

In this document, underlining indicates new text and striking through indicates deleted text



Dubai International  
Financial Centre

**DIFC LAWS AMENDMENT LAW**

**DIFC LAW NO. 2 of 2022**

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**PART 1: GENERAL**

**1. Title**

This Law may be cited as the “DIFC Laws Amendment Law, DIFC Law No. 2 of 2022”.

**2. Legislative Authority**

This Law is made by the Ruler of Dubai.

**3. Date of enactment**

This Law is enacted on the date specified in the Enactment Notice in respect of this Law.

**4. Commencement**

This Law comes into force on the date specified in the Enactment Notice in respect of this Law.

**PART 2: AMENDMENTS TO DATA PROTECTION LAW 2020**

5. The Data Protection Law 2020 is amended as prescribed in this Part.
6. The following Articles of the Data Protection Law 2020 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

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**PART 1: INTRODUCTION AND SCOPE**

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7. Schedules

(1) Schedule 1 contains:

- (a) interpretative provisions that apply to this Law; and
- (b) a list of defined terms used in this Law.

(2) Schedule 2 contains a list of administrative fines that may be issued under Article 62(2) of this Law.

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**PART 2: GENERAL REQUIREMENTS**

**PART 2A: REQUIREMENTS FOR LEGITIMATE AND LAWFUL PROCESSING**

**9. General requirements**

- (1) Personal Data shall be:
- (a) Processed in accordance with Article 10;
  - (b) Processed lawfully, fairly and in a transparent manner in relation to a Data Subject;
  - (c) Processed for specified, explicit and legitimate purposes determined at the time of collection of Personal Data;
  - (d) Processed in a way that is not incompatible with the purposes described in Article 9(1)(c);
  - (e) Processed in a manner that permits ready access to the Personal Data for compliance with the Law, in particular but not limited to, Articles 9, 14 and 33;
  - (f) relevant and limited to what is necessary in relation to the purposes described in Article 9(1)(c);
  - (g) Processed in accordance with the application of Data Subject rights under this Law;
  - (h) accurate and, where necessary, kept up to date, including via erasure or rectification, without undue delay;
  - (i) kept in a form that permits identification of a Data Subject for no longer than is necessary for the purposes described in Article 9(1)(c); and
  - (j) kept secure, including being protected against unauthorised or unlawful Processing (including transfers), and against accidental loss, destruction or damage, using appropriate technical or organisational measures.

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**33. Rights to access, rectification and erasure of Personal Data**

- (1) Upon request, a Data Subject has the right to obtain from a Controller without charge and within one (1) month of the request:
- (a) confirmation in writing as to whether or not Personal Data relating to him is being Processed and information at least as to the purposes of the Processing, the categories of Personal Data concerned, and the recipients or categories of recipients to whom the Personal Data are disclosed;
  - (b) a copy of the Personal Data undergoing Processing, provided in an appropriate format, including but not limited to either in electronic form or hard copy format form and of any available information as to its source, including up-to-date information corresponding with the information requirements set out in Articles 29 and 30; and
  - (c) subject to Article 33(4), the rectification of Personal Data unless it is not technically feasible to do so.
- (2) Subject to Article 33(3), the Data Subject has the right to require the Controller to erase the Data Subject's Personal Data where:
- (a) the Processing of the Personal Data is no longer necessary in relation to the purposes for which it was collected;

- (b) a Data Subject has withdrawn consent to the Processing where consent was the lawful basis for Processing and there is no other lawful basis, provided that in such circumstances the Controller must comply with Article 22;
  - (c) the Processing is unlawful or the Personal Data is required to be deleted to comply with Applicable Law to which the Controller is subject; or
  - (d) the Data Subject objects to the Processing and there is no overriding legitimate grounds for the Controller to continue with the Processing.
- (3) The Controller is only required to comply with a request by a Data Subject to erase Personal Data where:
- (a) one of the conditions in Article 33(2) applies; and
  - (b) subject to Article 33(4), the Controller is not required to retain the Personal Data in compliance with Applicable Law to which it is subject or for the establishment or defence of legal claims.
- (4) Where rectification or erasure of Personal Data is not feasible for technical reasons, then the Controller is not in violation of this Law for failing to comply with a request for rectification or erasure of the Personal Data, in accordance with Articles 33(1)(c), 33(2)(a) or Article 33(2)(d) as applicable, if:
- (a) the Controller collected the Personal Data from the Data Subject; and
  - (b) the information provided to the Data Subject under Article 29(1)(h)(ix) was explicit, clear and prominent with respect to the manner of Processing the Personal Data and expressly stated that rectification or erasure (as the case may be) of the Personal Data at the request of the Data Subject would not be feasible.
- (5) Where a Data Subject suffers adverse effects as a result of the inability of a Controller to rectify Personal Data and where the need for rectification was not caused by the Data Subject's own provision of inaccurate data, the Controller shall provide all reasonable assistance to the Data Subject to enable the Data Subject to take steps to mitigate the adverse effects.
- (6) A Controller shall direct all recipients and Processors to rectify or erase Personal Data where the respective right is properly exercised or to cease Processing and return or erase the Personal Data where the right to object is validly exercised. In such circumstances, Article 22 applies to the erasure of the Personal Data by both the Controller and the Processor.
- (7) If a Data Subject request under Article 33(1) is particularly complex, or requests are numerous, the Controller may send notice to the Data Subject, within one (1) month, to increase the period for compliance by a further two (2) months citing the reasons for the delay.
- (8) Subject to Article 33(9), ~~Where~~ requests from a Data Subject are manifestly unfounded or excessive, in particular because of their repetitive character, the Controller may either:
- (a) charge a reasonable fee taking into account the administrative costs of providing the information or communication or taking the action requested; or
  - (b) refuse to act on the request, providing written confirmation to the Data Subject reasons for the refusal.
- (9) A Controller ~~shall must be able to demonstrate to the Commissioner upon request that a Data Subject's request made in accordance with Article 33(8) is manifestly unfounded or excessive~~ maintain a register of instances where it relies on Articles 33(7) or 33(8), setting out the reasons for relying on those articles.
- (10) The Commissioner may inspect the register in Article 33(9) and may at any time request additional information or conduct an investigation, to determine whether the use of the variation or exemption

