



Law No. (5) Of Concerning Issuance of Licenses In Abu Dhabi

Introduction

Starting out from its belief in the value of time and from its awareness of a fluent performance in companies and establishments based in the Emirate, the Abu Dhabi Chamber of Commerce & Industry is presenting to its dearest and esteemed members involved in business and industrial activities as well as to those having the intention to do so, the Law No. 5 of 1998 Concerning the Issuance of Licenses in the Emirate of Abu Dhabi, which comprises 21 articles.

The aforementioned law has actually dealt with the different types of trading licenses and the terms of how to exercise professions, businesses or industrial activities in the Emirate of Abu Dhabi. It also dealt with the license individuality and the terms of associated renewals. It, further, dealt with how to amend a company's legal status and the relation of the company manager with government supervisors. Finally, the law provided for the penalties imposed in cases of contravention.

As we put the said law ready at your hands, we do hope that it would be carefully read and executed.

May God grant us success, because He alone is the success giver.

With the compliments of the Abu Dhabi Chamber of Commerce and Industry.

Law No. (5) of (1998) Concerning Issuance of Licenses in the Emirate of Abu Dhabi

We, Khalifa Bin Zayed Al Nahyan, Deputy Ruler of Abu Dhabi;

By the authority invested in us by the Ruler of Abu Dhabi;

Having reviewed Law No. (1) of 1974, Concerning the Re-organization of the Government Apparatus in the Emirate of Abu Dhabi, and the amending laws thereof;

The Law No. (2) of 1971, Concerning the National Consultative Council, and the amending laws thereof;

The Law No. (9) of 1969, Concerning Trading Licenses, and the amending laws thereof;

The Federal Law No. (5) of 1975, Concerning the Commercial Register;

The Law No. (6) of 1976, Concerning the Abu Dhabi Chamber of Commerce & Industry, and the amending laws thereof;

The Federal Law No. (18) of 1981, Concerning the Commercial Agencies, and the amending laws thereof;

The Federal Law No. (8) of 1984, Concerning Commercial Companies, and the amending laws thereof;

The Federal Law No. (5) of 1985 on the Issuance of the Civil Procedures Code, and the amending laws thereof;

The Federal Law No. (3) of 1987 on the Issuance of the Penal Code;

The Federal Law No. (35) of 1992 on the Issuance of the Penal Procedures Code;

The Federal Law No. (18) of 1993, Concerning the Issuance of Commercial Dealings Law;

The Law No. (4) of 1994, Concerning the General Industry Corporation and the amending laws thereof;

And upon presentation by the Deputy Chairman of the Executive Council, Chairman of Al Ain Municipality & Town Planning Department and the Chairman of Abu Dhabi Municipality & Town Planning Department, as well as upon the assent of the Executive council thereof;

We, hereby enact the following law:

CHAPTER ONE

GENERAL PROVISIONS

ARTICLE (1)

Licenses issued by the respective concerned authority shall be categorized as hereunder:

1. Agricultural; Fisheries & Animal Resources License.
2. Industrial License.
3. Commercial License.
4. Professional License.
5. Vocational License.

Executive administrative decisions shall, in implementation of this law, be issued to define the respective concerned authority in each region in the Emirate.

ARTICLE (2)

It shall not be permissible for any natural person or judicial entity to practice any activity or branch of activity of those mentioned in article (1) hereinbefore, unless upon acquiring relevant license from the concerned authority, and provided that he fulfills all the terms and conditions of the laws pertinent to the practice of his own activity.

- However, those public or private companies, corporations or establishments on which a law; an Ameer decree or a resolution may be issued by the Executive Council, shall be excluded from the provision of the previous clause.

- Nevertheless, opening one branch or more of the company or establishment may be licensed in accordance with the terms and conditions of the executive administrative decisions to be issued in implementation of this law.

- The concerned authority may, further, issue licenses on opening branches within the Emirate of Abu Dhabi for those companies or establishments operating in the various emirates of the U.A.E.

ARTICLE (3)

The validity period of an entry license shall be one year. However, it may be renewed for one, two, or three calendar years beginning from the date of issuance of the license.

ARTICLE (4)

- It shall not be permissible to lease a license. However, it may be assignable or saleable within the context of the involved trading shop assignment or sale.
- Inheritors shall subrogate their inherited licensee.

ARTICLE (5)

In cases of modifying the legal status of a company; a partner quitting and entering; a capital decrease; dissolution of a company and assignment or cancellation of an establishment license, the following procedures shall be taken.

