

Law No. (5) of 2021
Concerning the
Dubai International Financial Centre¹

We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai,

After perusal of:

Federal Law No. (8) of 2004 Concerning Financial Free Zones and its executive regulation;

Law No. (9) of 2004 Concerning the Dubai International Financial Centre and its amendments;

Law No. (12) of 2004 Concerning the Dubai International Financial Centre Courts, as amended;

Law No. (1) of 2016 Concerning the Financial Regulations of the Government of Dubai and its Implementing Bylaw;

Law No. (8) of 2016 Regulating the Grant of Law Enforcement Capacity in the Government of Dubai and its Implementing Bylaw;

Law No. (4) of 2018 Establishing the Financial Audit Authority; and

The legislation issued by His Highness the Ruler of Dubai concerning regulation of activities, business and conditions in the Dubai International Financial Centre,

Do hereby issue this Law.

Title of the Law
Article (1)

This Law shall be cited as “Law No. (5) of 2021 Concerning the Dubai International Financial Centre”.

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¹Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict, the Arabic text will prevail.

Definitions

Article (2)

The following words and expressions, wherever mentioned in this Law, shall have the meaning indicated opposite each of them unless the context implies otherwise:

State:	The United Arab Emirates.
Emirate:	The Emirate of Dubai.
Ruler:	His Highness the Ruler of Dubai.
Government:	The Government of Dubai.
DIFC:	The Dubai International Financial Centre.
President:	The president of the DIFC.
Governor:	The governor of the DIFC.
DIFC Bodies:	include the DIFCA, the DFSA, the DIFC Courts, and any other body established under the DIFC Laws, or established upon approval of the President as independent or affiliated entities of the said bodies.
Higher Board:	The higher board of directors the DIFC formed pursuant to the provisions of this Law.
DIFCA:	The Dubai International Financial Centre Authority.
DFSA:	The Dubai Financial Services Authority at the DIFC.
DIFC Courts:	The Dubai International Financial Centre Courts.
Financial Services:	The financial activities and services which require regulation by the DFSA under the DIFC Laws and the DIFC Regulations, including without limitation accepting deposits; providing, arranging, or advising on credit facilities; providing money transfer or money exchange services; dealing in investments as principal or agent; managing assets, funds, and collective investment portfolios; advising on financial products; carrying out financial contracts;

providing or arranging custody services; carrying out insurance contracts; providing insurance intermediation or management services; operating stock exchanges, central clearing houses, or central depository centres; managing investment accounts; operating alternative trading systems; providing trust services; acting as a trustee of trust funds; operating credit rating agencies; operating crowdfunding platforms; operating representative offices; issuing, offering, and listing financial products; promoting or marketing financial services and products; and trading in financial products.

- Ancillary Services:** These include exclusively the following services and activities:
1. the services of auditing accounts, providing reports and accounting opinions concerning financial statements of Regulated Establishments, the funds established in the DIFC, or the companies listed on the DIFC financial market;
 2. the services of auditing accounts, providing reports and accounting opinions to verify compliance by Regulated Establishments with the DIFC Laws and the DIFC Regulations administered by the DFSA; and
 3. any other services, business, professions, or activities carried on in or through the DIFC, as may be specified under the DIFC Laws, the DIFC Regulations, or any other legislation in force in the Emirate and applicable to the DIFC, which are designated as non-financial business, services, professions or activities and in respect of which the DFSA is the designated competent authority for the purpose of enforcement of the requirements and procedures for combating money laundering or financing terrorism and illegal organisations.

Services, Products, and Goods: include, without limitation, materials, equipment, instruments, goods, and services of whatever type or description permitted to be dealt with in or through the DIFC.

DIFC Establishment: Any entity or business established, licensed, registered, or permitted to operate or to carry on any activity in or through the

DIFC pursuant to the DIFC Laws and the DIFC Regulations, including Regulated Establishments.

Regulated Establishment: Any entity or business authorised and licensed by the DFSA to carry on Financial Services or Ancillary Services in or through the DIFC.

DIFC Laws: Any laws issued by the Ruler concerning the DIFC or relating to regulation of business, activities, and services in the DIFC pursuant to the provisions of this Law.

DIFC Regulations: Any rules, regulations, bylaws, or orders relating to the regulation of the activities in the DIFC issued by the President pursuant to his powers under this Law or by the DIFC Bodies concerning the DIFC or relating to regulation of the business, activities, and services in the DIFC in accordance with the provisions of this Law.

Person: A natural or legal person.

Application of the Law to the DIFC Article (3)

- a. The provisions of this Law shall apply to:
1. Dubai International Financial Centre regulated under the aforesaid Law No. (9) of 2004, as a financial free zone having financial and administrative independence, and affiliated to the Government;
 2. the DIFC Bodies established under the aforesaid Law No. (9) of 2004 and governed by this Law, the DIFC Laws, and the DIFC Regulations, which include:
 - a. the DIFCA;
 - b. the DIFSA;
 - c. the DIFC Courts; and
 - d. all other boards, bodies, entities, offices, committees, registries, corporations, tribunals, and other bodies established under the aforesaid Law No. (9) of 2004, the

DIFC Laws, or the DIFC Regulations or established pursuant to the provisions of this Law; and

3. the plot of land which location, area, and borders are set out in the resolutions issued under the provisions of the said Federal Law No. (8) of 2004.
- b. The DIFC Bodies established under the said Law No. (9) of 2004 and the DIFC Establishments authorised to operate in or through the DIFC under the DIFC Laws and the DIFC Regulations by the effective date of this Law shall continue to carry on their duties and business and to provide their services without interruption.
- c. The DIFC shall continue to register and record companies and real property, commercial, and other transactions in its registers which are established and regulated pursuant to the DIFC Laws, and the DIFC Bodies, each in their respective jurisdictions, shall keep these registers, including without limitation:
 1. a register of real property supervised by the registrar of real property in the DIFC for registration, recordation, and administration of rights, interests, and benefits, and the dispositions of the real property situated in the approved geographical area of the DIFC pursuant to the DIFC Laws and the DIFC Regulations;
 2. a register of securities supervised by the security registrar in the DIFC for registration of security and security interests pursuant to the DIFC Laws and the DIFC Regulations; and
 3. a register of companies and legal persons supervised by the registrar of companies in the DIFC to register and record the DIFC Establishments, and all administrative and operational matters and details relating thereto, pursuant to the DIFC Laws, the DIFC Regulations, and the legislation in the Emirate applicable to the DIFC.

