Shufti

Buyer's Guide

UNITED ARAB EMIRATES - KYB AND UBO VERIFICATION

KYB and UBO Verification in the UAE: A Buyer's Guide

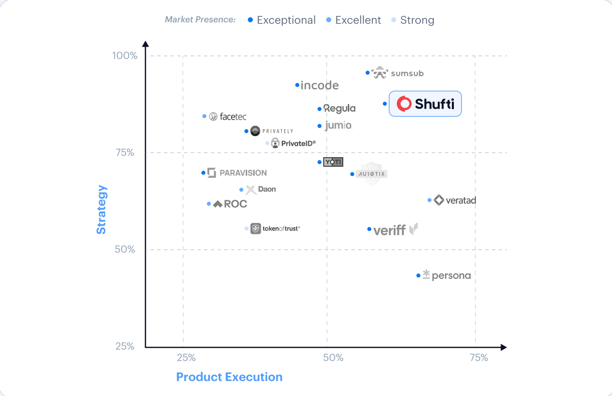
KJM AGE VERIFICATION | PCI DSS | iBeta L3 | ISO 27001:2022 | CE+ | QG GDPR | SOC2 | GDPR | CCPA

Shufti

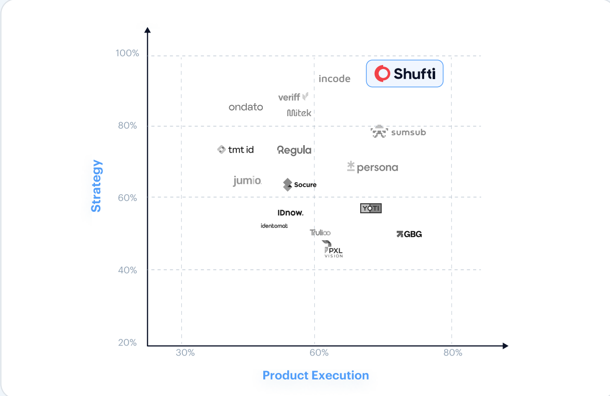
Industry Recognition 2025–2026

Recognised by leading analyst firms, government bodies and independent research organisations

Ranked Exceptional in Liminal's 2026 Age Estimation Index

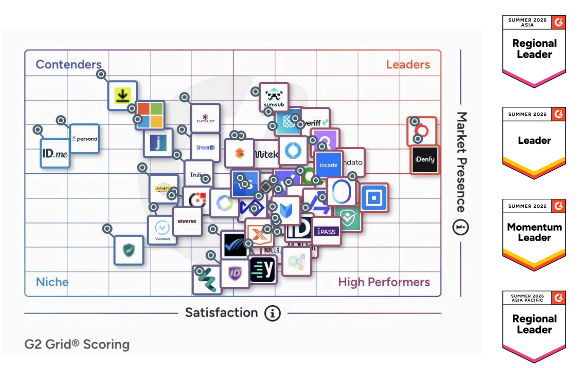


Ranked Exceptional in Liminal's 2026 Age Verification Index



Broadest global reach in the 2025 KuppingerCole Extended IDV report

Recognised as a Leader across four G2 Summer 2026 reports



Differentiated by Gartner on document diversity and country coverage

240+ Countries & Territories

10k+ Document Types

First EU company to achieve iBeta Level 3 Conformance to ISO/IEC 30107-3, with 0% APCER

iBeta Level 3 Conformance

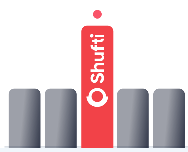
0% APCER

iBeta LEVEL 3 ISO 30107-3 Presentation Attack Detection COMPLIANT TESTED

Ranked Top 5 in the DHS RIVR 2025 for identity validation

0% Extraction Failure

0.67% Worst-Case FNMR



Shufti

KYB and UBO Verification in the UAE: A Buyer's Guide

Table of Contents

Executive Overview

UBO verification requirements across the UAE have changed substantially over the past few years. The anti-money laundering framework was replaced in late 2025, and business verification obligations now sit in Federal Decree-Law No. 10 of 2025, in force from 14 October 2025, and Cabinet Resolution No. 134 of 2025, in force from 14 December 2025. Beneficial ownership sits at Article 10 of the Resolution, where a single ownership threshold has become a three-tier sequence, and nominee arrangements and trust roles carry their own definitions.