1. Approach the concerned authority requesting change or modification. Relevant application shall have to be submitted by all company partners or their representatives, or by an establishment owner or his representative.
2. The subject matter of application shall have to be announced once through an Arabic local daily newspaper at the applicant's expense.

In case of receiving no objection to the announcement within a week from the date of publication, the requested modification shall be effected once the fixed fees are duly paid up.

ARTICLE (6)

- If an objection to the announcement mentioned in the article hereinbefore is submitted by an involved party, supporting documents denoting the seriousness of the objection shall have to be attached thereto. Such documents may either be an official copy of a final judicial judgment on a law-suit relating to the announcing company or establishment, or a certificate from the court of law certifying that a law-suit is already brought before a UAE court on a relevant case, or an order on an urgent precautionary measure issued, by one of the UAE courts concerned with urgent matters, against such a company or establishment or any of its parties for a reason relevant to its practiced activity.
- Objection shall not be acknowledged in absence of the aforesaid supporting documents, or if it is made against one certain partner for a personal litigation having nothing to do with the activity of the involved company or establishment. In such cases, the concerned authority shall have the right to refuse the objection in question.

ARTICLE (7)

It shall be obligatory for an establishment owner licensee or for an authorized company manager to show the license upon request by the concerned department inspectors who shall also be allowed to have access to the facilities in question, so as to verify that only the licensed activity is duly practiced.

However, an owner licensee can request to see the inspector's identity beforehand to make sure of his identity.

ARTICLE (8)

Companies and establishments practicing professional, technical and scientific activities, or any other activity of a special nature shall, prior to submission of application, have to acquire relevant approval by competent authorities having their own terms and conditions, regulating the practice of such requested activities.

However, renewal of a license, issued to permit such activities as those mentioned in the previous clause upon an earlier approval by a competent authority, may not require a fresh approval unless, the concerned authority is notified by the respective competent authority requesting suspension of its permission or non renewal of the license in question.

CHAPTER TWO LICENSING OF COMPANIES

ARTICLE (9)

The concerned authority shall be responsible with license issuance for companies, as well as for the activities of general trading and representation of companies, in accordance with the licensing terms and conditions provided in the executive administrative decisions issued in implementation of the law herein.

However, this shall be made with consideration to the necessity for acquiring prior approval from the Executive Council as regards certain types of commercial companies which shall be specified upon a decision to be taken by the Council itself.

CHAPTER THREE LICENSING OF ESTABLISHMENTS

ARTICLE (10)

An Establishment is defined to be an individual proprietorship, i.e. owned by a single natural person. Such establishments shall be licensed for UAE nationals, in accordance with the licensing terms and conditions specified in this law.

ARTICLE (11)

Exceptionally, non-UAE nationals may be licensed to practice simple professional and vocational activities which shall be determined by the concerned authority under the following terms:

1. Non-UAE national licensee must have a (services agent) holding the UAE nationality and usually be a resident in the Emirate of Abu Dhabi. The services agent shall not be liable for any losses or obligations incurred due to the practice of such professional or vocational activities under his agency.
2. The relevant contract agreement with the services agent must be duly attested by official authorities in the Emirate of Abu Dhabi.
3. However, a non-national may acquire, or be a partner in several licenses issued either in favour of establishments or companies.

CHAPTER FOUR PENALTIES

ARTICLE (12)

- Whoever breaches the provision of clause (1) of article (2) of the law hereinbefore shall be imprisoned for a period of not less than three months, not more than one year. Violators of the aforementioned clause shall be fined the amount of not less than (20,000) UAE Dirhams and not more than (50,000) UAE Dirhams, or by one of the two aforesaid penalties.
- However, the head of the concerned authority shall be empowered to order temporary closure of trading facilities, shops, restaurants, cafeterias or any other places supplying and serving foods and beverages in case of any health or licensing contraventions pertinent to the public safety and good health. Such closure shall, however, remain valid until a final judgment is issued on the case.

CHAPTER FIVE CONCLUDING PROVISIONS

ARTICLE (13)

In the event a license is lost or damaged, the licensee shall have to approach the concerned authority requesting a substitute license, which may be issued upon payment of the fixed fees.

ARTICLE (14)

In the event of a one-month delay for effecting the renewal of a license following the expiry date of the same, a fine at an amount of (50) UAE Dirhams per each and every month of delay shall be charged, providing that the total fine amount may not exceed (1500) UAE Dirhams.

ARTICLE (15)

Current licenses already obtained shall remain valid until the relevant date of expiry.

ARTICLE (16)

A decision, to be taken by the Minister of Justice in coordination with the concerned authority, shall nominate the official inspectors who shall have the power of judicial sequestration officers; in respect of those crimes falling within their jurisdictions and pertinent to the duties of their jobs.

