

**Beneficial Ownership and Control**  
Guidance



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## ***Introduction***

Abu Dhabi Global Market (“ADGM”) is established pursuant to Abu Dhabi Law No. 4 of 2013 as a financial free zone in the Emirate of Abu Dhabi, with its own civil and commercial laws. ADGM offers market participants a world-class legal system and regulatory regime.

This document has been prepared to guide clients in identifying the registrable beneficial owners of ADGM Entities.

## ***Registration Authority Office***

The Registration Authority (the “Registrar”) is an independent authority, which has the powers granted to it under the Abu Dhabi Law No. 4 of 2013. The Registrar’s office is located at 3rd floor, ADGM Building, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

## ***The Registrar’s main functions***

- Registration of ADGM establishments
- Registration of business names and maintenance of register
- Registration of post-incorporation documentation and event-driven filings
- Registration of changes in business name particulars
- Registration of changes in directors, officers, shareholders and share capital
- Enforcement, prosecution and strike off, dissolution or restoration of ADGM establishments
- Cancellation of Commercial Licenses, amendment, suspension, etc.

## ***Opening Hours***

The Registrar’s office is open to public from Sunday to Thursday, 9:00am to 3:00pm and may be contacted during normal working hours at +971 2 3338777 or by email at [adgm.registration@adgm.com](mailto:adgm.registration@adgm.com)

## **ADGM Requirements**

Beneficial ownership identification and verification is an essential component and integral part of ADGM's review process in registering a legal entity in ADGM. An applicant must provide such information at the time of incorporation and this information must be kept up to date during the life cycle of the legal entity.

In particular, each ADGM Person must keep a record of the required particulars of its beneficial owners in a **"record of beneficial owners"**. ADGM Persons include ADGM incorporated companies and limited liability partnerships (LLP), ADGM established foundations, and trustees of a trust governed by the law of ADGM.

The relevant requirements and duties of an ADGM Person in maintaining a record of beneficial owners can be found in the following Regulations:

- Beneficial Ownership and Control Regulations 2018;
- Beneficial Ownership and Control 2018 (Amendment No,1) Regulations 2019; and
- Beneficial Ownership and Control (Amendment No.1) Regulations 2020.

The Regulations can be found here <https://en.adgm.thomsonreuters.com/rulebook/commercial-legislation>.

**What is a “beneficial owner”?**

<p><b>“beneficial owner”, in relation to a company or LLP</b></p>	<p><b>“beneficial owner” for an ADGM Person who is a trustee, means each of the following but only in respect of the trust governed by the law of the Abu Dhabi Global Market for which the ADGM Person is a trustee</b></p>	<p><b>“beneficial owner”, in relation to a foundation</b></p>
<p>any person who owns or controls (in each case whether directly or indirectly), including through bearer share holdings or by other means, 25% or more of the shares or voting rights in the company or LLP;</p> <p>any person who controls the company or LLP, or</p> <p>any person who exercises control over the management of the company or LLP.</p>	<p>the settlor of the trust;</p> <p>any other trustee(s) aside from the ADGM Person;</p> <p>each beneficiary of the trust;</p> <p>where the persons (or some of the persons) benefiting from the trust have not been determined, the class of persons in whose main interest, in the opinion of the Registrar, the trust has been established or operates; and</p> <p>any other person who, in the opinion of the Registrar, has control over the trust.</p>	<p>the founder;</p> <p>the foundation council members (except council members that are ADGM registered corporate service providers);</p> <p>the guardian, if any; and</p> <p>the beneficiaries (if named) or designee (if no beneficiaries are named) in whose main interest, in the opinion of the Registrar, the foundation has been established or operates.</p>

