

Type of Legislation

Local Law

1) Law No (9) Of 2004 In Respect Of The Dubai International Financial C (2004)

Law No (9) Of 2004 In Respect Of The Dubai International Financial Centre

Status : Amended - Source : Local Laws

We, Makioum Bin Rashid Al Maktoum Ruler of Dubai; After having reviewed The Constitution and its amendments; and Federal Law No.8 for the year 2004 concerning Financial Free Zones; and Federal Decree No.35 for the year 2004 concerning the Establishment of a Financial Free Zone in the Emirate of Dubai; and Law No.3 for the year 2002 establishing the Dubai International Financial Centre; Do hereby enact the following law:			
Law	Type	Relation	Year
<u>(2002)</u>	Laws	Canceled by this law	2002
<u>(2004)</u>	Laws	Extend this law	2004
Amending Dubai International Financial Centre Law (2011)	Laws	Amend this law	2011

Article 1

This Law will be cited as "The Law of the Dubai International Financial Centre, No. (9) for the year 2004"

Article 2

Definitions

The following words and expressions shall have the respective meaning assigned to each of them, unless the context otherwise requires:

The Ruler: H.H. Ruler of the Emirate of Dubai.

The State: The United Arab Emirates.

The Emirate: The Emirate of Dubai.

The Government: The Government of the Emirate of Dubai

The Centre: Dubai International Financial Centre

The Financial Services Authority: Dubai Financial Services Authority.

The Center's Courts : Dubai International Financial Centre Courts.

The President: The President of the Centre.

Centre Authority: Dubai International Financial Centre Authority

Centre's Bodies: Those bodies established pursuant to subparagraph 3 of Article 3 of this Law and any other bodies created by those bodies or by the President.

Services, Goods and products: Any services, goods or products including, without limitation, materials, equipment and goods of whatever kind, whether tangible or intangible.

Licensed Centre Establishments: Any entity licensed, registered or otherwise authorized to carry on financial and banking business including those activities and businesses referred to in Article 9 of this Law.

Centre's Laws: Any laws issued by the Ruler relating to the Centre.

Centre's Regulations: Any rules, regulations, bylaws, or orders relating to the Centre issued by the President or the Centre's Bodies.

Centre Establishments: Any entity or business duly established or carrying on activity in the Centre, including any Licensed Centre Establishment.

Article 3

The Centre

1- The financial free zone established in the Emirate known as the "Dubai International Financial Centre" - abbreviated as

DIFC - shall have financial and administrative independence, and shall be attached to the Government.

2- The Centre shall have a President who shall be appointed by a decree issued by the Ruler.

3- The following bodies are established within the Centre:

(a) the Dubai International Financial Centre Authority, to be known as "DIFCA";

(b) the Dubai Financial Services Authority, to be known as the "DFSA"; and

(c) the Dubai International Financial Centre Judicial Authority.

4- The Dubai International Financial Centre Authority shall be the legal representative of the Centre, and may sue or be sued in this capacity.

Article 4

Objectives of the Centre

The Centre shall have, without limitation, the following objectives:

1- To be a financial centre in the Emirate, based on principles of efficiency, transparency and integrity with a view to making

an effective contribution to the international financial services industry;

2- To promote the position of the Emirate as a leading international financial centre; and

3- To develop the economy of the Emirate.

Article 5

Display the related articles

The President

1- In addition to any other powers and functions described in this Law, the President shall have the following powers, duties and functions:

(a) To approve the goals, strategies and policies of the Centre;

(b) To create registries, including registries of real estate, security, and companies;

- (c) To submit proposed Centre's Laws to the Ruler for enactment;
 - (d) To issue Centre's Regulations;
 - (e) To appoint, dismiss and replace members of the Board of Directors of the Centre Authority and to determine their duties, membership period and remuneration.
 - (f) To appoint, dismiss and replace members of the Board of Directors of the Financial Services Authority and to determine their duties, membership period and remuneration in accordance with the Centre's Laws and Regulations;
 - (g) To create any other administrations, councils or entities, to achieve the objectives of the Centre and to determine the form, powers, functions and members of any of them, and dissolve or reconstitute any of them in the form that the objectives of the Centre requires; and
 - (h) To issue an Order for the appointment of the members of the Advisory Board, on the recommendation of both the Centre's Board of Directors and the Financial Services Authority Board of Directors.
 - (i) To do anything the President deems necessary or desirable in the interest of good governance of the Centre.
- 2- The President may delegate all or part of his powers and functions prescribed in Article 5 (1) (a)(b)(c)(d)(e)(g)(h) and (i) and in any of the Centre's Laws to any of the Centre's Bodies or any other person or body.

