

Beneficial ownership

Guidance note

ADGM Registration Authority

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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 ADGM Persons on how beneficial ownership shall be identified for the purpose of complying with the provisions of the ADGM Beneficial and Ownership Regulations 2022 (“BOCR”).

This guidance is issued under sections 10(1)(c) and 24 of the BOCR.

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.

ADGM Beneficial Ownership Requirements

The identification and verification of beneficial owners is a key component of ADGM’s legal entity registration process.. Applicants are required to provide beneficial ownership information when incorporating a legal entity, and this information must be kept accurate and up to date throughout the entity’s lifecycle.

Each ADGM Person must keep a record containing the required particulars of its beneficial owners (a “**record of beneficial owners**”) in accordance with the applicable requirements.

ADGM Persons includes:

- a company incorporated in ADGM under the Companies Regulations 2020;
- a Limited Liability Partnership established in ADGM under the Limited Liability Partnership Regulations 2015;
- a Limited Partnership that has elected to possess legal personality and which is registered under the Limited Partnership Act 1907 in ADGM; and
- a foundation established in ADGM under the Foundations Regulations 2017 or Distributed

Ledger Technology Foundations Regulations 2023.

The requirements and obligations applicable to an ADGM Person in maintaining a record of beneficial owners are set out in the Beneficial Ownership and Control Regulations 2022 (“**BOCR 2022**”).

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

Who are beneficial owners?

The beneficial owners are defined in Schedule 1 of the Beneficial Ownership and Control Regulations 2022 as follows:

	Company	Limited Liability Partnership	Limited Partnership	Foundations or DLT Foundation	Trust
Test 1	Any natural person who owns (in each case whether directly or indirectly), including through bearer share holdings or by other means, 25% or more of the shares in the ADGM company;	Any natural person who owns (in each case whether directly or indirectly), including through bearer share holdings or by other means, 25% or more of the equity in the ADGM LLP;	Any natural 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;	<ul style="list-style-type: none"> - The founder. - The foundation council members (except council members that are ADGM registered company service providers). - the guardian, if any. - the beneficiaries (if named) or designee (if applicable) in whose main interest the foundation or arrangement has been established or operates; and - any person who has control over the foundation. <p>Note: <i>Control</i> means:</p> <ul style="list-style-type: none"> - holds, directly or indirectly, 25% or more of the voting 	<ul style="list-style-type: none"> - the settlor of the trust. - - the trustee(s) of the trust - each beneficiary of the trust. - any protector or enforcer appointed to the trust. - where the persons (or some of the persons) benefiting from the trust have not been determined, the class of persons in whose main interest the trust has been established or operates; and - any other person who, in the reasonable opinion of the trustee, has control over the trust. <p>Note: <i>Control</i> means a power</p>

				<p>rights in a foundation registered under the Foundations Regulations;</p> <ul style="list-style-type: none"> - holds, directly or indirectly, including by means of being a tokenholder, 10% or more of the voting rights in a foundation registered under the DLT Foundations Regulations; or - holds the right, directly or indirectly, to appoint or remove the foundation's officers and/or beneficiaries. 	<p>(whether exercisable alone, jointly with another person or with the consent of another person) under the trust instrument or by law to:</p> <ul style="list-style-type: none"> - dispose of, advance, lend, invest, pay, or apply trust property. - vary or terminate the trust. - add or remove a person as a beneficiary or to or from a class of beneficiaries. - appoint or remove trustees or give another person control over the trust; and - direct, withhold consent to or veto the exercise of a power above.
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<p>Test 2</p>	<p>even if a natural person is identified as the beneficial owner under test 1 above, any natural person who controls the ADGM company other than by positions held as officer of the ADGM company;</p> <p>Note: Control means a natural person that:</p> <ul style="list-style-type: none"> - holds, or may exercise, directly or indirectly, 25% or more of the voting rights in the company; or - holds, or may exercise, the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company. 	<p>even if a natural person is identified as the beneficial owner under test 1 above, any natural person who controls the ADGM LLP other than by positions held as officer of the ADGM LLP;</p> <p>Note: Control means a natural person that holds, or may exercise, directly or indirectly, 25% or more of the voting rights in the conduct and management of the LLP.</p>	<p>even if a natural person is identified under test 1 above, any natural person who is ultimately entitled to or controls (in each case whether directly or indirectly) 25% or more of the voting rights in the partnership;</p>		
<p>Test 3</p>	<p>if no natural person is identified as the beneficial owner under either test 1 or 2 above, any natural person who holds the position of</p>	<p>if no natural person is identified as the beneficial owner under either test 1 or 2 above, any natural person who holds the position of</p>	<p>if no natural person is identified as the beneficial owner under test 1 or 2 above, any natural person who holds the position of officer of the partnership</p>		

	officer of the Company. Note: <i>Officer</i> is defined as a director, manager, or secretary of the company.	officer LLP. Note: <i>Officer</i> is defined as members of the LLP exercising functions under the members' agreement equivalent to the functions of the officers of a company	and any natural person who is the beneficial owner of a person holding the position of an officer of the partnership. Note: <i>Officer</i> means the general partner, or the officers and directors of the general partner, if the general partner is not a natural person;		
Notes:	Where a beneficial owner under test 1 or 2 is a legal person, a partnership (whether or not a legal person), or a legal arrangement, the ultimate natural persons who are the beneficial owners of that person, partnership, or arrangement must be identified, unless it is any of the following: In any case where a beneficial owner is: <ul style="list-style-type: none"> - a listed company; or - a company that is wholly owned by 	Where a beneficial owner under test 1 or 2 is a legal person, a partnership (whether or not a legal person), or a legal arrangement, the ultimate natural persons who are the beneficial owners of that person, partnership, or arrangement must be identified, unless it is any of the following: In any case where a beneficial owner is: <ul style="list-style-type: none"> - a listed company; or - a company that is wholly owned by 	Where a beneficial owner is a legal person under test 1, 2 or 3, a partnership (whether or not a legal person), or a legal arrangement, the natural persons who are the beneficial owners of that person, partnership, or arrangement must be identified, unless it is any of the following: In any case where a beneficial owner is: <ul style="list-style-type: none"> - a listed company; or - a company that is wholly owned by 	Where any of the above roles are fulfilled by a legal person, a partnership (whether or not a legal person) or a legal arrangement, the ultimate natural persons who are the beneficial owners of that person partnership, or arrangement must be identified unless it is any of the following: <ul style="list-style-type: none"> - a listed company; or - a company that is wholly owned by the Federal Government of the United Arab 	(1) FSRA-Authorised trustee exception: Where the trustee is a body corporate which is an Authorised Person with a Financial Services Permission to provide trust services under paragraph 72 of the ADGM Financial Services and Markets Regulations 2015, that body corporate may be treated as the beneficial owner of the relevant interest, without the need to identify its natural-person beneficial owners. (2) Investment Trust exception:

	<p>the Federal Government of the United Arab Emirates, or by any of the governments of the member Emirates of the United Arab Emirates; or</p> <ul style="list-style-type: none"> - a company created by Emiri decree within the United Arab Emirates; or - a company that is wholly owned by a government or government agency of a Relevant Jurisdiction, <p>In such cases it shall be treated as the beneficial owner of the ADGM Company without having to identify their beneficial owners.</p>	<p>the Federal Government of the United Arab Emirates, or by any of the governments of the member Emirates of the United Arab Emirates; or</p> <ul style="list-style-type: none"> - a company created by Emiri decree within the United Arab Emirates; or - a company that is wholly owned by a government or government agency of a Relevant Jurisdiction, <p>In such cases it shall be treated as the beneficial owner of the ADGM LLP without having to identify their beneficial owners.</p>	<p>the Federal Government of the United Arab Emirates, or by any of the governments of the member Emirates of the United Arab Emirates; or</p> <ul style="list-style-type: none"> - a company created by Emiri decree within the United Arab Emirates; or - a company that is wholly owned by a government or government agency of a Relevant Jurisdiction, <p>In such cases it shall be treated as the beneficial owner of the ADGM Limited Partnership without having to identify their beneficial owners.</p>	<p>Emirates, or by any of the governments of the member Emirates of the United Arab Emirates; or</p> <ul style="list-style-type: none"> - a company created by Emiri decree within the United Arab Emirates; or - a company that is wholly owned by a government or government agency of a Relevant Jurisdiction, <p>In such cases it shall be treated as the beneficial owner of the role holder without having to identify their beneficial owners.</p>	<p>Where part or all of an ADGM Person's ownership or control is held through an Investment Trust, the trustee of that Investment Trust is treated as the beneficial owner of the relevant interest in the ADGM Person.</p> <p>The other persons listed above (settlor, beneficiaries, protector and so on) do not need to be identified.</p> <p>(3) Where any of the above roles are fulfilled by a legal person, a partnership (whether or not a legal person) or a legal arrangement, the natural persons who are the beneficial owners of that person, partnership, or arrangement must be identified unless it is any of the following:</p> <ul style="list-style-type: none"> - 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
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					<p>of the member Emirates of the United Arab Emirates; or</p> <ul style="list-style-type: none"> - a company created by Emiri decree within the United Arab Emirates; or - a company that is wholly owned by a government or government agency of a Relevant Jurisdiction, <p>In such cases it shall be treated as the beneficial owner of the role holder without having to identify their beneficial owners.</p>
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Beneficial ownership vs legal ownership

There is a distinction between “legal” and “beneficial”. The legal owner of a company is the person recorded as holding the shares on the share register; however, they may hold those shares on behalf of another person. The legal owner may be a natural person or another legal entity. In such circumstances, the shareholder is commonly referred to as a ‘Nominee Shareholder,’ and the legal owner may not be the person who ultimately owns or controls the entity.

It is therefore essential to identify the natural person(s) who ultimately own or control the entity (i.e., the beneficial owner).

Nominee Directors

A director is a nominee director where they are under an obligation to act in accordance with the directions, instructions or wishes of another person.

An ADGM Person which has one or more nominee directors must take reasonable steps to ascertain the true identity of the person on whose behalf each nominee director acts. Where that person is not a natural person, the ADGM Person must take reasonable steps to determine the identity of each natural person who is a beneficial owner of that person.

An ADGM Person which has one or more nominee directors must maintain a record of all persons identified in accordance with the BOCR 2022, referred to as the “record of nominee directors”.

Company

How to determine the UBO of a Company?

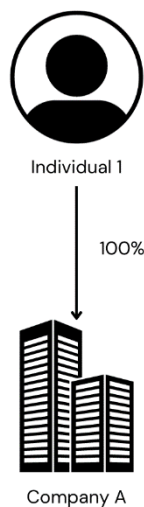
Test 1: The Ownership Test

Any natural person who owns (in each case whether directly or indirectly), including through bearer share holdings or by other means, 25% or more of the shares in the ADGM company;

Example 1: Direct Ownership

Company

Example 1



In this example,

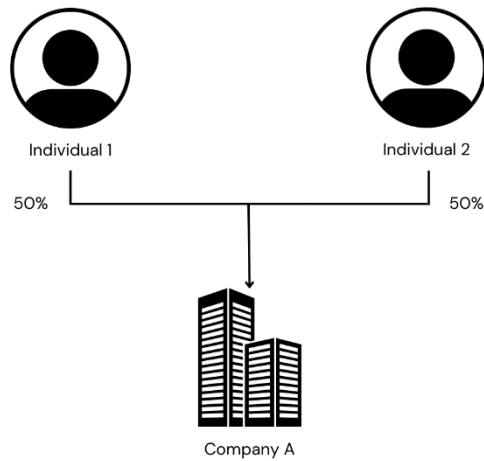
- Company A is a private company limited by shares registered in ADGM.
- Company A is 100% owned by Individual 1.

Beneficial Owners: *Individual 1*, being a direct owner of 100% of Company A is the beneficial owner.