under Article 33(7) or 33(8) was validly applied by the Controller. The Commissioner's determination, after considering representations from all persons affected by the request, is final and conclusive, subject to a validly lodged appeal under Article 63(1).

(11) A Controller that contravenes Article 33(1) by invalidly relying on either of Articles 33(7) or 33(8) shall be subject to the remedies, liabilities and sanctions set out in Part 9.

~~(10)~~(12) If a Controller has reasonable doubts as to the identity of a Data Subject asserting a right under this Article 33, it may require the Data Subject to provide additional information sufficient to confirm the individual's identity. In such cases, the time period for complying with the Data Subject request does not begin until the Controller has received information or evidence sufficient to reasonably identify that the person making the request is the Data Subject.

~~(11)~~(13) Where a Controller complies with a request under Article 33(1)(b) it shall not disclose the Personal Data of other individuals in a way that may infringe their rights under Applicable Law and the Controller may redact or otherwise obscure Personal Data relating to such other individuals. Where the Data Subject's request is received by electronic means, and unless otherwise requested by the Data Subject, the information may be provided in a commonly used electronic form.

~~(12)~~(14) The information to be supplied pursuant to a request under this Article 33 must be supplied by reference to the data in question at the time the request is received, except that it may take account of any amendment or deletion made between that time and the time when the information is supplied, being an amendment or deletion that would have been made regardless of the receipt of the request.

~~(13)~~(15) Without derogating from the requirements on DIFC Bodies as set out in Article 65(2), a Controller may restrict, wholly or partly, the provision of information to the Data Subject under Article 33(1) to the extent that and for so long as the restriction is, having regard to the fundamental rights and legitimate interests of the Data Subject, a necessary and proportionate measure to:

- (a) avoid obstructing an official or legal inquiry, investigation or procedure;
- (b) avoid prejudicing the prevention, detection, investigation or prosecution of criminal offences or the execution of criminal penalties;
- (c) protect public security;
- (d) protect national security; or
- (e) protect the rights of others.

~~(14)~~(16) Where the provision of information to a Data Subject under Article 33(1) is restricted in accordance with Article 33(~~15~~3), a Controller must inform the Data Subject in writing without undue delay:

- (a) that the provision of information has been restricted;
- (b) of the reasons for the restriction;
- (c) of the Data Subject's right to lodge a complaint with the Commissioner under Article 60; and
- (d) of the Data Subject's right to apply to the Court under Article 63.

~~(15)~~(17) Article 33(~~14~~16)(a) and (b) do not apply to the extent that complying with them would undermine the purpose of the restriction.

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**PART 8: THE COMMISSIONER**

**43. Appointment of the Commissioner**

- (1) The President shall appoint a person to be the Commissioner who is appropriately experienced and qualified.
- (2) The President shall consult with the DIFCA Board of Directors prior to appointing, re-appointing or removal of the Commissioner.
- (3) The Commissioner shall be appointed for a specified period of time not exceeding five (5) years, and may be re-appointed provided that such period may not extend beyond the day when the Commissioner turns seventy-five (75) years of age.
- (4) The Commissioner shall not be held personally liable for any act or omission committed by him under or in relation to this Law or in relation to his duties and functions as Commissioner, save for where the Commissioner has acted in bad faith. The DIFCA will indemnify and hold harmless the Commissioner with respect to all Liabilities whatsoever that may be incurred by or suffered by the Commissioner in relation to the discharge of the Commissioner's duties and functions under or in relation to this Law and his duties and functions as Commissioner.
- (5) "Liabilities" as used in Article 43(4) includes, without limitation, the costs of settlements, judgments, damages and expenses including legal fees, costs and expenses, including legal fees, costs and expenses incurred in establishing a right to indemnity hereunder.
- (6) The Commissioner is not required to pay any court fees for proceedings initiated by the Commissioner in relation to this Law or incurred in the course of carrying out his regulatory functions. The Court has the discretion to award costs against the Commissioner in proceedings in which the Commissioner is the unsuccessful party where the Court is satisfied that the Commissioner has acted in bad faith or in excess of his statutory functions.