The CBUAE's May 2026 thematic review of Stored Value Facilities, Retail Payment Service Providers and Payment Token Service Providers identified gaps in the sanctions screening of corporate customers' ultimate beneficial owners, directors and authorised agents, alongside weaknesses in the periodic testing and validation of screening systems. The lesson reaches beyond that sector. Obtaining and verifying UBO information at onboarding is not sufficient on its own, because every identified beneficial owner also has to sit inside effective AML controls covering sanctions, PEP and adverse media screening, maintained and tested throughout the relationship. This guide sets out what the framework calls for, where verification becomes difficult, and what a buyer should test before choosing a provider.

Where UAE UBO Verification Becomes Difficult

For compliance teams onboarding business customers, Ultimate Beneficial Owner (UBO) verification is often one of the most challenging parts of the customer due diligence process. Ownership structures frequently span multiple jurisdictions, beneficial owners and directors may be non-residents, and obtaining reliable ownership information from foreign registries can be difficult. As ownership chains become more complex, compliance officers must identify, verify, and continuously screen every relevant individual while maintaining sufficient evidence to demonstrate that reasonable measures were taken to identify the true beneficial owner.

A declared beneficial owner may not always be a verified one. UAE-regulated institutions must establish which natural person ultimately owns or controls a business, support that conclusion with reliable evidence, resolve conflicting information and keep the record current.

The process becomes harder when ownership passes through foreign companies, trusts or multiple corporate layers; when registry information is incomplete; when nominees obscure the person giving instructions; or when control is exercised through voting rights, appointment powers or contractual influence rather than shareholding alone.

A workflow that only collects a UBO declaration may accelerate onboarding without resolving the underlying verification challenge. This guide explains what buyers should test before selecting a provider.

Current UAE KYB and UBO Verification Requirements

Governing Regulatory Instruments

The UAE's Know Your Business (KYB) and Ultimate Beneficial Owner (UBO) verification framework is built on four regulatory layers. Together, these instruments establish the legal obligations, implementing regulations, supervisory expectations, and practical guidance that Licensed Financial Institutions must follow when conducting customer due diligence for legal persons and legal arrangements.

Regulatory Layer	Instrument	Status
Primary Legislation	Federal Decree-Law No. 10 of 2025	In force from **14 October 2025**
Executive Regulations	Cabinet Resolution No. 134 of 2025	In force from **14 December 2025**
Supervisory Guidance	CBUAE Guidance on Customer Due Diligence (CDD), Know Your Customer (KYC) and Record-Keeping	In force from **7 November 2025**
Digital Identity Guidance	CBUAE Guidance on Digital Identification for Customer Due Diligence	Issued **31 October 2022**

Article / Provision	Requirement	What Compliance Teams Need to Do
Article 9(1)(b)	Identify and verify the legal person or legal arrangement customer using reliable and independent sources.	Verify entity details including the legal name, legal form, memorandum or articles of association (where applicable), registered office or principal place of business, tax registration number (where applicable), and relevant senior management information.
Article 9(2)	Verify any person acting on behalf of the customer and confirm their authority.	Establish the individual's authority through supporting evidence such as board resolutions, constitutional documents, registry extracts, Letters of Authority or Powers of Attorney, and verify the individual's identity.
Article 9(3)	Understand the purpose and intended nature of the business relationship.	Determine why the customer requires the relationship, expected account activity, products or services to be used, and obtain relevant business information to support the customer risk assessment.
Article 9(4)	Understand the customer's business, ownership and control structure.	Analyse ownership layers, identify controlling persons, and determine whether additional verification or Enhanced Due Diligence measures are required.

