

**The Dubai Multi Commodities Centre
Authority**

DMCC COMPANY REGULATIONS

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DMCC Company Regulations

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SECTION 1

INTERPRETATION AND APPLICATION

1. Short Title and Commencement

1.1 These Regulations are to be referred to as the Dubai Multi Commodities Centre DMCC Company Regulations, 2003, as amended by DMCC Regulation No. 1 of 2007, DMCC Regulation No. 1 of 2009 and DMCC Regulation No. 1 of 2013 and as the same may be further amended from time to time.

2. Interpretation

2.1 In these Regulations unless the context otherwise requires:-

2.1.1 "AED" means the lawful currency of the U.A.E.;

2.1.2 "Annual general meeting" has the meaning given in Regulation 43.1;

2.1.3 "Arrangement" includes a reorganization of the share capital of a company by the consolidation of shares of different classes or by the division of shares into shares of different classes or by both these methods;

2.1.4 "Authority" means the Dubai Multi Commodities Centre Authority of the Emirate of Dubai and the relevant subdivision(s) thereof;

2.1.5 "Book and paper" includes minutes, financial statements, accounts, deeds, writings and documents;

2.1.6 "Branch" means the branch of a company or any other entity or Body formed outside the Centre pursuant to the laws and regulations applicable in its place of Incorporation and carrying on business through this branch inside the Centre;

2.1.7 "Articles of Association" means the Articles of Association of a company as originally passed or as lawfully amended from time to time;

2.1.8 "Commercial transactions law" means the UAE Law No. (18) of 1993 enacting the Commercial Transactions Law;

2.1.9 "Company" means a company to which these Regulations apply by virtue of Regulation 5;

2.1.10 "Debenture" includes debenture stock, bonds and any other securities of a company whether constituting a charge on the assets of the company or not;

2.1.11 "Director" includes an alternate director and any person occupying the position of director 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;

2.1.12 "Document" means information stored in any form of writing, code or visual depiction and the manner in which such information is stored is irrelevant for the purpose of deeming the information to constitute a "document" for the purpose of this definition and a "document" includes summons, notice, order or other legal process and registers;

2.1.13 "Electronic Record" means a record generated, communicated, received or stored by electronic, magnetic, optical or other means in an information system or for transmission from one information system to another;

2.1.14 "Electronic Signature" means any letters, characters, numbers or other symbols in digital form attached to or logically associated with an electronic record, and executed or adopted with the intention of authenticating or approving the electronic record;

2.1.15 "Financial Year" means, in respect of a company, each successive period of twelve months commencing immediately after the end of the previous financial year provided that:

(a) the first financial year of a company shall commence on the date of its incorporation and shall be for a period of not less than six months, nor more than eighteen months as determined by the company and as notified to the authority in the form prescribed within three months of the date of incorporation of the Company; and

(b) a company may, by notice to the authority in the form prescribed, specify a new financial year provided that in no case may the financial year of a company exceed eighteen months or be shorter than six months.

2.1.16 "Implementing regulations" 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;

2.1.17 "Inaugural meeting" means the meeting required to be held under Regulation 42;

2.1.18 "Law" means, unless otherwise specified, the applicable laws of the U.A.E. from time to time;

2.1.19 "Decision" means Decision which was issued on 1st May 2002 relating to the setting up of the Centre and the authority in the Emirate of Dubai;

2.1.20 "License" means a License issued pursuant to the licensing rules;

2.1.21 "Licensee" has the meaning given to it in the licensing rules;

2.1.22 "Licensing rules" means those rules promulgated by the authority in respect of any trade or business to be engaged in or carried on in the Centre;

2.1.23 "Shareholder" has the meaning given in Regulation 18;

2.1.24 "Memorandum" means the Memorandum of Association of a company, as originally delivered in writing to the authority or as lawfully altered from time to time;

2.1.25 "Officer" in relation to a body corporate includes director and if one has been appointed, the secretary;

2.1.26 "Ordinary Resolution" means a resolution passed by a simple majority of such shareholders as (being entitled to do so) vote in person or, where proxies are allowed, by proxy, at a general meeting of which notice specifying the intention to propose the resolution as an ordinary resolution has been duly given;

2.1.27 "Prescribed" means prescribed by the implementing regulations made under these Regulations;

2.1.28 "Register" means the register of companies maintained by the authority under Regulation 13.1 including the register of shareholders;

2.1.29 "Share" means a share in the issued share capital of a company;

2.1.30 "Special resolution" means a resolution passed by a majority of not less than three-fourths of such shareholders as (being entitled to do so) vote in person or, where proxies are allowed, by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given;

2.1.31 "U.A.E." means the Federal State of the United Arab Emirates;

2.1.32 "Centre" means the Dubai Multi Commodities Centre, established in the Emirate of Dubai pursuant to Decision which was issued in 1st May 2002 and as constituted from time to time;

2.1.33 "Company" means a company licensed by the authority to perform activities designated by its license and pursuant to the DMCCA Free Zone Rules and Regulations;

2.1.37 "Flexi Office" means real property established and leased by the authority to select Companies that the authority shall in its sole discretion, deem eligible for such Flexi Office, such Flexi Office being deemed by the authority to fulfill any/all

requirements under these Regulations, the licensing rules and/or the DMCCA Free Zone Rules and Regulations regarding registered offices and the occupation of office space by Companies.

2.2 For the avoidance of doubt the provisions of the commercial companies' law are specifically unapplied by way of any express provision contrary to such law in these Regulations.

2.3 Wherever in these Regulations an obligation or duty is placed on a company or a company is authorised to do any act, then unless it is otherwise provided such obligation, duty or act may be carried out by the directors of the company.

2.4 In these Regulations, unless the context otherwise requires, the singular number shall include the plural and vice versa and the masculine gender shall include the feminine and the neuter and vice versa.

2.5 The Regulation headings herein are included for convenience of reference only and shall be ignored in the construction or interpretation of these Regulations.

2.6 In these Regulations the expression "shareholder" includes members and the expression "member" includes shareholders.

2.7 References in these Regulations to time periods are to be construed in accordance with the Gregorian calendar.

2.8 References in these Regulations to any requirement for any document to be written, in writing, to be presented in writing or for the giving of any notice are to be construed as satisfied by an electronic record and any references in these Regulations to any requirement for a signature on any document or notice are to be construed as satisfied by an electronic signature which may be proved in any manner.

2.9 These Regulations have been executed in the English language. In the event of any discrepancy between the English version of these Regulations and or any other version this English version shall prevail.

3. Appointment of Legal Registrar and other officers

The authority may by implementing regulations appoint a Legal Registrar who shall be a public officer and shall have the powers and discharge the duties conferred or imposed upon him by such implementing regulations and such other officers as may be necessary to assist the Legal Registrar in the exercise of his functions under these Regulations.

Any functions of the Legal Registrar under these Regulations may, to the extent authorised by him, be exercised by any officer on his staff.

4. Application

4.1 These Regulations apply to:

4.1.1 all companies registered under it; and

4.1.2 any branch of any such company so far as any provision of these Regulations requires it to apply.

SECTION 2

INCORPORATION OF COMPANY

5. Mode of Forming a Company

5.1 Any one or more persons, by subscribing their names to a Memorandum and otherwise complying with the requirements of these Regulations, may apply to form a company with limited liability.

5.2 A company shall be considered formed only if and when its name is entered on the register.

5.3 Such a company shall be a company having the liability of its shareholders limited by the Memorandum to the amount, if any, unpaid on the shares held by them.

5.4 Each such company formed hereunder shall have UAE nationality, but this does not necessarily lead to the company being entitled to privileges reserved for UAE nationals.

6. Registration of Company

6.1 No company shall be registered without the consent of the authority which, subject to these Regulations shall be granted in its absolute discretion & no company shall be Carrying on Business at the Centre without a DMCC Authority License.

6.2 Subject to such other regulation of the authority as may be adopted from time to time and to any waiver which the authority may exercise from time to time, any application for consent under Regulation 6.1 shall:

6.2.1 be made to the authority in such form and manner as the authority may require from time to time; and

6.2.2 include details of the first directors and, if applicable, the company secretary; and

6.2.3 include the Memorandum and Articles of Associations of the company; and

6.2.4 include payment of the relevant registration fee as determined by the authority from time to time; and

6.2.5 include such other documents or information as the authority may in its absolute discretion require from time to time.

6.3 The authority may refuse to grant its consent for the registration of a company and where it does so refuse, it shall not be bound to provide any reason for its refusal and its decision shall not be subject to appeal or review in any court.

7. Requirements of Memorandum

7.1 The Memorandum of every company shall be in English or if written in any other language than the English, accompanied by a certified English translation and must state:-

7.1.1 the name of the company which in all cases shall be followed by the word "DMCC" as the last word of the name; and

7.1.2 that the liability of its shareholders is limited; and

7.1.3 the objects of the company set out with such degree of specificity as the authority may from time to time require; and

7.1.4 the names, addresses and nationalities of the persons who subscribe their names to the Memorandum; and

7.1.5 the period, if any, fixed for the duration of the company, or the event, if any, on the occurrence of which the company is to be dissolved; and

7.1.6 the amount of issued share capital with which the company proposes to be registered, which shall be in AED, and the division thereof into shares of a fixed amount; and

7.1.7 that the persons who subscribe their names to the Memorandum agree to take such number of shares of the company as may be allotted to them respectively by the provisional directors, not exceeding the number of shares for which they respectively subscribe, and that they agree to satisfy such calls as may be made on them by the directors, provisional directors or promoters in respect of the shares allotted to them.

7.2 The Memorandum of every company shall be signed by each subscriber in the presence of the Legal Registrar otherwise, it should be authenticated if not signed before the Legal Registrar.

7.3 A company may not alter the provisions of its Memorandum except in a manner provided in these Regulations.

8. Prohibition of Registration of Companies with Undesirable Names

8.1 No company shall be registered with a name which in the opinion of the authority is undesirable.

8.2 Without prejudice to the generality of Regulation 8.1 no company shall, except with the express approval of the authority, be permitted to be registered with a name which:-8.2.1 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 authority may require; or

8.2.2 contains words which in the opinion of the authority suggests or is likely to suggest the patronage of prominent local persons with no real connection, or connection with any government or authority whether in the Centre, the U.A.E. or elsewhere; or

8.2.3 contains the word "Dubai", "Emirates", "U.A.E.", "municipal" or "chartered"; or

8.2.4 any other name which the authority shall from time to time prescribe as "sensitive"; or

8.2.5 does not contain the word "DMCC"; or

8.2.6 the use of would constitute a violation of the laws of the U.A.E. from time to time applicable to intellectual property rights; or

8.2.7 specifies words or expressions for which approval is required from the authority for use by a licensee in the Centre .

8.3 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 authority 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 authority, change its name.

9. Change of Name of a Company

9.1 Subject to Regulations 8.1 and 8.2, a company may by special resolution change its name if the Legal Registrar has, on application, approved in writing, the proposed name. When a company has passed special resolution for a company's change of name , it shall ,within 14 days of the passing of special resolution & Legal Registrar

approval, give notice of the said resolution by advertisement in a newspaper prescribed by the Legal Registrar.