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**46. Powers, Functions and Objectives of the Commissioner**

- (1) The Commissioner has such powers, duties and functions as conferred on him under this Law and any Regulation made under this Law and shall exercise such powers and perform such functions in pursuit of the objectives of this Law and the Regulations.
- (2) In performing his functions and exercising his powers, the Commissioner shall pursue the following objectives:
  - (a) to monitor, ensure and enforce compliance with this Law;
  - (b) to promote good practices and observance of the requirements of this Law and the Regulations by a Controller or Processor; and
  - (c) to promote greater awareness and public understanding of data protection and the requirements of this Law and the Regulations in the DIFC.
- (3) Without limiting the generality of Article 46(1), the Commissioner has the following powers, duties and functions:
  - (a) auditing a Controller or Processor, which includes having the right to obtain access to any premises and to any Processing equipment or means of a Controller or Processor who is subject to this Law, as well as having the right to require the production of information under Article 52. A Controller or Processor shall not be required to provide access to or produce legally privileged material or material subject to a conflicting obligation of non-disclosure under Applicable Law. The Commissioner shall seek to minimise unreasonable interruption to the Controller or Processor in the exercise of its rights under this Article 46(3)(a) and shall give reasonable notice of its access requirements, in each case taking

into account the purpose of the audit, the perceived risk to the rights of Data Subjects, the need to act urgently, the risk of loss or unavailability of information and the seriousness of any suspected contravention of this Law;

- (b) conducting investigations and inspections to verify compliance with this Law;
- (c) issuing directions in accordance with Article 59, and issuing warnings or admonishments and making recommendations to a Controller or Processor, including ordering the appointment of a DPO as described in Article 16(3);
- ~~(e)~~(d) issuing a finding or making a declaration of contravention or no contravention of the Law;
- ~~(d)~~(e) initiating proceedings for contraventions of the Law before the Court that may be self-initiated or initiated in response to an investigation of a complaint or a request from a Data Subject; for such purposes, the Commissioner shall be available for a Data Subject to contact in order to make complaints and shall take such action as he sees fit in furtherance of his primary objectives described in Article 46(1);
- ~~(e)~~(f) imposing fines in the event of non-compliance with a direction;
- ~~(f)~~(g) imposing fines for non-compliance with the Law and any Regulations, including from time to time setting any limits or issuing schedules of fines applicable to specific breaches of the Law and any Regulations;
- ~~(e)~~(h) initiating a claim for compensation on behalf of a Data Subject before the Court where there has been a ~~material~~ contravention of the Law to the detriment of the Data Subject;
- ~~(h)~~(i) preparing or causing to be prepared in a timely and efficient manner:
  - (i) draft Regulations;
  - (ii) draft standards or codes of practice; and
  - (iii) guidance;
- ~~(i)~~(j) submitting such draft Regulations, draft standards, and draft codes of practice to the DIFCA Board of Directors for approval and advising it of any guidance that is issued;
- ~~(j)~~(k) promoting, as appropriate, and dealing with codes of conduct intended to contribute towards the application of this Law, as further described in Article 48;
- ~~(k)~~(l) prescribing forms to be used for any of the purposes of this Law or any Applicable Law administered by the Commissioner;
- ~~(l)~~(m) acquiring, holding and disposing of property of any description;
- ~~(m)~~(n) making contracts and other agreements;
- ~~(n)~~(o) with the prior consent of the President, borrowing monies and providing security for such borrowings;
- ~~(o)~~(p) employing and appointing persons on such terms as he considers appropriate to assist him in the exercise of his powers and performance of his functions;
- ~~(p)~~(q) where he considers it appropriate to do so, delegating such of his functions and powers as may more efficiently and effectively be performed by his officers or employees and, with the approval of the President either generally or in relation to any particular matter, by any other person;
- ~~(q)~~(r) taking such steps as he deems appropriate in order to develop and participate in international cooperation mechanisms to facilitate data sharing and enforcement

standards, including communicating with other competent data protection authorities with respect to breaches of this Law involving multi-jurisdictional organisations or Groups; and

~~(s)~~ exercising and performing such other powers and functions as may be delegated to the Commissioner by the President pursuant to the provisions of this Law.

- (4) The Commissioner has power to do whatever he deems necessary, for or in connection with, or reasonably incidental to, the performance of his functions.
- (5) In exercising his powers and performing his functions the Commissioner shall act in an independent and impartial manner and will not accept instructions from any other party.

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## PART 9: REMEDIES, LIABILITY AND SANCTIONS

