Dubai World Trade Centre Authority

Company Regulations

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Part 1: COMPANY REGULATIONS

1. Interpretation and Application

1. Short Title and Commencement
   These Regulations are to be referred to as the Dubai World Trade Centre Authority Company Regulations 2015, and as the same may be further amended from time to time.

2. Legislative authority
   The Board of Directors of the Authority, in the exercise of the powers conferred to them by Article 9 of the Dubai World Trade Centre Law No. (9) Of 2015, hereby make these Regulations.

3. Applicability of the Regulations
   These Regulations shall apply to:
   3.1 companies incorporated under these Regulations;
   3.2 officers and employees of companies incorporated under these Regulations;
   3.3 auditors and applicants for registration as an auditor under these Regulations;
   3.4 any Branch so far as any provision of these Regulations requires it to apply;
   3.5 the Registrar; and
   3.6 Any other person to whom the Regulations apply.
## 2. Definition & Interpretation

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AED</td>
<td>Means the United Arab Emirates Dirham, being the lawful currency of the UAE.</td>
</tr>
<tr>
<td>Annual General Meeting</td>
<td>Has the meaning given under Regulation 45.</td>
</tr>
<tr>
<td>Authority</td>
<td>Means the Dubai World Trade Centre Authority, which pursuant to the DWTC Establishment Law has governance over the Free Zone and such other sub-developments as may be created within the Free Zone from time to time.</td>
</tr>
<tr>
<td>Branch</td>
<td>Means a branch of a Foreign Company licensed to operate in the Free Zone.</td>
</tr>
<tr>
<td>Company</td>
<td>Means an FZE or an FZCO licensed by the Authority to perform activities designated by its license pursuant to the Free Zone Rules and these Regulations.</td>
</tr>
<tr>
<td>Director</td>
<td>Any person occupying the position of director of a Company by whatever name called and any person in accordance with whose directions or instructions (not being advice given in a professional capacity) the directors of a Company have been accustomed to act.</td>
</tr>
<tr>
<td>Financial Year</td>
<td>Means, in respect of a Company, each successive period of twelve months commencing immediately after the end of the previous Financial Year in which the Company's accounts are prepared in accordance with Regulation 60.</td>
</tr>
<tr>
<td>Foreign Company</td>
<td>Means a company incorporated in any jurisdiction outside the Free Zone including a jurisdiction outside the UAE.</td>
</tr>
<tr>
<td>Free Zone</td>
<td>Means the Free Zone established pursuant to the DWTC Establishment Law, or any other Free Zone owned or administratively controlled by the Authority within the boundaries of the Dubai World Trade Centre.</td>
</tr>
<tr>
<td>FZCO</td>
<td>Means a free zone company, which is a limited liability company with minimum two Shareholders and maximum ten Shareholders, incorporated in accordance with these Regulations.</td>
</tr>
<tr>
<td>FZE</td>
<td>Means a free zone establishment, which is a limited liability company with one Shareholder, incorporated in accordance with these Regulations.</td>
</tr>
<tr>
<td>Implementing Regulations</td>
<td>means those regulations promulgated by the Authority for the purpose of giving effect to or for the better carrying out of these Regulations and includes forms and such other regulations as may be made by the Authority from time to time.</td>
</tr>
<tr>
<td>License</td>
<td>Means a License granted by the Authority to carry out business activities in the Free Zone.</td>
</tr>
<tr>
<td>Licensee</td>
<td>Means a person or entity licensed to conduct activities under a License.</td>
</tr>
<tr>
<td>Memorandum of Association</td>
<td>Means the memorandum of association of a Company, as originally delivered in writing to the Registrar or as lawfully altered from time to time.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>------------------</td>
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</tr>
<tr>
<td>Officer</td>
<td>In relation to a Company includes the general manager, Directors and secretary.</td>
</tr>
<tr>
<td>Offeror</td>
<td>Means, subject to Regulation 77, the person making a takeover offer.</td>
</tr>
<tr>
<td>Ordinary Resolution</td>
<td>Means a resolution passed by a simple majority of the votes of such Shareholders as (being entitled to do so) vote in person or, where proxies are allowed, by proxy, at a general meeting for which notice specifying the intention to propose the resolution as an ordinary resolution has been duly given.</td>
</tr>
<tr>
<td>Register</td>
<td>Means the register of Companies maintained by the Authority under these Regulations.</td>
</tr>
<tr>
<td>Registrar</td>
<td>Means a Registrar of companies, appointed pursuant to Regulation 117 and having the duty of registering companies and discharging various functions under Part 14 of these Regulations.</td>
</tr>
<tr>
<td>Regulations</td>
<td>Means these Company Regulations 2015 issued by the Authority and as amended from time to time.</td>
</tr>
<tr>
<td>Shareholder</td>
<td>has the meaning given under Regulation 14</td>
</tr>
<tr>
<td>Special Resolution</td>
<td>Means a resolution passed by a majority of not less than three-fourths of the votes of such Shareholders as (being entitled to do so) vote in person or, where proxies are allowed, by proxy, at a general meeting for which notice specifying the intention to propose the resolution as a special resolution has been duly given.</td>
</tr>
<tr>
<td>Tariff</td>
<td>Means the tariff of fees, services and penalties applicable to the Free Zone published by the Authority from time to time.</td>
</tr>
<tr>
<td>Target</td>
<td>Means the Company whose shares are the subject of a takeover offer.</td>
</tr>
<tr>
<td>UAE</td>
<td>Means the United Arab Emirates.</td>
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Part 2: COMPANY FORMATION AND REGISTRATION

3. Mode of forming a Company

1. Any one or more persons by signing and delivering to the Registrar an application for a certificate of incorporation, can apply to form an incorporated Company with limited liability in the form of a FZE or a FZCO.

2. A Company may be incorporated to conduct any lawful business.

3. A Company shall be a company having the liability of its Shareholders limited to the amount, if any, unpaid on the shares held by them.

4. The application along with the Memorandum of Association shall be submitted to the Registrar, signed by the incorporators and shall set out:
   4.1 The name of a FZE must end with the word “FZE” and the name of a FZCO must end with the word “FZCO”;
   4.2 the address of the company’s registered office;
   4.3 the nature of the business to be conducted;
   4.4 the amount of share capital denominated in AED which the company proposes to be registered, and its division into shares of a fixed amount;
   4.5 the full names, nationality and address of each of the subscribers to the Memorandum of Association;
   4.6 the details of the first Directors; and
   4.7 Its Financial Year.

5. The applicant shall also submit to the Authority:
   5.1 payment of the relevant registration fee as determined by the Authority from time to time; and
   5.2 Such other particulars or documents as the Registrar may require from time to time.

6. A Company shall be considered formed only if and when the Registrar issues a certificate of incorporation relating to such company in accordance with Regulation 4.

4. Registration or refusal to grant registration

1. Subject to the relevant provisions of these Regulations, the Registrar shall grant his consent to the registration of the Company by registering the Memorandum of Association delivered to him under Regulation 3 and issuing a certificate of incorporation.

2. The Registrar may refuse to register a company for such reason as he believes to be proper grounds for refusing such registration and he shall not be bound to provide any reason for his refusal and his decision shall not be subject to appeal or review in any court.
5. **Prohibition of registration of companies with undesirable names**

1. No Company shall be registered with a name which in the opinion of the Registrar is undesirable.
2. Without prejudice to the generality of Regulation 5.1 no Company shall, except with the express approval of the Registrar, be permitted to be registered with a name which:
   - 2.1. is identical to the name by which another Company is registered or incorporated under these Regulations or so nearly resembles that name as to be likely to deceive unless that Company signifies its consent in such manner as the Registrar may require;
   - 2.2. contains words which in the opinion of the Registrar suggest or are likely to suggest the patronage of prominent local persons with no real connection, or connection with any government or authority whether in the Free Zone, the UAE or elsewhere;
   - 2.3. contains the word "Dubai", "Emirates", "UAE", "municipal" or "chartered";
   - 2.4. any other name which the Authority shall from time to time prescribe as "sensitive";
   - 2.5. the use of would constitute a violation of the laws of the UAE from time to time applicable to intellectual property rights; or
   - 2.6. Specifies words or expressions for which approval is required from the Authority for use by a licensee in the Free Zone.
3. If, through inadvertence or otherwise, a Company on its first registration with a new name is registered with a name which in the opinion of the Registrar too closely resembles the name by which a Company in existence is already registered or a name in respect of which the law applicable to intellectual property rights afford prior protection, the first mentioned Company shall, with the approval of the Registrar, change its name.

6. **Change of name of a Company**

1. Subject to Regulation 5, a Company may by Special Resolution change its name, if the Registrar has, on application, approved in writing the proposed name. When a Company has passed a Special Resolution for a Company’s change of name, it shall, within fourteen (14) days of the passing of such resolution submit such resolution to the Registrar and give notice of the said resolution by advertisement in a newspaper prescribed by the Registrar.
2. The Registrar shall, on receipt of a certified copy of the Special Resolution and evidence of notice referred to in Regulation 5 together with such fees as may be prescribed in the Tariff:
   - 2.1. enter the new name on the Register in place of the former name;
   - 2.2. enter on the Register the effective date of the change of name which shall be the date of entry of the new name on the Register; and
   - 2.3. Issue a new certificate evidencing the change of name.
3. The change of name of a Company shall not affect any rights or obligations of the Company, or render defective any proceedings by or against it, and any proceedings that might have been continued or commenced against it in its former name may be continued or commenced against it in its new name.
7. **Memorandum of Association**

1. There shall be delivered to the Registrar along with the application for a certificate of incorporation a Memorandum of Association that sets out the regulations for the Company.
2. The Memorandum of Association shall be in English.
3. The Memorandum of Association shall be signed by each subscriber in the presence of the Registrar or should be authenticated if not signed in the presence of the Registrar. The Memorandum of Association shall make provision for, but not limited to the following:
   3.1. the process required for a transfer of shares in the Company;
   3.2. the requirement for a general meeting of the Company at least once in each year;
   3.3. the keeping of the Company accounts and laying of financial statements before general meetings of the Company;
   3.4. an audit of the accounts of the Company at least once in every year by an auditor appointed by the general meeting;
   3.5. the number of Shareholders required to constitute a quorum at any general meeting of the Company;
   3.6. the appointment of a chairman for any general meetings;
   3.7. the duties and responsibilities of the Company’s Directors and of any other Officers;
   3.8. the manner of appointment of alternate Directors;
   3.9. the date on which the annual meetings of the Company shall be held;
   3.10. the calling of meetings of the Company and of the Directors, the requirements as to proxies and requisite majorities (save where the requisite majority is specified by these Regulations) in voting on any particular matter or class of matters and the procedure to be adopted at such meetings; and
   3.11. The quorum at meetings of the Directors and of the general meeting.
4. The Registrar may prescribe a set of model memorandum of association, which the Company shall use for its Memorandum of Association.
5. A Company may not alter the provisions of its Memorandum of Association except in a manner provided in these Regulations.

8. **Registration and certificate of incorporation**

1. The Registrar shall maintain a Register of companies in such form as it may determine.
2. From the date of the registration of a Company by the Registrar pursuant to Regulation 4.1, the subscribers to the Memorandum of Association, together with such other persons as may from time to time become Shareholders, shall be a body corporate by the name contained in the Memorandum of Association, capable forthwith of exercising all the functions of an incorporated Company, and having perpetual succession but with such limited liability on the part of the Shareholders to contribute to the assets of the Company in the event of its being wound up as set out in Regulation 3.3.
3. **Certificate of incorporation to be conclusive evidence**
   No defect in the formalities leading up to the incorporation of a Company shall affect the validity of its incorporation and the certificate of incorporation shall be conclusive evidence of the due incorporation of the Company and the date of its incorporation.
4. **Restriction on commencement of business**
4.1. No Company or Branch shall commence or carry on business unless licensed to do so by the Authority.

4.2. If default is made in complying with this Regulation 8 the Company may be required to pay a fine in accordance with the Tariff.

9. **Effect of Memorandum of Association**

1. Subject to the provisions of these Regulations, the Memorandum of Association, when registered, shall bind the Company and its Shareholders to the same extent, as if they respectively had been signed by the Company and by each Shareholder, and contained covenants on the part of the Company and each Shareholder to observe all the provisions of the Memorandum of Association.

2. Unpaid share capital payable by a Shareholder to the Company under the Memorandum of Association is a debt due from them to the Company.

10. **Alteration of Memorandum of Association**

1. Subject to the provisions of these Regulations, by Special Resolution passed at a general meeting, the Shareholders may amend the provisions of the Memorandum of Association but the amendment shall only take effect when the same has been accepted for registration by the Registrar.

2. Notwithstanding anything in the Memorandum of Association, a Shareholder is not bound by an alteration made in the Memorandum of Association after the date on which he became a Shareholder, if and so far as the alteration:
   2.1. requires him to take or subscribe for more shares than the number held by him at the date on which the alteration is made; or
   2.2. in any way increases his liability as at that date to contribute to the Company’s share capital or otherwise to pay money to the Company,
   Unless he agrees in writing, either before or after the alteration is made, to be bound by it.

3. **Copies of Memorandum of Association for Shareholder**

   3.1. A Company shall, on being so required by a Shareholder, send to him a copy of the Memorandum of Association subject to payment of such sum as the Company may require.