Example 2: Direct Ownership

Company

Example 2



In this example,

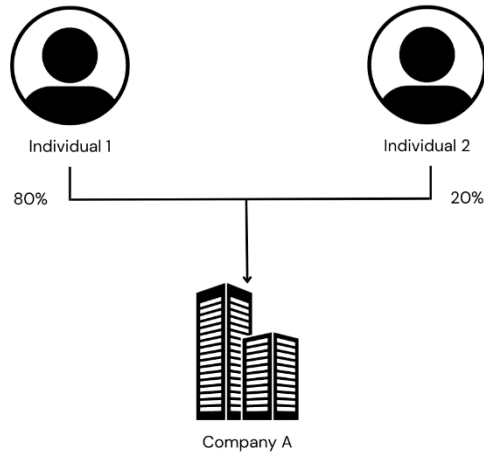
- Company A is a private company limited by shares registered in ADGM.
- Company A is 50% owned by Individual 1 and 50% owned by Individual 2.

Beneficial Owners: Individual 1 and Individual 2, being a direct owner of 50% each of Company A are the beneficial owners.

Example 3: Direct Ownership

Company

Example 3



In this example,

- Company A is a private company limited by shares registered in ADGM.
- Company A is 80% owned by Individual 1 and 20% owned by Individual 2.

Beneficial Owners: *Individual 1*, being a direct owner of 80% each of Company A is the beneficial owners.

Example 4: Indirect Ownership

Company

Example 4



In this example,

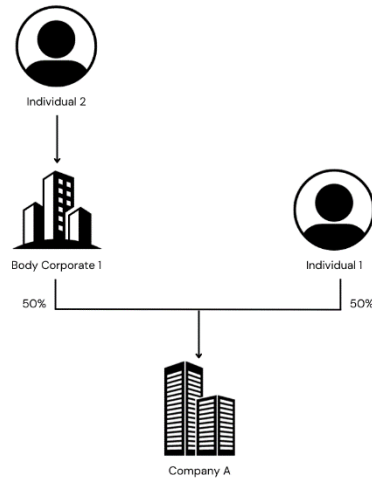
- Company A is a private company limited by shares registered in ADGM.
- Company A is 100% owned by Body Corporate 1.
- Body Corporate 1 is 100% owned by Individual 1

Beneficial Owners: *Individual 1*, being an indirect owner of 100% of Company A is the beneficial owner.

Example 5: Indirect Ownership

Company

Example 5



In this example,

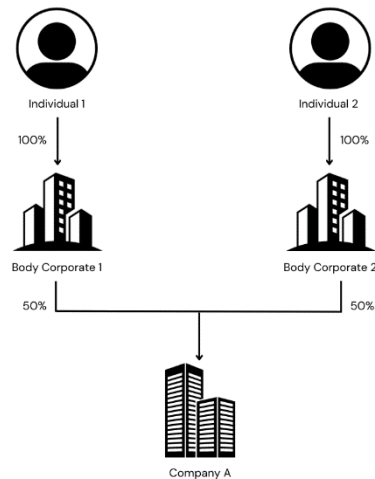
- Company A is a private company limited by shares registered in ADGM.
- Company A is 50% owned by Body Corporate 1 and 50% owned by Individual 1
- Body Corporate 1 is 100% owned by Individual 2

Beneficial Owners: Individual 1 and Individual 2, being a direct owner and indirect owner of 50% each respectively of Company A are the beneficial owners.

Example 6: Indirect Ownership

Company

Example 6



In this example,

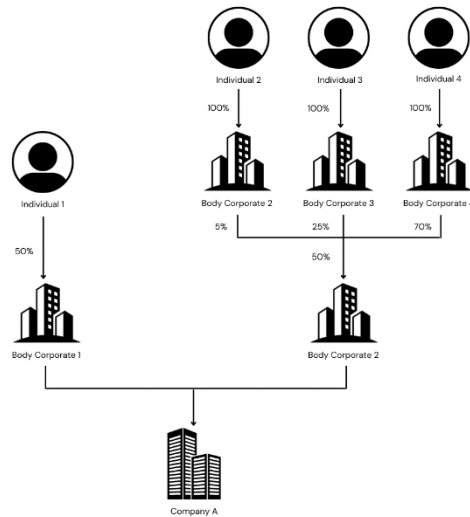
- Company A is a private company limited by shares registered in ADGM.
- Company A is 50% owned by Body Corporate 1 and 50% owned by Body Corporate 2.
- Body Corporate 1 is 100% owned by Individual 1 and Body Corporate 2 is 100% owned by Individual 2.

Beneficial Owners: Individual 1 and Individual 2, being indirect owners of 50% each of Company A are the beneficial owners (the control test must also be applied however for additional beneficial owners).

Example 7: Indirect Ownership

Company

Example 7



In this example,

- Company A is a private company limited by shares registered in ADGM.
- Company A is 50% owned by Body Corporate 1 and 50% owned by Body Corporate 2.
- Body Corporate 1 is 100% own by Individual 1.
- Body Corporate 2 is own by:
 - o Body Corporate 3 – 5%.
 - o Body Corporate 4 – 25%.
 - o Body corporate 5 – 70%.
- Body Corporate 3 is 100% owned by Individual 2.
- Body Corporate 4 is 100% owned by Individual 3.
- Body Corporate 5 is 100% owned by Individual 4.

In this example, there are multiple individuals, companies, and indirect ownership. The percentage ownership (and calculation) for each individual is set out in the table below.

Individual	Ownership in Company A.	Calculation
Individual 1	50%	$100\% * 50\% = 50\%$
Individual 2	2.5%	$5\% * 50\% = 2.5\%$
Individual 3	12.5%	$25\% * 50\% = 12.5\%$

Individual 4	35%	70% * 50% = 35%
	100%	

Beneficial Owners: Individual 1 and Individual 4, being indirect owners of 50% and 35% of Company A respectively are the beneficial owners (the control test must also be applied however for additional beneficial owners).

Test 2 – The Control Test

Even if a natural person is identified as the beneficial owner under test 1 above, any natural person who controls (in each case whether directly or indirectly) the ADGM company other than by positions held as officer of the ADGM company.

