



DMCCA COMPANIES LIMITED BY GUARANTEE REGULATIONS

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SECTION 1 – DEFINITIONS AND INTERPRETATION

1. Definitions used in these Regulations

In these Regulations, unless the context otherwise requires, the following words and expressions have the following meanings:

Word or expression	Meaning in these Regulations
Articles	in relation to a Company, its articles of association as originally adopted or as subsequently adopted in accordance with these Regulations
Business Day	a day other than a Saturday, Sunday or public holiday in the Emirate of Dubai
Certificate of Continuation	a certificate issued to a Non-DMCC Entity by the Registrar confirming that the Non-DMCC Entity has been continued as a Company in the DMCC Free Zone
Certificate of Name Change	a certificate issued by the Registrar to confirm the change of name of a Company
Certificate of Registration	a certificate issued by the Registrar to confirm the registration of a Company in the DMCC Free Zone
Company	a company registered under these Regulations
Company Regulations	the Dubai Multi Commodities Centre Authority Company Regulations 2024
Continuation Application	an application to the Registrar in the form required by DMCCA by a Non-DMCC Entity to become a Company in the DMCC Free Zone
Continuing Entity	a Non-DMCC Entity in respect of which the Registrar has issued a Certificate of Continuation
Court	such court of competent jurisdiction as may be specified by DMCCA from time to time
Creditors	includes present, future and contingent creditors of a Company
Director	a person occupying the position of director of a Company, by whatever name called
Dissolved	the cessation of the existence of a Company as a legal entity
DMCC Entity Name Requirements	the requirements of the Registrar from time to time in respect of the naming of any Company
DMCC Entity Number	the unique Company number allocated to each Company by the Registrar
DMCC Free Zone	the DMCC Free Zone, governed by Law No. (3) of 2020 issued in the Emirate of Dubai (as amended, replaced or re-enacted from time to time) and regulated and operated by DMCCA, the location, area and boundaries of which are specified in Law No. (3) of 2020

DMCCA	the Dubai Multi Commodities Centre Authority governed by Law No. (3) of 2020 issued in the Emirate of Dubai (as amended, replaced or re-enacted from time to time), which authority has governance over the DMCC Free Zone
Exempt Entity	an entity designated by DMCCA to be an exempt entity by virtue of any rule, regulation, policy or decision of DMCCA
General Meeting	a meeting of the Members of a Company
Holding Company	has the meaning given to it in Article 24.2
Initial Member	the person or persons who sign the application for registration of a Company and become the Member(s) of that Company upon its registration
International Financial Reporting Standards	a set of accounting standards, developed and maintained by the International Accounting Standards Board
liability	includes debt or obligation
Licence	any licence, permit or other authorisation granted to a Company by the Registrar to undertake certain business activities within the DMCC Free Zone
Licensing Rules	the rules relating to Licences, and such other rules as applicable within the DMCC Free Zone as may be specified by DMCCA from time to time
Manager	a natural person occupying the position of manager of a Company, by whatever name called
Member	a person registered in the Register of Members of a Company as a member in that Company
Members' Request	has the meaning given to it in Article 46.2
Minutes Register	a register of minutes of all proceedings at General Meetings, resolutions of Members, meetings of any class of Members, meetings of Directors and (if any) of committees of Directors (and any resolutions passed at such meetings) to be entered into books kept for that purpose
Non-DMCC Entity	a company or other legal entity formed outside of the DMCC Free Zone
Officeholder	a director, member of a committee of management, manager, chief executive, secretary or other similar officer of the relevant corporate entity or association, or a person purporting to act in such capacity
Officer	a Director, Manager or Secretary
Officer Register	a register of the Directors, Secretary and Manager of a Company
Officer Rules	the rules with which the Directors, Secretary and Manager of a Company must comply as may be specified by DMCCA from time to time
Ordinary Resolution	a resolution passed by a simple majority of the votes of such Members as (being entitled to do so) vote in person or by proxy

	at a General Meeting for which notice specifying the intention to propose the resolution has been given
Privileged Communication	a communication attracting a privilege arising from the provision of professional legal advice and any other advice or from the relationship of lawyer and client or other similar relationship, but does not include a general duty of confidentiality
Public Notice	has the meaning given to it in Article 84.3
Register of DMCC Entities	the register of Companies maintained by the Registrar
Register of Members	the register of all of the Members of a Company from time to time
Registers	the Register of Members, Officer Register and Security Register
Registrar	the registrar appointed by the DMCCA pursuant to the Company Regulations
Regulations	these Dubai Multi Commodities Centre Authority Companies Limited by Guarantee Regulations 2024
Remove	the action by the Registrar of removing a Company from the category of "active", "suspended" or "dormant" to the category of "Removed" on the Register of DMCC Entities, and Removed and Removal have a corresponding meaning
Representative	any employee, representative or agent of the Company acting under the direction or authority of an Officer
Sanction	one or all of the following: (a) restriction or suspension of services; (b) a fine or penalty, as specified by DMCCA from time to time in accordance with Article 81; (c) suspension of a Licence in accordance with the process set out in Article 82; (d) termination of a Licence in accordance with the process set out in Article 83; (e) a Company being Struck Off, in accordance with the process set out in Article 84; and/or (f) such other sanction as DMCCA may deem appropriate from time to time
Second Strike Off Notice	has the meaning given to it in Article 84.2
Secretary	the secretary of a Company
Security Register	the register of all the security granted over membership interests in a Company
Special Resolution	a resolution passed by at least 75 per cent. of the votes of such Members as (being entitled to do so) vote in person or by proxy at a General Meeting, for which notice specifying the intention to propose the resolution has been given

SPV	a Company formed and registered as a special purpose vehicle under these Regulations that has been granted and maintains an SPV Licence
SPV Licence	a special purpose vehicle Licence granted by the Registrar to a Company in accordance with the Licensing Rules
Standard Articles	model articles of association for a Company prescribed by DMCCA from time to time
Strike Off	the striking off by the Registrar pursuant to Article 13.3 or 84 (in the case of Article 84, on the instruction of DMCCA) of a Company from the Register of DMCC Entities and Striking Off and Struck Off have a corresponding meaning
Strike Off Notice	has the meaning given to it in Article 84.1
Subsidiary	has the meaning given to it in Article 24.1
Termination Notice	has the meaning given to it in Article 83.1
Trustee	an executor, trustee or administrator for the time being of the estate of a deceased person
UAE	United Arab Emirates
UAE Governmental Authority	any authority, court or other body which is, or operates as part of, the Federal Government of the UAE or the Government of an Emirate of the UAE
winding-up	the winding-up of the affairs of a Company by a liquidator in accordance with these Regulations

2. Rules of interpretation used in these Regulations

2.1 In these Regulations, a reference to:

- (a) a provision of any law, rule, regulation, policy or decision includes a reference to that law, rule, regulation, policy or decision as amended, extended or re-enacted from time to time;
- (b) a person includes any natural person, corporate entity or unincorporated entity, including a company, partnership, unincorporated association, government or state;
- (c) an obligation to publish, or to cause to be published, a particular document includes, unless expressly provided otherwise in these Regulations, publishing or causing to be published in printed or electronic form;
- (d) day, week or month means a calendar day, week or month;
- (e) a calendar year means a year of the Gregorian calendar;
- (f) a word that suggests one gender includes all genders;
- (g) the singular includes the plural and vice versa, unless the context otherwise requires;

- (h) include or including means without limitation;
 - (i) these Regulations include any regulations made under these Regulations, unless expressly provided otherwise in these Regulations;
 - (j) a Section, Article or Schedule by number only, and without further identification, is a reference to the section, article or schedule of that number in these Regulations; and
 - (k) 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 (and, for the avoidance of doubt, a Company may, with the consent of a Member, communicate with that Member by electronic means).
- 2.2 Any publication required under these Regulations may be made in the following manner:
- (a) in a newspaper published in English with national circulation in the UAE;
 - (b) on a DMCCA website appointed by the Registrar for such purpose; or
 - (c) in such other form or manner as the Registrar may prescribe from time to time.
- 2.3 The DMCCA and the Registrar may communicate with a Company by electronic means, including requiring the use of electronic signatures in a form and manner as the Registrar may prescribe from time to time.
- 2.4 The headings in these Regulations do not affect its interpretation.

SECTION 2 – THE REGISTRAR

3. The Registrar

- 3.1 DMCCA may, by regulations or decision, appoint, remove or replace a Registrar who will be a public officer and have the powers and authorities conferred on the Registrar, and shall discharge the functions, duties and obligations imposed on the Registrar, by such regulations or decision.
- 3.2 The Registrar may appoint such officers as may be necessary to assist the Registrar in the performance of the Registrar's functions under these Regulations, or under any other regulations, rules, policies or decisions issued by DMCCA from time to time.
- 3.3 Any functions of the Registrar under these Regulations or under any other regulations, rules, policies or decisions issued by DMCCA from time to time may, to the extent authorised by the Registrar, be performed by any officer appointed by the Registrar.
- 3.4 The Registrar has the power to do whatever the Registrar deems necessary for, or in connection with, or reasonably incidental to, the performance of the Registrar's functions.
- 3.5 If any approval or consent of the Registrar is required under these Regulations, or under any other regulations, rules, policies or decisions issued by DMCCA from time to time, or if the Registrar takes any decision or exercises any discretion under these Regulations, or under any other regulations, rules, policies or decisions issued by DMCCA from time to time:

- (a) the Registrar may grant such approval or consent or take such decision or exercise such discretion in the Registrar's absolute discretion, including imposing any conditions or other requirements as the Registrar may consider necessary;
- (b) if the Registrar does not grant such approval or consent, or takes any decision or exercises any discretion, the Registrar is not, unless expressly set out in these Regulations, required to provide any reasons for the refusal to grant the approval or consent or for the decision or the exercise of the discretion; and
- (c) the Registrar's decision is final (unless expressly set out in these Regulations that a person may appeal to DMCCA) and is not subject to appeal or review in any court.

SECTION 3 – COMPANY REGISTRATION AND LICENSING

4. Company limited by guarantee in the DMCC Free Zone

- 4.1 A Company may be incorporated, continued or re-registered under these Regulations as a company limited by guarantee.
- 4.2 A company is "limited by guarantee" if its liability is limited to such amount as the Members undertake to contribute to the assets of the Company in the event of its being wound up.
- 4.3 A Non-DMCC Entity will be recognised as a Company under these Regulations upon its transfer to the DMCC Free Zone in accordance with Article 16.

5. Status of a Company

- 5.1 A Company has a separate legal personality from its Members.
- 5.2 Subject to Articles 13.2 and 85.1, the liability of a Member of a Company is limited to such amount as that Member undertakes to contribute to the assets of the Company in the event of its being wound up.
- 5.3 A Company may conduct any lawful business or activities subject to the terms of its Licence.
- 5.4 A Company has UAE nationality, but this does not necessarily result in the Company being entitled to those privileges which are reserved for UAE nationals.