## 59. Directions

- (1) If the Commissioner is satisfied, either on the basis of a complaint under Article 60(1) or on the basis of other information within his knowledge, that a Controller or Processor has contravened or is contravening the Law or Regulations ~~made for the purpose of the Law~~, he may issue a direction requiring the Controller or Processor ~~him to do either or both of the following to~~:
  - (a) ~~to~~ do or refrain from doing any act or thing within such time as may be specified in the direction; or
  - (b) ~~to~~ refrain from Processing any Personal Data specified in the direction or to refrain from Processing Personal Data for a purpose or in a manner specified in the direction.
- (2) The Commissioner may undertake reasonable and necessary inspections or investigations for the purposes of Article 59(1).
- (3) A direction issued under Article 59(1) shall contain:
  - (a) a statement of the contravention of the Law or Regulations that the Commissioner is satisfied is being or has been committed; and
  - (b) a statement to the effect that the Controller or Processor may seek judicial review by the Court of:
    - (i) the decision of the Commissioner to issue the direction; or
    - (ii) the terms of the direction.
- (4) A Controller or Processor that fails to comply with a direction of the Commissioner ~~under this part of the Law~~ contravenes this Law and may be:
  - (a) subject to fines; or
  - (b) liable for payment of damages and compensation to the Data Subject.
- (5) If the Commissioner considers that a Controller or Processor or any officer of either has failed to comply with a direction, he may apply to the Court for one (1) or more of the following orders:
  - (a) an order directing the Controller or Processor or officer to comply with the direction or any provision of the Law or the Regulations or of any Applicable Law administered by the Commissioner relevant to the issue of the direction;
  - (b) an order directing the Controller or Processor or officer to pay any costs incurred by the Commissioner or other person relating to the issue of the Commissioner's direction or the contravention of such Law, Regulations or Applicable Law relevant to the issue of the direction; or
  - (c) any other order that the Court considers appropriate.
- (6) Any affected party may make submissions to the Court in relation to the Commissioner's application for an order under Article 59(5).
- (7) Any affected party may ask the Commissioner to review the direction within fourteen (14) days of receiving a direction under this part of the Law. The Commissioner may receive further submissions and amend or discontinue the direction.
- (8) The Commissioner may, but is not obliged to, issue warnings to a Controller or Processor that its intended Processing operations are likely to infringe this Law.

- (9) The Commissioner may, but is not obliged to, issue public reprimands to a Controller or Processor where its Processing operations have infringed this Law (in addition to imposing any other sanction provided for under this Law).
- (10) The issuing of any direction by the Commissioner is without prejudice to the Commissioner's ability to impose fines under Article 62.

**60. Lodging complaints and mediation**

- (1) A Data Subject who contends that there has been a contravention of the Law or an alleged breach of his rights under the Law may lodge a complaint with the Commissioner.
- (2) Multiple Data Subjects affected by the same alleged contravention or breach of rights referred to in Article 60(1) may raise such complaints collectively. The Commissioner may choose to deal collectively with multiple allegations which relate to the same contravention or breach of rights, whether not such allegations are brought collectively.
- (3) The Commissioner may investigate the matters that are the subject of the complaint or mediate between the complainant and the relevant Controller or Processor.
- (4) On the basis of the investigation or mediation referred to in Article 60(3), the Commissioner may issue a direction under Article 59(1) or make a declaration under Article 46(3)(d). Where of no contravention of the Law the Commissioner determines that there has been a contravention of the Law, the Commissioner may mediate between the complainant and the Controller in respect of the contravention.
- (5) The DIFCA Board of Directors may make Regulations on the procedures relating to the conduct of mediation under this Article 60.

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**62. Imposition of fines**

- (1) The DIFCA Board of Directors shall make Regulations on the procedures relating to the imposition and recovery of fines under this Article 62.
- (2) Subject to Article 62(3), where the Commissioner considers that a Controller or Processor (including a Sub-processor) has contravened the Law, the Commissioner may issue an administrative fine to the Controller or Processor in respect of a contravention referred to in Schedule 2 in an amount he considers appropriate but not exceeding the amount specified in Schedule 2 in respect of each contravention, payable by the date specified in such notice.
- (3) The Commissioner may in addition to Article 62(2) issue a general fine for a contravention of the Law by a Controller or Processor (including a Sub-processor), in an amount, not limited to the amounts specified in Schedule 2, which he considers appropriate and proportionate, taking into account the seriousness of the contravention and the risk of actual harm to any relevant Data Subject. Such fine shall be issued by written notice and shall be payable by the date specified in such notice.
- (4) If, within the period specified in the notice referred to in Article 62(2) or 62(3), the Controller or Processor (as applicable) pays the prescribed fine to the Commissioner, then he may commence no further proceedings against the person in respect of the relevant contravention, but he may take action in relation to any continuing contravention, including where, in addition to the fine, a direction to the relevant Controller or Processor has been issued and has not been complied with.
- (5) Provided an objection instigated in accordance with Article 62(6) is not in progress, if a Controller or Processor (as applicable) has not paid the prescribed fine to the Commissioner's office within the period specified in the notice referred to in Article 62(2) or 62(3) or within ten (10) days following the determination of any objection instigated in accordance with Article 62(6) in such terms that a fine is payable, then the Commissioner may apply to the Court for, and the Court may so order, the payment of the fine or so much of the fine as is not paid and make any further order

as the Court sees fit for recovery of the fine including any order for interest, costs of enforcement (including legal costs) and other expenses directly arising from the failure to pay.

- (6) A Controller or Processor (as applicable) may object to the imposition of a fine in accordance with procedures specified in Regulations referred to in Article 62(1).
- (7) A certificate that purports to be signed by the Commissioner and states that a written notice was given to a person pursuant to Article 62(2) or 62(3) imposing a fine on the basis of specific facts is:
  - (a) conclusive evidence of the giving of the notice to the person; and
  - (b) prima facie evidence of the facts contained in the notice, in any proceedings commenced under Article 62(4).
- (8) In addition to any fine, the Commissioner may request the Court to make an order for damages or compensation payable to a Data Subject, even if he has not made a claim in accordance with Article 64. The principles in Article 64 will be considered when making the request to the Court. The Commissioner shall not make such requests unless in his opinion the Data Subject in question has suffered material damage as a result of the breach in question and is disadvantaged in his ability to bring a claim to the Court in his own name.