Note: Control means a natural person that:

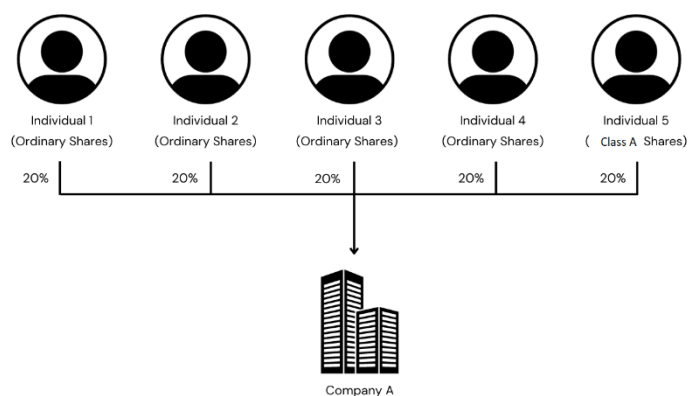
holds, or may exercise, directly or indirectly, 25% or more of the voting rights in the company; or

holds, or may exercise, the right, directly or indirectly, to appoint or remove a majority of the board of directors of the company.

Example 8:

Company

Example 8



In this example,

- Company A is a private company limited by shares registered in ADGM.
- Company A is own by:
 - o Individual 1 – 20% (ordinary shares)
 - o Individual 2 – 20% (ordinary shares)
 - o Individual 3 – 20% (ordinary shares)
 - o Individual 4 – 20% (ordinary shares)
 - o Individual 5 – 20% (Class A shares)
- Each of Ordinary shares has one voting rights.
- Each of Class A shares has two voting rights.

For this example, the percentage ownership and percentage of voting rights (and calculation) for each individual is set out in the table below.

Individual	Ownership in Company A.	Calculation (Voting rights)
Individual 1	20% (ordinary shares)	$20\% * 1 \text{ (vote)} = 16.67\%$
Individual 2	20% (ordinary shares)	$20\% * 1 \text{ (vote)} = 16.67\%$
Individual 3	20% (ordinary shares)	$20\% * 1 \text{ (vote)} = 16.67\%$
Individual 4	20% (ordinary shares)	$20\% * 1 \text{ (vote)} = 16.67\%$
Individual 5	20% (Class A shares)	$20\% * 2 \text{ (votes)} = 33.33\%$

Beneficial Owners: Individual 5, being having a 33.33% control in Company A is the beneficial owner.

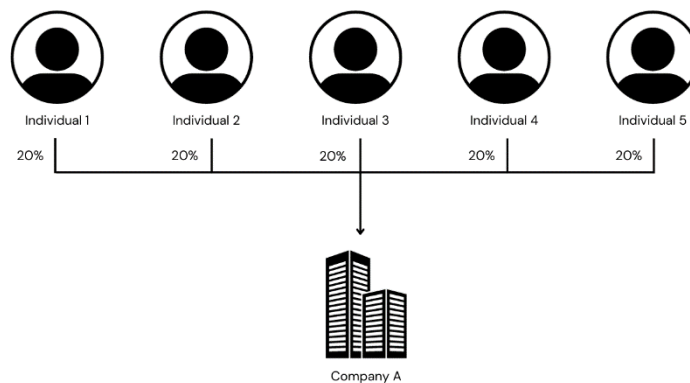
Test 3 – The Management Test

If no natural person is identified as the beneficial owner under either test 1 or 2 above, any natural person who holds the position of officer of the company.

Note: *Officer* is defined as a director, manager, or secretary of the company.

Example 9:

Company Example 9



In this example,

- Company A is a private company limited by shares registered in ADGM.
- Company A is owned by:
 - o Individual 1 – 20% (ordinary shares)
 - o Individual 2 – 20% (ordinary shares)
 - o Individual 3 – 20% (ordinary shares)
 - o Individual 4 – 20% (ordinary shares)
 - o Individual 5 – 20% (ordinary shares)
- Each of Ordinary shares has one voting rights.
- Individual 1 and Individual 2 are appointed as the directors of Company A.

In this example, none of the shareholders own 25% or more in Company A and it has been confirmed that no one controls the company directly or indirectly. Hence by using Test 3 (i.e. The Management test), the natural person directors of the company are considered the beneficial owners.

Beneficial Owners: *Individual 1 and Individual 2*, being the directors of Company A are the beneficial owners.

Limited Liability Partnership

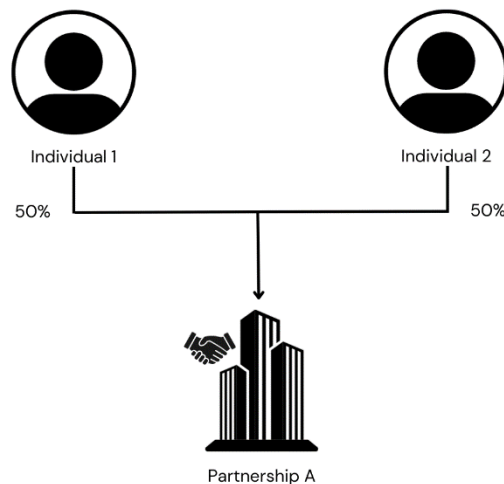
How to determine the UBO of a Limited Liability Partnership?

Test 1: The Ownership Test

Any natural person who owns (in each case whether directly or indirectly), including through bearer share holdings or by other means, 25% or more of the equity (interest) in the ADGM LLP;

Example 1:

LLP
 Example 1



In this example,

- Partnership A is a Limited Liability Partnership established in ADGM.
- Individual 1, and Individual 2 have a member's interest of 50% each in Partnership A.

Beneficial Owners: Individual 1 and Individual 2, as both have a direct member's interest of 50% in Partnership A are the beneficial owners (the control test however must also be applied for additional beneficial owners).