ARTICLE (17)

The annexed table of fees shall be effective as from the date this law is enforced. However, the fees categories may be amended upon a decision to be taken by the Executive Council.

ARTICLE (18)

In implementation of the provisions of this law, executive administrative decisions shall be issued by the Chairmen of the concerned authorities, in their respective jurisdictions.

ARTICLE (19)

Commercial Licenses Law No. (9) of 1969 shall be considered null and void.

ARTICLE (20)

The provisions of this law shall supersede any other contradictory provision.

ARTICLE (21)

This law shall be promulgated in the Official Gazette, and shall come into force as from the date of promulgation.

**Khalifa Bin Zayed Al Nahyan
Deputy Ruler of Abu Dhabi**

Issued by us in Abu Dhabi

on: June 27th, 1998 A.D.

corresponding to: 3 Rabi Al Awal, 1419 A.H.

**EXECUTIVE BY-LAW NO. (29) OF 1999 ISSUED IN IMPLEMENTATION OF THE
PROVISIONS OF LAW NO. (5) OF 1998 CONCERNING THE ISSUANCE OF LICENSES
IN THE EMIRATE OF ABU DHABI**

The Chairman of Abu Dhabi Municipality & Town Planning;

Having reviewed Law No. (1) of 1974 Concerning the Re-organization of the Government Apparatus in the Emirate of Abu Dhabi and the amending laws thereof;

And Law No. (5) of 1998 Concerning the Issuance of trade Licenses in the Emirate of Abu Dhabi;

Enacted the following by-law.

ARTICLE (1)

DEFINITIONS

In implementation of the provisions of this by-law, the following terms and wordings shall have the meanings as states in association therewith:

1. Concerned authority: Abu Dhabi Municipality & Town Planning Department.
2. Chairman: Chairman of Abu Dhabi Municipality & Town Planning Department.
3. Licensing Department: the department concerned with licensing economic activities at the concerned authority.
4. The law: Law No. (5) of 1998 Concerning the Issuance of Licenses in the Emirate of Abu Dhabi.
5. Commercial Companies Law: Federal Law No. (8) of 1984 Concerning the Commercial Companies and the amending laws thereof.
6. Commercial Procedures Law: Federal Law No. (18) of 1993 Concerning the Issuance of the Commercial Procedures Law.
7. Civil Code: Federal Code No. (5) of 1985 Concerning the Issuance of the UAE Civil Code.
8. Firm: The involved company or establishment.
9. Agricultural license: That License usually issued in favour of agricultural, fisheries and livestock farms, where manufacturing industries are based to produce profitable products.
10. Industrial License: That license usually issued in favour of all factories of manufacturing or productive industries in general.

11. Trade License: That License usually issued in favour of companies and establishments exercising trading businesses in accordance with the definition of Trading Businesses provided in the Commercial Procedures Law mentioned hereinabove.
12. Professional License: That license usually issued in favour of professional persons who depend for their work on their mental and intellectual potentials or on their studies and scientific talents. (Among such persons are consultants, physicians, lawyers and so on..).
13. Vocational License: That license usually issued in favour of a craftsman; viz., whosoever is independently practicing a profitable craft relying on his own physical capabilities or with the aid of other tools or equipment. Such a craftsman may either do business alone or along with not more than five workers.

CHAPTER ONE

GENERAL PROVISIONS

LICENSE TERM-SALE OF TRADING PLACE-GENERAL TRADING-REPRESENTATION OF COMPANIES-APPLICANT CAPACITY

ARTICLE (2)

LICENSE TERM

The first term of a trade license shall be one anno domini year. However, it may be renewed upon the applicant's request for a further term of one, two or three anno domini years starting from the date of renewal issue, which shall remain subject to the following terms and conditions:

- (2.1) Applicant must submit a lease contract involving the place subject matter of renewal. The contract must be still valid for the whole period required for renewal or for a period as deemed appropriate by the concerned authority.
- (2.2) Duly paid-up fees covering the whole period of requested renewal.
- (2.3) The concerned authority shall have the right to refuse renewal for more than one anno domini year as long as it deems that a renewal for one year is sufficiently proportionate to the size of the firm in question or for other considerations as per its discretion. The concerned authority's decision in this regard shall be considered final.

ARTICLE (3)

SALE & MORTGAGE OF TRADING PLACE

(3/1) Without prejudice to the provisions of the Commercial Procedures Law, any disposition towards transferring the proprietorship of the trading place or initiation of a right in-kind on its account shall have to be dully attested and authenticated before the Notary Public and duly registered in the Commercial Register. Otherwise, it shall be considered void. However, such a disposal shall include the following data and information:

(3/1/1) Names, Nationalities and place of residence of all signatories of a contract.