9.2 The Legal Registrar shall, on receipt of a certified copy of the special resolution and evidence of notice referred to in Regulation 9.1 together with such fees as may be prescribed:-

9.2.1 enter the new name on the register in place of the former name; and

9.2.2 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

9.2.3 issue a new certificate evidencing the change of name.

9.3 The change of name of a company shall not affect any rights or obligations of the company, or render defective any legal proceedings by or against it, and any legal 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.

9.4 Regulation 8.3 shall apply mutatis mutandis to any name adopted by a company under this Regulation 9.

10. Powers and Objects of a Company - Ultra Vires

10.1 No act of a company shall be invalid by reason only of the fact that the company was without capacity or power to perform the act.

11. Procedures for Alteration of Memorandum

11.1 A company may, by special resolution passed at a general meeting of shareholders of which due notice has been given, amend the provisions of its Memorandum but the amendment shall only take effect if and when the same has been accepted for registration by the Legal Registrar.

11.2 Regulation 6 shall apply to a company wishing to change its Memorandum as if the company were applying to be registered.

12. Articles of Association

12.1 The administration of every company shall be regulated by Articles of Association and a company may in its Articles of Association make provision for any matter including, but not limited to, the matters set out in Regulation 12.2.

12.2 A company's Articles of Association shall be in English or if written in any other language than the English, accompanied by a certified English translation and shall provide for:-

12.2.1 the transfer of shares and the registration of estate representatives of deceased shareholders; and

12.2.2 a general meeting of the company at least once in every calendar year; and

12.2.3 the keeping of its accounts and the laying of financial statements before general meetings of the company; and

12.2.4 an audit of the accounts of the company for each financial year by an auditor appointed by the general meeting; and

12.2.5 the duties of the secretary to the company; and

12.2.6 the number of shareholders required to constitute a quorum at any general meeting of the shareholders of the company; and

12.2.7 the appointment of a chairman for any general meetings.

12.3 In addition, a company may at the time of incorporation, or from time to time thereafter make Articles of Association if appropriate to regulate:-

12.3.1 the transfer of shares (subject to due compliance with the requirement of registration of any such transfers in accordance with these Regulations); and
12.3.2 the declaration and payment of dividends; and
12.3.3 the duties and responsibilities of its board of directors and of any other officers with special responsibilities or duties; and
12.3.4 the manner of appointment of alternate directors; and
12.3.5 the appointment, functions, duties, remuneration and removal of all agents, officers, and servants of the company, and the security, if any, to be given by them to the company; and
12.3.6 the date on which the annual meetings of the company shall be held; and
12.3.7 the calling of meetings of the company, and of the board of 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
12.3.8 the quorum at meetings of directors; and
12.3.9 the conduct in all other particulars of the affairs of the company, as well as for the application of its funds and profits.
12.4 The persons subscribing their names to the Memorandum of Association of a company shall likewise subscribe their names to the Articles of Association.
12.5 Subject to an express provision in the Articles of Association to the contrary and to Regulation 12.6, the directors of a company may after its incorporation amend the Articles of Association but any such amendment shall be submitted to a general meeting of the company and to the extent they are approved by a special resolution at such meeting, shall only then take effect if and when the same has been accepted for registration by the Legal Registrar.
12.6 Regulation 6 shall apply to a company wishing to change its Articles of Association as if the company was applying to be registered.

13. Registration and Re-registration of Companies.

13.1 The authority shall maintain a register of companies in such form as it may determine.
13.2 Where the authority consents to the registration of a company pursuant to Regulation 6.1 and has received or waived the documents under Regulation 6.2, the Legal Registrar may, if he is satisfied that the company will be in compliance with these Regulations, register the Memorandum and Articles of Association and shall then issue one or more certificates showing the name and date of incorporation of the company and any other items the authority may from time to time consider appropriate.
13.3 From the date of the registration of a company by the Legal Registrar the subscribers to the memorandum, together with such other persons as may from time to time become shareholders of the company, shall be a body corporate by the name contained in the memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession but with such liability on the part of the members to contribute to the assets of the company in the event of its being wound up limited as is mentioned in these Regulations.

14. Certificate of Registration to be Conclusive Evidence

14.1 No defect in the formalities leading up to the incorporation of a company shall affect the validity of its incorporation and the certificate of registration shall be conclusive evidence of the due incorporation of the company and the date of its incorporation.

15. Effect of Memorandum and Articles of Association.

15.1 Subject to these Regulations the Memorandum and the Articles of Association when registered shall bind the company and the shareholders thereof to the same extent as if they respectively had been signed by each shareholder and contained covenants on the part of each shareholder to observe all the provisions of the Memorandum and of the Articles of Association; and

15.2 All money payable by any shareholder to the company under the Memorandum or Articles of Association shall be a debt due from him to the company.

15.3 If any company fails to file a Memorandum & Articles of Association or its amendments in accordance with these regulations, it may be required to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

16. Alterations in Memorandum or Articles of Association Increasing Liability to Contribute to Issued Share Capital not to Bind Existing Shareholders without Consent.

16.1 Notwithstanding anything in the Memorandum or Articles of Association of a company, no shareholder of the company shall be bound by an alteration made in the Memorandum or Articles of Association after the date on which he became a shareholder, if and so far as the alteration requires that shareholder to take or subscribe for more shares than the number held by that shareholder at the date on which the alteration is made, or in any way increases the liability of such shareholder as at that date to contribute to the issued share capital of, or otherwise to pay money to, the company provided that this Regulation 16 shall not apply where the shareholder agrees in writing, either before or after the alteration is made, to be bound thereby.

17. Copies of Memorandum and Articles of Association to be given to shareholders

17.1 A company shall, on being so required by a shareholder, send such shareholder a copy including all alterations to the Memorandum or Articles of Association of the company subject to the payment by the shareholder of the cost thereof.

17.2 If a company defaults in complying with this Regulation 17.1, the company and every officer of the company may be required to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

18. Definition of Shareholder

18.1 The subscribers to the Memorandum of a company shall be deemed to have agreed to become shareholders of the company and on its registration with the authority shall be entered as shareholders in the register.

18.2 Every other person who agrees to become a shareholder of a company, and whose name is entered in its register of shareholders, shall be a shareholder of the company.

18.3 Companies shall be permitted to have a minimum of one (1) shareholder and a maximum of fifty (50) shareholders.

19. Form of Contracts

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

19.2 A contract made according to this Regulation shall be effectual in law and shall bind the company and its successors and all other parties thereto.

19.3 A contract made according to this Regulation may be varied or discharged in the same manner in which it is authorised by this Regulation to be made.

19.4 Where a contract purports to be made by a company or by a person as agent for a company, at a time when the company has not yet been formed, then subject to any agreement to the contrary, the contract shall have effect as a contract entered into by the person purporting to act for the company or as agent for it and such person shall be personally liable on the contract accordingly.

19.5 Any contract purported to be made in the manner set out in Regulation 19.4 may subsequently be unilaterally adopted by the company and the company shall thereupon become a party thereto to the same extent as if the contract had been made after the incorporation and in substitution for and discharge of the agent or person purporting to act on its behalf.

20. Bills of Exchange and Promissory Notes

20.1 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.

21. Execution of Instruments Abroad

21.1 A company may empower any person, either generally or in respect of any specified matters, as its agent, to execute documents, agreements, deeds or others similar on its behalf in any place whether within or outside the Centre.

21.2 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.

22. Authentication of Documents

22.1 A document or proceeding requiring authentication by a company may be signed by a director, secretary or other authorised officer of the company.

SECTION 3

SHARE CAPITAL, SHARE TRANSFER AND DIVIDENDS

23. Company Share Capital Requirements

23.1 The minimum issued share capital of a company shall be:

23.1.1 AED 50,000 per shareholder, subject to the exclusion set out in clause 23.1.2, or such other sum as the authority may specify from time to time

23.1.2 The authority reserves the right to specify different minimum issued share capital requirements for General Trading, Business Centre Leases, Insurance Companies, Hotel Licenses and/or any other licensed activities which the authority may decide to exclude from time to time.

23.2 The share capital of a company shall be confined to one class of shares with all shares being of equal value and holding the same rights as to voting, dividends, redemptions and distributions.

23.3 The Legal Registrar shall issue a company with a certificate 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 the following Regulation.

23.4 The undertaking must be in the form prescribed by the authority and be signed by the authorized signatory of the company and it must state that when requested to do so by the authority at any point in time, it 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 Company's MOA 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.

23.5 Unless the authority shall otherwise specifically approve, all capital of a company shall be subscribed in cash only.

24. Payment of Commissions

24.1 It shall be lawful for a company to pay reasonable commission (within any limits from time to time that may be established by the authority) to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company.

24.2 Except as permitted under Regulation 24.1, no company shall apply any of its shares or capital either directly or indirectly in payment of any commission, discount or allowance to any person in consideration of such person subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the company, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the company, whether the shares or capital be so applied by being added to the purchase money of any property acquired by the company, or the money be paid out of the nominal purchase money or contract price, or otherwise.

25. Issue at a Premium

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

26. Application of Premiums Received on Issue of Shares

26.1 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 26, 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.

26.2 The share premium account may, notwithstanding anything in Regulation 26.1 be applied by the company:-

26.2.1 in paying up un-issued shares of the company to be issued to shareholders of the company as fully paid bonus shares; or

26.2.2 in writing off:-

(a) the preliminary expenses of the company; or

(b) the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; or
26.2.3 in providing for the premiums payable on redemption of any shares or of any debentures of the company.

27. Power to Issue Shares

27.1 Subject to these Regulations and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as provided for in a company's Articles of Association.

28. Power of Company to Alter its Share Capital

28.1 Subject to provisions in these Regulations, a company, if authorised by an ordinary resolution and by its Articles of Association, may increase its issued share capital by issuing new shares of such amount as it thinks expedient.

28.2 A company may not without the consent of the Legal Registrar create a share capital denominated in a currency other than United Arab Emirates currency which is AED.

29. Reduction of Issued Share Capital

29.1 A company, if authorised by a special resolution may, subject to any order made by the authority under Regulation 6, and to its Memorandum and Articles 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:-

29.1.1 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

29.1.2 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.

29.2 No company shall reduce the amount of its issued share capital by virtue of Regulation 29.1 unless on the date from which the reduction is to have effect a letter addressed to the Legal Registrar shall be signed by all the directors of the company declaring either that on that date the company is solvent or that all the creditors of the company on that date have expressed in writing their concurrence in the reduction.

29.3 Where a company reduces the amount of its issued share capital then within fourteen days after the date from which the reduction has effect the company shall file a memorandum, with a copy of the letter referred to in Regulation 29.2 annexed thereto with the authority stating that this Regulation 29 has been duly complied with.