Article / Provision	Requirement	What Compliance Teams Need to Do
Article 10	Identify and verify the beneficial owners of legal persons and legal arrangements.	Apply the beneficial ownership identification sequence and verify the identity of the identified natural persons using reasonable measures and reliable information.
Article 10(1)(a)	Identify individuals who ultimately own **25% or more** or hold a controlling ownership interest.	Trace ownership through all corporate layers until the relevant natural persons are identified.
Article 10(1)(b)	Identify individuals exercising legal or actual control through other means.	Assess voting rights, appointment rights, shareholder agreements, contractual arrangements, or other forms of effective control.
Article 10(1)(c)	Identify senior management where no beneficial owner can be identified.	Use the senior managing official as the beneficial owner **only as the final fallback** after exhausting ownership and control analysis.
Article 11	Apply listed-company exceptions where beneficial ownership disclosure requirements already exist.	Determine whether the customer qualifies for the exemption before applying simplified beneficial ownership identification requirements.

Shufti

Article / Provision	Requirement	What Compliance Teams Need to Do
Article 16	Apply Enhanced Due Diligence (EDD) measures for Politically Exposed Persons (PEPs) and other higher-risk customers.	Determine PEP status, obtain the required approvals, establish source of wealth/funds where applicable, and apply enhanced ongoing monitoring.
Article 19 – Targeted Financial Sanctions Requirements	Comply with targeted financial sanctions obligations.	Screen customers, UBOs, directors, authorised representatives and other relevant parties against applicable sanctions lists, investigate potential matches, freeze assets where legally required, and submit regulatory notifications where applicable.
Article 25	Maintain records supporting Customer Due Diligence (CDD) and ongoing monitoring decisions.	Retain verification evidence, beneficial ownership analysis, supporting documentation, screening results, risk assessments, and ongoing monitoring records in accordance with record-retention requirements.

How to Verify UBO across UAE

Licensed Financial Institutions should apply a sequential, risk-based approach to Ultimate Beneficial Owner (UBO) verification. The process begins by identifying the natural person who ultimately owns **25% or more** of the legal entity, then assessing whether another individual exercises effective control through voting rights, contractual arrangements, or other means where ownership alone does not identify the true UBO. Only after ownership and control have been fully assessed should the relevant senior managing official be treated as the beneficial owner.

Verification Test	Compliance Requirement
Article 10(1)(a): Identify the natural person who ultimately owns, individually or jointly, a controlling ownership interest or **25% or more** of the shares.	Trace ownership through all direct and indirect corporate layers until the relevant natural person(s) are identified.
Article 10(1)(b): Where there is doubt that the ownership interest holder is the true beneficial owner, or where no natural person exercises control through ownership, identify the individual exercising **legal or actual control**, directly or indirectly, or through any other means.	Assess voting rights, appointment or removal rights, shareholder agreements, contractual arrangements, or any other mechanism through which effective control is exercised.
Article 10(1)(c): Where no individual can be identified under Article 10(1)(a) or 10(1)(b), identify the relevant natural person holding a **senior management position**.	Use the senior managing official as the beneficial owner **only as the final fallback** after exhausting ownership and control analysis.

The Process of UBO Verification and Risk Assessment Across UAE

Step One: Establishing Ownership and Control

Article 9(4) calls for understanding the nature of the customer's business and its ownership and control structure. Article 10 then identifies the beneficial owner within it, per the three-tier sequence above.

Two routes evidence it, and institutions may use either or both on a risk-sensitive basis.

From documents

A certificate of incorporation bearing an official government seal, an extract from a government-maintained corporate registry, or a government-issued corporate ID. For a non-resident company with a complex ownership structure, first-layer ownership documents are notarised and remaining layers carry complete incorporation documents including beneficial owner information.

From data

The guidance permits independent verification of the customer's registration, beneficial ownership and current active status via public or private databases, corporate registries or a credit bureau.