(3/1/2) The date and type of disposition.

(3/1/3) The type and address of the trading place, as well as the elements agreed thereupon to be covered by the disposition.

(3/1/4) The values of separate corporeal and incorporeal elements in case the disposition's subject matter is the selling of the place. Also the already paid up portion (earnest money) paid at the time of contract and how the pending balance value shall be paid.

(3/1/5) Agreements concerning contracts and obligations appertaining the trading place, if any.

(3/1/6) Agreements according to which the seller's rights of rescission, termination or concession are reserved, if any.

(3/2) trading place selling registration in the Commercial Register.

(3/2/1) The concerned clerk at the Commercial Register shall, upon the purchaser's request and on his account, advertise a brief on the sale contract through two Arabic local daily newspapers. Advertising shall be made successively one after the other, with a period of one week in between.

(3/2/2) The above-mentioned brief shall include the signatories' names, nationalities and place of residence. It shall also state the total value of the place and an authorization calling creditors to submit their objections within ten days from the date of the latter advertising.

(3/2/3) Objections shall be presented before the concerned civil court where the trading places are is falling within its jurisdiction. Objections shall show the debit amount and subject matter.

(3/2/4) Other terms and conditions shall be duly fulfilled in accordance with the provisions of the Commercial Procedures Law.

ARTICLE (4)

LICENSE MODIFICATION

(4/1) Except for the sale of the trading place mentioned in the previous article, any modification or amendment required to be introduced to a trading license (e.g. amendments of a company's legal status, a partner's withdrawal, trade name, capital decrease, partnership abrogation, proprietorship transfer, change of services agent...) shall be made through an application submitted to the licensing department. A brief on the required amendment shall have to be announced on the applicant's account in one Arabic local daily newspaper for one time only.

(4/2) If no objection to the requested amendment is received within one week from the date of publication, the amendment procedures shall be completed.

(4/3) But, in case a concerned party has an objection to such amendment, his objection shall be supported by the following documents to denote the seriousness of the objection.

(4/3/1) An official copy of a final judicial judgment on a lawsuit involving the announcing company or establishment.

OR

(4/3/2) A certificate issued by the court of law to certify that a lawsuit on a case relevant to the company or establishment activity has been already brought before a UAE court of law.

(4/3/3) An order on an urgent precautionary measure issued by one of the UAE courts of law concerned with urgent cases against such a company or establishment or any of its parties for a reason relating to its practiced activity.

(4/4) The objection shall not be recognized in absence of the aforesaid supporting documents, or if it is made against one certain partner for a personal litigation having nothing to do with the activity of the involved company or establishment.

(4/5) In all cases in which one of the aforementioned supporting documents is presented, the amendment procedures shall be suspended and shall not be continued unless upon giving the objection up or upon getting a court order from the court of law allowing such procedures to be continued.

(4/6) The chairman of the concerned authority or whoever is duly authorized by him shall have the right to release applicants from the announcement mentioned in clause (4/1) herein before, provided that the applicant in question has justifiable reasons for such a release.

ARTICLE (5)

GENERAL TRADING

Applicants requesting "General Trading" license shall have to meet the following terms and conditions:

(5/1) He must be a 100% national individual or firm.

(5/2) His main business office must be based in Abu Dhabi Emirate.

(5/3) He must have been involved in the line of business activity in Abu Dhabi Emirate for six years at least.

(5/4) That the capital of the company owned by the national is not less than 6,000,000 (six million) UAE Dirhams.

(5/5) That a contract between the company and a duly certified auditor is already concluded.

(5/6) that the company is so structured to comprise technical, financial and managerial bodies.

ARTICLE (6)

REPRESENTATION OF COMPANIES

Applicants requesting "Representation of Companies" license shall have to meet the following terms and conditions:

(6/1) He must be a 100% national individual or firm.

(6/2) His main business office must be based in Abu Dhabi emirate.

(6/3) He must keep an integrated financial and managerial body.

ARTICLE (7)

CAPACITATED APPLICANT

According to the provision of article (18) of the Commercial Procedures Law:

(7/1) Having no other prohibition by the force of law, whoever completed (21) anno domini years of age shall be capacitated to practice business activity.

(7/2) An underage, whether being under guardianship or custodianship, shall have the right to practice business activities when he completes (18) anno domini years of age, provided that he is so permitted by the court of law, irrespective of that such a permission is absolute or restricted.

