



## CORPORATE GOVERNANCE & ONGOING COMPLIANCE OBLIGATIONS

The UAE has recently introduced two important regulations which have direct impact on UAE entities' corporate governance and ongoing compliance obligations:

- i. Economic Substance Regulations [**ESR**] via Cabinet of Ministers Resolution No. 57 Of 2020; and
- ii. Beneficial Ownership Regulations [**BOR**] via Cabinet Resolution No. 58 of 2020

### News Flash: UAE introduces Beneficial Ownership regulations

The UAE has announced the formal roll-out of uniformized minimum disclosure requirements for corporate entities incorporated in the UAE and the introduction...

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### UAE ESR Update: Issuance of Cabinet of Ministers Resolution No. 57 of 2020 and Ministerial Decision 100 of 2020 - In-depth review

On 10th and 19th August 2020 respectively, the Ministry of Finance issued Resolution No. 57 of 2020 ("Resolution")

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Pursuant to the ESR, entities deploying a "relevant activity" must demonstrate that they have effective substance in the UAE by satisfying the "economic substance test". An entity meets the test if it:

- i. is directed and managed in the UAE;
- ii. has adequate people/premises/expenditure in the UAE; and
- iii. conducts its income generating activities (CIGA) in the UAE.

In this context, entities carrying out a "relevant activity" are expected to implement and maintain a **robust corporate governance framework** so as to meet the ESR requirements.

The BOR reinforces the need for a robust corporate governance framework, as it requires that entities set-up and maintain:

- i. a shareholders' register;
- ii. a beneficial owners' (the BO(s)) register, and
- iii. a nominee directors' register.

**Good corporate governance, among other requirements, ensures that an entity will be compliant with the ESR and BOR, avoiding the risks of fines and penalties for failing to comply with the entity's ongoing compliance obligations.**



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 <b>PACKAGE 1 (BASIC)</b> <b>USD 2,500</b>	 <b>PACKAGE 2 (UPGRADED)</b> <b>USD 3,500</b>	 <b>PACKAGE 3 (PLATINUM)</b> <b>USD 4,000</b>
<ul style="list-style-type: none"> <li>• <b>License renewal;</b></li> <li>• <b>UBOr Compliance:</b> arranging for mandatory statutory filings vis-à-vis any changes related to (i) shareholders' register; (ii) beneficial owners' (the BO(s)) register, and (iii) nominee directors' register;</li> <li>• <b>ESR Compliance:</b> (i) review of the company's factual situation vis-à-vis ESR; (ii) elaboration of a Diagnostic Report; (iii) assistance with the submission of the Notification and Substance Report via the MoF Portal;</li> <li>• Acting as company's registered secretary vis-à-vis company's Authority [Appointment];</li> <li>• Maintenance of company's statutory registers and minute books [includes UBO registers: (i) shareholders' register; (ii) beneficial owners' (the BO(s)) register, and (iii) nominee directors' register];</li> <li>• Arranging for mandatory statutory filings of company's financial statements with company's registrar, in accordance with local requirements;</li> <li>• Assistance with appointment of auditors;</li> <li>• Systematic corporate status review in accordance with local requirements;</li> <li>• Corporate Secretarial alert.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Basic 1 (Basic) plus;</b></li> <li>• Attendance to meetings as ad-hoc secretary and drafting of minutes of meeting [1 Annual General Meeting of Shareholders (Q1), 1 Board Meeting (Q1); and 1 Board Meeting (Q4)];</li> <li>• Dedicated office space to hold meetings [1 Annual General Meeting of Shareholders (Q1), 1 Board Meeting (Q1); and 1 Board Meeting (Q4)].</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Package 1 (Basic) plus;</b></li> <li>• <b>Package 2 (Upgraded) plus;</b></li> <li>• Annual Accounting: preparation of annual financial statements of accounts under IFRS accounting standards. This includes review of transactions and preparations of financial statements that will be accepted by the Registrar, as well as by auditors, in cases where audit is required.</li> </ul> <p><i>* This Package comprises up to 8 hours of Accounting work. Any extra work shall be charged at USD 150/ hour.</i></p> <p><i>* Auditing services available. Separate fees to be assessed on a case-by-case basis.</i></p>

M/HQ provides a full range of corporate secretarial services along with bespoke packages for all types of entities incorporated in the UAE.

We have designed **three (3)** different corporate secretarial services packages, ready to go. Whether start-up, high growth company or blue-chip company, we have the right offering at the right value point for your organization.

We would be happy to discuss your company secretarial needs in depth, helping you find the most cost and time effective solution to meet your administrative and statutory compliance responsibilities.

### Who we are

M/HQ is a multi-services platform catering to a broad spectrum of clients – from individual entrepreneurs and local SMEs to wealthy international families, to established blue-chip companies and multinationals. Our one-stop-shop offering is unique in the Middle East: a holistic and cross-disciplinary combination of a market-leading corporate services firm, a law firm's specialist expertise and a regulatory & compliance services practice, all through one single platform.

We have broad experience in facilitating entry-to-market for businesses across all major fields of activities. We have a one-of-a-kind practical expertise understanding and handling complex corporate structures.

Headquartered in the UAE, we are an entrepreneurial firm for entrepreneurial clients.

### Who will assist you



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