



The Ultimate Beneficial Owner (UBO) procedure is now enforced

September 2021

In accordance with the Law 1 of 2020 related to the Unified Economic Register, and its Executive regulation issued by the Council of Ministers number 12 of 2020, the Ministry of Commerce and Industry (MOCI) started the enforcement of the aforementioned law which imply the need for registered entities at the commercial register to disclose information about the **Ultimate Beneficial Owner (UBO)** of entity. It is now a compulsory requirement for applicants who submit a request for a new, renewed or updated commercial registration (CR) to provide details of the UBO for such entity.

The UBO request must be submitted along with the CR application form within ten (10) days of the application, or otherwise, the application will be rejected. Going forward, applicants that include legal persons are required to keep an updated register that contains all details about UBO and provide a copy of that register to the competent department within the MOCI.

The Unified Economic Register will increase a transparent business environment and make the information about Ultimate beneficiaries more accessible to third parties and the public, and further ensure the compliance with the international practice of the KYC (Know Your Client), anti-money laundering and anti-corruption regulation.

Who is the UBO?

The UBO is the defined under the executive regulation as:

- A natural person or natural persons who, whether directly or indirectly, owns at least 20 per cent of the share capital of the legal entity or the voting rights therein; or, if not identified,
- A natural person who, directly or indirectly, exercises an effective and legal control powers over the executives body or the general assembly of a legal entity or the performance of such entity; or
- A natural person holding a legal representation authority and acting on behalf of the legal entity in accordance with the applicable laws.

Information that need to be in the Register

The register kept by the entity must contain the following information as per the enforced law:

- Name of each UBO as provided in his/her official identification documents (I.D, Qatar I.D, Passport);
- Date and place of birth;
- Nationality;
- Address as mentioned in the official documents (I.D, passport);
- Validity and expiry date of official documents (I.D, passport);
- Date on which he becomes an UBO;
- Percentage of the shareholding or voting rights in the share capital;
- The last date of updating the register containing the UBO's information.

The Legal entities that are required to comply with UBO

According to the executive regulation, the following entities are required to comply with the UBO requirements:

- Individual establishment
- Commercial companies
- Natural or legal persons who carry out commercial agency businesses
- Commercial representation
- Branches of companies or agencies provided that are under the same unified economic number give to the company or agency
- Investment funds
- Charity organizations
- Non-profitable organizations
- Free professions that include individual firms, professional civil and commercial companies and global firms

Exempt entities

- Listed public companies and it affiliates
- Company owned by the state or a state owned company
- Joint-venture company as per the article 53 of the Company law

If you have any questions, please do feel free to contact us.

Kind regards,



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