(7/3) National applicant partners or owners of a company or an establishment must, at the time of application, meet either clause (7/1) or (7/2) mentioned herein before.

(7/4) Non-national applicant partners or owners of a profession or a vocation must, at the time of application, meet clause (7/1) mentioned herein before.

CHAPTER TWO

LICENSING OF COMPANIES, RELEVANT BRANCHES & FOREIGN COMPANY BRANCHES

ARTICLE (8)

LICENSING OF COMPANIES

Terms and documents required for acquiring a company license:

(8/1) Applicant company must adopt one of the types of companies provided in the UAE Commercial Company Law and the amending laws thereof.

(8/2) The company must have a trade name as approved by Abu Dhabi Chamber of Commerce & Industry. *1

(8/3) Prior approval by respective competent authority is required for the practice of certain activities, i.e. (Ministry of Health for physicians, Ministry of Economy for certified accountants... etc.).

Such approval shall remain valid over the whole period of a renewed license, unless the respective competent authority otherwise notifies the Licensing Department.

(8/4) Prior approval by the Executive council is required for the practice of other certain activities.

(8/5) A printed (typed) Company License Application Form prepared for the purpose by the licensing Department is to be completed in accordance with the exercised line of business activity.

(8/6) A copy of a valid lease contract involving the office/shop intended to be the place of business activity, as per the provision of clause (2/1) herein before.

(8/7) Copies of partners' passports, still valid at the time of application. Copies of Civil Status Extracts for UAE nationals.

(8/8) Two passport-size photographs for each partner in the license.

(8/9) A preliminary residence-related sponsorship assignment (transfer) to be obtained from the previous sponsor. (For non-nationals only).

(8/10) A duly authenticated Power of Attorney in favour of an authorized person, in case such a person is required to subrogate the principal in respect of application submission and representation before the concerned authority.

(8/11) A copy of the receipt certifying that the company has already taken the required steps towards the promulgation of its memorandum and articles of association in the special publication issued by the Ministry of Economy.

(8/12) A copy of a valid membership certificate issued by Abu Dhabi Chamber of Commerce & Industry.

(8/13) Licensing fees shall be charged in accordance with those fixed in the relevant schedule annexed to the Law.

ARTICLE (9)

LICENSING OF COMPANY BRANCHES

(9/1) Terms and documents required for licensing a branch of a company registered in Abu Dhabi City:

A Company Branch Application Form, duly signed by the concerned persons or their authorized person legally empowered to represent the company, must be submitted along with the following documents:

(9/1/1) Other relevant registration and licensing forms prepared by the Licensing Department must be duly completed.

(9/1/2) The decision taken by the involved company board of directors showing the company intention to open a branch in Abu Dhabi City. The said decision must be duly signed by the concerned persons or their legally empowered representative.

(9/1/3) A copy of each of the following supporting documents: (trade license and the certificate of registration in the Commercial Register).

(9/1/4) A copy of a valid lease contract involving the office/shop intended to be the place of business activity, as per the provision of clause (2/1) herein before.

(9/1/5) A copy of the authorized signature of the person legally empowered to represent the company.

(9/1/6) A copy of a valid membership certificate issued by Abu Dhabi Chamber of Commerce & Industry in favour of the company branch. This is with consideration to the fact that the trade name has been already adopted by the mother company as approved by the Chamber. *1

(9/1/7) Licensing fees shall be charged in accordance with those fixed in the relevant schedule annexed to the Law.

(9/2) Terms and documents required for licensing a branch of a company registered in other UAE emirates:

A Company Branch Application Form duly signed by the principal(s) or his (their) authorized person legally empowered to represent the company must be submitted along with the following documents.

(9/2/1) The company branch trade name as approved by Abu Dhabi Chamber of Commerce & Industry.*1

(9/2/2) Other relevant registration and licensing forms prepared by the Licensing Department must be duly completed.

(9/2/3) The decision taken by the involved company board of directors showing the company intention to open a branch in Abu Dhabi. The said decision must be duly signed by the concerned persons or their legally empowered representative.

(9/2/4) A facsimile of each of the following supporting documents: (trade license and the certificate of registration in the Commercial Register), which must be duly attested by the issuer in the respective emirate.

(9/2/5) A facsimile of the company memorandum and articles of association, along with the receipt certifying that the memorandum has been duly promulgated through the Ministry of Economy office at which the applicant company has been initially registered.

(9/2/6) A copy of a valid lease contract involving the office/shop intended to be the place of business activity, as per the provision of clause (2/1) herein before.

(9/2/7) A copy of a valid membership certificate issued by Abu Dhabi chamber of Commerce & Industry.

(9/2/8) A copy of the authorized signature of the person legally empowered to represent the company.