   3.2. If a Company fails to comply with these Regulations, it commits an offence and the Company and every Officer, shall be liable to a fine as per the Tariff.
Part 3: CORPORATE CAPACITY AND TRANSACTIONS

11. Capacity of the Company

1. The Company has the capacity and rights and privileges of a natural person.

2. Authentication of Documents
   A document or proceeding requiring authentication by a Company may be signed by an Officer, of the Company.

12. Form of contracts

1. A person acting under the express or implied authority of the 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.

2. Contracts on behalf of a Company may be made in written or other form by any person acting under its authority, express or implied.

3. A contract made according to these Regulations may be varied or discharged in the same manner in which it is authorised by these Regulations to be made.

4. Bills of Exchange and Promissory Notes
   A bill of exchange or promissory note shall be deemed to have been made, accepted or endorsed on behalf of a Company if made, accepted or endorsed in the name of, or by or on behalf or on account of the Company by any person acting under its authority and if so endorsed the person signing the endorsement shall not be liable thereon.

5. Execution of instruments abroad
   5.1. A Company may empower any person, either generally or in respect of any specified matters, as its agent, to execute documents, agreements, deeds or other similar instrument on its behalf in any place whether within or outside the Free Zone.

   5.2. A document, agreement, deed or other similar instrument signed by such an agent on behalf of the Company shall bind the Company and have the same effect as if it had been executed by the Company itself.

13. Contracts entered into prior to corporate existence

1. Where a transaction purports to be entered into by a Company, or by a person as agent for a Company, at a time when the Company has not been formed, then, unless otherwise agreed by the parties to the transaction, the transaction has effect as one entered into by the person purporting to act for the Company or as agent for it, and he is personally bound by the transaction and entitled to its benefits.

2. A Company may, within such period as may be specified in the terms of the transaction or if no period is specified, within a reasonable time after it is formed, by act or conduct signifying its intention to be bound thereby, adopt any such transaction and it shall thenceforth be bound by it and entitled to its benefits and the person who entered into the transaction shall cease to be so bound and entitled.
Part 4: SHARE CAPITAL AND SHARE TRANSFER

14. Definition of Shareholders

1. The incorporators of the Company are deemed to have agreed to become Shareholders of the Company, and on its registration shall be entered as such in its register of Shareholders.

2. Every other person who agrees to become a Shareholder of the Company, and whose name is entered in its register of Shareholders, is a Shareholder of the Company.

15. Shares and share capital requirements

1. Each Share shall:
   1.1. carry the right to vote at a meeting of the Company;
   1.2. be a proportionate interest in the Company; and
   1.3. Rank in all respects equally with each other share in the Company.

2. The Shares or other interests of a Shareholder are, subject to Regulation 18, transferable in the manner provided by the Memorandum of Association.

3. All shares must be fully paid in cash when allotted.

4. A Company may not create different classes of shares.

5. The minimum issued share capital of a Company shall be:
   5.1. AED 300,000, for an FZCO subject to the exclusion set out in clause 18.2. The capital of the Company shall be divided into shares. Each share shall be in the amount of AED 1000.
   5.2. AED 300,000 for a FZE subject to the exclusion set out in clause 18.2.

6. The Authority reserves the right to specify different minimum issued share capital requirements for each type of Company.

7. The Registrar shall issue a Company with a certificate of incorporation if, on an application made to it by the Company in the prescribed form, it is satisfied that the Company’s share capital is not less than the prescribed minimum, and there is delivered to it an undertaking complying with Regulation 15.8.

8. The undertaking must be in the form prescribed by the Registrar and be signed by the authorized signatory of the Company and it must state that when requested to do so by the Registrar at any point in time, the Company will submit the original bank statements of the Company from a bank in the UAE holding a commercial banking license from the UAE Central Bank, showing that a minimum share capital amount equivalent to the amount stated in the Memorandum of Association was available in the account within a three week period of the Company trade license being issued. Failure to comply with the undertaking may result in immediate license cancellation as well as fixed penalties as set out in the Tariff.
16. **Issue at a premium and its application**

1. Shares may be issued at a premium (i.e. for a price greater than their nominal value).

2. **Application of premiums received on issue of shares**:-
   
   Where a Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account" and the provisions of these Regulations relating to the reduction of the issued share capital of a Company shall, except as provided in this Regulation 16, apply as if the share premium account were paid-up share capital of the Company; provided that in the case of an exchange of shares the excess value of the shares acquired over the nominal value of the shares being issued may be credited to a contributed surplus account of the issuing Company.

3. The share premium account may, notwithstanding anything in Regulation 12 be applied by the Company:
   
   3.1. in paying up un-issued shares of the Company to be issued to Shareholders of the Company as fully paid bonus shares; or
   
   3.2. in writing off:
   
   (i) the preliminary expenses of the Company;
   
   (ii) the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company; or
   
   (iii) in providing for the premiums payable on redemption of any shares or of any debentures of the Company.

17. **Power of Company to alter its share capital**

1. Subject to the provisions in these Regulations, a Company, if authorised by an Ordinary Resolution and by its Memorandum of Association may:
   
   1.1. increase its share capital by creating new shares of such amount as it thinks expedient;
   
   1.2. consolidate its shares (whether issued or not) into shares of larger amount than its existing shares;
   
   1.3. sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association; or
   
   1.4. cancel shares which, at the date of the passing of the resolution to cancel them, have not been taken or agreed to be taken by any person, and diminish the amount of the Company's share capital by the amount of the shares so cancelled.

2. A cancellation of shares under this Regulation does not for the purposes of these Regulations constitute a reduction of share capital.

3. A Company may not without the consent of the Registrar create a share capital denominated in a currency other than AED.
18. **Reduction of share capital**

1. A Company, if authorised by a Special Resolution may, subject to its Memorandum of Association, on such terms as it may decide, reduce its issued share capital in any way, and in particular, without prejudice to the generality of the foregoing power, by:

   1.1. either with or without extinguishing or reducing liability on any of its shares cancel any paid up capital that is lost or underrepresented by available assets; or

   1.2. either with or without extinguishing or reducing liability of any of its shares and either with or without reducing the number of such shares pay off any capital that is in excess of the requirements of the Company.

2. No Company shall reduce the amount of its share capital by virtue of this Regulation 18 unless it complies with the following:

   2.1. At a date **not more than 30 days** and **not less than 15 days** before the date from which the reduction of the share capital is to have effect, the Company shall cause a notice to be published in a newspaper approved by the Registrar stating:

      (i) the amount of the share capital as last previously determined by the Company;

      (ii) the amount of each share;

      (iii) the amount to which the share capital is to be reduced; and

      (iv) The date from which the reduction is to have effect.

   2.2. On the date from which the reduction is to have effect a certificate shall be signed by at least two Directors of the Company declaring either:

      (i) that on that date the Company is solvent; or

      (ii) That all the creditors of the Company on that date have consented to the reduction.

3. Where shares are to be cancelled in order to reduce the capital of a Company the shares shall be acquired at the lowest price at which, in the opinion of the Directors, the shares are obtainable, but not exceeding an amount, if any, stated in or determined by the Memorandum of Association.

4. Where a Company reduces the amount of its issued share capital then within **fourteen (14) days** after the date from which the reduction has effect the Company shall file a Memorandum of Association, with a copy of the notice referred to in Regulation 18.2.1 annexed thereto with the Registrar stating that this Regulation 17 has been duly complied with.

5. If any Company fails to comply with this Regulation it commits an offence and penalties will be applicable as determined by the Authority.

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19. **Liability of Shareholders on reduced shares**

If after a certificate is signed in accordance with Regulation 18.2.2(ii) a creditor who did not consent to the reduction has a debt or claim against the Company which the Company is unable to pay as a result of the reduction every person who was a Shareholder of the Company at the date of the certificate shall be liable to contribute for the payment of the debt or claim in question an amount not exceeding that which he would have been liable to contribute if the Company had commenced to be wound up on the date before the date of the certificate.
20. **Power of Company to purchase own shares**

Subject to the provisions of these Regulations, the Company may purchase its own Shares by passing a Special Resolution.

21. **Dividends and Other Distributions**

1. A Company shall not declare or pay a dividend, in cash or otherwise, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:
   1.1 the company is, or would after the payment be, unable to pay its liabilities as they become due; and
   1.2 The realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

2. For the purposes of this Regulation 21, "contributed surplus" includes proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the Company.

22. **Consequences of unlawful distribution**

Where a distribution, or part of a distribution, made by a Company to one of its Shareholders is made in contravention of Regulation 21 and, at the time of the distribution, such Shareholder knows or has reasonable grounds for believing that it is so made, he is liable to repay it, or that part of it, to the Company or, in the case of a distribution made otherwise than in cash, to pay the Company a sum equal to the value of the distribution, or that part, at that time.
23. **Register of Shareholders**

1. Every Company shall keep a register of its Shareholders and enter in it:
   1.1. the names and addresses of its Shareholders, together with a statement of the shares held by each Shareholder, distinguishing each share by its number (so long as the share has a number);
   1.2. the date on which each person was registered as a Shareholder; and
   1.3. The date on which any person ceased to be a Shareholder.
2. If a Company fails to comply with this Regulation, the Company and every Officer of it who is in default shall commit an offence.

24. **Share certificates**

1. Every Company shall:
   1.1. Within 14 days after the allotment of any of its shares; and
   1.2. Within 14 days after the date on which a transfer of any of its shares is lodged with the Company, Complete and have ready for delivery the certificates of all shares allotted or transferred unless the conditions of allotment of the shares otherwise provide.
2. Regulation 24.1 does not apply to a transfer of shares which the Company is for any reason entitled to refuse to register and does not register.
3. In the event of failure to comply with Regulation 24.1, the Company and every Officer it who is in default shall commit an offence.

25. **Certificate to be evidence of title**

A certificate of the Company specifying the shares held by a Shareholder, shall be prima facie evidence of the title of the Shareholder to the shares.

26. **Nature and transfer of shares**

1. Subject to such other regulations as may be issued by the Authority, the shares or other interests of any Shareholder in a Company shall be personal estate, transferable in a manner provided by the Memorandum of Association and these Regulations and subject only to the restrictions provided therein.
2. Notwithstanding anything in the Memorandum of Association, it shall not be lawful for the Company to register a transfer of shares in the Company unless a proper instrument of transfer has been delivered to the Company and the share transfer has been registered by the Registrar following the submission to the Registrar of certain documents relating to such transfer as determined by the Authority.
3. Nothing in this Regulation 26 shall prejudice any power of the Company to register as Shareholder any person to whom the right to any shares of the Company has been transmitted by operation of
4. If a Company refuses to register a transfer of shares, the Company shall, within 14 days after the date on which the transfer was lodged with it, give to the transferor and transferee notice of the refusal.

5. Subject to such other regulations as may be made by the Registrar, a pledge over the shares or other interests of any Shareholder in a Company may be created pursuant to the provisions of the applicable laws of the UAE.

6. **Transfer by estate representative**
   A transfer of the share or other interest of a deceased Shareholder of a Company made by such person's estate representative shall, although the estate representative is not himself a Shareholder of the Company, be as valid as if he had been such a Shareholder at the time of the execution of the instrument of transfer.

### 27. Inspection of share register

1. The share register shall, (subject to such reasonable restrictions as the Company may by its Memorandum of Association or in general meeting impose, but so that not less than two hours in each business day be allowed for inspection) without charge, be open to the inspection of a Shareholder at the Company's registered office during business hours.

2. If inspection under this Regulation is refused, the Company commits an offence.

3. In the case of refusal or default, the Registrar may by order compel an immediate inspection of the share register.

### 28. Rectification of share register

1. The share register shall be rectified under the following circumstances:
   1.1. the name of a person or the number of shares held is, without sufficient reason, entered in or omitted from share register; or
   1.2. There is a failure or unnecessary delay in entering on the register the fact of a person having ceased to be a Shareholder.

2. An aggrieved person, or a Shareholder, may apply to the Registrar for rectification of the share register.

3. The Registrar may refuse the application or may order rectification of the share register and payment by the Company of any damages sustained by a party aggrieved.
29. Registered Office

1. The Company shall at all times have a registered office which must be an office maintained in the Free Zone by the Company to which all communications and notices may be addressed.

2. A notice may be served on the Company by leaving it at, or sending it by post to, the registered office of the Company.

3. Notice of every change to the registered office shall be given to the Registrar on the prescribed form (if any) within fourteen (14) days of the Company making such change but the change shall only be effective as of the date of registration by the Registrar.

30. Publication of name and registered office of Company

1. Every Company shall have its name and registered office mentioned in legible characters in all business letters of the Company and in all notices and other official publications of the Company, and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Company, and in all invoices, receipts and letters of credit of the Company.

2. If default is made in complying with this Regulation 30 the Company may be required to pay a fine in accordance with the Tariff.
Part 7: DIRECTORS

31. Directors

1. Subject to any limitations in the Memorandum of Association, the business and affairs of a FZCO shall be managed by not less than two directors, where one of the directors may also be the general manager. A FZE shall have at least one director who may also be the general manager.

2. No person shall be a director who:
   2.1. is under the age of 18 years;
   2.2. is disqualified from being a director;
   2.3. is an un-discharged bankrupt; or
   2.4. is a body corporate.

32. Elections, term, and removal of Directors

1. First Director
   The persons who are nominated as such in the Memorandum of Association shall be the first Directors of the Company and thereafter the Directors shall be elected by the Shareholders by way of an Ordinary Resolution at each general meeting of the Company on such term as the Shareholders may determine.

