

Know Your Client (KYC)

Introduction

Know Your Client (KYC) is a core requirement under **UAE Anti-Money Laundering (AML) and Counter-Terrorist Financing (CFT)** regulations. It ensures that businesses identify and verify the identity of their clients—whether individuals or legal entities—to mitigate risks associated with **money laundering (ML), terrorist financing (TF), and other illicit activities.**

1. KYC for Natural Persons

When onboarding an individual, the following information and documents must be collected and verified:

Personal Details:

- Full legal name, including first, last, and any other names (e.g., maiden name, alias)
- Date and place of birth, gender, nationality, and residency status
- Residential address (permanent)
- Contact information: phone numbers and email

Identification Documents:

- Valid Emirates ID, passport, visa, or other government-issued IDs

Beneficial Ownership (if applicable):

- Date the person became a beneficial owner
- Total number of shares/equities held

Verification of natural persons ensures transparency and helps prevent illicit activities linked to identity fraud or concealed ownership.

2. KYC for Legal Persons

For companies, partnerships, or other legal entities licensed or registered in the UAE, the following must be collected:

A. Basic Corporate Information

- Registered legal name and legal form (LLC, PJSC, FZE, etc.)
- Constitutive documents: Memorandum and Articles of Association (or equivalent)
- Trade license or certificate of incorporation
- Head office and principal business address in the UAE
- For foreign entities: legal representative in the UAE with proof of authorization

B. Governance & Management

- Names of directors, partners, or authorized signatories
- Identification details: passport/Emirates ID, issuance/expiry dates, issuing authority
- Names of individuals holding higher management positions

C. Beneficial Ownership

- Identity of all **Ultimate Beneficial Owners (UBOs)**
- Shareholding structure, including total shares/equity held
- Date on which individuals became beneficial owners

D. Legal Name & Trade Name Requirements

- Legal names must be unique and not cause confusion with other entities in the UAE
- Legal form must appear on all official documents and correspondence
- Trade name changes must be formally approved by the Registrar

E. Registered Address

- Entities must maintain a detailed registered address for official correspondence and service of notices
- Updates must be communicated promptly to the Registrar

3. Additional Information for Legal Entities / Legal Arrangements

For trusts, foundations, holding companies, or other non-natural entities, additional KYC information must include:

- Name, legal form, and proof of incorporation
- Permanent and registered addresses
- Mailing address
- Legal Entity Identifier (LEI), if applicable
- Contact numbers
- Identity of beneficial owners and controlling parties
- Shareholding and equity distribution

Collecting this information ensures transparency in corporate structures and mitigates risks of concealed ownership.

4. Keeping KYC Information Updated

KYC is an ongoing obligation. Licensed entities and clients must ensure that KYC records remain accurate and current:

- **License Renewal:** Verify or update KYC information at the time of license renewal
- **Amendments:** Any changes to shareholders, directors, or business activities must be reported and updated
- **Ongoing Updates:** Refresh KYC information if circumstances change or upon request by regulatory authorities

Maintaining up-to-date KYC information helps protect businesses, supports regulatory compliance, and ensures alignment with UAE AML/CFT laws.

Conclusion

Adherence to KYC requirements is fundamental to maintaining corporate governance, transparency, and risk mitigation in SPCFZ. Licensed entities must establish structured procedures for identifying, verifying, and continuously monitoring the identities of natural and legal persons, ensuring compliance with UAE regulations and international standards.