

Beneficial Ownership & Control Guidance

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INTRODUCTION

This document contains the “MEYDAN FREE ZONE” Beneficial Ownership guidance. The guidance applies to all licensed entities within the Free Zone and is in adherence to the UAE regulatory requirements. In addition, the guidance sets out provisions concerning Anti-money laundering (AML) and Counter Financing of terrorism (CFT).

BENEFICIAL OWNERSHIP REQUIREMENTS

Beneficial Ownership or as known as UBO “ Ultimate Beneficial Ownership ” identification and verification is an integral component of the Meydan Free Zone review process in the onboarding process. An applicant must provide beneficial owner information at the time of incorporation, or once there are any changes in ownership structure, and this information must be kept up to date during the life cycle of the Meydan legal entity. Each Meydan Free Zone person must create a Register of Beneficial Owner and maintain its data. Meydan Free Zone person includes all incorporated companies under Meydan Free Zone authority. The regulations can be found here - [Anti-Money Laundering Crimes Legislations | Ministry of Economy - UAE \(moec.gov.ae\)](#)

THE REQUIRED BENEFICIAL OWNER FIELDS

1. Natural Person:

- Company Name
- Full Name
- Shareholding Percentage
- Voting Rights (Yes/No)
- Basis of UBO
- Nationality
- Date Of Birth
- Place of Birth

- Residential Address
- Contact details
- Passport Nr.
- Passport Country Issuance
- Passport Issuance date
- Passport Expiry date
- When did you become a UBO?
- Date ceased to be UBO (from inception of the legal person)

2. Legal Person:

- Registered name
- Registered address
- Registered number (LEI)
- Domicile of registration
- Total number of shares/equity held

WHAT IS A BENEFICIAL OWNER?

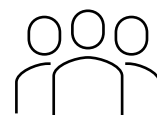
BENEFICIAL OWNER OF A COMPANY



Any person who owns or controls (directly or indirectly) 25% or more of the shares or voting rights in a company;



Any person who controls the company, or



Holds the rights directly or indirectly, to appoint or remove a majority of the board of directors of the company

BENEFICIAL OWNER OF A TRUST

1. The settlor of the trust;
2. Any other trustee(s);
3. Each beneficiary of the trust;
4. The protector (if any);
5. Any other natural person exercising ultimate effective control over the trust (including through a chain of control/ownership)

BENEFICIAL OWNER OF A FOUNDATION

1. The founder;
2. The foundation council members;
3. The guardian if any;
4. The beneficiaries if named;
5. A person who shall have control in relation to the foundation

BENEFICIAL OWNER OF A FOUNDATION

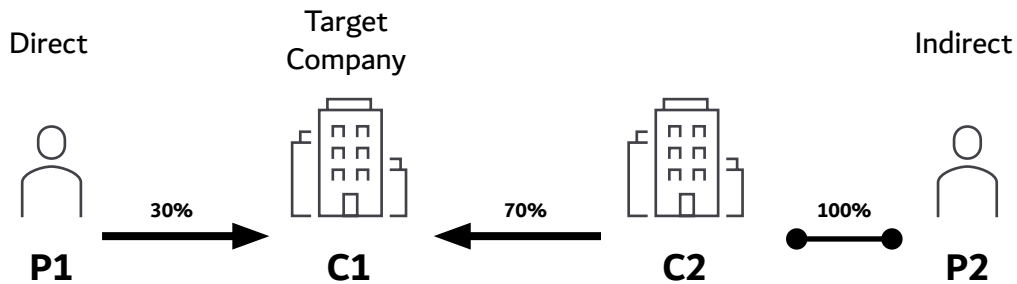
1. The founder;
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IN THE CASE WHERE A BENEFICIAL OWNER IS

1. A public listed company; or a company wholly owned by a government or established under a decree, shall be treated as a natural purpose for the regulations.
2. Public listed companies mean a company that is listed on a recognized stock exchange and subject to disclose their (stock code, exchange name & total trading volume).