30. Nature and Transfer of Shares

30.1 Subject to such other regulations as may be made 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 Articles of Association of the company and subject only to the restrictions provided therein.

30.2 Notwithstanding anything in the Articles of Association of a company, 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 transferred have been registered by the Legal Registrar.

30.3 Nothing in this Regulation 30 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 law.

30.4 Subject to such other regulations as may be made by the authority, 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.

31. Transfer by Estate Representative

31.1 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.

32. Certificate to be Evidence of Title

32.1 A certificate of the company specifying any shares held by any shareholder, shall be prima facie evidence of the title of the shareholder to the shares.

33. Bearer Shares Prohibited

33.1 It shall not be lawful for any company to issue bearer shares.

34. Dividends and Other Distributions

34.1 A company shall not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:-

34.1.1 the company is, or would after the payment be, unable to pay its liabilities as they become due; or

34.1.2 the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its share capital and share premium accounts.

34.2 For the purposes of this Regulation, "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.

SECTION 4 MANAGEMENT AND ADMINISTRATION

35. Registered Office of a Company

35.1 A company shall at all times have a registered office in the Centre to which all communications and notices may be addressed. Where a Company has been deemed eligible for a Flexi Office then, notwithstanding any other provision in these Regulations, licensing rules and/or the DMCCA Free Zone Rules and Regulations, such Company shall be permitted to carry out those commercial activities as permitted under its license from the Flexi Office for an initial period of 12 (twelve) months and thereafter, for such further time period as the authority, in its sole discretion, may determine.

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

36. Service of Documents

36.1 A document served in relation to any matter under these Regulations may be served on a company by leaving it at the registered office of the company in the Centre.

37. Publication of Name and Registered Office of Company

37.1 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.

37.2 If default is made in complying with this Regulation 37 the company may be required to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

38. Restriction on Commencement of Business

38.1 No company or branch shall commence or carry on business unless licensed to do so by the authority.

38.2 If default is made in complying with this Regulation 38.1 the company may be required to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

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39. Power of the Legal Registrar to Rectify Register

39.1 If :-

39.1.1 the name of any person is, without sufficient cause, entered in or removed from the register of shareholders of a company maintained by the Legal Registrar; or

39.1.2 default is made or unnecessary delay takes place in entering on the register the fact of any person having ceased to be a shareholder,

39.1.3 any other error or mistake concerning a company is apparent on the register, the person aggrieved, or any shareholder of the company, may apply to the Legal Registrar for rectification of the register maintained by the Legal Registrar.

39.2 Where an application is made under this Regulation 39 the Legal Registrar may either refuse the application or may rectify the register.

39.3 On an application under this Regulation 39 the Legal Registrar may decide any question relating to the title of any person who is a party to the application to have his name entered in or removed from the register, whether the question arises between shareholder or alleged shareholders, or between shareholders or alleged shareholders on the one hand and the company on the other hand, and generally may decide any question necessary or expedient to be decided for rectification of the registers.

40. Register to be Evidence

40.1 The register shall be prima facie evidence of any matters by these Regulations directed or authorised to be inserted therein.

41. First Directors

41.1 The persons who are nominated as such in the Memorandum or Articles of Association of the company or in the absence thereof, in the official completed application forms for incorporation of the company with the authority shall be the first directors of the company.

41.2 Notwithstanding any provision herein, the minimum number of directors of a Company shall be a minimum of one (1) director and a maximum of six (6) directors.

42. Inaugural Meeting of shareholders to confirm election of Directors

42.1 Unless the Memorandum or Articles of Association of the company provide otherwise, the first directors shall convene the inaugural meeting which shall be a general meeting of the shareholders of the company for the purpose of confirming the identity of those who will serve as directors of the company.

42.2 At least five days' notice in writing of the inaugural meeting shall be given to each shareholder of the company unless the shareholders unanimously agree to waive such notice; the notice shall specify the place, date and hour at which the meeting is intended to be held and, shall state that at the meeting the shareholders present or represented by proxy will elect the new board of directors.

42.3 The procedure at a meeting called under this Regulation 42 shall be the same as that for an annual general meeting called under Regulation 43.

42.4 The quorum for a meeting called under this Regulation 42 shall be a majority of the members of the company, present in person or by proxy.

42.5 A meeting called under Regulation 42.1 shall be deemed to be the annual general meeting for the year in which it is convened.

43. General Meetings

43.1 A meeting of shareholders of a company shall be convened at least once in every calendar year; this meeting shall be referred to as the annual general meeting. The exception to this is 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.

43.2 The directors may, whenever they think fit, convene a general meeting; all meetings other than annual general meetings shall be called special general meetings.

43.3 Notice of all general meetings shall specify the place, the day and hour of the meeting and, in case of special general meetings, the general nature of the business to be considered.

43.4 The accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by any persons entitled to receive notice shall not invalidate the proceedings of the meeting.

44. Failure to hold Annual General Meeting or to Elect Directors

44.1 If default is made in calling or holding a general meeting in accordance with Regulation 43.1 the directors shall use their best endeavors to call or hold the meeting at the earliest practicable date.

44.2 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 Legal 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 Legal 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.

44.3 Subject to Regulation 44.2 if default is made in calling an annual general meeting in accordance with Regulation 43 or to elect the required number of directors at such meeting any creditors or shareholder of the company may, apply to the Court to order the winding-up of the company.

45. Position when Election of Directors does not Take Place

45.1 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.

46. Convening of Special General Meeting on Requisition

46.1 The directors of a company, notwithstanding anything in its Articles of Association, shall, on the requisition of shareholders of the company holding at the date of deposit of the requisition not less than 10% of such of the paid-up capital of the company which, as at the date of the deposit, carries the right of voting at general meetings of the company, forthwith proceed duly to convene a special general meeting of the company.

46.2 The requisition must state the purposes of the meeting, and must be signed by the requisitioners and deposited at the registered office of the company, and may consist of several documents in like form each signed by one or more requisitioners.

46.3 If the directors do not, within twenty-one days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitioners, or any of them representing more than 10% of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

46.4 A meeting convened under this Regulation 46 of the requisitioners shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by directors.

46.5 Any reasonable expenses incurred by the requisitioners by reason of the failure of the directors duly to convene a meeting shall be repaid to the requisitioners 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.

47. Length of Notice for Calling Meetings

47.1 An annual general meeting shall be called by not less than 21 days notice in writing and a special general meeting called for the passing of a special resolution shall be called by not less than 21 days notice in writing. All other special general meetings shall be called by not less than 14 days notice in writing. 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.

47.2 A meeting of a company shall, notwithstanding that it is called by shorter notice than that specified in Regulation 47.1 be deemed to have been duly called if it is so agreed:-

47.2.1 in the case of a meeting called as the annual general meeting, by all the shareholders entitled to attend and vote thereat; and

47.2.2 in the case of any other meeting, by a majority in number of the shareholders having a right to attend and vote at the meeting, being a majority together holding not less than 94% in nominal value of the shares giving a right to attend and vote at the meeting.

48. Telephonic, etc. Meeting

48.1 Unless the Articles of Association otherwise provide, a meeting of directors or of a committee of directors or of the shareholders or any class thereof 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.

49. Power of the Legal Registrar to Order Meeting

49.1 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 Articles of Association or these Regulations, the Legal Registrar on the application of any director of the company or of any shareholder of the company who would be entitled to vote at the meeting, order a meeting of the company to be called, held and conducted in such manner as the Legal Registrar thinks fit, and where any such order is made may give such ancillary or consequential directions as it thinks expedient.

49.2 Any meeting called, held and conducted in accordance with an order under Regulation 49.1 shall for all purposes be deemed to be a meeting of the company, duly called, held and conducted.

50. Voting at Meetings

50.1 Subject to the provisions of this Regulation 50, the Articles of Association of the company and to any rights or restrictions lawfully attached to any different classes of shares if any, at any general meeting each shareholder of the company shall be entitled to one vote for each share held by him; such votes may be given in person or by proxy.

50.2 Unless otherwise specified in these Regulations, at any general meeting of a company any question proposed for consideration shall be decided on a simple majority of votes or by such majority as the Articles of Association of the company may prescribe, and such majority shall be ascertained in accordance with this Regulation 50.

50.3 Subject to Regulation 50.5, 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, and subject to any rights or restrictions for the time being lawfully attached to any different classes of shares if any, 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.

50.4 At any general meeting of a company a declaration by the chairman that a question proposed for consideration has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in a book containing the minutes of the proceedings of the company shall, subject to Regulation 50.5, be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour or against such question.

50.5 Notwithstanding Regulation 50.3, at any general meeting of a company, it shall be lawful, in respect of any question proposed for the consideration of the members, whether before or on the declaration of the result of a show of hands as provided for in Regulation 50.3 for a poll to be demanded by any of the following persons:-

50.5.1 the chairman of such meetings; or

50.5.2 at least two shareholders present in person, or represented by proxy and entitled to vote; or

50.5.3 any shareholders present in person or represented by proxy and holding between them not less than 10% of the total voting rights of all the shareholders having the right to vote at such meeting.

50.6 Where, in accordance with Regulation 50.5, a poll is demanded, and subject to any rights or restrictions for the time being lawfully attached to any different classes of shares if any, every shareholder present in person or by proxy at such meetings 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 Articles 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.

50.7 A poll demanded, in accordance with Regulation 50.5, for the purpose of electing a chairman, or on a question of adjournment, shall be taken forthwith and a poll demanded on any other question shall be taken at such time at such meeting as the chairman may direct.

50.8 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 Articles of Association of the company otherwise provide, be entitled to a second or casting vote.

50.9 Nothing contained in this Regulation 50 shall be construed as prohibiting a member 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 or at a class meeting.

51. Resolution in Writing

51.1 Subject to Regulation 51.4, anything which may be done by resolution of a company in general meeting may, without a meeting and without any previous notice being required, be done by resolution in writing signed by, or in the case of a shareholder that a corporation whether or not a company within the meaning of these Regulations, on behalf of, all the shareholders of the company who at the date of the resolution would be entitled to attend the meeting and vote on the resolution.

51.2 A resolution in writing may be signed by, or, in the case of a shareholder that is a corporation whether or not a company within the meaning of these Regulations, on behalf of, all the shareholders of a company, in as many counterparts as may be necessary.

51.3 A resolution in writing made in accordance with this Regulation 51 is as valid as if it had been passed by the company in general meeting or by a meeting of the relevant class of members of the company, as the case may be and any reference in any enactment to a meeting at which a resolution is passed or to members voting in favour of a resolution shall be construed accordingly.

51.4 Regulations 51.1 to 51.3 shall not apply to:

51.4.1 a resolution passed pursuant to Regulation 62.3; or

51.4.2 a resolution passed for the purpose of removing a director before the expiration of his term of office under Regulation 69.

51.5 A resolution in writing signed by all the directors entitled to receive notice of a meeting of the directors or signed by all shareholders of a committee of directors entitled to receive notice of a meeting of a committee is as valid as if it had been passed at a meeting of directors or, as the case may be, Legal Registrar duly called and constituted and any reference in any enactment to a meeting at which a resolution is passed or to directors or a committee of directors voting in favour of a resolution shall be construed accordingly. Such resolution may be in as many counterparts as are necessary.

