



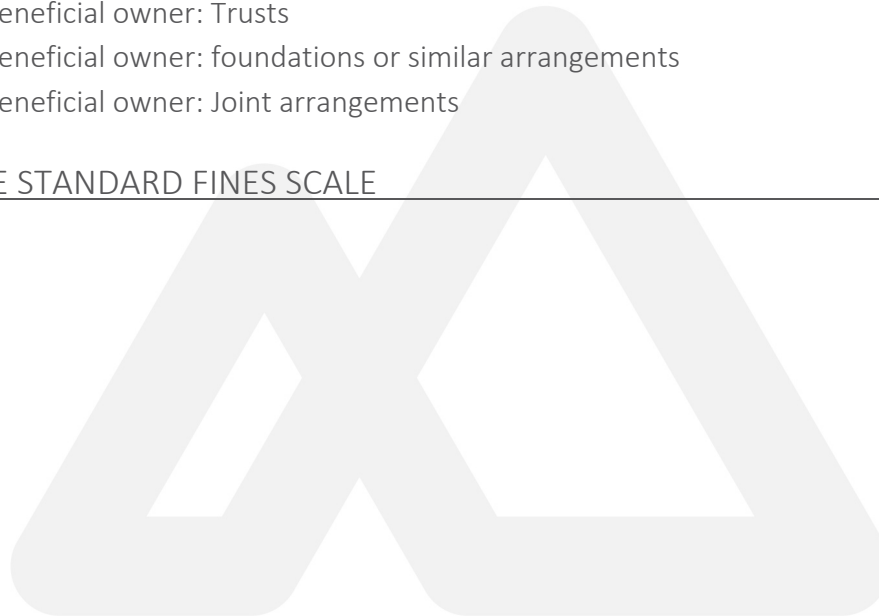
GOVERNMENT OF RAS AL KHAIMAH
RAS AL KHAIMAH ECONOMIC ZONE AUTHORITY
BENEFICIAL OWNERSHIP REGULATIONS 2019



TABLE OF CONTENTS

PART I PRELIMINARY PROVISIONS	3
1. Short title, commencement and authority	3
2. Definitions	3
PART 2 INFORMATION DUTIES	5
3. Duty to obtain information in respect of beneficial owners	5
4. Record of beneficial owners	5
5. Duty to keep record of beneficial owners up-to-date	5
6. Duty to notify Registrar of changes	6
PART 3 ROLE OF THE REGISTRAR	6
7. Powers of the Registrar	6
8. Register of Beneficial Owners of Legal Persons	6
9. Functions and ancillary powers of the Registrar	7
PART 4 REGISTER OF BENEFICIAL OWNERS OF LEGAL PERSONS	7
10. Register of Beneficial Owners of Legal Persons and security of information	7
11. Disclosure of information by the Registrar	7
12. Power of Registrar to request and obtain information and documents	8
13. Submission of information to the Registrar	9
14. General power of Registrar to reject applications	9
15. Retention of information on the Register after dissolution, termination or strike off	9
PART 5 OFFENCES, FINES & ENFORCEMENT	9
16. Offences	9
17. False or misleading information	10
18. Fines	10
19. Certificates	11

PART 6 MISCELLANEOUS	11
20. Meaning of “beneficial owner”	11
21. Service of Documents	12
22. Guidance	12
SCHEDULE 1 MEANING OF BENEFICIAL OWNER	12
1. Meaning of beneficial owner	12
2. Meaning of a Beneficial Owner: Partnership	13
3. Meaning of beneficial owner: Trusts	13
4. Meaning of beneficial owner: foundations or similar arrangements	14
5. Meaning of beneficial owner: Joint arrangements	14
SCHEDULE 2 THE STANDARD FINES SCALE	15



RAS AL KHAIMAH ECONOMIC ZONE AUTHORITY
GOVERNMENT OF RAS AL KHAIMAH

RAS AL KHAIMAH ECONOMIC ZONE AUTHORITY
BENEFICIAL OWNERSHIP REGULATIONS 2019

PART I
PRELIMINARY PROVISIONS

1. Short title, commencement and authority

1. These Regulations may be cited as the Ras Al Khaimah Economic Zone Authority Beneficial Ownership Regulations 2019 or “UBO Regulations. These Regulations come into force on _____ 2019.
2. These Regulations make provision for beneficial ownership and control systems for legal entities registered in RAKEZ.
3. These Regulations are made by the board of directors of RAKEZ pursuant to Law Number 2 of 2017, promulgated by His Highness Sheikh Saud Bin Saqr Bin Mohammed Al-Qasimi, Ruler of Ras Al Khaimah.

