

Licensing Rules¹

Part A

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Licensing Rules, words or expressions not defined have the same meaning as in the Company Regulations and the following words, unless the context otherwise requires, have the following meanings:

Applicable Laws and Rules means the Laws and rules applicable to and in the DMCC Free Zone, including any other laws, regulations, rules, policies and procedures issued by DMCCA from time to time;

Approved Auditor means the auditor which has been registered by DMCCA as an approved auditor;

Company Regulations means the company regulations 2020 of the Dubai Multi Commodities Centre Authority;

Confirmation of Dormancy has the meaning given to it in Rule 6.8;

Continuation means, with effect from the date of continuation stated in the Certificate of Continuation, a Continuing Entity becomes a Company on the Register of DMCC Entities, which is required to obtain a Licence (and **Continued** has a corresponding meaning);

Dormancy Fee means the fee payable, as determined by the DMCCA from time to time and set out in the Schedule of Charges, required for a voluntarily suspension of a Licence;

Establishment means the establishment of a Branch on the Register of DMCC Entities, which is required to obtain a Licence (and **Established** has a corresponding meaning);

Existing means being in existence, which is demonstrated as follows: a) in respect of a Company, the Registration of that Company; b) in respect of a Branch, the Establishment of that Branch; and c) in respect of a Continuing Entity, the Continuation of such entity (and **Exist** has a corresponding meaning);

Freehold means a freehold interest in property within the DMCC Free Zone;

Law means any and all legislation, decrees, resolutions, acts, statutes, ordinances, rules or regulations, directives and other orders, treaties, by laws, codes of practice and other subordinate legislation, of any UAE Governmental Authority;

Lease means a lease, rental or other form of right to use of office space, a commercial unit, a retail area, a retail unit, development land or such other permitted space or unit within the DMCC Free Zone from which a DMCC Entity may undertake the activities specified in its Licence;

¹ Effective date 2 of Jan 2020, unless otherwise advised by DMCC

Licence Category has the meaning given to it in Rule 3.1.1;

Licence Fee means the fee payable, as determined by the DMCCA from time to time and set out in the Schedule of Charges, required to obtain a Licence;

List of Approved Activities means the list of approved activities and requirements of the Registrar as may be amended from time to time [<https://www.dmcc.ae/free-zone/set-up-a-new-company/document-templates>];

Permitted Period has the meaning given to it in Rule 6.7;

Registration means the registration of a Company on the Register of DMCC Entities, which is required in order to obtain a Licence (and **Registered** has a corresponding meaning);

Renewal Fee means the fee payable, as determined by the DMCCA from time to time and set out in the Schedule of Charges, required to renew a Licence;

Schedule of Charges means the fees, rents or other charges applicable to the DMCC Free Zone published and enforced by the DMCCA from time to time, and as further described in Rule 2.5;

Tariff means the tariff of fines, levies and penalties applicable to the DMCC Free Zone published and enforced by the DMCCA from time to time, and as further described in Rule 2.5;

UAE Governmental Authority means any authority, court or other body which is, or operates as part of, the Federal Government of the UAE or the Government of Dubai.

1.2 Interpretation

a) In these Licensing Rules, a reference to:

- i. a provision of any law, rule or regulation includes a reference to that law, rule or regulation as amended, extended or re-enacted from time to time;
- ii. a person includes any natural person, corporate entity or unincorporated entity, including a company, partnership, unincorporated association, government or state;
- iii. an obligation to publish, or to cause to be published, a particular document includes, unless expressly provided otherwise in these Licensing Rules, publishing or causing to be published in printed or electronic form;
- iv. day, week or month means a calendar day, week or month;
- v. a calendar year means a year of the Gregorian calendar;
- vi. a word that suggests one gender includes all genders;
- vii. the singular includes the plural and vice versa, unless the context otherwise requires;
- viii. include or including means without limitation;

- ix. writing or written includes any mode of communication that preserves a record of the information contained in it and is capable of being produced or reproduced in tangible form, including electronic means;
 - x. a Rule means a rule of these Licensing Rules.
- b) The headings in these Licensing Rules do not affect its interpretation.