Step Two: Verifying the Identity of the Persons Named

The institution then takes Reasonable Measures to verify each identified owner using documents, data or information from a reliable and independent source. The same natural-person data set at Article 9(1)(a) applies to directors and authorised representatives, covering name as shown on the identity card or travel document, nationality, address, date and place of birth, and a true copy of a valid identity document.

From documents. Government-issued photo identification confirms identity, nationality and national identity number. A birth certificate, passport or national identity card confirms date and place of birth.

Document Types for Persons in a Cross-Border Ownership Chain

Residential address for every beneficial owner and director is confirmed from any of six accepted document types: a recent utility bill, correspondence from a UAE government office, a tenancy contract, a tax statement, a property deed or a mortgage statement. A workflow that accepts only one of the six will stall on the directors and owners who sit outside the UAE.

Given the wide use of counterfeit documents, an institution may need more than a single document, and the guidance names non-resident onboarding as its example. Institutions should know which documents are legally valid in that jurisdiction, and where unfamiliar with a foreign type may ask for a notarised, apostilled or embassy-certified copy.

A registry-only file records a name against a percentage without confirming a real person stands behind it. An identity-only file confirms an individual without establishing what they own or control. A defensible file completes both, then screens what they produced.

Video Verification as an Equivalent to Face-to-Face Onboarding

Additional checks reduce the risk that comes with onboarding a customer remotely. Video contact is treated differently, because a relationship conducted by video teleconference sits outside the non-face-to-face category entirely, on the same footing as contact made in person.

The CBUAE states that relationships in which personal contact between a representative of the institution and the customer is achieved via video teleconference are not considered to be non-face-to-face relationships for the purpose of the guidance.

Two conditions carry that treatment. The contact is personal contact with a representative of the institution, which points to an agent-led session rather than an unattended video capture, and it is video teleconference, meaning live two-way contact. Where both are met, the higher-risk presumption that attaches to non-face-to-face relationships does not arise at all, so there is no risk to mitigate down.

Where a relationship stays non-face-to-face, additional checks apply, including independently verifiable telephone contact, address confirmation, certified documents from lawyers or notaries, biometric methods using reliable and independent digital identification systems, and multi-mode authentication. These apply at establishment and during ongoing monitoring, at least as stringently as for face-to-face contact.

When Enhanced Measures Apply

Enhanced due diligence applies where the institution identifies higher crime risk, where a person is from a high-risk country, and where step three returns a politically exposed person. Article 1 also places customers with complex ownership structures, and non-residents without a UAE-issued identity card, inside the defined term High-Risk Customers.

Article 5(2)(c) lists the enhanced measures. Two bear on verification workflow: obtaining and verifying additional information on the beneficial owner, including information available through public databases and open sources, and updating due diligence information on the customer and the beneficial owner more regularly. Public or private sources, including websites and proprietary databases, may also be used to understand the reputation of the customer or any beneficial owner.

Characteristics pushing a file to enhanced measures include an unusual or excessively complex ownership structure, a personal asset-holding vehicle, and nominee shareholders or bearer shares.

Non-documentary sources in enhanced due diligence.

Beyond their standard role in steps one and two, institutions should consider non-documentary sources as part of enhanced due diligence for high-risk scenarios. The guidance names three: unfamiliarity with a document presented, an account opened remotely or online without the customer or its authorised representatives physically present, or red flags identified during onboarding.

Screening the Verified UBO against Watchlists

Screening is a distinct obligation from customer identification and verification, and it extends to a broader group of individuals than many onboarding processes typically cover. **Section 3.8** of the CBUAE's *Guidance on Customer Due Diligence, Know Your Customer and Record-Keeping* specifies the parties that must be screened. The sanctions framework is supported by **Article 19 of Federal Decree-Law No. 10 of 2025**, **Articles 21, 22 and 23 of Cabinet Resolution No. 134 of 2025**, and **Articles 44 to 48 of Cabinet Decision No. 74 of 2020**, with operational guidance provided in **CB Notice No. 4368/2021 on Transaction Monitoring and Sanctions Screening** and **Section 21.2 of CB Notice No. 3090/2021**, as amended by **CB Notice No. 3599/2023**.