Objectives of the DIFC

Article (4)

The DIFC has the following objectives:

1. to promote the position of the Emirate as a leading international financial centre based on the principles of efficiency, transparency, and integrity;

2. to participate in the realisation of the vision of the Emirate towards sustainable economic growth.
3. to develop and diversify the Emirate's economy through effective contribution to Financial Services and related activities;
4. to increase the contribution of the Financial Services sector and related activities in the gross domestic product of the Emirate;
5. to attract and promote investments into the Emirate; and to encourage local, regional, and international financial institutions and companies to establish themselves in the DIFC as a principal place of their business and development of their investments; and
6. to promote the Emirate as an international centre for dispute resolution and settlement.

Appointment and Functions of the President

Article (5)

- a. The DIFC shall have a President appointed pursuant to a decree issued by the Ruler.
- b. The President is responsible for the general supervision of the DIFC and the DIFC Bodies; for coordination amongst them for achievement of each of their respective strategies, policies, and objectives; and for ensuring cooperation among them and maintaining their independence.
- c. In addition to his powers as stipulated in the DIFC Laws and the DIFC Regulations, the President shall have the duties and powers to:
 1. approve, and supervise the implementation of, the policies, strategies, and plans of the DIFC Bodies, without prejudice to their independence as required under this Law;
 2. approve the annual budgets of the DIFC Bodies before submitting them to the competent authorities in the Emirate for approval pursuant to the aforesaid Law No. (1) of 2016;
 3. approve the final accounts of the DIFC Bodies;
 4. issue DIFC Regulations in accordance with his own powers;
 5. approve draft DIFC Laws before submitting them to the Ruler for final approval and enactment;

6. recommend to the Ruler the appointment, removal, and replacement of members of the Higher Board other than those appointed on a permanent basis by virtue of their positions;
 7. appoint, remove, and replace the chairmen and members of the boards of directors of the DIFCA and the DFSA, and specify the terms of their service and their respective remuneration, in accordance with the provisions of this Law;
 8. recommend to the Ruler the appointment of the Chief Justice of the DIFC Courts;
 9. recommend to the Ruler the appointment of the Governor;
 10. appoint and remove the Director of the DIFC Courts and specify the terms of his service pursuant to the DIFC Laws, subject to consultation with the Chief Justice of the DIFC Courts;
 11. establish any bodies, establishments, offices, registries, tribunals, committees, boards, and other entities required for achieving the objectives of the DIFC; specify their powers and duties; and cancel, merge, and restructure any of them where the public interest so requires;
 12. form advisory committees that will provide support and advice to the DIFC and assist the DIFC Bodies in achieving their objectives; and specify the duties of such committees, the procedures for holding their meetings; the mechanism of their operation, and the remuneration of their members;
 13. perform any action he considers necessary to ensure the proper management of the DIFC; and
 14. exercise any other duties or powers as may be required for the achievement of the objectives of the DIFC, or as may be delegated to him by the Ruler or vested in him by the DIFC Laws and the DIFC Regulations.
- d. With the exception of the powers under clauses (5), (6), (7), (8), and (9) of paragraph c of this Article, the President may delegate to the Governor any of the powers vested in him by this Law, the DIFC Laws, or the DIFC Regulations, provided that such delegation shall be specific and in writing, and is made without prejudice to the independence of the DIFC Bodies.

The Higher Board

Article (6)

- a. The DIFC shall have a Higher Board chaired by the President with the permanent membership of the Governor, the chairmen of the boards of directors of the DIFCA and the DFSA, and the Chief Justice of the DIFC Courts.
- b. The President may, as he deems appropriate, appoint additional members to the Higher Board. The mechanism and procedures for their appointment and removal, the tenure, and the terms of membership of those members, and any other relevant provisions, are regulated by way of a resolution of the President in this regard.
- c. The Higher Board shall, in accordance with the requirements of good governance applicable at the DIFC, have the following duties and powers to:
 1. approve the general strategy, policies, and plans of the DIFC presented by the Governor for the purpose of achieving the objectives of the DIFC;
 2. receive and follow up on the reports presented by the Governor on the implementation of the general strategy, policies, and plans approved for achieving the objectives of the DIFC;
 3. ensure effective coordination between the DIFC Bodies;
 4. approve the overall organisational structure of the DIFC proposed by the Governor;
 5. exercise any other duties or powers required for achieving the objectives of the DIFC, which are delegated to it by the Ruler or the President or vested in it pursuant to the DIFC Laws or the DIFC Regulations.
- d. The Higher Board will convene its meetings by an invitation of the President, at least twice a year and where required. The meetings shall be valid if attended by the majority of its members, provided that the President or the Governor are present at the meeting.
- e. The terms of reference of the Higher Board, the procedures for holding and managing its meetings, the method of passing its resolutions and recommendations, the terms of membership and the remuneration of its members, and any other relevant provisions shall be regulated by a resolution issued by the President in this respect.

- f. The President may, pursuant to a resolution he issues in this respect, form an advisory board to the Higher Board to assist the Higher Board in performing their duties. This resolution shall determine the functions of the advisory board, its terms of reference, the procedures for holding its meetings, the method of passing its recommendations and decisions, and the remuneration of its members.
- g. For the purpose of performing its functions, the Higher Board may invite any person it deems appropriate to attend its meetings without having the right to vote and may seek the opinion of any authority or person with efficiency, expertise, and specialisation.