2. Each Director holds office until his successor takes office or until his earlier death, resignation, or removal by Ordinary Resolution.

3. So long as a quorum of Directors remains in office, unless the Memorandum of Association otherwise provides, any vacancy occurring in the board of Directors may be filled by such directors as remain in office. If no quorum of Directors remains the vacancy shall be filled by way of Ordinary Resolution at a general meeting of the Shareholders.

4. Notwithstanding any provision herein, the maximum number of Directors shall be five (5) Directors. However, the Company shall specify the number of Directors in its Memorandum of Association.

33. Duties of Directors

1. A Director, in exercising his powers and discharging his duties, shall:
   1.1. act honestly and in good faith with a view to the best interests of the Company; and
   1.2. exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

2. No act or omission of a Director shall be treated as a breach of this Regulation 32, if:
   2.1. all of the Shareholders authorise or ratify the act or omission; and
   2.2. after the act or omission, the Company is able to discharge its liabilities as they fall due and the realisable value of the Company's assets is not less than its liabilities.
34. **Duty of Directors to disclose interests**

1. A Director who has, directly or indirectly, an interest in a transaction entered into or proposed to be entered into by the Company or by a subsidiary of the Company which to a material extent conflicts or may conflict with the interests of the Company and of which he is aware, shall disclose to the Company the nature and extent of his interest.

2. The disclosure under this Regulation 34 shall be made as soon as practicable after the Director becomes aware of the circumstances which gave rise to his duty to make it.

3. A notice in writing given to the Company by a Director that he is to be regarded as interested in a transaction is sufficient disclosure of his interest in any such transaction entered into after the notice is given.

35. **Consequences of failure to comply with Regulation 34**

1. Subject to Regulations 35.2 and 35.3, where a Director fails to disclose an interest of his under Regulation 34, the Company or a Shareholder may apply to the court for an order setting aside the transaction concerned and directing that the Director account to the Company for any profit or gain realised, and the court may so order or make such other order as it thinks fit.

2. A transaction is not voidable, and a Director is not accountable, under Regulation 35.1 where, notwithstanding a failure to comply with Regulation 34:

   2.1. the transaction is confirmed by Special Resolution; and
   2.2. the nature and extent of the Director’s interest in the transaction were disclosed in reasonable detail in the notice calling the meeting at which the Special Resolution is passed.

3. Without prejudice to its power to order that a Director account for any profit or gain realised, the court shall not set aside a transaction unless it is satisfied that:

   3.1. the interests of third parties who have acted in good faith thereunder would not thereby be unfairly prejudiced; and
   3.2. the transaction was not reasonable and fair in the interests of the Company at the time it was entered into.

36. **Prohibitions of loans to Directors**

1. It shall not be lawful for a Company to make a loan to any Director or to enter into any guarantee or provide any security in connection with a loan made to a Director without the consent of Shareholders holding not less than 90 per cent in nominal value of the shares giving a right to attend and vote at any meeting of the Shareholders.

2. A loan shall be deemed to be a loan to a Director if it is made to:

   2.1. the spouse or children of a Director; or
   2.2. to a company of which a Director, his spouse or children own or control directly or indirectly more than 20 per cent of the share capital.
37. Indemnity of Officers and former Officers

1. Subject to Regulation 37.2, any provision, whether contained in the Memorandum of Association of, or in a contract with, a Company or otherwise, whereby the Company or any of its subsidiaries or any other person, for some benefit conferred or detriment suffered directly or indirectly by the Company, agrees to exempt any person from, or indemnify him against, any liability which by law would otherwise attach to him by reason of the fact that he is or was an Officer shall be void.

2. Regulation 37.1 does not apply to a provision for exempting a person from or indemnifying him against:

   2.1. Any liabilities incurred in defending any proceedings (whether civil or criminal):
       (i) in which judgment is given in his favour or he is acquitted;
       (ii) which are discontinued otherwise than for some benefit conferred by him or on his behalf or some detriment suffered by him;
       (iii) which are settled on terms which include such benefit or detriment and, in the opinion of a majority of the directors of the Company (excluding any director who conferred such benefit or on whose behalf such benefit was conferred or who suffered such detriment), he was substantially successful on the merits in his resistance to the proceedings; or

   2.2. Any liability incurred otherwise than to the Company if he acted in good faith with a view to the best interests of the Company; or

   2.3. Any liability against which the Company normally maintains insurance for persons other than directors.

38. Alternate Directors

1. Any individual may be appointed as an alternate Director by or in accordance with an Ordinary Resolution in such manner as may be provided in the Memorandum of Association, and the individual so appointed shall have all the rights and powers of the Director for whom he is appointed in the alternative, except that he shall not be entitled to attend and vote at any meeting of the Directors otherwise than in the absence of such Director.

2. An alternate Director shall only be a Director for the purposes of these Regulations and shall only be subject to the provisions of these Regulations insofar as they relate to the duties and obligations of a Director when performing the functions of the director for whom he is appointed in the alternative.

39. Registrar may order that a person shall not take part in management

The Registrar may order that any person shall not directly or indirectly take part in the management of a Company.

40. Personal responsibility for liabilities where person acts while disqualified

1. A person who acts in contravention of an order made under Regulation 39 is personally responsible for such liabilities of the Company as are incurred at a time when that person was, in contravention of the order, involved in the management of the Company.

2. Where a person is personally responsible under Regulation 39 for liabilities of a Company he is jointly and severally liable in respect of those liabilities with the Company and any other person who, whether under this Regulation or otherwise, is so liable.
3. For the purposes of this Regulation, a person is involved in the management of a Company, if he is a Director or general manager of the Company or if he is concerned, whether directly or indirectly, or takes part in, the management of the Company.

41. **Validity of acts of Director**

The acts of a Director are valid notwithstanding any defect that may afterwards be found in his appointment or qualification.

42. **Secretary**

1. Every Company shall have a secretary.
2. The Directors of a Company may appoint a secretary to the Company who may also be a Director and general manager of the Company and who shall hold office in accordance with the Memorandum of Association.
3. Anything required or authorised to be done by or to the secretary may, if the office is vacant or there is for any other reason no secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the Company authorised generally or specifically in that regard by the Directors.

43. **Register of Directors and secretaries**

1. Every Company shall keep at its registered office a register of its Officers, which contains such particulars as the Registrar shall prescribe from time to time.
2. The Company shall, within the period of **fourteen (14)** days from the occurrence of:
   2.1. any change among its Directors; or
   2.2. any change in the particulars contained in the register, enter on its register the particulars of the change.
3. **Inspection of the register**
   The register shall during business hours (subject to such reasonable restrictions as the Company may by its Memorandum of Association or in general meeting impose, but so that not less than two hours in each business day be allowed for inspection) be open to the inspection of the Registrar and of a Shareholder or Officer of the Company without charge.
4. If an inspection required under this Regulation is refused, or if there is a failure to comply with Regulation 43.1, the Company and every Officer of it who is in default commits an offence.
5. In the case of a refusal of inspection of the register, the Registrar may by order compel an immediate inspection of it.
Part 8: MEETINGS

44. General

1. The meetings of Shareholders shall be convened in accordance with Part 8 of these Company Regulations.

45. Annual General Meeting

1. A meeting of the Shareholders shall be convened at least once in every calendar year and shall be referred to as the Annual General Meeting. The exception to this is in the case of a FZE, where the company only has one Shareholder, in which case a resolution signed by or on behalf of such Shareholder by his duly appointed representative shall serve in place of any requirement to hold or determine any matter at a general meeting.

2. So long as the Company holds its first Annual General Meeting within 18 months of its incorporation, it need not hold it in the year of its incorporation or in the following year.

3. Notice of all Annual General Meetings shall be sent by the Directors to the Shareholders at least 14 days before the meeting is to be held. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day, and hour of the meeting and the agenda of the meeting.

4. The accidental omission to give notice of an Annual General Meeting to, or the non-receipt of a notice of an Annual General Meeting by, any Shareholder entitled to receive notice shall not invalidate the proceedings of the Annual General Meeting.

46. Failure to hold general meeting or to elect Directors

1. If default is made in calling or holding a general meeting in accordance with Regulation 45.3 the Directors shall use their best endeavors to call or hold the meeting at the earliest practicable date.

2. If an Annual General Meeting is not held within three months of the date it should have been held or the required number of Directors has not been elected at such a meeting the Company may apply to the Registrar to sanction the holding of a general meeting to put the affairs of the Company in order. Upon receipt of such an application the Registrar may, in its discretion, make an order allowing the application under such conditions as it thinks fit to impose including ordering the date by which the affairs of the Company shall be put in order.

3. Subject to this Regulation 46 if default is made in calling an Annual General Meeting in accordance with Regulation 45 or any creditors or Shareholders of the Company may apply to the court to order the winding-up of the Company.

4. If the Annual General Meeting or the election of any Directors does not take place at the proper time, it shall be lawful for the Company to continue its business and for the existing Directors to continue in office.
47. **Convening of Special General Meeting on Requisition**

1. The Directors shall, notwithstanding anything in the Memorandum of Association, on a Shareholder's requisition forthwith proceed to call a general meeting to be held as soon as practicable but in any case not later than two months after the date of the deposit of the requisition.

2. A Shareholder's requisition is a requisition of a Shareholder of the Company holding at the date of the deposit of the requisition not less than 10 per cent in nominal value of the shares which at that date carry the right of voting at the meeting requisitioned.

3. The requisition shall state the objects of the meeting, and shall be signed by or on behalf of the Shareholder making the requisition and deposited at the registered office of the Company, and may consist of several documents in similar form each signed by or on behalf of one or more of such Shareholder.

4. If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to call a meeting to be held within two months of that date, the Shareholder making the requisition, or any of them representing more than one half of the total voting rights of all of them, may themselves call a meeting, but a meeting so called must be held within three months from the date notice of such meeting is sent to the other Shareholders by the Shareholder making the requisition.

5. A meeting called under this Regulation shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by Directors.

6. Any reasonable expenses incurred by reason of the failure of the Directors duly to convene a meeting shall be repaid to the Shareholder by the Company, and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration in respect of their services to such Directors as were in default.

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

1. If for any reason it is impracticable to call a meeting of a Company in any manner in which meetings of that Company may be called, or to conduct the meeting of the Company in a manner prescribed by the Memorandum of Association or these Regulations, the Registrar on the application of any Director or of any Shareholder who would be entitled to vote at the meeting, may order a meeting of the Company to be called, held and conducted in such manner as the Registrar thinks fit, and where any such order is made may give such ancillary or consequential directions as it thinks expedient.

2. Any meeting called, held and conducted in accordance with an order under this Regulation 48 shall for all purposes be deemed to be a meeting of the Company, duly called, held and conducted.

3. If default is made in complying with directions given under Regulation 48.1, the Company and any Officer of it who is in default commits an offence and such penalties shall apply as determined by the Authority from time to time.
49. Notice calling a general meeting

1. Any general meeting (other than an adjourned meeting) may be called by **14 days’** notice in writing.

2. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of the meeting, and, in the case of a special general meeting, the general nature of the business to be considered.

3. If a meeting is called by shorter notice than that specified in Regulation 49.1, it is deemed to have been duly called if it so agreed by a majority of the Shareholders together holding **not less than 95 per cent** in nominal value of the shares giving a right to attend and vote at the meeting.

50. Circulation of Shareholders’ resolution, etc.

1. Subject to this Regulation 50, it shall be the duty of a Company, on the requisition in writing of such number of Shareholders as is hereinafter specified, at the expense of the Shareholders unless the Company otherwise resolves:
   1.1. to give to the Shareholders entitled to receive notice of the next Annual General Meeting, notice of any resolution which may properly be passed and is intended to be passed at that meeting; and
   1.2. to circulate to the Shareholders entitled to have notice of any general meeting, sent to them any statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

2. The number of Shareholders necessary for a requisition under Regulation 50.1 shall be any number of Shareholders representing not less than 10% of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates.

3. A Company shall not be bound under this Regulation 50 to give notice of any resolution or to circulate any statement, as applicable, unless, a copy of the requisition signed by the Shareholders is deposited at the registered office of the Company:
   3.1. in relation to a resolution, **not less than 14 days** before the meeting;
   3.2. in relation to a statement, **not less than 7 days** before the meeting; and
   3.3. there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect thereto, provided that, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Company, an Annual General Meeting is called for a date **14 days** after the copy has been deposited and after a copy of the requisition requiring a statement with respect to a matter referred to in a proposed resolution has been deposited at the registered office of the Company, a general meeting is called for a date **7 days** after the copy has been deposited.

51. General provisions as to meetings and votes

1. Subject to the provisions of this Regulation 51 and the Memorandum of Association, at any general meeting each Shareholder of the Company shall be entitled to one vote for each share held by him and such votes may be given in person or by proxy.

2. Unless otherwise specified in these Regulations or the Memorandum of Association, at any general meeting any question proposed for consideration shall be decided on a simple majority of votes, and such majority shall be ascertained in accordance with this Regulation 51.

3. Subject to Regulation 51.4, it shall be lawful for any question proposed for consideration at a general meeting of a Company to be decided on a show of hands and in any such case, every Shareholder
present in person or by proxy at such meetings shall be entitled to one vote and shall cast such vote by raising his hand.

