

Cabinet Resolution No. (53) of 2021
Concerning the Administrative Penalties against Violators of The Provisions of the Cabinet
Resolution No. (58) of 2020 Concerning the Regulation of Beneficial Owner Procedures

The Cabinet:

- Pursuant to the perusal of the constitution;
- Federal Law No. (1) of 1972 concerning the competencies of Ministries and Powers of Ministers, as amended;
- Federal Law No. (14) of 2016 on the Violations and Administrative Penalties in The Federal Government;
- Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organizations;
- Federal Decree-Law No. (26) of 2019 on Public Finance;
- Cabinet Resolution No. (10) of 2019 Concerning the Implementing Regulation of Decree Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organizations;
- Cabinet Resolution No. (58) of 2020 regulating Beneficial Owner Procedures; and
- Based on the proposal made by the Minister of Finance, and the approval of the Cabinet,

Hereby resolves:

Article (1)
Definitions

In the application hereof, the following words shall have the meanings ascribed thereto, unless the context implies otherwise:

UAE: The United Arab Emirates.

Ministry: The Ministry of Economy.

Minister: The Minister of Economy.

Decree-law: Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organizations.

Executive Regulations: The Cabinet Resolution No. (10) of 2019 concerning the Executive Regulations of the Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organizations.

Licensing Authority: The Authority in charge of licensing or registration of the legal persons in the UAE.

Registrar: The entity in charge of supervision of the trade names register for different types of corporate entities registered in the UAE, which includes the Licensing Authority.

Beneficial Owner: The natural person who ultimately owns or controls the legal person, or any other indirect means, and also the natural person on whose behalf the transactions are being conducted or who exercises ultimate control over a legal person, as defined in accordance with Article (5) of Cabinet Resolution No. (58) of 2020 regulating Beneficial Owner Procedures.

Register of Beneficial Owner: A specific register of the Beneficial Owners in the legal person, which includes all of their information.

Register of Partners or Shareholders: A specific register of the partners or shareholders in the legal person, which includes all of their information.

Article (2)
Applicability

The provisions hereof shall apply to legal persons licensed or registered in the UAE, including non-financial free zones, in violation of the provisions of Cabinet Resolution No. (58) of 2020 regulating Beneficial Owner Procedures.

Article (3)
Administrative Penalties

Without prejudice to any penalty or procedure stipulated in the Decree-Law and other relevant legislation, the Minister or his delegated licensing authorities may impose the administrative penalties on violators of the mentioned provisions of Cabinet Resolution No. (58) of 2020 according to the violations and penalties in the schedule attached hereto.

Article (4)
Amendment of Fines

The Cabinet shall have the authority to make any amendments, addition, deletion or change, to the fines mentioned herein.

Article (5)
Federal Government and Emirate Governments shares of the Administrative Penalty Proceeds
The Cabinet shall issue a resolution determining the rates for sharing the administrative penalty proceeds contained herein between federal government and local governments, based on the proposal of the minister of finance and after coordination with the Minister and Licensing Authorities.

Article (5)
Final Provisions

- A. Fines stipulated herein shall be collected by the means determined by ministry of finance.
- B. For the purposes of collecting the administrative fines mentioned herein, a part of the day shall be considered a full day and a part of the month shall be considered a full month.

Article (6)
Executive Decisions

The Minister shall, in coordination with the Licensing Authority, issue the directives and procedures necessary to implement the provisions hereof.

Article (7)
Decision Publication and Enforcement

This Resolution shall be published in the official gazette and shall be effective as of the following day of being issued.

[Seal: UAE, the Cabinet]
Original Version is signed by
H.H. Sheikh Mohammed bin Rashid Al Maktoum
Prime Minister

Issued by us:
Date: 11 Shawwal 1442 AH.,

United Arab Emirates
The Cabinet

Corresponding to: 23rd May 2021 AD.

