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EXPO CITY DUBAI AUTHORITY  
COMPANIES REGULATIONS  
NO. (1) OF 2024

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## CHAPTER 1 – DEFINITIONS AND INTERPRETATION

### 1. Definitions used in these Regulations

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

<b>Word or expression</b>	<b>Meaning in these Regulations</b>
<b>"Allotment"</b>	in relation to shares, a transaction by which a person acquires the unconditional right to be included in a Company's Shareholder Register in respect of the shares (and "Allot" and "Allotted" have a corresponding meaning)
<b>"AML Laws"</b>	means Federal Decree-Law No. 20 of 2018 On Anti Money Laundering and Combating the Financing of Terrorism, Cabinet Resolution No. 10 of 2019 Issuing the Implementing Regulations of Federal Decree-Law No. 20 of 2018, Cabinet Decision No. 74 of 2020 Regarding the Terrorist List System and Cabinet Resolution No. (16) of 2021 regarding the Consolidated List of Violations and Administrative Fines Inflicted on Violators of Anti-Money Laundering Measures (in each case, as amended, supplemented or replaced from time to time), and including such guidelines, circulars, resolutions and decisions as issued from the UAE Ministry of Justice or any other UAE Governmental Authority from time to time in respect of anti-money laundering and combatting the financing of terrorism
<b>"Annual General Meeting"</b>	has the meaning given to it in Article 55.1
<b>"Articles"</b>	in relation to a Company, its articles of association as originally adopted or as subsequently adopted in accordance with these Regulations
<b>"Branch"</b>	a branch established under these Regulations
<b>"Branch Manager"</b>	a natural person occupying the position of manager of a Branch as specified on the Licence
<b>"Branch Parent"</b>	means: (i) in respect of a Branch of a Non-ECD Entity, the Non-ECD Entity which has established that Branch and of which the Branch forms a part, and in respect of any reference to the directors (or equivalent) of the Branch Parent, such reference shall include reference to any duly authorised committee of such directors (or equivalent), and (ii) in respect of a Branch of a Company, the Company which has established that Branch and of which the Branch forms a part, and in respect of any reference to the directors (or equivalent) of the



<b>Word or expression</b>	<b>Meaning in these Regulations</b>
	Branch Parent, such reference shall include reference to the Directors of such Company
<b>"Business Day"</b>	a day other than a Saturday, Sunday or a public holiday in the UAE
<b>"Certificate of Continuation"</b>	a certificate issued to a Non-ECD Entity by the Registrar confirming that the Non-ECD Entity has been continued as a Company
<b>"Certificate of Name Change"</b>	a certificate issued by the Registrar to confirm the change of name of an ECD Entity in accordance with the ECD Name Requirements
<b>"Certificate of Registration"</b>	a certificate issued by the Registrar to confirm the registration of an ECD Entity in the ECD Free Zone
<b>"Company"</b>	a company registered under these Regulations (which, for the avoidance of doubt, excludes a Branch)
<b>"Company Manager"</b>	a natural person occupying the position of manager of a Company as specified on the Licence
<b>"Connected Person"</b>	means any of the following: (i) members of the Director's immediate family (the Director's spouse, any person with whom the Director lives as a partner in an enduring family relationship, a child or stepchild of the Director, a child or stepchild of a Director's partner (if living with the Director and under the age of 18), or the Director's parents), or (ii) a company in which the Director holds 20 per cent. or more of the voting rights (or equivalent) at any general meeting of that company.
<b>"Continuation Application"</b>	means an application to the Registrar in the form specified by the Registrar for it to continue as a Company
<b>"Continuing Entity"</b>	a Non-ECD Entity in respect of which the Registrar has issued a Certificate of Continuation
<b>"Creditors"</b>	includes present, future and contingent creditors of a Company
<b>"Director"</b>	a natural or legal person occupying the position of director of a Company as specified on the Licence
<b>"Directors' Duties"</b>	the general duties specified in Articles 40 to 47 inclusive, which are owed by a Director of a Company to the Company
<b>"Dissolved"</b>	the cessation of the existence of a Company as a legal entity



<b>Word or expression</b>	<b>Meaning in these Regulations</b>
<b>"Distributable Reserves"</b>	means a Company's accumulated, realised profits, so far as not previously utilised by distribution or capitalisation (which shall include distributable reserves created through a capital reduction), less its accumulated, realised losses, so far as losses were not previously written off in a reduction or reorganisation of capital duly made
<b>"ECD Entity"</b>	a Company or Branch
<b>"ECD Entity Number"</b>	the unique ECD Entity number allocated to each ECD Entity by the Registrar
<b>"ECD Free Zone"</b>	the ECD free zone, established pursuant to Law No. (14) of 2022 Establishing Expo City Dubai issued in the Emirate of Dubai
<b>"ECD Name Requirements"</b>	the requirements of the Registrar from time to time in respect of the naming of any Licensee
<b>"ECDA"</b>	the Expo City Dubai Authority, a public authority established by virtue of Law No. (14) of 2022 to regulate and supervise Expo City Dubai Free Zone
<b>"Economic Substance Regulations"</b>	UAE Cabinet Decision No. 57/2020 Determining the Economic Substance Requirements and all regulations issued thereunder, and any relevant guidelines or regulations issued by or on behalf of the ECDA from time to time
<b>"Exempt Entity"</b>	a person designated by the ECDA to be an exempt person by virtue of any rule, regulation, policy, or decision of the ECDA
<b>"General Meeting"</b>	a meeting of the Shareholders of a Company
<b>"Initial Shareholders"</b>	the persons who are specified in the application for registration of a Company as the Shareholders of a Company and who become the Shareholders of that Company upon its registration
<b>"International Financial Reporting Standards"</b>	the set of accounting standards, developed and maintained by the International Accounting Standards Board and designated as such
<b>"International Standards on Auditing"</b>	the set of professional standards for the auditing of financial information, as developed and maintained by the International Auditing and Assurance Standards Board and designated as such
<b>"Liability"</b>	includes a debt, an obligation or a commitment





<b>Word or expression</b>	<b>Meaning in these Regulations</b>
<b>"Legal Notice"</b>	the formal delivery of any legal notice
<b>"Licence"</b>	a licence issued by the ECDA in accordance with the Licensing Regulations
<b>"Licensee"</b>	a natural or legal person who has been granted a Licence in accordance with the Licensing Regulations
<b>"Licensing Regulations"</b>	the Expo City Dubai Authority Licensing Regulations, as amended from time to time
<b>"Minutes Register"</b>	a register of minutes of all proceedings at General Meetings, written resolutions of Shareholders, meetings of any class of shares, resolutions of any class of Shareholders, meetings of Directors and (if any) of committees of Directors (and any resolutions passed at such meetings) to be entered in books kept for that purpose in accordance with Article 65
<b>"Non-ECD Entity"</b>	a company or other legal entity formed outside of the ECD Free Zone
<b>"Officer"</b>	a Director, a Company Manager, a Branch Manager and/or a Secretary (as applicable)
<b>"Officer Register"</b>	a register of the Officers of an ECD Entity
<b>"Ordinary Resolution"</b>	a resolution passed by a simple majority of the votes of such Shareholders (being entitled to do so) as vote in person or by proxy at a quorate General Meeting for which notice specifying the intention to propose the resolution has been given
<b>"Paid Up"</b>	includes shares credited as fully paid by the Shareholders of a Company
<b>"Public Notice"</b>	has the meaning given to it in Article 99.3
<b>"Public Register"</b>	the publicly available register of select information relating to Licensees and ECD Entities maintained by the Registrar, access to which the Registrar may vary from time to time
<b>"Register"</b>	the register of Licensees and ECD Entities maintained by the Registrar
<b>"Registrar"</b>	The registrar appointed by the CEO of ECDA and who carries out his duties through the "Registration & License Department" at ECDA
<b>"Regulations"</b>	these Expo City Dubai Authority Companies Regulations



<b>Word or expression</b>	<b>Meaning in these Regulations</b>
<b>"Representative"</b>	any employee, representative or agent of the ECD Entity acting under the direction or authority of an Officer
<b>"Second Strike Off Notice"</b>	has the meaning given to it in Article 99.2
<b>"Secretary"</b>	a natural or legal person occupying the position of secretary of a Company or Branch
<b>"Security Register"</b>	the register of all the security granted over shares in a Company or otherwise as prescribed by the Registrar
<b>"Service"</b>	the formal delivery of any written communication
<b>"Shareholder"</b>	a person registered in the Shareholder Register of a Company as the holder of a share in that Company
<b>"Shareholder Register"</b>	the register of all of the Shareholders of a Company
<b>"Shareholders' Request"</b>	has the meaning given to it in Article 56.2
<b>"Shares"</b>	shares in the capital of a corporate entity and includes stock (except where a distinction between stock and shares is expressed or implied)
<b>"Special Resolution"</b>	a resolution passed by at least 75 per cent. of the votes of such Shareholders as (being entitled to do so) vote in person or by proxy at a quorate General Meeting, for which notice specifying the intention to propose the resolution has been given
<b>"Standard Articles"</b>	model articles of association for a Company prescribed by the Registrar from time to time
<b>"Statement of Compliance"</b>	a statement from at least a majority of: (i) if prior to incorporation, the proposed Director(s) of a Company, or (ii) following its incorporation, the Director(s) of a Company, that a Company's Articles do not contain any provisions which are contrary to or inconsistent with these Regulations
<b>"Strike Off"</b>	the striking off by the Registrar of an ECD Entity from the Register and <b>"Striking Off"</b> and <b>"Struck Off"</b> have a corresponding meaning
<b>"Strike Off Notice"</b>	has the meaning given to it in Article 99.1



<b>Word or expression</b>	<b>Meaning in these Regulations</b>
"Treasury Shares"	has the meaning given to it in Article 32.1(a)
"Trustee"	an executor, trustee or administrator for the time being of the estate of a deceased person
"UAE"	United Arab Emirates
"UAE Governmental Authority"	any authority, court or other body which is, or operates as part of, the Federal Government of the UAE or the Government of an Emirate of the UAE
"UBO"	means the ultimate beneficial owners as defined in the UBO Regulations
"UBO Regulations"	means UAE Cabinet Decision No. 58 of 2020 Regulating Beneficial Owner Procedures
"Winding Up"	the winding up of the affairs of a Company by a liquidator in accordance with these Regulations

## 2. Rules of interpretation used in these Regulations

### 2.1 In these Regulations, a reference to:

- (a) a provision of any law, rule, regulation, policy or decision includes a reference to that law, rule, regulation, policy or decision as amended, updated, extended, replaced or re-enacted from time to time;
- (b) a person includes any natural person, corporate entity or unincorporated entity recognised under UAE law, including a company, partnership, foundation, trust, governmental department or entity;
- (c) an obligation to publish, or to cause to be published, a particular document includes, unless expressly provided otherwise in these Regulations, publishing or causing to be published in printed or electronic form;
- (d) day, week or month means a calendar day, week or month in the UAE;
- (e) a calendar year means a year of the Gregorian calendar;
- (f) the singular includes the plural and *vice versa*, unless the context otherwise requires;
- (g) include or including means without limitation;
- (h) these Regulations include any regulations made under or pursuant to these Regulations by the ECDA or the Registrar, unless expressly provided otherwise in these Regulations;



- (i) a Chapter or an Article by number only, and without further identification, is a reference to the Chapter or Article of that number in these Regulations; and
- (j) writing or written includes any mode of communication that preserves a record of the information contained in it and is capable of being produced or reproduced in tangible form, including electronic means (and, for the avoidance of doubt, any communication may be made by electronic means).

2.2 The headings in these Regulations do not affect its interpretation.

## CHAPTER 2 – ENTITY TYPES AND STATUS

### 3. Types of entity recognised in the ECD Free Zone

3.1 These Regulations recognise the following types of entities:

- (a) Companies; and
- (b) Branches.

A Non-ECD Entity will be recognised as a Company under these Regulations upon its continuation in the ECD Free Zone in accordance with Chapter 12.

3.2 These Regulations may be subsequently disapplied for specific categories of entities by the ECDA according to supplementary regulations which may be issued from time to time by the ECDA.

3.3 For the avoidance of doubt, any ECD Entity established before the issuance of these Regulations shall be treated as an ECD Entity regulated by these Regulations.

### 4. Status of a Company

4.1 A Company has a separate legal personality from its Shareholders.

4.2 Subject to Article 100.2, the Liability of a Shareholder of a Company is limited to the amount, if any, unpaid on the Shares held by that Shareholder in the Company.

### 5. Status of a Branch

5.1 A Branch does not have a separate legal personality from the Branch Parent, and any liabilities of a Branch extend to, and shall remain liabilities of, the Branch Parent.

## CHAPTER 3 – REGISTRATION OF ECD ENTITIES

### 6. Application for registration of a Company

6.1 Any one (1) or more persons may apply for the registration of a Company by filing with the Registrar an application for registration of a Company in the form specified by the Registrar, filed alongside an application for a Licence in respect of the Company in accordance with the Licensing Regulations (except in respect of an Exempt Entity).



- 6.2 The application for registration of a Company filed with the Registrar must include, in each case, pursuant to these Regulations:
- (a) the proposed name of the Company, which must immediately be followed by the suffix "FZ" (which must be stated wherever the Company's name appears, including in all communications) and must comply with the ECD Name Requirements;
  - (b) the amount of the share capital of the Company upon registration, which must be:
    - (i) confirmed by the Initial Shareholders as being fully Paid Up;
    - (ii) denominated in UAE Dirhams; and
    - (iii) at least equal to any minimum share capital required by the Registrar from time to time, as set out in Article 21.5;
  - (c) the full name, address, nationality and passport copy (or other form of photo identification) (in the case of an individual shareholder), or registration number, incorporation and licensing details (in the case of a corporate shareholder), of each of the Initial Shareholders, together with details of their shareholdings;
  - (d) the full name, address and nationality (in the case of a natural person), or registration number, incorporation and licensing details (in the case of a legal person) of each of the person(s) who are to serve as Directors and Company Manager;
  - (e) the full name, address and nationality (in the case of a natural person), or registration number, incorporation and licensing details (in the case of a legal person) of the person who is to serve as Secretary (if applicable);
  - (f) details of the natural persons who are the UBOs of the Company and any other information and documentation to fulfil the requirements of the UBO Regulations and the AML Laws;
  - (g) the proposed Articles of the Company;
  - (h) the proposed address of the registered facility of the Company in the ECD Free Zone; and
  - (i) any other document or information that the Registrar may require.
- 6.3 The application for registration of a Company filed with the Registrar must be accompanied by payment of the relevant fee, as determined by the Registrar from time to time.
- 6.4 A person may withdraw their application, by giving the Registrar written notice, at any time before the Registrar determines the application. If an application is withdrawn by the applying person, any fee paid will not be refunded.