Who Must Be Screened

Before onboarding, institutions must screen against money laundering, terrorist financing and proliferation financing (ML/TF/PF) information sources, including negative media databases, PEP databases and internal watchlists. The required population includes all customers regardless of their risk rating, beneficial owners of legal entity customers, natural persons authorised to act on behalf of customers, relevant members of senior management such as directors, partners, authorised signatories and senior executives, as well as natural persons exercising executive authority over legal arrangements. The same parties must also be screened against applicable sanctions lists before onboarding and throughout the customer relationship, with screening results documented. At a minimum, sanctions screening must include the **UN Security Council Consolidated List** and the **UAE Cabinet Local Terrorist List**.

PEP and Sanctions Screening for Ultimate Beneficial Owners

Article 16 requires institutions to determine whether either the customer or any identified beneficial owner qualifies as a Politically Exposed Person (PEP). Where a PEP relationship is identified, institutions must obtain senior management approval before establishing or continuing the relationship, take reasonable measures to establish the source of funds and source of wealth of the customer and beneficial owner, and apply enhanced ongoing monitoring throughout the business relationship.

Ongoing Review for Change in Corporate Ownership Structure

Up-to-Date Information is defined at Article 1 as information as current as possible, updated within a reasonable timeframe after any change, and it attaches to beneficial ownership records. A change in the ownership structure is a review event, not a filing update.

The trigger closest to KYB is a change in ownership of a business entity. Others include a change of legal name through merger or acquisition, a change of domicile, and a true match against a sanctions, PEP or negative news list. A review surfacing a lack of business justification for a complex ownership structure escalates.

The refresh covers requesting, reviewing and updating identification information for the customer, the beneficial owners and any person acting on their behalf, reviewing any enhanced due diligence, and re-screening the full step three population together with other related parties.

A customer whose beneficial owners cannot be identified should not be onboarded, and Article 14 prohibits establishing or continuing a relationship where CDD cannot be applied. Records are retained for at least five years from the latest trigger event at Article 25.

Choosing the Right Solution for UBO Verification Across UAE

How to Assess the Right KYB Verification Solution Across Marketing?

01 **Corporate registry integration.** Does the solution integrate with official company registries to retrieve current registration details, ownership information and company status through live registry data rather than static or outdated records?

02 **Ownership and control information.** Does the solution provide verified ownership data and supporting corporate records that enable compliance teams to determine the beneficial owner and assess control where necessary?

03 **Natural-person verification.** After identifying the beneficial owners, does the solution verify each individual or stop at ownership mapping?

04 **Source coverage.** Which registries, databases, credit bureaux and other reliable data sources are supported, and how many document types can be authenticated?

05 **Discrepancy handling.** How does the solution identify, investigate and document conflicting information obtained from multiple sources?

06 **Audit evidence.** Does the solution preserve source information, retrieval dates, verification provenance and supporting evidence for every verified field?

07 **Ongoing monitoring.** Does the solution trigger re-verification following ownership changes and continuously monitor entities, beneficial owners and authorised representatives?

08 **Workflow configuration.** Can ownership thresholds and verification depth be configured according to jurisdiction and customer risk without redevelopment?

09 **Integration and deployment.** Where is identity data processed, and can sensitive verification modules be deployed within the required jurisdiction or deployment model?

10 **Corporate document handling.** Can the solution collect, validate and retain corporate ownership documents together with their review history, including support for complex or cross-border documentation where required?

11 **Accountability.** Does the contractual model clearly define whether the arrangement is based on outsourcing or third-party reliance, and allocate customer due diligence responsibilities accordingly?

How Shufti Supports End-to-End KYB and UBO Verification in the UAE

Shufti supports the end-to-end KYB and UBO verification process for UAE-regulated institutions by combining live corporate registry verification with beneficial ownership analysis across complex ownership structures and jurisdiction-specific ownership thresholds.