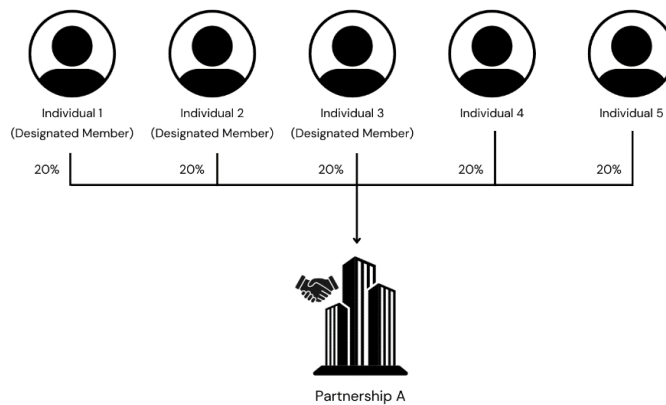
Test 2 – The Control Test

Even if a natural person is identified as the beneficial owner under test 1 above, any natural person who controls (in each case whether directly or indirectly) the ADGM LLP other than by positions held as officer of the ADGM company.

Example 2:

LLP

Example 2



In this example,

- Partnership A is a Limited Liability Partnership established in ADGM.
- Individual 1, Individual 2, Individual 3, Individual 4 and Individual 5 have a member's interest of 20% each in Partnership A.
- Individual 1, Individual 2, Individual 3 are designated members.
- Designated members have voting rights in the conduct and management of the Partnership A.

For this example, the percentage ownership and percentage of voting rights (and calculation) for each individual is set out in the table below. The control in the LLP is divided among the three designated members.

Individual	Member's Interest in Partnership A	Voting Rights
Individual 1	20% (member's interest)	33.33% (as designated member)
Individual 2	20% (member's interest)	33.33% (as designated member)
Individual 3	20% (member's interest)	33.33% (as designated member)
Individual 4	20% (member's interest)	n/a
Individual 5	20% (member's interest)	n/a

Beneficial Owners: **Individual 1, Individual 2, and Individual 3**, each having 33.33% control of the voting rights each in Partnership A are the beneficial owners.

Test 3 – The Management Test

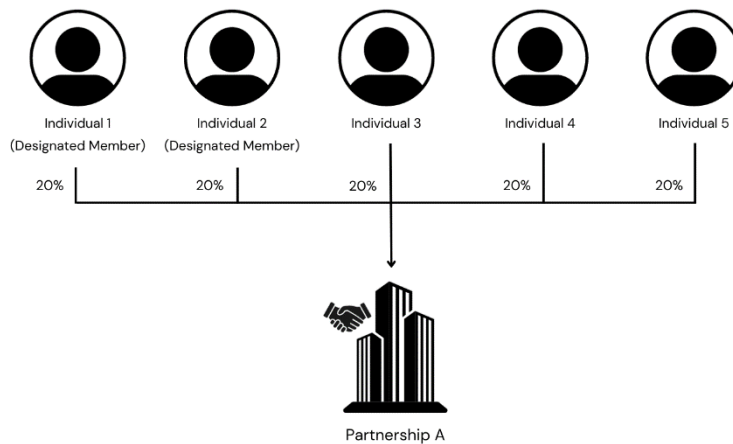
If no natural person is identified as the beneficial owner under either test 1 or 2 above, any natural person who holds the position of officer of the LLP.

Note: Officer is defined as members of the LLP exercising functions under the members' agreement equivalent to the functions of the officers of a company

Example 3:

LLP

Example 3



In this example,

- Partnership A is a Limited Liability Partnership established in ADGM.
- Individual 1, Individual 2, Individual 3, Individual 4 and Individual 5 have a member's interest of 20% each in Partnership A.
- Individual 1 and Individual 2 are designated members.
- Designated members are exercising functions under the members' agreement as officers of the Partnership A.

In this example, none of the members own 25% or more in Partnership A and it has been confirmed that no one controls the LLP, directly or indirectly. Hence by using Test 3 (i.e. the Management test), the designated members of the LLP are considered as the beneficial owners.

Beneficial Owners: Individual 1 and Individual 2, being the designated members of the Partnership A are the beneficial owners.

Limited Partnership

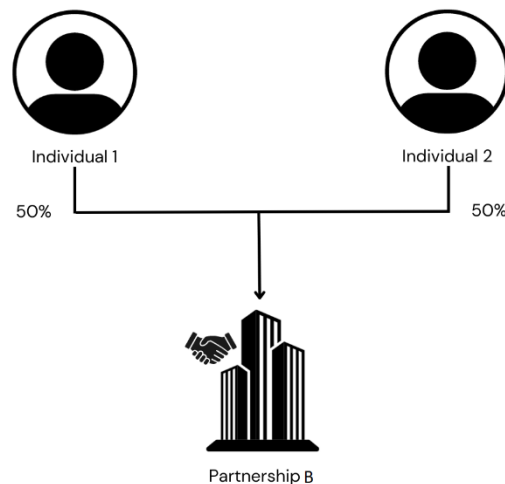
How to determine the UBO of a Limited Partnership?

Test 1: The Ownership Test

Any natural person who ultimately is entitled to or controls (in each case whether directly or indirectly) 25% or more of the share of the equity or profits of the partnership

Example 1:

LP
Example 1



In this example,

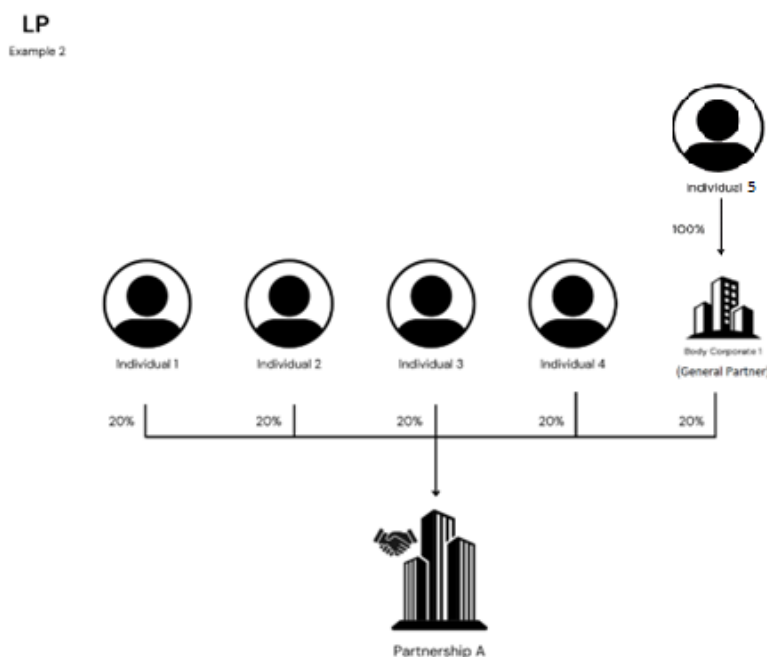
- Partnership B is a Limited Partnership that has legal personality and registered under the Limited Partnership Act of 1907 in ADGM
- Individual 1, and Individual 2 have 50% of a share of the equity and profits each in Partnership B.