Part B

2. GENERAL

- 2.1. All DMCC Entities are subject to and must comply with the following:
- 2.1.2 these Licensing Rules;
 - 2.1.3 the Company Regulations; and
 - 2.1.4 all other Applicable Laws and Rules, including, where applicable, those relating to Leases, Freehold, building and operation controls, employment affairs, health safety and environment, and traffic affairs.
- 2.2. These Licensing Rules come into force on the effective date of the Company Regulations and will be published in a manner prescribed by DMCCA. It is the responsibility of each DMCC Entity to check for amendments or updates to these Licensing Rules and any new or amended notices, policies and procedures issued from time to time.
- 2.3. DMCC Entities are not permitted to share or sub-lease their premises without the prior written approval of the Registrar. The Registrar reserves the right to reject any application for a sub-lease or premises sharing and to charge a fee annually for each approved sub-lease or premises sharing, in addition to the Licence Fee.
- 2.4. The manufacture and marketing of any contraband items is strictly forbidden at all times, including any item that is prohibited by Law.
- 2.5. All fees, rents or other charges are payable in advance or otherwise in accordance with the rates and charges set out in the Schedule of Charges, and all fines, levies and penalties are payable within the time period stipulated in the Tariff.
- 2.6. Any DMCC Entity or any other person who commits any breach of these Licensing Rules will, in addition to any other decisions that may be made by the Registrar, be subject to Sanctions, or as otherwise determined. DMCCA may issue or impose such Sanctions against any DMCC Entity or person who the DMCCA considers to be in breach of these Licensing Rules, the Company Regulations and/or any other Applicable Laws and Rules or who otherwise cause nuisance, disturbance or disruption to the community. DMCCA reserves the right to issue or impose any Sanctions for such behaviour or activity.
- 2.7. Any decision or determination by DMCCA or the Registrar (as the case may be), including the giving or rejection of any approval or consent or imposing any conditions or other requirements, is given in DMCCA's or the Registrar's absolute discretion.

DMCCA and the Registrar accept no liability for any loss whatsoever arising from or in connection with any decision or determination.

- 2.8. On making any decision or determination referred to in Rule 2.7, the Registrar shall notify the DMCC Entity, unless otherwise restricted from doing so by court order or legislative requirement.

Part C

3. DMCC FREE ZONE LICENCES

3.1. Licence Categories and permitted activities

3.1.1 The categories of Licence available within the DMCC Free Zone are as follows (each a “**Licence Category**”):

- a) Trading Licence: to carry out trading activities specified in the Licence;
- b) Service Licence: to carry out service activities specified in the Licence;
- c) Industrial Licence: to carry out manufacturing activities as specified in the Licence; and
- d) such other Licence Category that may be determined or made available, as appropriate, by the Registrar from time to time.

3.1.2 Notwithstanding Rule 3.1.1, the Registrar may, at any time require a DMCC Entity to apply for a separate Licence.

3.1.3 Licences are valid for permitted activities conducted in or from the DMCC Free Zone for the period specified in the Licence.

3.2 Licence application, variations, changes

3.2.1 Subject to Rule 6, all persons undertaking or operating any business or commercial activities in or from the DMCC Free Zone must:

- a) be Existing;
- b) have a valid Lease or Freehold; and
- c) hold and maintain an active Licence at all times.

Licences must be renewed on or before their expiry in accordance with Rule 3.3.

- 3.2.2 The Registrar may permit written exemption from any conditions set out in Rule 3.2.1 subject to justifiable grounds for such exemption approved by DMCCA.
- 3.2.3 To qualify for, obtain and hold an active Licence, the applicant must:
- a) be Existing;
 - b) have entered into a valid Lease or Freehold in the name of the DMCC Entity;
 - c) not be in contravention of any aspect of these Licensing Rules, the Company Regulations, or any other Applicable Laws and Rules;
 - d) in case of Company, demonstrate to the satisfaction of the Registrar that it has complied with the requirements for opening bank accounts in the UAE and provide confirmation of the deposit of the Paid Up Share Capital to the extent required under the List of Approved Activities [<https://www.dmcc.ae/free-zone/set-up-a-new-company/document-templates>];
 - e) demonstrate to the satisfaction of the Registrar that it has the necessary licences, permits, visas and approvals as may be required by other UAE Governmental Authority; and
 - f) provide any other documentation or information as may be reasonably requested by the Registrar from time to time.
- 3.2.4 The DMCC Entity must ensure that it obtains a Licence within the time period specified in the Company Regulations.
- 3.2.5 The application for a Licence filed with the Registrar must be accompanied by payment of the Licence Fee, and any other applicable charges or fees, as determined by DMCCA from time to time.
- 3.2.6 On approval of the Licence application, the Registrar must issue a Licence to the DMCC Entity.
- 3.2.7 DMCCA may, upon the issue of a Licence or at any time thereafter, vary the terms or conditions of that Licence in its discretion.
- 3.2.8 Subject to Regulation 16 of the Company Regulations (in respect of change of name of a DMCC Entity) and Regulation 55 of the Company Regulations (in respect of change of a Manager), in respect of any proposed change to the contents of an active Licence (including change of address or the business activity), a DMCC Entity must promptly provide a request for approval to the Registrar setting out the relevant change to be made, together with the relevant documents relating to the proposed change. The DMCC Entity must also make payment of the appropriate fee, as specified in the Schedule of Charges. Following