6. Method of registration of a Company

- 6.1 Any one or more persons may apply for the registration of a Company by signing and filing with the Registrar an application for registration of a Company.
- 6.2 The application for registration of a Company filed with the Registrar must be signed by the Initial Member(s) and must include:
 - (a) the proposed name of the Company, which must immediately be followed by the suffix "DMCC" (which must be stated wherever the Company's name appears, including in all communications) and must comply with the DMCC Entity Name Requirements;
 - (b) the nature of the business or activities to be conducted by the Company;
 - (c) a statement of guarantee that complies with Article 6.3;

- (d) the full name, passport number (in the case of an individual member), registration number (in the case of a corporate member) and nationality of each of the Initial Member(s);
 - (e) the full name, address and nationality of each of the persons who are to serve as Directors;
 - (f) the full name, address and nationality of the person who is to serve as Secretary;
 - (g) the full name, address and nationality of the person who is to serve as Manager;
 - (h) subject to Article 8.4, the proposed Articles of the Company; and
 - (i) any other document or information that the Registrar may require.
- 6.3 A statement of guarantee must state that each Member undertakes that, if the Company is wound up while it is a Member, or within one year after it ceases to be a Member, it will contribute to the assets of the Company such amount as may be required for:
- (a) payment of the debts and liabilities of the Company contracted before it ceases to be a Member;
 - (b) payment of the costs, charges and expenses of winding up; and
 - (c) adjustment of the rights of the contributories among themselves,
- not exceeding a specified amount.
- 6.4 The application for registration of a Company filed with the Registrar must be accompanied by payment of the relevant fee, as determined by the Registrar from time to time.
- 7. Registration of a Company**
- 7.1 No Company may be registered without the approval of the Registrar.
- 7.2 On the registration of a Company, the Registrar must:
- (a) issue a Certificate of Registration to confirm that the Company has been registered;
 - (b) register the Articles of the Company filed with the Registrar under Article 6.2(h);
 - (c) assign to the Company a number, which will be the DMCC Entity Number; and
 - (d) enter the name of the Company in the Register of DMCC Entities.
- 7.3 From the date of registration contained in the Certificate of Registration, the Initial Member(s) (or such other persons who from time to time become Members) will form a corporate entity, having the name contained in the Certificate of Registration and capable of exercising all of the functions of a company.
- 7.4 A Certificate of Registration is conclusive evidence:
- (a) of the registration of the Company; and

- (b) that the requirements of these Regulations have been complied with in respect of the registration of the Company.
- 7.5 The Registrar must maintain a Register of DMCC Entities with the following details in respect of each Company:
 - (a) name;
 - (b) DMCC Entity Number;
 - (c) copy of Certificate of Registration;
 - (d) copy of any Certificate of Name Change;
 - (e) copy of Licence (except in respect of an Exempt Entity);
 - (f) registered office address;
 - (g) names of Directors, Secretary and Manager; and
 - (h) any other details DMCCA considers appropriate from time to time.
- 7.6 The Registrar may make the Register of DMCC Entities in respect of a Company (or parts of it) available for public inspection (including by electronic means).
- 7.7 The Registrar may issue certificates of good standing and certificates of incumbency (in each case, in such form as the Registrar may determine from time to time) in respect of a Company.
- 8. **Articles of a Company**
- 8.1 The Articles of a Company must be in the English language or any other language approved by the Registrar.
- 8.2 The Articles of a Company must contain:
 - (a) the information set out in Articles 6.2(a), (c) and (d); and
 - (b) such other matters as the Members wish to include in the Articles,provided that the Articles may not contain a provision which is contrary to or inconsistent with these Regulations.
- 8.3 DMCCA may prescribe model articles of association to be known as the Standard Articles and a Company may for its Articles adopt the Standard Articles.
- 8.4 If the Standard Articles are not adopted by a Company, a Company may adopt its own Articles if it provides to the Registrar a legal opinion and/or a declaration from the proposed Member(s) or Director(s), in a form satisfactory to the Registrar, that its Articles do not contain a provision which is contrary to or inconsistent with these Regulations.
- 8.5 If at any time the Registrar notifies a Company that, in the opinion of the Registrar, the Articles of that Company contain a provision which is contrary to or inconsistent with these Regulations, that Company must amend its Articles within twenty Business Days of such notification in such manner as the Registrar may direct.

9. Effect of Articles

9.1 Subject to the provisions of these Regulations, the Articles are legally binding on a Company and its Members to the same extent as if:

- (a) the Articles had been signed by the Company and each Member; and
- (b) the Articles contained an agreement on the part of the Company and each Member to observe all of the provisions of the Articles.

9.2 Any amount payable by a Member to a Company under the Articles is a debt due from that specific Member to the Company and not all Members to the Company.

10. Adoption of new Articles

10.1 Subject to the provisions of these Regulations, a Company may adopt new Articles by Special Resolution. The adoption of the new Articles takes effect on their registration by the Registrar.

10.2 If a Company proposes to adopt new Articles:

- (a) the new Articles must not contain a provision which is contrary to or inconsistent with these Regulations;
- (b) the new Articles must be deposited with the Registrar within fifteen Business Days of the Special Resolution to adopt the new Articles or such other date approved by the Registrar;
- (c) the Company must provide to the Registrar a legal opinion and/or a declaration from the Directors, in a form satisfactory to the Registrar, that any new Articles that are not Standard Articles comply with Article 10.2(a); and
- (d) any rights or obligations of the Members and/or the Company, which have arisen under the Articles prior to the date of adoption of the new Articles, will not be affected unless the new Articles specifically provide otherwise.

10.3 Notwithstanding anything in the Company's Articles, a Member is not bound by any provision of the Articles adopted after the date on which that Member became a Member to the extent that the provision:

- (a) in any way increases the Member's liability as at that date to contribute money to the Company; or
- (b) otherwise requires the Member to pay money to the Company,

unless the Member agrees in writing, either before or after the Articles are adopted, to be bound by it.

11. Copies of Articles for Members

A Company must, on written request from a Member, send to that Member a copy of the Articles subject to payment of such reasonable sum as the Company may require.

12. Conduct of business operations in the DMCC Free Zone

A Company is only permitted to conduct business operations and activities in or from the DMCC Free Zone if the Registrar has issued to that Company:

- (a) a Certificate of Registration; and
- (b) a Licence (unless the person is an Exempt Entity),

in each case as provided for in these Regulations and the Licensing Rules.

13. Licensing of Companies

13.1 Each Company must, unless exempted by DMCCA, at all times maintain a valid Licence and comply with the terms and requirements as set out in the Licensing Rules.

13.2 In respect of the period (if any) prior to a Company obtaining its first Licence, any liabilities or commitments of such Company shall be treated as the liabilities or commitments of the Members. In the event of suspension or termination of the Licence of a Company pursuant to these Regulations, any liabilities or commitments of such Company entered into during such period of suspension or following such termination shall be treated as the liabilities or commitments of the Members.

13.3 If a Company has not obtained a Licence within twenty-four weeks of the date of registration or establishment (as the case may be), the Registrar may Strike Off the Company and, upon such Striking Off, the Company shall be automatically Dissolved.

13.4 A Company may only conduct the activities that are permitted under its Licence.

13.5 DMCCA may, in its discretion, vary the terms or conditions of the Licence of a Company at any time.

13.6 If DMCCA decides to exercise the powers of DMCCA under Article 13.5, DMCCA must inform the Company in writing of:

- (a) the decision; and
- (b) the date from which the decision will take effect (which may not be a date earlier than the date of the notice).

14. Change of name of a Company

14.1 A Company may, by Special Resolution, change its name, provided that the new name is acceptable to the Registrar.

14.2 A Company must file the Special Resolution with the Registrar within seven Business Days of the date of the Special Resolution.

14.3 Where a Company changes its name under this Article 14, the Registrar must enter the new name on the Register of DMCC Entities in place of the former name, and must issue a Certificate of Name Change to reflect the change of name.

14.4 The Registrar shall publish the proposed change of name by a Company.

14.5 A change of name by a Company under these Regulations does not affect:

- (a) any rights or obligations of the Company; and
 - (b) any legal proceedings by or against the Company or any legal proceedings that might have been continued or commenced against the Company by its former name. Such proceedings may be continued or commenced against it in its new name.
- 14.6 The change of name takes effect from the date on which the Registrar issues the Certificate of Name Change.
15. **Power of Registrar to require change of name**
- 15.1 If, in the opinion of the Registrar, the name of a Company:
- (a) is misleading or undesirable;
 - (b) is contrary to the interests of the DMCC Free Zone, or the reputation and good standing of the Government of Dubai, the Emirate of Dubai or the UAE;
 - (c) infringes or potentially infringes on the intellectual property rights of a third party; and/or
 - (d) does not comply with the DMCC Entity Name Requirements,
- the Registrar may direct the Company to change its name.
- 15.2 The Company must comply with the direction within thirty Business Days of the date of the direction or such longer period as the Registrar may allow.

SECTION 4 – TRANSFERRING TO AND FROM THE DMCC FREE ZONE

16. Transfer of incorporation

- 16.1 A Non-DMCC Entity may, if authorised by the laws and regulations of the jurisdiction in which it was incorporated, make a Continuation Application to the Registrar for it to continue as a Company.
- 16.2 A Continuation Application must be made to the Registrar, and must:
- (a) be signed as a statutory declaration in the form prescribed by the Registrar from time to time;
 - (b) be authorised by a resolution approved by:
 - (i) persons holding 75 per cent. or more of the voting interests in the Non-DMCC Entity, if the Non-DMCC Entity is owned by natural persons; or
 - (ii) either persons holding 75 per cent. or more of the voting interests in the Non-DMCC Entity or the directors (or equivalent governing body) of the Non-DMCC Entity, if the Non-DMCC Entity has a corporate shareholder or shareholders;
 - (c) be accompanied by the Non-DMCC Entity's proposed articles of association which, if the Standard Articles are not proposed to be adopted, must be accompanied by a legal opinion and/or a declaration from the Non-DMCC Entity's directors, in a form satisfactory to the Registrar, that the Non-DMCC Entity's proposed articles of

association do not contain a provision which is contrary to or inconsistent with these Regulations;

- (d) be accompanied by the relevant fee;
- (e) be accompanied by a letter of no objection from the appropriate official, regulatory or public body in the jurisdiction from which the Non-DMCC Entity is transferring; and
- (f) include any other document that may be prescribed by the Registrar, from time to time.

