

## GUIDANCE NOTE – VOLUNTARY SUSPENSION OF LICENCE(S) OF A DMCC COMPANY

In this guidance note, unless the context otherwise requires, words or expressions not defined have the same meaning and interpretation as in the Company Regulations 2020 of the Dubai Multi Commodities Centre Authority (“CR 2020”).

### I. GENERAL

#### A. The concept of Voluntary Suspension of Licence of a DMCC Company

- ❖ The Registrar may agree to a Company’s request to voluntarily suspend its Licence, subject to the relevant Company complying with the requirements of the Company Regulations and the Licensing Rules.
- ❖ The Company continues to exist in the Register of DMCC Companies but Licence(s) of the Company will be suspended for a period applied by the Company and as approved by the Registrar.

#### B. Applicable Business Rules

- ❖ DMCC Company is eligible to apply for Voluntary Suspension of Licence provided that, it must have an active registration and must have held any valid Licence for a period of at least twelve (12) months, prior to the date of the proposed commencement of such suspension.
- ❖ Dormancy does not apply to Branches established in the DMCC Free Zone.
- ❖ If a DMCC Company is holding more than one active Licence, an application for voluntary suspension of Licence shall apply for all Licences.
- ❖ The period of dormancy can be for a minimum period of twelve (12) months but no more than a cumulative period of thirty-six (36) months in the whole lifetime of the DMCC Company.
- ❖ The DMCC Company can choose to apply for 12, 24 or 36 months. These periods are cumulative and corresponding fees will apply against choice.
- ❖ A Company with Licence(s) already in dormant status will not be able to submit a new Voluntary Suspension of Licence request. However, they would be able to extend the existing dormancy period until the maximum allowed dormancy period.
- ❖ A DMCC Company cannot apply for Voluntary Suspension of Licence, if there is an active Company sanction.
- ❖ When the application is approved and the Licence status has been updated as dormant, sanction will be applied on the Company account to stop all services, except for the following:
  - Extension of Voluntary Suspension of Licence (Dormancy) (only when the total allowable period is not yet consumed)
  - Licence Reinstatement (dormant Company).
  - Apply for Company Termination.
  - Portal balance Refund Request.

## C. Effects of Dormancy

- ❖ With effect from the suspension of company Licence(s), the relevant Company must not trade in or from the DMCC Free Zone pursuant to that Licence until the Registrar has reactivated the Licence of that Company.
- ❖ The Company with a dormant Licence cannot maintain visas and leases. All existing visas and leases must be cancelled.
- ❖ Company bank accounts must be closed or suspended.
- ❖ The registered manager shall be resigned from the effectivity of the dormancy, but Company Director(s) and Secretary shall continue to be in office.
- ❖ All existing Company portal users will be de-activated after the Company account is updated and the Licence status becomes dormant. The access to the Company portal account will be assigned to the shareholder or director chosen at the beginning of the service request process.

## D. End of Dormancy Period

- ❖ Reminders will be sent to the Company 90, 60, & 30 days before expiry of the existing dormancy period.
- ❖ All dormant Licence(s) may be Terminated by Authority if the Company does not submit any of the following applications, post completion of dormancy period:
  - Extension of an existing dormancy period (if the total allowable period is not yet consumed)
  - Licence Reinstatement (Dormant Company) with appointment of new Manager.
  - Request to voluntarily terminate the Licence(s) (subject to further submission of Company termination application if all dormant Licences are terminated).

### Notes:

- ❖ In case Company has multiple Licences and only wants to continue with one Licence, it needs to first re-instate a single Licence and upon reinstatement, the Company can apply for Licence termination of other Licences.
- ❖ The Licence, which is re-instated, will have the same Licence number and retains the history of the Licence but it shall come with a remark that this Licence has been in dormant state for a certain period.
- ❖ The Company can appoint a new person as Manager of the Licence upon re-instating the Licence.

## II. APPLICATION PROCESS

### A. Apply for Voluntary Suspension of Licence (Dormancy)

To apply for this new service, a service request (**SR 221**) for voluntary suspension of the Licence (Dormancy) will have to be raised by the Company through its portal account.