**63. Application to the Court**

- (1) Any Controller or Processor who is found to contravene this Law or a direction of the Commissioner may appeal to the Court against the finding within thirty (30) days.
- (2) A Data Subject who disagrees with a finding by the Commissioner of contravention of the Law or of no contravention of the Law may appeal against the finding to the Court within thirty (30) days.
- (3) In any appeal to the Court under this Article, the appellant may rely only on the material before the Commissioner at the time he made the relevant finding.
- (4) The Court may make any orders that it may think just and appropriate in the circumstances, including remedies for damages or compensation, penalties and imposition of administrative fines and findings of fact or alternative findings of fact in relation to whether or not the Law has been contravened.
- (5) In any proceeding before the Court of First Instance under this Law to which the Commissioner is a party, the Commissioner or any other party to the proceedings may, appeal the decision of the Court of First Instance to the Court of Appeal:
  - (a) without the need to obtain leave to appeal from Court of Appeal; and
  - (b) notwithstanding any rule of procedure limiting second appeals.

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**PART 10: GENERAL EXEMPTIONS****65. General exemptions**

- (1) The DIFCA Board of Directors may make Regulations exempting Controllers from compliance with this Law or any parts of this Law. Such Regulations shall be consistent with the principles contained within this Article.
- (2) ~~In any case, w~~Without limiting the generality of Article 65(1), and having regard to the fundamental rights and legitimate interests of the Data Subject, Articles 26, 29, 30, 32, 33, 34, 35, 37, 38, 39 and 42 shall not apply to a DIFC Body, where such DIFC Body acts as a Controller, if, and only to the extent that, compliance with such Article would in any case be likely to cause material prejudice to the proper discharge by such DIFC Body of its powers and functions under any laws administered by it (including any delegated powers and functions), provided that such powers and functions:
  - (a) are designed for protecting members of the public against financial loss due to dishonesty, malpractice or other seriously improper conduct by, or the unfitness or incompetence of, persons concerned in the provision of banking, insurance, investment or other banking and financial activities and services, including insurance and reinsurance services, financial markets and financial and monetary brokerage services;
  - (b) are designed for protecting members of the public against dishonesty, malpractice or other seriously improper conduct by, or the unfitness or incompetence of, persons concerned in the provision of banking, insurance, investment or other financial services; or
  - (c) are designed for the detection, investigation and prosecution of criminal or unlawful behaviour.
- (3) A DIFC Body shall maintain a register of ~~instances~~ any case where it relies on an Article 65(2) exemption, setting out:
  - (a) the Article concerned, to the extent that the exemption is a necessary and proportionate measure to carry out the powers and functions described in Article 65(2)(a) to (c); and
  - (b) the reasons for reliance on the exemption in such case.
- (4) The Commissioner may inspect the register referred to in Article 65(3) and may at any time request additional information, raise a query or an objection to the exemption or conduct an investigation into the Applicable Law, regulation or public policy that supports the exemption to determine whether the exercise of the exemption complies with this Law.
- (5) A DIFC Body that contravenes Article 65(2) by invalidly relying on an exemption shall be subject to any of the remedies, liabilities and sanctions set out in Part 9.

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**SCHEDULE 1**

**1. Rules of interpretation**

- (1) In this Law, unless otherwise provided, a reference to:
- (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) a “person” includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
  - (c) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in this Law, include publishing or causing to be published in printed or electronic form;
  - (d) a “day” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar day which is either a ~~Friday or Saturday~~, Sunday or an official public holiday, the obligation shall take place on the next calendar day which is a business day;
  - (e) a “business day” means a calendar day, excluding Saturdays, Sundays and official public holidays;
  - (f) a “week” shall mean a calendar week or seven (7) days, whichever is applicable in the circumstances;
  - (g) a “month” shall mean a period of thirty (30) days;
  - (h) a “year” shall mean a period of three hundred and sixty five (365) days and a “calendar year” shall mean a year of the Gregorian calendar;
  - (i) a reference to the masculine gender includes the feminine and vice versa;
  - (j) the singular shall include the plural and vice versa;
  - (k) “dollar” or “\$” is a reference to United States Dollars unless the contrary intention appears; and
  - (l) this Law includes any Regulations made under this Law.

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**3. Defined terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
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DIFCA Board of Directors	the governing body of the DIFCA established under <u>Dubai Law No. 9 of 2004 (as repealed and substituted by Dubai Law No. (5) of 2021).</u>
Registrar	the Registrar of Companies appointed pursuant to Article 6 of the <del>Companies</del> <u>Operating Law, DIFC Law No. 57 of 2018.</u>

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**SCHEDULE 2**

The following table sets out administrative fines that may be applied for the corresponding contraventions of this Law. This list is not exhaustive and may be updated from time to time.