16.3 The Registrar may reject the Continuation Application if:

- (a) the Non-DMCC Entity fails to fulfil any of the conditions listed in Article 16.2;
- (b) the Non-DMCC Entity is found to have provided false, inaccurate or misleading information in the Continuation Application;
- (c) the Non-DMCC Entity is insolvent, subject to any voluntary or involuntary insolvency or liquidation proceedings (or any equivalent or analogous proceedings by whatever name known) or if a receiver has been appointed over any of the assets of the Non-DMCC Entity;
- (d) the acceptance of the Non-DMCC Entity into the DMCC Free Zone may be prejudicial to the reputation and/or interests of DMCCA, the DMCC Free Zone, any other entity established in the DMCC Free Zone, the Government of Dubai, the Emirate of Dubai or the UAE; or
- (e) the Registrar otherwise considers it appropriate to do so.

17. **Certificate of Continuation**

17.1 If the Registrar approves a Continuation Application, the Registrar must:

- (a) issue a Certificate of Continuation that the Non-DMCC Entity has been continued as a Company, subject to receipt of a certificate of discontinuation from the relevant authority of the jurisdiction from which the Non-DMCC Entity is transferring within thirty days from the date of issuance of the Certificate of Continuation;
- (b) register the Articles of the Continuing Entity deposited with the Registrar under Article 16.2;
- (c) assign to the Continuing Entity a number, which will be the DMCC Entity Number;
- (d) approve the name of the Continuing Entity and enter it in the Register of DMCC Entities; and
- (e) issue the Continuing Entity a Licence.

17.2 Upon issuance by the Registrar of a Certificate of Continuation, the Continuing Entity must send a copy of the Certificate of Continuation to the appropriate official or public body in the jurisdiction in which the application for discontinuation was authorised.

18. **Effect of Certificate of Continuation**

With effect from the date of continuation stated in the Certificate of Continuation:

- (a) the Non-DMCC Entity becomes a Company to which these Regulations apply as if the Non-DMCC Entity had been registered under these Regulations;
- (b) the Articles registered pursuant to Article 17.1(b) apply to the Company, subject to the Company's compliance with Article 8; and
- (c) the Certificate of Continuation is treated as the Certificate of Registration.

19. **Copy of Certificate of Continuation**

The Registrar must, if requested by the Company, send a copy of the Certificate of Continuation to the appropriate official or public body in the jurisdiction in which the application for continuation was authorised.

20. **Rights and liabilities**

If a Non-DMCC Entity is continued as a Company under these Regulations, that Company:

- (a) continues to have all the property, rights and privileges and is subject to all the liabilities and debts that it had before the continuation; and
- (b) remains a party in any legal proceedings commenced in any jurisdiction to which it was a party before the continuation.

21. **Transfer of registration from DMCC Free Zone to another jurisdiction**

21.1 A Company may, if it is authorised by:

- (a) a Special Resolution; and
- (b) the Registrar,

apply to the appropriate official or public body of a jurisdiction outside of the DMCC Free Zone to transfer its registration to that jurisdiction and request that the Company be continued as a Non-DMCC Entity.

21.2 A Company may not apply under Article 21.1 unless the laws of the other jurisdiction provide that the Non-DMCC Entity:

- (a) will continue to have all the property, rights and privileges and be subject to all the liabilities and debts that it had before the continuation; and
- (b) will remain a party in any legal proceedings commenced in any jurisdiction to which it was a party before the continuation.

21.3 A Company ceases to be a Company within the meaning of these Regulations when the Company is continued as a Non-DMCC Entity and when the Non-DMCC Entity files with the Registrar a copy of the certificate or instrument of continuation certified by the appropriate official of the other jurisdiction.

21.4 When the Registrar receives the other jurisdiction's certificate or instrument of continuation, the Registrar must Remove the Company.



SECTION 5 – CORPORATE CAPACITY AND TRANSACTIONS

22. Capacity of Company

- 22.1 A Company has the capacity and rights and privileges of a natural person.
- 22.2 The capacity of a Company is not limited by anything in its Articles or by any act of its Member(s).
- 22.3 No Company may carry out any business for which it is not licensed or registered.
- 22.4 A person acting under the express or implied authority of a Company may make, vary or discharge a contract or sign an instrument on behalf of the Company in the same manner as if the contract were made, varied or discharged or the instrument signed by a natural person.
- 22.5 If a transaction purports to be entered into by or on behalf of a Company, at a time when the Company has not been registered, the transaction has the effect as if entered into by the person purporting to act for or on behalf of the Company. That person is personally bound by the transaction and entitled to its benefits.
- 22.6 A Company may, within such period as may be specified in the terms of the transaction referred to in Article 22.5, or if no period is specified, within a reasonable time after the Company is registered, adopt any such transaction. From that time, the Company will be bound by the transaction and entitled to its benefits. The person who purported to enter into the transaction for or on behalf of the Company, will subsequently cease to be so bound and entitled.

SECTION 6 – A COMPANY'S MEMBERS

23. Members

- 23.1 Upon the issue of a Certificate of Registration, the Initial Member(s) of a Company are treated as having agreed to become Member(s) of the Company, and must be entered as such in the Register of Members of the Company.
- 23.2 Every other person who agrees to become a member of a Company, and whose name is entered in its Register of Members, is a Member of the Company.
- 23.3 A Company shall at all times have one or more Members.
- 23.4 A Member of a Company may, subject to Article 32, transfer their membership in a Company in the manner provided by the Articles.

24. Meaning of Holding Company and Subsidiary

- 24.1 For the purposes of these Regulations, a corporate entity (**Company A**) is a **Subsidiary** of another corporate entity (**Company B**) only if:
- (a) it is controlled by:
 - (i) Company B; or
 - (ii) Company B and one or more corporate entities each of which is controlled by Company B; or

- (b) Company A is a Subsidiary of another corporate entity which is itself a Subsidiary of Company B.
- 24.2 For the purposes of these Regulations, a corporate entity (**Company C**) is the **Holding Company** of another corporate entity (**Company D**) if Company D is its Subsidiary.
- 24.3 For the purposes of these Regulations, a corporate entity (**Company E**) is controlled by another corporate entity (**Company F**) or person or by two or more corporate entities only if:
- (a) Company F controls the board of directors of Company E; or
 - (b) Company F, a person or two or more corporate entities hold shares (or such shares are held for their benefit), other than by way of security, representing 50 per cent. of the votes for the appointment of Company E's directors,

and the votes carried by such shares are sufficient, if exercised, to elect a majority of the board of directors of Company E.
25. **Participation in a Holding Company**
- 25.1 Except in the cases mentioned in these Regulations, a Subsidiary cannot own shares or be a member in its Holding Company and an allotment of shares from a Company to its Subsidiary is void.
- 25.2 Article 25.1 does not prevent a Subsidiary which is, when it becomes a Subsidiary, a shareholder or Member of its Holding Company, from continuing to be a shareholder or Member but, subject to Article 25.4, the Subsidiary:
- (a) has no right to vote at meetings of the Holding Company or a type or class of its members;
 - (b) may not acquire further shares or other membership interests in the Holding Company except on a capitalisation issue; and
 - (c) must within twelve months dispose of all of its shares or other membership interests in the Holding Company.
- 25.3 Articles 25.1 and 25.2 apply in relation to a nominee for a corporate entity which is a Subsidiary as if references to the corporate entity included a nominee for it.
- 25.4 Nothing in this Article 25 applies where the Subsidiary concerned is a Trustee.

SECTION 7 – REGISTERS

26. **Form of Company records**

- 26.1 A Company must have:
- (a) a Register of Members;
 - (b) an Officer Register;
 - (c) a Security Register; and
 - (d) a Minutes Register,

in a legible form capable of being reproduced within a reasonable time.

26.2 The Registrar will maintain and keep possession of the Register of Members, the Officer Register and the Security Register for each Company.

26.3 The Company must maintain and keep possession of the Minutes Register.

26.4 A Company must take reasonable precautions to:

- (a) prevent loss or destruction of;
 - (b) prevent falsification of entries in; and
 - (c) facilitate detection and correction of inaccuracies in,
- the Minutes Register.

27. **Register of Members**

A Company must provide the Registrar with the following details to allow the Registrar to maintain the Register of Members of the Company:

- (a) a copy of any instrument of transfer in respect of a Member's membership;
- (b) details of any Member that has withdrawn as a Member or otherwise ceased to be a Member, in accordance with its Articles; and
- (c) any other information the Registrar may require from time to time.

28. **Security Register**

28.1 Subject to the provisions of the Articles and applicable law, a Member may grant security over its membership interest in a Company. A Company must provide the Registrar with the following details to allow the Registrar to maintain the Security Register of the Company:

- (a) the name and address of the Member granting the security interest;
- (b) the date on which the security interest was created;
- (c) the amount of the security interest;
- (d) the name and address of the security holder; and
- (e) a copy of the instrument granting the security interest.

28.2 The Company must provide the details referred to in Article 28.1, within five Business Days of its receipt of the relevant information.

28.3 A security interest shall only be perfected upon its entry into the Security Register.

28.4 A Member must report to the Company the creation, modification or discharge of a security interest over any of its membership interests in the Company within five Business Days of the creation, modification or discharge of such security interest. The report must include the information set out in Article 28.1 and include a copy of the instrument granting the security interest.

29. **Officer Register**

The Registrar must maintain in respect of each Company the Officer Register which must contain such particulars as the Registrar may from time to time determine, including the names of the Directors, Secretary and Manager of each Company.

30. **Inspection of Registers**

30.1 DMCCA has absolute discretion as to whether a person who is not a Member of a Company has the right to receive an extract of a Register.

30.2 DMCCA shall be deemed to have delegated such rights to the Registrar, unless DMCCA indicates otherwise.

30.3 The Register of Members, the Officer Register and the Security Register must during business hours be open to the inspection of a Member of the Company. A Member of a Company may receive an extract of a Register of Members, Officer Register and/or Security Register.

31. **Rectification of Registers**

31.1 If:

- (a) the name of a person is, without sufficient reason, entered in or omitted from the Register of Members of a Company;
- (b) there is a failure or unnecessary delay in entering in the Register of Members the fact of a person having ceased to be a Member; or
- (c) the Security Register of a Company does not accurately reflect the information required under Article 28,

the person aggrieved, or a Member of the Company, or the Company, may apply to the Registrar for rectification of the relevant Register.

31.2 The Registrar may refuse the application or may rectify the relevant Register. If the Registrar refuses the application, the Registrar shall provide the grounds for such refusal in writing to the applicant.

31.3 Whether or not the Registrar exercises power under Article 31.2, DMCCA may make one or more of the following orders:

- (a) on application of a person aggrieved, a Member of the Company or the Company, an order directing the Registrar to, or not to, rectify the relevant Register or to do any act or thing; or
- (b) on application of a person aggrieved, an order requiring the Company to pay a fine or to do any act or thing.