Process Owner	Action	Comments
Company	<p>Company to apply for the related service (Voluntary Suspension of Licence – Dormancy) and do the following in the online portal:</p> <ul style="list-style-type: none"> <li>• Provide the required information in the SR.</li> <li>• Choose the period of dormancy (12, 24 or 36 months)</li> <li>• Upload the required documents (Please see table below for list of requirements).</li> <li>• Choose new portal user.</li> <li>• Confirm payment.</li> </ul>	<ul style="list-style-type: none"> <li>• Submit the SR.</li> <li>• A notification submission will be received by the client.</li> </ul>
DMCC Officers	<p>Relevant DMCC Officers will verify the application by doing the following:</p> <ul style="list-style-type: none"> <li>• Check information provided by the client and verify all the uploaded documents.</li> </ul>	<ul style="list-style-type: none"> <li>• SR may be returned to the client to submit additional information or re-upload a document. In such cases, the client has to comply with the requirements to continue with the process.</li> </ul> <p>When additional requirements or information is provided, the client has to update the step in the SR.</p> <ul style="list-style-type: none"> <li>• In case requirements are satisfied, the application will be forwarded to the</li> </ul>

Process Owner	Action	Comments
		Registrar for approval.
DMCC Registrar	Registrar will do the following: <ul style="list-style-type: none"> <li>Approves or Declines the application.</li> </ul>	<ul style="list-style-type: none"> <li>SR may be returned to the client to submit additional information or re-upload a document. In such cases, the client has to comply with the requirements to continue with the process.</li> </ul> <p>When additional requirements or information is provided, the client has to update the step in the SR.</p> <p><b>If Application is declined:</b></p> <ul style="list-style-type: none"> <li>In case application is declined, Knowledge and Innovation fee (AED20/-) will be non-refundable. Rest of the fees to be returned to the portal account of the Company.</li> <li>SR will be closed at this stage.</li> </ul> <p><b>If Approved</b></p> <ul style="list-style-type: none"> <li>Client will receive pre-approval notification and shall continue as per the instruction in the notification.</li> </ul>
Company	Company to comply with the following:	If visa cancellation is done, the client will receive notification

Process Owner	Action	Comments
	<ul style="list-style-type: none"> <li>• Cancel all existing visas/permits/access cards in the Company.</li> <li>• Cancel all existing property lease.</li> <li>• Cancel all Third Party permits.</li> <li>• Close or suspend any bank accounts.</li> </ul>	<p>for submission of physical documents at the DMCC Client Service Centre.</p> <p>Client to approach only the DMCC Client Service Center when all instructions in the pre-approval notification has been complied.</p>
DMCC Member Services Officer (MSO) - Client Service Centre	<p>MSO to do the following:</p> <ul style="list-style-type: none"> <li>• Verify original documents.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>If requirements are satisfied:</b> <ul style="list-style-type: none"> <li>- Accept all required documents.</li> <li>- Allow the relevant parties to sign the Resolutions (if client intends to have the Resolution signed in DMCC)</li> </ul> </li> </ul>

Process Owner	Action	Comments
DMCC Officers	<p>The relevant DMCC officer to:</p> <ul style="list-style-type: none"> <li>Update the account of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Current Manager in the Licence will be automatically resigned and de-activated in the system.</li> <li>➤ Dormancy Letter is generated from system.</li> <li>➤ Notification of SR closure will be sent to the client together with the Dormancy confirmation letter.</li> <li>➤ Status of Licence(s) of the company will be changed to Dormant.</li> <li>➤ All existing portal users will be de-activated and access to the portal account of the Company will be assigned to the person the Company has chosen at the beginning of process.</li> </ul>

## **B. Extension of Voluntary Suspension of Licence (Dormancy)**

To apply for extension of dormancy, a service request (**SR222**) for extension of voluntary suspension of the Licence (Dormancy extension) will have to be raised by the Company through its portal account.

