

GUIDANCE NOTE – INCREASE IN SHARE CAPITAL WITH NEW SHAREHOLDER(S)

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

I. GENERAL

A. Concept

A DMCCA Company can apply for increase of its Share Capital and add new Shareholder(s) in one process.

B. Applicable Business Rules

- ❖ This process is only applicable to Companies, and is not applicable for Branches.
- ❖ A Company’s Licence must be valid at the time of submission of the application and until process is completed. The application will be put on hold if the Licence expires during the process.
- ❖ A Company, who has voluntarily suspended its Licence (dormant), is not allowed to apply for this amendment.
 - Any transfer of shares, not being a transfer made to or with the Sanction of the liquidator and any alteration in the status of the Company’s Shareholders made after the commencement of a voluntary winding-up, is void (Please see CR 2020, Reg. 103).
- ❖ There should not be any active Company sanction. Please see Schedule 1 for list of sanctions.
- ❖ A non- objection certificate (NOC) from competent regulatory authority is required in case the Company carries out a regulated activity.
- ❖ In case of minor Shareholders (below 18 years old), they shall be represented by the legal guardian.
- ❖ All new individual Shareholders, regardless of nationality, shall go through a security check.
- ❖ Rejection for security reasons may not be eligible for an appeal.
- ❖ During the process, the current value of each share may change.
- ❖ The current registered Share Capital of current Shareholder(s) maybe increased in the process but should not be decreased.
- ❖ The new shares to be issued can be of different types.
- ❖ The new issued shares can be paid in cash or in-kind (non-cash consideration)
- ❖ Each Shareholder can hold different types of shares and may choose different mode of payment for each share type.

II. APPLICATION PROCESS

To apply for this new service, a service request (**SR 102**) for Increase in Share Capital with New Shareholder will have to be raised by the Company through its portal account.

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

Process Owner	Action	Comments
	application.	<p>additional information or re-upload a document. In such cases, the client has to comply with the requirements to continue with the process.</p> <p>When additional requirements or information is provided, the client has to update the step in the SR.</p> <p>If Application is declined:</p> <ul style="list-style-type: none"> • In case application is declined, Knowledge and Innovation fee (AED20/-) will be non-refundable. Rest of the fees to be returned to the portal account of the Company. • SR will be closed at this stage. <p>If Approved</p> <ul style="list-style-type: none"> • Client will receive pre-approval notification and shall approach Client Service Centre to submit the original documents.

Process Owner	Action	Comments
DMCC Member Services Officer (MSO) - Client Service Centre	MSO to do the following: <ul style="list-style-type: none"> • Verify original documents. 	<ul style="list-style-type: none"> • If requirements are satisfied: <ul style="list-style-type: none"> - Accept all required documents. - Allow the relevant parties to sign the Resolutions (if client intends to have the Resolution signed in DMCC)
DMCC Officers	The relevant DMCC officer to: <ul style="list-style-type: none"> • Update the account of the Company. 	<ul style="list-style-type: none"> ➤ New Share Certificates will be generated. ➤ Bank Release Letter will be generated, only in case of cash injection. ➤ Notification of SR closure will be sent to the client together with Bank Release Letter (only in case of cash injection).

III. REQUIRED DOCUMENTS

Documents	Remarks
<p>Board Resolution of current corporate Shareholder for consenting to issuance of new shares and adding of new Shareholder.</p>	<ul style="list-style-type: none"> • Only applicable if one of the existing shareholders of the DMCC Company is a corporate Shareholder. Please disregard this requirement if this is not the case. . • The Board Resolution will be drafted to approve the issuance of new shares and the addition of new Shareholder to the DMCC Company. • To confirm the appointed representative and signatory for the process and sign documents relevant to the issuance of new shares and addition of new Shareholder such as resolution, share transfer form, Articles of Association, amendments, etc. • To be signed in DMCC by authorized signatory or Notarized and legalized by UAE Embassy of the place of issue of the document.
<p>Certificate of Incumbency (of current corporate shareholder)</p>	<ul style="list-style-type: none"> • Only applicable if the DMCC Company has a corporate Shareholder. Please disregard this requirement if this is not the case. • Certificate of Incumbency must be recently issued (not more than 1 year).Certificate of Incumbency must be notarized and legalized by UAE Embassy of the place of issue.
<p>Shareholders Resolution</p>	<ul style="list-style-type: none"> • Printed on the DMCC Company Letterhead and stamped. • To be signed in DMCC by all current and new Shareholders or their authorized representatives or notarized and legalized by UAE Embassy of the place of execution of the document.
<p>Power of Attorney</p>	<ul style="list-style-type: none"> • If applicable. Please disregard this requirement if there is no POA issued. • If issued in UAE, validity to be checked in the Dubai Court portal. • Notarized and legalized by UAE Embassy of the place of issue (if issued outside of UAE). • Original POA required to be presented for verification.
<p>Passport of the POA holder</p>	<ul style="list-style-type: none"> • If applicable. Please disregard this requirement if there is no POA issued. • Original passport required to be presented.