32. **Transfer and registration**

32.1 Irrespective of anything in a Company's Articles, the Registrar may only register a transfer of a Member's membership in the Company where an instrument of transfer has been signed by or on behalf of the transferee and transferor. This instrument of transfer must be delivered to both the Registrar and the Company for the transfer to take effect and the transfer will be effective from the registration of the transfer by the Registrar.

- 32.2 This Article 32 does not prevent the Registrar from registering a person as a Member where such person has been granted a right to become a Member in the Company by operation of law. Any such person may be registered as a Member upon such evidence being produced as may reasonably be required by the Registrar. An application by any such person to be registered as a Member for all purposes shall be deemed to be a transfer of membership of the relevant Member and the Registrar shall treat it as such.
- 32.3 A Trustee of a deceased Member must be treated as a Member for, and only for, the purposes of executing the instrument of transfer in respect of such Member's membership interest.
- 32.4 On the application of the transferor of an interest in a Company, the Registrar must enter the name of the transferee in the Register of Members in the same manner and subject to the same conditions as if the application for the entry were made by the transferee.
- 32.5 If the Registrar refuses to register a transfer of membership interests, the Registrar must provide the transferor and transferee with a notice stating that the transfer of membership interests has been rejected within a reasonable time period of such application to the Registrar.

SECTION 8 – DISTRIBUTIONS

33. Distributions

A Company may, by an Ordinary Resolution, resolve to make a distribution at any time.

34. Restrictions on distributions

- 34.1 A Company may only resolve to make a distribution, if the Directors of the Company have resolved by simple majority, on reasonable grounds, that the Company will, immediately after the distribution is made, be able to pay its debts as they fall due in the normal course of business.
- 34.2 A Company may only make a distribution out of its accumulated, realised profits, so far as not previously utilised by distribution or capitalisation, less its accumulated, realised losses, so far as not previously written off in a reduction or reorganisation of capital.
- 34.3 Whether a distribution may be made by a Company is determined by reference to the following items as stated in the relevant accounts:
- (a) profits, losses, assets and liabilities;
 - (b) provisions of any kind; and
 - (c) reserves (including undistributable reserves).
- 34.4 In this Article 34, **distribution** means every description of distribution of a Company's assets to its Members, whether in cash or otherwise, except distribution by way of a distribution of assets to Members of the Company on its winding-up.
- 34.5 In this Article 34, **undistributable reserves** means in respect of a Company:
- (a) the amount by which its accumulated unrealised profits (so far as not previously utilised by capitalisation) exceeds its accumulated, unrealised losses (so far as not previously written off in a reduction or reorganisation of capital duly made); and

- (b) any other reserve that the Company is prohibited from distributing by its Articles or under any relevant regulation, rule, policy or decision applicable in the DMCC Free Zone.

35. **Consequences of unlawful distribution**

- 35.1 Where a distribution, or part of a distribution, made by a Company to any of its Members is made in contravention of Article 34 and, at the time of the distribution, the Member knows or has reasonable grounds for believing that it is so made, the Member is liable to repay it, or that part of it, to the Company.
- 35.2 In the case of a distribution made otherwise than in cash, the Member must pay to the Company an amount equal to the value of the distribution.

SECTION 9 – DIRECTORS AND CORPORATE GOVERNANCE

36. **Directors**

- 36.1 Subject to any limitations in the Articles, the business and affairs of a Company must be managed by one or more Directors.
- 36.2 The Directors may exercise all the powers of a Company except any powers that these Regulations or the Company's Articles require the Company to exercise in a General Meeting or by other action of the Members.
- 36.3 No person may be a Director who:
 - (a) is under the age of eighteen years;
 - (b) has been convicted of a criminal offence, involving dishonesty, in any jurisdiction in the past ten years;
 - (c) has been judged disqualified by DMCCA pursuant to Article 44 or by any UAE Governmental Authority or any other competent regulatory authority or court in any jurisdiction outside of the UAE;
 - (d) does not qualify based on criteria provided in the Articles (as the case may be) or the Officer Rules;
 - (e) is an undischarged bankrupt;
 - (f) is not a natural person, unless otherwise approved by the Registrar; or
 - (g) in the opinion of the Registrar, is not a suitable person to be a Director of a Company.

37. **Elections, term and removal of Directors**

- 37.1 The first Directors must be appointed by the Initial Member(s).
- 37.2 All Directors appointed after the first Directors must be appointed by the Members for such period as the Members may determine.
- 37.3 Each Director holds its position until:
 - (a) incapacitation or death;

- (b) resignation from the position; or
 - (c) removal by an Ordinary Resolution (or any higher threshold as may be set out in the Company's Articles).
- 37.4 A vacancy in the position of a Director pursuant to Article 37.3 may be filled by Ordinary Resolution or any higher threshold to the extent set out in the Company's Articles.
- 37.5 If a Director ceases to fulfil the criteria set out in Article 36.3, the Members must promptly (and, in any event, within ten Business Days of the date on which the Director ceased to fulfil the criteria set out in Article 36.3) remove such Director from office.
- 37.6 The minimum number of Directors is one.
- 37.7 Any change to the Directors of a Company must be notified to the Registrar within fourteen Business Days of the change.
- 37.8 A Director may appoint an alternate who need not be a Director (but may not be a person who would not qualify to be a Director as a result of Articles 36.3(a) to 36.3(g)). The Director must make any appointment of an alternate in writing and provide a copy of the appointment to the Secretary.
- 37.9 An alternate for a Director appointed under Article 37.8 shall be entitled to attend meetings in the absence of the Director who appointed the alternate and to vote in the place of the Director.
- 38. **Duties of Directors**
 - 38.1 A Director, in exercising the Director's powers and discharging the Director's duties, must act in accordance with the Officer Rules, including acting honestly, in good faith and lawfully, and in the best interests of the Company.
 - 38.2 The duties of Directors are set out in the Officer Rules and are owed by a Director of a Company to the Company.
 - 38.3 A person who ceases to be a Director continues to be subject to:
 - (a) any duty as regards the exploitation of any property, information or opportunity of which the Director became aware when serving as a Director; and
 - (b) any duty as regards things done or omitted to be done by the Director before the Director ceased to be a Director.
- 39. **Prohibition of financial assistance to Directors**

A Company must not provide financial assistance to a Director.
- 40. **Validity of acts of Director**

The acts of a Director are valid even if a defect is subsequently found in that Director's appointment or qualification.
- 41. **Secretary**
 - 41.1 Every Company must have a Secretary.



- 41.2 Article 41.1 shall not apply to an SPV.
- 41.3 The Secretary must be appointed from time to time by resolution of the Directors (in the case of a Company).
- 41.4 A person cannot be a Secretary who:
- (a) in the case of a natural person, is under the age of eighteen years;
 - (b) has been convicted of a criminal offence, involving dishonesty, in any jurisdiction in the past ten years;
 - (c) has been judged disqualified by DMCCA pursuant to Article 44 or by any UAE Governmental Authority or any other competent regulatory authority or court in any jurisdiction outside of the UAE;
 - (d) does not qualify based on criteria provided in the Articles (as the case may be) or the Officer Rules; or
 - (e) in the opinion of the Registrar, is not a suitable person to be a Secretary of Company.
- 41.5 A Secretary holds its position until:
- (a) incapacitation or death (if the Secretary is a natural person) or winding-up or dissolution (if the Secretary is not a natural person);
 - (b) resignation from the position; or
 - (c) removal by resolution of the Directors.
- 41.6 A vacancy in the position of a Secretary pursuant to Article 41.5 may be filled by resolution of the Directors.
- 41.7 If a Secretary ceases to fulfil the criteria set out in Article 41.4, the Directors must promptly (and, in any event, within ten Business Days of the date on which the Secretary ceased to fulfil the criteria set out in Article 41.4) remove such Secretary from office and must appoint a new Secretary in accordance with Article 41.3.
- 41.8 Any change to the Secretary of a Company must be notified to the Registrar within fourteen Business Days of the change.
- 41.9 The Secretary need not be a natural person.
- 41.10 The Secretary is primarily responsible for filing all documents required to be filed with the Registrar under these Regulations.
- 41.11 A Secretary, in exercising the Secretary's functions, must act in accordance with the Officer Rules.
- 41.12 The duties of a Secretary are set out in the Officer Rules and are owed by a Secretary of a Company to that Company.
42. **Manager**
- 42.1 Every Company must have a Manager.

- 42.2 The Manager must be appointed from time to time by resolution of the Directors.
- 42.3 A Secretary, Director or Member of a Company may also be appointed as the Manager (if they are a natural person).
- 42.4 The Manager is responsible for the day-to-day operations of the Company.
- 42.5 A Manager, in exercising the Manager's functions, must act in accordance with the Officer Rules.
- 42.6 The duties of a Manager are set out in the Officer Rules and are owed by a Manager of a Company to that Company.
- 42.7 A person cannot be a Manager who:
- (a) is under the age of eighteen years;
 - (b) has been convicted of a criminal offence, involving dishonesty, in any jurisdiction in the past ten years;
 - (c) has been judged disqualified by DMCCA pursuant to Article 44 or by any UAE Governmental Authority or any other competent regulatory authority or court in any jurisdiction outside of the UAE;
 - (d) is not a natural person;
 - (e) does not qualify based on criteria provided in the Articles (as the case may be) or the Officer Rules; or
 - (f) in the opinion of the Registrar, is not a suitable person to be a Manager of a Company.
- 42.8 A Manager holds its position until:
- (a) incapacitation or death;
 - (b) resignation from the position; or
 - (c) removal by resolution of the Directors.
- 42.9 A vacancy in the position of a Manager pursuant to Article 42.8 may be filled by resolution of the Directors.
- 42.10 If a Manager ceases to fulfil the criteria set out in Article 42.7, the Directors must promptly (and, in any event, within ten Business Days of the date on which the Manager ceased to fulfil the criteria set out in Article 42.7) remove such Manager from office and must appoint a new Manager in accordance with Articles 42.2 and 42.12.
- 42.11 Any change to the Manager of a Company must be notified to the Registrar within fourteen Business Days of the change.
- 42.12 If a Manager resigns or is removed from office, dies or is incapacitated, the Company must promptly notify the Registrar (and in any event within five Business Days) and the Directors shall automatically assume the responsibilities of the Manager from the date of such resignation, removal, death or incapacity until such time as a new Manager is appointed.

Such new Manager must be appointed by the Company within ten Business Days of the date of such resignation, removal, death or incapacity.

43. Assumptions in relation to Officers

43.1 Subject to Article 43.3, a person dealing with a Company is entitled to assume that anyone who appears, from information made properly available to them pursuant to Article 7.6 or Article 30, to be an Officer of the Company:

- (a) has been duly appointed; and
- (b) has the authority to exercise the powers and perform the duties customarily exercised or performed by a director, company secretary or manager of a similar Company.

43.2 A Company is not entitled to assert in proceedings in relation to dealings of the Company that any such assumption is incorrect.