The Governor

Article (7)

- a. The Governor is appointed and removed by a decree issued by the Ruler upon recommendation of the President.
- b. The President shall specify the terms of service, compensation, and employment entitlements of the Governor.
- c. Without prejudice to the independence of the DIFC Bodies and their functions as provided for in this Law, the DIFC Laws, and the DIFC Regulations, the Governor shall have the following duties and powers to:
 - 1. prepare the general strategy, policies, and plans of the DIFC towards achieving the objectives of the DIFC, and to submit the same to the Higher Board for approval, to supervise their implementation upon approval, and to submit the relevant reports to the Higher Board;
 - 2. propose the overall organisational structure of the DIFC and submit the same to the Higher Board for approval;
 - 3. form committees and working groups for providing the required consultation and assistance to enable him to perform his functions pursuant to this Law, the DIFC Laws, and the DIFC Regulations;
 - 4. appoint, at his own discretion, experts and specialists, on the conditions he deems appropriate, to provide support and advice;

5. conclude, in consultation with the DIFC Bodies where necessary, contracts, agreements, and memoranda of understanding with third parties inside and outside of the State as may be required for achieving the objectives of the DIFC;
 6. represent the DIFC in its dealings with the competent federal and local authorities, and any other party inside and outside of the State; and involve the DIFC Bodies in such dealings in a manner consistent with their functions and responsibilities;
 7. perform any other duties or powers assigned or delegated to him by the Ruler or the President, or vested in him pursuant to the DIFC Laws and the DIFC Regulations.
- d. The Governor may not occupy simultaneously with his position as Governor any other position, and shall not conduct any activity which may conflict with the DIFC general strategy, policies and plans, and objectives provided that this restriction shall not include performance of the duties relating to any other position or post to which he is assigned by the Ruler or the President.

The DIFCA

Article (8)

- a. The DIFCA has legal personality and financial, administrative, and operational independence necessary for entering legal acts and performing the powers vested in it.
- b. The DIFCA shall carry out the duties and powers vested in it by this Law, the DIFC Laws, and the DIFC Regulations, without interference by any of the other DIFC Bodies.
- c. The DIFCA shall have the following duties and powers:
 1. assisting the Governor in preparing and implementing the general strategy, general policies, and plans of the DIFC to achieve the objectives of the DIFC;
 2. supervision of adherence by DIFC Bodies and DIFC Establishments, as the case may be, to all international treaties and agreements to which the State is a party;
 3. collection, keeping, and exchange of any information related to DIFC Establishments in accordance with the provisions of the DIFC Laws, the DIFC Regulations, the legislation in the Emirate applicable to the DIFC, and the international treaties and conventions to which the State is a party;

4. supervision of enforcement of the DIFC Laws and the DIFC Regulations, except for those related to regulating Financial Services and Ancillary Services in the DIFC;
 5. liaising with the Government, the federal and local government authorities, and other free zone authorities inside and outside the State in matters affecting the DIFC, in coordination with the Governor and other DIFC Bodies where necessary; and
 6. developing the infrastructure in the DIFC; supervise their operation, management, and maintenance; providing administrative and technical services in the DIFC; implementing the master plan of the DIFC; ensuring the availability of the service, municipal requirements, security, safety, transportation, and information and communication technology and any other services or requirements necessary for achievement of the objectives of the DIFC efficiently and effectively.
- d. The DIFCA shall have an independent budget, and the Government shall, where required, allocate to the DIFCA the necessary funds for exercising its duties and powers independently from other DIFC Bodies, in accordance with the provisions of the above-mentioned Law No. (1) of 2016.
 - e. Each registry, office, body, or other entity administered or supervised by the DIFCA shall have an independent budget, which shall be approved by the President within the annual consolidated budget of the DIFCA.
 - f. The DIFCA shall keep confidential any information classified as confidential pursuant to the DIFC Laws and the DIFC Regulations, which may be received or collected by or disclosed to the DIFCA in the course of performing its duties. Such information shall not be disclosed to third parties except in the cases permitted by the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate and applicable to the DIFC.
 - g. The DIFCA may, with the approval of its board of directors, delegate any of the duties and powers vested in the DIFCA by this Law, the DIFC Laws, and the DIFC Regulations to any Government entity in the Emirate or any of the DIFC Bodies, and may accept any duties or powers delegated to it by the DIFC Bodies, excluding the DIFC Courts, provided that any such delegation is made by written agreement entered into with any of those authorities or bodies and specifying the rights and obligations of the parties.

DIFCA Board of Directors

Article (9)

- a. The DIFCA shall have a board of directors whose members shall be appointed and the terms of their membership and remuneration shall be determined pursuant to a resolution by the President. The board of directors of the DIFCA shall be directly responsible to the President for the work of the DIFCA.
- b. The board of directors of the DIFCA shall supervise the business and activities of the DIFCA and shall to that end perform, in accordance with the applicable rules of good governance adopted by the DIFC, the following duties and powers to:
 1. review and approve the strategies, policies, objectives, and plans relating to the DIFCA, and to supervise the implementation of the same;
 2. conduct public consultation on the draft DIFC Laws and DIFC Regulations which fall within the jurisdiction of the DIFCA;
 3. propose draft DIFC Laws, excluding those relating to regulation of the Financial Services and Ancillary Services of the DFSA, and submit them to the President for approval, in preparation for final approval and enactment by the Ruler;
 4. approve and issue DIFC Regulations, excluding those issued by the President pursuant to his powers under this Law, or those relating to regulation of Financial Services and Ancillary Services;
 5. prepare an annual report on implementation of the strategies, policies, plans, and objectives relating to the DIFCA, and submit the same to the President;
 6. propose, and submit to the President, for issuance of the required resolutions requests for the establishment of bodies, offices, registries, committees, and associations; the formation of their respective boards of directors; and the determination of their functions;
 7. approve the establishment of companies, solely or with third parties, for acquisition, ownership, sale, and lease of movable and immovable property, including securities; and invest in and outside of the DIFC with a view to achieving the objectives of the DIFC, in accordance with the DIFC Laws and the DIFC Regulations;

8. approve the establishment of representative offices outside the State for the promotion of the DIFC and the objectives, operations, and various activities of the DIFC;
 9. approve the organisational structure of the DIFCA;
 10. establish the procedures and rules regulating the operation of the bank accounts of the DIFCA;
 11. obtain the necessary loans and financial facilities, and use the assets of the DIFCA or any of its affiliates as security for such loans and financial facilities, provided that the President's prior written consent on the same is obtained;
 12. establish the procedures and rules regulating concluding contracts, agreements, and memoranda of understanding relating to the DIFCA with third parties;
 13. review and approve the financial statements and accounts of the DIFCA, and the entities it manages or supervises; and appoint auditors and determine their fees;
 14. approve, and submit to the President for approval, the consolidated annual budget of the DIFCA, inclusive of the respective budgets of each registry, office, body, or any other entities administered or supervised by the DIFCA; and manage their respective approved allocations;
 15. approve the fees and charges received by the DIFCA in return for the services provided by it; and to determine the violations, amounts of fines, penalties, and measures to be imposed on offenders ;
 16. supervise and monitor performance of the DIFCA chief executive officer of the duties and powers vested in him under this Law, the DIFC Laws, and the DIFC Regulations;
 17. approve the appointment of the executive management of the DIFCA and determine their terms of service and remuneration upon proposal of the DIFCA chief executive officer;
 18. exercise any other duties or powers assigned to it by the President or vested in it by the DIFC Laws and the DIFC Regulations.
- c. The DIFCA board of directors may delegate to the DIFCA chief executive officer any of the powers vested in it by this Law, the DIFC Laws, and the DIFC Regulations, provided that such delegation is specific and in writing.