6.5 The Registrar reserves the right to require from time to time an applicant to provide any further document or information as part of an application for registration of a Company.

## 7. Completion of registration of a Company

7.1 No Company may be registered without the approval of the Registrar.

7.2 On the registration of a Company, the Registrar shall:

- (a) issue a Certificate of Registration to confirm that the Company has been registered;
- (b) issue a copy of the Licence of the Company (except in respect of an Exempt Entity);
- (c) subject to Article 12.4, certify the Articles of the Company filed with the Registrar under Article 6.2(g), which shall satisfy the requirements of Article 14.1;
- (d) assign to the Company a number, which will be the ECD Entity Number of the Company; and
- (e) enter the name of the Company in the Register.

7.3 From the date of registration contained in the Certificate of Registration, the Initial Shareholders (or such other persons who from time to time become Shareholders) will form a corporate entity (the Company), and such corporate entity has the name contained in the Certificate of Registration and is capable of exercising all of the functions of a Company.

7.4 A Certificate of Registration is conclusive evidence of the registration of the Company.

7.5 In respect of the period (if any) prior to registration of a Company, any liabilities of such Company shall be treated as the liabilities of the Shareholders.

## 8. Application for registration of a Branch

8.1 A Company or a Non-ECD Entity may apply to establish a Branch in the ECD Free Zone by signing and filing an application form with the Registrar in the form specified by the Registrar, filed alongside an application for a Licence in respect of the Branch in accordance with the Licensing Regulations (except in respect of an Exempt Entity). Upon establishment of the Branch, such Company and/or such Non-ECD Entity (as applicable) shall become the Branch Parent.

8.2 The application for registration of a Branch filed with the Registrar by a Company must be signed by or on behalf of the proposed Branch Parent and include:

- (a) the proposed name of the Branch (which must be stated wherever the Branch's name appears, including in all communications), which must comply with the ECD Name Requirements;



- (b) the nature of the business to be conducted by the Branch, which must be within the scope of the licensed activities permitted to be conducted within the ECD Free Zone by the Branch Parent;
- (c) the full name, address and nationality of the person who is to serve as Branch Manager;
- (d) the full name, address and nationality (in the case of a natural person), or registration number, incorporation and licensing details (in the case of a legal person) of the person who is to serve as Secretary (if applicable);
- (e) the proposed address of the registered facility of the Branch in the ECD Free Zone; and
- (f) such other document or information as the Registrar may require to satisfy its requirements from home state regulators of the applicant.

8.3 The application for registration of a Branch filed with the Registrar by a Non-ECD Entity must be signed by or on behalf of the proposed Branch Parent and include:

- (a) the proposed name of the Branch (which must be stated wherever the Branch's name appears, including in all communications), which must comply with the ECD Name Requirements;
- (b) the nature of the business to be conducted by the Branch, which must be within the scope of the licensed activities permitted to be conducted outside of the ECD Free Zone by the Branch Parent;
- (c) a copy of the memorandum and articles of association (or equivalent constitutional documentation) of the Branch Parent;
- (d) the full name, address, nationality and passport copy (or other form of photo identification) (in the case of a natural person), or registration number, incorporation and licensing details (in the case of a legal person) of the directors and/or manager (or equivalent officeholders) of the Branch Parent;
- (e) the full name, address and nationality of the person who is to serve as Branch Manager;
- (f) the full name, address and nationality (in the case of a natural person), or registration number, incorporation and licensing details (in the case of a legal person) of the person who is to serve as Secretary (if applicable);
- (g) details of the natural persons who are the UBOs of the Branch Parent and any other information and documentation to fulfil the requirements of the UBO Regulations and the AML Laws;
- (h) the proposed address of the registered facility of the Branch in the ECD Free Zone; and
- (i) such other document or information as the Registrar may require to satisfy its requirements from home state regulators of the applicant.



- 8.4 In each case, the application for registration of a Branch filed with the Registrar must be accompanied by payment of the relevant fee, as determined by the Registrar from time to time.
- 8.5 A person may withdraw their application by giving the Registrar written notice at any time before the Registrar determines the application. If an application is withdrawn by the applying person, any fee paid will not be refunded.
- 8.6 The Registrar reserves the right to require from time to time an applicant to provide any further document or information as part of an application for registration of a Branch.
9. **Completion of registration of a Branch**
- 9.1 No Branch may be registered without the approval of the Registrar.
- 9.2 On the registration of a Branch, the Registrar shall:
- (a) issue a Certificate of Registration to confirm that the Branch has been registered;
  - (b) issue a copy of the Licence of the Branch (except in respect of an Exempt Entity);
  - (c) assign to the Branch a number, which will be the ECD Entity Number of the Branch; and
  - (d) enter the name of the Branch in the Register.
- 9.3 A Certificate of Registration is conclusive evidence of the registration of the Branch.
10. **Registered facility and notices**
- 10.1 Each ECD Entity must at all times maintain a registered facility in the ECD Free Zone, to which all communications and notices may be addressed.
11. **Licensing of ECD Entities**
- 11.1 Each ECD Entity must, unless it is an Exempt Entity, at all times maintain a valid Licence and comply with the terms and requirements as set out in the Licensing Regulations.

#### **CHAPTER 4 – ARTICLES AND CHANGE OF NAME**

##### **12. Articles of a Company**

- 12.1 The Articles of a Company must be in the Arabic and/or English language,
- 12.2 The Articles of a Company must contain:
- (a) the information set out in Article 13;
  - (b) such other matters as the Shareholders wish to include in the Articles; and
  - (c) any other information that the Registrar may require from time to time,





provided that the Articles may not contain a provision that is contrary to or inconsistent with these Regulations.

- 12.3 The Registrar may prescribe model articles of association to be known as the Standard Articles and a Company may adopt the Standard Articles for its Articles.
- 12.4 If the Standard Articles are not adopted by a Company, a Company may adopt its own Articles if it provides to the Registrar a Statement of Compliance issued by the Shareholders of the Company or a person holding a POA issued by the Shareholders of the Company, which must be submitted with the application for the registration of a Company.
- 12.5 If at any time the Registrar notifies a Company that, in the opinion of the Registrar, the Articles of that Company contain a provision which is contrary to or inconsistent with these Regulations, that Company must amend its Articles within twenty (20) Business Days of such notification in such manner as the Registrar may direct. In the case of any conflict between the Articles of that Company and the provisions of these Regulations, these Regulations shall prevail.

### 13. **Minimum content of Articles**

- 13.1 The Articles of a Company must at all times at least provide for:
- (a) the full name, nationality, date of birth, and place of residence of each partner/shareholder;
  - (b) the Company's name, address, and trade name, if any, and the object for which it was incorporated;
  - (c) The Company's head office and branches, if any;
  - (d) The Company's capital and ownership interests of every partner and the estimated value of such shares, the means by which they are evaluated and the date of their maturity;
  - (e) the Company's commencement and expiry date, if any;
  - (f) the fiscal year's commencement and expiry date;
  - (g) the percentage of profits and losses distribution;
  - (h) The conditions of assignment of ownership interests in the Company, if any.
  - (i) the rights attaching to Shares or classes of Shares;
  - (j) dividends and other distributions, including without limitation the right to issue new Shares out of distributable profits as part of a capitalisation process;
  - (k) the process for alteration of share capital;
  - (l) the transfer of Shares;



- (m) the holding of Annual General Meetings;
- (n) the requisition by shareholders of General Meetings;
- (o) the proceedings, including voting and quorum, at General Meetings;
- (p) accounts and other information to be provided to shareholders before every Annual General Meeting;
- (q) the maximum number of Directors;
- (r) the method by which the Company is to be managed, and the mechanism to appoint the company's management or the persons authorized to sign on behalf of the Company
- (s) the appointment, retirement, disqualification and removal of Directors and the Company Manager;
- (t) the remuneration of Directors and the Company Manager;
- (u) the powers and responsibilities of Directors and the Company Manager;
- (v) proceedings of Directors at meetings and passing resolutions;
- (w) the keeping of minutes of meetings of Shareholders and Directors;
- (x) the process for resolution of conflicts of interest of the Company's Officers; and
- (y) means of and permitted methods of communication between Shareholders and Directors and periods for deemed receipt of notices in respect of each relevant medium.

#### 14. **Effect of Articles**

14.1 Subject to the provisions of these Regulations, the Articles, once certified by the Registrar, following such process as the Registrar may prescribe for certification of the Articles, are legally binding on a Company and its Shareholders to the same extent as if:

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

14.2 Any amount payable by a Shareholder to a Company under the Articles is a debt due from that specific Shareholder to the Company and not all Shareholders to the Company.

#### 15. **Adoption of new Articles**

15.1 Subject to the provisions of these Regulations, a Company may adopt new Articles by Special Resolution. Subject to Article 12.4, the adoption of the new Articles takes effect on their certification by the Registrar.



- 15.2 If a Company proposes to adopt new Articles:
- (a) the new Articles must not contain a provision which is contrary to or inconsistent with these Regulations;
  - (b) the new Articles must be deposited with the Registrar within fifteen (15) Business Days of the Special Resolution to adopt the new Articles or such other date approved by the Registrar;
  - (c) the Company must provide to the Registrar a Statement of Compliance; and
  - (d) any rights or obligations of the Shareholders and/or the Company, which have arisen under the Articles prior to the date of adoption of the new Articles, will not be affected unless the new Articles specifically provide otherwise.
- 15.3 Notwithstanding anything in the Company's Articles, a Shareholder is not bound by any provision of the Articles adopted after the date on which that Shareholder became a Shareholder to the extent that the provision:
- (a) requires the Shareholder to take or subscribe for more Shares than the number held by the Shareholder at the date on which the Articles were adopted;
  - (b) in any way increases the Shareholder's liability as at that date to contribute to the Company's share capital; or
  - (c) otherwise requires the Shareholder to pay money to the Company,
- unless the Shareholder agrees in writing, either before or after the Articles are adopted, to be bound by it.
16. **Copies of Articles for Shareholders**
- A Company must, on written request from a Shareholder, send to that Shareholder a copy of the Articles.
17. **Change of name of an ECD Entity**
- 17.1 A Company may, by Special Resolution and by complying with the ECDA naming reservation process set out in article 5.4 of the Licensing Regulations, change its name.
- 17.2 A Company must file the Special Resolution with the Registrar within seven (7) Business Days of the date of the Special Resolution.
- 17.3 If the name of a Branch Parent has changed, the Branch must notify the Registrar of the resultant change in its name within five (5) Business Days of the change and file a copy of the relevant instrument changing the Branch Parent's name.
- 17.4 Where a Company changes its name under this Regulation or a Branch notifies the Registrar of the change of name of a Branch Parent, provided that the new name is acceptable to the Registrar and complies with the ECD Name Requirements, the Registrar must enter the new name in the Register in place of the former name and issue a Certificate of Name Change to reflect the change of name.

- 17.5 A change of name by an ECD Entity under these Regulations does not affect:
- (a) any rights or obligations of the ECD Entity; and
  - (b) any legal proceedings by or against the ECD Entity or any legal proceedings that might have been continued or commenced against the ECD Entity by its former name. Such proceedings may be continued or commenced against it in its new name.
- 17.6 The change of name takes effect from the date on which the Registrar issues the Certificate of Name Change.
- 18. Power of Registrar to require change of name**
- 18.1 If, in the opinion of the Registrar, the name or any proposed name of an ECD Entity:
- (a) is misleading or undesirable;
  - (b) is contrary to the interests of the ECD Free Zone, or the reputation and good standing of the Government of Dubai, the Emirate of Dubai or the UAE;
  - (c) infringes or potentially infringes on the intellectual property rights of a third party; and/or
  - (d) does not comply with the ECD Name Requirements,
- the Registrar may direct the ECD Entity to change its name, or take such other actions as the Registrar may require in order for the ECD Entity's name to be acceptable to the Registrar.
- 18.2 The ECD Entity must comply with the direction within thirty (30) Business Days of the date of the direction or such longer period as the Registrar may allow.

## **CHAPTER 5 – CORPORATE CAPACITY AND TRANSACTIONS**

### **19. Capacity of ECD Entities**

- 19.1 A Company has the capacity and rights and privileges of a natural person. A Branch has the capacity and rights and privileges of the Branch Parent.
- 19.2 A person acting under the authority of an ECD Entity may make, vary or discharge a contract or sign an instrument on behalf of the ECD Entity in the same manner as if the contract were made, varied or discharged or the instrument signed by a natural person (or, in the case of a Branch, the Branch Parent).
- 19.3 In favour of a person dealing with an ECD Entity in good faith, the power of the Directors, Company Managers and/or Branch Managers of such ECD Entity to bind the ECD Entity, or authorise others to do so, is deemed to be free of any limitation under the ECD Entity's (or, in the case of a Branch, the Branch Parent's) constitutional documents.
- 19.4 For this purpose:



- (a) a person "deals with" an ECD Entity if they are a party to any transaction or other act to which the ECD Entity is a party;
  - (b) a person dealing with an ECD Entity:
    - (i) is not bound to enquire as to any limitation on the powers of its Directors, Company Managers and/or Branch Managers to bind the ECD Entity or authorise others to do so; and
    - (ii) is presumed to have acted in good faith unless the contrary is proved.
- 19.5 This Article does not affect any right of a Shareholder of a Company to bring proceedings to restrain the doing of an action that is beyond the powers of the Officers or any Liability incurred by the Officers, or any other person, by reason of an Officer exceeding their powers.
- 19.6 Subject to Article 19.7, if a transaction purports to be entered into by or on behalf of an ECD Entity, at a time when the ECD Entity has not been registered under these Regulations, the transaction has the effect as if entered into by the person purporting to act for or on behalf of the ECD Entity. That person is personally bound by the transaction and entitled to its benefits. For this purpose, in respect of a Branch, the "person" is the Branch Parent.
- 19.7 An ECD Entity may adopt any such transaction referred to in Article 19.6 by any method and on such terms it may determine. From that time, the ECD Entity will be bound by the transaction and entitled to its benefits as agreed under its terms. The person who purported to enter into the transaction for or on behalf of the ECD Entity will subsequently cease to be so bound and entitled.