4. Where a poll is demanded, every Shareholder present in person or by proxy at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such votes shall be counted in such manner as the Memorandum of Association of the Company may provide or, in default of such provision, as the chairman may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands.

5. Subject to any contrary provision in the Memorandum of Association, any Shareholder elected by the Shareholders present at any such general meeting may be chairman;

6. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which such show of hands takes place, or at which such poll is demanded, shall, unless the Memorandum of Association otherwise provides, be entitled to a second or casting vote.

7. Nothing contained in this Regulation shall be construed as prohibiting a Shareholder who is the holder of two or more shares from appointing more than one proxy to represent him and vote on his behalf, whether on a show of hands or on a poll, at a general meeting of the Company.

8. Unless the Memorandum of Association otherwise provides, a meeting of Directors or of a committee of Directors or of the Shareholders, may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously, and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

52. **Representation of body corporate at meetings**

1. A corporation, whether a Company or not, may:
   1.1. if it is a Shareholder of a Company, authorise such person as it thinks fit to act as its representative at any meeting of Shareholders; and
   1.2. if it is a creditor (including a holder of debentures) of a Company, authorise such person as it thinks fit to act as its representative at any meeting of any creditors of the Company held in pursuance of these Regulations or of any Implementing Regulations made hereunder, or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

2. A person so authorised is entitled to exercise the same powers on behalf of the body corporate which he represents as that body corporate could exercise if it were an individual Shareholder or creditor of the Company.

53. **Resolutions in writing**

1. Anything that may be done by a resolution (but excluding a resolution removing an auditor) passed at a meeting of the Shareholders may, subject to the Memorandum of Association, be done by a resolution in writing signed by or on behalf of each Shareholder who, at the date when the resolution is deemed to be passed, would be entitled to vote on the resolution if it were proposed at a meeting.

2. A resolution in writing may consist of several instruments in the same form each signed by or on behalf of one or more Shareholders.

3. A resolution under this Regulation shall be deemed to be passed when the instrument, or the last of several instruments, is last signed or on such later date as is specified in the resolution.
4. Any document attached to a resolution in writing under this Regulation shall be deemed to have been laid before a meeting of the Shareholders signing the resolution.

5. Nothing in this Regulation affects or limits any provisions in the Memorandum of Association or any rule of law relating to the effectiveness of the assent the Shareholders, given to any document, act or matter otherwise than at a meeting of them.

54. Proxies

1. A Shareholder of the Company entitled to attend and vote at a meeting is entitled to appoint another person (whether a Shareholder or not) as his proxy to attend and vote instead of him, and a proxy appointed to attend and vote instead of a Shareholder has also the same right as the Shareholder to speak at the meeting.

2. In every notice calling a meeting of the Shareholders there shall appear with reasonable prominence a statement that a Shareholder 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 him, and that a proxy need not also be a Shareholder.

3. In the event of failure to comply with this Regulation as respects any meeting, every Shareholder of the Company who is in default commits an offence.

55. Demand for poll

1. A provision contained in the Memorandum of Association is void in so far as it would have the effect either:
   1.1. of excluding the right to demand a poll at a general meeting, on a question other than the election of the chairman of the meeting or the adjournment of the meeting; or
   1.2. of making ineffective a demand for a poll on any such question which is made either:
       (i) by not less than five Shareholders having the right to vote on the question; or
       (ii) by a Shareholder representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote on the question.

2. For the purposes of Regulation 55.1 a demand by a person as proxy for a Shareholder is the same as a demand by such Shareholder.

3. On a poll taken at such a meeting, a Shareholder entitled to more than one vote need not, if he votes, (in person or by proxy) use all his votes or cast all the votes he uses in the same way.

56. Minutes of the proceedings of the meeting

1. Every Company shall cause minutes of all proceedings at general meetings, meetings of its Directors and of committees of Directors to be entered in books kept for that purpose, and the names of the Shareholders and/or Directors present at each such meeting shall be recorded in the minutes.

2. Any such minute, if purporting to be signed by the chairman of the meeting at which the proceedings took place, or by the chairman of the next succeeding meeting, is evidence of the proceedings.

3. Where minutes have been made in accordance with this Regulation then, until the contrary is proved, the meeting is deemed duly held and convened, and all proceedings, which took place at the meeting to have duly taken place.
4. Minutes prepared in accordance with this Regulation 56 shall be kept by any Officer at the registered office of the Company.

5. If the Company fails to comply with this Regulation 56, the Company and every Officer of it who is in default commit an offence.

57. Inspection of minute books

1. The books containing the minutes of a general meeting and the meetings of the Directors or a committee of Directors shall (subject to such reasonable restrictions as the Company may by its Memorandum of Association or in general meeting impose, but so that not less than two hours in each business day be allowed for inspection) without charge, be open to the inspection of a Shareholder or Officer at the Company’s registered office during business hours.

2. A Shareholder may require, on submission to the Company of a written request and on payment of such reasonable sum as the Company may require, a copy of any such minutes and the Company shall, within seven days after the receipt of the request and the payment, cause the copy so required to be made available at the registered office of the Company for collection during business hours.

3. If an inspection required under this Regulation is refused or if a copy required under this Regulation is not sent within the proper time, the Company commits an offence.

4. In the case of a refusal or default, the Registrar may make an order compelling an immediate inspection of the books in respect of all proceedings of general meetings or meetings of Directors or a committee of Directors or directing that the copies required be furnished to the persons requiring them.
Part 9: ACCOUNTS AND AUDIT

58. Keeping of books of account and records

1. Every Company shall keep the books of accounts and records, which are sufficient to show and explain its transactions, and are such as to:
   1.1. disclose with reasonable accuracy, at any time, the financial position of the Company at that time; and
   1.2. enable the Directors to ensure that any accounts prepared by the Company under this Part comply with the requirements of these Regulations.
2. If the Company fails to comply with Regulation 58, it commits an offence and shall be liable to a fine as per the Tariff.

59. Retention of records

1. A Company's books of account and records shall be kept at such place as the directors think fit and shall at all times be open to inspection by the Officers.
2. Accounting records, which the Company is required by this Regulation 59 to keep, shall be preserved by it for 10 years from the date on which they are made.
3. If the Company fails to comply with this Regulation 59 it commits an offence and shall be liable to penalty as per the Tariff.

60. Preparation of Company Accounts

1. The Directors shall prepare for each Financial Year of the Company:
   1.1. a balance sheet as at the last day of the year; and
   1.2. a profit and loss account.
2. The annual company accounts will form part of the Company's financial statements. The accounts shall be prepared in accordance with generally accepted accounting principles approved by the Registrar and show a true and fair view of the profit or loss of the Company for the period and of the state of the Company's affairs at the end of the period and comply with any other requirements of these Regulations.
3. The Company's accounts shall be approved by the Directors and signed on their behalf by one of them.
4. Within 6 months after the end of the Financial Year, the accounts for that Financial Year shall be:
   4.1. prepared and examined and reported upon by auditors; and
   4.2. laid before a general meeting together with a copy of the auditors' report.
5. In this Part, references to "accounts" are to those prepared in accordance with this Regulation.
6. In the case of a failure to comply with this Regulation 60, every person who was an Officer immediately before the end of the period and who is responsible for delivering accounts and reports for the Financial Year in question, is guilty of an offence and may be liable to pay a fine in accordance with the Tariff.
61. **Financial Statements to be laid before general meeting**

1. The directors of every Company shall, for each Financial Year, lay before the Company in general meeting financial statements for such Financial Year which shall include:-
   1.1 a statement of the results of operations for such period (i.e. a profit and loss account);
   1.2 a statement of retained earnings or deficit;
   1.3 a balance sheet at the end of such period;
   1.4 a statement of changes in financial position for such Financial Year;
   1.5 notes to the financial statements including description on generally accepted accounting principles so used; and
   1.6 the report of the auditors as set out in Regulation 65 in respect of the financial statements.
2. Financial statements shall, before being laid before a general meeting, be signed on the balance sheet page by two of the Directors.
3. Notwithstanding Regulation 61.1 if at a general meeting at which financial statements should be laid, the statements have not been so laid, it shall be lawful for the chairman to adjourn the meeting for a period of up to ninety (90) days or such longer period as the Shareholders may agree.

62. **Right to receive copies of financial statements, including balance sheet, etc.**

1. A copy of the financial statements of a Company, including every document required by these Regulations or the Memorandum of Association shall be made available to every Shareholder and, if such financial statements and other documents are not sent to each Shareholder seven days before the general meeting, any Shareholder may propose a resolution at the general meeting that it be adjourned for seven days provided that this Regulation 62 shall not require the making available of the financial statements and other documents to:
   1.1. any person not entitled to receive notices of general meetings;
   1.2. more than one of the joint holders of any shares; and
   1.3. any person whose address is not known to the Company.

63. **Power to make regulations as to accounts**

1. The Registrar may by regulations extend or modify the provisions of this Part.
2. Such regulations may provide for -
   2.1. the inclusion in accounts of group accounts dealing with the affairs of the Company and its subsidiaries;
   2.2. the inclusion in accounts of a report by the Directors dealing with such matters as may be specified;
   2.3. the accounting principles to be applied in the preparation of accounts; and
   2.4. the appointment, remuneration, removal, resignation, rights and duties of auditors.
3. Such regulations may further provide for the imposition of fines in respect of offences under such regulations.
64. **Appointment and removal of auditors**

1. The Shareholders at each Annual General Meeting shall appoint by Ordinary Resolution one or more auditors to hold office until the close of the next Annual General Meeting, and, if an appointment is not so made, the auditor already in office shall continue in office until a successor is appointed.

2. The remuneration of an auditor appointed by the Shareholders shall be fixed by the Shareholders or by the Directors, if they are authorised to do so by the Shareholders.

3. No person shall be appointed as auditor of a Company who is an Officer or employee of that Company or of an affiliated Company or who is a partner, employer or employee of any such Officer or employee.

4. The Shareholders in general meeting may fill any casual vacancy in the office of auditors and fix their remuneration.

5. **Removal of Auditors**
   
The Shareholders, by a Special Resolution cast at a general meeting of which notice specifying the intention to pass such resolution was given, may remove any auditor before the expiration of his term of office, and shall by Ordinary Resolution appoint another auditor in its stead for the remainder of its term.

6. Nothing in this Regulation is to be taken as depriving a person removed under it of compensation or damages payable to him in respect of the termination of his appointment as auditor.

7. If the Company fails to comply with this Regulation 64, the Company and every Officer who is in default commit an offence.

8. **Qualification for appointment as auditor**
   
A person is not qualified for appointment as auditors of the company under this Regulation 64 unless he is authorised by the Authority to be so appointed.

9. A person who acts as auditor in contravention of this Regulation 64 commits an offence.

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65. **Audit and auditors report**

1. The auditor shall audit any financial statements to be laid pursuant to Regulation 61 as will enable the auditor to report to the Shareholders.

2. Based on the results of the audit under Regulation 65.1 which audit shall be made in accordance with generally accepted auditing standards as defined in Regulation 65.3, the auditor shall make a report to the Shareholders.

3. The generally accepted auditing standards referred to in Regulation 65.2 may be those of the Free Zone, a country or jurisdiction other than the Free Zone or such other generally accepted auditing standards as may be adopted by the Authority for the purpose of this Regulation 65.3 and where the generally accepted auditing standards used are other than those of the Free Zone, the report of the auditor shall identify the generally accepted auditing standards used and the auditor’s opinion of this appropriateness and of the general nature, extent and effect of the same.

4. No action shall lie against an auditor in the performance of any function as an auditor contemplated by these Regulations except in the instance of:
   
4.1. the Company who engaged the auditor to perform such function; or
   
4.2. any other person expressly authorised by the auditor to rely on his work.

5. The auditors shall make a report to the Shareholders on the accounts examined by them.

6. The auditors’ report shall state whether in their opinion the accounts have been properly prepared in accordance with these Regulations and in particular whether a true and fair view is given.
66. Auditors duties and power

1. The auditors shall, in preparing their report, carry out such investigations as will enable them to form an opinion as to the following matters:
   1.1. whether proper accounting records have been kept by the Company and proper returns adequate for their audit have been received from branches not visited by them; and
   1.2. whether the Company's accounts are in agreement with the accounting records and returns.
2. If the auditors are of the opinion that proper accounting records have not been kept, or that proper returns adequate for their audit have not been received from branches not visited by them, or if the accounts are not in agreement with the accounting records and returns, the auditors shall state that fact in their report.
3. The auditors have a right of access at all times to the Company's records, and are entitled to require from the Officers such information and explanations as they think necessary for the performance of their duties as auditors.
4. Every auditor is entitled to receive notice of, and attend, any meeting of the Shareholders and to be heard on any part of the business of the meeting, which concerns the auditors.
5. If the auditors fail to obtain all the information and explanations, which, to the best of their knowledge and belief are necessary for the purposes of their audit, they shall state that fact in their report.
6. An auditor of the Company may resign his office by depositing a notice in writing to that effect together with a statement under Regulation 66.7 at the Company's registered office and any such notice operates to bring his 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.
7. When an auditor ceases for any reason to hold office, he shall deposit at the Company's registered office:
   7.1. a statement to the effect that there are no circumstances connected with his ceasing to hold office which he considers should be brought to the notice of the Shareholders or creditors of the Company; or
   7.2. statements as to the circumstances as to the reason which lead to his cessation to hold office of the auditor.
8. Where a statement under Regulation 66.7 falls within sub-paragraph 7.2 of that Regulation, the Company shall within 14 days send a copy of the statement to every Shareholder and to every person entitled to receive notice of general meetings.
9. If a person ceasing to hold office as auditor fails to comply with Regulation 66.7 he commits an offence.
10. If the Company fails to comply with Regulation 66.8 the Company and every Officer who is in default shall deemed to have committed an offence and shall be liable to a fine as determined by the Authority from time to time.