Chief Executive Officer of the DIFCA

Article (10)

- a. The DIFCA shall have a chief executive officer who is appointed, and whose services are terminated, and whose terms of service and remuneration are determined by the board of directors of the DIFCA and who shall report to the board of directors of the DIFCA for the performance of the duties and powers vested in him by this Law, the DIFC Laws, and the DIFC Regulations.
- b. The chief executive officer of the DIFCA has the following duties and powers:
 1. to propose the strategies, policies, plans, and objectives of the DIFCA; and submit the same to the DIFCA board of directors for approval and follow up their implementation and achievement;
 2. to submit reports to the board of directors of the DIFCA on the implementation of the approved strategies, policies, plans, and objectives of the DIFCA;
 3. to prepare, and submit to the board of directors of the DIFCA for approval, the draft consolidated annual budget and final accounts of the DIFCA, inclusive of the respective budgets of any registry, office, body, or other entities administered or supervised by the DIFCA;
 4. to propose the fees and charges to be collected by the DIFCA in return for the services it provides and the fines, penalties, and measures to be imposed by the DIFCA or any registry, office, body, or other entity administered or supervised by the DIFCA in the case of any breaches or violations of the DIFC Laws or the DIFC Regulations; submit the same to the board of directors of the DIFCA for taking the necessary action in this respect; and to supervise the collection of such fees, charges, and fines;
 5. to consult with the DFSA concerning the draft DIFC Laws and draft DIFC Regulations proposed by the DIFCA as may be required;
 6. to supervise the management, operation, and maintenance of the buildings and infrastructure in the DIFC; to provide administrative and technical services in the DIFC; to implement the master plan of the DIFC; to ensure availability of the service, municipal, security, safety, transportation, and information and telecommunication technology requirements; and any other services or requirements necessary for achievement of the objectives of the DIFC efficiently and effectively;

7. to supervise and monitor performance by the employees and delegates of the DIFCA of the duties assigned to them;
8. to propose the organisational structure of the DIFCA and submit the same to the board of directors of the DIFCA for approval;
9. to supervise and monitor the DIFC Establishments to ensure their compliance with the DIFC Laws, the DIFC Regulations, and the legislation in the Emirate applicable to the DIFC;
10. to develop and maintain relationships with other DIFC Bodies, Government authorities, free zone authorities, and third parties in and outside of the Emirate, to maintain continuation of those relationships for achieving the objectives of the DIFC and enabling the DIFCA to perform the functions vested in it under this Law, the DIFC Laws, and the DIFC Regulations;
11. to facilitate effective operation of the DIFC Establishments and their employees, in accordance with the DIFC Laws and the DIFC Regulations;
12. to facilitate the provision of all the services effectively to the DIFC Establishments and to third parties having a relationship with the DIFC in accordance with the DIFC Laws and the DIFC Regulations;
13. to open and operate bank accounts for the DIFCA pursuant to the powers vested in him in this respect by the board of directors of the DIFCA;
14. to appoint and employ Persons for the provision of Products and Services to the DIFCA, in accordance with the rules prescribed by the board of directors of the DIFCA in this respect;
15. to conclude contracts, agreements, and memoranda of understanding on behalf of the DIFCA in accordance with the powers vested in him pursuant to this Law, the DIFC Laws, and the DIFC Regulations, or delegated to him by the board of directors of the DIFCA; and
16. to exercise any other duties or powers assigned or delegated to him by the board of directors of the DIFCA, or vested in him pursuant to the DIFC Laws and the DIFC Regulations.

- c. The chief executive officer of the DIFCA may delegate to any of the DIFCA employees any of his powers vested in him by this Law, the DIFC Laws, and the DIFC Regulations, provided that such delegation is specific and in writing.

Dubai Financial Services Authority

Article (11)

- a. The DFSA shall have legal personality and financial, administrative, and operational independence necessary for entering into legal acts and performing its functions.
- b. The DFSA shall carry out its duties and powers vested in it by this Law, the DIFC Laws, and the DIFC Regulations without interference by any of the other DIFC Bodies.
- c. The DFSA is the body solely responsible for regulation of Financial Services and Ancillary Services in the DIFC, and all matters which is specifically stated to fall within its jurisdiction pursuant to this Law, the DIFC Laws, the DIFC Regulations, and the legislation in the Emirate applicable to the DIFC.
- d. The DFSA shall have an independent budget, and the Government shall, where required, allocate to the DFSA the necessary funds for exercising its duties and powers independently from the other DIFC Bodies, pursuant to the provisions of the aforesaid Law No. (1) of 2016.
- e. The DFSA shall collect and keep any information relating to Regulated Establishments that it may receive, collect or which may come to its notice in performance of its duties and functions in accordance with the provisions of the DIFC Laws, the DIFC Regulations, the legislation in the Emirate applicable to the DIFC, or pursuant to international treaties to which the State is a party, and it shall keep confidential the information classified as confidential pursuant to the DIFC Laws and the DIFC Regulations. Such information shall not be disclosed to third parties except in the cases permitted by the DIFC Laws, the DIFC Regulations, and the legislation in the Emirate applicable to the DIFC.
- f. The DFSA may, by approval of the board of directors of the DFSA, delegate any of the duties and powers vested in the DFSA by this Law, the DIFC Laws, and the DIFC Regulations to any of the DIFC Bodies, and may accept performing any of the duties or powers assigned to it by the DIFC Bodies, excluding the DIFC Courts, provided that any such delegation is made by written agreement with any of those bodies specifying the rights and obligations of the parties.

