

**Cabinet Decision No. 132/2023 Concerning the Administrative Sanctions Imposed on the Violators of Cabinet Decision No. 109/2023 Concerning the Regulation of Real Beneficiary Procedure**

**The Cabinet,**

Having reviewed the Constitution;

Cabinet Decision No. 58/2020 Concerning the Regulation of Real Beneficiary Procedures;

Cabinet Decision No. 53/2021 Concerning the Administrative Sanctions Imposed on the Violators of Cabinet Decision No. 58/2020 Concerning the Regulation of Real Beneficiary Procedure; and

Based on proposition of the Minister of Finance and approval of the Cabinet;

The following is resolved:

**Article 1 - Definitions**

In application of the provisions of this Resolution, the following words shall have the meanings assigned to them respectively, unless otherwise is required by the context:

- **State:** United Arab Emirates.
- **Ministry:** Ministry of Economy.
- **Minister:** Minister of Economy.
- **Decree-Law:** Federal Decree-Law No. 20/ 2018 Concerning Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations.
- **Executive Regulation:** Cabinet Decision No. 10/2019 Concerning the Executive Regulation of Federal Decree-Law No. 20/2018 Concerning Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations.
- **Registrar:** The competent body that supervises the registry of trade names for different kinds of establishments registered in the State, including the Licensing Authority.
- **Concerned Entities:** Government entities concerned with the implementation of any provision of the Decree-Law and Implementing Regulation..
- **Real Beneficiary:** The natural person to whom the final ownership passes or exercises control or other indirect means as well as the natural person on whose behalf the transactions are conducted or who exercises actual final control over a Legal person, determined in Article (5) of Cabinet Decision No. 58/2020 Concerning the Regulation of Real Beneficiary Procedures.
- **Nominal Management Member:** Any physical person acting as per the directives, instructions or will of another person, duly appointed or occupying a post in the legal person. It is usually a representative of shareholders, members, or any other party with an interest .
- **Senior Management:** Decision-making authority at the legal person.
- **Record of Real Beneficiary:** Special record of real beneficiaries in the Legal person that contains all their data.
- **Record of Partners or Shareholders:** Special record of partners or shareholders in the Legal person that contains all their data.
- **Written Notice:** An official announcement sent to a legal person or his representative through legally available means

**Article 2 - Scope of Effectiveness**

The provisions of this Resolution shall apply to the Legal persons licensed or registered in the State, including non-financial free zones, in violation of the provisions of the Cabinet Decision No. 109/2023 Concerning the Regulation of Real Beneficiary Procedures.

**Article 3 - Administrative Sanctions**

1. Without prejudice to any penalty or procedure provided in the Decree Law and other related legislations, the Minister or any licensing authority delegated thereby may impose administrative sanctions on the violators of the provisions of the Cabinet Decision No. 109/2023 referred to, according to the offences and sanctions set out in the Table attached hereto.
2. In addition to the fine penalty imposed on violations committed for the third time, listed in the table attached to this decision, the registrar has the right to suspend the commercial license and close the commercial store of the violating legal person, provided that this suspension is lifted after he pays the fine imposed on the violation and corrects it by fulfilling the necessary requirements in the subject of the violation.

#### **Article 4 - Change of Penalties**

Any changes to the penalties set out in this Resolution, by addition, excise or change, shall be made by the Cabinet.

#### **Article 5 - Quotas of the Federal Government and Governments of Emirates in the Revenues of Administrative Sanctions**

Resolution that determines the proportions of division of the administrative sanctions described in this Resolution between the Federal Government and Governments of Emirates shall be issued by the Cabinet, based on proposition of the Minister of Finance, after coordination with the Minister and licensing authorities.

#### **Article 6 - Closing Provisions**

1. The penalties set out in this Resolution shall be collected by such means determined by the Ministry of Finance.
2. For purposes of collection of administrative penalties set out in this Resolution, a part of day shall be deemed a whole day and a part of month shall be deemed a whole month.

#### **Article 7 - Executive Decisions**

In coordination with the licensing authority, the decisions and procedures necessary to implement the provisions of this Resolution shall be issued by the Minister.