67. False statements to auditors

1. An Officer commits an offence if he knowingly or recklessly makes a statement (whether written or oral) to the auditors which:
   1.1. conveys or purports to convey any information or explanation which the auditors require, or are entitled to require, as auditors of the Company; and
   1.2. is misleading, false or deceptive in a material particular.
Part 10: AMALGAMATIONS

68. Amalgamation of Companies

Two or more Companies which are incorporated in the Free Zone, may, subject to the consent of the Registrar given in its absolute discretion and pursuant to the provisions of these Regulations, amalgamate and continue as one Company and, if a License to carry on a trade or business activity in the Free Zone has been granted to one or more of these Companies, the Regulations governing such License shall continue in effect for the surviving Company, subject to the Registrar's consent. An application for Consent under Regulation 68 shall be in such form and be accompanied by an application fee and such documents as the Registrar may determine.

69. Survival of Company on amalgamation of one or more Companies and one or more Foreign Companies

1. One or more Companies and one or more Foreign Companies may apply to the Registrar for consent to amalgamate and continue as a Company.
2. An application for consent under Regulation 69.1 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 Foreign Company has obtained all necessary authorisations required under the laws of the country in which it was incorporated to enable it to make the application.

70. Survival of Free Zone Company on amalgamation of one or more companies and one or more Free Zone Companies

1. One or more Foreign Companies and one or more Companies (together the Amalgamating Companies) may apply to the Registrar for consent to amalgamate and continue as a Foreign Company registered in the Free Zone (the Surviving Company) and the laws of the jurisdiction of incorporation of the Surviving Company shall apply.
2. An application for consent under Regulation 70.1 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:
   2.1. a certified copy of a resolution of the Shareholders of each Amalgamating Company;
   2.2. if so authorised by the Memorandum of Association of each Amalgamating Company, a certified copy of a resolution of the board of Directors of each Amalgamating Company approving the amalgamation.
   2.3. a declaration signed by an Officer of each Amalgamating Company declaring that there are reasonable grounds for believing that:
      (i) the Amalgamating Company is, and the Surviving Company will be, able to pay its liabilities as they become due;
      (ii) the realisable value of the Surviving Company's assets will not be less than the aggregate of its liabilities and issued capital;
(iii) either no creditor will be prejudiced by the amalgamation or adequate notice has been given to all known creditors of such Amalgamating Company and no creditor objects to the amalgamation otherwise than on grounds that are frivolous or vexatious; and

(iv) documentary proof, satisfactory to the Authority, that each Amalgamating Company which is a Foreign Company has obtained all necessary authorisations required under the laws of the country or jurisdiction in which it was incorporated to enable it to make the application.

71. **Registrar’s refusal to grant consent under Regulations 69, 69 or 70**

Where the Registrar refuses to grant its consent under Regulations 69, 69 or 70 it shall not be bound to assign any reason therefore, and its decision shall not be subject to appeal or review in any court.
Part 11: TAKEOVERS

72. Takeover offers

1. In this Part, "a takeover offer" means an offer to acquire all the shares in the Company (other than shares, which at the date of the offer are already held by the Offeror), being an offer on terms which are the same in relation to all the shares to which the offer relates.

2. In Regulation 72, "shares" means shares which have been allotted on the date of the offer but a takeover offer may include among the shares to which it relates all or any shares that are subsequently allotted before a date specified in or determined in accordance with the terms of the offer.

3. The terms offered in relation to any shares shall for the purposes of this Regulation be treated as being the same in relation to all the shares notwithstanding any variation permitted by Regulation 72.

4. A variation is permitted by this paragraph where:
   4.1. the Regulations of a country or territory outside the Free Zone precludes the acceptance of an offer in the form or any of the forms specified or precludes it except after compliance by the offeror with conditions with which he is unable to comply or which he regards as unduly onerous; and
   4.2. the variation is such that the persons by whom the acceptance of an offer in that form is precluded are able to accept an offer otherwise than in that form but of substantially equivalent value.

5. The reference in Regulation 72.1 to shares already held by the Offeror includes a reference to shares which he has contracted to acquire but that shall not be construed as including shares which are the subject of a contract binding the holder to accept the offer when it is made, being a contract entered into by the holder for nothing other than a promise by the Offeror to make the offer.

6. Where the terms of an offer make provision for their revision and for acceptances on the previous terms to be treated as acceptances on the revised terms, the revision shall not be regarded for the purposes of this Part as the making of a fresh offer and references in this Part to the date of the offer shall accordingly be construed as references to the date of which the original offer was made.

73. Right of Offeror to buy out minority Shareholders

1. If, the Offeror has by virtue of acceptances of the offer acquired or contracted to acquire not less than nine-tenths in value of the shares to which the offer relates he may give notice to the holder of any shares to which the offer relates which the Offeror has not acquired or contracted to acquire that he desires to acquire those shares.

2. No notice shall be given under Regulation 73.1 unless the Offeror has acquired or contracted to acquire the shares necessary to satisfy the minimum specified in that Regulation before the end of the period of four months beginning with the date of the offer; and no such notice shall be given after the end of the period of two months beginning with the date on which he has acquired or contracted to acquire shares which satisfy that minimum.

3. When the Offeror gives the first notice in relation to an offer he shall send a copy of it to the Target together with a declaration by him that the conditions for the giving of the notice are satisfied.

4. Where the Offeror is a body corporate (whether or not a Company within the meaning of these Regulations) the declaration shall be signed by a director.
5. Any person who fails to send a copy of a notice or a declaration as required by Regulation 73.3 or makes such a declaration for the purposes of that paragraph knowing it to be false or without having reasonable grounds for believing it to be true commits an offence.

6. If a person is charged with any offence for failing to send a copy of a notice as required by Regulation 73.3, it is a defense for him to prove that he took reasonable steps for securing compliance with that paragraph.

7. Where during the period within which a takeover offer can be accepted the Offeror acquires or contracts to acquire any of the shares to which the offer relates but otherwise than by virtue of acceptances of the offer, then if:

7.1. the value of that for which they are acquired or contracted to be acquired (the Acquisition Value) does not at that time exceed the value of that which is receivable by an acceptor under the terms of the offer; or

7.2. those terms are subsequently revised so that when the revision is announced the Acquisition Value, at the time mentioned above in sub-paragraph 7.1, no longer exceeds the value of that which is receivable by an acceptor under those terms,

the Offeror shall be treated for the purposes of this Regulation as having acquired or contracted to acquire those shares by virtue of acceptances of the offer; but in any other case those shares shall be treated as excluded from those to which the offer relates.

74. Effect of notice under Regulation 73

1. The following provisions shall, have effect where a notice is given in respect of any shares under Regulation 73.

2. The Offeror shall be entitled and bound to acquire those shares on the terms of the offer.

3. Where the terms of an offer are such as to give the holder of any shares a choice of payment for his shares the notice shall give particulars of the choice and state:

3.1. that the holder of the shares may within six weeks from the date of the notice indicate his choice by a written communication sent to the Offeror at an address specified in the notice; and

3.2. which payment specified in the offer is to be taken as applying in default of his indicating a choice as aforesaid,

and the terms of the offer mentioned in Regulation 74.2 shall be determined accordingly.

4. Regulation 74.3 applies whether or not any time-limit or other conditions applicable to the choice under the terms of the offer can still be complied with; and if the payment chosen by the holder of the shares:

4.1. is not cash and the Offeror is no longer able to make that payment; or

4.2. was to have been made by a third party who is no longer bound or able to make that payment, the payment shall be taken to consist of an amount of cash payable by the Offeror, which at the date of the notice is equivalent to the chosen payment.

5. At the end of six weeks from the date of the notice the offeror shall forthwith:

5.1. send a copy of the notice to the Target; and

5.2. make payment to the Target for the shares to which the notice relates.

6. The copy of the notice sent to the Target under sub-paragraph 5.1 of Regulation 74.5 shall be accompanied by an instrument of transfer executed on behalf of the Shareholder by a person appointed by the Offeror; and on receipt of that instrument the Target shall register the Offeror as the holder of those shares.
7. Where the payment referred to in sub-paragraph 5.1 of Regulation 74.5 is to be made in shares or securities to be allotted by the Offeror the reference in that paragraph to the making of payment shall be construed as a reference to the allotment of the shares or securities to the Target.

8. Any sum received by the Target under sub-paragraph 5.2 of Regulation 74.5 and any other payment received under that paragraph shall not be the property of the Target, but shall be held by the Target on behalf of the person entitled to the shares in respect of which the sum or other payment was received.

9. Any sum received by the Target under sub-paragraph 5.2 of Regulation 74.5 and any dividend or other sum accruing from any other payment received by the Target under that paragraph shall be paid into a separate bank account, bearing interest at an appropriate rate and can be withdrawn by such notice (if any) as is appropriate.

75. Right of minority Shareholder to be bought out by Offeror

1. If a takeover offer relates to all the shares in the Target and at any time before the end of the period within which the offer can be accepted:
   1.1. the Offeror has by virtue of acceptances of the offer acquired or contracted to acquire some (but not all) of the shares to which the offer relates; and
   1.2. those shares, with or without any other shares in the Target which he has acquired or contracted to acquire, amount to not less than nine-tenths in value of all the shares in the Target,
   the holder of any shares to which the offer relates who has not accepted the offer may by a written communication addressed to the Offeror require him to acquire those shares.

2. Within one month of the time specified in Regulation 75.1 the Offeror shall give any Shareholder who has not accepted the offer, notice of the rights that are exercisable by him under that Regulation; and if the notice is given before the end of the period mentioned in that Regulation it shall state that the offer is still open for acceptance.

3. A notice under Regulation 75.2 may specify a period for the exercise of the rights, conferred by this Regulation and in that event the rights shall not be exercisable after the end of that period; but no such period shall end less than three months after the end of the period within which the offer can be accepted.

4. Regulation 75.3 does not apply if the Offeror has given the Shareholder notice in respect of the shares in question under Regulation 73.

5. If the Offeror fails to comply with Regulation 75.3 and, if the Offeror is the Target, every Officer who is in default or to whose neglect the failure is attributable, commits an offence.

6. If an Offeror other than the Target is charged with an offence for failing to comply with Regulation 75.2, it is a defense for him to prove that he took all reasonable steps for securing compliance with that Regulation.

76. Effect of requirement under Regulation 75

1. The following provisions shall have effect where a Shareholder exercises his rights in respect of any shares under Regulation 75.

2. The Offeror shall be entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.
3. Where the terms of an offer are such as to give the holder of shares a choice of payment for his shares, the holder of the shares may indicate his choice requiring the Offeror to acquire them and the notice given to the holder under Regulation 75.2:

3.1. shall give particulars of the choice and of the rights conferred by this paragraph; and
3.2. may state which payment specified in the offer is to be taken as applying in default of his indicating a choice,

and the terms of the offer mentioned in Regulation 76.2 shall be determined accordingly.

4. Regulation 76.3 applies whether or not any time limit or other conditions applicable to the choice under the terms of the offer can still be complied with; and if the payment chosen by the holder of the shares:

4.1. is not cash and the Offeror is no longer able to make that payment; or
4.2. was to have been made by a third party who is no longer bound or able to make that payment, the payment shall be taken to consist of an amount of cash payable by the Offeror, which at the date when the holder of the shares requires the Offeror to acquire them is equivalent to the chosen payment.

77. Joint offers

1. A takeover offer may be made by two or more persons jointly and in that event this Part has effect with the following modifications.

2. The conditions for the exercise of the rights conferred by Regulations 73 and 75 shall be satisfied by the joint Offerors acquiring or contracting to acquire the necessary shares jointly (as respects acquisitions by virtue of acceptances of the offer) and either jointly or separately (in other cases); and, subject to the following provisions, the rights and obligations of the Offeror under those Regulations and Regulations 74 and 76 shall be respectively joint rights and joint and several obligations of the joint Offerors.

3. It shall be a sufficient compliance with any provision of those Regulations requiring or authorising a notice or other document to be given or sent by or to the joint Offerors that it is given or sent by or to any of them; but the declaration required by Regulation 73.3 shall be made by all of them and, in the case of a joint Offeror being a company, signed by a director of that company.

4. In Regulation 72, Regulation 74.7 and Regulation 78 references to the Offeror shall be construed as references to the joint Offerors or any of them.

5. In Regulation 74.6 references to the Offeror shall be construed as references to the joint Offerors or such of them as they may determine.

6. In Regulation sub-paragraph 4.1 of regulation 74.4 and sub-paragraph 4.1 of Regulation 76.4 references to the Offeror being no longer able to make the relevant payment shall be construed as references to none of the joint Offerors being able to do so.