43.3 A person is not entitled to make an assumption under Article 43.1 if at the time of the dealing that person knew or suspected that the assumption was incorrect.

43.4 Where any provision of these Regulations requires a Company to make any filing or notification to DMCCA or the Registrar, the Officers or the Secretary (if any) must procure that the Company makes such filing or notification in accordance with the relevant time limit set out in these Regulations.

44. Disqualification of Officers

44.1 If at any time:

- (a) the Registrar:
 - (i) has any concerns regarding a person's suitability as an Officer;
 - (ii) is aware that, or has evidence that, an Officer has breached one of his or her duties;
 - (iii) is aware that, or has evidence that, an Officer has been convicted of a criminal offence or any other offence involving fraud or dishonesty;
 - (iv) believes that an Officer has acted or is acting in a manner which is detrimental to or prejudicial to the reputation and interests of the DMCC Free Zone, DMCCA, any other Company or the general public; and/or
- (b) an Officer is or has been disqualified from acting as a director, manager or secretary or otherwise disqualified from acting in a position of management, in each case by any UAE Governmental Authority or any other competent regulatory authority or court in any jurisdiction outside of the UAE,

the Registrar may apply to DMCCA for an order of disqualification and request DMCCA to impose a Sanction on such person and/or the relevant Company.

44.2 On such an application referred to in Article 44.1, DMCCA may issue an order if it is satisfied that the person's conduct makes that person unfit to be an Officer or otherwise be involved in the management of a Company and impose a Sanction on such person and/or the relevant Company.

- 44.3 If a Director is disqualified pursuant to Article 44.2, the Members must promptly (and, in any event, within ten Business Days of the date of the disqualification order issued by DMCCA) remove such Director from office.
- 44.4 If a Secretary is disqualified pursuant to Article 44.2, the Directors must promptly (and, in any event, within ten Business Days of the date of the disqualification order issued by DMCCA) remove such Secretary from office.
- 44.5 If a Manager is disqualified pursuant to Article 44.2, the Directors must promptly (and, in any event, within ten Business Days of the date of the disqualification order issued by DMCCA) remove such Manager from office and must appoint a new Manager in accordance with Article 42.12.
- 44.6 An order under Article 44.2 may be made for such period as DMCCA considers appropriate but not exceeding fifteen years.
- 44.7 DMCCA may publish any order made under Article 44.2.

SECTION 10 – GENERAL MEETINGS

45. Annual General Meetings

- 45.1 Unless a shorter duration is provided in a Company's Articles, a Company must hold a General Meeting as its annual General Meeting within eighteen months from the date of its registration and once every twelve months after that event.
- 45.2 Article 45.1 shall not apply to an SPV.
- 45.3 A meeting of the Members, other than the annual General Meeting, is an extraordinary General Meeting.

46. Request of meetings

- 46.1 Notwithstanding anything in the Company's Articles, upon a Members' Request, the Directors or Secretary must, in accordance with the request, call:
- (a) an extraordinary General Meeting; or
 - (b) a meeting of Members of the relevant class of members,
- to be held as soon as possible but in any case not later than sixty Business Days after the date of the Members' Request.
- 46.2 A **Members' Request** is a request of Members representing at least 10 per cent. of the total voting rights of all the Members who have a relevant right to vote.
- 46.3 A Members' Request must:
- (a) state the purpose of the meeting;
 - (b) be signed by or on behalf of the Members making the Members' Request; and
 - (c) be delivered at the registered office of the Company.
- 46.4 A Members' Request may be signed in any number of documents which are in similar form each signed by or on behalf of one or more of such Members.

46.5 If the Directors or Secretary do not within ten Business Days from the date of the deposit of the Members' Request issue a notice for the relevant meeting, the Member(s) who made the Members' Request may call the relevant meeting.

46.6 A meeting called in accordance with Article 46.5 must:

- (a) be held within ninety Business Days from the date of the Members' Request; and
- (b) be called, as soon as reasonably practicable, in the same manner as a meeting called by the Directors or Secretary in accordance with these Regulations.

47. **Registrar's power to call meeting in default**

If a meeting is not held in accordance with Article 45 or 46, the Registrar may, on the application of any Director, Secretary or Member, call, or direct the calling of, a General Meeting of the Company.

48. **Notice of meetings**

48.1 Any meeting of a Company (other than an adjourned meeting) may be called by giving ten Business Days' notice in writing.

48.2 If a meeting is called by shorter notice than that specified in Article 48.1, it will be treated as having been duly called if it is so agreed by Members holding not less than 95 per cent. of the total voting rights permitted to vote at the meeting.

48.3 A notice of a General Meeting of a Company must:

- (a) set out the time, place and date for the General Meeting;
- (b) state the nature of the General Meeting's business;
- (c) set out the intention to propose any Ordinary Resolution or Special Resolution and state the contents of such resolution; and
- (d) include a copy of any accounts and auditor's reports that are to be laid before the General Meeting, if relevant.

49. **Representation of corporate entity at meetings**

A Member who is a corporate entity may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of a Company. In doing so, such representative will be treated as having the authority to exercise all the rights of the Member.

50. **General provisions as to meetings and votes**

Unless the Company's Articles make alternative provision, the following provisions apply to any meeting of the Members:

- (a) notice of the meeting must be given to every Member entitled to receive it by delivering or posting it to the Member's registered address;
- (b) at any General Meeting (other than a meeting adjourned for lack of quorum), the attendance of persons holding (or represented by proxy) more than 50 per cent. of the total voting rights permitted to vote will be a quorum;

- (c) at any General Meeting adjourned for lack of quorum, one person personally present or represented by proxy will be a quorum;
- (d) any Member or Director elected by the Members present at any such meeting may be chairman;
- (e) on a show of hands, every Member present in person at any such meeting has one vote and, on a poll, every Member has one vote; and
- (f) unless provided otherwise in these Regulations or the Articles, a resolution of the Members shall be passed if approved by Ordinary Resolution.

51. **Written resolutions**

- 51.1 Subject to a Company's Articles, anything that may be done by an Ordinary Resolution or Special Resolution passed at a General Meeting may be done by a resolution in writing signed by or on behalf of each Member entitled to vote on the resolution.
- 51.2 A resolution in writing may be signed in counterparts and is treated as being passed when the last Member signs the resolution or on such later date as is specified in the resolution.

52. **Recording of decisions by sole Member**

- 52.1 A General Meeting of a Company with a sole Member will be considered to be convened, and a resolution will be considered to be passed at such General Meeting, by the Member issuing a decision in writing. If a decision is not taken in writing, the Member must provide the Company with a record in writing of the decision within twenty Business Days of such decision.
- 52.2 A failure to comply with Article 52.1 does not affect the validity of the decision.

53. **Proxies**

- 53.1 A Member entitled to attend and vote at a General Meeting is entitled to appoint, by notice to the Company in writing, another person (whether a Member or not) as that Member's proxy to attend and vote instead of that Member.
- 53.2 A proxy appointed to attend and vote instead of a Member has the same rights as the Member to speak at the meeting, including the right to attend and vote at the meeting.
- 53.3 In every notice calling a General Meeting, there must appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint a proxy or, where that is allowed, one or more proxies to attend and vote instead of that Member, and that a proxy does not need to be a Member.

54. **Demand for poll**

- 54.1 A provision contained in a Company's Articles is void if it would have the effect either:
 - (a) of excluding the right to demand a poll at a General Meeting, or at a meeting of any class of Members, on a question other than the election of the chairman of the meeting or the adjournment of the meeting; or
 - (b) of making ineffective a demand for a poll on any such question which is made either:

- (i) by not less than five Members having the right to vote on the question; or
- (ii) by a Member or Members representing not less than 10 per cent. of the total voting rights of all the Members having the right to vote on the question.

54.2 On a poll taken at such a meeting, a Member entitled to more than one vote may vote once by indicating that it is casting all of its votes in the same way.

55. Participation in meetings

55.1 Subject to a Company's Articles, a Member may attend and participate in a meeting by phone or other similar means of communication provided that each Member present at the meeting can hear what is said by any other Member present at the meeting.

55.2 Subject to a Company's Articles, a Director may attend and participate in a meeting by phone or other similar means of communication provided that each Director present at the meeting can hear what is said by any other Director present at the meeting.

56. Minutes

56.1 Every Company must maintain a Minutes Register which is to be kept at the Company's registered office.

56.2 The Minutes Register must contain the minutes of all meetings and the names of each person present at any such meeting.

56.3 The minutes of a meeting will be evidence of the meeting unless the contrary is proven.

56.4 The books containing the minutes of a General Meeting or of a meeting of the holders of a type or class of shares must be kept at the Company's registered office, and must during business hours be open to the inspection of a Member without charge.

SECTION 11 – ACCOUNTS AND AUDIT

57. Preparation of accounts

57.1 The Directors of every Company must procure the preparation of accounts for each financial year of the Company.

57.2 The accounts must:

- (a) be prepared in accordance with and comply with International Financial Reporting Standards;
- (b) show a true and fair view of the profit and loss of the Company for the period and of the state of the Company's affairs at the end of the period; and
- (c) be approved by the Directors and signed on their behalf by at least one of them.

57.3 If at the end of a financial year the Company is a Holding Company the Directors, as well as preparing individual accounts for the year, must prepare group accounts for the year.

57.4 A Company is exempt from the requirement to prepare individual accounts for a financial year if it has been dormant throughout the whole of that year.

- 57.5 The Members of a Company that would otherwise be exempt from preparing individual accounts for a financial year mentioned in Article 57.4 may by notice under this Regulation require it to prepare individual accounts for that financial year. The notice must be given by Members representing not less in total than 10 per cent. in number of the Members of the Company. The notice may not be given before the financial year to which it relates and must be given not later than one month following the end of that financial year.
- 57.6 Within six months, or such other period prescribed by DMCCA, after the end of the financial year of the Company, the accounts for that period must be:
- (a) prepared and approved by the Directors;
 - (b) examined and reported on by an auditor approved by DMCCA; and
 - (c) laid before a General Meeting for discussion and, if thought fit, approved by its Members together with a copy of the auditor's report.
- 57.7 Each Company must file a copy of the accounts and the auditor's report with the Registrar within five Business Days of the relevant General Meeting, providing such additional information as requested by the Registrar. This does not apply to any Company exempt under Article 57.4 from preparing individual accounts.
- 57.8 In this Section, references to "accounts" are to those prepared in accordance with this Article 57.

