

## **Guidance Note – Voluntary Suspension of Licence(s) of a DMCC Entity**

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 Winding Up.
  - Portal balance Refund Request.
- The company needs to make sure they have [Subscribed and activated the e-signature](#) of all authorized signatories.
- All Draft SRs will automatically be voided after sixty (60) calendar days from their creation date if no action is taken by the DMCC Member.
- SRs awaiting DMCC Member Company action will be automatically nullified if the required actions aren't completed within ninety (90) calendar days from the SR's return date.
- DMCC Member Company admin can request for service cancellation by clicking the 'Cancel Request' button.
- A cancellation fee of will be charged to the DMCC Member's portal if the Member opts for its cancellation, or if the system auto-cancels the SR after the 90-day period.
- Please [refer](#) to (schedule of charges) for cancellation fees



## **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>• Select Power of Attorney (POA) (if applicable)</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> <li>• Submit the service request</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	<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><li>• Approves or Declines the application.</li></ul>	<p>Please note that the SR could be returned to you in case of the below scenarios:</p> <ul style="list-style-type: none"><li>• To submit additional information or to re-upload a document.</li><li>• E-Signature is not activated for the authorized e-signatories or the POA holder (if applicable).</li></ul> <p>To proceed with the SR, you should comply with the requirements by following the instructions you receive from DMCC.</p> <p><b>If Approved</b> You will be instructed on the next steps.</p>
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Process Owner	Action	Comments
Company	Company to comply with the following: <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> <li>• All authorized signatories E-Sign the document</li> <li>• Book an appointment through the DMCC Member Portal for submitting original sets of documents, (if applicable).</li> </ul>	If visa cancellation is done, the client will receive notification
DMCC	DMCC initiates the publication and shall continue for the period of fourteen (14) calendar days.	

Process Owner	Action	Comments
DMCC	<ul style="list-style-type: none"> <li>• Verify e-signatures and original documents</li> <li>• Update the step and the account will be updated with the new details.</li> <li>• New documents will be generated electronically in DMCC Member Portal</li> </ul>	<ul style="list-style-type: none"> <li>• Current Manager in the Licence will be automatically resigned and deactivated in the system.</li> <li>• Dormancy Letter is generated from system.</li> <li>• Notification of SR closure will be sent to the client along 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 deactivated 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
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Company	Company to apply for the service and do the following in the online portal: <ul style="list-style-type: none"><li>• Provide 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>
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Process Owner	Action	Comments
	<p>extension of dormancy required.</p> <ul style="list-style-type: none"> <li>• Select Power of Attorney (POA) (if applicable)</li> <li>• Upload the required documents (Please see table below for list of requirements).</li> <li>• Confirm payment.</li> <li>• Submit the service request</li> </ul>	
DMCC	<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> <li>• Approves or Declines the application.</li> </ul>	<p>Please note that the SR could be returned to you in case of the below scenarios:</p> <ol style="list-style-type: none"> <li>a. To submit additional information or to re-upload a document.</li> <li>b. E-Signature is not activated for the authorized e-signatories or the POA holder (if applicable).</li> </ol> <p>To proceed with the SR, you should comply with the requirements by following the instructions you receive from DMCC.</p> <p><b>If Approved</b> You will be instructed on the next steps.</p>

Process Owner	Action	Comments
Company	<ul style="list-style-type: none"> <li>All authorized signatories E-Sign the document</li> <li>Book an appointment through the DMCC Member Portal for submitting original sets of documents, (if applicable).</li> </ul>	
DMCC	<ul style="list-style-type: none"> <li>Verify e-signatures and original documents</li> <li>Update the step and the account will be updated with the new details.</li> <li>New documents will be generated electronically in DMCC Member Portal</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 along with the Dormancy confirmation letter.</li> <li>Account of the Company will be updated as to the status of the Licence(s).</li> </ul>

### 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 electronically signed by all shareholders or their authorized representatives after the application is approved.</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 electronically signed by all shareholders or their authorized representatives after the application is approved.</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> <p><b>Note:</b> If the certificate of incumbency details verification is publicly available through online registry from the respective issuing Authority official website. In such cases, please provide the link for verification. (If the online verification is approved, the notarization would not be required).</p>

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>• To be electronically signed by all Shareholders or their authorized representatives after the application is approved.</li> <li>• To be submitted along with other required Resolution(s) from each of the Corporate Shareholder.</li> </ul>
Power of Attorney (POA)	<p><b>Please disregard this requirement if there is no POA issued.</b></p> <ul style="list-style-type: none"> <li>• If issued in UAE, validity to be checked in the Dubai Court portal.</li> <li>• If issued outside of UAE:             <ol style="list-style-type: none"> <li>a. To be notarized and legalized by the UAE Embassy of the place of issue.</li> <li>b. Original POA required to be presented for verification.</li> </ol> </li> <li>• Original passport of the POA holder to be presented for verification.</li> </ul>
Letter from the Auditor	<ul style="list-style-type: none"> <li>• Auditor to confirm solvency of the DMCC Company.</li> <li>• Copy is acceptable</li> </ul>
Clearance letter from the landlord	<ul style="list-style-type: none"> <li>• Copy of clearance letter to be uploaded on the portal.</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 &amp; Industrial 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 electronically signed by all shareholders or their authorized representatives after the application is approved.</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 electronically signed by all shareholders or their authorized representatives after the application is approved.</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> <p><b>Note:</b> If the certificate of incumbency details verification is publicly available through online registry from the respective issuing Authority official website. In such cases, please provide the link for verification. (If the online verification is approved, the notarization would not be required).</p>
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>• To be electronically signed by all Shareholders or their authorized representatives after the application is approved.</li> <li>• To be submitted along with other required Resolution from each of the Corporate Shareholder.</li> </ul>

Power of Attorney	<p><b><i>Please disregard this requirement if there is no POA issued.</i></b></p> <ul style="list-style-type: none"><li>• If issued in UAE, validity to be checked in the Dubai Court portal.</li><li>• If issued outside of UAE:<ul style="list-style-type: none"><li>c. To be notarized and legalized by the UAE Embassy of the place of issue.</li><li>d. Original POA required to be presented for verification.</li></ul></li><li>• Original passport of the POA holder to be presented for verification.</li></ul>
Letter from the Auditor	<ul style="list-style-type: none"><li>• Auditor to confirm solvency of the DMCC Company.</li><li>• Copy is acceptable</li></ul>

## OUTPUT

The following document will be issued when process is completed:

- Dormancy Letter