51.6 For the purposes of this Regulation 51, the date of the resolution is the date when the resolution is signed by, or on behalf of, the last, as the case may be, director to sign and any reference in any enactment to the date of passing of a resolution is, in relation to a resolution made in accordance with this Regulation 51, a reference to such date.

51.7 A resolution in writing made in accordance with this Regulation 51 shall constitute minutes for the purposes of Regulations 55 and 56.

52. Representation of Corporation at Meetings

52.1 A corporation, whether a company within the meaning of these Regulations or not, may:-

52.1.1 if it is a member of another corporation, being a company within the meaning of these Regulations, authorise such person as it thinks fit to act as its representative at any meeting of the company or at any meeting, of any class of shareholders of the company; and

52.1.2 if it is a creditor (including a holder of debentures) of another corporation, being a company within the meaning of these Regulations, 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.

52.2 A person authorised as aforesaid shall be entitled to exercise the same powers on behalf of the corporation which it represents as that corporation could exercise if it were an individual shareholder, creditor or holder of debentures of that other company.

53. Circulation of Shareholders Resolution, etc.

53.1 Subject to this Regulation 53 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 requisitioners unless the company otherwise resolves:-

53.1.1 to give to shareholders of the company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

53.1.2 to circulate to 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.

53.2 The number of shareholders necessary for a requisition under Regulation 53.1 shall be:-

53.2.1 either 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; or

53.2.2 not less than 5 shareholders.

53.3 Notice of any such intended resolution shall be given, and any such statement shall be circulated, to shareholders of the company entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other shareholders of the company by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the company: provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

54. Conditions to be met before Company bound to give Notice of Resolution

54.1 A company shall not be bound under Regulation 53 to give notice of any resolution or to circulate any statement unless :-

54.1.1 a copy of the requisition signed by the requisitioners, or two or more copies which between them containing the signatures of all the requisitioners, is deposited at the registered office of the company :-

(a) requiring notice of a resolution, not less than 21 days before the meeting; and
(b) in the case of any other requisition, not less than one week before the meeting;
and

(c) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the company's expenses in giving effect thereto,
provided that if, 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 21 days or less after the copy has been deposited.

55. Minutes of Proceedings to be kept

55.1 Every company shall cause minutes of all proceedings of general meetings and of all proceedings of meetings of its directors to be entered in books kept for that purpose and such minutes shall be signed by the person presiding over the proceedings.

55.2 Minutes prepared in accordance with Regulation 55.1 shall be kept by the secretary or other officer of the company at the registered office of the company and shall be evidence of the proceedings and until the contrary is proved, the proceedings shall be deemed to have been duly held and convened and the business conducted thereat shall be deemed to be valid.

55.3 If default is made in complying with this Regulation 55.1 the company may be required to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

56. Inspection of Minute Books

56.1 Minutes of general meetings of a company shall be open for inspection by any director of the company without charge for not less than two hours during business hours each day, subject to such reasonable restrictions as the company may impose.

56.2 Any shareholder or director shall be entitled to be furnished, within seven days after it has made a request to the company, with a copy of any such minutes on the payment of a reasonable charge sufficient to meet the company's expenses in giving effect thereto.

56.3 In the case of any such refusal or default, the competent court may by order, compel an immediate inspection of the minutes or direct that the copies required shall be sent to the persons properly requiring them.

57. Keeping of Books of Account

57.1 Every company shall cause to be kept proper records of account with respect to :-

57.1.1 all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; and

57.1.2 all sales and purchases of goods by the company; and

57.1.3 the assets and liabilities of the company.

57.2 The records of account shall be kept at the registered office of the company and shall at all times be open to inspection by the directors.

57.3 In the case of records of account not being made available for inspection by a director the authority may by order compel immediate inspection of such records.

57.4 If a company fails to comply with this Regulation 57 the company may be required to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations. .

58. Duty to Prepare Company Accounts

58.1 The directors of every company shall prepare for each financial year of the company:

58.1.1 a balance sheet as at the last day of the year; and

58.1.2 a profit and loss account in the form prescribed in the company's Article of Association . Such annual company accounts will form part of the company's financial statements.

58.2 In those instances where a company wishes to amend the structure of its financial year, such changes must be effected via an amendment to the Company's Articles of Association as provided for under these Regulations.

58.3 In the case of a failure to comply with this Regulation 58 every person who was a director of the company immediately before the end of the period for delivery 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 Fines Tariff set out in the Free Zone Rules and Regulations. .

59. Financial Statements to be Laid Before General Meeting

59.1 The directors of every company shall, for each financial year, lay before the company in general meeting:-

59.1.1 financial statements for such period which shall include:-

a) a statement of the results of operations for such period (i.e. a profit and loss account); and

b) a statement of retained earnings or deficit; and

c) a balance sheet at the end of such period; and

d) a statement of changes in financial position for such period; and

e) notes to the financial statements and the notes thereto shall be in accordance with Regulation 59.2; and

f) such further information as required by these Regulations, any appropriate implementing regulations and the company's own Memorandum and Articles of Association; and

59.1.2 the report of the auditors as set out in Regulation 63.2 in respect of the financial statements described in Regulation 59.1.1

59.2 The notes mentioned in Regulation 59.1.1(e) shall include a description of the

generally accepted accounting principles used in the preparation of the financial statements, which principles shall be such accepted accounting principles as may be appointed by the authority under Regulation 59.5 and where the generally accepted accounting principles used are other than those of the Centre, the notes shall identify the generally accepted accounting principles so used.

59.3 Financial statements shall, before being laid before a general meeting of a company, be signed on the balance sheet page by two of the directors of the company.

59.4 Notwithstanding Regulation 59.1 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 days or such longer period as the shareholders may agree.

59.5 The authority may appoint generally accepted accounting principles promulgated by an accounting standard setting body which may be either International Accounting Standards (IAS), or such other standards as the authority may determine from time to time.

60. Right to Receive Copies of Financial Statements, including Balance Sheet, etc.

60.1 A copy of the financial statements of a company, including every document required by these Regulations or the Articles of Association of the company shall be made available to every shareholder of the company and, if such financial statements and other documents are not sent to each shareholder seven days before the general meeting, any shareholder may move a resolution at the general meeting that it be adjourned for seven days provided that this Regulation 60.1 shall not require the making available of the financial statements and other documents to:-

60.1.1 any person not entitled to receive notices of general meetings; and

60.1.2 more than one of the joint holders of any shares; and

60.1.3 any person whose address is not known to the company.

61. Power to Waive Laying of Accounts and Appointment of Auditor

61.1 Notwithstanding Regulation 12.2.3 and Regulation 12.2.4, if all shareholders of a company agree that in respect of a particular financial year or other interval no financial statements or auditor's report thereon need be laid before a general meeting or that no auditor shall be appointed to the close of the next annual general meeting then there shall, subject to any requirement to the contrary under the licensing regulations, be no obligation to lay financial statements for such period or to appoint an auditor until the close of the next annual general meeting, as the case may be.

61.2 For the purposes of Regulation 61.1 all the shareholders of a company shall be deemed to have agreed at a general meeting if either:-

61.2.1 all the shareholders are present in person at the meeting and agree; or

61.2.2 if some of the shareholders are not present in person at the meeting then the shareholders present in person at the meeting agree and there are produced at the meeting statements in writing signed by the shareholders not present in person stating that they agree.

62. Appointment of Auditor

62.1 The shareholders of a company at the inaugural meeting shall appoint one or more auditors to hold office until the close of the next annual general meeting, and, if the shareholders fail to do so, the directors shall forthwith make such appointment or appointments.

62.2 The shareholders of a company at each annual general meeting shall appoint 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.

62.3 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 a majority of the votes cast at that meeting appoint another auditor in its stead for the remainder of its term.

62.4 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, and the remuneration of an auditor appointed by the directors shall be fixed by the directors.

62.5 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.

63. Audit

63.1 The auditor shall audit any financial statements to be laid pursuant to Regulation 59 as will enable the auditor to report to shareholders.

63.2 Based on the results of the audit under Regulation 63.1 which audit shall be made in accordance with generally accepted auditing standards as defined in Regulation 63.3, the auditor shall make a report to the shareholders.

63.3 The generally accepted auditing standards referred to in Regulation 63.2 may be those of the Centre, a country or jurisdiction other than the Centre or such other generally accepted auditing standards as may be appointed by the authority for the purpose of this Regulation 63.3 and where the generally accepted auditing standards used are other than those of the Centre, 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.

63.4 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:-

63.4.1 the company who engaged the auditor to perform such function; or

63.4.2 any other person expressly authorised by the auditor to rely on his work.

64. Election of Directors

64.1 The affairs of the company shall be managed by one or more directors who shall be individuals elected in the first place by ordinary resolution at the inaugural meeting and thereafter by ordinary resolution at each annual general meeting of the company.

64.2 A general meeting of a company may by ordinary resolution authorise the directors of the company to elect or appoint on their behalf an individual or individuals to act as directors up to a maximum determined by the members by

ordinary resolution in a general meeting to those elected at the general meeting, but which shall not be more than four.

64.3 Any individual may be appointed as an alternate director by or in accordance with an ordinary resolution of the shareholders or by a director in such manner as may be provided in the Articles 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.

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.

64.4 So long as a quorum of directors remains in office, unless the Articles of Association of a company otherwise provide, 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 at a general meeting of shareholders.

65. Representation of Director by Another Director

65.1 Subject to any express provision to the contrary in the Articles of Association of the company, a director of the company may appoint another director of the company to represent him and to vote on his behalf at any meeting of the directors of the company provided that a director so appointed:-

65.1.1 shall not be entitled to vote at any such meeting on behalf of the director who appointed him if the director who appointed him is himself present at that meeting; and

65.1.2 may, subject to Regulation 65.1.1 vote at any such meeting on his own behalf as well as on behalf of the director who appointed him.

65.2 An appointment made under Regulation 65.1:-

65.2.1 shall not have effect unless notice thereof is given in writing to the secretary of the company by the director making the appointment; and

65.2.2 may be either general or in respect of a particular meeting or meetings specified in the notice of appointment; and

65.2.3 may be revoked at any time by notice in writing given to the secretary of the company by the director making the appointment.

66. Directors Entitled to Receive Notice of Meetings, etc.

66.1 The directors of a company shall upon written request deposited at the registered office of the company be entitled to receive notice of, and to attend and be heard at, any or all general meetings.

66.2 Notwithstanding Regulation 48 (length of notice for calling meetings) a notice given under Regulation 66.1 shall be valid if in all the circumstances, such notice is Reasonable.

67. Appointment of Secretary

67.1 The directors of a company may appoint a secretary to the company who may also be a director of the company and who shall hold office in accordance with the Articles of Association.

67.2 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 specially in that regard by the directors.