58. **Maintenance of accounts**

- 58.1 Every Company must keep accounting records including underlying documents which are sufficient to show and explain its transactions so as to:
- (a) disclose with reasonable accuracy the financial position of the Company at any time; and
 - (b) enable the Directors to ensure that any accounts prepared by the Company under this Section 11 comply with the requirements of these Regulations.
- 58.2 Each Company's accounting records must be:
- (a) kept at the Company's registered office or such other place that the Directors think fit;
 - (b) open to inspection by an Officer or auditor of the Company at all reasonable times;
 - (c) preserved by the Company for:
 - (i) in the case of a Company which is a taxable person for the purposes of the tax laws applicable in the UAE from time to time, at least five years from the end of the applicable tax period to which they relate;
 - (ii) in the case of a Company which is not a taxable person for the purposes of the tax laws applicable in the UAE from time to time, at least five years from the end of the calendar year to which they relate; and
 - (iii) in the case of accounting records relating to real estate, at least fifteen years from the end of the calendar year to which they relate,

or such longer period as may be required from time to time pursuant to any tax law applicable in the UAE; and

- (d) otherwise kept and maintained in such manner as prescribed by DMCCA from time to time.

59. Financial year

59.1 Subject to Article 59.2, the first financial year of a Company starts on the day on which it is registered and lasts for a period determined by the Directors, which period must be at least six months and not longer than eighteen months.

59.2 Where a Non-DMCC Entity has become a Company pursuant to Article 16, the Directors may elect to commence such a Company's first financial year as a Company from the end of the previous financial year in the jurisdiction from which it transferred. In such circumstance, a Company's first financial year will last for twelve months from the date it is treated as having commenced.

59.3 The second and any subsequent financial year will start at the end of the previous financial year and will last for twelve months or some other period which is within five Business Days either shorter or longer than twelve months as may be determined by the Directors.

59.4 A Company may apply to the Registrar to extend or shorten its financial year, including to facilitate synchronisation of group accounts. The Registrar may grant such approval or consent in the Registrar's absolute discretion.

60. Copies of accounts

60.1 All Members of a Company are entitled, on written request made to the Company and without charge, to be furnished with a copy of the Company's latest audited accounts and auditor's report.

60.2 A Company must comply with such a request within five Business Days.

61. Waiver and modification as to accounts

61.1 DMCCA may, without limiting DMCCA's powers, extend, waive or modify the application of the provisions of this Section 11 in its absolute discretion.

61.2 In particular, such extension, waiver or modification may provide for:

- (a) the inclusion in accounts of group accounts dealing with the affairs of a Company and its Subsidiaries;
- (b) the inclusion in accounts of a report by the Directors dealing with such matters as may be specified;
- (c) the appointment, qualifications, remuneration, removal, resignation, rights and duties of auditors;
- (d) the creation or adoption of auditing standards or codes of practice; and
- (e) the waiver of the requirement for the preparation of accounts and examination and reporting thereupon by auditors.

62. Appointment and removal of auditors

- 62.1 A Company must appoint a firm of auditors who must examine and report on the accounts prepared pursuant to Article 57, in accordance with these Regulations. A Company may, in its discretion, appoint an auditor solely to report on its accounts and not on a general retainer basis.
- 62.2 A Company must appoint its auditor at a General Meeting.
- 62.3 The Company must not appoint an auditor under these Regulations unless:
- (a) the auditor has been registered by DMCCA as an approved auditor;
 - (b) the auditor has, prior to the appointment, consented in writing to the appointment; and
 - (c) the Company is not, on reasonable enquiry, aware of any matter which should preclude the auditor from giving its consent.
- 62.4 An auditor must be registered by DMCCA as an approved auditor pursuant to approved auditor rules published by DMCCA from time to time.
- 62.5 The appointment of a firm as an auditor of a Company is taken to be an appointment of all persons who are partners or owners of the firm and are registered as an auditor under this Section 11.
- 62.6 Where the auditor of a Company has not completed its term of appointment, the Directors of that Company may fill such a vacancy on such terms as they see fit, and the appointee will hold office to the conclusion of the next annual General Meeting.
- 62.7 Subject to Article 62.6, the Company in a General Meeting may fix the auditor's remuneration.
- 62.8 A Company may by Ordinary Resolution at any time remove an auditor notwithstanding anything in any agreement between it and the auditor.
- 62.9 DMCCA may order the termination of appointment of a Company's auditor and, if it does so, shall provide its grounds for such order in writing to the Company.
- 62.10 Nothing in this Article 62 is to be taken as depriving an auditor removed under it of compensation or damages payable to the auditor in respect of the termination of appointment as auditor.
- 62.11 A Company is exempt from the requirements of these Regulations relating to the audit of accounts in respect of a financial year if it has been dormant throughout the whole of that year.
- 62.12 The Members of a Company that would otherwise be entitled to exemption from audit under Article 62.11 may by notice under this Regulation require it to obtain an audit of its accounts for a financial year. The notice must be given by Members representing not less than 10 per cent. in number of the Members of the Company. The notice may not be given before the financial year to which it relates and must be given not later than one month following the end of that financial year.

63. Auditors' report to the Company

- 63.1 A Company's auditor must make a report to the Company's Members on the accounts examined by the auditor.
- 63.2 The auditor's report must state:
- (a) whether in the auditor's opinion the accounts have been properly prepared in accordance with International Financial Reporting Standards;
 - (b) that the accounts give a true and fair view of the profit or loss of the Company for the financial year;
 - (c) that the accounts give a true and fair view of the state of the Company's affairs at the end of the financial year;
 - (d) that the Company is undertaking only activities permitted under its Licence; and
 - (e) any other matter or opinion required by DMCCA from time to time.
- 63.3 The auditor's report must state the name of the auditor and be signed and dated by the senior statutory auditor in their own name, for and on behalf of the auditing firm. The senior statutory auditor means the individual identified by the firm as senior statutory auditor in relation to the audit in accordance with these Regulations.

64. Auditors' duties and powers

- 64.1 A Company's auditor must carry out such investigations as will enable the auditor to form an opinion as to the following matters:
- (a) whether proper accounting records have been kept by the Company;
 - (b) whether proper returns adequate for the audit have been received from offices not visited by the auditor;
 - (c) whether the Company's accounts are in agreement with the accounting records and returns; and
 - (d) whether the Company's accounts have been prepared in compliance with International Financial Reporting Standards.
- 64.2 If the auditor is of the opinion that the conditions in Articles 64.1(a) to 64.1(d) have not been satisfied, the auditor must state that fact in the report.
- 64.3 The auditor has a right of access, at all reasonable times, to the Company's records.
- 64.4 The auditor is entitled to require from the Company's Officers such information and explanations as the auditor considers necessary for the performance of the duties of the auditor.
- 64.5 Every auditor is entitled to receive notice of, and attend, any meeting of Members and to be heard on any part of the business of the meeting which concerns the auditor.
- 64.6 If the auditor fails to obtain all the information and explanations which, to the best of the auditor's knowledge and belief are necessary for the purposes of the audit, the auditor must state that fact in the report.

65. Resignation of an auditor

- 65.1 An auditor of a Company may resign from office by depositing a notice in writing to that effect together with a statement under Article 65.3 at the Company's registered office.
- 65.2 Any such notice under Article 65.1 operates to bring the auditor's term of office to an end on the date on which the notice is deposited, or on such later date as may be specified in it.
- 65.3 When an auditor ceases for any reason to hold office the auditor must deposit at the Company's registered office:
- (a) a statement to the effect that there are no circumstances connected with the ceasing to hold office which the auditor considers should be brought to the notice of the Members or Creditors of the Company; or
 - (b) a statement of any circumstances as mentioned above.
- 65.4 Where a statement under Article 65.3 falls within Article 65.3(b), the Company must within ten Business Days send a copy of the statement to every Member of the Company and to every person entitled to receive notice of General Meetings.

66. Cooperation with auditors

A Company, or any Officer of a Company, or any Representative of such a Company must not:

- (a) knowingly or recklessly:
 - (i) provide false, misleading or deceptive statements to the Company's auditor; or
 - (ii) omit information where the omission of such information is likely to mislead or deceive the auditor;
- (b) destroy or conceal documents;
- (c) coerce, manipulate, mislead, or influence the auditor;
- (d) fail to provide access to information or documents specified by the auditor; or
- (e) fail to give any information or explanation to the auditor which the person is able to give.

67. Obligation to disclose to the Registrar

- 67.1 An auditor is subject to the obligations of disclosure under Article 93.
- 67.2 Without limiting the application of any other provision of these Regulations, an auditor does not contravene any duty to which the auditor is subject merely because the auditor gives to the Registrar:
- (a) a notification as required under Article 93; or
 - (b) any other information or opinion in relation to any such matter,

if the auditor is acting in good faith.

SECTION 12 – INSPECTION AND REMEDIES

68. Appointment of inspectors

68.1 DMCCA may, on being satisfied that there is good reason to do so, appoint one or more inspectors to investigate the affairs of a Company and to report on them as DMCCA may direct.

68.2 An inspector appointed by DMCCA, pursuant to Article 68.1, may:

- (a) perform on-site inspections;
- (b) require prompt attendance by employees or Officers of a Company at meetings and/or interviews;
- (c) require the Company to provide promptly such documentation as the inspector reasonably requires;
- (d) report conclusions and findings to DMCCA;
- (e) make recommendations regarding the status of the Company to DMCCA;
- (f) seek information from such third party regulatory authorities as may be required;
- (g) apply or enforce Sanctions as specified by DMCCA from time to time; and
- (h) take such other steps as reasonably required to investigate the affairs of the Company.

68.3 If a Company or any Member, Officer or Creditor of a Company requests DMCCA to appoint an inspector, DMCCA may, before appointing an inspector, require the applicant to give security, to an amount equivalent to the reasonably estimated costs of the investigation.

69. Powers of inspectors

69.1 If an inspector appointed under Article 68.1 to investigate the affairs of a Company (**Entity A**) thinks it necessary for the purposes of its investigation to also investigate the affairs of another corporate entity which is or at any relevant time has been:

- (a) Entity A's Subsidiary;
- (b) Entity A's Holding Company; or
- (c) a Subsidiary of Entity A's Holding Company,

(each, **Entity B**) they will with the approval of DMCCA have power to do so.

69.2 Where Article 69.1 applies, the inspector must report on the affairs of Entity B so far as it thinks that the results of the investigation of the affairs of Entity B are relevant to the investigation of the affairs of Entity A.

69.3 An inspector so appointed may at any time in the course of its investigation inform DMCCA of matters coming to its knowledge as a result of the investigation which it believes indicate that a contravention has been committed.

70. **Production of records and evidence to inspectors**

70.1 An inspector appointed under Article 68.1 may require that a person:

- (a) produces and makes available to it all records in that person's custody or power relating to that matter;
- (b) at reasonable times and on reasonable notice, attends before the inspector; and
- (c) gives the inspector all assistance in connection with the investigation, which that person is reasonably able to give,

if the inspector considers that the person is or may be in possession of information relating to a matter which it believes to be relevant to the investigation.