<b>Article</b>	<b>Contravention</b>	<b>Maximum Fine (USD)</b>
9	Failing to comply with general requirements specified under Article 9 of the Law made for the purpose of this Law	\$50,000
10	Failure to comply with requirements for lawful Processing specified under Article 10 of the Law made for the purpose of this Law	\$50,000
11	Failure to comply with requirements for obtaining consent specified under Article 11 of the Law made for the purpose of this Law	\$50,000
12	Failure to comply with requirements for lawful Processing specified under Article 12 of the Law made for the purpose of this Law	\$50,000
14(1)	Failure to comply with the requirements for accountability specified under Article 14(1) of the Law made for the purpose of this Law	\$25,000
14(2)	Failing to implement and maintain technical and organisational measures to protect Personal Data in accordance with Articles 14(2) of the Law made for the purpose of this Law	\$50,000
14(3)	Failure to comply with the requirements for accountability specified under Article 14(3) of the Law made for the purpose of this Law	\$25,000
14(4)	Failure to comply with the requirements for accountability specified under Article 14(4) of the Law made for the purpose of this Law	\$25,000
14(5)	Failure to comply with the requirements for accountability specified under Article 14(5) of the Law made for the purpose of this Law	\$25,000
14(7)	Failing to register with the Commissioner in accordance with Article 14(7)	\$25,000

**DIFC LAWS AMENDMENT LAW**

<b>Article</b>	<b>Contravention</b>	<b>Maximum Fine (USD)</b>
15	Failing to maintain records of any Personal Data Processing operations in accordance with Article 15	\$25,000
16	Failing to appoint a DPO in accordance with Articles 16(2) and 16(3) of the Law made for the purpose of this Law	\$50,000
20	Failing to carry out a data protection impact assessment prior High Risk Processing Activities in accordance with Article 20 of the Law made for the purposes of this Law.	\$20,000
22	Failing to comply with the requirements specified under Article 22(1), 22(2), 22(5) or 22(6) of the Law made for the purpose of this Law	\$25,000
23	Failing to comply with the requirements specified under Article 23 of the Law made for the purpose of this Law	\$25,000
24	Failing to comply with the requirements specified under Article 24(1), 24(3) or 24(6) of the Law made for the purpose of this Law	\$25,000
25	Failing to comply with the requirements specified under Article 25 of the Law made for the purpose of this Law	\$25,000
26	Failing to comply with the requirements specified under Article 26 of the Law made for the purpose of this Law	\$25,000
27	Failing to comply with the requirements specified under Article 27 of the Law made for the purpose of this Law	\$50,000
28	Failing to comply with the requirements specified under Article 28 of the Law made for the purpose of this Law	\$10,000
29	Failing to comply with the requirements specified under Article 29 of the Law made for the purpose of this Law	\$75,000

**DIFC LAWS AMENDMENT LAW**

<b>Article</b>	<b>Contravention</b>	<b>Maximum Fine (USD)</b>
30	Failing to comply with the requirements specified under Article 30 of the Law made for the purpose of this Law	\$75,000
31	Failing to comply with the requirements specified under Article 31 of the Law made for the purpose of this Law	\$75,000
32(3)	Failing to comply with the requirements specified under Article 32(3) of the Law made for the purpose of this Law	\$75,000
33	Failing to comply with the requirements specified under Article 33 of the Law made for the purpose of this Law	\$100,000
34	Failing to comply with the requirements specified under Article 34 of the Law made for the purpose of this Law	\$100,000
35	Failing to comply with the requirements specified under Article 35 of the Law made for the purpose of this Law	\$100,000
36	Failing to comply with the requirements specified under Article 36 of the Law made for the purpose of this Law	\$100,000
37	Failing to comply with the requirements specified under Article 37 of the Law made for the purpose of this Law	\$100,000
38	Failing to comply with the requirements specified under Article 38 of the Law made for the purpose of this Law	\$100,000
39	Failing to comply with the requirements specified under Article 39 of the Law made for the purpose of this Law	\$50,000
40	Failing to comply with the requirements specified under Article 40 of the Law made for the purpose of this Law	\$25,000

**DIFC LAWS AMENDMENT LAW**

<b>Article</b>	<b>Contravention</b>	<b>Maximum Fine (USD)</b>
41	Failing to report Personal Data Breach in accordance with Article 41 of the Law made for the purpose of this Law	\$50,000
42	Failing to report Personal Data Breach in accordance with Article 42 of the Law made for the purpose of this Law	\$50,000
<u>59</u>	<u>Failing to comply with a direction in accordance with Article 59(4) of the Law</u>	<u>\$75,000</u>
65	Failing to comply with the requirements specified under Article 65 of the Law made for the purpose of this Law	\$75,000

**PART 3: AMENDMENTS TO INSOLVENCY LAW 2019**

7. The Insolvency Law 2019 is amended as prescribed in this Part.
8. The following Articles of the Insolvency Law 2019 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

.....

**PART 3: REHABILITATION**

**13. Scope**

A Company is eligible to apply under this Part for a Rehabilitation Plan where the debtor is or is likely to become unable to pay its debts and there is a reasonable likelihood of a successful Rehabilitation Plan being reached between the Company and its creditors and Shareholders unless it is excluded from being eligible in such manner as prescribed in the Regulations. If the Company is an Authorised Person, the creditors shall notify the DFSA immediately upon filing the application.

**14. Common provision of the Regulations that apply under this Part**

Except where modified by this Part, the Regulations relating to the moratorium and the prevalence of the Business Rules of Authorised ~~Financial~~ Market Institutions over this Law and treatment of Financial Collateral shall apply.

