

Cabinet Resolution No. (132) of 2023

Concerning the Administrative Penalties for Violations of the Provisions of Cabinet Resolution No. (109) of 2023 on the Regulation of Procedures for the Beneficial Owner

The Cabinet:

- Having reviewed the Constitution,
- And Cabinet Resolution No. (109) of 2023 on the Regulation of Procedures for the Beneficial Owner,
- And Cabinet Resolution No. (53) of 2021 concerning the Administrative Penalties for Violations of the Provisions of Cabinet Resolution No. (58) of 2020 on the Regulation of Procedures for the Beneficial Owner,
- And based on the submission of the Minister of Economy and the Minister of Finance, and the approval of the Cabinet,

Has decided:

Article (1)

Definitions

For the purposes of implementing the provisions of this Resolution, the following words and phrases shall have the meanings assigned to each of them, unless the context otherwise requires:

The State: The United Arab Emirates.

The Ministry: The Ministry of Economy.

The Minister: The Minister of Economy.

The Decree-Law: Federal Decree-Law No. (20) of 2018 on Anti-Money Laundering and Combating the Financing of Terrorism and Financing of Illegal Organisations, and its amendments.

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

The Registrar: The competent authority responsible for supervising the commercial names register for various types of establishments registered in the State, including the licensing authority.

Concerned Authorities: The government authorities concerned with the implementation of any provision of the Decree-Law and the Executive Regulations.

Beneficial Owner: The natural person who ultimately owns or controls, or by other indirect means, as well as the natural person on whose behalf transactions are conducted or who exercises ultimate effective control over a legal person, and who is identified in accordance with the text of Article (5) of the aforementioned Cabinet Resolution No. (109) of 2023.

Nominee Board Member: Any natural person who acts according to the directions, instructions, or will of another person, and is officially appointed or holds a position in the legal person, and is usually a representative of the shareholders, members, or any other interested party.

Senior Management: The decision-making authority in the legal person.

Register of Beneficial Owner: A special register for the beneficial owners in the legal person that includes all their data.

Register of Partners or Shareholders: A special register for the partners or shareholders in the legal person that includes all their data.

Written Warning: An official notice sent to the legal person or its representative by legally available means.

Article (2)

Scope of Application

The provisions of this Resolution shall apply to legal persons licensed or registered in the State, including non-financial free zones, that violate the provisions of the aforementioned Cabinet Resolution No. (109) of 2023.

Article (3)

Administrative Penalties

1. Without prejudice to any penalty or measure stipulated in the Decree-Law and other relevant legislation, the Registrar may impose administrative penalties on violators of the provisions of the aforementioned Cabinet Resolution No. (109) of 2023, in accordance with the violations and penalties listed in the schedule attached to this Resolution.
2. In addition to the fine prescribed for third-time offenses listed in the schedule attached to this Resolution, the Registrar may suspend the trade license and close the commercial premises of the violating legal person. This suspension shall be lifted after the payment of the prescribed fine for the violation and its rectification by fulfilling the necessary requirements related to the violation.

Article (4)

Amendment of Fines

The Cabinet is competent to make any amendments to the fines stipulated in this Resolution, whether by addition, deletion, or modification.

Article (5)

Shares of the Federal Government and Emirates' Governments from the Proceeds of Administrative Penalties

The Cabinet shall issue a resolution determining the percentages for sharing the proceeds of the administrative penalties in this Resolution between the Federal Government and the governments of the Emirates, based on a proposal from the Minister of Finance and after coordination with the Minister and the Registrar.

Article (6)

Final Provisions

1. The fines stipulated in this Resolution shall be collected by the means determined by the Ministry of Finance.
2. For the purposes of collecting the administrative fines stipulated in this Resolution, part of a day shall be considered a full day, and part of a month shall be considered a full month.

Article (7)

Implementing Decisions

The Minister, in coordination with the Registrar, shall issue the necessary decisions and procedures for the implementation of the provisions of this Resolution.