## **CHAPTER 6 – SHARE CAPITAL, SHAREHOLDERS AND REDUCTION OF SHARE CAPITAL**

### **20. Shareholders**

- 20.1 Upon the issue of a Certificate of Registration, the Initial Shareholders of a Company are treated as having agreed to become Shareholders of the Company and must be entered as such in the Shareholder Register of the Company, maintained by the Registrar, pursuant to Article 81.
- 20.2 Subsequent to the Initial Shareholders under Article 20.1, a person becomes a holder of a share of a Company upon:
- (a) its agreement to become a Shareholder;
  - (b) the Allotment or transfer of a share in the Company; and
  - (c) its name being entered in the Shareholder Register of the Company, maintained by the Registrar, pursuant to Article 81.

### **21. Nature of Shares**

- 21.1 Unless otherwise approved by the Registrar on application:



- (a) Shares in a Company must have a fixed nominal value;
  - (b) a share may not be Allotted by a Company at less than its nominal value; and
  - (c) an Allotment of a share that does not have a fixed nominal value, or is Allotted at less than its nominal value, is void.
- 21.2 Each share in a Company shall be distinguished by an appropriate number.
- 21.3 The share capital of a Company must be denominated in UAE Dirhams.
- 21.4 Subject to Article 21.5, there shall be no prescribed minimum share capital which a Company must maintain.
- 21.5 The Registrar may, from time to time, specify a minimum share capital which must be maintained for specified types of Companies, types of activities to be conducted in the ECD Free Zone or in respect of particular Companies, depending on their application.
- 21.6 A share must be Paid Up in full by a Shareholder when Allotted. Such Shares may be paid for in cash or in kind, subject to Article 27.
- 21.7 Subject to the Articles, each share will:
- (a) carry the right to vote at a General Meeting of the Company;
  - (b) represent a proportionate interest in the Company; and
  - (c) rank in all respects equally with each other share of the same class in the Company.
- 21.8 The Shares or other interests of a Shareholder of a Company are, subject to Article 30, transferable in the manner provided by the Articles.
- 22. Classes of Shares**
- 22.1 A Company may issue different classes of Shares, provided that the rights of each class of Shares must be stipulated in the Articles.
- 22.2 If a Company issues different classes of Shares, any provisions of these Regulations which apply in relation to Shareholders shall apply (with necessary modifications) in relation to holders of specific classes of Shares as they apply in relation to all Shareholders.
- 22.3 Rights attached to a class of a Company's Shares may only be varied:
- (a) in accordance with any provision in its Articles for the variation of those rights; or
  - (b) where the Articles contain no such provision, if the holders of Shares of that class consent to the variation by either:



- (i) attaining consent in writing from the holders of at least three-quarters in nominal value of the issued Shares of that class (excluding any Shares held as Treasury Shares); or
- (ii) by a Special Resolution passed at a separate General Meeting of the holders of that class sanctioning the variation.

This is without prejudice to any other restrictions on the variation of the rights.

22.4 Should the rights attached to any such class of share be varied or abrogated pursuant to Article 22.3, the holders of not less than 5 per cent. in aggregate of the total number of issued Shares of that class may apply to the Registrar to have the variation or abrogation cancelled, such cancellation to be made at the Registrar's sole discretion on the basis of, amongst other things, whether such conduct is unfairly prejudicial to the interests of those Shareholders pursuant to Article 66.

22.5 Any amendment of a provision contained in the Articles for the variation of the rights attached to a class of Shares is itself to be treated as a variation of those rights.

### 23. Share Certificates

23.1 The Registrar shall, upon a request by the Company and payment of the relevant fee and provision of any documents, information or waivers as the Registrar may require, issue one (1) or more share certificates for the Shares held by each of the Shareholders of the Company.

23.2 Each share certificate shall specify:

- (a) the number of Shares;
- (b) the class of Shares;
- (c) the amount Paid Up on the Shares; and
- (d) any distinguishing numbers (if any) assigned to the Shares.

23.3 A single share certificate shall not be issued in respect of more than one class of share.

23.4 If a share certificate is damaged, lost or destroyed, the Registrar may issue a replacement share certificate in respect of the same Shares, provided that the Company shall:

- (a) return the damaged share certificates (if any) to the Registrar; and
- (b) comply with such conditions as to evidence, indemnity and the payment of the relevant fee as the Registrar may determine.

23.5 No Company is required to request or maintain share certificates and the issuance of such share certificates is optional.

## 24. Alteration of Share Capital

24.1 A Company may, by Special Resolution, do any of the following:

- (a) increase its share capital by creating new Shares of such value or class as it thinks fit;
- (b) consolidate all or any of its Shares;
- (c) subdivide all or any of its Shares into a greater number of Shares of a smaller nominal value than its existing Shares; or
- (d) reduce its share capital in accordance with Article 25.

24.2 Any Company which alters its share capital pursuant to this Article 24 shall lodge a notice of alteration in the prescribed form with the Registrar. The alteration shall become effective once recorded in the Shareholder Register.

24.3 A Company which alters its share capital pursuant to these Regulations is not required to pass a separate Special Resolution to amend its Articles to reflect the alteration, unless required in the Articles.

24.4 A Company may, when issuing new Shares pursuant to Article 24.1(a), do so out of distributable profits, but only if the Company's Articles expressly provide for such means of issuance.

## 25. Reduction of Share Capital

25.1 A Company, by Special Resolution, may reduce its share capital.

25.2 A Company may reduce share capital by:

- (a) extinguishing or reducing Liability on any of its Shares;
- (b) cancelling any share capital that is lost or is unrepresented by available assets;
- (c) purchasing its own Shares for cancellation under Article 31;
- (d) cancelling any Treasury Shares under Article 33; or
- (e) paying off any share capital that is in excess of the requirements of the Company.

25.3 In order to effect a reduction of share capital:

- (a) a Special Resolution must be passed approving the reduction in share capital;
- (b) within fifteen (15) days of the date of such Special Resolution having been passed, a majority of the Directors of the Company must sign a certificate declaring that the majority of the Directors have formed the opinion, as regards the Company's situation at the date of the certificate, that:
  - (i) the Company is solvent, and will remain solvent following the proposed reduction in share capital;





- (ii) there is no ground on which the Company could, following the proposed reduction in share capital, be found to be unable to pay (or otherwise discharge) its debts;
  - (iii) and either:
    - (1) if it is intended to commence the Winding Up of the Company within twelve (12) months of that date, that the Company will be able to pay (or otherwise discharge) its debts in full within twelve (12) months of the commencement of the Winding Up, or
    - (2) in any other case, that the Company will be able to pay (or otherwise discharge) its debts as they fall due during the year immediately following that date,
  - (c) as soon as reasonably practicable following the issuance of such certificate referred to in Article 25.3(b), and in any event within five (5) days, the Company must publish, in a manner prescribed by the Registrar from time to time, a notice of the proposed share capital reduction, which shall state that the share capital reduction shall take place on the date specified in the notice (which must be at least fifteen (15) days and no more than thirty (30) days from the date of publication of the notice) and shall include a copy of the certificate referred to in Article 25.3(b);
  - (d) the Company shall, simultaneously with its publication, file a copy of the notice referred to in Article 25.3(c) (including the certificate referred to in Article 25.3(b)) with the Registrar; and
  - (e) subject to Article 26.2, the Registrar shall update the Register upon the date specified in Article 25.3(c) on which the share capital reduction is scheduled to take effect.
- 25.4 The reduction of share capital shall take effect from the update of the Register by the Registrar.
- 25.5 No Director may issue a certificate pursuant to Article 25.3(b) unless the majority of the Directors have reasonable grounds for the opinion expressed in the certificate. In forming their opinion, each Director shall take into account all of the Company's liabilities (including any contingent or prospective liabilities).
- 25.6 A Company which reduces its share capital pursuant to these Regulations is not required to pass a separate Special Resolution to amend its Articles to reflect the reduction, unless set out therein.
26. **Liability following capital reductions**
- 26.1 Where the share capital of a Company is reduced, a Shareholder (past or present) remains liable to Creditors up to any amount unpaid on its Shares from time to time (notwithstanding Article 28.1), notwithstanding the reduction, which may be offset by the Company in respect of any distributions to be made to such Shareholder.



- 26.2 Any Creditor of the Company may, at any time from the issuance of the notice referred to in Article 25.3(c) until the date which is six (6) weeks from the date on which the Registrar updates the Register confirming the share capital reduction pursuant to Article 25.4, shall have the right to object to the decision to reduce the capital and have the reduction rejected.
- 26.3 Article 26.2 shall apply to a Creditor of the Company who, at the date of the objection, is entitled to any debt or claim which, at the commencement of the Winding Up of the Company, would be admissible in proof against the Company.
- 26.4 Upon accepting the objection from the related authority, the Registrar shall order that the relevant capital amount, to the extent distributed, be returned or, if capitalised, be reinstated by the Shareholders or the relevant Directors (or a combination thereof) from any distributions from the Company, as if the relevant amount distributed without regard to the Creditor's claim is an unlawful distribution to which Article 37 applies.
- 27. Existing shareholders' right of pre-emption**
- 27.1 A Company must not Allot Shares to a person on any terms unless:
- (a) it has made an offer to each person who holds Shares of such class in the Company to Allot to them on the same or more favourable terms a proportion of those Shares that is as nearly as is practicable equal to the proportion held by them of the share capital of such class of Shares of the Company; and
  - (b) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- 27.2 The offer must state a period during which it may be accepted, and the offer shall not be withdrawn before the end of that period. The period must be a period of at least fourteen (14) Business Days post deemed receipt of the notice by the Shareholder(s) in question.
- 27.3 Shares held by the Company as Treasury Shares are disregarded for the purposes of this Article 27.
- 27.4 This Article 27 does not apply in relation to:
- (a) a particular Allotment of Shares if these are, or are to be, wholly or partly Paid Up otherwise than in cash; or
  - (b) an Allotment of Shares that would, apart from any renunciation or assignment of the right to their Allotment, be held under or Allotted or transferred pursuant to an employees' share scheme.
- 27.5 Subject to Article 27.6, all or any of the requirements of this Article 27 may be excluded by a provision contained in the Articles in relation to the Allotment by the Company of Shares.
- 27.6 Any amendments made to a Company's Articles to exclude or amend the rights of pre-emption provided for under Article 27.1 must be by way of a resolution with the approval of at least 90 per cent. of all Shareholders.



## 28. **Non-cash consideration for Shares**

28.1 If a Company Allots Shares for which the consideration will be other than cash, the Directors of the Company must:

- (a) determine the reasonable cash value of the consideration for the Shares;
- (b) resolve that, in their opinion, the consideration for the Shares is fair and reasonable to the Company and to all existing Shareholders; and
- (c) resolve that, in its opinion, the present cash value of the consideration to be provided for the Shares is not less than the share value to be credited for the issue of the Shares.

28.2 The resolutions of the Directors required pursuant to Article 28.1 must detail the present cash value of that consideration at the time of the resolution, as determined by the Directors, and the basis for assessing it.

28.3 The Company must then pass a Special Resolution to approve the Allotment of Shares for non-cash consideration at a General Meeting. The resolutions of the Directors pursuant to Article 28.1 must be presented to the Shareholders as part of the notice to call a General Meeting described in Article 58.3.

28.4 Article 28.1 does not apply to the following scenarios:

- (a) the Allotment of Shares in a Company on the conversion of any convertible securities;
- (b) the exercise of an option to acquire Shares in a Company; or
- (c) the consolidation and division, or subdivision, of Shares, or any class of Shares, in a Company in proportion to those Shares or the Shares in that class.

## 29. **Bearer Shares**

A Company may not issue any Shares where ownership is evidenced and may be transferred solely by physical possession of the share certificate (bearer shares).

## 30. **Transfer of Shares**

30.1 Subject to such other regulations as may be made by the ECDA and payment of the relevant fee, the Shares or other interests of any Shareholder in a Company shall be transferable in any manner provided by the Articles of the Company and subject only to the restrictions provided therein, and the process set out in Article 30.2.

30.2 Notwithstanding anything in the Articles of a Company, no transfer of Shares shall take place unless:

- (a) an instrument of transfer signed by or on behalf of the transferor and transferee, in such form as may be prescribed by the Registrar from time to time, has been delivered to the Registrar;



- (b) the Registrar has been provided with, in the event that such Shares are to be transferred to a person who is not already an existing shareholder of the relevant Company:
- (i) the full name, address and nationality (in the case of an individual shareholder), or registration number, incorporation and licensing details (in the case of a corporate shareholder) of each of the persons who are to become a shareholder, together with details of their shareholdings;
  - (ii) details of the natural persons who are the UBOs of such proposed shareholder and any other information and documentation to fulfil the requirements of the UBO Regulations and the AML Laws; and
  - (iii) any other document or information that the Registrar may require;
- (c) the share certificates (if any) relating to the transferred Shares have been returned to the Registrar; and
- (d) the share transfer shall, subject to the information required pursuant to Articles 30.2(a) to 30.2(c) inclusive above being provided in a form reasonably acceptable to the Registrar, be registered and entered into the Shareholder Register of the Company maintained by the Registrar.
- 30.3 A transfer of Shares shall take effect upon the update by the Registrar of the Shareholder Register of the Company maintained by the Registrar showing the new shareholder as the holder of such Shares.
- 30.4 This Article 30 does not prevent the Registrar from registering a person as a Shareholder where such person has been granted a right to Shares in a Company by operation of law. Any such person may be registered as a Shareholder upon such evidence being produced as may reasonably be required by the Registrar. An application by any such person to be registered as a Shareholder for all purposes shall be deemed to be a transfer of Shares of the Shareholder and the Registrar shall treat it as such.
- 30.5 A Trustee of a deceased Shareholder must be treated as a Shareholder for, and only for, the purposes of executing the share transfer document in respect of such Shareholder's share or interest.
- 30.6 The application to the Registrar to register a transfer of Shares may be made by either the Company, the transferor or the transferee.
- 30.7 If the Registrar refuses to register a transfer of Shares, the Registrar must provide the transferor and transferee with a notice stating that the transfer of Shares has been rejected within a reasonable period of time of such application to the Registrar.
31. **Power of a Company to purchase its own Shares**
- 31.1 A Company may, subject to any provisions of its Articles, purchase its own Shares, with the consent of the seller of such Shares and provided it complies with the requirements of this Article 31 and Article 32.