68. Register of Directors and Officers

68.1 Every company shall keep at its registered office a register of directors and officers and the register shall, with respect to the particulars to be contained in it of those persons, comply with Regulation 68.4.

68.2 The company shall, within the period of fourteen days from the occurrence of:-

68.2.1 any change among its directors or in its officers; or

68.2.2 any change in the particulars contained in the register, enter on its register the particulars of the change.

68.3 The register shall, during the business hours (subject to such reasonable restrictions as the company may impose, so that not less than two hours in each day be allowed for inspection), be open for inspection by shareholders and directors.

68.4 In the case of a refusal or default, the Legal Registrar may, by order, compel an immediate inspection of the register.

68.5 The register shall contain the following particulars with respect to each director and officer:-

68.5.1 in the case of an individual, his first name, surname and address; and

68.5.2 in the case of a company, its name and registered office.

68.6 Each company shall file with the Legal Registrar, in a manner to be prescribed by the Legal Registrar, details of any change in the persons or the particulars of the persons who are directors and officers of the company within fourteen days of such change taking place.

69. Removal of Directors

69.1 Subject to its Articles of Association, the shareholders of a company may, at a special general meeting called for that purpose, remove by ordinary resolution a director, provided that notice of any such meeting shall be served on the director concerned not less than fourteen days before the meeting and such director shall be entitled to be heard at such meeting and provided further that nothing in this Regulation 69 shall have effect to deprive any person of any compensation or damages which may be payable to him in respect of the termination of his appointment as a director or of any other appointment with the company.

69.2 A vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director in his place or in the absence of any such election by the other directors.

70. Un-discharged Bankrupt not to take part in Management of a Company

70.1 No un-discharged bankrupt in any country may act as director of, or directly or indirectly take part in or be concerned in the management of, any company except with the leave of the Legal Registrar.

71. Prohibition of Loans to Directors without Consent of Shareholders.

71.1 Without the consent of any shareholders holding in the aggregate not less than 89% of the total voting rights of all the shareholders having the right to vote at any meeting of the shareholders it shall not be lawful for a company to make a loan to any person who is its director or a director of its holding company, or to enter into any guarantee and/or indemnity or provide any security in connection with a loan made to such person as aforesaid by any other person provided that nothing in this Regulation 71 shall apply either:-

71.1.1 subject to Regulation 71.2 to anything done to provide any such person as aforesaid with funds to meet expenditure incurred or to be incurred by him for the purposes of the company or for the purpose of enabling him properly to perform his duties as an officer of the company; and

71.1.2 in the case of a company whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the company in the ordinary course of that business.

71.2 The proviso stated at Regulation 71.1 shall not authorise the making of any loan, or quasi-loan or the entering into any guarantee and/or indemnity or credit transaction, or the provision of any security, except either:-

71.2.1 with the prior approval of the company given at a general meeting at which the purposes of the expenditure and the amount of the loan or quasi loan or the extent of the guarantee and/or indemnity, credit transaction or security, as the case may be, are disclosed; or

71.2.2 on condition that, if the approval of the company is not given as aforesaid at or before the next following annual general meeting, the loan shall be repaid or the liability under the guarantee and/or indemnity, credit transaction or security shall be discharged, as the case may be, within six months from the conclusion of that meeting.

71.3 Where the approval of the company is not given as required by any such condition, the directors authorising the making of the loan or quasi loan, or the entering into the guarantee and/or immunity, credit transaction or the provision of the security, shall be jointly and severally liable to indemnify the company against any loss arising there from.

71.4 A loan shall be deemed to be a loan to a director if it is made to :-

71.4.1 the spouse or children of a director; or

71.4.2 a company (other than a company which is a holding company or subsidiary of the company making the loan) which a director, his spouse or children own or control directly or indirectly more than 20% of the capital or loan debt.

71.5 For the purposes of this Regulation 71 a loan shall not be deemed to have been made in the ordinary course of business of a company if it has not been made on normal commercial terms in respect of interest rates, repayment terms and security.

72. Duty of Care of Officers

72.1 Every officer of a company in exercising his powers and discharging his duties shall:-

72.1.1 act honestly and in good faith with a view to the best interests of the company;

72.1.2 exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;

72.1.3 not make a secret profit and must seek to avoid putting themselves in a position where their interests conflict with those of the company; and

72.1.4 exercise their powers only for the purpose for which they were given.

72.2 Every officer of a company shall comply with these Regulations and the Articles of Association of the company and with the terms of any service contract entered into between the company and the officer.

72.3 Without in any way limiting the generality of Regulation 72.1 an officer of the company shall be deemed not to be acting honestly and in good faith if:-

72.3.1 he fails on request to make known to the auditors of the company full details of:-

(a) any emolument, pension or other benefit that he has received or it is agreed that he should receive from the company or any of the company's subsidiaries; or

(b) any loan he has received or is to receive from the company or any of its subsidiaries;

72.3.2 he fails to disclose at the first opportunity at a meeting of directors or by writing to the directors:-

(a) his interest in any material contract or proposed material contract with the company or any of its subsidiaries; or

(b) his material interest in any person that is a party to a material contract or proposed material contract with the company or any of its subsidiaries.

72.4 For the purposes of this Regulation 72:-

72.4.1 a general notice to the directors of a company by an officer of the company declaring that he is an officer of or has a material interest in a person and is to be regarded as interested in any contract with that person is a sufficient declaration of interest in relation to any such contract;

72.4.2 the word "material" in relation to a contract or proposed contract shall be construed as relating to the materiality of that contract or proposed contract in relation to the business of the company to which disclosure must be made;

72.4.3 an interest occurring by reason of the ownership or direct or indirect control of not more than 10% of the capital of a person shall not be deemed material.

72.5 An officer is not liable under Regulation 72.1 if he relies in good faith upon:-

72.5.1 financial statements of the company represented to him by another officer of the company; or

72.5.2 a report by a legal advisor, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by him.

72.6 Nothing in this Regulation 72 shall be taken to prejudice any provision of the Articles of Association of a company, restricting officers of a company from having any interest in contracts with the company.

73. Exemption, Indemnification and Liability of Officers, etc.

73.1 Subject to Regulation 73.2 a company may in its Articles of Association or in any contract or arrangement between the company and any officer, or any person employed by the company as auditor, exempt such officer or person from, or indemnify him in respect of any negligence, default, breach of duty or breach of trust of which the officer or person may be guilty in relation to the company or any subsidiary thereof.

73.2 Any provision, whether contained in the Articles of Association of a company or in any contract or arrangement between the company and any officer, or any person employed by the company as auditor, exempting such officer or person from, or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any fraud or dishonesty of which it may be guilty in relation to the company shall be void provided that:-

73.2.1 nothing in this Regulation 73 shall operate to deprive any person of any exemption or right to be indemnified in respect of anything done or to be done by him while any such provision was in force; and

73.2.2 notwithstanding anything in this Regulation 73 a company may, in pursuance of any such provision as aforesaid indemnify any such officer or auditor against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which it is acquitted or when relief is granted to him by a court of competent jurisdiction.

74. Insurance of Officers

74.1 A company may purchase and maintain insurance for the benefit of any officer of the company against any liability incurred by him under Regulation 72 in his capacity as an officer of the company or indemnifying such an officer in respect of any loss arising or liability attaching to him by virtue of any rule or law in respect of any negligence, default, breach of duty or breach of trust of which the officer may be guilty in relation to the company or any subsidiary thereof and nothing in these Regulations shall make void or voidable any such policy.

75. Liability of Auditor or Officer

75.1 Where an auditor or an officer is found liable to any person for damages arising out of the performance of any function as such auditor or officer as contemplated by these regulations, then the following provisions of this Regulation 75 shall apply.

75.2 An auditor or officer may be liable jointly and severally only if it is proved that he knowingly engaged in fraud or dishonesty.

75.3 In any case other than that contemplated by Regulation 75.2, the liability of the auditor or officer, as the case may be, shall be determined as follows:-

75.3.1 the Court shall determine the percentage of responsibility of the plaintiff, of each of the defendants, and of each of the other persons alleged by the parties to have caused or contributed to the loss of the plaintiff. In considering the percentages of responsibility, the Court shall consider both the nature of the conduct of each person and the nature and extent of the causal relationship between the conduct and the loss claimed by the plaintiff;

75.3.2 the liability of the auditor or officer, as the case may be, shall be equal to the total loss suffered by the plaintiff multiplied by the auditor's or officer's, as the case may be, percentage of responsibility as determined under Regulation 75.3. hereof.

75.4 No auditor or officer whose liability is determined under Regulation 75.3 hereof shall have any liability in respect of any judgment entered against any other party to the action.

75.5 Except where agreed in writing between the parties, where the liability of an auditor or officer has been determined in accordance with Regulation 75.3 no other person shall have any right to recover from such auditor or officer any portion of any judgment entered against such other person in respect of the action.

75.6 If a director has a personal interest (direct or indirect) in any matter to be discussed at a board meeting, he must formally declare to the other directors in a board meeting that he has such an interest. A director shall be prevented from voting and counting in the quorum on any matter in which he has an interest and it has been declared in accordance with this Regulation 75.6.

76. Directors' Service Contracts

76.1 The terms of any service or employment contract for a director that is for a fixed term in excess of 1 year must be approved by an ordinary resolution of the shareholders in general meeting.

76.2 Any service or employment contract that provides for notice periods of more than 3 months must be disclosed in the annual report of the directors.

SECTION 5

AMALGAMATIONS

77. Amalgamation of Companies

77.1 Two or more companies which are incorporated in the Centre, may, subject to the consent of the Legal 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 Centre 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 Legal Registrar's consent.

78. Survival of Company on Amalgamation of one or more Companies and one or more Outside Companies.

78.1 One or more companies and one or more bodies incorporated outside of the Centre (each such body hereinafter in this Regulation referred to as a "outside company") may apply to the Legal Registrar for consent to amalgamate and continue as a company registered in the Centre to which the provisions of these Regulations and any other regulations of the Centre shall apply.

78.2 An application for consent under Regulation 78.1 shall be in such form, and be accompanied by an application fee and such documents, as the Legal Registrar may determine, including documentary proof, satisfactory to the Legal Registrar, that the 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.

79. Survival of DMCC Company on Amalgamation of one or more Companies and one or more DMCC Companies.

79.1 One or more companies and one or more DMCC Companies may apply to the Legal Registrar for consent to amalgamate and continue as a DMCC Company (in this Regulation 79 and in Regulations 80 and 81 referred to as "the surviving company") which the provisions of the laws of the jurisdiction of incorporation of the surviving corporation shall apply.