Article 6

The Centre Authority

- 1- The Centre Authority is hereby established and shall be supervised by its Board of Directors.
- 2- The Centre Authority shall carry out its functions without interference from any of the other Centre's Bodies and reports, and is responsible to the President.
- 3- The Centre Authority shall have an independent budget and the Government shall provide sufficient funds for this purpose.
- 4- For the purpose of attaining its objectives, and in addition to any other powers and functions described in this Law, the Centre Authority shall have the following powers, and functions:
 - (a) To propose to the President all strategy and policies for the Centre, other than policies relating to the regulation of financial services and related activities;
 - (b) To report to the President on the implementation of the approved strategy and policies of the Centre;
 - (c) To impose administrative penalties. as provided for by the Centre's Laws and the Centre's Regulations;
 - (d) To review and submit to the President any proposed Centre's Laws drafted by the Centre Authority Legislature;
 - (e) To agree with the Financial Services Authority on a consultation process on Centre's Laws, which the Centre Authority intends to propose to the President for enactment by the Ruler;
 - (f) To provide for public comment on Centre's Laws, which the Centre Authority intends to propose to the President for enactment by the Ruler prior to proposing such Centre's Laws to the President.
 - (g) To review and issue any proposed Centre's Regulations which may be drafted by the Centre Authority Legislature;
 - (h) To establish other ancillary bodies and institutions.
 - (i) To possess, own, sell and lease lands and any other im-movable and moveable properties, including financial instruments and to develop such projects that are necessary to achieve the

Centre's objectives, in accordance with the Centre's Laws and the Centre's Regulations.

- (j) To set the rules of operating the Centre Authority's bank accounts to obtain loans and financial facilities necessary for the operations of the Centre Authority, and to provide the assets, benefits and dues of the Centre as a security for the same;
- (k) To establish representative offices within the State and abroad, to promote the objectives and operations of the Centre Authority;
- (l) To keep confidential any confidential information obtained, disclosed or collected by the Centre Authority, in the course of performing its functions. Such confidential information may not be disclosed to third parties except in circumstances permitted by the Centre's Laws and the Centre's Regulations; and
- (m) To do any other work or perform any other function that the President deems necessary to attain the objectives of the Centre.

5- The Centre Authority shall have the right to delegate all or part of its powers and functions prescribed by this Law to any person or body.

6- The Centre Authority shall have an Executive. The DIFCA Executive shall be supervised and managed by a Director

General, who will be a de facto member of the Centre's Board of Directors and who will implement the strategies and policies of the Centre Authority including:

- (a) To develop the Centre strategy and policies other than policies relating to the regulation of financial services and related activities.
- (b) To review the financial statements of the Authority and to prepare and to revise its annual budget;
- (c) To prepare and implement the Human Resources Policy of the Authority.;
- (d) To provide the infrastructure, premises, administrative services (including municipal, security, transportation services and information communication technology infrastructure and services) and any other services necessary for achieving the objectives of the Centre;
- (e) To impose administrative penalties as provided for by the Centre's Laws and the Centre's Regulations;
- (f) To develop relations with other free zones and all governmental, quasi-governmental authorities, institutions, entities and individuals inside and outside the Emirate, for the purpose of achieving the objectives of the Centre and organising its operations and conclude and execute all kinds of agreements, contracts, and memoranda of understanding, other than those related to the regulation of financial services and related activities, and any matter over which any other of the Centre's Bodies have exclusive jurisdiction, as provided by the Centre's Laws;
- (g) To incorporate and register companies in the Centre in accordance with the Centre's Laws and Centre's Regulations;
- (h) To assist and facilitate the Centre Establishments in providing their workforce;
- (i) To provide all kinds of services to the Centre Establishments and others who are related to the Centre;
- (j) To impose and collect any fees or user charges that the Centre Authority requires for services provided by the Centre Authority; and
- (k) To open and operate the Centre Authority's bank accounts.

7- The Centre Authority shall have a Legislature, which shall be responsible for drafting the Centre's Laws and the Centre's

Regulations other than those relating to the regulation of financial services and related activities

or any matter over which any of the Centre's Bodies have exclusive jurisdiction, as provided by the Centre's Laws.