Article (8)

Repeals

Cabinet Resolution No. (53) of 2021 concerning the Administrative Penalties for Violations of the Provisions of Cabinet Resolution No. (58) of 2020 on the Regulation of Procedures for the Beneficial Owner is hereby repealed, as is any provision that contravenes or conflicts with the provisions of this Resolution.

Article (9)

Publication and Entry into Force

This Resolution shall be published in the Official Gazette and shall come into force on the day following the date of its publication.

Issued by us:

On: 2 / Jumada al-Akhirah / 1445 H

Corresponding to: 15 / December / 2023 AD

Mohammed bin Rashid Al Maktoum

Schedule Attached to Cabinet Resolution No. (132) of 2023

Concerning the Administrative Penalties for Violations of the Provisions of Cabinet Resolution No. (109) of 2023 on the Regulation of Procedures for the Beneficial Owner

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
1	Failure of the legal person to correctly register the details of the beneficial ownership.	Article (6) and Article (7)	A written warning to the legal person to rectify its status within (15) fifteen days from the date of sending the warning.	(AED 20,000) twenty thousand dirhams and a warning to the legal person to correct the violation within (15) fifteen days from the date of notifying the violator.	(AED 40,000) forty thousand dirhams with a notification to the legal person to correct the violation.
2		Article (8)			

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
	Failure to include the data stipulated in Clause (2) of Article (8) of the aforementioned Cabinet Resolution No. (109) of 2023 in the Register of Beneficial Owner.		A written warning to the legal person to rectify its status within (15) fifteen days from the date of sending the warning.	(AED 20,000) twenty thousand dirhams and a warning to the legal person to correct the violation within (15) fifteen days from the date of sending the violation notice.	(AED 40,000) forty thousand dirhams with a notification to the legal person to correct the violation.
3	Failure of the legal person to create the Register of Beneficial Owner and maintain its data.	Article (8/1)	A written warning to the legal person to rectify its status within (30) thirty	(AED 50,000) fifty thousand dirhams and a warning to the legal	(AED 100,000) one hundred thousand dirhams with a notification to the legal

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
			days from the date of sending the warning.	person to correct the violation within (30) thirty days from the date of sending the violation notice.	person to correct the violation.
4	Failure of the legal person to update the Register of Beneficial Owner.	Article (8/1)	A written warning to the legal person to rectify its status within (15) fifteen days from the date of sending the warning.	(AED 15,000) fifteen thousand dirhams and a warning to the legal person to correct the violation within (15) fifteen days from the date of sending	(AED 30,000) thirty thousand dirhams with a notification to the legal person to correct the violation.

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
				the violation notice.	
5	Failure of the legal person to provide the data referred to in Article (10) of the aforementioned Cabinet Resolution No. (109) of 2023, related to the data of the director or nominee board member, to the Registrar.	Article (10)	A written warning to the legal person to rectify its status within (30) thirty days from the date of sending the warning.	(AED 40,000) forty thousand dirhams and a warning to the legal person to correct the violation within (15) fifteen days from the date of sending the violation notice.	(AED 80,000) eighty thousand dirhams with a notification to the legal person to correct the violation.
6	Failure of the legal person to create the Register of Partners or Shareholders.	Article (10)	-	(AED 50,000) fifty thousand dirhams and a	(AED 100,000) one hundred thousand dirhams

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
				warning to the legal person to correct the violation within (30) thirty days from the date of sending the violation notice.	with a notification to the legal person to correct the violation.
7	Failure of the legal person to update the Register of Partners or Shareholders within (15) fifteen days from the date of the change or its knowledge thereof.	Article (10)	A written warning to the legal person to rectify its status within (30) thirty days from the date of sending the warning.	(AED 15,000) fifteen thousand dirhams and a warning to the legal person to correct the violation within (15) fifteen	(AED 30,000) thirty thousand dirhams with a notification to the legal person to correct the violation.

