent to all business partners regarding UBO.

UAE Federal Law 20 of 2018 on Anti Money Laundering and Countering the Financing of Terrorism (the “**AML Law**”) and Cabinet Decision 10 of 2019 issued under the AML Law require business licensing agencies in the UAE to identify the ultimate individual beneficial Owner(s) of businesses licensed by them. The Dubai Development Authority (the “**Authority**”) now requires all the business partners it licenses (whether as FZLLCs or Branch Offices – “**Business Partners**”) to disclose their ultimate beneficial owners.

An Ultimate Beneficial Owner is an individual who ultimately owns or controls 25% or more of a Business Partner, whether directly as a shareholder, or indirectly via control of companies, other entities or structures that control the Business Partner (the “**UBO**”).

It is important to note that the UBO is not necessarily the shareholder. (*For example only, an overseas company called ABC Limited owns 100% of the shares in a free zone company called XYZ FZLLC. Bill and Ted each own 50% of the shares in ABC Limited. The UBOs of XYZ FZLLC are Bill and Ted (not ABC Limited).*)

As from 1 July 2019, all new business partners registering as an FZLLC or as a Branch Office of a foreign (non-UAE) Company will be required to complete and submit the UBO Form as part of the registration and licensing process. All existing business partners registered as an FZLLC or as a Branch Office of a foreign (non-UAE) Company will be required to complete and submit the UBO Form as part of their licence renewal at the next renewal date after 1 July 2019. The template of the UBO form is [attached](#) to this circular.

It is a condition of issue and renewal of a licence to a Business Partner in the Dubai Development Authority Free Zone that a Business Partner provides UBO information to the Authority and updates that UBO information as and when the UBO changes.

The Authority reserves the right to request any Business Partner to supply additional documentation and other verifiable information to evidence disclosures made in the UBO declaration.

Certain Business Partners are exempt from making a UBO declaration. Those exceptions are set out in Section 2 of the UBO Form.

If you have any questions or wish to give feedback, please call Customer Care on tel: 800-4-DDA (332) or via email at: info@dda.gov.ae