- 31.2 A purchase by a Company of its own Shares under this Article 31 must be authorised by a Special Resolution.
- 31.3 The Registrar may prescribe filing requirements for the purchase of a Company's own Shares from time to time.
- 31.4 With the exception of a capital reduction conducted in accordance with Article 25, a purchase of a Company's own Shares must be made out of Distributable Reserves, and such Shares shall held as Treasury Shares pursuant to Article 32.
- 31.5 The Shares to be purchased by the Company pursuant to this Article 31:
- (a) may only be purchased pursuant to a contract approved in advance by a Special Resolution of the Company pursuant to Article 31.2; and
  - (b) do not carry a right to vote on such Special Resolution authorising the purchase unless the Company has only one Shareholder.
- 31.6 A Company may not purchase its own Shares if, as a result of the purchase, there would no longer be a Shareholder of the Company other than the Company holding Shares.
32. **Treasury Shares**
- 32.1 If a Company purchases Shares in the manner permitted by these Regulations, the Company may:
- (a) hold the Shares (or any of them), in which case the Shares will be treated as "**Treasury Shares**"; and
  - (b) deal with any of the Shares, at any time, in accordance with Article 33.
- 32.2 Where a Company has Shares of only one (1) class, the aggregate number of Shares held as Treasury Shares shall not at any time exceed 10 per cent. of the total number of Shares of the Company at that time.
- 32.3 Where the share capital of a Company is divided into Shares of different classes, the aggregate number of the Shares of any class held as Treasury Shares shall not at any time exceed 10 per cent. of the total number of the Shares in that class at that time.
- 32.4 Where Article 32.2 or 32.3 is contravened by a Company, the Company shall dispose of or cancel the excess Shares before the end of the period of three (3) months beginning with the day on which that contravention occurs, or such further period as the Registrar may allow.
- 32.5 In Article 32.4, "the excess Shares" means such number of the Shares, held by the Company as Treasury Shares at the time in question, as resulted in the limit being exceeded.
- 32.6 If a Company holds Treasury Shares, the Company must be entered in the Shareholder Register as a Shareholder holding those Treasury Shares.



32.7 A Company must not exercise any right in respect of Treasury Shares held by it (including any right to attend or vote at meetings). Any purported exercise of such a right is void.

32.8 No dividend may be paid and no other distribution (whether in cash or otherwise) of a Company's assets (including any distribution of assets to Shareholders on a Winding Up) may be made to the Company in respect of Treasury Shares held by it.

### 33. **Treasury Shares: disposal and cancellation**

33.1 If a Company holds Treasury Shares, the Company may at any time:

- (a) sell any of those Shares;
- (b) transfer any of those Shares for the purposes of or pursuant to an employees' share scheme; or
- (c) subject to compliance with Article 25, cancel any of those Shares.

33.2 If any Shares in a Company are cancelled under Article 33.1(c), the cancellation shall be treated as a reduction of share capital and the provisions of Article 25 shall apply.

33.3 A Company may dispose of or cancel Treasury Shares pursuant to Article 33.1 by lodging a prescribed notice of the disposal or cancellation of Treasury Shares with the Registrar together with the relevant fee.

33.4 A disposal or cancellation of Treasury Shares shall take effect upon the Registrar's entry of the disposal or cancellation of Treasury Shares in the Shareholder Register.

33.5 If the proceeds of sale are equal to or less than the purchase price paid by the Company for the Shares, the proceeds are treated as a realised loss of the Company. If the proceeds of sale exceed the purchase price paid by the Company an amount equal to the purchase price paid is treated as a realised profit of the Company.

### 34. **Restriction on participation in parent companies**

Unless otherwise approved by the Registrar, no Company is permitted to own shares in any entity (including any Non-ECD Entity) which owns, directly or indirectly, any Shares in such Company, and any Allotment or transfer of shares in such entity in breach of such restriction shall be void.

## **CHAPTER 7 – DIVIDENDS AND DISTRIBUTIONS**

### 35. **Dividends**

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

### 36. **Restrictions on distributions**

36.1 A Company may only declare a dividend or resolve to make a distribution if the Directors of the Company have resolved by simple majority, on reasonable grounds,



that the Company will, immediately after the dividend is paid or the distribution is made, be able to pay its debts as they fall due in the normal course of business.

- 36.2 A Company may only make a distribution out of its Distributable Reserves.
- 36.3 In this Article 36, "**distribution**" means every description of distribution of a Company's assets to its Shareholders, whether in cash or otherwise, except distribution by way of:
- (a) the redemption or purchase of any of the Company's own Shares out of share capital (including the proceeds of any fresh issue of Shares) in accordance with Article 31;
  - (b) the reduction of share capital by repaying any share capital in accordance with Article 25; or
  - (c) a distribution of assets to Shareholders of the Company on its Winding Up.

### 37. **Consequences of unlawful distribution**

- 37.1 Where a distribution, or part of a distribution, made by a Company to any of its Shareholders is made in contravention of Article 36 and at the time of the distribution:
- (a) the Shareholder knows or has reasonable grounds for believing that it is so made, the Shareholder is liable to repay it, or that part of it, to the Company (and, where such distribution was made otherwise than in cash, the Shareholder must pay to the Company an amount equal to the value of the distribution); and
  - (b) the Directors of the Company know or have reasonable grounds for believing that it is so made, the Directors shall be liable to the Shareholders and the Creditors of the Company for any such arrangement.
- 37.2 The Registrar may, on application from any interested party, at its sole discretion determine the extent to which any Shareholder and/or Director of a Company shall be liable to repay any proportion of any distribution made in contravention of Article 36, and the amount of such repayment.

## **CHAPTER 8 – DIRECTORS AND CORPORATE GOVERNANCE**

### 38. **Directors and Company Managers**

- 38.1 Each Company is required to appoint and maintain at all times a Company Manager, and at least one (1) Director.
- 38.2 The Company Manager is authorised to represent the Company before the ECDA, the Registrar, any other UAE Governmental Authority and any other person as may be determined by the Shareholders.
- 38.3 No person may act in the position of a Director or Company Manager without being registered as a Director or Company Manager in accordance with these Regulations, other than for the purpose of fulfilling any function delegated by the Directors of the Company in accordance with a Company's constitution.



- 38.4 The Directors may exercise all the powers of a Company except any powers that these Regulations or the Company's Articles require the Company to exercise in a General Meeting or by other action of the Shareholders.
- 38.5 Directors are authorised to accept Legal Notice and Service of any document or notice on behalf of the Company in the ECD Free Zone and to undertake any other function on behalf of the Company as may be required by these Regulations.
- 38.6 No person may be a Director or Company Manager who:
- (a) is under the age of eighteen (18) years;
  - (b) has been convicted of a criminal offence, involving dishonesty, in any jurisdiction;
  - (c) has been adjudged disqualified by the ECDA pursuant to Article 53 or by any UAE Governmental Authority or any other competent regulatory authority or court in any jurisdiction outside of the UAE;
  - (d) does not qualify based on any criterion provided in the Articles (as the case may be) or any other requirement prescribed by Registrar from time to time;
  - (e) is currently classified for the purposes of applicable law as bankrupt (or equivalent) and has not been discharged from this classification;
  - (f) is not a natural person, unless otherwise approved by the Registrar with respect to Directors (provided that at all times at least one (1) Director must be a natural person); or
  - (g) in the opinion of the Registrar, is not or would not be a suitable person to be a Director or Company Manager of a Company as per Article 53.
- 38.7 The Company Manager must be a natural person and be sponsored for visa purposes by the ECDA, unless the Registrar approves otherwise.
- 38.8 The role of Director, Company Manager and/or Secretary may be filled by the same person or multiple persons, and may be filled by a Shareholder (provided that the other requirements as to their qualifications set out in the Regulations are met, including the requirements set out in Articles 38.6, 38.7 and 50.4).
39. **Elections, term and removal of Directors**
- 39.1 The first Directors and the Company Manager must be appointed by the Initial Shareholders.
- 39.2 All Directors and the Company Manager appointed after the first Directors and Company Manager must be appointed by the Shareholders for such period as the Shareholders may determine.
- 39.3 Each Director and Company Manager holds its position until:
- (a) incapacitation or death;





- (b) resignation from the position;
  - (c) removal by an Ordinary Resolution (or any higher threshold as may be set out in the Company's Articles); or
  - (d) the expiry of the period determined by the Shareholders in accordance with Article 39.2.
- 39.4 A vacancy in the position of a Director or Company Manager pursuant to Article 39.3 may be filled by Ordinary Resolution or any higher threshold to the extent set out in the Company's Articles.
- 39.5 If a Director or Company Manager ceases to fulfil the criteria set out in Article 38.6 or the criteria in Article 38.7 cease to be met, the Shareholders must promptly (and, in any event, within ten (10) Business Days of the date on which the Director or Company Manager ceased to fulfil the criteria set out in Article 38.6 or the criteria in Article 38.7 ceased to be met) remove such Director or Company Manager from office.
- 39.6 Any change to the Directors or Company Manager must be notified to the Registrar within five (5) Business Days of the change. The change shall take effect when the notice of the appointment is registered by the Registrar.
- 39.7 A Company may, by provision of its Articles, permit for Directors to appoint an alternate for a specified period of time. Any such proposed alternate must fulfil the criteria set out in Article 38.6. Any such alternate shall, upon their registration as a Director in accordance with Article 38.3, be deemed to be a Director for the purposes of these Regulations. The Registrar may, at its sole discretion, accept or reject any application for registration of an alternate after providing reasonable justification.
- 40. Duties of Directors**
- 40.1 A Director, in exercising the Director's powers and discharging the Director's Duties, must act in accordance with the Directors' Duties, including acting honestly, in good faith and lawfully, and in the best interests of the Company.
- 40.2 The duties of Directors are set out in these Regulations and are owed by a Director of a Company to the Company.
- 40.3 A person who ceases to be a Director continues to be subject to:
- (a) the duty in Article 45, as regards the exploitation of any property, information or opportunity of which the Director became aware when serving as a Director; and
  - (b) the duty in Article 46, as regards things done or omitted to be done by the Director before the Director ceased to be a Director.
- 41. Duty to act within powers**
- 41.1 A Director of a Company must;
- (a) act in accordance with the Company's Articles, and



- (b) only exercise powers for the purposes for which they are conferred.

#### 42. **Duty to promote the success of the Company**

42.1 A Director of a Company must act in the way the Director considers, in good faith, would be most likely to promote the success of the Company for the benefit of its Shareholders as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees and their welfare;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community within the ECD Free Zone and the wider UAE and the environment, including its impact on sustainability;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between Shareholders of the Company.

42.2 Where or to the extent that the purposes of the Company consist of or include purposes other than the benefit of its Shareholders, Article 42.1 has effect as if the reference to promoting the success of the Company for the benefit of its Shareholders were to achieve those purposes.

42.3 The duty imposed by this Article 42 has effect subject to any enactment or rule of law requiring Directors, in certain circumstances, to consider or act in the interests of Creditors of the Company.

#### 43. **Duty to exercise independent judgement**

43.1 A Director of a Company must exercise independent judgement.

43.2 This duty is not infringed by the Director acting:

- (a) in accordance with an agreement duly entered into by the Company that restricts the future exercise of discretion by its Directors, or
- (b) in a way authorised by the Company's Articles.

#### 44. **Duty to exercise reasonable care, skill and diligence**

44.1 A Director of a Company must exercise reasonable care, skill and diligence.

44.2 This means the care, skill and diligence that would be exercised by a reasonably diligent person with:



- (a) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the Director in relation to the Company, and
- (b) the general knowledge, skill and experience that the Director has.

**45. Duty to avoid conflicts of interest**

- 45.1 A Director of a Company must avoid a situation in which the Director has, or can have, a direct or an indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- 45.2 This applies in particular to the exploitation of any property, information or opportunity (and it is immaterial whether the Company could take advantage of the property, information or opportunity).
- 45.3 This duty does not apply to a conflict of interest arising in relation to a transaction or an arrangement with the Company to the extent that the duty in Article 47 applies with respect to such transaction or arrangement.
- 45.4 This duty is not infringed:
- (a) if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or
  - (b) if the matter has been authorised by the Directors following a declaration of interest of such Director made in accordance with Article 47 (where required to do so), provided that nothing in the Company's Articles invalidates such authorisation; or
  - (c) if the matter is authorised following any other steps for authorising matters in which a conflict of interest arises in respect of a Director in accordance with the Company's Articles.
- 45.5 Authorisation may be given by the Directors by the matter being proposed to and authorised by the directors in accordance with Article 45.6.
- 45.6 The authorisation is effective only if:
- (a) any requirement as to the quorum at the meeting at which the matter is considered is met without counting the Director in question or any other interested Director; and
  - (b) the matter was agreed to without their voting or would have been agreed to if their votes had not been counted.
- 45.7 Any reference in this Article 45 to a conflict of interest includes a conflict of interest and duty and a conflict of duties.



**46. Duty not to accept benefits from third parties**

46.1 A Director of a Company must not accept a benefit from any third party conferred by reason of:

- (a) being a Director; or
- (b) doing (or not doing) anything as a Director.

46.2 Benefits received by a Director from a person by whom, or upon appointment of whom, their services (as a Director or otherwise) are bona fide provided to the Company are not regarded as conferred by a third party.

46.3 This duty is not infringed:

- (a) if the situation cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (b) if the matter has been authorised by the Directors following a declaration of interest of such Director made in accordance with Article 47 (where required to do so), provided that nothing in the Company's Articles invalidates such authorisation; or
- (c) if the matter is authorised following any other steps for authorising matters in which a conflict of interest arises in respect of a Director in accordance with the Company's Articles.