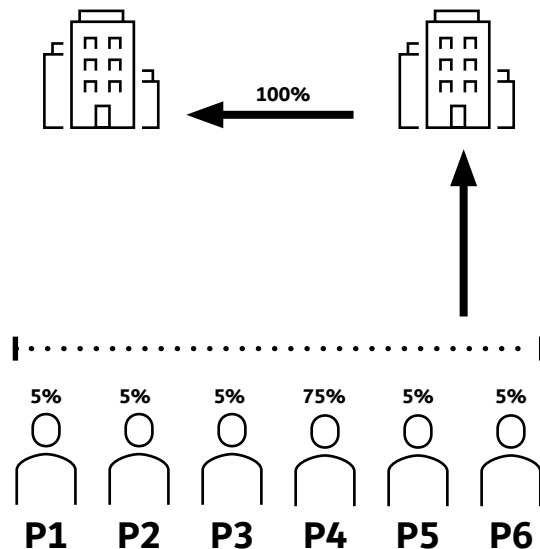
HOW TO DETERMINE THE BENEFICIAL OWNER?

DIRECT AND INDIRECT OWNERSHIP



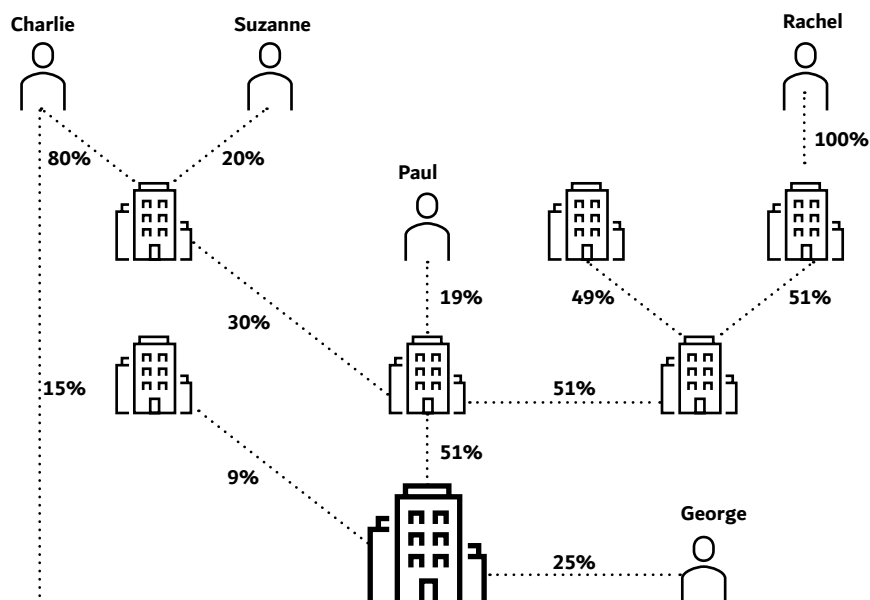
In this example, Person P1 is a direct owner of Company C1 and owns 30% shareholding. Person P2 is an indirect owner of Company C1 and owns 70% shareholding.

SIMPLE INDIRECT SHAREHOLDING



This diagram visualizes a typical scenario depicting how organizations determine the UBO of a target business. In this instance, the shares are owned by multiple people. In this example, Person 4 is the UBO since he has 75% of the shares, while other individuals own less than 25%.

MULTIPLE INDIRECT/ DIRECT OWNERSHIP



In this example, there are multiple levels of indirect/direct ownership. The two beneficial owners are clearly visible in the below table. In this case, Charlie has a 27% interest in the Meydan entity ($80\% \times 30\% = 24\%$, $24\% \times 51\% = 12.24\%$) & owns 15% directly; $15\% + 12\% = 27\%$. On the other hand George has 25% interest through direct ownership.

SHAREHOLDER	SHARING PERCENTAGE
Charlie	12%
Susanne	3%
Paul	10%
Rachel	13%
Property A	v13%
George	25%
Property B	9%
Charlie	15%