<p>Memorandum and Articles of Association (for all old DMCC Companies) or Articles of Association (for Companies registered under Company Regulations 2020)</p>	<ul style="list-style-type: none"> • All originals are required to be submitted to DMCC. • For old companies with MOA/AOA, Companies can choose to transition to a DMCCA Standard Articles or adopt its own Articles of Association.
<p>Share Certificates</p>	<ul style="list-style-type: none"> • Applicable only when original share certificates were issued to the shareholders. In such cases, Original is required. <i>Please disregard this requirement if e-share certificates were issued.</i> • Only the share certificate of the shareholders whose shares will be changed is required to be submitted. • The share certificate will be cancelled after the share transfer is completed.

Additional Document for Cash Injection

Document Name	Remarks
<p>Bank Confirmation Letter</p>	<ul style="list-style-type: none"> • Confirming deposit of the increased amount. • Original to be submitted at the MSO collection step.

Additional Document for Non-Cash Consideration or Payment “In kind”

Document	Remarks
<p>Auditor’s confirmation</p>	<ul style="list-style-type: none"> • Valuation of the non-cash consideration by a DMCC approved Auditor. • Confirming the conversion of the value of the non-cash consideration into the equivalent proposed increase in Share Capital of the DMCC Company.

Director's confirmation	<ul style="list-style-type: none"> • Determine the reasonable cash value of the consideration for the shares. • Confirm that the consideration for the shares is fair and reasonable to the Company and to all existing shareholders, and • Confirm that the present cash value of the consideration to be provided for the shares is not less than the value to be credited for the issue of the shares.
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Additional Documents in case of new Individual Shareholder

Documents of the new individual shareholder	Remarks
Passport and visa page (if applicable)	<ul style="list-style-type: none"> • Should be valid for at least 6 months. • Copy of valid UAE residence visa page (if applicable) • Original to be presented for verification or notarized copy is required.
Specimen Signature Form	<ul style="list-style-type: none"> • Filled-out and signed in DMCC or a notarized copy is required • POA holder cannot sign specimen signature.
KYC Form	<ul style="list-style-type: none"> • Filled-out comprehensively including business experience part and signed by the new shareholder. • POA cannot sign this form.
Proof of Address	<ul style="list-style-type: none"> • Any proof of billing, tenancy contract, etc. under the name of the new shareholder at the discretion of DMCC. • OR a proof of billing under the name of a relative/friend/landlord + an NOC confirming that the new officer lives on the address on the bill + passport copy of the bill holder with signature page • Dated recently (Not more than 6 months).

Additional Documents In case of new Corporate Shareholder

Documents of the new Corporate shareholder	Remarks
Board Resolution for subscription of shares	<ul style="list-style-type: none"> • The Board Resolution will be drafted to approve the subscription of shares in the DMCC Company. • To confirm the appointed representative and signatory for the process and sign documents relevant to the subscription of shares such as resolution, share transfer form, Articles of Association, amendments, etc. • To be signed in DMCC by authorized signatory or Notarized and legalized by UAE Embassy of the place of issue of the document.
Certificate of Incumbency	<ul style="list-style-type: none"> • Recently issued (Not more than 1 year). • Must be notarized and legalized by UAE Embassy of the place of issue.
Certificate of Registration	<ul style="list-style-type: none"> • A legal document issued by the Authority where the New Proposed Corporate Shareholder is registered. This confirms the registration details of the company i.e. date, company name, reg. no, etc.
Memorandum of Association (“MOE”)/Articles of Association (“AOA”)	<ul style="list-style-type: none"> • This confirm the constitution and by-laws of the company • Must be notarized
Ultimate Beneficial Ownership	<ul style="list-style-type: none"> • Filled up and signed by authorized signatory. • Declaring the ultimate beneficial owner (individual person) owning 25% of the company.

IV. APPLICABLE FEES

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

V. CANCELLATION OF AN APPLICATION

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