**47. Duty to declare interest in an existing or proposed transaction or arrangement**

47.1 If a Director of a Company is in any way, or becomes, directly or indirectly, interested in an existing or proposed transaction or arrangement with the Company, the Director must declare the nature and extent of that interest to the other Directors.

47.2 The declaration may (but need not) be made:

- (a) at a meeting of the Directors; or
- (b) by notice to the Directors in writing.

47.3 If a declaration of interest under this Article 47 proves to be, or becomes, inaccurate or incomplete, a further declaration must be made.

47.4 Any declaration required by this Article 47 must be made as soon as reasonably practicable and, in any event, prior to the Company entering into such transaction or arrangement (to the extent that it is not already existing).

47.5 This Article 47 does not require a declaration of an interest of which the Director is not aware or where the Director is not aware of the transaction or arrangement in question. For this purpose, a Director is treated as being aware of matters of which they ought reasonably to be aware.

47.6 A Director need not declare an interest:



- (a) if it cannot reasonably be regarded as likely to give rise to a conflict of interest;
- (b) if, or to the extent that, the other Directors are already aware of it (and for this purpose the other Directors are treated as aware of anything of which they ought reasonably to be aware); or
- (c) if it concerns terms of their service contract that have been or are to be considered:
  - (i) by a meeting of the Directors; or
  - (ii) by a committee of the Directors appointed for this purpose under the Company's Articles.

#### 48. **Prohibition of financial assistance to Directors**

48.1 Subject to Article 48.2, , a Company shall not provide the following financial assistance to a Director of the Company or a director (or equivalent) of any direct or indirect shareholder of such Company, or a Connected Person of such Director of the Company or such director (or equivalent) of any direct or indirect shareholder of such Company:

- (a) a loan, quasi-loan, debenture, credit facility or other similar form of financial assistance; or
- (b) a guarantee or security or an indemnity in connection with a loan, quasi-loan, debenture, credit facility or other similar form of financial assistance, whether such financial assistance is provided by the Company or another person,

unless consent is given by Shareholders by Ordinary Resolution, or it is conditional on such consent being obtained.

48.2 Article 48.1 does not apply to financial assistance where:

- (a) it consists of remuneration in the ordinary course paid to a Director for their services as a Director;
- (b) it is liability indemnity insurance related to the discharge of the Director's Duties;
- (c) the Company's ordinary business includes providing finance and the financial assistance is given in the ordinary course of that business and on ordinary commercial terms; or
- (d) it is of a kind prescribed in the Regulations as exempted from this Article 48.

48.3 Any agreement that contradicts with the provisions of this Article 48 shall be deemed null and void.

#### 49. **Validity of acts of Director**

The acts of a Director are valid even if a defect is subsequently found in that Director's appointment or qualification.



50. **Secretary**

- 50.1 A Company is required to appoint a Secretary if the Company is owned by two (2) or more Shareholders. A Branch may (but is not required to) appoint a Secretary.
- 50.2 If appointed, the Secretary is primarily responsible to the Company or Branch (as applicable) for filing all documents required to be filed with the Registrar under these Regulations and, with respect to a Company, for calling meetings of the Director(s) and Shareholders, in each case subject to the terms of service of such Secretary as may be agreed with the Company or Branch (as applicable).
- 50.3 The Secretary must be appointed from time to time by resolution of the Directors or the Shareholders (in the case of a Company) or the directors (or equivalent) of the Branch Parent (in the case of a Branch).
- 50.4 A person cannot be a Secretary who:
- (a) is under the age of eighteen (18) years;
  - (b) has been convicted of a criminal offence, involving dishonesty, in any jurisdiction;
  - (c) has been adjudged disqualified by the ECDA pursuant to Article 53 or by any UAE Governmental Authority or any other competent regulatory authority or court in any jurisdiction outside of the UAE;
  - (d) does not qualify based on any criterion provided in the Articles or the memorandum and articles of association (or equivalent constitutional documentation) of the Branch Parent (as the case may be); or
  - (e) in the opinion of the Registrar, is not or would not be a suitable person to be a Secretary of an ECD Entity per Article 53.
- 50.5 A Secretary holds their position until:
- (a) incapacitation or death;
  - (b) resignation from the position; or
  - (c) removal by resolution of the Directors or Shareholders (in the case of a Company), or directors (or equivalent) of the Branch Parent (in the case of a Branch).
- 50.6 A vacancy in the position of a Secretary pursuant to Article 50.5 may be filled by resolution of the Directors or Shareholders (in the case of a Company) or the directors (or equivalent) of the Branch Parent (in the case of a Branch).
- 50.7 If a Secretary resigns or is removed from office, dies or is incapacitated, the Company, Branch or the Branch Parent (as applicable) must promptly notify the Registrar (and in any event within five (5) Business Days). Upon such resignation or removal:



- (a) if the Company is required to appoint a Secretary, the Directors shall automatically assume the responsibilities of the Secretary from the date of such resignation, removal, death or incapacity until such time as a new Secretary is appointed; or
- (b) if the Company is not required to appoint a Secretary, or in respect of a Branch, if a new Secretary is not appointed within ten (10) Business Days of the date of such resignation, removal, death or incapacity, the position shall be dissolved until such time (if any) as a new Secretary is appointed.

## 51. Branch Managers

- 51.1 Every Branch must appoint and retain at all times a Branch Manager.
- 51.2 The Branch Manager must be appointed from time to time by resolution of the directors (or equivalent) of the Branch Parent. The appointment of a Branch Manager shall be effective upon registration by the Registrar.
- 51.3 The Branch Manager is responsible for the day-to-day operations of the Branch, in accordance with the requirements of the directors (or equivalent) of the Branch Parent.
- 51.4 The appointment resolution of the Branch Manager shall authorise the Branch Manager to accept Legal Notice and Service of any document on behalf of the Branch in the ECD Free Zone and to undertake any other function on behalf of the Branch as may be required by these Regulations.
- 51.5 A Branch Manager, in exercising the Branch Manager's functions, must act in accordance with the Directors' Duties.
- 51.6 A person cannot be a Branch Manager who:
  - (a) is under the age of eighteen (18) years;
  - (b) has been convicted of a criminal offence, involving dishonesty, in any jurisdiction;
  - (c) has been adjudged disqualified by the ECDA pursuant to Article 53 or by any UAE Governmental Authority or any other competent regulatory authority or court in any jurisdiction outside of the UAE;
  - (d) is not a natural person;
  - (e) is currently classified for the purposes of applicable law as bankrupt (or equivalent) and has not been discharged from this classification;
  - (f) does not qualify based on any criterion provided in the memorandum and articles of association (or equivalent constitutional documentation) of the Branch Parent (as the case may be); or
  - (g) in the opinion of the Registrar, is not or would not be a suitable person to be a Manager of an ECD Entity or as per Article 53.



- 51.7 A Branch Manager holds their position until:
- incapacitation or death;
  - resignation from the position; or
  - removal by resolution of the directors (or equivalent) of the Branch Parent.
- 51.8 A vacancy in the position of a Branch Manager pursuant to Article 51.7 may be filled by resolution of the directors (or equivalent) of the Branch Parent.
- 51.9 If a Branch Manager ceases to fulfil the criteria set out in Article 51.6 or 51.12, the directors (or equivalent) of the Branch Parent must promptly (and, in any event, within ten (10) Business Days of the date on which the Branch Manager ceased to fulfil the criteria set out in Article 51.6 or 51.12) remove such Branch Manager from office and appoint a new Branch Manager in accordance with Articles 51.2 and 51.11.
- 51.10 Any change to the Branch Manager must be notified to the Registrar within five (5) Business Days of the change, alongside a copy of the relevant instrument effecting such change.
- 51.11 If a Branch Manager resigns or is removed from office, dies or is incapacitated, the Branch or the Branch Parent must promptly notify the Registrar (and in any event within five (5) Business Days) and the directors (or equivalent) of the Branch Parent shall automatically assume the responsibilities of the Branch Manager from the date of such resignation, removal, death or incapacity until such time as a new Branch Manager is appointed. Such new Branch Manager must be appointed by the Branch within ten (10) Business Days of the date of such resignation, removal, death or incapacity.
- 51.12 The Branch Manager must be a natural person, and must be sponsored for visa purposes by the ECDA, unless the Registrar approves otherwise.
- 51.13 The role of Branch Manager and Secretary may be filled by the same person or multiple persons (provided that the other requirements as to their qualifications set out in the Regulations are met, including the requirements set out in Articles 50.4, 51.6 and 51.12).
- 52. Assumptions in relation to Officers**
- 52.1 Subject to Article 52.3, a person dealing with an ECD Entity is entitled to assume that anyone who appears, from information made properly available to them, to be an Officer of the ECD Entity:
- has been duly appointed; and
  - has the authority to exercise the powers and perform the duties customarily exercised or performed by such an Officer of a similar ECD Entity as set out in these Regulations.
- 52.2 An ECD Entity is not entitled to assert in proceedings in relation to dealings of the ECD Entity that any such assumption is incorrect.





52.3 A person is not entitled to make an assumption under Article 52.1 if at the time of the dealing that person knew or should reasonably have suspected that the assumption was incorrect.

### 53. **Disqualification of Officers**

53.1 If at any time:

(a) the Registrar:

- (i) has any concerns regarding a person's suitability as an Officer; or
- (ii) is aware that, or has evidence that, a Director or Branch Manager has breached one (1) or more of the Directors' Duties (as applicable); or
- (iii) is aware that, or has evidence that, an Officer has been convicted of a criminal offence or any other offence involving fraud or dishonesty; or
- (iv) believes that an Officer has acted or is acting in a manner which is detrimental to or prejudicial to the reputation and interests of the ECD Free Zone, the ECDA, any other ECD Entity or the general public; and/or

(b) an Officer is or has been disqualified from acting as a director, manager or secretary or otherwise disqualified from acting in a position of management, in each case by any UAE Governmental Authority or any other competent regulatory authority or court in any jurisdiction outside of the UAE,

then, without prejudice to any other actions the Registrar may undertake in respect of any breach of these Regulations, the Registrar may apply to the ECDA for an order of disqualification and/or to impose restrictions on the ability of such persons to conduct their functions and/or restrictions on the operations of the relevant ECD Entity.

53.2 The ECDA may issue an order if it is satisfied that the person's conduct makes that person unfit to be an Officer or otherwise be involved in the management of an ECD Entity and impose a sanction on such person and/or the relevant ECD Entity.

53.3 If an Officer of a Company is disqualified pursuant to Article 53.2, the Shareholders must promptly (and, in any event, within twenty (20) Business Days of the date of the disqualification order issued by the ECDA) remove such Officer from office and replace such Officer to the extent required pursuant to these Regulations.

53.4 If an Officer of a Branch is disqualified pursuant to Article 53.2, the directors (or equivalent) of the Branch Parent must promptly (and, in any event, within thirty (30) Business Days of the date of the disqualification order issued by the ECDA) remove such Branch Manager from office and replace such Officer to the extent required pursuant to these Regulations.

53.5 An order under Article 53.2 may be made for such period as the ECDA considers appropriate but not exceeding twenty-five (25) years.

53.6 The ECDA may publish any order made under Article 53.2.



## CHAPTER 9 - GENERAL MEETINGS

### 54. Economic substance rules

54.1 The provisions of this Chapter 9 are subject to any provisions applicable to the Company under the Economic Substance Regulations.

### 55. Annual General Meetings

55.1 Unless a shorter duration is provided in a Company's Articles, a Company must hold a General Meeting as its annual General Meeting (an "**Annual General Meeting**") within eighteen (18) months from the date of its registration and once every twelve (12) months after that event.

55.2 A meeting of the Shareholders, other than the Annual General Meeting, is an extraordinary General Meeting.

55.3 The provisions of this Chapter 9 shall apply, subject to anything in the Company's Articles, with respect to any meeting of any class of Shareholders.

### 56. Request of meetings

56.1 Notwithstanding anything in the Company's Articles, upon a Shareholders' Request, the Directors must, in accordance with the request, call:

- (a) an extraordinary General Meeting; or
- (b) a meeting of Shareholders of the relevant class of Shares,

to be held as soon as possible but, in any case, not later than twenty (20) Business Days after the date of deposit of the Shareholders' Request.

56.2 A "**Shareholders' Request**" is:

- (a) in respect of Article 56.1(a), a request of Shareholders holding Shares representing 10 per cent. or more of the share capital of the Company; and
- (b) in respect of Article 56.1(b), a request of Shareholders holding Shares representing 10 per cent. or more of the voting rights for the relevant class of Shares of the Company.

56.3 A Shareholders' Request must:

- (a) state the purpose of the meeting;
- (b) be signed by or on behalf of the Shareholders making the Shareholders' Request; and
- (c) be delivered (including by using electronic means) to the registered facility of the Company or any address (or electronic mail address) designated by the Company for such purpose.



- 56.4 A Shareholders' Request may be signed in any number of documents which are in similar form each signed by or on behalf of one (1) or more of the Shareholders making the Shareholders' Request.
- 56.5 If the Directors do not within ten (10) Business Days from the date of the deposit of the Shareholders' Request issue a notice for the relevant meeting, the Shareholders who made the Shareholders' Request may call the relevant meeting.
- 56.6 A meeting called in accordance with Article 56.5 must:
- (a) be held within twenty (20) Business Days from the date of the deposit of the Shareholders' Request; and
  - (b) be called, as soon as reasonably practicable, in the same manner as a meeting called by the Directors in accordance with these Regulations.
57. **Registrar's power to call meeting in default**
- If a meeting is not held in accordance with Article 55 or 56, the Registrar may, on the application of any Director or Shareholder, call, or direct the calling of, a General Meeting of the Company.
58. **Notice of meetings**
- 58.1 Any meeting of a Company (other than an adjourned meeting) may be called by giving such notice period as is specified in the Company's Articles or, if not otherwise specified, ten (10) Business Days' notice in writing.
- 58.2 If a meeting is called by shorter notice than that specified in Article 58.1, it will be treated as having been duly called if it is so agreed by Shareholders holding not less than 95 per cent. of the total voting rights permitted to vote at the meeting.
- 58.3 A notice of a General Meeting of a Company must:
- (a) set out the time, place (if the General Meeting is to be held in-person, a physical address must be provided and if the General Meeting is to be held virtually, a link or dial-in or other effective means of permitting access to the virtual meeting as a participant must be provided) and date for the General Meeting;
  - (b) state the nature of the General Meeting's business;
  - (c) set out the intention to propose any Ordinary Resolution or Special Resolution and state the contents of such proposed resolutions; and
  - (d) include a copy of any accounts and reports that are to be laid before the General Meeting, if relevant.
59. **Representation of corporate entity at meetings**
- A Shareholder, who is a corporate entity, may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any



meeting of a Company. In doing so, such representative will be treated as having the authority to exercise all the rights of the Shareholder.