<p>“control” if in relation to a company means such person who:</p> <p>holds, directly or indirectly, 25% or more of the company’s shares;</p> <p>holds, directly or indirectly, 25% or more of the voting rights in the company; or</p> <p>holds the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company;</p> <p>in relation to an LLP, the person, holds, directly or indirectly, 25% or more of the voting rights in the conduct and management of the LLP.</p>	<p>“control” means a power (whether exercisable alone, jointly with another person or with the consent of another person) under the trust instrument or by law to:</p> <p>dispose of, advance, lend, invest, pay or apply trust property;</p> <p>vary or terminate the trust;</p> <p>add or remove a person as a beneficiary to or from a class of beneficiaries;</p> <p>appoint or remove trustees or give another person control over the trust; and</p> <p>direct, withhold consent to or veto the exercise of a power mentioned in sub-paragraphs (a) to (d).</p>	<p>A person shall have “control” in relation to a foundation if such person:</p> <p>holds, directly or indirectly, 25% or more of the voting rights in the conduct and management of the foundation;</p> <p>holds the right, directly or indirectly, to appoint or remove a majority of the officials of the foundation.</p>
<p>Note:</p> <p>Where any of the above roles are fulfilled by a company, LLP or partnership, the ADGM Person shall identify the natural persons who are the beneficial owners of such company, LLP or partnership, unless the company is a listed company.</p>		

In any case, where a beneficial owner is:

- a listed company; or a company that is wholly-owned by the Federal Government of the United Arab Emirates, or by any of the governments of the member Emirates of the United Arab Emirates; or a company created by Emiri decree within the United Arab Emirates, it shall be treated as a natural person for the purposes of the Regulations, and therefore (for the avoidance of doubt) as the beneficial owner of the ADGM Person.
- “listed company” means a company listed on a stock exchange recognised by the Registrar and subject to disclosure requirements which enable its beneficial owners to be identified.
- “Beneficial owner”, in relation to a partnership (other than an LLP), means any person who ultimately is entitled to or controls (in each case whether directly or indirectly) 25% or more of the share of the capital or profits of the partnership; or 25% or more of the voting rights in the partnership; or hold the position of officer of the partnership.

## How to determine the beneficial owner?

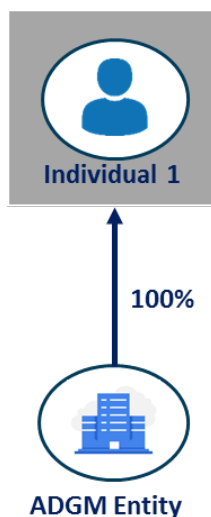
### Test 1: The Ownership Test

The ownership test is to identify the individual who ultimately owns the ADGM Person. Ultimate owners are considered to be a registrable beneficial owner and their information and identification documents must be provided to the Registration Authority at the time of application and must be kept up-to-date throughout the lifecycle of the ADGM Person.

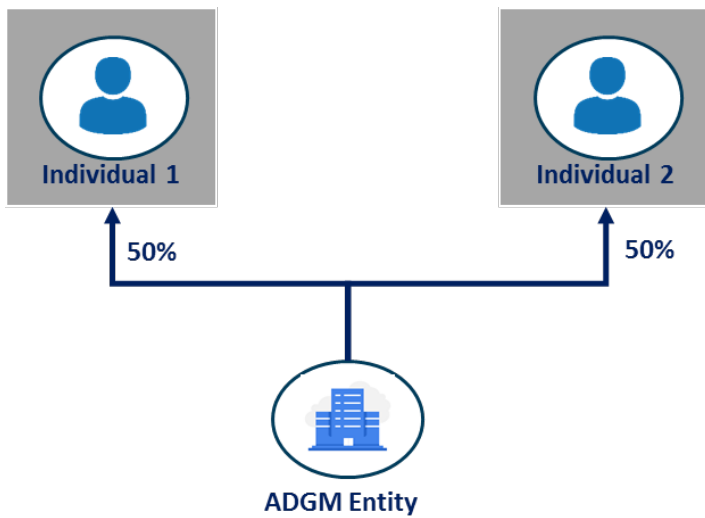
To help you identify the registrable beneficial owners, please refer to the illustration below. Registrable beneficial owners are identified through grey boxes.

#### Direct Ownership

In this example, Individual 1 owns 100% of the ADGM Entity. He is the beneficial owner.