#### **Article 8 - Abrogations**

Cabinet Decision No. 132/2023 Concerning the Administrative Sanctions Imposed on the Violators of Cabinet Decision No 58/2020 on the Regulation of Procedures Related to Real Beneficiaries, as well as any provision contrary to or inconsistent with the provisions of this Decision shall be abrogated.

#### **Article 9 - Publication and Enforcement of the Resolution**

This Resolution shall be published in the Official Gazette and shall come into force from the day following the date of issue.

Issued by us: Date: 02 Jumada Al Thani 1445 AH

Corresponding to 15<sup>th</sup> December 2023

**Mohammed Bin Rashid Al Maktoum**

**Prime Minister**

**Table Attached to the Cabinet Decision No. 132/2023 Concerning the Administrative Sanctions Imposed on the Violators of Cabinet Decision No. 109/2023 Concerning the Regulation of Real Beneficiary Procedures**

Sr.	Offence	Legal reference Cabinet Decision No. 109/2023	Administrative Sanctions		
			At first time	At second time	At third time
1	Legal person fails to keep appropriate, accurate, specific and updated data of real beneficiary or fails to properly record details of ownership of the real beneficiary.	Articles (6) and (7)	Written Notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 20,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 40,000 and notice to the Legal person to correct its position
2	The data set out in Clause (2) of Article (8) of Cabinet Decision No. 109/2023 referred to are not included.	Article (8)	Written Notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 20,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 40,000 and notice to the Legal person to correct its position
3	Legal person fails to create and keep data of record of real beneficiary	Article (8/1)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice.	AED 50,000 and notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice.	AED 100,000 and notice to the Legal person to correct its position.
4	Legal person fails to update the record of real beneficiary	Article (8/1)	Written Notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 15,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 30,000 and notice to the Legal person to correct its position.
5	Legal person fails to provide the data referred to in Article (10) of the Cabinet Resolution No. (109) of 2023 referred to – regarding the data of manager or nominal director to the registrar.	Article (10)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice.	AED 40,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 80,000 and notice to the Legal person to correct its position.
6	Legal person fails to create record of partners or shareholders.	Article (10)	-	AED 50,000 and notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice.	AED 100,000 and notice to the Legal person to correct its position.

7	Legal person fails to update the record of partners or shareholders within 15 days from the date of change of became aware of it.	Article (10)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice.	AED 15,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 30,000 and notice to the Legal person to correct its position.
8	Legal person fails to keep details of data of each partner or shareholder in the record of partners or shareholders or fails to include the data in Clause (1) of Article (10) of Cabinet Decision No. 109/2023.	Article (10)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice.	AED 30,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 60,000 and notice to the Legal person to correct its position.
9	Legal person fails to provide the registrar with data of record of real beneficiary and record of partners or shareholders and keep records from damage, loss or destruction	Article (11.1)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice.	AED 15,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 30,000 and notice to the Legal person to correct its position.
10	Legal person fails to provide any additional data requested by the registrar within 14 days from the date of request.	Article (11.2)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice	AED 15,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 30,000 and notice to the Legal person to correct its position.
11	The failure of the legal person to disclose the classes of the real beneficiary in complex structures	Article (5)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice	AED 50,000 and notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice.	AED100,000 and notice to the Legal person to correct its position.
12	Legal person fails to provide the registrar with the name of a natural person resident in the state authorized to disclose data or information required by the Decree Law and its Executive Regulation	Article (11.4)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice	AED 10,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 20,000 and notice to the Legal person to correct its position.
13	Legal person fails to disclose names of persons or members of management to the registrar, upon the issue or shares or stocks, within 15 days from the date of issue of shares or stocks.	Article (11.6)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice	AED 15,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 30,000 and notice to the Legal person to correct its position.

14	Legal person fails to deliver the liquidator the record of real beneficiary and record of partners or shareholders within 30 days from the date of appointment of liquidator.	Article (11.7)	Written Notice to the Legal person to correct its position within (30) days from the date of issuing the offence notice	AED 5,000 and notice to the Legal person to correct its position within (15) days from the date of issuing the offence notice.	AED 10,000 and notice to the Legal person to correct its position.
15	The liquidator fails to keep records and all data set out in Cabinet Resolution No. 109 of 2023 for (5) years from the date of dissolution, liquidation or strike-off.	Article (11.8)	AED 100,000		