70.2 A Director must produce and make available to an inspector all records in the Director's possession or under the Director's control (whether alone or jointly with another person) relating to any bank account(s) into which the inspector has reasonable grounds for believing there has been money paid which has been in any way connected with an act or omission which constitutes misconduct (whether fraudulent or not) on the part of that Director.

71. **Inspector's reports**

71.1 An inspector may, and if so directed by DMCCA must, make interim reports to DMCCA and, on the conclusion of its investigation, must make a final report to DMCCA.

71.2 DMCCA may:

- (a) forward a copy of any report made by an inspector to the registered office of the Company; and
- (b) furnish a copy on request and on payment of the prescribed fee to any person whom the Registrar deems appropriate.

72. **Expenses of investigating a Company's affairs**

The expenses of, and incidental to, an investigation by an inspector will be paid in the first instance by DMCCA, but the Registrar may in the Registrar's absolute discretion order any person or corporate entity to make repayment to DMCCA to the extent specified in the Registrar's order.

73. **Directions to Company to comply with these Regulations**

73.1 If a Company or an Officer or any Representative of a Company fails to comply with:

- (a) a provision of these Regulations or of any other regulation, rule, policy or decision applicable in the DMCC Free Zone; or
- (b) a requirement made by the Registrar pursuant to any power under these Regulations, or other regulation, rule, policy or decision applicable in the DMCC

Free Zone, which requires either or both of them to deliver to or file with the Registrar any document or to give notice to the Registrar of any matter,

the Registrar may issue a direction that the Company or any Officer of it make good the failure within a time specified in the direction.

73.2 If the Registrar considers that the Company or any Officer or any Representative of it has failed to comply with the direction, the Registrar may apply to DMCCA for one or more of the following orders:

- (a) an order directing the Company or any Officer or any Representative to comply with the direction or with any provision of these Regulations or of any other regulation, rule, policy or decision applicable in the DMCC Free Zone relevant to the issue of the direction;
- (b) an order directing the Company or any Officer or any Representative to pay any costs incurred by the Registrar or other person relating to the issue of the direction by the Registrar or the contravention of these Regulations or other regulation, rule, policy or decision relevant to the issue of the direction; or
- (c) any other order that DMCCA considers appropriate in the circumstances.

73.3 Nothing in this Article 73 prejudices the operation of any Section imposing any other Sanction, nor any powers that the Registrar or DMCCA or any other person may have under any other provision of these Regulations.

SECTION 13 – AMALGAMATION

74. Amalgamation of Companies

Two or more Companies may, subject to the consent of the Registrar given in the Registrar's absolute discretion and pursuant to the provisions of these Regulations, amalgamate and continue as one Company and, if a Licence has been granted to one or more of these Companies, the Licence shall continue in effect for the surviving Company.

75. Amalgamation of Companies and Non-DMCC Entities with continuation in the DMCC Free Zone

75.1 One or more Companies and one or more Non-DMCC Entities may apply to the Registrar for consent to amalgamate and continue as a Company to which these Regulations and any other regulations, rules, policies or decisions issued by DMCCA from time to time shall apply.

75.2 An application for consent under Article 75.1 shall be in such form, and be accompanied by an application fee and such documents, as the Registrar may determine, including documentary proof, satisfactory to the Registrar, that the Non-DMCC Entity has obtained all necessary authorisations required under the laws of the country in which it is incorporated to enable it to make the application.

76. Amalgamation of Companies and Non-DMCC Entities with continuation outside of the DMCC Free Zone

76.1 One or more Companies and one or more Non-DMCC Entities (referred to in this Article 76 as the "amalgamating entities") may apply to the Registrar for consent to amalgamate and continue as a Non-DMCC Entity (referred to in this Article 76 as the "surviving entity")

to which the provisions of the laws of the jurisdiction of incorporation of the surviving entity shall apply.

76.2 An application for consent under Article 76.1 shall be in such form, and shall be accompanied by an application fee and supported by such documents, as the Registrar may determine and such documents shall include:

- (a) a certified copy of a resolution of the shareholders of each amalgamating entity approving the amalgamation and naming the jurisdiction of incorporation of the surviving entity; or
- (b) if so authorised by the articles of association (or other constitutional documents), a certified copy of a resolution of the board of directors of each amalgamating entity approving the amalgamation and naming the jurisdiction of incorporation of the surviving entity; and
- (c) a declaration signed by an Officer of each amalgamating entity declaring that there are reasonable grounds for believing that:
 - (i) the amalgamating entity is, and the surviving entity will be, able to pay its liabilities as they become due;
 - (ii) the realisable value of the surviving entity's assets will not be less than the aggregate of its liabilities and issued capital of all types and classes; and
 - (iii) either no creditor will be prejudiced by the amalgamation or adequate notice has been given to all known creditors of such entity and no creditor objects to the amalgamation otherwise than on grounds that are frivolous or vexatious; and
- (d) documentary proof, satisfactory to the Registrar, that each amalgamating entity which is a Company has obtained all necessary authorisations required under the laws of the DMCC Free Zone to enable it to make the application.

77. Registrar's refusal to grant consent

Where the Registrar refuses to grant its consent under Article 74, 75 or 76 it shall not be bound to assign any reason therefore, and its decision shall not be subject to appeal or review in any court.

SECTION 14 – WINDING UP – GENERAL

78. Modes of winding-up

The insolvency, Striking Off or winding-up of a Company shall be dealt with in accordance with Sections 14 to 21 of the Company Regulations, which shall apply to a Company formed and registered under these Regulations as if references to a "Company" in the Company Regulations are to a Company formed under these Regulations.

79. Bankruptcy

The provisions of the Federal Law No. 9 of 2016 (and any replacement or amending legislation) relating to the bankruptcy of companies generally shall be applicable to Companies.

SECTION 15 – SANCTIONS

80. Sanctions

A person who commits a contravention of these Regulations or any other regulation, rule, policy or decision administered by DMCCA will, at the absolute discretion of DMCCA, be subject to a Sanction.

81. Administrative imposition of fines or penalties

81.1 Where DMCCA considers that a person has committed a contravention of these Regulations or any other regulation, rule, policy or decision administered by DMCCA, DMCCA may impose on such person a fine or penalty up to the amount specified by DMCCA from time to time.

81.2 For the purposes of this Article 81, DMCCA may prescribe the applicable procedures in relation to the imposition, publication, collection and recovery of fines or penalties.

82. Power of DMCCA to suspend Licence

82.1 Where it appears to DMCCA that:

- (a) a Company (other than an Exempt Entity) has ceased to carry out business for a period of more than three months other than in accordance with Section 16;
- (b) a Company (other than an Exempt Entity) has failed to comply with the provisions of these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone;
- (c) a Company (other than an Exempt Entity) has acted in breach of restrictions on its activities;
- (d) a Company (other than an Exempt Entity) or any Officer or Representative of a Company (other than an Exempt Entity) has failed to pay any fine, penalty, fee or other charge imposed under these Regulations or under any other regulation, rule, policy or decision applicable in the DMCC Free Zone within ten Business Days of the due date for payment of such fine, penalty, fee or other charge; or
- (e) it is otherwise necessary to protect the reputation of the DMCC Free Zone, the Emirate of Dubai or the UAE as a centre of business activities,

DMCCA may (but is not obliged to) by written notice to a Company suspend a Licence of a Company for such period as DMCCA may determine (including, without limitation, until a Company has remedied the circumstances leading to the suspension to the satisfaction of DMCCA). If DMCCA suspends a Licence of a Company pursuant to this Article 82.1, and subsequently reactivates the Licence, the fact that a Licence of the Company has been suspended shall be included on the Licence(s) of the Company at the discretion of DMCCA.

82.2 If DMCCA suspends the Licence of a Company, it may also in its discretion suspend the Licence of any other Company which is related to the Company whose Licence has been suspended (whether by reason of mutual directors, managers, members, shareholders or otherwise).

82.3 If the Licence of a Company is suspended, that Company must not carry out any activities in or from the DMCC Free Zone pursuant to that suspended Licence during the period of such suspension, save meeting its obligations to Creditors.

83. Power of DMCCA to terminate Licence

83.1 Without limitation to Article 13.3, where it appears to DMCCA that:

- (a) a Company (other than an Exempt Entity) has ceased to carry out business for a period of more than three months (including by reason of the Licence of the Company having been suspended pursuant to Article 82.1(a)) other than in accordance with Section 16;
- (b) a Company has failed to comply with the provisions of these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone;
- (c) a Company has carried out any business for which it is not registered or licensed to carry out under its Licence;
- (d) a Company or any Officer or Representative of a Company has failed to comply with any Sanction imposed under these Regulations within thirty Business Days of the Sanction being imposed;
- (e) an Officer of a Company has been convicted of a criminal offence or any other offence involving fraud or dishonesty and has not been removed from office within ten Business Days of such conviction;
- (f) an Officer of a Company has been disqualified pursuant to Article 44 and has not been removed from office within ten Business Days of the date of the disqualification order issued by DMCCA;
- (g) a Director has been disqualified pursuant to Article 44 and that Director is also the sole Member of the relevant Company;
- (h) a Company has failed to comply with any direction from DMCCA or the Registrar issued pursuant to these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone;
- (i) a Company has provided false, incorrect or misleading information to DMCCA or the Registrar;
- (j) a Company has failed to pay some or all of its employees in the DMCC Free Zone without reasonable cause for a period of forty-five Business Days;
- (k) any amount due and payable from a Company to the DMCC Free Zone, DMCCA or the Registrar remains unpaid and outstanding for a period of thirty Business Days beyond the due date for payment;
- (l) a Company is infringing any intellectual property rights of the DMCC Free Zone or DMCCA;
- (m) in the sole opinion of DMCCA, the operations of a Company are endangering, or may endanger, the health, safety or security of any other person; or

- (n) it is otherwise necessary to protect the reputation and interests of the DMCC Free Zone, the Emirate of Dubai or the UAE as a centre of business activities,

DMCCA may (but is not obliged to) send to:

- (i) the Company (other than an Exempt Entity) a notice of termination stating that the Licence of the Company is to be terminated with immediate effect; and
- (ii) an Exempt Entity, a notice of termination stating that the registration of the Exempt Entity is to be terminated with immediate effect,

in each case a **Termination Notice**. DMCCA may (but is not obliged to) notify the Company in writing of the grounds for the issuance of the Termination Notice.

83.2 Upon receipt of the Termination Notice, a Company must immediately cease its operations and close its premises.

84. **Power of DMCCA to Strike Off**

84.1 Following delivery of a Termination Notice to the Company, DMCCA may (but is not obliged to) request that the Company provide reasons why it should not be Struck Off (a **Strike Off Notice**).