**15. Application for Rehabilitation Plan and automatic moratorium**

- (1) The Directors of a Company may propose a Rehabilitation Plan under this Part of this Law.
- (2) Where the board of a Company notifies the Court in writing together with such other documents as may be prescribed that they intend to make a proposal to the Company’s creditors the date of such notification is the Notification Date for a Rehabilitation Plan. The Court shall convene and an automatic moratorium shall immediately apply to all creditors, secured or unsecured and without their consent, in respect of such a Company and its assets wherever located from the ~~time of the Rehabilitation Plan Notification.~~ Notification Date.

.....

**20. Appointment of the Rehabilitation Nominee**

The board of the Company shall appoint one (1) or more Rehabilitation Nominee(s) immediately prior to the ~~Rehabilitation Plan Notification.~~ Notification Date. The name and qualification of each Rehabilitation Nominee shall be set out in the ~~Rehabilitation Plan Notification.~~ Rehabilitation Plan notification. Where more than one Rehabilitation Nominee is appointed, each Rehabilitation Nominee may exercise its functions independently. The Rehabilitation Nominee will have the authority to perform such functions as are given to him under this Part and otherwise as the Court may from time to time order on application by the Company with the consent of the Rehabilitation Nominee.

.....

**23. Termination and expiration of the moratorium period**

- (1) Notwithstanding the moratorium and prior to the expiration of the Moratorium Period, the Court may terminate any Moratorium Period upon the request of a creditor of the Company, upon notice and hearing for cause shown, including bad faith. The Court makes such consequential orders as it considers appropriate, including taking steps to wind up the Company in accordance with Chapter 5 of Part 6 of this Law or appoint an Administrator in circumstances where Article 22(2) applies.
- (2) Following the expiration or termination of the Moratorium Period, the Company shall take steps to either:
  - (a) seek directions in accordance with Article 24 below; or
  - (b) agree to an alternative Rehabilitation Plan proposed by any creditors or Shareholders; or
  - (c) seek to terminate the Rehabilitation Plan process by way of an application to the Court and wind up the Company under Part 6 of this Law.
- (3) In the event that the Company fails to take any steps in Article 23(2) above, upon the request of a creditor of the Company, the Court may appoint an Administrator in circumstances where Article

22(2) applies or alternatively take~~n~~ steps to wind up the Company in accordance with Chapter 5 of Part 6 of this Law.

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**PART 4: ADMINISTRATION**

.....

**35. Common provisions of the Law and Regulations that apply under this Part**

- (1) Except where modified by this Part, Articles 43, 45 to 47, 50, 88, 101, 107 to 116, 1304 to 1334 and Schedule 2 shall also apply to an Administrator under this Part and references to “Receiver” or “Liquidator” in these provisions shall be taken as references to an “Administrator” and references to “Liquidation” or “winding up” shall be taken as reference to Administration.
- (2) Where the Administrator seeks the approval of a Rehabilitation Plan under Part 3 or the approval of a Voluntary Arrangement under Part 2, those Parts shall apply to an Administrator unless modified by this Part 4. In such instances the Administrator may also act as the Nominee.
- (3) Except where modified by this Part the Regulations relating to the appointment of a Receiver apply and references to “Receiver” in these provisions shall be taken as references to an “Administrator”.
- (4) For the purposes of the Regulations relating to mutual credits, mutual debts or other mutual dealings ~~does~~, such provisions do not include any debt arising out of an obligation where the Liquidation was immediately preceded by Rehabilitation or Administration and:
  - (a) at the time the obligation was incurred the creditor had notice of the Rehabilitation or Administration; or
  - (b) any debt arising out of an obligation incurred during Rehabilitation or Administration which immediately preceded the Liquidation; or
  - (c) any debt which has been acquired by a creditor by assignment or otherwise, pursuant to an agreement where that agreement was entered into:
    - (i) at a time when the creditor had notice of the Rehabilitation or Administration; or
    - (ii) during the Rehabilitation or Administration.

.....

**38. Protection of interests of creditors and Shareholders**

- (1) At any time that an Administrator is in office, a creditor or Shareholder of the Company may apply to the Court for an order under this Article 38 on the ground that:
  - (a) the Company's affairs, business and property are being or have been managed by the Administrator in a manner which is unfairly prejudicial to some or all of its creditors or Shareholders (including at least himself), or
  - (b) any actual or proposed act or omission of the Administrator is or would be so prejudicial.
- (2) On an application for an order under this Article 38 the Court may, subject as follows, make such order as it thinks fit for giving relief in respect of the matters complained of.
- (3) An order under this Article 38 shall not prejudice or prevent the implementation of a Rehabilitation Plan, or Voluntary Arrangement, or a scheme of arrangement under the Companies Law if it has been approved in accordance with the relevant law~~Law~~, or
- (4) Subject to Article 38(3), an order under this Article may in particular:
  - (a) regulate the future management of the Company's affairs, business and property by the Administrator;
  - (b) require the Administrator to refrain from doing or continuing an act complained of, or to do an act which he has omitted to do;



- (c) require the summoning of a meeting of creditors or Shareholders for the purpose of considering such matters as the Court may direct; and
- (d) discharge the appointment of the Administrator and make such consequential provision as the Court thinks fit.

Where the Administrator is discharged, within thirty (30) days after the making of the order effecting the discharge the Administrator shall send a copy of that order to the Registrar. If the Administrator fails to comply with this Article without reasonable excuse, he is liable to a fine, as set out in Schedule 5.