**Schedule attached to Cabinet Resolution No. (53) of 2021 Concerning the Administrative Penalties
Against Violators of the Provisions of Cabinet Resolution No. (58) of 2020 Concerning the
Regulation of Beneficial Owner Procedures.**

#	Violation	Legal Ref., Cabinet Resolution No. (58) of 2020	Administrative Penalties		
			First Time	Second Time	Third Time
1	Failure of the legal person to create Register of Beneficial Owner and maintain its data.	Article (8)	Written Warning	AED 50,000 and warning the legal person to rectify its situation within Thirty (30) Days as of the violation issue.	AED 100,000 and suspension of the trade license for at least Twelve (12) Months.
2	Failure to include the data mentioned in Clause (2) of Article (8) of the mentioned Cabinet Resolution No. (58) of 2020.	Article (8)	Written Warning	AED 20,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 40,000 and suspension of the trade license for at least Six (6) Months.
3	Failure of the legal person to maintain adequate, accurate, specific and updated data of Beneficial Owner or Failure of the legal person to correctly record down the Beneficial Ownership.	Article (6) and Article (7)	Written Warning	AED 10,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 20,000 and suspension of the trade license for at least One (1) Month.
4	Failure of the legal person to provide the Registrar with the data referred to in Article (10) of the mentioned Cabinet Resolution No. (58) of 2020 regarding the details of the director or nominal board member.	Article (9)	Written Warning	AED 20,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 40,000 and restriction of the powers of the board members or directors, who are proved liable for the violation.
5	Failure of the legal person to create the Register of Partners or Shareholders.	Article (10)	-	AED 50,000 and warning the legal person to rectify its situation within Sixty (60) Days as of the violation issue.	AED 100,000 and suspension of the trade license for at least Twelve (12) Months.
6	Failure of the legal person to maintain the information of all partners or shareholders in the Register of Partners or Shareholders.	Article (10)	Written Warning	AED 30,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 60,000 and suspension of the trade license for at least Six (6) Months.
7	Failure of the legal person to provide the Registrar with the information of beneficial owner and the Register of Partners or Shareholders and maintain such	Article (11.1)	Written Warning	AED 15,000 and warning the legal person to rectify its situation within Fifteen (15) Days as	AED 30,000 and suspension of the trade license for Three (3) months.

United Arab Emirates

The Cabinet

	registers from damage, loss or destruction.			of the violation issue.	
8	Failure of the legal person to provide any additional information required by the Registrar.	Article (11.2)	Written Warning	AED 5,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 10,000 and suspension of the trade license for at least One (1) Month.
9	Failure of the legal person to provide the Registrar with the name of a natural person residing in the UAE and authorized to disclose to the Registrar all data and information required by the mentioned Federal Decree-Law or Executive Regulations thereof.	Article (11.4)	Written Warning	AED 1,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 2,000 and suspension of the trade license for at least One (1) Month.
10	legal person to issue shareholder's share guarantees.	Article (11.5)	Written Warning	AED 5,000	AED 10,000
11	Failure of the legal person, on the issuance of shares or stocks in the name of persons or board members, to disclose to the Registrar the information in respect of such shares or stocks and the identity of such persons or board members within Fifteen (15) Days as of such issuance.	Article (11.6)	Written Warning	AED 5,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 10,000 and restriction of the powers of the board members, directors or owners, who are proved liable for the violation.
12	Failure of the legal person to hand over to the liquidator the Register of Beneficial Owner and Register of Partners or Shareholders within Thirty (30) Days as of appointing the said liquidator.	Article (11.7)	Written Warning	AED 5,000 and warning the legal person to rectify its situation within Fifteen (15) Days as of the violation issue.	AED 10,000 and suspension of the trade license for at least One (1) Month.
13	Failure of the legal person or the liquidator to maintain the records and all information referred to herein for at least Five (5) Years as of the date of dissolution, liquidation or de-registration.	Article (11.8)	Written Warning	AED 20,000	AED 40,000