2. Definitions

In these Regulations, unless the context otherwise requires —

“beneficial owner” has the meaning prescribed to it in Schedule 1;

“Companies Regulations” means Ras Al Khaimah Economic Zone Companies Regulations 2017;

“conduct” includes acts, omissions and statements;

“control” means a power (whether exercisable alone, jointly with another person or with the consent of another person)

“documents” means information recorded in any form (including without limitation, in electronic form) and, in relation to information recorded otherwise than in legible form, references to its production,

howsoever expressed, include references to the production of the information in hard copy; and a document is sent or supplied in hard copy form if it is sent or supplied in a paper copy or similar form capable of being read;

“fine” means the scale of fines for contraventions of the rules and regulations of RAKEZ, the standard fines scale is set out in Schedule 2 of these Regulations.

“grounds on which that person is considered to be a beneficial owner” means whether an individual is considered a beneficial owner through ownership, control or other means listed in Schedule 1.

“person” includes:

- a. a natural person;
- b. a company;
- c. any other legal person; and
- d. an unincorporated body of persons.

“Prescribed time” means the time prescribed from time to time by the Registrar by way of issuance of a directive to existing companies in relation to filing the UBO information;

“RAK” means the Emirate of Ras Al Khaimah, UAE;

“RAKEZ” means Ras Al Khaimah Economic Zone, a Government Authority of Ras Al Khaimah;

“RAKEZ entity” means a body corporate incorporated with RAKEZ;

“RAKEZ Companies Regulations 2017” means Ras Al Khaimah Economic Zone Companies Regulations 2017;

“record of beneficial owners” has the meaning prescribed to it in section 2;

“Register” has the meaning prescribed to it in section 8;

“Registrar” means the registrar of companies appointed in accordance with Regulation 7 of the Companies Regulations;

“Required particulars” means the details of the Beneficial Owner to be recorded as prescribed in section 2(6);

“retention period” means records and underlying documents shall be maintained for at least 5 years from date of –

- a. completion of the transaction to which the records and underlying documentation relate; or

- b. the company terminates the business relationship to which the records and underlying documentation relate.

PART 2 INFORMATION DUTIES

3. Duty to obtain information in respect of beneficial owners

Each RAKEZ entity must take reasonable steps to ascertain the true, accurate and complete identity of its beneficial owners.

4. Record of beneficial owners

1. Each RAKEZ entity must keep a record of the required particulars of its beneficial owners in a record referred to in these Regulations as the “**record of beneficial owners**” and such recorded particulars should be notified and filed with the Registrar at the time of incorporation.
2. RAKEZ entity existing at the time of the enactment of these Regulations must ensure that the record of its beneficial owners is established within the prescribed time as defined under Part I of this Regulations.
3. The “**required particulars**” means, in respect of a natural person:
 - e. full name;
 - f. date of birth;
 - g. residential and home country address;
 - h. country of residence;
 - i. nationality (including all nationalities held);
 - j. passport number (copy of passport will be required);
 - k. occupation;
 - l. the date on which that person became a beneficial owner; and
 - m. the grounds on which that person is considered to be a beneficial owner.

5. Duty to keep record of beneficial owners up-to-date

1. A RAKEZ entity must take reasonable steps to ensure that the particulars recorded in its record of beneficial owners are true, accurate, complete and up to date.
2. If a change has occurred to the required particulars recorded in the record of beneficial owners of a RAKEZ entity then, subject to subsection (3), RAKEZ entity must serve a notice to the Registrar.
3. A RAKEZ entity which fails to give notice in accordance with this Regulation commits a contravention of these Regulations and is liable to a fine not exceeding level 5.
4. A “relevant change” in relation to a person occurs if:
 - a. the person ceases to be a beneficial owner in relation to a RAKEZ entity; or
 - b. any other change occurs, as result of which the required particulars stated for the person on the record of beneficial owners are incorrect or incomplete.