Beneficial Owners: Individual 1 and Individual 2, having 50% share of the capital and profits each in Partnership B are the beneficial owners.

Test 2 – The Control Test

Even if a natural person is identified under Test 1, any natural person who is ultimately entitled to or controls 25% (in each case whether directly or indirectly) 25% or more of the voting rights in the partnership

Example 2:



In this example,

- Partnership A is a Limited Partnership that has legal personality and registered under the Limited Partnership Act of 1907 in ADGM
- Individual 1, Individual 2, Individual 3, Individual 4 and Body Corporate 1 have 20% each share in the equity or profits of Partnership B.
- Body Corporate 1 is the General Partner.
- The General Partner has voting rights in the Partnership B.
- The General Partner is a private company limited by shares and wholly owned by Individual 5.

None of the partners has 25% or more share in the capital or profits of Partnership B, hence by using Test 2 (i.e. the Control test), a beneficial owner can still be identified. For this example,

the percentage in the share capital, profit and the control (and calculation) for each individual is set out in the table below (for both the LP and the General Partner).

Partners	Share in the capital or profits in Partnership B	Voting Rights
Individual 1	20% (Share in the capital or profits)	n/a
Individual 2	20% (Share in the capital or profits)	n/a
Individual 3	20% (Share in the capital or profits)	n/a
Individual 4	20% (Share in the capital or profits)	n/a
Body Corporate 1	20% (Share in the capital or profits)	n/a
Individual 5	n/a	100% (as General Partner)

Beneficial Owners: **Individual 5**, being the sole shareholder of Partnership B's general partner is the beneficial owner.

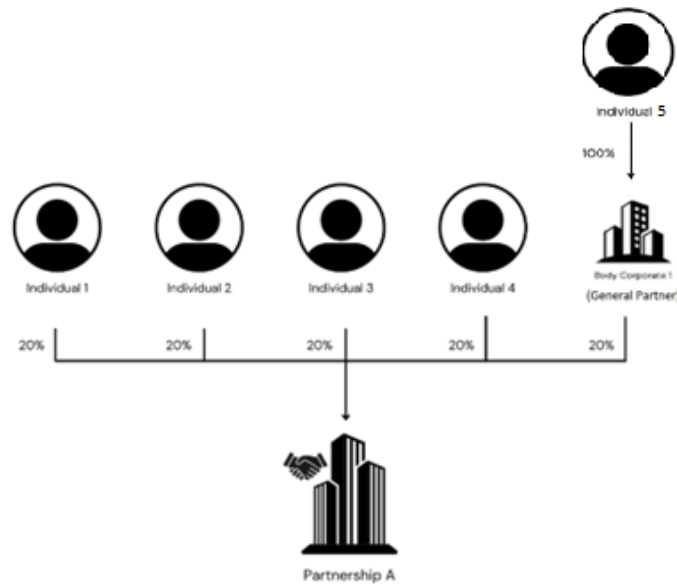
Test 3 – The Management Test

If no natural person is identified as the beneficial owner under test 1 or test 2 above, any natural person who holds the position of officer of the partnership and any natural person who is the beneficial owner of a person holding the position of an officer of the partnership.

Note: Officer means the general partner, or the officers of the general partner, if the general partner is not a natural person.

Example 3:

LP
Example 2



In this example,

- Partnership B is a Limited Partnership that has legal personality and registered under the Limited Partnership Act of 1907 in ADGM
- Individual 1, Individual 2, Individual 3, Individual 4 and Body Corporate 1 have 20% each share in the equity or profits of Partnership B.
- Body Corporate 1 is the general partner.
- Individual 1 and Individual 2 are appointed as the directors of Body Corporate 1.

In this example, none of the partners has a share in capital or profit of 25% or more in Partnership B and no one controls the LP, hence by using Test 3 (i.e. The Management test), the directors of Body Corporate, as the general partner, are considered as the beneficial owners.

Beneficial Owners: Individual 1 and Individual 2, being the directors of the Body Corporate are the beneficial owners.

Foundation

How to determine the beneficial owners of a Foundation or DLT Foundation?

- the founder.
- the foundation council members (except council members that are ADGM registered company service providers).
- the guardian, if any.
- the beneficiaries (if named) or designee (if applicable) in whose main interest the foundation or arrangement has been established or operates; or
- any person who has control over the foundation.

Note: *Control* means:

- holds, directly or indirectly, 25% or more of the voting rights in a foundation registered under the Foundations Regulations;
- holds, directly or indirectly, including by means of being a tokenholder, 10% or more of the voting rights in a foundation registered under the DLT Foundations Regulations; or
- holds the right, directly or indirectly, to appoint or remove the foundation's officers and/or beneficiaries.

Example 1:

- ABC Foundation is a Foundation established in ADGM.
- Below are the members of the Foundation:
 - o Individual 1 – Founder
 - o Individual 2 – Council Member
 - o Individual 3 – Guardian
 - o Individual 4 - Beneficiary

Beneficial Owners: Individual 1, Individual 2, Individual 3, and Individual 4, being members of the ABC Foundation are the beneficial owners.

Trust

How to determine the beneficial owners of a Trust?

- the **settlor** of the trust.
- the trustee(s) of the trust.
- each **beneficiary** of the trust.
- any **protector** or **enforcer** appointed to the trust.
- where the persons (or some of the persons) benefiting from the trust have not been determined, **the class of persons** in whose main interest the trust has been established or operates; and
- any other person who, in the reasonable opinion of the trustee, has control over the trust.