78. Associates

1. The requirement of Regulation 72.1 that a takeover offer must extend to all the shares in the Target shall be regarded as satisfied notwithstanding that the offer does not extend to shares which associates of the Offeror hold or have contracted to acquire; but, subject to Regulation 78.2, shares
which any such associate holds or has contracted to acquire, whether at the time when the offer is made or subsequently, shall be disregarded for the purposes of any reference in this Part to the shares to which a takeover offer relates.

2. Where during the period within which a takeover offer can be accepted any associate of the Offeror acquires or contracts to acquire any of the shares to which the offer relates, then, if the condition specified in sub-paragraph 7.1 or 7.2 of Regulation 73.7 is satisfied as respects those shares they shall be treated for the purpose of that Regulation as shares to which the offer relates.

3. In Regulation 73.1, the reference to shares which the Offeror has acquired or contracted to acquire shall include a reference to shares which any associate of his has acquired or contracted to acquire.

4. In this Regulation, "associate", in relation to an Offeror means:
   4.1. a nominee of the Offeror;
   4.2. a holding company, subsidiary or fellow subsidiary of the Offeror or a nominee of such a holding company, subsidiary or fellow subsidiary; or
   4.3. a body corporate in which the offeror is substantially interested.

5. For the purposes of sub-paragraph 4.2 of Regulation 78.4, the company is a fellow subsidiary of another body corporate if both are subsidiaries of the same body corporate but neither is a subsidiary of the other.

6. For the purposes of sub-paragraph 4.3 of Regulation 78.4 an offeror has a substantial interest in a body corporate if -
   6.1. that body or its directors are accustomed to act in accordance with his directions or instructions; or
   6.2. he is entitled to exercise or control the exercise of one-third or more of the voting power at general meetings of that body.

7. Where the Offeror is an individual, his associates shall also include his spouse and any minor child or stepchild of his.
Part 12: WINDING UP

79. Modes of Winding Up

1. The winding up of the Company may either be:
   1.1. summary winding up under Chapter 1 of this Part;
   1.2. creditors winding up under Chapter 2 of this Part; or
   1.3. by the Court under the UAE Commercial Transactions Law No. 18 of 1993 (Volume 5, Bankruptcy and Preventive Composition) and other applicable legislation.
CHAPTER – 1: SUMMARY WINDING UP

80. Application of this Chapter

This chapter applies to the winding up of a Company which has no liabilities or which is able to discharge its liabilities in full within six months after the commencement of the winding up. Such a winding up is called a summary winding up.

81. Procedure

1. The Company may be wound up under this chapter by making a statement of solvency in accordance with Regulation 81.2:
   1.1. by passing, within 28 days after the statement has been signed by each of the Directors, a Special Resolution that the Company be wound up summarily; and
   1.2. by delivering to the Registrar, within 21 days after the Special Resolution has been passed, a copy of it together with the statement of solvency.
2. The statement of solvency shall be signed by each of the Directors and state that, having made full inquiry into the Company's affairs, each of them is satisfied:
   2.1. that the Company has no assets and no liabilities; or
   2.2. that the Company has assets and no liabilities; or
   2.3. that the Company will be able to discharge its liabilities in full within six months after the commencement of the winding up, as the case may be.

The statement of solvency should also be accompanied by the duly appointed liquidator's report on the matter.

82. Commencement of summary winding up

A summary winding up under which assets of the Company are to be distributed commences on the passing of the Special Resolution for summary winding up.

82A. Effect on status of Company

After the commencement of a summary winding up of the Company which has assets, the corporate state and capacity of the Company continue until the Company is dissolved but, from the commencement of the winding up, its powers shall be exercised only so far as may be required for the realisation of the assets of the Company, the discharge of any liabilities of the Company and the distribution of its assets in accordance with Regulation 84.

83. Appointment of liquidator

1. On or after the date of commencement of a summary winding up of the Company, the Shareholders must, by Special Resolution, appoint a person to be liquidator for the purposes of the winding up.
2. On the appointment of a liquidator, all the powers of the Directors cease except so far as the resolution appointing the liquidator or any subsequent resolution otherwise provides and, subject to any such resolution and to Regulation 84, all those powers shall thereafter be exercisable by the liquidator.

84. Application of assets and dissolution

1. On the registration by the Registrar of a statement delivered under Regulation 81 that the Company has no assets and no liabilities, the Company is dissolved.

2. On the registration by the Registrar of a statement so delivered under Regulation 81 that the Company has assets and no liabilities the Company shall forthwith proceed to distribute its assets among its Shareholders according to their rights or otherwise as provided by the Regulations.

3. On the registration by the Registrar of a statement so delivered that the Company will be able to discharge its liabilities in full within six months after the commencement of the winding up, the assets of the Company shall be applied in satisfaction of the Company's liabilities and, subject to that application, shall be distributed as aforesaid.

4. As soon as the Company has completed the distribution of its assets in accordance with Regulation 84.2 or 84.3 it shall deliver to the Registrar, a statement signed by a liquidator appointed under Regulation 83, that the liquidator, having made full inquiry into the Company's affairs, is satisfied that the Company has no assets and no liabilities and, upon the registration of the statement, the Company is dissolved.

85. Effect of insolvency

1. This Regulation applies where after the commencement of a summary winding up, the liquidator forms the opinion that the Company has liabilities which it will be unable to discharge in full within six months after the commencement of the winding up.

2. When that opinion is formed it shall be recorded in the minutes of a meeting of the liquidator.

3. The liquidator shall:
   3.1. by not less than 14 days' notice given by post, call a meeting of the creditors of the Company to be held within 28 days after that opinion was recorded;
   3.2. when that notice is given to the creditors, deliver a copy of it to the Registrar;
   3.3. not less than 10 days before the day for which the meeting is called, give notice of the meeting by advertisement in the newspaper prescribed by the Registrar;
   3.4. during the period before the creditors' meeting is held, furnish any creditor free of charge with such information concerning the affairs of the Company as he may reasonably request; and
   3.5. make out a statement as to the affairs of the Company and lay that statement before the creditors' meeting.

4. The statement as to the affairs of the Company shall be verified by affidavit by and the liquidator.

5. The liquidator shall preside at the creditors' meeting.

6. As from the day on which the creditors' meeting under this Regulation is held the winding up becomes a creditors' winding up and these Regulations have effect as if that meeting was the meeting of creditors mentioned in Regulation 92.

7. If the liquidator without reasonable excuse fails to comply with its obligations under this Regulation, or if the liquidator fails to comply with regulation 85.5, the liquidator commits an offence.
8. A director or liquidator who signs a statement delivered to the Registrar under Regulation 81 or 84 without having reasonable grounds for stating that the Company has no liabilities or that it will be able to discharge its liabilities in full within six months after the commencement of the winding up commits an offence.

86. Remuneration of liquidator

A liquidator appointed under Regulation 83 shall be entitled to receive from the Company such remuneration as is agreed between him and the Company before his appointment or as is subsequently approved by the Company in general meeting or by the court.

87. Cessation of office by of liquidator

A liquidator appointed under Regulation 83 may be removed from office by a Special Resolution and shall vacate office, if he ceases to be qualified to hold that office.

88. Termination of summary winding up

1. Where:
   1.1. the summary winding up of the Company has commenced;
   1.2. the Company has not received any contribution from any present or past Shareholders pursuant to Regulation 98;
   1.3. the Company has not for the purposes of the winding up distributed any of its assets among its Shareholders;
   1.4. the Company is able to discharge its liabilities as they fall due; and
   1.5. termination of the winding up has been approved by a Special Resolution of the Company, the documents described in Regulation 88.2 may be delivered to the Registrar and thereupon the winding up shall forthwith terminate.

2. The documents to be delivered to the Registrar pursuant to Regulation 88.1 are:
   2.1. A certificate signed by all the Directors stating that the Company:
       (i) has received no contribution from its Shareholders;
       (ii) has made no distribution of its assets; and
       (iii) is able to discharge its liabilities as they fall due; and
   2.2. a copy of the Special Resolution approving the termination of the winding up.

3. Upon the termination of a winding up pursuant to Regulation 88.1:
   3.1. any liquidator appointed for the purpose of the winding up shall cease to hold office; and
   3.2. the Company and all other persons shall be in the same position, subject to Regulation 88.4, as if the winding up had not commenced.

4. The termination of a winding up pursuant to Regulation 88.1 shall not affect the validity of anything duly done by any liquidator, Director or other person, or by operation of law, before its termination.
5. A Director who signs a certificate delivered to the registrar pursuant to Regulation 88.2 without having reasonable grounds for believing that the statements in it are true, commits an offence and may be liable to pay a fine in accordance with the Tariff.
CHAPTER – 2: CREDITORS WINDING UP

89. Procedure

1. The Company may be wound up under this Chapter by Special Resolution.

90. Notice of winding up

1. When the Shareholders have passed a Special Resolution for a creditors' winding up, the Company shall, within 14 days of the passing of the Special Resolution, give notice of the Special Resolution by advertisement in a newspaper prescribed by the Registrar.

2. In the event of failure to comply with this Regulation, the Company and every Officer who is in default commits an offence and may be liable to pay a fine in accordance with the Tariff.

91. Commencement and effects of creditors' winding up

1. A creditors' winding up is deemed to commence when the Special Resolution for winding up is passed or, where regulation 85 applies, when the winding up becomes a creditors' winding up; and the Company shall from the commencement of the winding up cease to carry on its business, except so far as may be required for its beneficial winding up.

2. The corporate state and capacity of the Company shall continue until the Company is dissolved.

3. A transfer of shares, not being a transfer made to or with the sanction of the liquidator, and an alteration in the status of the Shareholders made after the commencement of the winding up is void.

4. After the commencement of the winding up no action shall be taken or proceeded with against the Company except by leave of the court and subject to such terms as the court may impose.

92. Meeting of creditors in creditors' winding up

1. The Company shall:

   1.1. no less than 14 days before the day on which there is to be held the Shareholders' meeting at which the Special Resolution for a creditors' winding up is to be proposed provide notice by post to its creditors calling a meeting of creditors to be held on the same day as, and immediately following the conclusion of, the Shareholders' meeting and nominating a person to be liquidator for the purposes of a creditors' winding up;

   1.2. give notice of the creditors' meeting by advertisement in a newspaper prescribed by the Registrar not less than 10 days before the day for which that meeting has been called; and

   1.3. during the period before the creditors' meeting furnish creditors free of charge with such information concerning the Company's affairs as they may reasonably require.

2. The Directors shall:

   2.1. make out a statement as to the affairs of the Company, verified by affidavit by some or all of the Directors;
2.2. lay that statement before the creditors' meeting; and
2.3. appoint a Director to preside at that meeting, and the Director so appointed shall attend the meeting and preside over it.

3. If:
3.1. the Company without reasonable excuse fails to comply with Regulation 92.1;
3.2. the Directors without reasonable excuse fail to comply with Regulation 92.2; or
3.3. a Director without reasonable excuse fails to comply with Regulation 92.2, so far as requiring him to attend and preside at the creditors' meeting the Company; the Directors or the Director (as the case may be) commits an offence.

93. Appointment of liquidator

1. The creditors and the Shareholders at their respective meetings mentioned in Regulation 92 must nominate a person to be a liquidator for the purpose of the winding up.
2. Where a creditors' meeting is called in accordance with Regulation 85, the liquidator issuing the notice of such meeting, which had been nominated as the liquidator in the summary winding-up, shall be deemed, for the purposes of this Regulation, to have been nominated as aforesaid by the Shareholders.
3. The person nominated by the creditors, or if no person is nominated by the creditors, the person nominated, or deemed to have been nominated, by the Shareholders is appointed liquidator with effect from the conclusion of the creditors' meeting.
4. In the case of different persons being nominated, a Director, or a Shareholder or creditor of the Company may, within seven days after the date on which the nomination was made by the creditors, apply to the Registrar for an order either:
   4.1. directing that the person nominated as liquidator by the Shareholders shall be liquidator instead of or jointly with the person nominated by the creditors; or
   4.2. appointing some other person to be liquidator instead of the person nominated by the creditors.
5. A liquidator appointed under this Regulation shall within 14 days after his appointment give notice thereof signed by him to the Registrar and to the creditors.
6. A liquidator who fails to comply with Regulation 93.4 commits an offence.

94. Appointment or removal of liquidator by the Registrar

1. If for any reason there is, in a creditors' winding up, no liquidator acting, the Registrar may appoint a liquidator.
2. The Registrar may, on reason being given, remove a liquidator in a creditors' winding up and appoint another.

95. Appointment of liquidation committee

1. A creditors' meeting may appoint a liquidation committee consisting of not more than five persons to exercise the functions conferred on it by these Regulations.
2. If a committee is appointed, the Shareholders may, in a general meeting, by Special Resolution appoint such number of persons not exceeding five as they think fit to act as members of the committee.

3. The creditors may resolve that all or any of the persons so appointed by the members ought not to be Shareholder of the committee; and if the creditors so resolve:
   3.1. the persons mentioned in the Special Resolution are not then qualified to act as members of the committee; and
   3.2. on an application to the Registrar under this provision the Registrar may appoint other persons to act as such members in place of the persons mentioned in the Special Resolution.

96. **Remuneration of liquidator, cessation of Directors' powers, and vacancy in office of liquidator**

1. A liquidator in a creditors' winding up is entitled to receive such remuneration as is agreed between him and the liquidation committee or, if there is no committee, between him and the creditors.
2. On the appointment of a liquidator in a creditors' winding up, all the powers of the Directors cease, except so far as the liquidation committee (or, if there is no committee, the creditors) sanction their continuance.
3. The creditors may at any time remove a liquidator.
4. If a vacancy occurs, by death, resignation or otherwise, in the office of a liquidator (other than a liquidator appointed by the court) the creditors may fill the vacancy.