receipt of such request, the Registrar may require other information to be provided prior to giving its approval.

- 3.2.9 If the Registrar has approved a DMCC Entity's request for change pursuant to Rule 3.2.8, a new or updated Licence will be issued and the Registrar will enter the new or updated details on the Register of DMCC Entities.
- 3.2.10 If a change pursuant to Rule 3.2.8 relates to a change in address or activity, a DMCC Entity must not operate or relocate to the new location, or undertake the new activity, unless and until the Registrar has given its approval.
- 3.2.11 A DMCC Entity must conduct its business in or from the DMCC Free Zone in order to maintain an active Licence. If a DMCC Entity has any business or operations outside of the DMCC Free Zone, it must have obtained the required acknowledgement letter from the Registrar and approvals from any other relevant UAE Governmental Authority to do so.
- 3.2.12 Failure to comply with this Rule 3.2 may result in the Registrar not giving its approval of any application for a Licence or request for change, and may lead to, amongst other things, a Sanction being imposed and/or rejection of an application for renewal.

3.3 Licence renewals

- 3.3.1 Licences are valid for the period specified in the Licence.
- 3.3.2 A DMCC Entity must renew its Licence on or before the date of expiry specified in the Licence. A DMCC Entity must not undertake or operate any business or commercial activities in or from the DMCC Free Zone without a valid Licence.
- 3.3.3 In applying for Licence renewal, the DMCC Entity must:
 - a) continue to comply with these Licensing Rules, including maintaining the relevant valid licences, permits, visas and any relevant approvals from UAE Governmental Authority;
 - b) have submitted its audited financial statements and report in accordance with Regulation 71.4 (in the case of a Company) and Regulation 82 (in the case of a Branch) of the Company Regulations;
 - c) provide evidence that the relevant DMCC Entity is not in arrears in respect of any fees, any other charges, or any fines or penalties that are due and payable to the DMCCA or any other person in connection with its Lease or Freehold or any other matter relating to the DMCC Free Zone;
 - d) pay the Renewal Fee and any other charges or fees as may be applicable; and
 - e) provide any other documentation or information as may be reasonably requested by the Registrar, including completion of due diligence questionnaires in respect of status of activities and certificates of good standing in respect of Shareholder's status.
- 3.3.4 If a DMCC Entity fails to renew its Licence on or before the date of expiry, the Registrar may grant, in its discretion, a limited grace period in which such DMCC Entity is required to complete the renewal process. If such DMCC Entity fails to renew its Licence within any permitted grace period, then its Licence may be suspended or

terminated in accordance with Rule 5 and the Registrar may take any such action as it deems necessary.

3.3.5 In addition to Rule 3.3.4, failure to comply with this Rule 3.3 may result in the rejection of an application for renewal and/or any other Sanction being imposed.

4 DMCC ENTITY'S REQUEST FOR VOLUNTARY TERMINATION

4.1 If a DMCC Entity wishes to voluntarily terminate its Licence, it may do so by submitting a request to the Registrar setting out the reason for termination.

4.2 If a DMCC Entity:

4.2.1 has more than one Licence and wishes to terminate one or more (but not all) of its Licences, then such DMCC Entity can do so in its discretion provided that any other remaining Licence is active or has been voluntarily suspended pursuant to Rule 6; or

4.2.2 wishes to terminate and replace its current active Licence with a new Licence, then such DMCC Entity must comply with the requirements under these Licensing Rules relating to Licence application,

and in both of these cases, the Registrar may impose any other terms and/or conditions as it deems necessary.