(9/2/9) Licensing fees shall be charged in accordance with those fixed in the relevant schedule annexed to the Law.

(9/3) Automatic abolition of a company branch license:

In implementation of the provision of Article (45) of the UAE Civil code according to which "the branch shall be dropped if the principal is dropped", a company branch license shall be automatically invalidated in case that of the mother company is abolished.

ARTICLE (10)

LICENSING OF FOREIGN COMPANY BRANCHES

Without prejudice to the provisions of the UAE Commercial Company Law concerning the terms and conditions of licensing foreign companies, the terms and documents required for licensing a foreign company branch shall be as follows:

(10/1) The decision taken by the applicant foreign company board of directors, showing the company intention to open a relevant branch in Abu Dhabi. The said decision must be duly attested by the UAE embassy based in the applicant foreign company mother country.

(10/2) Getting the company activity approved by the Licensing Department before getting that of the Ministry of Economy.

(10/3) The company must have a UAE services agent. In case the said agent is a company, the company and all partners in it must be holding the UAE nationality.

(10/4) The obligations of a services agent vis-à-vis the company and other third parties shall be confined to rendering required services for the company without any liability or financial obligations relating to the businesses or the activity of the company branch whether inside or outside the UAE.

(10/5) A facsimile of the authorization granted by the company to its legal representative in Abu Dhabi. Also, his signature authorization and a copy of his passport.

(10/6) Except clauses (8/1, 8/7, 8/8, 8/10) all other terms and documents enlisted in article (8) herein before shall be passed on any foreign company branch.

(10/7) Licensing fees shall be charged in accordance with those fixed in the relevant schedule annexed to the Law.

(10/8) The license of a foreign company branch in Abu Dhabi shall be automatically abolished if the mother company abroad is proved to be insolvent, and/or closed and/or having its license already abolished.

*1Pursuant to the Abu Dhabi Government Executive Council's decision, the approval of a trade name has turned out to be within the jurisdiction of the Department of Planning & Economy.
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CHAPTER THREE **LICENSING OF ESTABLISHMENT & RELEVANT BRANCHES**

ARTICLE (11)

LICENSING OF ESTABLISHMENTS

Terms and documents required for licensing an establishment:

(11/1) Prior approval by respective competent authorities is required for the practice of certain activities, i.e. (Ministry for Health for physicians, Ministry of Economy for accountants. etc.).

Such approval shall remain valid over the whole period of a renewed license, unless the respective competent authority otherwise notifies the Department.

(11/2) Prior approval by the Executive Council is required for the practice of other certain activities.

(11/3) An establishment must have a trade name as approved by Abu Dhabi Chamber of Commerce & Industry.*1

(11/4) A printed (typed) corporate Proprietorship License Application Form prepared for the purpose by the Licensing Department is to be completed in accordance with the exercised line of business activity.

(11/5) A copy of a valid lease contract involving the office/shop intended to be the place of business activity, as per the provision of clause (2/1) herein before.

(11/6) A copy of the applicant valid passport, or the Civil Status extract (for UAE nationals).

(11/7) Two passport-size photographs.

(11/8) A duly authenticated Power of Attorney in favour of an authorized person, in case such a person is required to subrogate the principal in respect of application submission and representation before the concerned authority.

(11/9) A copy of a valid membership certificate issued by Abu Dhabi Chamber of Commerce & Industry.

(11/10) Non-national corporate proprietorship license shall, additionally require to meet the following terms:

(11/10/1) A copy of a contract with a national services agent regularly resident in Abu Dhabi Emirate. The said contract must be duly authenticated by the Abu Dhabi – based Notary Public and attached to a photocopy of the services agent's passport.

(11/10/2) The services agent shall not be liable for any loss/obligations that might be incurred from the practice of the professional or vocational activity subject matter of the license according to which he is acting as agent.

(11/10/3) The definition of a simple profession or vacation shall be specified in accordance with the schedule annexed to the by-law hereinafter.

(11/11) Licensing fees shall be charged in accordance with those fixed in the relevant schedule annexed to the Law.

ARTICLE (12)

LICENSING OF ESTABLISHMENTS Branch(es)

(12/1) Terms and documents required for licensing a branch of an establishment already registered in Abu Dhabi City:

A Corporate Proprietorship Abu Dhabi-based Branch Application Form duly signed by the owner or his authorized person legally empowered to represent person legally empowered to represent the establishment, must be submitted along with the following documents:

(12/1/1) Relevant registration and licensing forms prepared for the purpose by the Licensing Department must be duly completed.