In this example, Individual 1 and Individual 2 are direct owners of the ADGM Entity. Both individual are the beneficial owners.



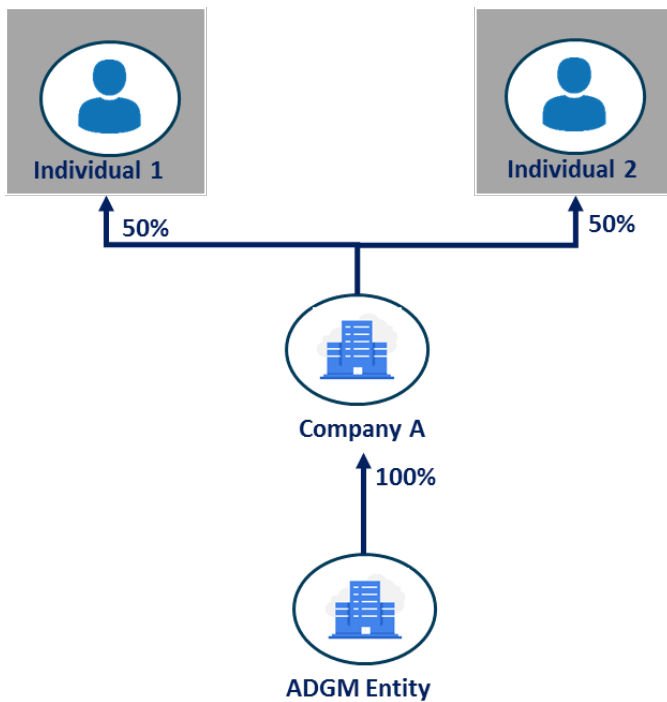
### Indirect Ownership

In this example, Individual 1 is the indirect owner and beneficial owner of the ADGM Entity.



In this example, Individual 1 and Individual 2 are indirect owners and beneficial owners of the ADGM Entity.