6. Duty to notify Registrar of changes

1. When there has been an amendment or change in the particulars contained in the record of beneficial owners RAKEZ entity, within 15 days of the date of an amendment or change of such record of beneficial owners, must submit a notice to the Registrar of the amendment or change and the date on which it occurred, to the best of its knowledge.
2. RAKEZ entity which fails to give notice in accordance with this Regulation commits a contravention of these Regulations and is liable to a fine not exceeding level 5.

PART 3

ROLE OF THE REGISTRAR

7. Powers of the Registrar

The Registrar shall administer these Regulations and perform the functions and exercise the powers assigned or transferred to him by or under these Regulations and any other law or RAKEZ regulation applicable.

8. Register of Beneficial Owners of Legal Persons

The Registrar shall establish and maintain a register of the beneficial owners of RAKEZ entities to be called the Register of Beneficial Owners of Legal Persons (the “Register”) in accordance with Part 4 (Register of Beneficial Owners of Legal Persons) of these Regulations.

9. Functions and ancillary powers of the Registrar

The Registrar, having regard to the provisions of this section 9, has the power to do anything that appears to him to be necessary or expedient for the purposes of or in connection with the exercise of his functions including, without limitation, power:

- a. to request and obtain information and documents in accordance with the provisions of section 12;
- b. to prepare and, subject to any provision to the contrary in these Regulations or any other enactment, to publish information, reports, forms, codes of practice, guidance, recommendations and other documents; and
- c. to appoint any person or body to advise him in relation to the exercise of any of his functions.

PART 4

REGISTER OF BENEFICIAL OWNERS OF LEGAL PERSONS

10. Register of Beneficial Owners of Legal Persons and security of information

1. The Registrar shall establish the Register which shall be kept in such form as the Registrar thinks fit and may, without limitation, be kept in electronic form.
2. The Registrar shall take all reasonable steps to ensure the confidentiality and security of the Register and of information kept on the Register, and of other information disclosed to him under these Regulations or under any other enactment, and (subject to subsection (3) and sections 11 and 12) shall not disclose to any other person the Register or any part of it, or information or documents obtained by him or disclosed to him, other than as permitted in section 14.
3. The Registrar shall, on application being made to him in such form as he may specify and having taken all reasonable steps to verify the identity of the applicant, disclose to a person any information on the Register directly relating to that person only.

11. Disclosure of information by the Registrar

1. Subject to the provisions of the regulatory laws, information obtained by the Registrar:
 - a. under these Regulations or any other enactment; or
 - b. in connection with the carrying out of any of the Registrar's functions, may only be disclosed in accordance with the Companies Regulations.
2. Any person may request from the Registrar, on payment to the Registrar of such fee as may be prescribed by the Board, to be provided with a certificate confirming the identity of the beneficial owners of a RAKEZ entity as identified in the Register, subject to the Registrar receiving prior written consent of the RAKEZ entity concerned.

12. Power of Registrar to request and obtain information and documents

1. The Registrar may, by notice in writing served on a RAKEZ entity require submission to the Registrar in such form and manner, at such times or intervals, at such place and in respect of such periods as may be specified in the notice, with such information as the Registrar may reasonably require for the performance of his functions under these Regulations.
2. The Registrar may, by notice in writing served on a RAKEZ entity:
 - a. require the RAKEZ entity to produce, in such form and manner, within such time and at such place as may be specified in the notice, such information or documents of such description as may be so specified;
 - b. require the RAKEZ entity to furnish, to any of the Registrar's officers, servants or agents authorised for the purposes of this paragraph, on production of evidence of such authority, such information and documents or information and documents of such description as the officer, servant or agent may specify, either forthwith or within such time, and at such place, and in such form and manner, as may be so specified, for the purposes of their inspecting them; being information or documents reasonably required by the Registrar for the performance of his functions under these Regulations.
3. The powers conferred by this paragraph to require RAKEZ entity to produce any documents include the power if the documents are produced, to take copies of them or extracts from them, in circumstances where the Registrar is satisfied that the taking of such copies or extracts is necessary for the proper exercise of powers under or in relation to Part 5 (Offences, Fines & Enforcement) of these Regulations.
4. Nothing in this section 12 shall restrict the powers of the Registrar as prescribed under Companies Regulations.