97. **No liquidator appointed**

1. This Regulation applies where a creditors' winding up has commenced but no liquidator has been appointed.
2. During the period before the appointment of a liquidator, the powers of the Directors shall not be exercised except:
   2.1. with the sanction of the court;
   2.2. to secure compliance with Regulation 92; or
   2.3. to protect the Company's assets.
3. If the Directors, without reasonable excuse, fail to comply with this Regulation, they are guilty of an offence.

98. **Costs of creditors' winding up**

All costs, charges and expenses properly incurred in a creditors' winding up, including the remuneration of the liquidator, are payable out of the Company's assets in priority to all other claims.
99. Arrangement when binding on creditors

1. An arrangement entered into between the Company immediately preceding the commencement of, or in the course of, a creditors' winding up and its creditors is (subject to the right of appeal under this Regulation) binding:
   1.1. on the Company, if sanctioned by a Special Resolution; and
   1.2. on the creditors, if acceded to by three-quarters in number and value of them.

2. A creditor or contributory may, within three weeks from the completion of the arrangement, appeal to the court against it; and the court may thereupon, as it thinks just, amend, vary or confirm the arrangement.

100. Meetings of Shareholders and creditors

1. If a creditors' winding up continues for more than 12 months, the liquidator shall call a general meeting of the Shareholders and a meeting of the creditors to be held at the first convenient date within three months after the end of the first 12 months from the commencement of the winding up, and of each succeeding 12 months, or such longer period as the Registrar may allow, and shall lay before the meetings an account of his acts and dealings and of the conduct of the winding up during the preceding 12 months.

2. If the liquidator fails to comply with this Regulation, he commits an offence.

101. Final meeting and dissolution

1. As soon as the affairs of the Company in a creditors' winding up are fully wound up, the liquidator shall make up an account of the winding up, showing how it has been conducted and the Company's property has been disposed of, and thereupon shall call a general meeting of the Shareholders and a meeting of the creditors for the purpose of laying the account before the meetings and giving an explanation of it.

2. Each such meeting shall be called by not less than 21 days' notice sent by post, accompanied by a copy of the liquidator's account.

3. Within seven days after the date of the meetings (or, if they are not held on the same date, after the date of the later one) the liquidator shall make a return to the Registrar of the holding of the meetings and of their dates.

4. If the copy is not delivered or the return is not made in accordance with Regulations 101.2, and 101.3, the liquidator commits an offence.

5. If a quorum is not present at either such meeting, the liquidator shall, in lieu of the return required by Regulation 101.3, deliver a return that the meeting was duly called and that no quorum was present; and when that return is made the provisions of Regulation 101.3 as to the making of the return are, in respect of that meeting, deemed complied with.

6. The Registrar on receiving the account and, in respect of each such meeting, either of the returns mentioned above, shall forthwith register them, and at the end of three months from the registration of the return, the Company is deemed to be dissolved; but the Registrar may, on the application of the liquidator or of another person who appears to the Registrar to be interested, make an order deferring the date at which the dissolution of the Company is to take effect for such time as the Registrar thinks fit.
7. If the liquidator fails to call a general meeting of the Shareholders or a meeting of the creditors as required by this Regulation he commits an offence.

102. Powers and duties of liquidator

1. The liquidator in a creditors' winding up may, with the sanction of the liquidation committee (or, if there is no such committee, a meeting of the creditors):
   1.1. pay a class of creditors in full;
   1.2. compromise any claim by or against the Company.
2. The liquidator may, without sanction, exercise any other power of the Company as may be required for its beneficial winding up.
3. The liquidator may:
   3.1. settle a list of contributories (and the list of contributories is prima facie evidence of the persons named in it to be contributories);
   3.2. make calls;
   3.3. summon general meetings of the Shareholders for the purpose of obtaining their sanction by resolution or for any other purpose he may think fit.
4. The liquidator shall pay the Company's debts and adjust the rights of the contributories among themselves.
5. The appointment or nomination of more than one person as liquidator shall declare whether any act is to be done by all or any one or more of them, and in default, any such act may be done by two or more of them.

103. Duty to co-operate with liquidator

1. In a creditors' winding up each of the persons mentioned in Regulation 103.2 shall:
   1.1. give the liquidator information concerning the Company and its promotion, formation, business, dealings, affairs or property which the liquidator may at any time after the commencement of the winding up reasonably require; and
   1.2. attend on the liquidator at reasonable times and on reasonable notice when requested to do so.
2. The persons referred to hereinafore in Regulation 103.1 are:
   2.1. those who are, or have at any time been, Officers;
   2.2. those who have taken part in the formation of the Company at any time within one year before the commencement of the winding up; and
   2.3. those who are in the employment of the Company, or have been in its employment within that year, and are in the liquidator's opinion capable of giving information which he requires.
3. If a person without reasonable excuse fails to comply with an obligation imposed by this Regulation, he commits an offence.

104. Distribution of the Company's property

1. Subject to the provisions of any enactment as to preferential payments, the Company's property shall on winding up be realised and applied in satisfaction of the Company's liabilities pari passu and,
subject to that application, shall (unless the Memorandum of Association or law otherwise provide) be distributed among the Shareholders according to their rights and interests in the Company.
105. Qualifications of liquidator

1. A person who is not an individual is not qualified to act as a liquidator.
2. The Registrar may prescribe the qualifications required for any person to act as a liquidator.
3. An appointment made in contravention of these Regulations is void.
4. A person who acts as liquidator when not qualified to do so commits an offence.
5. A liquidator shall vacate office if he ceases to be a person qualified to act as a liquidator.

106. Notification by liquidator of resignation

1. A liquidator who resigns, is removed or for any other reason vacates office shall within 14 days after the resignation, removal or vacation of office give notice thereof, signed by him, to the Registrar and in the case of a creditors' winding up (except where the removal is pursuant to Regulation 96.3) to the creditors.
2. If a liquidator fails to comply with Regulation 106.1 he commits an offence.

107. Notification that a Company is in liquidation

1. When the Company is being wound up, every invoice, order for goods or services, or business letter issued by or on behalf of the Company, or a liquidator of the Company, being a document on or in which the name of the Company appears, shall contain a statement that the Company is in liquidation.
2. In the event of failure to comply with this Regulation, the Company and every officer of it who is in default commits an offence.

108. Liability as contributories of present and past Shareholders

1. When the Company is wound up, every present and past Shareholder is liable to contribute to its assets to an amount sufficient for payment of its liabilities, and the expenses of the winding up, and for the adjustment of the rights of the contributories among themselves subject to the below provisions:
   1.1. a past Shareholder is not liable to contribute, if he has ceased to be a Shareholder for one year or more before the commencement of the winding up;
   1.2. a past Shareholder is not liable to contribute in respect of a liability of the Company contracted after he ceased to be a Shareholder;
   1.3. a past Shareholder is not liable to contribute unless it appears to the court that the existing Shareholders are unable to satisfy the contributions required to be made by them in pursuance of these Regulations;
   1.4. no contribution is required from a past or present Shareholder exceeding the amount (if any) unpaid on the shares in respect of which he is liable; and
1.5. a sum due to a Shareholder by way of dividends, profits or otherwise is not deemed to be a liability of the Company, payable to that Shareholder in a case of competition between himself and any other creditor nor other Shareholder, but any such sum may be taken into account for the purpose of the final adjustment of the rights of the contributories among themselves.

109. Disposal of records

1. When the Company has been wound up and is about to be dissolved, its records and those of a liquidator may be disposed of as follows:
   1.1 In the case of a summary winding up, in the way that the Shareholders by Special Resolution directs; and
   1.2 In the case of a creditors' winding up, in the way that the liquidation committee or, if there is no such committee, the Company's creditors, may direct.
   1.3 After 10 years from the Company's dissolution no responsibility rests on the Company, a liquidator, or a person to whom the custody of the records has been committed, by reason of any record not being forthcoming to a person claiming to be interested in it.
   1.4 The Registrar may direct that for such period as it thinks proper (but not exceeding 10 years from the Company's dissolution), the records of the Company which has been wound up shall not be destroyed.
   1.5 If a person acts in contravention of a direction made for the purposes of this Regulation, he commits an offence.

109A. Alternative remedy to winding-up in cases of oppressive or prejudicial conduct

1. Any Shareholder who complains that the affairs of the Company are being conducted or have been conducted in a manner oppressive or prejudicial to the interests of some part of the Shareholders, including himself, may make an application to the court by petition for an order under this Regulation 109A.

2. If on any such petition the court is of the opinion:
   2.1. that the Company's affairs are being conducted or have been conducted as aforesaid; and
   2.2. that to wind-up the Company would unfairly prejudice that part of the Shareholders, but otherwise the facts would justify the making of a winding-up order on the ground that it was just and equitable that the Company should be wound up, the court may, with a view to bringing to an end the matters complained of, make such order as it thinks fit, whether for regulating the conduct of the Company's affairs in the future, or for the purchase of the Shares of any Shareholders by other Shareholders or by the Company and, in the case of a purchase by the Company, for the reduction accordingly of the Company's capital, or otherwise.

3. Where an order under this Regulation 109A makes an alteration in or addition to any Memorandum of Association, then, notwithstanding anything in any other Regulation but subject to the provisions of the order, the Company concerned shall not have power without the leave of the court to make further alteration in or addition to the Memorandum of Association as so altered.
Part 13: INVESTIGATIONS

110. Appointment of inspectors by Registrar

1. The Registrar, on being satisfied that there is good reason to do so, may appoint one or more competent inspectors to investigate the affairs of the Company and to report on them as the Registrar may direct.
2. The appointment may be made on the application of the Registrar, the Company or a Shareholder, Officer, or creditor of the Company.
3. The Registrar may, before appointing inspectors, require the applicant, other than the Registrar, to give security, to an amount not exceeding AED 50,000 or such other sum as may be prescribed for payment of the costs of the investigation.
4. This Regulation applies whether or not the Company is being wound up.
5. The Registrar and any person acting on its behalf shall be exempt from the payment of any fee or charges for inspecting, or copying the register or any books or papers of a Company when lawfully entitled so to do.

111. Powers of inspectors

1. The Registrar may appoint inspectors under Regulation 110, if it thinks it necessary, to investigate the affairs of the Company or to investigate the affairs of another body corporate which is or at any relevant time has been the Company's subsidiary or holding company, or a subsidiary of its holding company or a holding company of its subsidiary. The inspectors shall report on the affairs of the other body corporate so far as they think that the results of their investigation of its affairs are relevant to the investigation of the affairs of the Company.
2. Inspectors so appointed, may at any time in the course of their investigation, make an interim report, to inform the Registrar of matters coming to their knowledge as a result of the investigation tending to show that an offence has been committed.

112. Production of records and evidence to inspectors

1. If inspectors appointed under Regulation 110 consider that any person is or may be in possession of information relating to a matter, which they believe to be relevant to the investigation, they may require him:
   1.1. to produce and make available to them all records in his custody or power relating to that matter;
   1.2. at reasonable times and on reasonable notice, to attend before them; and
   1.3. Otherwise to give them all assistance in connection with the investigation, which he is reasonably able to give, and it is that person's duty to comply with the requirement.
113. **Power of inspectors to call for directors' bank accounts**

1. If inspectors appointed under Regulation 110 have reasonable grounds for believing that a Director, or past Director, or other body corporate whose affairs they are investigating maintains or has maintained a bank account of any description, whether alone or jointly with another person, into or out of which there has been paid money which has been in any way connected with an act or omission, or series of acts or omissions, which constitutes misconduct (whether fraudulent or not) on the part of that Director towards the Company or other body corporate or its Shareholder, the inspectors may require the Director to produce and make available to them all records in the Director's possession or under his control relating to that bank account.

114. **Inspectors' reports**

1. The inspectors may, and if so directed by the Registrar shall, make interim reports to the Registrar and on the conclusion of their investigation shall make a final report to the Registrar.

2. The Registrar may:
   2.1. forward a copy of any report made by the inspectors to the Company's registered office; and
   2.2. Furnish a copy on request and on payment of the prescribed fee to any person whom the Registrar deems appropriate.

115. **Expenses of investigating the Company's affairs**

1. The expenses of and incidental to an investigation by inspectors shall be defrayed in the first instance by the Registrar, but the Registrar may in his absolute discretion order any person or body corporate to make repayment to the Registrar to the extent specified in his order.

116. **Appointment of inspectors by Dubai Court**

1. Any Shareholders or creditors or Officers may make an application to the Dubai Court by petition for an order to appoint one or more competent inspectors to investigate the affairs of a Company and to report on them as the Dubai Court may direct.

2. The Dubai Court may, before appointing inspectors, require the applicant to give security to an amount as may be prescribed for payment of the costs of the investigation.

3. This Regulation applies whether or not the Company is being wound up.

4. All Officers and agents of the company shall produce to the inspector all books and documents in their custody or power.

5. An inspector may examine the Officers and agents of the Company in relation to its business.

6. On the conclusion of the investigation, the inspector shall report his opinion to the Dubai Court, and a copy of the report shall be forwarded by the Dubai Court to the company and a further copy may in the Dubai Court's discretion, at the request of the applicants for the investigation, be delivered to them.