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

Unless the Articles of a Company make alternative provision, the following provisions apply to any meeting of the Shareholders:

- (a) notice of the meeting must be given to every Shareholder entitled to receive it by delivering or posting it to the Shareholder's registered address;
- (b) at any General Meeting (other than a meeting adjourned for lack of quorum), the attendance of persons holding (or representing by proxy) more than 50 per cent. of the total voting rights permitted to vote will be a quorum;
- (c) if at any General Meeting a quorum is not present, and after the General Meeting has been adjourned to a later date a quorum is again not present, the resolution in question shall be passed by a final majority of the Shareholders in attendance;
- (d) subject to the Articles of a Company, any Shareholder or Director elected by the Shareholders present at any such meeting may be chairman;
- (e) every Shareholder has one (1) vote for every share held by that Shareholder (and a Shareholder entitled to more than one (1) vote may cast its votes in either the same way or in different ways); and
- (f) unless provided otherwise in these Regulations or the Company's Articles, a resolution of the Shareholders shall be passed if approved by Ordinary Resolution.

**61. Written resolutions**

- 61.1 Subject to the Articles of a Company, anything that may be done by a resolution of the Shareholders (including by way of an Ordinary Resolution or a Special Resolution) passed at a General Meeting, or a meeting of the holders of any class of Shares, may be done by a resolution in writing signed by or on behalf of the requisite percentage of Shareholders entitled to vote on such resolution.
- 61.2 A resolution in writing may be signed in counterparts and is treated as being passed when the requisite percentage of votes required to pass such resolution have been obtained, which shall be the date the last Shareholder entitled to vote on such resolution which meets or passes the requisite voting threshold for passing such resolution signs the resolution, or on such later date as is specified in the resolution.
- 61.3 Subject to Article 61.4, no written resolution may be passed without giving such notice to the Shareholders entitled to vote on such resolution as is specified in the Company's Articles or, if not otherwise specified, ten (10) Business Days' notice in writing.
- 61.4 If a written resolution is passed by shorter notice than that specified in Article 61.3, it will be treated as having been duly passed only if it is so agreed by Shareholders holding not less than 95 per cent. of the total voting rights permitted to vote in respect of such written resolution.



**62. Recording of decisions by sole Shareholder**

- 62.1 A General Meeting of a Company with a sole Shareholder will be considered to be convened, and a resolution will be considered to be passed at such General Meeting, by the Shareholder issuing a decision in writing. If a decision is not taken in writing, the Shareholder must provide the Company with a record in writing of the decision within twenty (20) Business Days of such decision.
- 62.2 A failure to comply with Article 62.1 does not affect the validity of the decision.

**63. Proxies**

- 63.1 A Shareholder entitled to attend and vote at a General Meeting is entitled to appoint, by notice to the Company in writing, another person (whether a Shareholder or not) as that Shareholder's proxy to attend and vote instead of that Shareholder.
- 63.2 A proxy appointed to attend and vote instead of a Shareholder has the same rights as the Shareholder to speak at the meeting, including the right to attend and vote at the meeting.

**64. Participation in meetings**

- 64.1 Subject to the Articles of a Company, a Shareholder may attend and participate in a meeting by phone, link or dial-in or other effective means of accessing a virtual meeting as a participant, provided that each Shareholder present at the meeting can hear what is said by any other person present at the meeting and be heard.
- 64.2 Subject to the Articles of a Company, a Director may attend and participate in a meeting by phone, link or dial-in or other effective means of accessing a virtual meeting as a participant, provided that each Director present at the meeting can hear what is said by any other person present at the meeting and be heard.

**65. Minutes**

- 65.1 Every Company must maintain a Minutes Register which, if maintained physically, is to be kept at the Company's registered facility except as otherwise provided in Article 65.2. Such Minutes Register may otherwise be maintained electronically and made available using electronic means. The Registrar may make Regulations prescribing particulars as to what the Minutes Register shall contain and requirements relating to notification of changes to such register, which every Company shall comply with.
- 65.2 If maintained physically, a Company's Minutes Register may be maintained at a place other than its registered facility subject to approval by the Registrar.
- 65.3 The Minutes Register must contain the minutes of all meetings (including meetings of Directors, and of meetings of Shareholders and meetings of the holders of a specific class of Shares) and the names of each person present at any such meeting.
- 65.4 The minutes of a meeting will be evidence of the meeting unless the contrary is proven.
- 65.5 The Minutes Register must, during business hours, be open to inspection by the Registrar and any Shareholder without charge (provided that, with respect to minutes



of a meeting of the holders of a class of Shares, these shall be open to inspection only by the Registrar and Shareholders holding Shares of that class).

**66. Unfair prejudice**

66.1 If any one (1) or more Shareholders deems that the Company's affairs are or have been conducted in a manner that is detrimental to the interests of its Shareholders or some of them, or that the Company intends to perform an act or omit to perform an act in such a way that would be prejudicial thereto, they shall have the right to submit an application to the ECDA (accompanied by any relevant evidentiary documents) to issue any one or more of the following orders:

- (a) an order regulating the conduct of the Company's affairs in the future;
- (b) an order requiring a person to do, or refrain from doing, any act or thing;
- (c) an order providing for the purchase of the rights of any Shareholder of the Company by other Shareholders or by the Company itself; or
- (d) any other order as the ECDA sees fit.

66.2 Nothing in this Article 66 affects the powers that any person or the ECDA may have apart from this Article 66.

**CHAPTER 10 – ACCOUNTS AND AUDIT**

**67. Preparation of accounts**

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

67.2 The accounts must:

- (a) be prepared in accordance with International Financial Reporting Standards;
- (b) show a true and fair view of the profit and loss of the Company for the period and its financial position at the end of the period;
- (c) be approved by the Directors and signed on their behalf by at least one (1) of them; and
- (d) identify any debts of any Shareholder in respect of any amount unpaid on its Shares at the date of the Accounts (notwithstanding Article 28.1).

67.3 Within six (6) months, or such other period prescribed by the ECDA, after the end of the financial year of the Company, the accounts for that period must be:

- (a) prepared and approved in accordance with Article 67.2;
- (b) examined and reported on by an auditor which is part of the list of auditors approved by ECDA (with such report being as prescribed under Article 73); and
- (c) laid before a General Meeting.



67.4 Each Company must file a copy of the accounts and the auditor's report with the Registrar within five (5) Business Days after the relevant General Meeting, providing such additional information as requested by the Registrar.

67.5 Where:

- (a) copies of a company's annual accounts or auditor's report have been sent out under Article 67.3; or
- (b) a copy of a company's annual accounts or auditor's report has been delivered to the Registrar or laid before the Company in a General Meeting,

and it appears to a Shareholder or the Registrar that there is, or may be, a question whether the accounts or report comply with the requirements of these Regulations, the Shareholder (with a copy to the Registrar) or the Registrar may give notice to the Directors of the Company indicating the respects in which it appears that such a question arises or may arise.

67.6 The notice must specify a period of not less than one (1) month for the Directors to provide an explanation of the accounts or report or prepare revised accounts or commission the preparation of a revised auditor's report.

67.7 If at the end of the specified period, or such longer period as the Registrar may allow, it appears to the Registrar that the Directors have not:

- (a) given a satisfactory explanation of the accounts or report; or
- (b) revised the accounts or commissioned a revised auditor's report so as to comply with the requirements of these Regulations,

the Registrar may require the Company to prepare revised accounts or commission a revised auditor's report at the Company's own expense.

67.8 The provisions of this Article 67 apply equally to revised annual accounts and revised auditor's reports, in which case they have effect as if the references to revised accounts or reports were references to further revised accounts or reports.

67.9 Once revised accounts or revised reports have been prepared, the Directors of the Company must file these with the Registrar within five (5) Business Days of receipt of the revised documents. Once the Registrar updates the Register with the revised documents, these shall then constitute the correct accounts or reports, as applicable.

67.10 In this Chapter, references to "accounts" are to those prepared in accordance with this Article 67.

## 68. **Maintenance of accounts**

68.1 Every Company must keep accounting records, including underlying documents which are sufficient to show and explain its transactions, so as to:

- (a) disclose with reasonable accuracy the financial position of the Company at any time; and



- (b) enable the Directors to ensure that any accounts prepared by the Company under this Chapter 10 comply with the requirements of these Regulations.

68.2 Each Company's accounting records must be:

- (a) if maintained physically, kept at the Company's registered facility or such other place that the Directors think fit, or may otherwise be maintained electronically and made available using electronic means;
- (b) be open to inspection by the Registrar, a Director or an auditor of the Company at all reasonable times;
- (c) preserved by the Company for at least five (5) years or any later applicable statutory period as required in accordance with applicable law; and
- (d) otherwise kept and maintained in such manner as prescribed by the ECDA from time to time.

## 69. **Financial year**

69.1 Subject to Article 69.2, the first financial year of a Company starts on the day on which it is registered and lasts for a period determined by the Directors, which period must be at least six (6) months and not longer than eighteen (18) months.

69.2 Where a Non-ECD Entity has become a Company pursuant to Article 93, the Directors may elect to commence such a Company's first financial year as an ECD Entity from the end of the previous financial year in the jurisdiction from which it transferred. In such circumstance, a Company's first financial year will last for twelve (12) months from the date it is treated as having commenced.

69.3 The second and any subsequent financial year will start at the end of the previous financial year and will last for twelve (12) months.

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

## 70. **Copies of accounts**

70.1 All Shareholders of a Company are entitled, on written request made to the Company and without charge, to be furnished with a copy of the Company's latest audited accounts and auditor's report or the Company's latest revised accounts or revised auditor's reports if rectified.

70.2 A Company must comply with such a request within five (5) Business Days.

## 71. **Waiver and modification as to accounts**

71.1 The ECDA may, without limiting the ECDA's powers, extend, waive or modify the application of the provisions of this Chapter 10 in its absolute discretion and issue any relevant guidance relating to these Regulations setting out when the exemptions to this Chapter 10 may automatically apply from time to time.





- 71.2 In particular, such extension, waiver or modification may provide for:
- (a) the inclusion in accounts of group accounts dealing with the affairs of a Company and its subsidiaries;
  - (b) the requirement to produce a report by the Directors on the accounts dealing with such matters as may be specified;
  - (c) the appointment, qualifications, remuneration, removal, resignation, rights and duties of auditors;
  - (d) the creation or adoption of auditing standards or codes of practice; and
  - (e) the waiver of the requirement for the preparation of accounts and examination and reporting thereupon by auditors.
72. **Appointment and removal of auditors**
- 72.1 A Company must appoint a firm of auditors who must examine and report on the accounts prepared pursuant to Article 67, in accordance with these Regulations. A Company may, in its discretion, appoint an auditor solely to report on its accounts and not on a general retainer basis.
- 72.2 A Company must appoint its auditor at a General Meeting.
- 72.3 The Company must not appoint an auditor under these Regulations unless:
- (a) the auditor has been approved by the ECDA pursuant to such registration or approval process as the Registrar shall prescribe from time to time to time;
  - (b) the auditor has, prior to the appointment, consented in writing to the appointment; and
  - (c) the Company is not, on reasonable enquiry, aware of any matter which should preclude the auditor from giving its consent.
- 72.4 The appointment of a firm as an auditor of a Company is taken to be an appointment of all persons who are partners registered with the Registrar in respect of that auditor.
- 72.5 Where the auditor of a Company has either resigned or is removed prior to the completion of its term of appointment, the Directors of that Company may fill such a vacancy on such terms as they see fit, and the appointee will hold office to the conclusion of the next Annual General Meeting.
- 72.6 Subject to Article 72.5, the Company may, in a General Meeting, fix the auditor's remuneration subject to recommendations by the Directors that take into account market practice.
- 72.7 A Company may by Ordinary Resolution at any time remove an auditor notwithstanding anything in any agreement between it and the auditor.



72.8 The ECDA may order the termination of appointment of a Company's auditor and, if it does so, shall provide its grounds for such order in writing to the Company.

72.9 Nothing in this Article 72 is to be taken as depriving an auditor removed under it of compensation or damages payable to the auditor in respect of its termination of appointment as auditor.

### 73. **Auditors' report to the Company**

73.1 A Company's auditor must make a report to the Company's Shareholders on the accounts examined by the auditor in accordance with Article 67.3.

73.2 The auditor's report must be issued in accordance with the International Standards on Auditing.

### 74. **Auditors' rights and powers**

74.1 The auditor has a right of access, at all reasonable times, to the Company's records.

74.2 The auditor is entitled to require from the Company's Directors such information and explanations as the auditor considers necessary for the performance of the duties of the auditor.

74.3 Every auditor is entitled to receive notice of, and attend, any meeting of Shareholders and to be heard on any part of the business of the meeting which concerns the auditor, except for where the Company's Directors have approved by simple majority that the auditor is not required to be in attendance when the meeting is convened to consider the continuity or termination of the existing auditor and its fees.

74.4 If the auditor fails to obtain all the information and explanations which, to the best of the auditor's knowledge and belief, are necessary for the purposes of the audit, the auditor must state that fact in the report.

### 75. **Resignation of an auditor**

75.1 An auditor of a Company may resign from office by depositing a notice in writing to that effect, together with a statement under Article 75.3, at the Company's registered facility.

75.2 The resignation of an auditor shall take effect on the date on which such notice under Article 75.1 is deposited at the Company's registered facility, or on such later date as may be specified in such notice.