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
				days from the date of sending the violation notice.	
8	Failure of the legal person to maintain the details of each partner or shareholder or failure to include the data stipulated in Clause (1) of Article (10) of the aforementioned Cabinet Resolution No. (109) of 2023 in the Register of Partners or Shareholders.	Article (10)	A written warning to the legal person to rectify its status within (30) thirty days from the date of sending the warning.	(AED 30,000) thirty thousand dirhams and a warning to the legal person to correct the violation within (15) fifteen days from the date of sending the violation notice.	(AED 60,000) sixty thousand dirhams with a notification to the legal person to correct the violation.
9	Failure of the legal person to provide the data	Article (11/1)	A written warning to the	(AED 15,000) fifteen	(AED 30,000) thirty

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
	of the Register of Beneficial Owner and the Register of Partners or Shareholders to the Registrar and failure to protect these registers from damage, loss, or destruction.		legal person to rectify its status within (30) thirty days from the date of sending the warning.	thousand dirhams and a warning to the legal person to correct the violation within (15) fifteen days from the date of sending the violation notice.	thousand dirhams with a notification to the legal person to correct the violation.
10	Failure of the legal person to provide any additional data requested by the Registrar within (14) fourteen days from the date of the request.	Article (11/2)	A written warning to the legal person to rectify its status within (30) thirty days from the date of	(AED 15,000) fifteen thousand dirhams and a warning to the legal person to correct the	(AED 30,000) thirty thousand dirhams with a notification to the legal person to correct the violation.

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
			sending the warning.	violation within (15) fifteen days from the date of sending the violation notice.	
11	Failure of the legal person to disclose the tiers of the beneficial owner in complex structures.	Article (5)	A written warning to the legal person to rectify its status within (30) thirty days from the date of sending the warning.	(AED 50,000) fifty thousand dirhams and a warning to the legal person to correct the violation within (30) thirty days from the date of sending the violation notice.	(AED 100,000) one hundred thousand dirhams with a notification to the legal person to correct the violation.

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
12	Failure of the legal person to provide the Registrar with the name of a natural person residing in the State who is authorized to disclose the data or information required by the Decree-Law and its Executive Regulations.	Article (11/4)	A written warning to the legal person to rectify its status within (30) thirty days from the date of sending the warning.	(AED 10,000) ten thousand dirhams and a warning to the legal person to correct the violation within (15) fifteen days from the date of sending the violation notice.	(AED 20,000) twenty thousand dirhams with a notification to the legal person to correct the violation.
13	Failure of the legal person to disclose to the Registrar the issuance of shares in the names of persons or board members within	Article (11/6)	A written warning to the legal person to rectify its status within (30) thirty	(AED 15,000) fifteen thousand dirhams and a warning to the legal	(AED 30,000) thirty thousand dirhams with a notification to the legal person to

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
	(15) fifteen days from the date of issuance of the shares.		days from the date of sending the warning.	person to correct the violation within (15) fifteen days from the date of sending the violation notice.	correct the violation.
14	Failure of the legal person in the dissolution or liquidation phase to deliver the Register of Beneficial Owner and the Register of Partners or Shareholders to the liquidator within (30) thirty days from the date of the liquidator's appointment.	Article (11/7)	A written warning to the legal person to rectify its status within (30) thirty days from the date of sending the warning.	(AED 5,000) five thousand dirhams and a warning to the legal person to correct the violation within (15) fifteen days from the date of sending the	(AED 10,000) ten thousand dirhams with a notification to the legal person to correct the violation.

No.	Violation	Legal Reference	Administrative Penalties		
		Cabinet Resolution No. (109) of 2023	For the first offense	For the second offense	For the third offense
				violation notice.	
15	Failure of the liquidator to retain the registers and all data contained in the aforementioned Cabinet Resolution No. (109) of 2023 for a period of (5) years from the date of dissolution, liquidation, or deregistration.	Article (11/8)	(AED 100,000) one hundred thousand dirhams.	-	-