The platform also supports the review of complex corporate ownership documents, including shareholder registers, board resolutions, powers of attorney, trust-related documents, notarised ownership records, and embassy-certified documents for foreign directors and shareholders, helping compliance teams validate ownership structures in cross-border cases.

Identity verification capabilities cover UBOs, directors and authorised representatives using identity documents from more than 240 countries and territories, facial biometrics, NFC chip verification, residential address verification and supervised video verification where required. For enhanced due diligence, it supports verification through government registries, credit bureaus, telecommunications and utility databases, together with dual-source verification and open-web intelligence.

The platform also enables AML, PEP and sanctions screening across legal entities and associated individuals, supported by configurable ongoing monitoring and re-verification following changes in ownership, jurisdiction, address or other material risk indicators.

Sources

01 Federal Decree-Law No. 10 of 2025 on Anti-Money Laundering, Combating the Financing of Terrorism and Proliferation Financing. In force 14 October 2025.

02 Cabinet Resolution No. 134 of 2025, Executive Regulations of Federal Decree-Law No. 10 of 2025. In force 14 December 2025. Articles 1, 5, 6, 8, 9, 10, 11, 14, 16, 20, 25. https://rulebook.centralbank.ae/en/rulebook/cabinet-resolution-no-134-2025-regarding-executive-regulations-federal-decree-law-no-10

03 CBUAE, Guidance for Licensed Financial Institutions on Customer Due Diligence/Know Your Customer and Record-Keeping. In force 7 November 2025. https://rulebook.centralbank.ae/en/rulebook/guidance-licensed-financial-institutions-customer-due-diligenceknow-your-customer-and

04 CBUAE, Guidance for Licensed Financial Institutions on Digital Identification for Customer Due Diligence. Issued 31 October 2022. https://rulebook.centralbank.ae/en/rulebook/guidance-licensed-financial-institutions-digital-identification-customer-due-diligence

05 FATF, Jurisdictions under Increased Monitoring, 23 February 2024, recording the removal of the United Arab Emirates. Fifth-round assessment schedule at https://www.fatf-gafi.org/en/calendars/assessments.html

06 Cabinet Decision No. 74 of 2020 Regarding Terrorism Lists Regulation and Implementation of UNSC Resolutions, Articles 44 to 48.

07 CBUAE, CB Notice No. 4368/2021, Guidance for Licensed Financial Institutions on Transaction Monitoring and Sanctions Screening, section 3.7.

08 CBUAE, AML/CFT/CPF Thematic Review of providers of Stored Value Facilities, Retail Payment Services and Card Schemes, and Payment Token Services. May 2026, sections 6.1.2 and 6.1.4. https://www.centralbank.ae/media/0tkpisux/thematic-review-of-providers-of-stored-value-facilities-retail-payment-services-and-card-schemes-and-payment-token-services.pdf

Shufti

Building a Stronger KYB & UBO Verification Framework

Effective KYB and UBO verification in the UAE requires more than confirming company records or collecting ownership documents. Institutions must accurately identify ownership and control, verify the individuals behind complex structures, screen UBOs and directors against sanctions and PEP lists, and continuously monitor for changes. The right solution should bring these capabilities together with reliable data, strong audit trails, and risk-based workflows, enabling compliance teams to meet evolving UAE requirements while making business onboarding faster, more accurate, and more defensible.]

Request a Demo

Take the Assessment Online

Shufti is based in the United Kingdom and operates offices worldwide.

United States
16200 SW Pacific Hwy, Suite H PMB 1053,
Tigard, OR

Cyprus
Arch. Makarios III Avenue 229, Limassol

Dubai
Unit 507, Level 5, Gate District Precinct
Building 03, DIFC, Dubai

Hong Kong
8 Queen's Road East, Wan Chai, Hong Kong

Pakistan
322-G3 Main Blvd, Johar Town, Lahore, Pakistan

Singapore
68 Circular Road #02-01, Singapore

United Kingdom
Office 408, Coppergate House, 10 Whites Row, London E1 7NF

shuftipro.com
sales@shuftipro.com