7. All expenses of and incidental to the investigation shall be defrayed by the applicants, unless the Dubai Court directs that they be paid by the Company.
Part 14: REGISTRAR

117. Registrar and other officers

1. There shall be appointed an officer known as the Registrar of companies and such other officers as may be necessary to assist the Registrar in the exercise of his functions under these Regulations.
2. Any functions of the Registrar under these Regulations may, to the extent authorised by him, be exercised by any officer on his staff.

118. Fees and forms

1. There shall be paid to the Registrar by the Company the fees referred to in the Tariff. The Authority may by order amend the amount of the fees from time to time.
2. The Registrar may by order require the payment to the Registrar of such fees as may be prescribed in respect of:
   2.1. the performance by the Registrar of such functions under these Regulations as may be specified in the order, including the receipt by him of any document under these Regulations which is required to be delivered to him; and
   2.2. The inspection of documents or other material held by him under these Regulations.
3. The Registrar may charge a fee for any services provided by him otherwise than in pursuance of an obligation imposed on him by these Regulations.
4. Where a fee is provided for or charged under this Regulation for the performance of an act or duty by the Registrar, no action need be taken by him until the fee is paid, and where the fee is payable on the receipt by him of a document required to be delivered to him he shall be deemed not to have received it until the fee is paid.
5. The Registrar may prescribe forms to be used for any of the purposes of these Regulations and the manner in which any document to be delivered to the Registrar is to be authenticated.
6. Unless otherwise provided by or under these Regulations, any document delivered to the Registrar by the Company pursuant to these Regulations shall be signed by an Officer.

119. Enforcement of Company's duty to make returns

1. If the Company, having failed to comply with a provision of these Regulations which requires it to deliver to the Registrar any document, or to give notice to him of any matter, does not make good the failure within 14 days after the service of a notice on the Company requiring it to do so, the Registrar may make an order directing the Company and any Officer to make good the failure within a time specified in the order.
2. The Registrar's order may provide that all costs of and incidental to the application shall be borne by the Company or by any Officers responsible for the failure.
3. Nothing in this Regulation prejudices the operation of any Regulation imposing penalties on the Company or its officers in respect of a failure mentioned above.
120. **Registrar may strike defunct Company/Branch off register**

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<td>1.</td>
<td>If the Registrar has reason to believe that the Company/Branch is not carrying on business or is not in operation, he may send a letter to the Company/Branch by post inquiring whether the Company/Branch is carrying on business or is in operation.</td>
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<td>2.</td>
<td>If the Registrar receives an answer to the effect that the Company/Branch is not carrying on business or is not in operation, or does not within one month after sending the letter receive an answer, he may send to the Company/Branch by post, a notice that at the end of three months from the date of that notice the name of the Company/Branch, unless reason is shown to the contrary, be struck off the register and the Company/Branch will be dissolved.</td>
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<td>3.</td>
<td>If, where the Company/Branch is being wound up in a creditors' winding up, the Registrar has reason to believe either that no liquidator is acting, or that the affairs of the Company/Branch are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six consecutive months, the Registrar shall send to the Company/Branch or the liquidator (if any) a notice similar to that provided for in Regulation 120.2.</td>
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<td>4.</td>
<td>At the end of the period mentioned in the notice the Registrar may, unless reason to the contrary is previously shown by the Company/Branch or a Shareholder, creditor or liquidator of it, strike its name off the register; and on the striking off the Company/Branch is dissolved; but the liability (if any) of every Director and Shareholder continues and may be enforced as if the Company/Branch had not been dissolved.</td>
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121. **Registrar may strike Company/Branch off register**

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<td>1.</td>
<td>Where it appears to the Registrar that:</td>
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<td>1.1. the Company is acting in breach of the Regulations; or</td>
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<td>1.2. it is necessary to protect the good repute of the Free Zone as a center for business activities,</td>
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<td>The Registrar may send to the Company/Branch a letter setting out the reasons for striking off the Company/Branch and requesting the Company/Branch to show reason why it should not be struck off.</td>
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<td>2.</td>
<td>If within one month after sending the letter the Registrar does not receive an answer, the Registrar may send to the Company/Branch by post, a notice that at the end of the three months from the date of the notice the Company/Branch will unless reason is shown to the contrary be struck off the register and the Company/Branch will be dissolved.</td>
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<td>3.</td>
<td>At the end of the period mentioned in the notice the Registrar may, unless reason to the contrary is previously shown by the Company/Branch or a Shareholder, creditor or liquidator of it, strike its name off the register, and on the striking off the Company/Branch is dissolved, but the liability (if any) of every Director and Shareholder of the Company/Branch continues and may be enforced as if the Company/Branch had not been dissolved.</td>
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<tr>
<td>4.</td>
<td>Where the Company/Branch has been dissolved under Regulations 120 or 121, the Registrar may, on an application made for the purpose by a liquidator of the Company or by any other person appearing to the Registrar to be interested, make an order, on such terms as the Registrar thinks fit, declaring the dissolution to be void and the Registrar may by the order give such directions and make such provisions as seem just for placing the Company/Branch and all other persons in the same position as if the Company/Branch had not been dissolved. Thereupon such proceedings may be taken which might have been taken if the Company/Branch had not been dissolved.</td>
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122. **Registrar may strike Company / Branch off register for non-payment of fees**

1. If the Company/Branch has failed to pay any fees required to be paid to the Registrar under Regulation 118 the Registrar may send to the Company/Branch a letter requiring the Company/Branch to make the required payment within 30 days failing which the name of the Company/Branch may be struck off the Register.

2. If the Company/Branch fails to pay the required fee due under Regulation 118 before the expiration of two months from the time specified in Regulation 122.1, the Registrar may strike the name of the Company/Branch off the Register.

3. The Company/Branch, the name of which has been struck off the register under Regulation 122.2, remains liable for all claims, debts, liabilities and obligations of the Company/Branch, and the striking off does not affect the liability of any of its Shareholder, Officers or agents.

4. If the name of the Company/Branch has been struck off the register under Regulation 122.2, the Company/Branch or a creditor, Shareholder or liquidator of the Company/Branch may, within two years following the date of the striking off, apply to the Registrar to have the name of the Company/Branch restored to the register and, upon payment of all fees due under Regulation 118 and any penalties imposed by the Registrar, the Registrar shall restore the name of the Company/Branch to the Register. Upon restoration of the name of the Company/Branch to the Register, the name of the Company/Branch is deemed never to have been struck off the Register.

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**Part 15: BRANCH OR REPRESENTATIVE OFFICE OF A FOREIGN COMPANY**

123. **Registration of Branch**

1. Subject to the provisions of any relevant licensing regulations issued by the Authority from time to time, a Foreign Company wishing to establish a Branch shall apply to the Registrar for prior approval to establish a Branch.

2. Subject to such other regulations issued by the Authority as may be adopted from time to time and to any waiver which the Registrar may exercise from time to time, an application for approval to establish a Branch shall be made to the Registrar in such form and manner as the Authority may require from time to time; and

3. be accompanied by the following documents, verified in such manner as the Registrar may require:
   
   3.1 a copy of the constitutional documents of the Foreign Company;
   
   3.2 a copy of the audited accounts of the Foreign Company for the preceding two years, save where the Foreign Company has been in existence for less than two years in which case a copy of the most recent audited accounts;
   
   3.3 a copy of a resolution of the board of directors of the Foreign Company to establish a Branch;
   
   3.4 a power of attorney from the Foreign Company in favour of the principal representative of the Branch;
   
   3.5 such other documents or information as the Registrar may in its absolute discretion require from time to time; and
   
   3.6 Be accompanied by such fees as may be prescribed from time to time by the Registrar.
124. **Grant or refusal of application to register a Branch**

1. The Registrar may on an application duly made in accordance with Regulation 123 after being provided with (or after having waived) all such information, documents and reports as required under that Regulation, grant or refuse the application.

2. Where the Registrar grants an application to the applicant under Regulation 124.1, it shall issue to the applicant a certificate of registration of the Branch and such certificate shall be admissible in evidence in proceedings under these Regulations without further proof and shall be prima facie evidence of the facts certified or specified therein.

3. Where the Registrar refuses to grant an application to establish a Branch it shall give written notice of that fact to the applicant but shall not be bound to provide any reason for its refusal.

125. **Prohibition of registration of Branch with undesirable name**

No Branch shall be registered with a name which in the opinion of the Registrar is undesirable.

126. **Principal Representatives**

1. Every branch shall appoint and maintain a principal representative in the Free Zone and shall give notice in writing to the Registrar of such particulars of its principal representative as the Registrar may determine.

2. If any particulars of a principal representative required by Regulation 126.1 to be notified to the Registrar are altered, the Branch shall give particulars of the alteration in writing to the Registrar.

127. **Register of Branch**

1. The Registrar shall keep a register of Branches in such form as it shall determine but which shall show the:

   (i) name of the Branch and, if different, the name of its parent company;

   (ii) the principal place in the Free Zone from which the Branch engages in or carries on any trade or business in the Free Zone and the address of its parent company;

   (iii) the date and place of incorporation of its parent company; and

   (iv) A copy of its certificate of registration.
128. **Records to be kept by Branch**

Every Branch shall keep at the principal place in the Free Zone from which it engages in or carries on any trade or business in the Free Zone such records of its acts and financial affairs as will show adequately the trade or business it is engaging in or carrying on or has engaged in or carried on in the Free Zone.

129. **Letterheads and service of process of Branch**

1. Every Branch shall have the following particulars on all letters sent from a place of business in the Free Zone in connection with its business:
   1.1. its full name as it appears on the License;
   1.2. the place of incorporation of its parent company; and
   1.3. The principal place and address in the Free Zone from which the Branch engages in or carries on any trade or business in the Free Zone.

2. For the purposes of these Regulations, any process or notice required to be served on a Foreign Company shall be sufficiently served if served on any person named in the list of persons delivered to the Registrar or if left at a place of business notified to the Registrar.

3. The principal place and address in the Free Zone from which the Branch engages in or carries on any trade or business in the Free Zone shall be deemed its domicile. The activities it practices shall be subject to the rules and regulations applicable in the Free Zone.
Part 16: GENERAL

130. Form of Company’s records

1. The records, which a Company is required to maintain under these Regulations, may be kept in the form of a bound or loose-leaf book, or may be entered or recorded by a system of mechanical or electronic data processing or any other information storage device that is capable of reproducing any required information in intelligible written form within a reasonable time.

2. A Company shall take reasonable precautions:

   2.1. to prevent loss or destruction of;
   2.2. to prevent falsification of entries in; and
   2.3. to facilitate detection and correction of inaccuracies in,

   The records required by these Regulations to be kept, and a Company, which fails to comply with the provisions of this paragraph commits an offence.

131. Examination of records and admissibility of evidence

If any record referred to in Regulation 130 is kept otherwise than in intelligible written form, any duty imposed on the Company by these Regulations to allow examination of, or to furnish extracts from, such record shall be treated as a duty to allow examination of, or to furnish a copy of the extract from, the record in intelligible written form.

132. Production and inspection of records where offence suspected

1. If, on an application by the Registrar, there is shown to be reasonable cause to believe that a person has, while an Officer, committed an offence in connection with the management of the Company’s affairs and that evidence of the commission of the offence is to be found in any records of or under the control of the Company, the Registrar may make an order:

   1.1 authorising a person named in it to inspect the records in question, or any of them, for the purpose of investigating and obtaining evidence of the offence; or
   1.2 Requiring an Officer named in the order to produce and make available the records (or any of them) to a person named in the order at a place so named.

2. Regulation 132 applies also in relation to records of a person carrying on business, so far as they relate to the Company’s affairs, as it applies to records of or under the control of the Company, except that no order referred to in sub-paragraph (1.2) of Regulation 132 shall be made by virtue of this paragraph.

3. The decision of the Registrar on an application under this Regulation is not appealable.
133. **Punishment of offences**

1. Ignorance of any provisions of these Regulations will not be an excuse for lack of compliance with the provisions.

2. Any offence committed under these Regulations shall be dealt with in accordance with the Tariff or as otherwise delivered by the Authority.

3. Where under or pursuant to these Regulations an officer of the company or other body corporate who is in default commits an offence, the expression ‘officer in default’ means any officer of the company or body corporate who knowingly and willfully authorises or permits the default, refusal or contravention mentioned in the Regulation.

4. Any fee or penalty payable under these Regulations that remains unpaid for 30 days immediately following the date on which demand for payment is made by the Legal Registrar is recoverable at the request of Authority before a Dubai Courts in civil proceedings as a debt due to the Authority notwithstanding the amount sought to be recovered.

134. **Rules and Implementing Regulations**

1. Without prejudice to the specific powers in certain Sections of these Regulations to prescribe matters or issue decisions or implementing regulations and notwithstanding the absence of such powers in certain other Sections of these Regulations, the authority may make Implementing Regulations from time to time to prescribe any matter to be prescribed under these Regulations or for the better carrying out of these Regulations including by amending or supplementing these Regulations and in particular the authority may make Implementing Regulations to fix or amend fees and fines for any function or offence performed under these Regulations.

2. These Regulations and any rules and/or Implementing Regulations made thereunder may be amended at any time by the Authority.
Part 17: SCHEDULE - FEES AND PENALTIES UNDER THESE REGULATIONS