

## Ultimate Beneficial Owner (UBO) Compliance Framework

### Sharjah Publishing City Free Zone (SPCFZ)

In alignment with the regulatory framework of the **United Arab Emirates** and the standards issued by the **Financial Action Task Force (FATF)**, Sharjah Publishing City Free Zone (SPCFZ) requires all licensed entities to comply with Ultimate Beneficial Owner (UBO) transparency obligations pursuant to **Cabinet Resolution No. 109 of 2023**. SPCFZ is committed to upholding the highest standards of corporate governance, transparency, and **Anti-Money Laundering (AML)** compliance.

#### 1. Definition of Ultimate Beneficial Owner (UBO)

An **Ultimate Beneficial Owner** is the natural person who ultimately owns or controls a legal entity, either directly or indirectly.

A person is considered a UBO if they:

- Own or control **25% or more** of the company's shares or voting rights; or
- Have the power to appoint or remove a majority of the directors; or
- Exercise effective control over the entity through other means; or
- If no natural person satisfies the above criteria, hold a **senior management position** in the entity.

Where multiple individuals meet the ownership threshold, all such persons shall be recorded as **joint UBOs**.

#### Beneficial Owners of Trusts:

- Settlor of the trust
- Trustees
- Beneficiaries
- Any person who has control over the trust, including the ability to:
  - Dispose of, advance, invest, or apply trust property
  - Vary, terminate, or amend the trust
  - Add or remove beneficiaries
  - Appoint or remove trustees

#### **Beneficial Owners of Foundations:**

- Founder
- Foundation council members
- Guardian (if any)
- Named beneficiaries or designated persons if no beneficiaries are named
- Individuals holding **25% or more voting rights**, or who can appoint/remove a majority of officials

#### **Exemptions from UBO Declaration:**

- Publicly listed companies on a stock exchange (must provide stock code and exchange details)
- Companies wholly owned by the UAE Federal or any local government, or created by decree – disclosure is required only up to the government layer

## **2. Obligations of SPCFZ Licensed Entities**

In accordance with **Cabinet Resolution No. 109 of 2023** and UAE AML/CFT laws, all licensed entities must comply with the following:

### **A. Disclosure at Incorporation and Licensing**

- Submit complete, accurate, and up-to-date information at the time of incorporation and licensing
- Clearly state the company's trade name and registered address on all official documents

### **B. Identification of the Ultimate Beneficial Owner**

- Take reasonable steps to identify the natural person(s) who ultimately own or control the entity
- In case of uncertainty, formally notify potential beneficial owners and clarify ownership

### **C. Maintenance of the UBO Register**

- Establish and maintain a **Register of Beneficial Owners (RBO)**
- Record accurate UBO details upon identification
- Update the register **within 15 days** of any change in ownership or control

#### D. Submission to the Registrar

- Submit all required UBO information and supporting documents to SPCFZ within prescribed timelines
- Notify the Registrar of any amendments **within 15 days**
- Provide information to SPCFZ and other competent authorities as requested

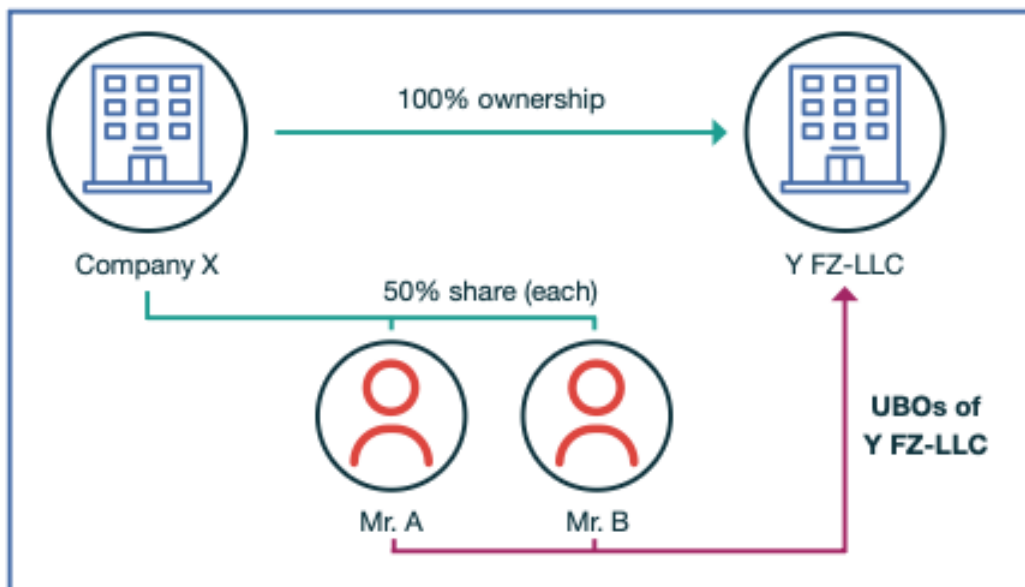
#### E. Ongoing Compliance

- Continuously monitor ownership and control structures to ensure full compliance with UAE regulations
- Maintain accurate and updated records at all times

### 3. Illustrative Example – Indirect Ownership

#### Scenario:

- Company X (overseas entity) owns 100% of **Y FZ-LLC** (a UAE free zone entity)
- Company X's shareholders:
  - Mr. A – 50%
  - Mr. B – 50%



**Analysis:**

- Mr. A and Mr. B indirectly control Y FZ-LLC through Company X
- Both are considered **UBOs of Y FZ-LLC**
- UBO status must be assessed separately for each legal entity

**4. UBO Verification Process**

Licensed entities must follow a structured process to verify their UBO(s):

**1. Verify Legal Existence**

- Confirm the entity is legally registered using incorporation and licensing documents

**2. Identify Ownership Chain**

- Gather ownership information:
  - Shareholder or partner register
  - Memorandum & Articles of Association
  - Corporate structure chart
  - Details of parent or holding companies

**3. Assess Ownership and Control**

- Analyze shareholding, voting rights, director appointment powers, and other control mechanisms

**4. Apply UBO Identification Criteria**

- Compare findings against Cabinet Resolution No. 109 of 2023
- Identify natural persons meeting UBO thresholds

## 5. Required UBO Data

### Natural Person:

- Full name
- Nationality (and other citizenship, if any)
- Date and place of birth
- Current residential address
- Basis and date of beneficial ownership
- Total number of shares/equities held
- Date of cessation (if applicable)

### Legal Person:

- Full legal name
- Country of incorporation
- Legal form (LLC, Joint Stock, Foundation, etc.)
- Registration / Trade license number
- Registered address
- Total shares/equity held

## 6. Registers to Maintain

Licensed entities must maintain:

1. **Register of Beneficial Owners (RBO)** – Full details of each UBO
2. **Nominee Board Member Information** – If applicable
3. **Register of Partners or Shareholders** – All owners, natural and legal

### Compliance Notes:

- Update promptly when information changes
- Even for legal person UBOs, natural persons controlling or benefiting must be identified
- Registers must be available for inspection by regulatory authorities

This framework ensures that SPCFZ-licensed entities meet **UAE regulatory obligations**, uphold **corporate governance standards**, and comply with **AML/CFT requirements**, while providing clear guidance for identifying, recording, and verifying UBOs.