



## The UAE and the USA target the beneficial owners

### Dubai and the UAE: Cabinet Resolution No. (58) of 2020 regulating Beneficial Owner Procedures

The Resolution introduces new requirements for entities to disclose its beneficial owners. The main purpose is to enhance transparency of entities registered in the UAE, as well as to develop effective and sustainable executive and regulatory mechanisms and procedures in respect of beneficial owner data.

The Resolution requires entities licensed in the UAE (unless exemptions apply) to prepare and file a Ultimate Beneficial Owner ("UBO") register, Nominee Director register (if applicable) and a Partners or Shareholders register, with the relevant authority

### Dubai and the UAE: new rules on the economic substance

The UAE Cabinet has issued an amendment to existing regulations (Cabinet of Ministers Resolution No. (57) of 2020) concerning the Economic Substance Regulation (ESR). As per the revised/amended regulation all in-scope UAE entities ("Relevant Entities") that carry on certain activities ("Relevant Activities") to have demonstrable economic substance in the UAE are required to file Economic Substance Notification and Economic Reports.

Any failure to meet the legal requirements can attract hefty fines and sanctions from the UAE Government.

### US target beneficial owners with the Corporate Transparency Act

The Corporate Transparency Act is the culmination of a long battle anonymous shell companies.

Under the Corporate Transparency Act, will be required to set up a registry to collect the name, address, and birth date of beneficial owners.

The information will not be available to the general public. Still, it will be available to law enforcement and financial institutions in the private sector upon request and with customer consent. Some companies are exempt from the requirements provided that these are entities with more than 20 employees, \$5 million in annual sales, and a physical presence in the U.S.

The Corporate Transparency Act does not end criminals' ability to use the American financial system to facilitate their crimes and hide and enjoy their ill-gotten gains. A registry is not a silver bullet, as can be seen in countries such as the UK, which already have them. Criminals can always file false information to registries, and verification can be challenging, although there are criminal penalties for providing false information.

**PLEASE FEEL FREE TO CONTACT US WITH ANY QUESTIONS OR QUERIES.**

TRUST 4 TRUST GROUP

EMAIL: [INFO@TRUST4TRUST.COM](mailto:INFO@TRUST4TRUST.COM)

PH.: +41 91 220 4710

FAX: +41 91 220 4711