

## **GUIDANCE NOTE – CHANGE OF FINANCIAL YEAR OF A DMCC ENTITY**

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

### **I. GENERAL**

#### **A. Concept**

- The first financial year of a Company starts on the day on which it is registered and lasts for a period which must be at least six (6) months and not longer than eighteen (18) months.
- The second and any subsequent financial year will start at the end of the previous financial year and will last for twelve (12) months or some other period which is within five (5) Business Days either shorter or longer than twelve (12) months.
- A DMCC Company may apply to change its Financial Year.
- If the Financial Year of Parent of a Branch of a Non-DMCC Entity has changed, the Branch must notify the Registrar of the resultant change in its Financial Year for it to be reflected in the Branch established in DMCC.

#### **B. Amendments Covered by this Guidance Note**

- Change of Financial Year of a DMCC Company.
- Change of Financial Year of a Branch of a Non-DMCC Entity established in DMCC.

#### **C. Applicable Business Rules**

- This process is applicable to Companies and Branches.
- The Branch and Company's Licence must be valid at the time of submission of the application and until process is completed. The application will be put on hold if the Licence expires during the process.
- There should not be any account sanction. Please see Schedule 1 for list of sanctions. In case sanction is related to non-submission of Financial Statement, this should be referred to DMCC.
- The application should be submitted before the end of the current Financial Year.
- Proposed new Financial Year should not be less than six (6) months and not more than eighteen (18) months.
- Cancellation of the application shall be subject to the existing cancellation policy and fees.

## II. PROCESS FLOW

To apply for this amendment, corresponding service request (SR 109 – Change of Financial Year) will have to be raised by the DMCC Entity through its portal account.

Process Owner	Action	Comments
Company	<p>Company to do the following in the online portal:</p> <ul style="list-style-type: none"> <li>• System to identify if it is Company or Branch.</li> <li>• Provide the required information in the SR.</li> <li>• Supply the details change.</li> <li>• Confirm payment.</li> </ul>	<ul style="list-style-type: none"> <li>• Submit the SR.</li> <li>• A notification submission will be received by the client.</li> </ul>
DMCC	<p>Relevant DMCC Officers will verify the application by doing the following:</p> <ul style="list-style-type: none"> <li>• Check information provided by the client and verify all the uploaded documents.</li> <li>• Approves or Declines the application.</li> </ul>	<ul style="list-style-type: none"> <li>• SR may be returned to the client to submit additional information or re-upload a document. In such cases, the client has to comply with the requirements to continue with the process.</li> </ul> <p>When additional requirements or information is provided, the client has to update the step in the SR.</p> <p><b>If Approved</b></p> <ul style="list-style-type: none"> <li>• Client will receive pre-approval notification and shall continue as per the instruction in the notification.</li> </ul>
Company	<p>To submit the required original documents at the DMCC Client Service Centre</p>	<ul style="list-style-type: none"> <li>• <b>If requirements are satisfied:</b> <ul style="list-style-type: none"> <li>- Original documents will be accepted.</li> <li>- Relevant parties will be allowed to sign the Resolutions (if client intends to have the</li> </ul> </li> </ul>

Process Owner	Action	Comments
		Resolution signed in DMCC)
DMCC	Update the account of the Company.	<ul style="list-style-type: none"> <li>Applied amendment is registered.</li> <li>Notification of SR closure will be sent to the client.</li> <li>Issue the Financial Year confirmation letter.</li> </ul>

### III. REQUIREMENTS

Documents	Remarks
<b>Board Resolution</b> of Corporate Shareholder.	<ul style="list-style-type: none"> <li>Only applicable for Companies with Corporate Shareholder. <b><i>Please disregard this requirement if this is not the case.</i></b></li> <li>To be signed in DMCC by authorized signatory or notarized and legalized by UAE Embassy of the place of execution of the document.</li> </ul>
<b>Board Resolution</b> issued by the Board of the Parent Company.	<ul style="list-style-type: none"> <li>Only applicable for Branches. <b><i>Please disregard this requirement if this is not the case.</i></b></li> <li>To be signed in DMCC by authorized signatory or notarized and legalized by UAE Embassy of the place of execution of the document.</li> </ul>
<b>Certificate of Incumbency</b> (of Corporate Shareholder and Parent Company)	<ul style="list-style-type: none"> <li>Only applicable for Companies with Corporate Shareholder or Branches. <b><i>Please disregard this requirement if this is not the case.</i></b></li> <li>Certificate of Incumbency must be recently issued (not more than 1 year). Certificate of Incumbency must be notarized and legalized by UAE Embassy of the place of issue.</li> </ul>
<b>Shareholder's Resolution</b>	<ul style="list-style-type: none"> <li>Only applicable for Companies with individual Shareholders. <b><i>Please disregard this requirement if this is not the case.</i></b></li> <li>Printed in DMCC Company letterhead and stamped.</li> <li>Need not be signed in DMCC nor notarized and attested.</li> </ul>

<b>Joint Shareholder's Resolution</b>	<ul style="list-style-type: none"> <li>• Only applicable for Joint Venture Companies.</li> <li>• Printed on the DMCC Company Letterhead and stamped.</li> <li>• To be signed in DMCC by all Shareholders or their authorized representatives or notarized and legalized by UAE Embassy/Consulate of the place of execution of the document.</li> <li>• To be submitted along with other required Resolution from each of the Corporate Shareholder.</li> </ul>
<b>Power of Attorney</b>	<ul style="list-style-type: none"> <li>• If applicable. <b><i>Please disregard this requirement if there is no POA issued.</i></b></li> <li>• If issued in UAE, validity to be checked in the Dubai Court portal.</li> <li>• Notarized and legalized by UAE Embassy of the place of issue (if issued outside of UAE).</li> <li>• Original POA required to be presented for verification.</li> <li>• To specifically provide authority to change the name of the DMCC Entity.</li> </ul>
<b>Passport of the POA holder</b>	<ul style="list-style-type: none"> <li>• If applicable. <b><i>Please disregard this requirement if there is no POA issued.</i></b></li> <li>• Original passport required to be presented.</li> </ul>

#### IV. OUTPUT

- Financial Year Confirmation Letter

#### V. APPLICABLE FEES

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

#### VI. CANCELLATION OF AN APPLICATION

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

## Schedule 1

### Company Sanctions could be one or all of the following:

- Restriction or suspension of services;
- A fine or penalty, as specified by DMCCA from time to time in accordance with CR 164 (Administrative imposition of fines or penalties);
- Suspension of a Licence in accordance with the process set out in CR 165 (Power of DMCCA to suspend a Licence);
- Termination of a Licence in accordance with the process set out in CR 166 (Power of DMCCA to terminate a Licence);
- A DMCC Entity being Struck-off, in accordance with the process set out in Regulation 167 (Power of DMCCA to Strike-Off);
- Such other sanction as DMCCA may deem appropriate from time to time; and/or
- Sanction imposed by an order of the Dubai Court.