75.3 When an auditor ceases for any reason to hold office, the auditor must deposit at the Company's registered facility:

(a) a statement to the effect that there are no circumstances connected with the ceasing to hold office which the auditor considers should be brought to the notice of the Shareholders or Creditors of the Company; or

(b) a statement of any circumstances as mentioned above.



75.4 Where a statement under Article 75.3 contains a statement of circumstances pursuant to Article 75.3(b), the Company must within ten (10) Business Days send a copy of the statement to the Registrar, every Shareholder of the Company and to every person entitled to receive notice of General Meetings.

**76. Co-operation with auditors**

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

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

**77. Obligation to disclose to the Registrar**

77.1 An auditor of a Company must disclose to the Registrar any matter which might reasonably tend to show one (1) of the following:

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

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

77.2 Without limiting the application of any other provision of these Regulations, an auditor does not contravene any duty to which the auditor is subject merely because the auditor gives to the Registrar:

- (a) a notification as required under these Regulations; or
- (b) any other information or opinion in relation to any such matter,

if the auditor is acting in good faith.



## 78. Branches

- 78.1 Branches are not required to comply with Articles 67 to 77 (inclusive). Each Branch Manager must (to the extent the same are or are required to be prepared) file a copy of the accounts and auditor's report (in each case, or their equivalent) of its Branch Parent with the Registrar within five (5) Business Days of the relevant shareholder meeting (or meeting of the relevant governing body of the Branch Parent, if applicable) to approve, review or receive those accounts and the auditor's report (in each case, or their equivalent). Any amendments or rectifications to such accounts and auditor's report (in each case, or their equivalent) shall also be filed with the Registrar within ten (10) Business Days of publication.
- 78.2 Branches are required to provide the Registrar with any relevant information it requests regarding the Branch's accounts (or their equivalent).
- 78.3 The Branch Manager must ensure that the accounting records of the Branch are captured in the accounts (or their equivalent) of its Branch Parent.

## CHAPTER 11 – REGISTERS AND RECORDS

### 79. Form of Company and Branch records

79.1 A Company must have:

- (a) a Shareholder Register;
- (b) an Officer Register;
- (c) a Security Register;
- (d) a Minutes Register; and
- (e) an Employees Register,

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

79.2 A Branch must have:

- (a) an Officer Register; and
- (b) an Employees Register,

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

79.3 The Registrar will maintain and keep possession of:

- (a) in respect of each Company, the Shareholder Register, the Officer Register and the Security Register; and
- (b) in respect of each Branch, the Officer Register.

79.4 Each Company must maintain and keep possession of the Minutes Register in accordance with Article 65, and each Company and Branch must maintain and keep



possession of the Employees Register in accordance with Article 80, in each case in a legible form capable of being reproduced within a reasonable time.

79.5 Each Company and Branch must take reasonable precautions to:

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

each register which it is required to maintain.

## 80. **Employees Register**

80.1 Every Company and Branch must maintain an Employees Register which, if maintained physically, is to be kept at the Company's registered facility except as otherwise provided in Article 80.2. Such Employees Register may otherwise be maintained electronically and made available to the Registrar using electronic means. The Registrar may make Regulations prescribing particulars as to what the Employees Register shall contain and requirements relating to notification of changes to such register, which every Company and Branch shall comply with.

80.2 If maintained physically, an Employees Register may be maintained at a place other than a Company's or Branch's registered facility subject to approval by the Registrar.

80.3 The Employees Register must contain the names of each person employed by the Company or Branch, the date of the commencement of their employment and the title of their position.

80.4 The Employees Register must be open to inspection by the Registrar without charge.

## 81. **Shareholder Register**

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

- (a) a copy of any share transfer document; and
- (b) any other information the Registrar may require from time to time.

## 82. **Security Register**

82.1 Subject to the provisions of the Articles and applicable law, a Shareholder may grant security over some or all of its Shares in a Company. A Company must provide the Registrar with the following details to allow the Registrar to register a security interest over its Shares and maintain the Security Register of the Company:

- (a) the name and address of the Shareholder granting the security interest;
- (b) the number of Shares (and, if applicable, their class) affected by the security interest;



- (c) the date on which the security interest over the Shares was created;
- (d) details of the obligation secured;
- (e) the name and address of the security holder; and
- (f) a copy of the instrument granting the security interest.

82.2 The Company must provide the details referred to in Article 82.1 to the Registrar within five (5) Business Days of its receipt of the relevant information from the Shareholder in accordance with Article 82.7.

82.3 A security interest over Shares in a Company shall only be perfected upon its entry by the Registrar in the Security Register of the Company.

82.4 Registration of a security interest over Shares in a Company shall be effected by submitting the information set out in Article 82.1, along with any other relevant documents prescribed by the Registrar from time to time.

82.5 A registration fee, prescribed by the Registrar from time to time, shall be payable in such manner as may be approved from time to time by the Registrar, for each registration (and each amendment or termination thereof).

82.6 The Registrar shall notify the Shareholder and the security holder in writing at the relevant addresses specified in the registration, within ten (10) days of a registration having been made.

82.7 A Shareholder must report to the Company the creation, modification or discharge of a security interest over any of its Shares in a Company within five (5) Business Days of the creation, modification or discharge of such security interest. The report must include the information set out in Article 82.1 and include a copy of the instrument granting the security interest.

### 83. **Officer Register**

The Registrar must maintain, in respect of each ECD Entity, the Officer Register which must contain such particulars as the Registrar may from time to time determine, including the names of:

- (a) in respect of each Company, the Directors, the Company Manager and (if applicable) the Secretary;
- (b) in respect of each Branch, the Branch Manager and (if applicable) the Secretary; and
- (c) in respect of both, any other information the Registrar may require from time to time.

### 84. **Inspection of Registers**

84.1 The Registrar shall make available electronically the Shareholder Register, the Officer Register and the Security Register for inspection by the Company, each Shareholder of



a Company and the Branch Parent of each Branch. The Company, each Shareholder of a Company and the Branch Parent of a Branch may receive an extract of any Shareholder Register, Officer Register and/or Security Register.

84.2 The ECDA has absolute discretion as to whether a person who is not the Company, a Shareholder of a Company or the Branch Parent of a Branch has the right to receive an extract of any information set out in any register of the Company or Branch (as applicable), regardless of whether such extract is in respect of information which forms part of the Public Register.

84.3 The ECDA shall be deemed to have delegated such rights to the Registrar, unless the ECDA indicates otherwise.

## 85. **Rectification of registers**

85.1 If:

- (a) the details contained in any register are found to be incorrect or are purported to be incorrect;
- (b) the name of a person or any details relating to them (including the number of Shares held) is, without sufficient reason, entered in or omitted from a register;
- (c) there is a failure or unnecessary delay in entering any information in a register; or
- (d) any register does not accurately reflect the information required to be contained in such register,

the person aggrieved, the relevant Company, the relevant Branch, or a Shareholder of the Company or the Branch Parent of the Branch, or any interested party may apply to the Registrar for rectification of the relevant register.

85.2 The Registrar may refuse the application or may rectify the relevant register (or, in the case of a register maintained by a Company or a Branch, direct such Company or Branch to update such register). If the Registrar refuses the application, the Registrar shall provide the grounds for such refusal in writing to the applicant.

85.3 Whether or not the Registrar exercises power under Article 85.2, the ECDA may make, on an application of a person aggrieved, the relevant Company, the relevant Branch, or a Shareholder of the Company or the Branch Parent of the Branch, or any interested party, one (1) or more of the following orders:

- (a) an order directing the Registrar to, or not to, rectify the relevant register or to do any act or thing; or
- (b) an order requiring the relevant Company or Branch to pay a fine or to do any act or thing relating to updates and rectifications of the registers.



## 86. Additional requirements for a Branch

A Branch must:

- (a) file with the Registrar notice of:
  - (i) in respect of a Branch of a Non-ECD Entity, details of the Branch Parent's shareholders or members (as applicable) and details of the directors (or equivalent) of the Branch Parent; and
  - (ii) in respect of any Branch, details of the Branch Manager;
- (b) in respect of a Branch of a Non-ECD Entity, submit to the Registrar on an annual basis a copy of any annual return regarding the corporate affairs of the Branch Parent which has been filed by the Branch Parent with the relevant registrar in its own jurisdiction, subject to the requirements of the Registrar, on application by the Branch from time to time, in the event of multiple such returns, which is most equivalent in respect of the returns required for Companies under these Regulations;
- (c) file a copy of the accounts and auditor's report of the Branch Parent with the Registrar in the manner set out in Article 78; and
- (d) comply with any other requirements of the Registrar to provide further information from time to time.

The Registrar may include the information provided pursuant to this Article 86 on the Register.

## 87. Power of Registrar to require further information

The Registrar is entitled to require ECD Entities to provide further information necessary to ensure compliance with all applicable laws, including "know-your-customer requirements" under anti-money laundering rules. Failure to provide all information requested by the Registrar may result in the ECD Entity being Struck Off.

## 88. Records relating to registers

Each ECD Entity shall maintain an accurate record of all information and documentation provided by it to the Registrar, and a copy of each Shareholder Register, Officer Register and Security Register (as applicable) provided to it by the Registrar, in each case for at least five (5) years or any later applicable statutory period as required in accordance with applicable law.

## CHAPTER 12 – AMALGAMATION

### 89. Amalgamation of Companies

- 89.1 Two (2) or more Companies may, subject to the consent of the Registrar given in the Registrar's absolute discretion and pursuant to the provisions of these Regulations, amalgamate and continue as one (1) Company. From the effective time prescribed in the consent of the Registrar, the Companies shall continue as one (1) Company. If a





Licence has been granted to one (1) or more of these Companies, the Licence shall continue in effect for the surviving Company. Notwithstanding the Registrar's consent, such amalgamation shall be subject to other applicable UAE laws.

- 89.2 An application for consent for amalgamation under this Article 89, shall be in such form, and shall be accompanied by payment of the relevant fee and supported by such documents, as the Registrar may determine, and such documents shall include:
- (a) a certified copy of the resolution of the Shareholders of each amalgamating entity approving the amalgamation; or
  - (b) if so authorised by the Articles, a certified copy of a resolution of the Directors of each amalgamating entity approving the amalgamation; and
  - (c) a declaration signed by a Director of each amalgamating entity declaring that there are reasonable grounds for believing that:
    - (i) the amalgamating entity is, and the surviving entity will be, able to pay its liabilities as they become due;
    - (ii) the realisable value of the surviving entity's assets will not be less than the aggregate of its liabilities and issued capital of all classes; and
    - (iii) either no Creditor will be prejudiced by the amalgamation or adequate notice has been given to all known Creditors of such entity and no Creditor objects to the amalgamation otherwise than on grounds that are frivolous or vexatious;
  - (d) documentary proof, satisfactory to the Registrar, that each amalgamating entity which is a Company has obtained all necessary authorisations required under the laws of the ECD Free Zone to enable it to make the application; and
  - (e) any further requirements that the Registrar may request at its discretion.

**90. Amalgamation of Companies and Non-ECD Entities with continuation in the ECD Free Zone**

- 90.1 One (1) or more Companies and one (1) or more Non-ECD Entities may apply to the Registrar for consent to amalgamate and continue as a Company to which these Regulations and any other regulations, rules, policies or decisions issued by the ECDA from time to time shall apply. From the effective time prescribed in the consent of the Registrar, the Company (or Companies) and Non-ECD Entity (or Non-ECD Entities) shall continue as one (1) Company. If a Licence has been granted to one (1) or more of these Companies, the Licence shall continue in effect for the surviving Company. Notwithstanding the Registrar's consent, such amalgamation shall be subject to other applicable UAE laws.
- 90.2 An application for consent under Article 90.1 shall be in such form, and be accompanied by payment of the relevant fee and such documents, as the Registrar may determine, including the applicable requirements under Article 89.2 (as applicable to each of the parties to the amalgamation) along with documentary proof, satisfactory to the Registrar, that the Non-ECD Entity has obtained all necessary authorisations



required under the laws of the country in which it is incorporated to enable it to make the application.

**91. Amalgamation of Companies and Non-ECD Entities with continuation outside of the ECD Free Zone**

91.1 One (1) or more Companies and one (1) or more Non-ECD Entities may apply to the Registrar for consent to amalgamate and continue as a Non-ECD Entity to which the provisions of the laws of the jurisdiction of incorporation of the surviving entity shall apply. From the effective time prescribed in the consent of the Registrar, the Company (or Companies) shall continue outside of the ECD Free Zone, shall no longer be considered to be a Company and shall be Struck Off. If a Licence has been granted to one (1) or more of these Companies, the Licence shall also discontinue. Notwithstanding the Registrar's consent, such amalgamation shall be subject to other applicable UAE laws.

91.2 An application for consent under Article 91.1 shall be in such form, and be accompanied by payment of the relevant fee and such documents, as the Registrar may determine, including the applicable requirements under Article 89.2 (as applicable to each of the parties to the amalgamation) along with documentary proof, satisfactory to the Registrar, that the Non-ECD Entity has obtained all necessary authorisations required under the laws of the country in which it is incorporated to enable it to conduct such amalgamation.

**92. Registrar's requirements regarding Creditors and refusal to grant consent**

92.1 An application by a Company for an amalgamation shall be subject to such Creditor engagement and notification process as the Registrar may prescribe from time to time or upon application.

92.2 Where the Registrar refuses to grant its consent under Article 89, 90 or 91 it shall ensure that appropriate justification and reason is provided to the Company

**CHAPTER 13 – TRANSFERRING TO AND FROM THE ECD FREE ZONE**

**93. Transfer of formation**

93.1 A Non-ECD Entity may, if authorised by the laws and regulations of the jurisdiction in which it was formed, make a Continuation Application to the Registrar in the form specified by the Registrar for it to continue as a Company.

93.2 A Continuation Application must be made to the Registrar and:

- (a) be signed as a statutory declaration in the form prescribed by the Registrar from time to time;
- (b) be authorised by a resolution approved by persons holding 75 per cent. or more of the voting interests in the Non-ECD Entity, and certified in the manner required by the Registrar from time to time;
- (c) be accompanied by:



- (i) the Non-ECD Entity's proposed articles of association which, if the Standard Articles are not proposed to be adopted, must be accompanied by a Statement of Compliance (to be provided by the proposed Directors of the Non-ECD Entity once continued within the ECD Free Zone);
  - (ii) payment of the relevant fee; and
  - (iii) a letter of no-objection for continuation or a conditional letter of no-objection of continuation in the ECD Free Zone from the appropriate official, regulatory or public body in the current jurisdiction of establishment of the Non-ECD Entity, which has the prerequisite authority to de-register the Non-ECD Entity from the relevant companies register within that jurisdiction from the time of its continuation as a Company; and
- (d) include any other document that may be prescribed by the Registrar, from time to time.