Note:

(1) FSRA-Authorised trustee exception:

Where the trustee is a body corporate which is an Authorised Person with a Financial Services Permission to provide trust services under paragraph 72 of the ADGM Financial Services and Markets Regulations 2015, that person may be treated as the beneficial owner of the relevant interest, without the need to identify its natural person beneficial owners.

(2) Investment Trust exception:

Where part or all of an ADGM Person's ownership or control is held through an Investment Trust, the trustee of that Investment Trust is treated as the beneficial owner of the relevant interest in the ADGM Person.

The other persons listed above (settlor, beneficiaries, protector and so on) do not need to be identified as the beneficial owner.

(3) *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:

- dispose of, advance, lend, invest, pay or apply trust property.
- vary or terminate the trust.
- add or remove a person as a beneficiary or to or from a class of beneficiaries.
- appoint or remove trustees or give another person control over the trust; and
- direct, withhold consent to or veto the exercise of a power mentioned above.

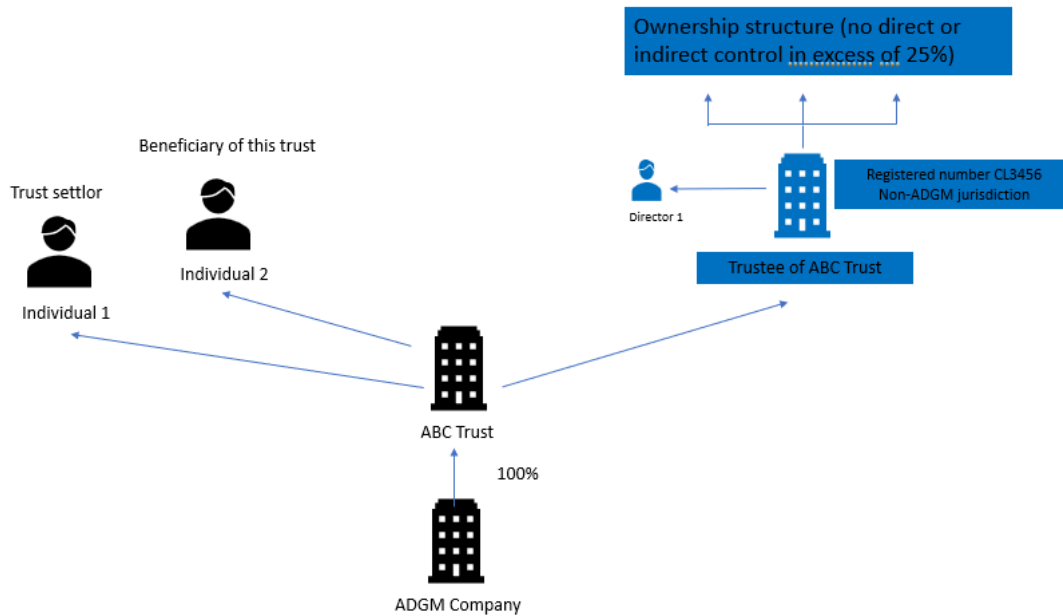
Example 1:

- Individual 1 is the settlor of XYZ Trust
- ABC Trust Limited is the trustee of XYZ Trust.
- ABC Trust Limited is a private company limited by shares with not direct or indirect 25% owners or controllers. Individual 2 is the director of ABC Trust Limited.
- Individual 3 is the beneficiary of XYZ Trust.

Beneficial Owners: Individual 1, Individual 2, and Individual 3 are the beneficial owners.

Example 2:

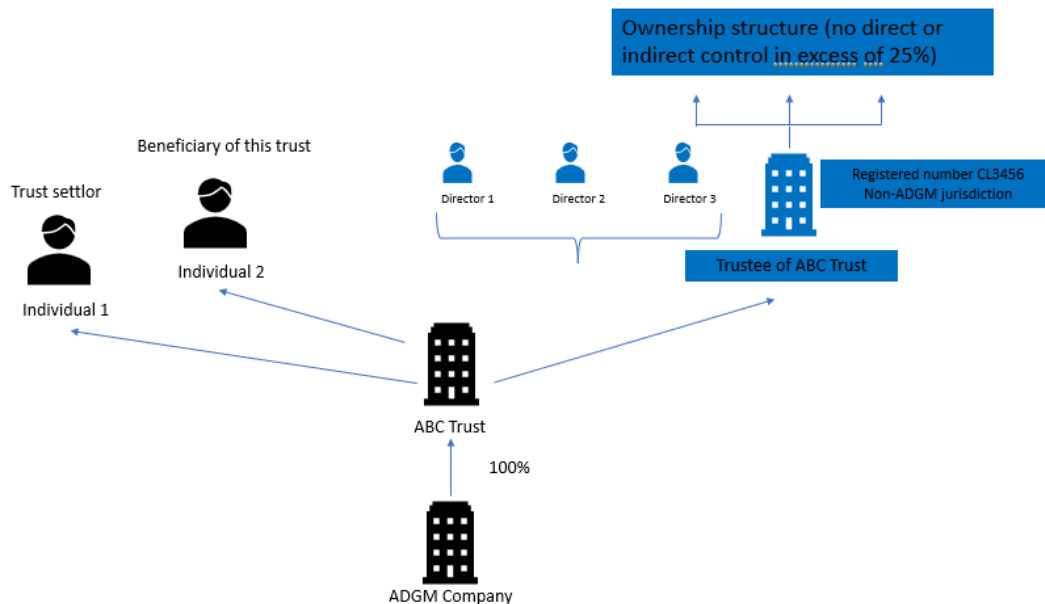
- Individual 1 is the settlor of ABC Trust
- Individual 2 is the beneficiary of ABC Trust
- Trustee of ABC Trust is registered in a non-ADGM jurisdiction. ABC Trust is not an investment trust. Trustee has only one director.



Beneficial Owners are as follows: Individual 1, Individual 2, and Director 1 of Trustee of ABC Trust.