DFSA Board of Directors

Article (12)

- a. The DFSA shall have a board of directors whose members are appointed and the terms of their membership and remuneration are determined pursuant to a resolution of the President. The DFSA board of directors shall be directly responsible before the President for the business of the DFSA.
- b. The membership of the DFSA member of the Board of Directors shall be terminated in any of the following instances:
 1. gross negligence or misconduct in performance of the duties and tasks vested in him;
 2. incapacity; or
 3. submission of his resignation in writing.
- c. The DFSA board of directors shall supervise the works and activities of the DFSA and may exercise, in accordance with the applicable requirements of good governance, the following duties and powers:
 1. to review and approve the strategies, policies, plans, and objectives relating to the DFSA for regulation of Financial Services and Ancillary Services of the DFSA pursuant to the DIFC Laws and the DIFC Regulations and to supervise the implementation of the same.
 2. to provide for public consultation on the draft DIFC Laws and DIFC Regulations which fall within the jurisdiction of the DFSA.
 3. to propose and submit to the President for approval draft DIFC Laws relating to regulation of Financial Services and Ancillary Services of the DFSA.
 4. to approve and issue the DIFC Regulations concerning regulation of Financial Services and Ancillary Services of the DFSA and any matter which fall within the jurisdiction of the DFSA pursuant to the DIFC Laws and the DIFC Regulations.
 5. to approve the organisational structure of the DFSA.
 6. to determine and submit to the President for approval the scope of the Financial Services and Ancillary Services of the DFSA which require licence, authorisation,

approval, or registration by the DFSA in accordance with the provisions of this Law, the DIFC Laws, and the DIFC Regulations.

7. to prepare annual reports on implementation of the strategies, policies, plans, and objectives relating to the DFSA and to submit them to the President.
8. to propose and submit to the President for approval requests for the establishment of bodies, tribunals, and establishments that are affiliated to the DFSA, to identify their duties and powers and to delegate to them any of the duties and powers vested in the DFSA by this Law, the DIFC Laws, and the DIFC Regulations.
9. to establish procedures and rules concerning the bank accounts of the DFSA, and, upon approval of the President, to obtain the necessary loans and financial facilities in accordance with the DIFC Laws, the DIFC Regulations, and legislation in the Emirate applicable to the DIFC, and to provide its assets, rights, and entitlements as security for such loans and financial facilities.
10. to establish procedures and rules regulating the powers of the DFSA to enter into contracts, agreements, and memoranda of understanding with third parties.
11. to review and approve financial statements and accounts of the DFSA, and to appoint auditors and determine their fees.
12. to approve and submit to the President for approval the consolidated annual budget and final account of the DFSA and the bodies administered or supervised by it.
13. to approve the fees and charges to be collected by the DFSA in return for services provided by it in accordance with the DIFC Laws, the DIFC Regulations, and the legislation in the Emirate applicable to the DIFC.
14. to supervise and monitor the performance of the DFSA chief executive officer of the duties and powers vested in him by this Law, the DIFC Laws, and the DIFC Regulations.
15. to approve the appointment of the executive management of the DFSA and to determine their terms of service and remuneration upon proposal of the DFSA chief executive officer.
16. to determine the infrastructure, buildings, administrative services, and any other services necessary for the achievement of the objectives of the DFSA; and

17. exercise any other duties and powers assigned to it by the President relating to the jurisdiction of the DFSA or vested in it by the DIFC Laws and the DIFC Regulations.
- d. The DFSA board of directors may delegate to the DFSA chief executive officer any of the powers vested in it by this Law, the DIFC Laws, and the DIFC Regulations, provided that such delegation is specific and in writing.

The DFSA Chief Executive Officer

Article (13)

- a. The DFSA shall have a chief executive officer who is appointed and whose services are terminated, and whose terms of service and remuneration are determined by the DFSA board of directors; and who shall be directly responsible to the DFSA board of directors for exercising the duties and powers vested in him by this Law, the DIFC Laws, and the DIFC Regulations.
- b. The services of the DFSA chief executive officer shall be terminated pursuant to a resolution of the DFSA board of directors in case of incapacity, gross negligence, or misconduct in performing his duties and powers vested in him.
- c. The DFSA chief executive officer has the following duties and powers to:
1. propose the strategies, policies, plans, and objectives of the DFSA relating to the regulation of the Financial Services and Ancillary Services of the DFSA, submit the same to the DFSA board of directors for approval; and follow up their implementation upon approval.
 2. submit reports to the DFSA board of directors on the implementation of the strategies, policies, plans, and objectives of the DFSA.
 3. prepare the draft consolidated annual budget and final account of the DFSA, inclusive of the entities administered or supervised by it, and to submit the same to the DFSA board of directors for approval.
 4. propose the fees and charges to be collected by the DFSA in return for the services it provides; propose the violations, fines, penalties, and measures to be imposed by the DFSA on violators of the DIFC Laws and the DIFC Regulations administered by the DFSA; submit same to the DFSA board of directors for appropriate action in this regard; and to supervise and follow up the collection of such fees, charges, and fines.

5. consult with the DIFCA concerning the draft DIFC Laws and DIFC Regulations proposed by the DFSA prior to their approval and enactment;
 6. supervise and monitor performance by the employees and delegates of the DFSA of the duties delegated to them;
 7. propose the organisational structure of the DFSA and submit the same to the DFSA board of directors for approval;
 8. license and authorise the Regulated Establishments to carry on Financial Services and Ancillary Services in or through the DIFC in accordance with the DIFC Laws and the DIFC Regulations.
 9. cooperate and coordinate with the competent authorities, entities, and regulators inside and outside of the State in the fields relevant to the DFSA's functions.
 10. monitor and supervise Regulated Establishments carrying on Financial Services and Ancillary Services in or through the DIFC, and to impose the prescribed fines and penalties on them, in accordance with the DIFC Laws and the DIFC Regulations.
 11. open and operate the bank accounts for the DFSA pursuant to the powers vested in him in this respect by the DFSA board of directors.
 12. appoint and employ any Persons to provide Products and Services to the DFSA, in accordance with the rules established by the DFSA board of directors in this respect.
 13. conclude contracts, agreements, and memoranda of understanding on behalf of the DFSA within the scope of the authority granted to him by this Law, the DIFC Laws, and the DIFC Regulations or vested in him by the DFSA board of directors.
 14. register and supervise persons performing specified functions in or for Regulated Establishment.
 15. exercise any other duties or powers assigned or delegated to him by the DFSA board of directors or vested in him pursuant to the DIFC Laws and the DIFC Regulations.
- d. The DFSA chief executive officer may delegate to any of the DFSA employees any of the duties or powers vested in him by this Law, the DIFC Laws, and the DIFC Regulations, provided that such delegation is specific and in writing.