84.2 If within twenty Business Days after sending the Strike Off Notice a response to the satisfaction of DMCCA has not been received, DMCCA may (but is not obliged to) send to the Company a second notice (**Second Strike Off Notice**) stating that at the end of sixty Business Days (or such longer or shorter period as DMCCA in its sole discretion determines) from the date of the Second Strike Off Notice, the Company will be Struck Off unless DMCCA has been provided with a justifiable reason as to why the Company should not be Struck Off.

84.3 If DMCCA issues a Second Strike Off Notice, it shall publish a notice (a **Public Notice**) on the website of DMCCA):

- (a) that it intends to Strike Off the Company after expiry of the point stated in the Second Strike off Notice;
- (b) that, if the Company is a Company, it intends to cause the Company to be Dissolved; and
- (c) inviting any person to show cause why the Company should not be Struck Off.

84.4 Subject to the issue of a Public Notice and after the end of the period mentioned in the Second Strike Off Notice, DMCCA may in its absolute discretion instruct the Registrar to Strike Off the Company.

85. **Implications of Strike off**

85.1 On the Striking Off of a Company, the liability (if any) of every Officer and Member of the Company continues and may be enforced as if the Company had not been Struck Off. If such Company purports to enter into any obligation following it being Struck Off, any person purporting to bind such Company in respect of such obligation shall be personally liable for that obligation.

85.2 On the Striking-off of a Company pursuant to Article 84, the Members must immediately commence winding-up proceedings in respect of that Company in accordance with Sections 14 to 21 of the Company Regulations.

85.3 If a Company has been Struck Off pursuant to Article 84, DMCCA may (but is not obliged to) submit to the Court a petition for the winding-up of the Company.

86. **General contraventions provision**

86.1 A person who:

- (a) does an act or thing that the person is prohibited from doing by or under these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone;
- (b) does not do an act or thing that the person is required or directed to do under these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone; or
- (c) otherwise contravenes these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone,

commits a contravention of these Regulations.

86.2 Under this Article 86, a person does not include DMCCA or the Registrar.

87. **Involvement in contraventions**

87.1 If a person (**Person A**) is knowingly concerned in a contravention of these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone, Person A commits a contravention.

87.2 For the purposes of Article 87.1, if Person A is an Officeholder of a corporate entity, the Officeholder as well as the corporate entity commits a contravention.

87.3 If the affairs of a corporate entity are managed by its Members, Article 87.2 applies in relation to the acts and defaults of a Member in connection with that Member's functions of management as if that Member were an Officeholder of the corporate entity.

87.4 For the purposes of this Article 87, a person is knowingly concerned in a contravention if, and only if, the person:

- (a) has aided, abetted, counselled or procured the contravention;
- (b) has induced the contravention, whether by threat or promise or otherwise;
- (c) has in any way, by act or omission, directly or indirectly, been knowingly involved in or been party to the contravention;
- (d) has conspired with another or others to effect the contravention; or
- (e) has, alone or in concert with others, directly or indirectly, done, attempted or planned any of the following:
 - (i) concealing the existence or extent or nature of a contravention; or

- (ii) obstructing, impeding or preventing competent authorities within the DMCC Free Zone from detecting, investigating or prosecuting a contravention.

87.5 In this Article 87, "person" does not include DMCCA or the Registrar.

88. **Unfair prejudice**

88.1 If a Company's affairs are being or have been conducted in a manner whereby the conduct is unfairly prejudicial to the interests of one or more Members, or an actual or proposed act or omission of the Company (including an act or omission on its behalf) is or would be so prejudicial, the Court may, on application of one or more Members of the Company, make one or more of the following orders:

- (a) an order regulating the conduct of the Company's affairs in the future;
- (b) an order requiring a person to do, or refrain from doing, any act or thing;
- (c) an order authorising proceedings to be brought in the name of and on behalf of the Company by such person or persons and on such terms as the Court may direct;
- (d) an order providing for the purchase of the rights of any Member of the Company by other Members or by the Company itself; or
- (e) any other order as the Court sees fit.

88.2 If an order under this Regulation requires the Company not to make any, or any specified, alterations in its Articles, the Company must not then without leave of the Court make any such alteration.

88.3 An alteration in the Company's Articles made by virtue of an order under this Article 88 is of the same effect as if duly made by Special Resolution of the Company, and the provisions of these Regulations apply to the Articles as so altered accordingly.

88.4 The order of the Court recording the making of an order under this Regulation altering, or giving leave to alter, a Company's Articles must, within fourteen Business Days from the making of the order or such longer period as the Court may allow, be delivered by the Company to the Registrar for registration.

88.5 Nothing in this Regulation affects the powers that any person or the Court may have apart from this Regulation.

SECTION 16 – DORMANCY

89. **Voluntary suspension of Licence**

89.1 Subject to compliance with any rules issued by the Registrar or DMCCA from time to time, a Company (other than an Exempt Entity) may request, following approval by an Ordinary Resolution, the Registrar to suspend its Licence for a period of up to twelve months or a longer period approved by the Registrar.

89.2 With effect from the suspension of its Licence following a request made under Article 89.1, the relevant Company (other than an Exempt Entity) must not trade in or from the DMCC Free Zone pursuant to that Licence until such time as the Registrar has reactivated the Licence of that Company.

90. Additional rules in respect of dormant Companies

The Registrar or DMCCA may from time to time issue additional rules in respect of dormant Companies that have voluntarily suspended their Licence.

SECTION 17 – MISCELLANEOUS PROVISIONS

91. Removal of a Company from the Register of DMCC Entities

91.1 The Registrar may Remove a Company from the Register of DMCC Entities in the following circumstances:

- (a) the Company is continued as a Non-DMCC Entity, pursuant to Article 21.4; and
- (b) the Company is Dissolved, in accordance with these Regulations, at the same time that Company is Dissolved.

92. Waivers and modifications of Regulations

92.1 In this Article 92, a reference to a **relevant provision** is a reference to any provision of these Regulations which is expressed to be capable of waiver or modification by DMCCA or the Registrar.

92.2 DMCCA may:

- (a) on the application of a person; or
- (b) with the consent of a person,

by means of a written notice provide that one or more relevant provisions either:

- (i) do not apply in relation to such person; or
- (ii) apply to such person with such modifications as are set out in the written notice.

92.3 A written notice may be given subject to conditions.

92.4 A person to whom a condition specified in a written notice applies must comply with the condition.

92.5 In the event of failure to comply with a condition, the Registrar may, without limiting any other powers that the Registrar may have, apply to DMCCA for an order, including an order that the person must comply with the condition in a specified way.

92.6 Unless the Registrar is satisfied that it is inappropriate or unnecessary to do so, the Registrar must publish a written notice in such a way as the Registrar considers appropriate for bringing the notice to the attention of:

- (a) those likely to be affected by it; and
- (b) others who may be likely to become subject to a similar notice.

92.7 The Registrar may:

- (a) on the Registrar's own initiative or on the application of the person to whom it applies, withdraw a written notice; or
- (b) on the application of, or with the consent of, the person to whom it applies, vary a written notice.

92.8 DMCCA may make further regulations in connection with the provision of a written notice under this Article 92 including prescribing procedures for the making of applications and providing of consents.

93. **Obligations to disclose to the Registrar**

93.1 Subject to Article 93.2, a Company or an auditor of a Company (if it has an auditor) must disclose to the Registrar any matter which reasonably tends to show one of the following:

- (a) a contravention or likely contravention of a provision of these Regulations or other regulation, rule, policy or decision applicable in the DMCC Free Zone;
- (b) a failure, or likely failure, to comply with any obligation to which a person is subject under such regulation, rule, policy or decision; or
- (c) any other matter as DMCCA may prescribe,

which may be attributable to the conduct of the relevant Company or of its Officers and/or Representatives.

93.2 Article 93.1 does not apply to the extent that compliance with such requirement would disclose a Privileged Communication.

93.3 A Company must establish and implement appropriate systems and internal procedures to enable its compliance with Article 93.1.

93.4 Any provision in an agreement between a Company and an Officer, Representative or auditor is void if it purports to hinder any person from causing or assisting a Company to comply with an obligation under Article 93.1.

93.5 No person may be subjected to detriment or loss or damage merely by reason of undertaking any act to cause or assist a Company to comply with an obligation under Article 93.1.

94. **Disclosures to DMCCA or the Registrar**

A person is neither liable to a proceeding, nor subject to a liability, nor in breach of any duty, merely by reason of the giving of information or production of a document by the person to DMCCA or the Registrar:

- (a) in good faith; and
- (b) in reasonable belief that the information or document is relevant to any functions of DMCCA or the Registrar,

whether such information or document is given or produced pursuant to a requirement at law or otherwise.

95. Irregularities

95.1 In this Article 95:

- (a) **procedure** is a reference to any procedure including but not limited to the making of a decision, the conduct of a hearing, the giving of a notice, and any proceeding whether a legal proceeding or not; and
- (b) **procedural irregularity** includes a reference to a defect, irregularity or deficiency of notice or time.

95.2 A procedure under these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone administered by DMCCA or the Registrar is not invalidated because of any procedural irregularity unless the Court declares the procedure to be invalid.

95.3 A person may apply to the Court for an order:

- (a) declaring that:
 - (i) any act or thing purporting to have been done; or
 - (ii) any procedure purporting to have been commenced or undertaken,under these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone administered by the Registrar is not invalid by reason of any contravention of a provision of such Regulations or other regulation, rule, policy or decision; or
- (b) extending or shortening the period for doing any act, matter or thing or commencing or undertaking any procedure under these Regulations or any other regulation, rule, policy or decision applicable in the DMCC Free Zone,

where any such act or thing, or procedure, is essentially of a procedural nature.

96. False or misleading information

A person must not:

- (a) provide information which is false, misleading or deceptive to DMCCA or the Registrar; or
- (b) conceal information where the concealment of such information is likely to mislead or deceive DMCCA or the Registrar.

97. Compliance with an order or direction of DMCCA or the Registrar

Where DMCCA or the Registrar makes an order, issues a direction or makes a requirement in relation to a person pursuant to a provision of these Regulations or other regulation, rule, policy or decision applicable in the DMCC Free Zone, that person must comply with such order, direction or requirement.

98. Language

The Registrar may require communication to which it is a party to be conducted in the English or Arabic language.



SECTION 18 – GENERAL

99. Title

These Regulations are to be referred to as the Dubai Multi Commodities Centre Authority Companies Limited by Guarantee Regulations 2024.

100. Legislative authority

These Regulations are issued by DMCCA under Law No. (3) of 2020 issued in the Emirate of Dubai, as amended, replaced or re-enacted from time to time.

101. Application of these Regulations

101.1 These Regulations are made on and come into force on the effective date notified by DMCCA.

101.2 These Regulations apply in the jurisdiction of the DMCC Free Zone.

101.3 For the avoidance of doubt, the provisions of Federal Law No. 32 of 2021 Concerning Commercial Companies do not apply to any Company.