(12/1/2) A copy of each of the following supporting documents: (trade license and the certificate of registration in the Commercial Register).

(12/1/3) A copy of a valid lease contract involving the office/shop intended to be the place of business activity, as per the provision of clause (2/1) herein before.

(12/1/4) A copy of a valid membership certificate issued by the Abu Dhabi Chamber of Commerce & Industry in favour of the establishment branch.

(12/1/5) Licensing fees shall be charged in accordance with those fixed in the relevant schedule annexed to the Law.

(12/2) Terms and documents required for licensing a branch of a establishment registered in other UAE emirates:

A Corporate Proprietorship Abu Dhabi-based Branch Application Form duly signed by the owner or his authorized person legally empowered to represent the establishment, must be submitted along with the following documents:

(12/2/1) An establishment branch must have a trade name as approved by Abu Dhabi Chamber of Commerce and Industry.*¹

(12/2/2) Relevant registration and licensing forms prepared for the purpose by the Licensing, Department must be duly completed.

(12/2/3) A facsimile of each of the following supporting documents: (trade license and the membership certificate issued and attested by the concerned chamber of commerce & industry in the respective emirate).

(12/2/4) A copy of a valid lease contract involving the office/shop intended to be the place of business activity, as per the provision of clause (2/1) hereinbefore.

(12/2/5) A copy of a valid membership certificate issued by Abu Dhabi Chamber of Commerce & Industry.

(12/2/6) A copy of the authorized signature of the person legally empowered to represent the establishment, along with a photocopy of his passport.

(12/2/7) Licensing fees shall be charged in accordance with those fixed in the relevant schedule annexed to the Law.

(12/3) Automatic abolition of a corporate proprietorship branch license:

In implementation of the provision of Article (45) of the UAE Civil Code according to which "the branch shall be dropped if the principal is dropped", a corporate proprietorship branch license shall be automatically invalidated in case that of the mother establishment is abolished.

*¹ Pursuant to the Abu Dhabi government Executive Council's decision, the approval of a trade name has turned out to be within the jurisdiction of the Department of Planning & Economy.

ARTICLE (13)

ORIGINAL DOCUMENTS

The concerned employee at the Licensing Department shall have to make sure of the authenticity of submitted copies through comparison with original documents. The copies shall, thereafter, be signed and stamped as FACSIMILE by the said employee.

However, comparison with such original documents shall remain subject to what may be deemed necessary by the Licensing Department.

CHAPTER FOUR **LICENSE ISSUANCE & RENEWAL**

ARTICLE (14)

LICENSE ISSUANCE

A license shall be issued once all licensing terms provided for companies, establishments or branches thereof through articles (8-12) herein before are duly fulfilled. Also, once all professional or technical licensing terms and requirements are fulfilled as required by the ministries, departments and agencies concerned with licensing procedures.

ARTICLE (15)

LICENSE RENEWAL

(15/1) A company or an establishment license shall be renewed without prior filed (business place & warehouse) inspection procedures.

Such procedures shall be taken through follow-up by the competent authorities concerned with making sure of that a firm (company or establishment as to the case) is duly meeting the relevant terms and requirements at all times. A firm owner(s) or his (their) legal representative shall have to take the following steps:

(15/1/1) Inquire by fax, addressed to the concerned inquiry employee, about the fees being duly paid up by the firm and covering the whole period of renewal he requires within the limits specified in the law. The said employee shall reply to the firm's fax number effected in the file of the inquirer firm informing of the would-be charged renewal fees plus those of dispatching the renewed license by mail.

(15/1/2) The enquirer shall, thereafter, send an envelope by registered mail addressed to the Director of the Licensing Department. The envelope must show the license number and the trade name of the firm, and shall enclose the following documents:

(15/1/2/1) A Renewal Application Form signed in conformity with the Signature Authorization deposited in the firm's file kept at the Department.

(15/1/2/2) License renewal fees through a certified cheque made in favour of the concerned authority and payable as from the date of dispatch by registered mail.

(15/1/2/3) A copy of a valid lease contract involving the office/shop intended to be the place of business activity, as per the provision of clause (2/1) herein before.

(15/1/2/4) The original license subject matter of renewal.

(15/1/2/5) A Commitment to be signed in conformity with the Signature Authorization deposited in the firm's file at the Licensing Department. The said Commitment must state that no modification whatsoever has been introduced to the firm's legal status, and that any such modification, amendment or change of address during the renewal period, shall be immediately reported to the Licensing Department.

(15/1/3) Once all the terms and documents mentioned herein before are duly fulfilled, the concerned authority shall immediately renew the license and send it back by return registered mail to the post office box number, as effected in the file of the firm in question.