The DIFC Courts

Article (14)

- a. The DIFC Courts shall have legal personality and financial, administrative, and operational independence necessary for entering into legal acts and performing the functions vested in it.
- b. The DIFC Courts consists of a judicial body and an administrative body.
- c. The DIFC Courts shall have an independent consolidated budget incorporating judicial and administrative affairs, and the Government shall, where required, allocate to the DIFC Courts the necessary funds for exercising their duties and powers independently from other DIFC Bodies, in accordance with the provisions of the aforesaid Law No. (1) of 2016.
- d. The DIFC Courts and their formation, jurisdiction, and the proceedings applicable before the DIFC Courts shall be regulated by a law issued by the Ruler in this respect, in addition to the DIFC Laws and the DIFC Regulations.
- e. The DIFC Courts shall have exclusive jurisdiction in interpretation of the DIFC Laws and the DIFC Regulations.
- f. The DIFC Courts shall have a Chief Justice and one or more deputy chief justices who replace him in his absence or when his post falls vacant, and a number of judges known for their competence and expertise, who shall be appointed by a decree by the Ruler issued upon recommendation of the President, and who shall undertake the functions of the DIFC Courts relating to judicial affairs.
- g. The terms of service of the Chief Justice, the deputy chief justices, and the judges of the DIFC Courts, including their remuneration and employment benefits, are determined pursuant to a resolution issued by the President in this respect.
- h. The DIFC Courts shall have a director who shall be appointed pursuant to a resolution issued by the President and who shall undertake the functions of the DIFC Courts relating to administrative affairs.

Functions of the Chief Justice of the DIFC Courts

Article (15)

- a. The Chief Justice of the DIFC Courts is responsible for general supervision of the judicial affairs of the DIFC Courts and for that purpose he has, in accordance with the good governance rules adopted by the DIFC, the following duties and powers:
1. to propose and to submit to the President for approval, the strategies, policies, plans, and objectives related to the judicial affairs of the DIFC Courts; and follow up the implementation of the same upon approval.
 2. to prepare annual reports on implementation of the strategies, policies, plans, and objectives related to the judicial affairs of the DIFC Courts and submit the same to the President.
 3. to conduct public consultations on draft procedural rules relating to judicial proceedings brought before the DIFC Courts.
 4. to recommend to the President the issuance of judicial procedural rules; and to issue the necessary directives for implementation thereof.
 5. to prepare the annual budget of the judicial affairs of the DIFC Courts and submit the same to the President for approval.
 6. to propose the organisational structure of the DIFC Courts and the judicial organisation of the circuits and divisions of the DIFC Courts, and submit the same to the President for approval.
 7. to supervise and monitor performance by the judges of the DIFC Courts of the duties and powers assigned to them.
 8. to recommend to the President the appointment of judges of the DIFC Courts by a decree of the Ruler; and determine their terms of service, salaries, and financial benefits.
 9. to appoint and terminate judicial staff serving in the DIFC Courts; and determine their duties, powers, terms of service, and employment entitlements;
 10. to establish the procedures relating to the powers of authorised persons to conclude on behalf of the DIFC Courts contracts, agreements, protocols, and memoranda of understanding in respect of the judicial affairs of the DIFC Courts.

11. to coordinate with the Director of the DIFC Courts in respect of the administrative affairs of the DIFC Courts and in respect of the appointment of senior executive members of the DIFC Courts' administrative staff, to ensure the independence and effective administration and operation of the DIFC Courts.
 12. to exercise any other duties or powers which may be delegated to him by the President or which may be vested in him by the DIFC Laws, the DIFC Regulations, and the legislation in the Emirate applicable to the DIFC.
- b. The Chief Justice may delegate to a deputy chief justice or any of the judges of the DIFC Courts any of the powers vested in him by this Law, the DIFC Laws, the DIFC Regulations, and the legislation in the Emirate, provided that such delegation shall be specific and in writing.

Functions of the Director of the DIFC Courts

Article (16)

- a. The Director of the DIFC Courts is responsible for general supervision of the administrative affairs of the DIFC Courts, and for that purpose he has, in accordance with the rules of good governance adopted by the DIFC, the following duties and powers:
1. to propose, and submit to the President for approval the strategies, policies, plans, and objectives relating to the administrative affairs of the DIFC Courts, and to follow up their implementation upon approval.
 2. to prepare and submit to the President annual reports on implementation of the strategies, policies, plans, and objectives relating to the administrative affairs of the DIFC Courts.
 3. to prepare, and submit to the President for approval, the annual budget of the administrative affairs of the DIFC Courts.
 4. to propose and submit to the President for approval the organisational structure of the administrative affairs organisational units of the DIFC Courts;
 5. to propose, and submit to the President for approval, the fees and charges to be charged by the DIFC Courts in return for the services offered by the DIFC Courts, in accordance with the DIFC Laws and the DIFC Regulations.

6. to supervise and manage the infrastructure, buildings, administrative services of the DIFC Courts and any other administrative and operational services necessary for the realisation of the strategies, policies, plans, and objectives of the DIFC Courts as required.
 7. to establish the procedures relating to the powers of the authorised persons to conclude, on behalf of the DIFC Courts, contracts, agreements, protocols, and memoranda of understanding in respect of the administrative affairs of the DIFC Courts.
 8. to open and operate the bank accounts of the DIFC Courts pursuant to the powers delegated to him by the President in this respect and in accordance with the DIFC Laws, the DIFC Regulations, and the legislation in the Emirate applicable to the DIFC;
 9. to review and approve the financial accounts of the DIFC Courts and to appoint auditors and determine their fees.
 10. to appoint and terminate services of the administrative staff of the DIFC Courts pursuant to the rules established by the President in this respect and to determine their duties, powers, salaries, and employment benefits.
 11. to appoint and terminate services of senior executives of the DIFC Courts, including the registrar and deputy registrars, and to determine their duties and powers, in consultation with the Chief Justice of the DIFC Courts.
 12. to supervise performance by the employees of the administrative staff of the DIFC Courts of their duties and powers, including the registrar and deputy registrars of the DIFC Courts.
 13. to exercise any other duties or powers delegated to him by the President or vested in him by the DIFC Laws, the DIFC Regulations, or the legislation in the Emirate applicable to the DIFC.
- b. The President shall determine the terms of service, salary, and employment benefits of the Director of the DIFC Courts.
- c. The Director of the DIFC Courts may delegate to any member of the DIFC Courts administrative staff any of the powers vested in him by this Law, DIFC Laws, and the DIFC Regulations, provided that such delegation shall be specific and in writing.