Process Owner	Action	Comments
Company	<p>Company to apply for the service and do the following in the online portal:</p> <ul style="list-style-type: none"> <li>Supply the required information in the SR.</li> <li>Choose the period of</li> </ul>	<ul style="list-style-type: none"> <li>• Submit the SR.</li> <li>• A notification submission will be received by the Client.</li> </ul>

Process Owner	Action	Comments
	<p>extension of dormancy required.</p> <ul style="list-style-type: none"> <li>• Upload the required documents (Please see table below for list of requirements).</li> <li>• Confirm payment.</li> </ul>	
Relevant DMCC Officers	<p>Relevant DMCC Officers will verify the application by doing the following:</p> <ul style="list-style-type: none"> <li>• Check on the information supplied by the Company.</li> <li>• Check the information supplied by the and verify all the uploaded documents.</li> </ul>	<ul style="list-style-type: none"> <li>• SR may be returned to the client to submit additional information or re-upload a document. In such cases, the client has to comply with the requirements to continue with the process.</li> </ul> <p>When additional requirements or information is provided, the client has to update the step in the SR.</p> <ul style="list-style-type: none"> <li>• In case requirements are satisfied, the application will be forwarded to the Registrar for approval.</li> </ul>
DMCC Registrar	<p>Registrar will do the following:</p> <ul style="list-style-type: none"> <li>• Approves or declines the application.</li> </ul>	<ul style="list-style-type: none"> <li>• SR may be returned to the client to submit additional information or re-upload a document. In such cases, the client has to comply with the requirements to continue with the process.</li> </ul> <p>When additional requirements or information is provided, the client has to update</p>

Process Owner	Action	Comments
		<p>the step in the SR.</p> <p><b>If application is declined</b></p> <ul style="list-style-type: none"> <li>• In case application is declined, Knowledge and Innovation fee (AED20/-) will be non-refundable. Rest of the fees to be returned to the portal account of the Company.</li> <li>• SR will be closed at this stage.</li> </ul> <p><b>If application is approved</b></p> <ul style="list-style-type: none"> <li>• Client will receive pre-approval notification and shall submit the original documents at the DMCC Client Service Centre.</li> </ul>
DMCC Member Services Officer (MSO) – DMCC Client Service Centre	<p>MSO to do the following:</p> <ul style="list-style-type: none"> <li>• Verify original documents.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>If requirements are satisfied:</b> <ul style="list-style-type: none"> <li>- Accept all required documents.</li> </ul> <p>Allow the relevant parties to sign the Resolutions (if client intends to have the Resolution signed in DMCC)</p> </li> </ul>
DMCC Relevant Officer	<p>The relevant DMCC officer to:</p> <ul style="list-style-type: none"> <li>• Update the account of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>➤ Dormancy Letter is generated from system.</li> <li>➤ Notification of SR closure will be sent to the client together with the Dormancy confirmation letter.</li> </ul>



Process Owner	Action	Comments
		➤ Account of the Company will be updated as to the status of the Licence(s).

### III. REQUIRED DOCUMENTS

#### A. For New Dormancy Application

Documents	Remarks
Shareholder Resolution	<ul style="list-style-type: none"> <li>• Only applicable in case of individual shareholder(s). <b>Please disregard this requirement if this is not the case.</b></li> <li>• To be printed on the DMCC Company Letterhead and stamped.</li> <li>• To be signed by the Shareholder or POA holder in DMCC or Notarized and legalized by UAE Embassy in the place of issue of the document.</li> <li>• If signed by a POA, signing should be done in DMCC and upon presentation of the original POA and valid identification of the POA holder.</li> </ul>
Board Resolution of corporate Shareholder	<ul style="list-style-type: none"> <li>• Only applicable if one of the existing shareholders of the DMCC Company is a corporate shareholder. <b>Please disregard this requirement if this is not the case. .</b></li> <li>• To be signed in DMCC by authorized signatory or Notarized and legalized by UAE Embassy of the place of issue of the document.</li> </ul>
Certificate of Incumbency (of the corporate Shareholder)	<ul style="list-style-type: none"> <li>• Only applicable if the DMCC Company has a corporate Shareholder. <b>Please disregard this requirement if this is not the case.</b></li> <li>• Certificate of Incumbency must be recently issued (not more than 1 year). Certificate of Incumbency must be notarized and legalized by UAE Embassy of the place of issue of the document.</li> </ul>