13. Submission of information to the Registrar

1. Information on beneficial ownership is required to be submitted to the Registrar at the point of new registration, upon material changes to previously submitted information, or whenever requested under these Regulations as may be specified by the Registrar.
2. Each relevant RAKEZ entity will submit a UBO declaration in the format prescribed by RAKEZ.
3. Where a person claims a lien on a document, its production under these Regulations is without prejudice to his lien.
4. Subject to section 15, information shall only be retained by the Registrar for so long as appears to the Registrar reasonably necessary for the purposes for which the information was delivered to the Registrar.

14. General power of Registrar to reject applications

Notwithstanding that the Registrar is not bound to enquire further as to whether the provisions of these Regulations or any other enactment have been complied with, the Registrar may reject any submission, or other matter submitted to him, on such terms and conditions as he thinks fit, if it appears to him that the provisions of these Regulations or any other enactment in respect of that submission or other matter have not been complied with.

15. Retention of information on the Register after dissolution, termination or strike off

In the case of a RAKEZ entity that has been dissolved, terminated or struck off, the Registrar shall retain on the Register information relating to that legal person as at the date of its dissolution, termination or striking off (as the case may be) for the prescribed retention period after that date.

PART 5 OFFENCES, FINES & ENFORCEMENT

16. Offences

A RAKEZ entity who fails to comply with these Regulations or any rules made under these Regulations is guilty of an offence and liable to a fine as prescribed under section 18 of this Regulations.

17. False or misleading information

1. It is a contravention of these Regulations for a person knowingly or recklessly:
 - a. to deliver or cause to be delivered to the Registrar, for any purpose of these Regulations, any information or document; or
 - b. to make to the Registrar, for any such purpose, a statement, that is misleading, false or deceptive in a material particular.

18. Fines

1. The Board may make rules in respect of the procedures relating to the imposition and recovery of fines under this Part.
2. Where the Registrar considers that a person has contravened –
 - a. these Regulations; or
 - b. any rules made under these Regulations,the Registrar, by written notice (a “monetary penalty notice”) to the person, may impose a fine in respect of the contravention.
3. A monetary penalty notice is a written notice requiring the person to pay to the Registrar a fine of an amount determined by the Registrar as the Registrar may consider appropriate.
4. The amount determined by the Registrar must not exceed a level 5 fine (as specified under Schedule 2 of this Regulations, or such other amount as the RAKEZ Board may prescribe from time to time.
5. The fine must be paid within the period specified in the monetary penalty notice.
6. The monetary penalty notice must contain such information as may be prescribed.
7. A person who receives a monetary penalty notice under this section, may refer the matter to the Court for review of–
 - a. the issue of the monetary penalty notice;
 - b. the amount of the fine specified in the notice.
8. If, within the period specified in the monetary penalty notice–
 - a. the person pays the fine specified in the notice to the Registrar–

- i. subject to paragraph (ii) below, no proceeding or actions pursuant to this Part may be commenced, whether in the Court or otherwise, by the Registrar against the RAKEZ entity in respect of the relevant contravention; and
 - ii. without prejudice to paragraph (i) above, neither the imposition nor payment of a fine shall restrict the Registrar from taking any action against a person or refrain from doing any act or thing in relation to any continuing contravention; or
 - b. if all or any portion of the fine has not been paid at the end of the period stated in a monetary penalty notice, the obligation of the person to pay the fine is enforceable as a debt payable to the Registrar. The Registrar may apply to the Court for the recovery of the debt.
9. In this section “prescribed” means prescribed by rules made by the Board pursuant to these Regulations.
10. Where a fine is imposed on a person under this section, the Registrar may publish, in such manner and for such period as the Registrar may determine, his name and the amount of the fine, and the publication may contain such information in respect of any person named therein, and such ancillary, incidental and supplementary information, as the Registrar may determine.

19. Certificates

A certificate that is signed by the Registrar and states that a monetary penalty notice prescribing a fine under section 18 was imposed on, a person is—

- a. conclusive evidence of the giving of the imposition of the notice to the person; and
- b. prima facie evidence of the facts contained in the direction or the notice, in any proceeding commenced under sections 18(7) and 18(8)(b).

PART 6 MISCELLANEOUS

20. Meaning of “beneficial owner”

The meaning of the expression “beneficial owner” and any related expressions for the purposes of these Regulations are prescribed under Schedule 1 (Meaning of Beneficial Owner).

21. Service of Documents

The provisions of Ras Al Khaimah Economic Zone Companies Regulations 2017 shall apply to information submitted to the Registrar pursuant to these Regulations.