Financial Resources of the DIFC Bodies

Article (17)

The financial resources of the DIFC Bodies shall consist of:

1. the movable and immovable properties allocated to the DIFC Bodies by the Government.
2. the fees and charges received by the DIFC Bodies in consideration of performance of their functions and providing their services, including fines.
3. the revenues realised from the investment of the DIFC Bodies' funds and from other permitted activities.
4. the loans and financial facilities which the DIFC Bodies are authorised to obtain by this Law and the legislation in force in the Emirate.
5. the grants, gifts, donations, and any other resources as may be approved by the President.

Budgets and Accounts of the DIFC Bodies

Article (18)

- a. The DIFC Bodies shall each have a separate budget which reflects the true financial position of each of them.
- b. In regulating their respective accounts and records, the DIFC Bodies shall apply financial accounting rules and principles in accordance with the recognised international standards.
- c. The financial year of the DIFC Bodies shall commence on the first day of January and shall end on the thirty first day of December of every year.
- d. The respective accounts and financial and accounting records of the DIFC Bodies shall be subject to audit by the Financial Audit Authority, pursuant to the legislation in the Emirate applicable to the DIFC.

Activities of DIFC Establishments

Article (19)

- a. It shall be prohibited for any person to carry on any profession or engage in any business or activity in or through the DIFC without having first obtained a licence, permit,

authorisation, or registration to do so from the competent DIFC Bodies. Such licences, permits, and authorisations shall be issued, and the necessary registration shall be made pursuant to the DIFC Laws, the DIFC Regulations, and the legislation in the Emirate applicable to the DIFC, as the case may be.

- b. Regulated Establishments shall carry on Financial Services and Ancillary Services in or through the DIFC as may be authorised to carry on by this Law, the DIFC Laws, and the DIFC Regulations, and pursuant to the authorisations and licences issued for them by the DFSA.
- c. DIFC Establishments may provide their services through the DIFC to customers outside of the DIFC, provided that such provision of their services to their customers shall primarily be made within the borders of the DIFC.
- d. The contracts and transactions concluded by DIFC Establishments inside the DIFC or through the DIFC shall be subject to the DIFC Laws and the DIFC Regulations, unless otherwise agreed by the parties.
- e. DIFC Establishments may offer their services and promote their products outside of the DIFC, in accordance with sub-articles (c) and (d) of this Article, provided that they shall do so subject to DIFC Laws, the DIFC Regulations, and the legislation applicable in the relevant jurisdiction outside the DIFC.

Prohibited Activities

Article (20)

The following activities are prohibited to be carried on in the DIFC:

1. any activity which is inconsistent with this Law, the DIFC Laws, the DIFC Regulations, the legislation in the Emirate applicable to the DIFC, or with the licences, permits, authorisations, or registration rules and regulations issued for the DIFC Establishments.
2. any activity that is inconsistent with the public order or public morals.

Prohibited Services, Products, and Goods

Article (21)

The DIFCA shall prepare a list of the Services, Products, and Goods which are prohibited in the DIFC including, without limitation:

1. **spoiled Products and Goods;**
2. **Services, Products, and Goods which are violating the laws of trade, industrial, literary, artistic, and intellectual property laws including Goods which violate the laws and rules concerning trademarks, patents, copyrights, and design rights.**
3. **Services, Products, and Goods provided in violation of the DIFC Laws and the DIFC Regulations.**
4. **Services, Products, and Goods which are prohibited by the applicable legislation in the Emirate.**
5. **Services, Products, and Goods which are prohibited by the federal or local government.**
6. **Services, Products, and Goods which bear writings, engravings, drawings, designs, trademarks, shapes, or markings that conflict with the doctrines, beliefs, and concepts of the heavenly religions or which are contrary to the public order or public morals.**
7. **Military Services, Products, Goods, and ammunition, except those as may be licensed by the competent authority in the State.**
8. **any service or activity that would result in unlawful competition.**

Applicable Legislation

Article (22)

- a. **The DIFC Bodies and the DIFC Establishments shall carry on their business in or through the DIFC pursuant to this Law, the DIFC Laws, the DIFC Regulations and the legislation in the Emirate applicable to the DIFC.**
- b. **With the exception of the legislation relating to the environment, health, public safety, and food control applicable in the Emirate, the DIFC, the DIFC Bodies, the DIFC Establishments, the staff and employees of any of them or the persons authorised by them, and the land, real estate, and properties located in the DIFC, shall not be governed by the legislation issued by the Government or any local Government authority in the Emirate, except to the extent to which such legislation include the DIFC in their provisions by a specific express provision.**

DIFC May Be Registered Office of Public and Private Entities
Article (23)

- a. Any federal or local government entities, companies, establishments, and other entities, whether established and regulated by the legislation applicable in the Emirate, or whether they were licensed by the competent Government authorities in the State or in the Emirate, may take the DIFC as their principal place for carrying on their activities, pursuant to the conditions determined by a resolution issued by the President.
- b. If any of the entities, companies, establishments, and bodies referred to in paragraph (a) of this Article wishes to carry on any Financial Services, Ancillary Services, or commercial activities in the DIFC, they shall obtain the required licence, permit, authorisation, and registration from the competent DIFC Bodies pursuant to the DIFC Laws and the DIFC Regulations.
- c. Where applicable in respect of activities that are not related to the carrying on of Financial Services, Ancillary Services, or commercial activities, the relationship between the entities, companies, establishments, and entities referred to in paragraph (a) of this Article shall be regulated by contracts concluded between them and the competent DIFC Bodies, specifying the rights and obligations of the parties.
- d. Government entities, companies, establishments, and entities referred to in paragraph (a) of this Article shall be governed by all the federal and local legislation regulating their activities and they shall not be governed by the DIFC Laws and the DIFC Regulations, except to the extent of the relationship between them and the DIFC Bodies and the conditions approved by the President in this respect.