8- The Advisory Board:

(a) An Advisory Board shall be established by the Authority to provide advice to the Centre on the strategy for achieving its objectives.

(b) The Advisory Board shall be appointed based on the recommendation of both the Centre Authority and the Financial Services Authority and shall be comprised of persons with international experience relative to the operation of the Centre.

Article 7

The Dubai Financial Services Authority

1- A body known as the Dubai Financial Services Authority (DFSA) is hereby established. It shall have a separate legal identity and may sue and be sued in such capacity.

2- The Financial Services Authority is the body solely responsible for the regulation of financial services and related activities in the Centre.

3- The Financial Services Authority shall carry out its functions without interference from any of the other Centre's Bodies, and is accountable only to the President.

4- The Government shall provide for the Financial Services Authority, independent from any Centre's Bodies' control, necessary funds to discharge its powers and perform its functions.

5- The Financial Services Authority shall be supervised by a Board of Directors and managed by an executive. The members of the Board of Directors shall be appointed for fixed terms and may only be dismissed for cause in accordance

with the Centre's Laws and Regulations.

6- The Board of Directors shall have exclusive authority to appoint, remove and determine the structure, duties and service conditions of the Financial Services Authority executive.

7- The Board of Directors shall have the authority to determine the infrastructure, premises, administrative services and any other services necessary for achieving the objectives of the Financial Services Authority.

8- The Financial Services Authority shall have the following powers and functions:

(a) To propose to the President the Centre's Laws related to the regulation of financial services and related activities and any matter over which the Financial Services Authority has jurisdiction under the Centre's Laws. The Financial

Services Authority's policies shall be consistent with those laws;

(b) To make policies relating to the regulation of financial services and related activities;

(c) To agree with the Centre Authority on a consultation process on the Centre's Laws which the Financial Services Authority intends to propose to the President for enactment by the Ruler;

(d) To provide for public comment on any Centre's Laws the Financial Services Authority intends to propose to the President for enactment by the Ruler, prior to proposing such Centre's Laws to the President;

(e) To issue Centre's Regulations related to the regulation of financial services and related activities and any matter over which the Financial Services Authority has jurisdiction under the Centre's Laws;

(f) To carry out, solely and in an independent manner, the licensing, registration and supervision of Licensed Centre

Establishments and such other matters as provided by the Centre's Laws and the Centre's

Regulations;

(g) To issue any rules or regulations necessary to perform its functions;

(h) To keep confidential any confidential information obtained, disclosed or collected by the Financial Services Authority, in the course of performing its functions. Such confidential information may not be disclosed to third parties except in circumstances permitted by the Centre's Laws and the Centre's Regulations.

(i) To develop relations with other governmental, quasi- governmental authorities, institutions, entities and individuals inside and outside the Emirate for the purpose of achieving its objectives and conclude and execute all kinds of agreements, contracts, and memoranda of understanding related to the regulation of financial services and related activities, and any matter over which the Financial Services Authority has jurisdiction, as provided by the Centre's Laws;

(j) To establish such other ancillary bodies, as are necessary for discharging its functions, and may delegate any of its powers to such ancillary bodies, to discharge its functions;

(k) To impose and collect fees for services provided by the Financial Services Authority or as provided for by the Centre's Laws and the Centre's Regulations;

(l) To impose administrative penalties as provided for by the Centre's Laws and the Centre's Regulations;

(m) To open and operate bank accounts, to obtain loans and financial facilities necessary for the operations of the Financial Services Authority, and to provide the assets, benefits and dues of the Financial Services Authority as a security for the same;

(n) To enter into contracts and other agreements; acquire, hold and dispose of moveable property, all as necessary to perform its functions; and

(o) To appoint and employ natural and corporate persons on terms it deems necessary to assist it in exercising its powers and performing its functions.

Article 8

The DIFC Judicial Authority

1- The DIFC Courts shall be formed and shall carry out their functions in an independent manner, in accordance with the provisions of this Law, the other Centre's Laws and the Centre's Regulations.

2- Unless otherwise provided by any other Centre's Laws, the Centre's Courts shall have exclusive jurisdiction to hear and determine any claims in which the Centre, the Centre Establishments or any of the Centre's Bodies is party to and also to hear and determine any dispute, arising out of any transaction carried out in the Centre or an incident which took place therein. The President may also establish such juristic committees and arbitration panels as are necessary.

3- The courts of the Emirate shall entertain the prosecution of any crimes that take place within the Centre.