79.2 An application for consent under Regulation 79 shall be in such form, and shall be accompanied by an application fee and supported by such documents as the Legal Registrar may determine and such documents shall include:-

79.2.1 a certified copy of a resolution of the shareholders of each amalgamating company (in this Regulation 79 and in Regulations 80 and 81 referred to as an "amalgamating company") passed in a general meeting provided that in the case of an amalgamating company, only one shareholder, present in person or by proxy constitutes the necessary quorum; or

if so authorised by the Articles of Association, a certified copy of a resolution of the Board of Directors of each amalgamating company approving the amalgamation and naming the country or jurisdiction outside the Centre of the surviving company; and

79.2.2 a declaration signed by an officer of each amalgamating company declaring that there are reasonable grounds for believing that :-

(a) the amalgamating company is, and the surviving company will be, able to pay its liabilities as they become due; and

(b) the realisable value of the surviving company 's assets will not be less than the aggregate of its liabilities and issued capital of all classes; and

(c) either no creditor will be prejudiced by the amalgamation or adequate notice has been given to all known creditors of such company and no creditor objects to the amalgamation otherwise than on grounds that are frivolous or vexatious; and 79.2.3 documentary proof, satisfactory to the authority, that each amalgamating company being a DMCC Company (in this Regulation 79 referred to as an "amalgamating DMCC 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.

80. Legal Registrar's Refusal to Grant Consent under Regulations 77, 78 or 79

80.1 Where the Legal Registrar refuses to grant its consent under Regulations 77, 78 or 79 it shall not be bound to assign any reason therefore, and its decision shall not be subject to appeal or review in any court.

SECTION 6

WINDING-UP

81. Modes of Winding-Up

81.1 The winding-up of a company shall be made in accordance with these regulations as if the company were a limited liability company formed pursuant thereto, with the exception that all rights and responsibilities vested in the competent authority there under shall instead be vested in the authority and all references to the commercial register shall be to the register maintained by the authority.

The winding up of a company may either be:

81.1.1 summary under Regulation 81.1.1.1;

81.1.2 by its creditors under Regulation 81.1.2.1; or

81.1.3 by the Court under the UAE Commercial Transactions Law No. 18 of 1993

(Volume 5, Bankruptcy and Preventive Composition) and other applicable legislation.

81.1.1.1 Summary winding up

A) Application of this Regulation

This Regulation 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 and such a winding up is a summary winding up.

B) Procedure

B.1.) A company may be wound up under this Regulation by making a statement of solvency in accordance with Regulation (C) below:

B.1.1) by passing, within 28 days after the statement has been signed by each of the directors of the company, a Resolution that the company be wound up summarily; and

B.1.2) by delivering to the Legal Registrar, within 21 days after the Resolution has been passed, a copy of it together with the statement.

C) A 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:-

C.1.) that the company has no assets and no liabilities; or

C.2.) that the company has assets and no liabilities; or

C.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.

D) 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 Resolution for summary winding up.

E) Effect on status of company

After the commencement of a summary winding up of a 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 (G).

F) Appointment of liquidator

F.1) On or after the date of commencement of a summary winding up of a company, it may by Resolution appoint a person to be liquidator for the purposes of the winding up.

F.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 (G), all those powers shall thereafter be exercisable by the liquidator.

G) Application of assets and dissolution

G.1) On the registration by the Legal Registrar of a statement delivered under Regulation (D) that the company has no assets and no liabilities the company is dissolved.

G.2) On the registration by the Legal Registrar of a statement so delivered 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.

G.3) On the registration by the Legal 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.

G.4) As soon as the company has completed the distribution of its assets in accordance with Regulation (G.2) or (G.3) , it shall deliver to the Legal Registrar a statement signed by each of the directors or, if the distribution has been completed by a liquidator appointed under Regulation (F) , by the liquidator, that each director or (as the case may be) 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.

H) Effect of insolvency

H.1) This Regulation applies where after the commencement of a summary winding up the directors (or, if there is a liquidator, the liquidator) form 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.

H.2) When that opinion is formed it shall be recorded in the minutes of a meeting of the directors or, as the case may be, by the liquidator.

H.3) The directors (or, if there is a liquidator, the liquidator) shall:

H.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 and the company shall in the notice nominate a person to be liquidator for the purpose of a creditors' winding up;

H.3.2.) when that notice is given to the creditors, deliver a copy of it to the Legal Registrar;

H.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 Legal Registrar;

H.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

H.3.5.) make out a statement as to the affairs of the company and lay that statement before the creditors' meeting.

H.4.) The statement as to the affairs of the company shall be verified by affidavit by some or all of the directors or (if there is a liquidator) by the liquidator.

H.5.) If there is a liquidator, he shall preside at the creditors' meeting and, if there is no liquidator, a director nominated by the directors shall preside.

H.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 81.1.2.1.4 .

H.7.) If the directors or, as the case may be, the liquidator without reasonable excuse fail to comply with their obligations under this Regulation or if a director or, as the case may be, the liquidator fails to comply with Regulation (H.5.) so far as requiring him to preside at the creditors' meeting, the directors or the director or the liquidator, (as the case may be) commits an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

H.8.) A director or liquidator who signs a statement delivered to the Legal Registrar under Regulation (B) or (G)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 and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

I) Remuneration of liquidator

A liquidator appointed under Regulation (F) 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.

J) Cesser of office by liquidator

A liquidator appointed under Regulation (F) may be removed from office by a special resolution of the company and shall vacate office if he ceases to be qualified to hold that office.

K) Termination of summary winding up where;

K.1)

K.1.a) the summary winding up of a company has commenced;

K.1.b) the company has not received any contribution from any present or past shareholder pursuant to Regulation 81.1.2.1.21;

K.1.c) the company has not for the purposes of the winding up distributed any of its assets among its Shareholders;

K.1.d) the company is able to discharge its liabilities as they fall due; and
K.1.e) termination of the winding up has been approved by a resolution of the company, the documents described in Regulation (K.2) may be delivered to the Legal Registrar and thereupon the winding up shall forthwith terminate.

K.2) the documents to be delivered to the legal Registrar pursuant to Regulations (K.1) are:-

K.2.a) a certificate signed by all the directors of the Company stating that the company:-

- (i) has received no such contribution;
- (ii) has made no such distribution; and
- (iii) is able to discharge its liabilities as they fall due;

And

K.2.b) a copy of the Resolution approving the termination of the winding up .

K.3) Upon the termination of a winding up pursuant to Regulation K.1)-

K.3.a) any liquidator appointed for the purpose of the winding up shall cease to hold office; and

K.3.b) the company and all other persons shall be in the same position, subject to Regulation (K4), as if the winding up had not commenced.

K.4 The termination of a winding up pursuant to Regulation K.1) Shall not affect the validity of anything duly done by any Liquidator, director or other person, or by operation or Law, Before is termination.

K.5 A director who signs a certificate delivered the legal Registrar Pursuant to Regulation

(K.1) above without having Reasonable Grounds for believing that the statements in it are true Commits of an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1 Creditors Winding up

81.1.2.1.1 Procedure

A company, may be wound up under this Regulation if the Company so resolves by Resolution.

81.1.2.1.2 Notice of winding up

(i) When a company has passed a Resolution for a credits' winding up, it shall, within 14 days of the passing of the Resolution give notice of the Resolution by advertisement in a newspaper prescribed by the Legal Registrar.

(ii.) In the event of failure to company with his Regulation, the company and every officer of it who is in default commits an Offence & may be liable to pay a line in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.13 Commencement and effects of creditors' winding up

A creditors' winding up is deemed to commence when the Resolution For winding up is passed or, where Regulation (H) 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.

(i.i.) The corporate state and capacity of the company continue until The Company is dissolved.

(i.i.i) A transfer of shares, not being a transfer made to or with the Section of the liquidator, and an alteration in the status of the company's Winding up is void.

(i.i.i.i) 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.

81.1.2.14 Meeting of creditors in creditors' winding up

(i.) The company shall:-

(i.a) not less than 14 days before the day on which there is to be held the company meeting at which the Resolution for a Creditors' winding up is to be proposed give up post to its Creditors notice calling a meeting of creditors to be held on the Same day as, and immediately following the conclusion of, the Company meeting and nominating a person to be liquidator for the purposes of creditors' winding up;

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

(i.c) 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.

(i.i) The directors shall-

(i.i.a) make out a statement as to the affairs of the company, verified by affidavit by some or all of the directors;

(i.i.b) lay that statement before the creditors' meeting; and

(i.i.c) appoint a director to preside at that meeting, and the Director so appointed shall attend the meeting and preside over it.

(i.i.i) If:-

(i.i.i.a) The company without reasonable excuse fails to comply with Regulation 81.1.2.1.4 (i);

(i.i.i.b) a directors without reasonable excuse fail to comply With Regulation 81.1.2.1.4 (i.i); or

(i.i.i.c) a director without reasonable excuse fails to comply with regulation 81.1.2.1.4 (i.i); 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 and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.5 Appointment of liquidator

(i) The creditors and the company at their respective meetings mentioned in Regulation 81.1.2.1. may nominate a person to be Liquidator for the purpose of the winding up.

(i.i.) Where a creditors' meeting is called in accordance with Regulation (H), the person nominated to be liquidator in the notice calling the meeting shall be deemed, for the purposes of this Regulation, to have been nominated as aforesaid by the company.

(i.i.i.) 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 company is appointed liquidator with effect from the conclusion of the creditors' meeting.

(i.i.i.i) In the case of different persons being nominated, a director, member or 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 legal Registrar for an order either:-

(i.i.i.i.a) directing that the person nominated as liquidator by the company shall be liquidator instead of or jointly with the person nominated by the creditors; or

(i.i.i.i.b) appointing some other person to be liquidator instead of the person nominated by the creditors.

(v.) A liquidator appointed under this Regulation shall within 14 days after his appointment give notice thereof signed by him to the Legal Registrar and to the creditors.

(i.v.) A liquidator who fails to comply with Regulation 81.1.2.1.5 (v.) commits an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.6 Appointment of liquidation committee

(i.) A creditors' meeting may appoint a liquidation committee consisting of not more than five persons to exercise the functions conferred on it by or under these Regulations.

(i.i.) If a committee is appointed, the company may, in general meeting, appoint such number of persons not exceeding five as they think fit to act as members of the committee.

(i.i.i.) The creditors may resolve that all or any of the persons so appointed by the company ought not to be members of the committees; and if the creditors so resolve:-

(i.i.i.a) The persons mentioned in the resolution are not then, unless the Court otherwise directs, qualified to act as members of the committee; And

(i.i.i.b) On an application to the legal registrar under this provision the Legal Registrar may appoint other persons to act as such members in place of the persons mentioned in the resolution.

81.1.2.1.7 Remuneration of liquidator, cessation of director's powers, and Vacancy in Office of liquidator.

(i.) 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

(i.i.) 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

(i.i.i.) The creditors may at any time remove a liquidator.

(i.i.i.i) 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.

81.1.2.1.8 No liquidator appointed

(i.) This Regulation applies where a creditors' winding up has commenced but no liquidator has been appointed.

(i.i.) During the period before the appointment of a liquidator, the Powers of the directors shall not be exercised except:-

(i.i.a) with the sanction of the court;

(i.i.b) to secure compliance with Regulation 81.1.2.1.4 ; or

(i.i.c) to protect the company's assets.