22. Guidance

The Registrar may issue such guidance as he thinks necessary for the purposes of these Regulations and other enactments making provision in respect of beneficial ownership and control.

SCHEDULE 1 MEANING OF BENEFICIAL OWNER

1. Meaning of beneficial owner

In these Regulations, "**Beneficial owners**" are individuals who ultimately own or control the entity, or on whose behalf a transaction or activity takes places.

1. For a company, a beneficial owner is any individual who:
 - a. owns or controls more than 25% of the shares or voting rights;
 - b. ultimately owns or controls whether directly or indirectly more than 25% of the shares or voting rights in the business;
 - c. holds the right, directly or indirectly, to appoint or remove a majority of the board of directors;
 - d. has the right to exercise, or actually exercises, significant influence or control over the corporate body;
 - e. exercises ultimate control over the management; or
 - f. controls the corporate body.
2. For the purposes of subparagraph (1), a person shall have "**control**" if:
 - a. in relation to a company, such person:
 - i. holds, directly or indirectly, more than 25% of the shares in the company; or
 - ii. holds, directly or indirectly, more than 25% of the voting rights in the company; or

iii. holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company.

3. In any case where a beneficial owner is:

- a. a listed company; or
- b. a company that is wholly-owned by the Federal Government of the United Arab Emirates, or by any of the governments of the member Emirates of the United Arab Emirates or any Government elsewhere;
- c. a company created by Emiri decree within the United Arab Emirates;

the controller(s) shall be treated as the beneficial owner for the purposes of these Regulations.

For the purposes of these regulations, a “**listed company**” means a company listed on a stock exchange recognised by the Registrar and subject to disclosure requirements which enable its beneficial owners to be identified.

2. Meaning of a Beneficial Owner: Partnership

For a partnership, a beneficial owner is any individual who controls **more than 25%** of the capital of the partnership, or who ultimately is entitled to control **more than 25%** of the voting rights of the partnership.

3. Meaning of beneficial owner: Trusts

1. For a trust, a beneficial owner includes:

- a. the settlor;
- b. trustees;
- c. beneficiaries; and
- d. any individual who has control over a trust.

2. In sub-section 1(d) above “**control**” means a power (whether exercisable alone, jointly with another person or with the consent of another person) under the trust instrument or by law to:

- a. dispose of, advance, lend, invest, pay or apply trust property;
- b. vary or terminate the trust;
- c. add or remove a person as a beneficiary or to or from a class of beneficiaries;

- d. appoint or remove trustees or give another person control over the trust; and
- e. direct, withhold consent to or veto the exercise of a power mentioned in sub-paragraphs (a) to (d).

Where any of the above roles are fulfilled by a company, LLP or partnership, the RAKEZ entity shall identify the natural persons who are the beneficial owners of such company, LLP or partnership, unless the company is a listed company.

4. Meaning of beneficial owner: foundations or similar arrangements

1. In these Regulations, “beneficial owner”, in relation to a foundation or other legal arrangement similar to a trust, means:
 - a. the founder;
 - b. the foundation council members
 - c. the guardian, if any; and
 - d. the beneficiaries (if named) or designee (if no beneficiaries are named).
2. Where any of the positions listed in subparagraph (1) are fulfilled by a company, LLP or partnership, the requirements to identify the natural person(s) who are the beneficial owners of such persons shall apply.
3. A person shall have “control” in relation to a foundation if such person:
 - a. holds, directly or indirectly, more than 25% of the voting rights in the conduct and management of the foundation;
 - b. holds the right, directly or indirectly, to appoint or remove a majority of the officials of the foundation;

5. Meaning of beneficial owner: Joint arrangements

1. If shares or rights in a RAKEZ entity or other legal entity held by a person and shares or rights in the same person or other entity held by another person are the subject of a joint arrangement between those persons, each of them is treated as holding the combined shares or rights of both of them.
2. A “joint arrangement” is an arrangement between the holders of shares (or rights) in a RAKEZ entity or other legal entity that they will exercise all or substantially all the rights conferred by their respective shares (or rights) jointly in a way that is pre-determined by the arrangement.

SCHEDULE 2 THE STANDARD FINES SCALE

The standard fines scale is shown below:

Level on the scale	Amount of fine
1	AED 1,000
2	AED 2,000
3	AED 5,000
4	AED 10,000
5	AED 20,000