4.3 If a DMCC Entity wishes to voluntarily terminate its Licence (or if there is more than one, all of its Licences) as it no longer intends to Exist in the DMCC Free Zone, the Registrar shall grant its approval subject to the DMCC Entity fulfilling the following conditions to the satisfaction of the Registrar:

4.3.1 cancellation or transfer of visas;

4.3.2 evidence, in a form satisfactory to the Registrar, that any Lease entered into has been terminated with no amounts outstanding;

4.3.3 closure of bank account;

4.3.4 compliance with the requirements for the winding-up or removal of the DMCC Entity (as the case may be) in accordance with the Company Regulations; and

4.3.5 settled any other outstanding matters relating to the Licence.

The Registrar may impose other terms and/or conditions as it deems necessary to which the DMCC Entity must comply.

4.4 Upon completion of the winding-up or removal process of the DMCC Entity in accordance with the Company Regulations, such DMCC Entity will appear on the Register of DMCC Entity as either Dissolved or Removed.

5 SUSPENSION OR TERMINATION OF A LICENCE BY DMCCA

5.1 If a DMCC Entity commits any of the following:

- 5.1.1 any breach of the Company Regulations or other Applicable Laws and Rules;
- 5.1.2 fails to submit the requisite application or renewal documentation as required by the Registrar and / or within the stipulated time period;
- 5.1.3 is found to have provided false, inaccurate or misleading information regarding its business or operations;
- 5.1.4 fails to comply, or has violated, one or more provisions of these Licensing Rules or a term or condition of its Licence,

DMCCA may suspend or terminate the Licence with written notice effective on the date stated in that notice.

5.2 If a DMCC Entity has more than one Licence, DMCCA may suspend or terminate any other Licences of the DMCC Entity.

5.3 If DMCCA suspends a Licence pursuant to the Company Regulations, it may do so for such period and in such manner as DMCCA may deem necessary, including requiring the DMCC Entity to remedy the circumstances leading to the suspension. A suspended Licence may be re-activated if DMCCA is of the view that the DMCC Entity has remedied the circumstances to DMCCA's satisfaction.

5.4 If a DMCC Entity's Licence is suspended or terminated or the DMCC Entity has not submitted an application pursuant to Rule 6.14, DMCCA has the power, among other things, to impose a Sanction and/or Strike-off and to have the DMCC Entity complete the process of being Dissolved or to be Removed (as the case may be).

5.5 Upon completion of the winding-up or removal process of the DMCC Entity in accordance with the Company Regulations, such DMCC Entity will appear on the Register of DMCC Entity as either Dissolved or Removed.

6 DORMANCY - VOLUNTARY SUSPENSION OF LICENCE BY A COMPANY

6.1 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 these Licensing Rules.

6.2 A Company is eligible to apply to the Registrar for voluntary suspension of a Licence provided it is validly Existing and has held an active Licence for a period of at least twelve months prior to the date of the proposed commencement of such suspension.

6.3 A Company who wishes to achieve voluntary suspension of its Licence must satisfy the following in order to obtain the Registrar's pre-approval:

- 6.3.1 submit a request for voluntary suspension, together with the Ordinary Resolution as specified under the Company Regulations;

6.3.2 submit a letter from its Approved Auditor confirming the solvency of the Company as at the end of the last financial year;

6.3.3 pay the Dormancy Fee and any other charges or fees as may be applicable.

The Registrar may request for further documentation or information from the Company as it deems necessary.

6.4 If a Company has satisfied the Registrar's requirements pursuant to Rule 6.3, the Registrar shall issue a pre-approval of voluntary suspension and Rule 6.5 shall apply.

6.5 The Registrar shall grant its final approval to an application subject to the Company providing the following to the satisfaction of the Registrar:

6.5.1 evidence, in a form satisfactory to the Registrar, that all licences, permits and/or visas have been cancelled;

6.5.2 evidence, in a form satisfactory to the Registrar, that the Manager has resigned;

6.5.3 evidence, in a form satisfactory to the Registrar, of suspension or closure of bank accounts;

6.5.4 to the extent applicable, third party approvals to the Company's voluntary suspension of its Licence; and

6.5.5 any other documentation or information as may be reasonably requested by the Registrar.