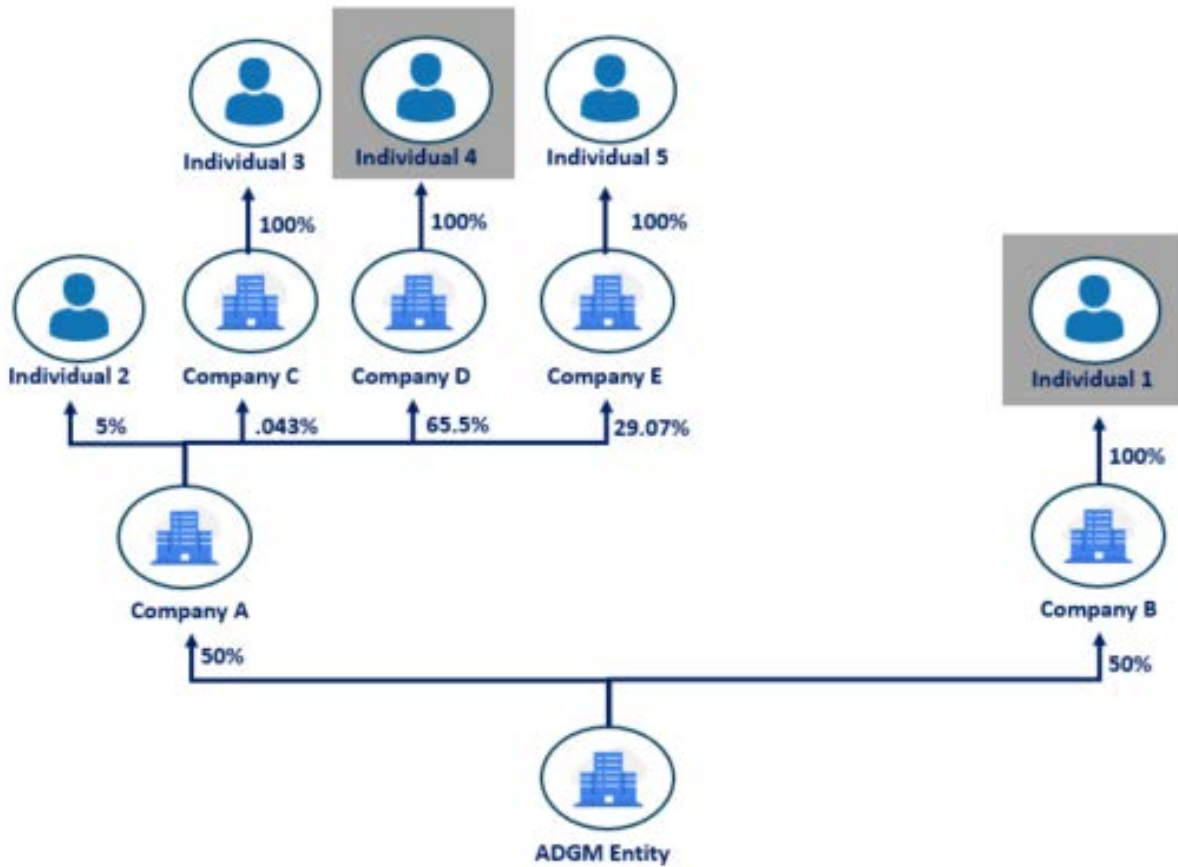




### Multiple Indirect Ownership

In this example, there are multiple levels of indirect ownership. The two beneficial owners are clearly marked in grey boxes. In this case, **Individual 4** has a 32.75% interest in ADGM Entity ( $50\% \times 65.5\% = 32.75\%$ ) and Individual 1 has 50%.

Calculating shareholdings: a reference in this Guidance Note to holding shares in an ADGM Person or other legal entity is to holding a right to shares in the capital or, as the case may be, profits of that person or other entity, and a reference to holding “25% or more of the shares” in that ADGM Person or other legal entity is to holding a right or rights to share 25% or more of the capital or, as the case may be, profits of that person or other entity.



If no registrable person can be identified under Test 1, Test 2 also needs to be considered.

**Test 2: The Control Test**

This test requires the identification of an individual or corporate entity that ultimately controls the ADGM Entity by means other than ownership. For example, a person that holds 25% or more of the voting rights of an ADGM Entity but the exercise of such voting rights is controlled by another. This latter person is a beneficial owner in respect of the ADGM Entity. Nominee shareholding arrangements are an example.

It is important to note that if, in relation to ADGM Entity, there are individuals who satisfy Test 2, in addition to individual / corporate beneficial owners that satisfy Test 1, then all are registrable beneficial owners in respect of that ADGM Entity.

**Test 3: The Officer Test**

This test only applies if no registrable owners have been identified under Test 1 or Test 2 and stipulates that all natural persons who hold the position of officer of the ADGM Entity, will be registrable as a beneficial owner.

## ***Disclaimer***

This Guidance (the “Note”) provides answers to many frequently asked questions and provides information on how to identify the beneficial owner of ADGM Entity. This is only a non-binding indicative guide and should be read together with the relevant legislation, in particular, ADGM Beneficial Owners and Control Regulations 2018 and any other relevant regulations and enabling rules, which may change over time without notice. The Note only refers to the procedures that need to be completed in relation to the Registrar. It does not cover other requirements as set out in the relevant legislation (which includes contact with the court and other obligations of an applicant). Further advice from a specialist professional may be required. The Registration Authority makes no representations as to accuracy, completeness, correctness or suitability of any information and will not be liable for any error or omission. Information in this Note is not to be deemed, considered or relied upon as legal advice and should not be treated as a substitute for a specific advice concerning any individual situation. Any action taken upon the information provided in this Note is strictly at your own risk and ADGM RA will not be liable for any losses and damages in connection with the use of or reliance on information provided in this Note.

For more information, you may contact the Registrar:

Telephone No.: 00 971 2 3338777

Email: [adgm.registration@adgm.com](mailto:adgm.registration@adgm.com)

Address: 3rd floor, ADGM Building, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

REGISTRATION AUTHORITY  
سلطة التسجيل

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