(i.i.i.) if the directors, without reasonable excuse, fail to comply with this Regulation, they are guilty of an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.9 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.

81.1.2.1.10 Arrangement when binding on creditors

(i.) An arrangement entered into between a company immediately preceding the commencement of, or in the course of creditors' winding up and its creditors is (subject to the right of appeal under this

Regulation) binding:-

(i.a) on the company, if sanctioned by a Resolution; and

(i.b) on the creditors, if acceded by three-quarters in number and value of them.

(i.i.) A creditors 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.

81.1.2.1.11 Meeting of company and creditors

(i.) If a creditors' winding up continues for more than 12 months, the liquidator shall call a general meeting of the company 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 legal 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.

(i.i.) If the liquidator fails to comply with this Regulation, he commits an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.12 Final meeting and dissolution

(i.) As soon as the affairs of a 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 company and a meeting of the creditors for the purpose of laying the account before the meetings and giving an explanation of it.

(i.i.) 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.

(i.i.i.) 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 Legal Registrar of the holding of the meetings and of their dates.

(i.i.i.i.) If the copy is not delivered or the return is not made in accordance with Regulation 81.1.2.1.12 (i.i.i.), the liquidator commits an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations..

(v.) If a quorum is not present at either such meeting, the liquidator shall, in lieu of the return required by Regulation 81.1.2.1.12 (i.i.i.), deliver a return that the meeting was duly called and that no quorum was present; and when that return is made the provisions of that paragraph as to the making of the return are, in respect of that meeting, deemed complied with.

(v.i.) The Legal 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 Legal Registrar may, on the application of the liquidator or of another person who appears to the Legal 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 Legal Registrar thinks fit.

(v.i.i.) If the liquidator fails to call a general meeting of the company or a meeting of the creditors as required by this Regulation he commits an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.13 Powers and duties of liquidator

(i.) 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);

(i.a.) pay a class of creditors in full;

(i.b.) compromise any claim by or against the company.

(i.i.) The liquidator may, without sanction, exercise any other power of the company as may be required for its beneficial winding up.

(i.i.i) The liquidator may -

(i.i.i.a.) settle a list of contributories (and the list of contributories is prima facie evidence of the persons named in it to be contributories);

(i.i.i.b.) make calls;

(i.i.i.c.) summon general meetings of the company for the purpose of obtaining its sanction by Resolution or for any other purpose he may think fit.

(i.i.i.i) The liquidator shall pay the company's debts and adjust the rights of the contributories among themselves.

(v) The appointment or nomination of more than one person as liquidator shall declare whether any act to be done 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.

81.1.2.1.14 Duty to co-operate with liquidator

(i.) In a creditors' winding up each of the persons mentioned in Regulation 81.1.2.1.14 (i.i.) shall:-

(i.a.) 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

(i.b.) attend on the liquidator at reasonable times and on reasonable notice when requested to do so.

(i.i) The persons referred to in Regulation 81.1.2.1.14 (i.) are:-

(i.i.a.) those who are, or have at any time been, officers of the company;

(i.i.b.) 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

(i.i.c.) 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; and

(i.i.i.) If a person without reasonable excuse fails to comply with an obligation imposed by this Regulation, he commits an offence and may be liable to pay a fine in

accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.15 Distribution of company's property

Subject to the provisions of any enactment as to preferential payments, a 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 articles or law otherwise provide) be distributed among the members according to their rights and interests in the company.

81.1.2.1.16 Qualifications of liquidator

(i.) A person who is not an individual is not qualified to act as a liquidator.

(i.i.) The Legal Registrar may prescribe the qualifications required for any person to act as a liquidator.

(i.i.i.) An appointment made in contravention of this Regulation is void.

(i.i.i.i.) A person who acts as liquidator when not qualified to do so commits an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

(v.) A liquidator shall vacate office if he ceases to be a person qualified to act as a liquidator.

81.1.2.1.17 Corrupt inducement affecting appointment as liquidator

A person who gives or agrees or offers to give to a creditor of a company any valuable benefit with a view to securing his own appointment or nomination, or to securing or preventing the appointment or nomination of some person other than himself, as the company's liquidator, commits an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.18 Notification by liquidator of resignation, etc.

(i.) 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 Legal Registrar and in the case of a creditors' winding up (except where the removal is pursuant Regulation 81.1.2.1.7 (i.i.i.) to the creditors.

(i.i.) If a liquidator fails to comply with Regulation 81.1.2.1.18 (i.) he commits an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations..

81.1.2.1.19 Notification that company is in liquidation

(i.) When a 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.

(i.i.) In the event of failure to comply with this Regulation, the company and every officer of it who is in default commits an offence & may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.20 Liability as contributories of present and past shareholders

When a 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:-

- (i.) 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;
- (i.i.) a past shareholder is not liable to contribute in respect of a liability of the company contracted after he ceased to be a shareholder;
- (i.i.i.) 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;
- (i.i.i.i.) 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;
- (v.) a sum due to a shareholder of the company (in his character of 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 not a shareholder of the company, but any such sum may be taken into account for the purpose of the final adjustment of the rights of the contributories among themselves.

81.1.2.1.21 Disposal of records

- (i.) When a company has been wound up and is about to be dissolved, its records and those of a liquidator may be disposed of as follows:-
 - (i.a.) in the case of a summary winding up, in the way that the company by Resolution directs; and
 - (i.b.) 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.
- (i.i.) 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.
 - (i.i.i.) The Legal Registrar may direct that for such period as it thinks proper (but not exceeding 10 years from the company's dissolution), the records of a company which has been wound up shall not be destroyed.
 - (i.i.i.i.) If a person acts in contravention of a direction made for the purposes of this Regulation, he commits an offence and may be liable to pay a fine in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

81.1.2.1.23. Powers of inspectors

- (i.) If inspectors appointed under Regulation 82.1 to investigate the affairs of a company think it necessary for the purposes of their investigation to investigate also the affairs of an other 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, they shall have power to do so; and they 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 first mentioned company.
 - (i.i.) Inspectors so appointed may at any time in the course of their investigation, without the necessity of making an interim report, inform the Legal Registrar of

matters coming to their knowledge as a result of the investigation tending to show that an offence has been committed.

81.1.2.1.24. Production of records and evidence to inspectors

(i.) If inspectors appointed under Regulation 82.1 consider that any person is or may be in possession of information relating to a matter which they believe to be relevant (i.a.) to the investigation, they may require him to produce and make available to them all records in his custody or power relating to that matter;
(i.b.) at reasonable times and on reasonable notice, to attend before them; and
(i.c.) 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.

81.1.2.1.25. Power of inspectors to call for directors' bank accounts

If inspectors appointed under Regulation 82.1 have reasonable grounds for believing that a director, or past director, of the company or other body corporate whose affairs they are investigating maintains or has maintained a bank account of any description, whether alone or jointly with an other 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 members, 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.

81.1.2.1.26. Inspectors' reports

(i.) The inspectors may, and if so directed by the Legal Registrar shall, make interim reports to the Legal Registrar and on the conclusion of their investigation shall make a final report to the Legal Registrar.
(i.i.) The Legal Registrar may -
(i.i.a.) forward a copy of any report made by the inspectors to the company's registered office;
(i.i.b.) furnish a copy on request and on payment of the prescribed fee to any person whom the Legal Registrar deems appropriate.

SECTION 7

THE INVESTIGATION OF THE AFFAIRS OF A COMPANY AND THE PROTECTION OF MINORITIES

82. Investigation of the Affairs of a Company

82.1 Appointment of inspectors by Dubai Court

(i.) Any shareholders or creditors or officers of the company 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.

(i.i.) 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.

(i.i.i.) This Regulation applies whether or not the company is being wound up.

82.2 Regulation 81.1.2.1.22. above shall apply in order to investigate the affairs of a company.

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

82.4 An inspector may examine the officers and agents of the company in relation to its business.

82.5 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.

82.6 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.

83. Alternative Remedy to Winding-up in Cases of Oppressive or Prejudicial Conduct

83.1 Any shareholder of a company 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 the shareholder may make an application to the court by petition for an order under this Regulation 83.

83.2 If on any such petition the court is of the opinion:-

83.2.1 that the company's affairs are being conducted or have been conducted as aforesaid; and

83.2.2 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 of the company by other shareholders of the company 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.

83.2.3 Where an order under this Regulation 83 makes an alteration in or addition to any company's Memorandum or Articles 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 or Articles of Association as so altered or added to accordingly.

SECTION 8 BRANCH OF COMPANIES.

84. Branch of Company or body incorporated in or outside the Centre not to Carry on Business at the Centre without a DMCC Authority License.

84.1 Any company or body shall not engage in or carry on or purport to carry on any trade or business activity in the Centre, except under and in accordance with the licensing regulations and the terms of any License issued pursuant to such licensing regulations.

84.2 For the purposes of this Section, "engage in or carry on or purport to carry on any trade or business activity in the Centre" includes the engaging in or carrying on any trade or business outside the Centre from a place of business in the Centre.

84.3 A person who contravenes this Regulation shall be subject to such sanction as may be specified in the relevant licensing rules.

85. Registration of Branch

85.1 Subject to the provisions of any relevant licensing regulations, an outside incorporated company or body wishing to establish a branch in the Centre shall apply to the Legal Registrar for prior approval to establish a branch in the Centre.

85.2 Subject to such other regulation of the authority as may be adopted from time to time and to any waiver which the authority may exercise from time to time, an application for approval to establish a branch in the Centre shall:-

85.2.1 be made to the authority in such form and manner as the authority may require from time to time; and

85.2.2 be accompanied by the following documents, verified in such manner as the authority may require:-

(a) a copy of the constituent documents of the outside incorporated company or body; and

(b) if so required by the Legal Registrar, a copy of the audited accounts of the outside incorporated company or body for the preceding two years, save where the applicant outside incorporated company has been in existence for less than two years in which case a copy of the most recent audited accounts; and

(c) a copy of a resolution of the board of directors of the outside incorporated company or body to establish a branch in the Centre; and

(d) a power of attorney from the outside incorporated company or body in favour of the principal representative of the branch; and

(e) such other documents or information as the authority may in its absolute discretion require from time to time; and

(f) be accompanied by such fees as may be prescribed from time to time by the authority.

86. Grant or Refusal of Application to Register a Branch

86.1 The Legal Registrar may on an application duly made in accordance with Regulation 84 after being provided with (or after having waived) all such information, documents and reports as required under that Regulation, grant or refuse the application.

86.2 Where the Legal Registrar grants an application to the applicant under Regulation 86.1, it shall issue to the applicant a certificate of registration of the branch in the Centre 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.

86.3 Where the Legal 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.

87. Prohibition of Registration of Branch with Undesirable Name

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

88. Principal Representatives

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

88.2 If any particulars of a principal representative required by Regulation 88.1 to be notified to the Legal Registrar are altered the branch shall give in writing to the Legal Registrar particulars of the alteration.