Joint Resolution	<ul style="list-style-type: none"> <li>• Only applicable for Joint Venture companies. <b>Please disregard this requirement if this is not the case.</b></li> <li>• Printed on the DMCC Company Letterhead and stamped.</li> <li>• To be signed in DMCC by all Shareholders or their authorized representatives or notarized and legalized by UAE Embassy of the place of execution of the document.</li> </ul>
Power of Attorney	<ul style="list-style-type: none"> <li>• If applicable. <b>Please disregard this requirement if there is no POA issued.</b></li> <li>• If issued in UAE, issued by Dubai Notary Public</li> <li>• Notarized and legalized by UAE Embassy of the place of issue (if issued outside of UAE).</li> <li>• Original POA required to be presented for verification.</li> </ul>
Passport/Valid Emirates ID of the POA holder	<ul style="list-style-type: none"> <li>• If applicable. <b>Please disregard this requirement if there is no POA issued.</b></li> <li>• Original passport or valid Emirates ID (as mentioned in the POA) required to be presented. Copy to be provided.</li> </ul>
Letter from the Auditor	<ul style="list-style-type: none"> <li>• Auditor to confirm solvency of the DMCC Company.</li> <li>• Original is required to be submitted to DMCC.</li> </ul>
Clearance letter from the landlord	<ul style="list-style-type: none"> <li>• Original is required.</li> </ul>
Clearance letter from third party providers (Du, Etisalat, DEWA)	<ul style="list-style-type: none"> <li>• Copy is acceptable.</li> </ul>
Clearance letter from Customs	<ul style="list-style-type: none"> <li>• Applicable for trading Licence only. <b>Please disregard this requirement if this is not the case.</b></li> <li>• Copy is acceptable.</li> </ul>
Evidence of suspension or closure of bank accounts	<ul style="list-style-type: none"> <li>• Copy is acceptable.</li> </ul>
NOC from regulatory Authority	<ul style="list-style-type: none"> <li>• Applicable only for regulated activities. Copy is acceptable <b>Please disregard this requirement if this is not the case.</b></li> </ul>

**B. For Extension of the Existing Dormancy Period**

Document	Remarks
Shareholder Resolution	<ul style="list-style-type: none"> <li>• Only applicable in case of individual shareholder(s). <b>Please disregard this requirement if this is not the case.</b></li> <li>• To be printed on the DMCC Company Letterhead and stamped.</li> <li>• To be signed by the Shareholder or POA holder in DMCC or Notarized and legalized by UAE Embassy in the place of issue of the document.</li> <li>• If signed by a POA, signing should be done in DMCC and upon presentation of the original POA and valid identification of the POA holder.</li> </ul>
Board Resolution of corporate shareholder	<ul style="list-style-type: none"> <li>• Only applicable if one of the existing shareholders of the DMCC Company is a corporate shareholder. <b>Please disregard this requirement if this is not the case. .</b></li> <li>• To be signed in DMCC by authorized signatory or Notarized and legalized by UAE Embassy of the place of issue of the document.</li> </ul>
Certificate of Incumbency (of the corporate shareholder)	<ul style="list-style-type: none"> <li>• Only applicable if the DMCC Company has a corporate shareholder. <b>Please disregard this requirement if this is not the case.</b></li> <li>• Certificate of Incumbency must be recently issued (not more than 1 year). Certificate of Incumbency must be notarized and legalized by UAE Embassy of the place of issue of the document.</li> </ul>
Joint Resolution	<ul style="list-style-type: none"> <li>• Only applicable for Joint Venture companies. <b>Please disregard this requirement if this is not the case.</b></li> <li>• Printed on the DMCC Company Letterhead and stamped.</li> <li>• To be signed in DMCC by all shareholders or their authorized representatives or notarized and legalized by UAE Embassy of the place of issue of the document.</li> </ul>

Power of Attorney	<ul style="list-style-type: none"><li>• If applicable. <b><i>Please disregard this requirement if there is no POA issued.</i></b></li><li>• If issued in UAE, validity to be checked in the Dubai Court portal.</li><li>• Notarized and legalized by UAE Embassy of the place of issue (if issued outside of UAE).</li><li>• Original POA required to be presented for verification.</li></ul>
Passport of the POA holder	<ul style="list-style-type: none"><li>• If applicable. <b><i>Please disregard this requirement if there is no POA issued.</i></b></li><li>• Original passport or valid Emirates ID (as mentioned in the POA) required to be presented. Copy to be provided.</li></ul>
Letter from the Auditor	<ul style="list-style-type: none"><li>• Auditor to confirm solvency of the DMCC Company.</li><li>• Original is required to be submitted to DMCC.</li></ul>

#### IV. APPLICABLE FEES

Please see Schedule of Charges by clicking [here](#).

#### V. CANCELLATION OF AN APPLICATION

Cancellation of an application will be subject to the existing policy and procedure of SR cancellation.