Tax Exemption
Article (24)

Without prejudice to the federal tax laws applicable in the State, DIFC Bodies and the DIFC Establishments, and their respective employees, shall be subject to zero tax rate for fifty (50) years from the effective date of this Law, including the income tax, in relation to their operations in the DIFC and the tax imposed on the transfers of assets, profits, or salaries in any cash currency to any party outside of the DIFC for the same period. The said period shall be renewable for a similar period by a resolution of the Ruler.

Customs Exemptions

Article (25)

- a. **The Goods that are imported into the DIFC, or manufactured, produced, or developed in the DIFC, shall be exempted from customs duties, and no customs duties shall be charged on such Goods when exporting them outside the State.**
- b. **Products kept in the DIFC or used in any business or activities therein, shall be exempted from customs duties.**
- c. **Products exported from the DIFC to a customs zone in the Emirate will be considered to be imported from abroad for the first time and shall be subject to customs duties, pursuant to the applicable customs tariff.**

Immunity from Ownership Restricting Proceedings

Article (26)

- a. **DIFC Establishments and their respective properties and the properties of their respective employees shall not be subject to any nationalisations or ownership restricting proceedings throughout the term of their work in the DIFC.**
- b. **DIFC Establishments may be wholly owned by non-UAE national persons or entities or by persons or entities who do not have a place of residence in the State.**

Employees of DIFC Establishments

Article (27)

DIFC Establishments may, at their own discretion, employ or hire any person in their business in the DIFC, provided that such persons are not nationals of any country which is politically boycotted by the State or subject to any sanctions by any state.

Liability

Article (28)

- a. **The Government shall not be liable to third parties for any debts or obligations of the DIFC Bodies. The DIFC Bodies shall be solely liable for such debts or obligations.**

- b. The DIFC Bodies or their respective delegates shall not be liable to third parties for the obligations of the DIFC Establishments or their employees.

Discharge from Liability

Article (29)

With the exception of fraud and gross error, the President, the Governor, the members of the Higher Board, the chairmen or members of the DIFCA and the DSFA boards of directors, the chief executive officers of the DIFC Bodies, the Chief Justice and the Director of the DIFC Courts, and any member of the DIFC executive management or employee of the DIFC Bodies, and their respective delegates shall not be liable to any third party in exercising the duties vested in them by the law, for any act or omission by them in relation to exercising their duties or the purported exercise of their duties, and the DIFC Bodies shall be liable to third parties for such act or omission.

Investigation Officers

Article (30)

- a. The employees and inspectors of the DIFC Bodies, or the persons authorised by them, who are nominated by a resolution of the President or his delegate, shall have the capacity of investigation officers in establishing the acts committed in violation of the provisions of this Law, the DIFC Laws, and the DIFC Regulations. To that end, they may monitor and supervise the DIFC Establishments and their respective employees and the activities and business carried on by them, issue the necessary minutes of seizure and seek the assistance of law enforcement authorities when necessary.
- b. The capacity of investigation officers referred to in paragraph (a) of this Article is granted in accordance with the provisions of the above-mentioned Law No. (8) of 2016 and the decisions issued pursuant to it.

Devolution of the Rights and liabilities of the Dispute Resolution Authority

Article (31)

As of the effective date of this Law, the duties, powers, rights, and obligations vested in the Dispute Resolution Authority established by the aforesaid Law No. (9) of 2004, and those of its employees shall, without prejudice to their acquired rights, be transferred without interruption to the following bodies:

1. The DIFC Courts, in all matters relating to the affairs of the DIFC Courts, the Register of Practitioners, and the Wills Registry.
2. The DIFCA, in all matters relating to the affairs of the Academy of Law.

Arbitration Institute

Article (32)

- ~~a. The Arbitration Institute established by the aforesaid Law No. (9) of 2004 shall be considered as a separate institute from the DIFC Bodies, and shall continue, without interruption, to perform its duties that were performed under the aforesaid Law No. (9) of 2004 and its resolutions.~~
- ~~b. The Arbitration Institute functions, constitution, formation of the board of trustees, and the determination of the competent authority to adopt its arbitration rules and procedures are determined by a resolution issued by the President in this respect.~~
- ~~c. The Arbitration Institute shall enjoy legal personality and financial and administrative independence, and the Government shall allocate to it the financial resources necessary to enable it to perform its functions independently from the other DIFC Bodies.~~
- ~~d. All arbitration agreements referring to the Arbitration Institute as the chosen forum shall be valid and effective, and the Arbitration Institute shall continue without interruption to consider and adjudicate all arbitration proceedings in accordance with the adopted arbitration rules and procedures, unless the arbitration parties agree otherwise.²~~

Supersession and Repeals

Article (33)

- a. This Law supersedes the aforesaid Law No. (9) of 2004.
- b. Any provision in any other legislation, including the DIFC Laws and the DIFC Regulations, shall, to the extent that it contradicts the provisions of this Law, be repealed.

² Deleted by operation of Dubai Decree 34 of 2021 with effective date 20 September 2021

- c. The DIFC Laws and the DIFC Regulations issued under the said Law No. (9) of 2004 shall, to the extent that they do not contradict with the provisions of this Law, continue to be in force until new superseding DIFC Laws and DIFC Regulations are issued.
- d. The DIFC Bodies, each within their respective jurisdiction, shall work on amendment of the DIFC Laws and the DIFC Regulations falling within the jurisdiction of each of them, to be in accordance with the provisions of this Law, within no later than one (1) year from the effective date of this Law. The President may extend this term for similar terms.

Cooperation with the DIFC Bodies

Article (34)

- a. All Government entities in the Emirate shall fully cooperate with the DIFC Bodies to enable them to achieve the objectives of the DIFC and to perform the duties vested in them by this Law, the DIFC Laws, and the DIFC Regulations.
- b. The DIFC Bodies may seek assistance of the Government entities in the Emirate, including free zone authorities, to enable them to exercise their functions vested in them by this Law, the DIFC Laws, and the DIFC Regulations.

Commencement and Publication

Article (35)

This Law shall come into effect as of the date of issuance and shall be published in the Official Gazette.

Mohammed bin Rashid Al Maktoum

Ruler of Dubai

Issued in Dubai on 27 April 2021

Corresponding to 15 Ramadan 1442 A.H.