89. Register of Branch

89.1 The Legal Registrar shall keep a register of branches in such form as it shall determine but which shall show:-

89.1.1 the name of the branch and, if different, the company or outside incorporated company or body ; and

89.1.2 the principal place in the Centre from which the branch engages in or carries on any trade or business in the Centre and the address of its registered office outside the Centre; and

89.1.3 the date and place of incorporation of its parent company; and

89.1.4 a copy of its certificate of registration.

90. Records to be Kept by Branch

90.1 Every branch shall keep at the principal place in the Centre from which the mother company engages in or carries on any trade or business in the Centre 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 Centre.

91. Letterheads and Service of Process of Branch

91.1 Every branch shall have the following particulars on all letters sent from a place of business in the Centre in connection with its business:-

91.1.1 its full name as appears on the License obtained from the Legal Registrar to operate in the Centre; and

91.1.2 the place of incorporation of its parent company; and

91.1.3 the principal place and address in the Centre from which the branch engages in or carries on any trade or business in the Centre.

91.2 For the purposes of these Regulations, any process or notice required to be served on an outside incorporated company shall be sufficiently served if served on any person named in the list of persons delivered to the Legal Registrar or if left at a place of business notified to the Legal Registrar.

91.3 the principal place and address in the Centre or the approved place and address which is outside the Centre from which the branch engages in or carries on any trade or business in or outside the Centre shall be deemed its domicile. The activities it practices shall be subject to the rules & regulations applicable in the Centre.

SECTION 9

GENERAL

92. Form of Registers

92.1 Any book or paper required by these or any other regulations, whether public or private, to be kept and maintained by the authority or a company may be kept by recording the matters in question in bound books, held in electronic form or in any other permanent manner.

92.2 The authority may in the manner prescribed by it, provide a copy of any entry (and may certify same) in the register to any person who asks for it on payment of the fee prescribed by the authority.

92.3 Adequate precautions shall be taken for guarding against falsification and facilitating its discovery and where the book or paper is kept in a form otherwise

than legible it shall be capable of being reproduced in a legible form.

92.4 Where in these Regulations or such other regulations as may be made by the authority provision is made for the inspection or reproduction of any book or paper then it shall be treated as a provision to allow inspection or reproduction in a legible form.

92.5 Copies of minutes referred to in Regulation 55 and financial statements referred to in Regulation 59 shall be preserved in the registered office of the company for a period of not less than six years from the date when they were first required.

93. Authority and Other Officers may Inspect Books without Charge.

93.1 The authority 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 any books or papers of a company when lawfully entitled so to do.

94. Production and Inspection of Books when Offence Suspected

94.1 Where, on an application to the authority, it appears to the authority that a breach under these Regulations may have been committed, and that evidence relating to the commission of such breach may be found in any books or papers of or under the control of the company, a direction in writing may be made by the authority requiring the secretary to the company or such other officer or person as may be named in the direction to produce the said books or papers or any of them to a person named in the direction at a place and time so named.

94.2 When a direction has been made under Regulation 94.1, the person named in the direction to whom the said books or papers are to be produced, shall inspect and may take copies thereof for the purpose of investigating and obtaining evidence of any breach of these Regulations.

94.3 A person to whom books and papers are produced pursuant to Regulation 94.1 shall on completion of his investigation forward a report of the results thereof to the authority together with all copies of documents made by him pursuant to Regulation 90.

95. Suits and Actions against the Authority

95.1 No suit or action shall lie against the authority or any person acting on its behalf in respect of anything done or omitted to be done in its official capacity in good faith without negligence.

96. The Authority to be Indemnified in Respect of Centre Suits

96.1 The authority shall not be required to prosecute, defend or take part in any proceedings outside the jurisdiction of the Centre unless it is indemnified by or on behalf of the person who wishes the authority to act against any judgment, order or costs that may be awarded against him by deed guarantee or deposit, as it may require.

97. Applications to Court

97.1 The authority shall, at its absolute discretion, be entitled, at any time, to refer any matter or question that it deems appropriate to a court or arbitral body of its choice.

97.2 Any application to such a court or arbitral body under these Regulations shall be made in the manner prescribed by the relevant court or arbitral body (as the case may be).

97.3 Without prejudice to Regulation 97.1, an application may in the first place be heard when the relevant court may direct that the proceedings shall be served on such persons, if any, as it shall think fit and that the application shall be supported by such evidence as the court shall require.

98. Power to Enforce

98.1 Orders made by any court or arbitral body under these Regulations may be enforced as orders made in an action pending therein.

99. Rules and Implementing Regulations

99.1 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.

99.2 These Regulations and any rules and/or implementing regulations made there under may be amended at any time by the authority.

100 Fees

100.1. There shall be paid to the Legal Registrar by a company the fees referred to in these Regulations.

100. 2. The Authority may by order amend the amount of the fees from time to time. The Legal Registrar may by order require the payment to the Legal Registrar of such fees as may be prescribed in respect of :-

(i.) the performance by the Legal 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

100. 3. Where a fee is provided for or charged under this Regulation for the performance of a act or duty by the Legal 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.

100. 4. The Legal 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 Legal Registrar is to be authenticated.

100. 5. Unless otherwise provided by or under these Regulations, any document delivered to the Legal Registrar by a company pursuant to these Regulations shall be signed by an officer or the secretary of the company.

101. Enforcement of company's duty to make returns

101.1. If a company, having failed to comply with a provision of these Regulations which requires it to deliver to the Legal 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 Legal Registrar may make an

order directing the company and any officer of it to make good the failure within a time specified in the order.

101.2. Nothing in this Regulation prejudices the operation of any Regulation imposing penalties on a company or its officers in respect of a failure mentioned above.

102. Legal Registrar may strike defunct company or branch of company off register

102.1. If the Legal Registrar has reason to believe that a company or branch of company is not carrying on business or is not in operation, he may send to the company by post a letter inquiring whether the company is carrying on business or in operation.

102.2. If the Legal Registrar receives an answer to the effect that the company is not carrying on business or is not in operation, or does not within one month after sending the letter receive an answer, send to the company by post, a notice that at the end of three months from the date of that notice the name of the company, unless reason is shown to the contrary, be struck off the register and the company will be dissolved by competent court.

102.3. If, where a company is being wound up in a creditors' winding up, the Legal Registrar has reason to believe either that no liquidator is acting, or that the affairs of the company 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 Legal Registrar shall send to the company or the liquidator (if any) a notice similar to that provided for in Regulation 102.2.

102.4. At the end of the period mentioned in the notice the Legal Registrar may, unless reason to the contrary is previously shown by the company or a shareholder, creditor or liquidator of it, strike its name off the register; and on the striking off the company is dissolved; but the liability (if any) of every director and shareholder of the company continues and may be enforced as if the company had not been dissolved by competent court.

103. Legal Registrar may strike company or branch of company off register

103.1. Where it appears to the Legal Registrar that:

103.1.1. a company or branch of company is acting in breach of restrictions on activities; or

103.1.2. it is necessary to protect the good repute of the Centre as a centre for business activities that a company should be struck off the register, the Legal Registrar may send to the company a letter setting out the reasons for that belief and requesting the company to show reason why it should not be struck off.

103.2. If within one month after sending the letter the Legal Registrar does not receive an answer, the Legal Registrar may send to the company by post, a notice that at the end of the three months from the date of the notice the company will unless reason is shown to the contrary be struck off the register and the company will be dissolved.

103.3. At the end of the period mentioned in the notice the Legal Registrar may, unless reason to the contrary is previously shown by the company or a shareholder, creditor or liquidator of it, strike its name off the register, and on the striking off the company is dissolved, but the liability (if any) of every director and shareholder of the company continues and may be enforced as if the company had not been dissolved.

103.4. Where a company has been dissolved under Regulations 102 or 103, the Authority may, on an application made for the purpose by a liquidator of the company

or by any other person appearing to the Authority to be interested, make an order, on such terms as the Authority thinks fit, declaring the dissolution to be void and the Authority may by the order give such directions and make such provisions as seem just for placing the company and all other persons in the same position as if the company had not been dissolved. Thereupon such proceedings may be taken which might have been taken if the company had not been dissolved by competent court.

104. Legal Registrar may strike company or branch of company off register for non-payment of fees

104.1. If a company or branch of company has failed to pay any fees required to be paid to the Legal Registrar under Regulation 104 the Legal Registrar may send to the company a letter requiring the company to make the required payment within 30 days failing which the name of the company may be struck off the register.

104.2. If the company fails to pay the required fee due under Regulation 100 before the expiration of two months from the time specified in Regulation 104.1 , the Legal Registrar may strike the name of the company off the Register.

104.3. A company , the name of which has been struck off the register under Regulation 104.2, remains liable for all claims, debts, liabilities and obligations of the company, and the striking off does not affect the liability of any of its shareholders , directors, officers or agents.

104.4. If the name of a company has been struck off the register under Regulation 104.2, the company or a creditor ,member of liquidator of the company may , within two years following the date of the striking off, apply to the Legal Registrar to have the name of the company restored to the register and , upon payment of all fees due under Regulation 100 and any penalties imposed by the Legal Registrar ,the Legal Registrar shall restore the name of the company to the register, the name of the company is deemed never to have been struck off the register.

105. Miscellaneous

105.1. Any fee or fine incurred under regulations 15.3,17.2, 37,38.2 and 105.4 shall be paid to the Legal Registrar.

105.2. 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.

105.3. In case of wrongdoing or any default by the company's shareholders, Directors , officers ,liquidator in compliance with these regulations or any other terms and conditions issued by the Authority the other aggrieved parties have the right to apply to a Dubai Courts or an appropriate body to order an investigation. In this case a company must not exposed by its competitors or other aggrieved parties who are not subject to a duty to pursue its best interests.

105.4. In the case of any default by the Company or its Shareholders , Directors, officers, liquidator in compliance with these Regulations or any DMCC Rules or the terms and conditions of the Company's License ,Sale & Purchases Agreement , Lease Agreement or any other terms and conditions issued by the Authority the Authority may, in addition to all other rights and privileges hereunder, impose a fine on the Company and / or the Shareholders , Directors, officers, liquidator in accordance with the Fines Tariff set out in the Free Zone Rules and Regulations.

105.5. Each Company shall be required to comply with all DMCC Rules and with the terms of the License , Lease Agreement and Sale & Purchase Agreement issued or to be issued by the Authority in relation to the Company in question.

105.6. The penal responsibility for the violations committed by a company and stipulated in these regulations, shall be directed to whoever legally represents the company.

105.7. The authority may make implementing regulations for carrying out the purposes of these regulations.

105.8. The authority may amends, alters, cancels, supplements and varies any or all of these regulations as it may consider appropriate from time to time

105.9. The Authority or the Legal Registrar also reserves the right to relax or waive, either in whole or in part and either unconditionally or subject to such conditions as it deems appropriate, any or all of fee or penalty, any or all of the requirements specified in these Regulations or any DMCC Rules if it considers it appropriate to do so.

105.10. Any dispute arising on the interpretation or the implementation of these regulations shall be referred to Dubai Courts.
