



Disclosure of Ultimate Beneficial Owner under the Commercial Registry Law

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Introduction

On March 1, 2020, the Ministry of Supply and Internal Trading issued Decree No. 41 of 2020, amending the Executive Regulations of the Commercial Registry Law No. 34 of 1976 to regulate the Ultimate Beneficial Owners (the “UBO”) Register (the “Decree”). The Decree was published in the Official Gazette on the same date and came into effect on March 9, 2020.

Initially, its practical implementation was unclear, as it did not provide a grace period for compliance or clearly outline the consequences of non-compliance. However, effective November 17, 2024, and as announced by the Internal Trade Development Authority (the “ITDA”), companies are required to register in the UBO registry with the Commercial Registry when conducting registrations. Compliance with these new regulations will also be mandatory upon the renewal of commercial registration or when making updates to the registry.

The Decree introduces new compliance obligations, requiring entities to disclose UBO information.

We shall delve into the key highlights as follows:

Definition of the UBO

The Decree defines the UBO as a natural or juristic person who ultimately owns or exercises control over a company or legal entity, enabling them to influence effective key decisions of that entity.

The registration form issued by the ITDA specifies that a UBO may be any individual who holds direct or indirect ownership shares or voting rights over the company or the legal entity.

Required UBO Register

The Decree mandates that any annotation of information on the Commercial Registry must be accompanied by an updated extract of the UBO register. The UBO ledger will be considered a commercial ledger and all rules pertaining to the latter must be followed, particularly, in terms of ensuring that these ledgers are clear from any blanks, margins, erasures, or amendments.

Furthermore, the register must be maintained throughout the existence of the company or the legal entity and for a period of five years following its cessation of business.

Market Reaction

The execution of the Decree aligns with efforts to enhance [anti-money laundering](#) measures and promote greater transparency.

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