Example 3:

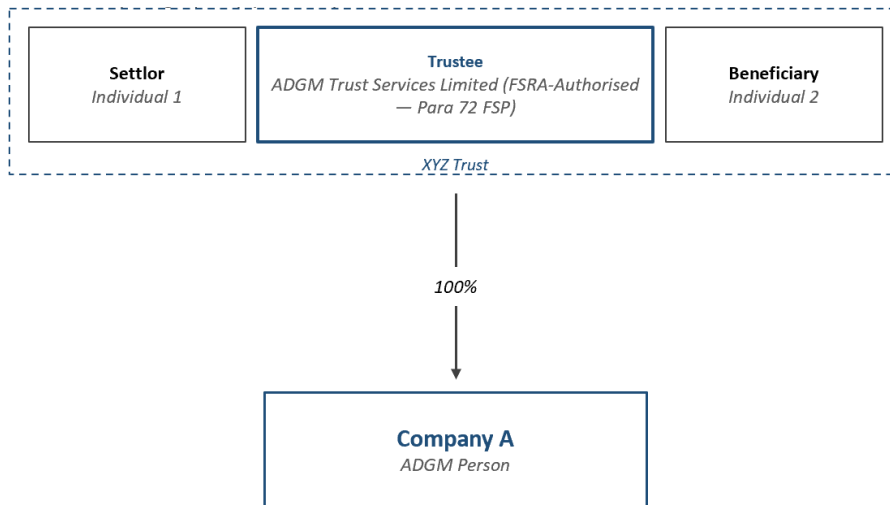
- Individual 1 is the settlor of ABC Trust
- Individual 2 is the beneficiary of ABC Trust
- Trustee of ABC Trust is registered in non-ADGM jurisdiction. ABC Trust is not an investment trust. Trustee has only three directors. Note: all three directors are required to vote on matters pertaining to ABC Trust together, i.e. none have preferential voting rights.



Beneficial Owners are as follows: Individual 1, Individual 2, and Directors 1, 2, and 3.

Example 4

- Company A is a private company limited by shares registered in ADGM.
- 100% of the shares in Company A are held by XYZ Trust.
- XYZ Trust is administered by ADGM Trust Services Limited, a body corporate acting as trustee.
- ADGM Trust Services Limited is an Authorised Person with a Financial Services Permission to provide trust services under paragraph 72 of the ADGM Financial Services and Markets Regulations 2015.
- Individual 1 is the settlor of XYZ Trust.
- Individual 2 is the beneficiary of XYZ Trust.

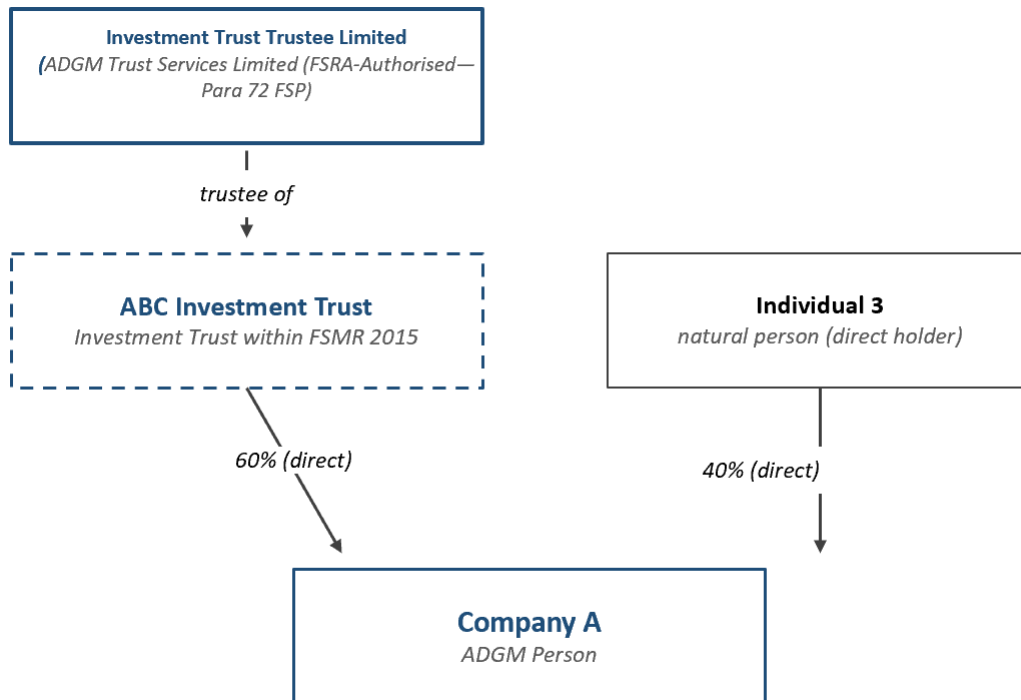


Beneficial Owner: ADGM Trust Services Limited (as Authorised Person trustee).

Individual 1 (settlor) and Individual 2 (beneficiary) are not required to be identified as beneficial owners of Company A under paragraph 3 of the BOCR 2022, as ADGM Trust Services Limited may be treated as the beneficial owner of the relevant interest by virtue of being an Authorised Person with the relevant trust services permission.

Example 5

- Company A is a private company limited by shares registered in ADGM.
- 60% of the shares in Company A are held through **ABC Investment Trust**.
- ABC Investment Trust is an Investment Trust within the meaning of the ADGM Financial Services and Markets Regulations 2015.
- The trustee of ABC Investment Trust is **Investment Trust Trustee Limited**.
- The remaining 40% of the shares in Company A are held directly by Individual 3.



Beneficial Owners are as follows: Investment Trust Trustee Limited (as the trustee of ABC Investment Trust) in respect of the 60% interest held through ABC Investment Trust; and Individual 3 in respect of the 40% direct interest held in Company A.

Disclaimer

This Guidance (the “Note”) provides answers to many frequently asked questions and provides information on how to identify the beneficial owner of an ADGM legal entity or legal arrangement. This is only a non-binding indicative guide and should be read together with the relevant legislation, in particular, ADGM’s Beneficial Owners and Control Regulations 2022 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 the ADGM Registration Authority will not be liable for any losses and damages in connection with the use of or reliance on information provided in this Note.

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