(15/2) However, interested firms shall have the right to take and complete the whole renewal procedures personally through application submission, payment of fees and delivery of renewed license by hand at the Counter of the Licensing Department premises of the concerned authority.

(15/3) In case of delayed license renewal application (more than one month from the date of expiry), the applicant shall be fined the amount of Fifty UAE Dirhams against each month of delay, but provided that the total fine amount may not exceed (Dhs. 1500).

(15/4) In case of failure to renew the license for longer periods, the fixed annual licensing fees multiplied by the number of delayed years shall be collected from the failing applicant. The said fees shall, however, be calculated in accordance with the fixed fees at the time of the license issuance plus the fine amount provided in clause (15/3) hereinbefore.

(15/5) Exceptional from the previous clause herein, no fees against delayed renewal shall be collected if the applicant firm owner(s) present(s) an Acknowledgement affirming that no activity has been exercised and no benefit has been accrued from the license over the whole period of suspension. However, such an acknowledgement shall have to be supported with official documents agreeable to the concerned authority.

(15/6) The concerned authority shall have the right to cancel a license if not renewed for a period of five consecutive years. Cancellation shall be made through a one-time announcement to be advertised in an Arabic local daily newspaper. However, the cancellation procedures may be ceased if the concerned authority receives and objection to the cancellation within a week from the date of advertisement, a case in which clauses (4/3) and (4/4) of article (4) herein before shall be applicable.

ARTICLE (16)

This by-law shall be effective as from the date of issue and shall be promulgated in the Official Gazette.

Mohammed Bin Butti Al Hamed
Chairman
Abu Dhabi Municipality & town Planning Department

Sub-Decree No. 102, 12/02 Session 12/2004 Concerning the Assignment of Capacities for Approving the Practice of Economic Activities in the Emirate

During its session convened on 6 July 2004, the Executive Council reviewed the memorandum presented by Abu Dhabi Municipality & town Planning Department, bearing No. BA/3/A/25/357 and dated 6 June 2004, and which was based on a previous decree No. 31, session 8/2002 issued on 10/7/2002 by the Council on a study involving the economic activities that should preliminarily be subject to approval by the Council, And after the pertinent deliberation and review of associated details and suggestions laid to involve the different aspects of the issue, And upon the supreme directives of His Highness Sheikh Khalifa Bin Zayed Al Nahyan (God Bless Him), Crown Prince of Abu Dhabi and Chairman of the Executive Council,

The Council decreed as hereunder.

First:

All applications for licensing the activities provided herein below shall be presented to the Executive Council for approval:

1. Insurance companies.
2. Higher studies and scientific or academic research.
3. University colleges.
4. Domestic and external air transport.
5. Passenger transportation by amphibious aircraft.
6. Chartering of steamships, battleships and oil tankers.
7. Aircraft charter.
8. Commercial aviation training.
9. Pearl-culture.
10. Pearl-catching.

Second:

Substituting the Municipality & Town Planning Departments in both Abu Dhabi and Al-Ain, the Department of Planning & Economy shall be empowered to issue the licenses required for the following economic activities as specified herein below as per the adopted procedures and regulations.

1. Public joint-stock companies.
2. Hotels.
3. Educational investment.
4. Taxis.
5. Cinema houses.
6. Rental of furnished apartments.
7. Hotel management.
8. Electrical games.
9. Rest houses (Motels)

10. Tourist resort management.
11. Transport of cash money, cheques and precious metals.
12. General trading.
13. Representation of companies.
14. Sale of passenger tickets.
15. Travel agency.
16. Tourist office.
17. Electronic games hall.
18. Entertainment centres.
19. Scrap (scrap iron).
20. Manpower recruitment, (outsourcing) services.
21. Employment and hiring.
22. Supply of workers, servants and housemaids.
23. Ship and flat cargo vessel charter and shipping.
24. Fixing advertising signboards on roads and highways in Abu Dhabi.
25. Mobile-vehicle advertising.
26. All types of shipping works.
27. Steamships and carrier agencies.
28. Cow and poultry farms.
29. Ship fueling works.
30. Automobile clubs.
31. Marketing of oil products.
32. Public transport (passenger transportation back and forth between commercial centers and tourist places).
33. Representation of airlines.
34. Organization of sea and land tours.
35. Licensing private joint-stock companies.
36. Licensing partnerships limited with shares.
37. Licensing foreign company branches.
38. Investment in entertainment projects.
39. Representation offices.
40. Commercial liaison offices.
41. Commercial-governmental liaison offices.

Ali Bin Ahmed Al-Dhaheri Executive Council Member