93.3 The Registrar may reject the Continuation Application if:

- (a) the Non-ECD Entity fails to fulfil any of the conditions listed in Article 93.2;
- (b) the Non-ECD Entity is found to have provided false, inaccurate or misleading information in the Continuation Application;
- (c) the Non-ECD Entity is insolvent, subject to any voluntary or involuntary insolvency or liquidation proceedings (or any equivalent or analogous proceedings by whatever name known) or if a receiver has been appointed over any of the assets of the Non-ECD Entity;
- (d) the Non-ECD Entity is not or is not capable of being, or the Registrar does not have sufficient evidence it will be, de-registered from the relevant companies register within the current jurisdiction of establishment of the Non-ECD Entity at the time of its continuation as a Company;
- (e) the acceptance of the Non-ECD Entity into the ECD Free Zone may be prejudicial to the reputation and/or interests of the ECDA, the ECD Free Zone, any other ECD Entity, the Government of Dubai, the Emirate of Dubai or the UAE; or
- (f) the Registrar otherwise considers it appropriate to do so.

#### 94. **Certificate of Continuation**

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

- (a) issue a Certificate of Continuation or a conditional Certificate of Continuation that the Non-ECD Entity has been continued as a Company at an effective time to be specified which is concurrent with the relevant deregistration from its previous jurisdiction;



- (b) register the Articles of the Continuing Entity deposited with the Registrar under Article 93.2;
- (c) assign to the Continuing Entity a number, which will be the ECD Entity Number;
- (d) approve the name of the Continuing Entity and enter it in the Register; and
- (e) issue the Continuing Entity with a Licence.

**95. Effect of Certificate of Continuation**

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

- (a) the Continuing Entity becomes a Company to which these Regulations apply as if the Continuing Entity had been registered under these Regulations;
- (b) the Articles registered pursuant to Article 94(b) apply to the Company, subject to the Company's compliance with Article 94(d); and
- (c) the Certificate of Continuation is treated as the Certificate of Registration.

In the event that that the Certificate of Continuation issued is conditional in nature, the Company is bound to fulfil all requirements as per such date specified by the Registrar, save which the Registrar has the right to withdraw the Certificate of Continuation at its discretion.

**96. Copy of Certificate of Continuation**

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

**97. Rights and liabilities**

If a Continuing Entity is continued as a Company under these Regulations, that Company:

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

**98. Transfer of registration from ECD Free Zone to another jurisdiction**

98.1 A Company may, if it is authorised by:

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



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

- 98.2 A Company may not apply under Article 98.1 unless the laws of the other jurisdiction provide that the Non-ECD Entity:
- (a) will continue to have all the property, rights and privileges and be subject to all the liabilities that it had before the continuation; and
  - (b) will remain a party in any legal proceedings commenced in any jurisdiction to which it was a party before the continuation.
- 98.3 A Company ceases to be a Company within the meaning of these Regulations when the Company is continued as a Non-ECD Entity and when the Non-ECD Entity files with the Registrar a copy of the certificate or instrument of continuation certified by the appropriate official of the other jurisdiction.
- 98.4 When the Registrar receives the other jurisdiction's certificate or instrument of continuation, the Registrar must Strike Off the Company.

## CHAPTER 14 – STRIKING OFF FROM THE REGISTER AND LIQUIDATIONS

### 99. Power of the ECDA to Strike Off

- 99.1 The ECDA may, at any time in its discretion (including upon application from the Registrar or concerned Shareholders), provide a notice to an ECD Entity notifying the ECD Entity of its intention to Strike Off the ECD Entity, and directing the ECD Entity to provide reasons why it should not be Struck Off (a "**Strike Off Notice**"). The ECDA shall consider issuing such a Strike Off Notice in the event that the ECD Entity has not conducted any commercial activity within the ECD Free Zone for a period of twelve (12) months or more.
- 99.2 If within twenty (20) Business Days after sending the Strike Off Notice, a response to the satisfaction of the ECDA has not been received, the ECDA may (but is not obliged to) send to the ECD Entity a second notice (the "**Second Strike Off Notice**") stating that at the end of sixty (60) Business Days (or such longer or shorter period as the ECDA at its sole discretion determines) from the date of the Second Strike Off Notice, the ECD Entity will be Struck Off unless the ECDA has been provided with a justifiable reason as to why the ECD Entity should not be Struck Off.
- 99.3 If the ECDA issues a Second Strike Off Notice, it shall publish a notice (a "**Public Notice**") on the website of the ECDA or in official newspapers (in either English and Arabic) within five (5) Business Days:
- (a) that it intends to Strike Off the ECD Entity after expiry of the period stated in the Second Strike Off Notice;
  - (b) that, if the ECD Entity is a Company, it intends to cause the Company to be Dissolved; and
  - (c) inviting any person to show cause why the ECD Entity should not be Struck Off.



99.4 Subject to the issue of a Public Notice and after the end of the period mentioned in the Second Strike Off Notice, the ECDA may in its absolute discretion instruct the Registrar to Strike Off the ECD Entity.

#### 100. **Implications of Strike Off**

100.1 On the Striking Off of an ECD Entity, the Registrar shall remove the ECD Entity from the Register and the Licence of the ECD Entity may be suspended or terminated pursuant to the Licensing Regulations.

100.2 On the Striking Off of a Company following a Public Notice, the Liability (if any) of every Officer and Shareholder of the Company arising in respect of liabilities prior to the Strike Off continues and may be enforced as if the Company had not been Struck Off. If such Company purports to enter into any obligation following it being Struck Off, any person purporting to bind such Company in respect of such obligation shall be personally liable for that obligation.

100.3 On the Striking Off of a Company following a Public Notice, the Shareholders must immediately commence Winding Up proceedings in respect of that Company. The ECDA may (but is not obliged to) submit to any applicable court of competent jurisdiction a petition for the Winding Up of the Company.

#### 101. **Solvent Winding Up**

101.1 A Company may apply to the ECDA to be wound up while solvent:

- (a) in circumstances provided for in the Articles of the Company and confirmed by an Ordinary Resolution; or
- (b) if the Company resolves by unanimous resolution at a General Meeting that it shall be wound up voluntarily while solvent.

101.2 A solvent Winding Up is deemed to commence at the time of passing the resolution for Winding Up by the Company in accordance with this Article 101. Within thirty (30) Business Days of the resolution, the Company shall file an application with the Registrar for the solvent Winding Up and shall provide such other supporting information and documentation as the Registrar shall prescribe.

101.3 The Company shall from the commencement of the Winding Up cease to carry on its business, except in so far as may be required to effect its Winding Up.

101.4 Notwithstanding anything to the contrary in the Company's Articles, the status and powers of the Company shall continue until the Company is Dissolved.

101.5 Any transfer of Shares, not being a transfer made to or with the sanction of the liquidator and any alteration in the status of the Company's Shareholders made after the commencement of a solvent Winding Up, is void.

101.6 If for any reason there is no liquidator acting, the Registrar may on the application of the Directors appoint a liquidator.

101.7 A declaration of solvency in a form prescribed from time to time by the Registrar shall



be signed by the Directors (or in the case of a Company having more than one (1) Director, the majority of the Directors).

101.8 The declaration of solvency shall state that, having made full inquiry into the affairs of the Company:

- (a) the Company has no assets and no liabilities; or
- (b) the Company has assets and no liabilities; or
- (c) the Company has liabilities and will be able to discharge those liabilities in full within thirty (30) days after the commencement of the Winding Up.

101.9 The declaration of solvency must be made within the period of twenty (20) Business Days before the date of passing the resolution for Winding Up, or on that date but before passing the resolution.

## 102. **Appointment of liquidator**

102.1 Following:

- (a) a resolution to wind-up the Company in accordance with Article 101 and the commencement of a solvent Winding Up; or
- (b) the Striking Off of a Company following a Public Notice in accordance with Article 100.3,

one (1) or more liquidators must be appointed for the purpose of Winding Up the Company's affairs and distributing its property. Such appointment may be made: (i) in the case of sub-paragraph (a) above, by the Company at a General Meeting, and the Company shall, by Ordinary Resolution, determine the time when the liquidator will take office; or (ii) in the case of sub-paragraph (b) above, by the Registrar, and the Registrar shall determine the time when the liquidator will take office.

102.2 The chairman of the General Meeting held in accordance with Article 102.1(a) (or, if there was no chairman, or in the case of an appointment pursuant to Article 102.1(b) one (1) of the liquidators) shall prepare a notice of appointment of liquidators in a form prescribed from time to time by the Registrar, which shall be signed by the liquidator or liquidators appointed.

102.3 The person preparing the notice of appointment of liquidators shall send such notice, together with (if applicable) the declaration of solvency made in accordance with Article 101.7 and a copy of the minutes of the General Meeting, to the Registrar within fifteen (15) Business Days of the date of the signature of the notice of appointment by the liquidator or liquidators appointed.



102.4 If the Registrar, on the application of the liquidator, so directs, no action or proceeding shall be proceeded with or commenced against the Company or its property, except by leave of the Registrar and subject to such terms as the Registrar may impose.

**103. Directors' powers**

103.1 On the appointment of a liquidator, all the powers of the Directors cease, except in so far as the Company at a General Meeting or the liquidator sanctions their continuance.

**104. Vacancy in office of liquidator**

104.1 If a vacancy occurs in the office of liquidator by death, resignation or otherwise, the Company at a General Meeting may, subject to any arrangement with its Creditors, fill the vacancy. For that purpose, a General Meeting may be convened by any Shareholder or, if there was more than one (1) liquidator, by a continuing liquidator.

**105. Progress report to Shareholders at year-end**

105.1 If the Winding Up of the Company continues for more than thirty (30) days, the liquidator must, within three (3) months of each anniversary of their appointment, until ceasing to act:

- (a) prepare a progress report providing a summary of their acts and dealings, and of the conduct of the Winding Up, during the preceding year; and
- (b) send a copy of the progress report to the Shareholders and to the Registrar.

105.2 A progress report is not required for any period which ends after the liquidator has sent a final report to Shareholders under Article 106.

**106. Distribution of Company's property**

Subject to Article 107, a Company's property shall on a Winding Up be realised and applied in satisfaction of the Company's liabilities. Any remaining property of the Company shall (unless applicable law otherwise provides) be distributed among the Shareholders in accordance with the rights of each Shareholder to receive such property as set out in the Articles (or, if not otherwise specified, on a pro rata proportionate basis).

**107. General priority of expenses and liabilities**

107.1 The expenses of the Winding Up and settlement of the liabilities of the Company shall be paid out of the available assets of the Company, in the following order of priority:

- (a) fees and expenses of the liquidator which are properly chargeable or incurred by the liquidator in conducting their duties, including, without limitation, legal, professional or other costs;
- (b) any amounts payable to secured Creditors to the extent of their security;
- (c) any amount which is owed by the Company to a person who is or has been an employee of the Company which is unpaid as at the date of the commencement





of Winding Up, provided that the total does not exceed a sum equivalent to the salary of that person for a period of three (3) months as a maximum;

- (d) any amounts owed by the Company pursuant to any court judgement;
- (e) any amounts payable to the ECDA or any other government authority. For the purposes of this Article 107, any amounts held by the ECDA may be used to set-off against sums due to it; and
- (f) any amounts payable to general unsecured creditors.

#### 108. **Final meeting prior to Company being Dissolved**

108.1 As soon as the Company's affairs are fully wound up and prior to the Company being Dissolved, the liquidator shall prepare a summary of the Winding Up, showing how it has been conducted and how the Company's property has been disposed of.

108.2 The liquidator shall subsequently call a General Meeting of the Company for the purpose of presenting the summary and giving an explanation of it.

108.3 Notice specifying the time, place and object of the General Meeting shall be published in a manner prescribed by the Registrar from time to time at least fifteen (15) Business Days prior to the date of the meeting.

108.4 Within five (5) Business Days of the date of the meeting, the liquidator shall submit to the Registrar a copy of the summary and minutes of the General Meeting.

108.5 Once a Company has been fully Dissolved, the Registrar shall then (to the extent that such Company has not already been Struck Off) Strike Off such Company from the Register.

#### 109. **Bankruptcy**

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

109.2 In the event that a Company is insolvent as a matter of UAE law and has not commenced the relevant process for its bankruptcy within thirty (30) days, the Registrar may, in its discretion, including upon application from a Shareholder of the Company or a Creditor of the Company, refer the Company to the relevant authorities in the UAE for the purposes of commencing such bankruptcy proceedings and publish relevant notices within the ECD Free Zone for such purposes.

#### 110. **Additional rules in respect of Dormant Companies**

The Registrar or the ECDA may from time to time issue additional rules in respect of dormant Companies which have a suspended Licence.

## CHAPTER 15 – GENERAL

### 111. **Disclosure to the Registrar, inspection, waivers and modifications, contraventions and sanctions**

The provisions of articles 15 (*Obligations to Disclose to the Registrar*), 17 (*Inspection by the ECDA and the Registrar*), 17 (*Waivers and modifications of Regulations*), 19 (*General Contraventions Provision*) and 20 (*Sanctions*) of the Licensing Regulations shall apply in all respects to ECD Entities.

### 112. **Title**

These Regulations are to be referred to as the Expo City Dubai Authority Companies Regulations [2023].

### 113. **Legislative authority**

These Regulations are issued by the ECDA under Dubai Law No. (14) of 2022 Establishing Expo City Dubai, as amended from time to time.

### 114. **Application of these Regulations**

114.1 These Regulations are made on and come into force on the effective date notified by the ECDA.

114.2 These Regulations apply in the jurisdiction of the ECD Free Zone.

114.3 Federal Law No. 32 of 2021 Concerning Commercial Companies (as may be amended from time to time) shall not apply in the jurisdiction of the ECD Free Zone.