6.6 If a Company fails to satisfy the Registrar's requirements pursuant to Rule 6.3 or Rule 6.5, the Registrar shall notify the Company and the Licence shall continue until renewed or otherwise terminated in accordance with these Licensing Rules.

6.7 The Registrar shall determine the applicable permitted period of voluntary suspension (**Permitted Period**), which period shall be for a minimum period of twelve months but no more than a cumulative period of thirty six months in respect of that Company.

6.8 If an application by a Company for voluntary suspension of a Licence is approved, the Registrar must update the Company's status on the Register of DMCC Entities as dormant and provide to the Company a confirmation of voluntary suspension (**Confirmation of Dormancy**).

6.9 The Confirmation of Dormancy shall include the following information:

6.9.1 the period of the approved voluntary suspension of a Licence for a Company comprising the following:

a) commencement date of voluntary suspension, which date shall be the date on which the application for voluntary suspension has been approved by the Registrar, or another date as the Registrar may determine; and

b) expiry date of voluntary suspension, which date shall be the end of the Permitted Period approved by the Registrar pursuant to Rule 6.7; and

6.9.2 any other information the Registrar deems necessary.

6.10 If a Company has more than one Licence, any application for voluntary suspension shall apply for all the Licences.

- 6.11 During any Permitted Period, the Company must remain dormant and must not conduct or engage in any business or commercial activity. The Registrar may request any information or documentation as the Registrar may require to confirm the Company's dormant status.
- 6.12 A Company may request voluntary suspension of a Licence more than once, or apply for an extension of a Permitted Period, up to the maximum period specified in Rule 6.7. Such request shall be subject to approval by the Registrar and the Company must comply with the terms and conditions as may be imposed by the Registrar at any time.
- 6.13 If at any time during any Permitted Period, a Company wishes to either:
- 6.13.1 commence business or commercial activity under an active Licence; or
 - 6.13.2 voluntarily terminate pursuant to Rule 4.3,
such Company may do so by informing and submitting the applicable request to the Registrar.
- 6.14 On or before the date of expiry of a Permitted Period stated in the Confirmation of Dormancy, a Company must submit to the Registrar:
- 6.14.1 an application for a new Licence;
 - 6.14.2 a request for an extension of an existing Permitted Period pursuant to Rule 6.12;
or
 - 6.14.3 a request to voluntarily terminate the Licence.
- 6.15 In the case of Rule 6.13.1 or Rule 6.14.1, the Company must apply for a new Licence whereupon Rule 3.2 (other than Rules 3.2.1, 3.2.2 and 3.2.4) shall apply.
- 6.16 In the case of Rule 6.14.2, this Rule 6 shall apply to such request.
- 6.17 In the case of Rule 6.13.2 or Rule 6.14.3, the Registrar shall require the Company to comply with the requirements set out in Rule 4.3.
- 6.18 Under the Company Regulations, the DMCCA has power, amongst other things, to terminate and Strike-off a Company who has voluntarily suspended its Licence.

7 MISCELLANEOUS

- 7.1 A DMCC Entity must have a Manager who is responsible for the day to day operations in accordance with the requirements of the Directors (in the case of a Company) or the directors of the Branch Parent (in the case of a Branch).
- 7.2 If a DMCC Entity makes any request for cancellation of any type of application relating to a Licence after it has been submitted, the Registrar reserves all rights not to refund any charges or fees already paid and may impose any reasonable charges or fees as a result of such DMCC Entity's cancellation request.
- 7.3 Without limitation to any other provisions in this Licensing Rules, if a Licence is suspended or terminated, for whatever reason, all outstanding matters relating to that Licence, including cancellation of licences, visas and/or permits, payment of outstanding fees, charges, rents, fines, penalties and settlement of matters such as those in respect of the visas, permits and Lease, must be settled by the relevant DMCC Entity regardless of whether the suspension or termination, as the case may be, was

initiated by the DMCC Entity or DMCCA. No refunds of Licence Fees, Renewal Fees, Dormancy Fees or any other items paid pursuant to the Tariff or Schedule of Charges will be made for suspension or termination of Licences.