4- The Centre's Courts shall have exclusive competence to interpret this Law, the Centre's Laws and the Centre's Regulations.

5- The Government shall provide the Centre's Courts with sufficient funds necessary to discharge their powers and perform their functions.

6- The Centre's Courts may appoint and employ persons on terms they deem necessary to

exercise their powers and perform their functions.

Article 9

Licensed Centre Establishments

Licensed Centre Establishments may carry on financial and banking businesses, including Islamic financing and business,

and other activities, as permitted by their licenses or registration, including the following:

1- Financial and banking services including the business of investment and commercial banks, financing companies,

wholesale trading and electronic banking.

2- Insurance, re-insurance and insurance brokerage services including property and casualty insurance and other kinds of

insurance and any other related services.

3- The trading of, and advising on, securities, commodities and derivatives, and other related financial services.

4- Money management services, investment services and investment fund services for the purpose of financing projects and

providing capital for companies and establishments in all fields of investment.

5- Pension funds, investment funds and trust services.

6- Brokerage, clearing, settlement and custody services.

7- Investment services for all business and activities carried on in the Centre.

8- Legal, auditing and accounting, and any other services ancillary to financial and banking businesses and activities.

9- Supporting, and assisting works and services and classification services and all forms of information services for financial and banking businesses and activities.

Article 10

Centre Establishments

Centre Establishments shall carry out their activities in accordance with the Centre's Laws, Centre's Regulations and the licenses issued to them. Centre Establishments may be located in the Emirate outside the Centre for a period not exceeding four years from the date of the establishment of the Centre and in accordance with the conditions and restrictions determined by the Centre Authority and, in the case of Licensed Centre Establishments, the Financial Services Authority. For the purposes of this Article, practicing such activities and business outside the Centre shall be deemed as if conducted within the Centre, and shall be subject to the Centre's Laws and the Centre's Regulations.

Article 11

Centre Activities

Subject to the terms of Article 12 of this Law, the Centre's Laws and the Centre's Regulations, the Centre Authority may provide

and deal in all kinds of services, products and goods from all sources whether local or foreign.

Article 12

Prohibited Services and Goods

The Centre Authority shall prepare a list of services, products and goods prohibited in the Centre that may include, without limitation, the following:

- 1- Service products and goods contradictory to the Centre's Laws and the Centre's Regulations.
- 2- Services, products and goods that are prohibited by the laws applicable in the Emirate.
- 3- Products and goods carrying inscriptions, drawings, trademarks or signs considered to contradict religious teachings and beliefs or public morals.
- 4- Any service or activity resulting in illegal competition.

Article 13

Display the related articles

Applicable and excluded Laws

- 1- The Centre's Bodies and the Centre Establishments shall carry on business in accordance with the Centre's Laws and the Centre's Regulations.
- 2- The Centre's Bodies and the Centre Establishments and their employees (for the purpose of the transactions carried out within the Centre and related thereto) shall not be subject to the rules or regulations of the Dubai Municipality, the Department of Economic Development, the Department of Tourism and Commercial Marketing, the rent committee or the authorities of any of those departments.

Article 14

Tax Relief

The Centre's Bodies and Centre Establishments and their employees shall be subject to a zero rate of tax for 50 (fifty) years from the date of enactment of this Law, including the income tax relating to their operations inside the Centre. The zero rate of tax will also extend to transfers of assets or profits or salaries in any kind of currency to any party outside the Centre for 50 (fifty) years from the date of enactment of this Law. It is permitted to renew this period for a similar period upon issuance of a resolution by the Ruler.

Article 15

Further Relief

- 1- Moneys and activities of the Centre's Bodies and Centre Establishments shall not be subject to any nationalisation procedures or any restrictions in regard to their personal ownership.
- 2- All companies incorporated within the Centre may be fully owned by persons or entities which are not nationals of or domiciled in the State.

Article 16

The Centre's Employees

The Centre's Bodies and Centre Establishments may employ or use any person provided that they shall not be nationals of countries boycotted by the state.

Article 17

Liabilities

The Government and the President shall not be liable for any obligations arising out of the operation of the Centre or the exercise by them of any power, duty or function under this Law or the Centre's Laws and the Centre's Regulations.

Article 18

Customs duties

The Centre Bodies and Centre Establishments shall be exempt from custom duties on all products and goods imported by them for the purpose of their works in the Centre unless such goods are imported for trade.

2)Dubai Government Human Resources Management Law (2006)