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**PART 5: RECEIVERSHIP**

**42. Powers of Receivers and Administrative Receivers**

- (1) Where a Company grants a person powers contained in an instrument to get in and sell any part of its property and to apply the proceeds in reduction of a debt due to that other person, such person, once appointed, shall be a Receiver and shall be subject to this Law in his performance of that function.
- (2) A Receiver of the property of a Company may be appointed under, and has all of the powers conferred upon him by, such instrument save as provided in this Law or the Regulations.
- (3) A Receiver of the property of a Company appointed under powers contained in an instrument, or the persons by whom or on whose behalf a Receiver has been so appointed, may apply to the Court in relation to any particular matter arising in connection with the performance of the functions of the Receiver.
- (4) On an application under Article 42(3), the Court may give such directions, or may make such order declaring the rights of persons before the Court or otherwise, as it thinks fit.
- (5) Where a Receiver is appointed in respect of the property of a Company under powers contained in an instrument, and the property over which he is appointed consists of all or substantially all of the undertakings of the Company, that Receiver, once appointed, shall be an Administrative Receiver. An Administrative Receiver has, in addition to the powers contained in the instrument, the powers set out in Schedule 2 to this Law.
- (6) In the application of Schedule 2 to the Administrative Receiver of a Company:
  - (a) the words “he” and “him” refer to the Administrative Receiver; and
  - (b) references to the property of the Company are to the property of which he is or, but for the appointment of some other person as the Receiver of part of the Company's property would be, the Receiver.

A Receiver or an Administrative Receiver appointed over property of a Company in the DIFC shall be a person who is registered as an insolvency practitioner under Part 10 of this Law.

.....

**50. Committee of creditors**

- (1) Where an Administrative Receiver has sent or published a report as mentioned in Article 49(2), the Company's unsecured creditors may, in accordance with the Regulations, establish a committee (the “Creditors' Committee”) to exercise the functions conferred on it by or under this Law or the Regulations.
- (2) If such a Creditors' Committee is established, the committee may, on giving not less than seven (7) days' notice, require the Administrative Receiver to attend before it at any reasonable time and furnish it with such information relating to the carrying out by him of his functions as it may reasonably require.

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## PART 6: WINDING UP

## CHAPTER 1 – GENERAL

**51. Alternative modes of winding up**

- (1) The winding up of a Company may be either voluntary or ordered by the Court.
- (2) This Chapter relates to winding up generally, except where otherwise stated.

**52. Regulations**

The Board of Directors of the DIFCA may make such Regulations as it sees fit in relation to the obligations and liabilities of Shareholders, former Shareholders, Directors, former Directors, and other persons to contribute to the assets of a Company which is being wound up.

**53. Powers of Liquidator**

- (1) Any Liquidator appointed in a winding up shall have the powers set out in Schedule 3.
- (2) The Board of Directors of the DIFCA shall make such Regulations as it sees fit in relation to the exercise of the powers and functions of a Liquidator, including as to the forms and procedures to be adopted in a winding up and the responsibilities of officers of the Company (as defined in Article 53(5)) and other persons to co-operate with the Liquidator.
- (3) Without limiting the application of Article 53(2), such Regulations may provide for the power of the Liquidator to:
  - (a) summon a person to be examined before the Court concerning the affairs of the Company;
  - (b) inspect books and records of the Company;
  - (c) direct an officer of the Company to deliver to the Liquidator all books and records in the officer's possession that relate to the Company or to advise the Liquidator of the whereabouts of any such book or record;
  - (d) direct an officer of the Company to give to the Liquidator such information about the Company's business, property, affairs and financial circumstances as the Liquidator may require; and
  - (e) direct an officer of the Company to attend upon the Liquidator to provide books and records, information, or other assistance as the Liquidator may reasonably require.
- (4) An officer of a Company who:
  - (a) fails to do whatever the Liquidator reasonably requires the officer to do to assist in the winding up;
  - (b) fails to comply with any reasonable direction given to the officer by the Liquidator pursuant to the Regulations; or
  - (c) hinders or obstructs a Liquidator in the performance of his powers or functions, commits a contravention and is liable to a fine, as set out in Schedule 5.
- ~~(5)~~—In this Article, an “officer” in relation to a Company means a person who is, or has been but is no longer, a Director, a secretary, an employee involved in the management of the Company, a Receiver or Administrative Receiver, an Administrator, a Nominee or Supervisor in relation to a Voluntary Arrangement, or a Liquidator or provisional Liquidator.

~~(6)~~(5) A Liquidator may exercise his powers under the Law and Regulations in respect of any person, whether that person is inside or outside the DIFC.

~~(7)~~(6) In exercising such powers, the Liquidator shall comply with local requirements relevant to the exercise of those powers including, where appropriate, informing or proceeding in collaboration with a local regulator or authority.

.....

### CHAPTER 3 – MEMBERS' VOLUNTARY WINDING UP

#### 61. Appointment of Liquidator

(1) In a Members' Voluntary Winding Up, the Shareholders of the Company, by Ordinary Resolution in accordance with the Articles of Association or any applicable laws, shall appoint one (1) or more Liquidators for the purpose of winding up the Company's affairs and distributing its assets.

(2) On the appointment of a Liquidator all the powers of the Directors cease, except so far as the Company, by Ordinary Resolution in accordance with Articles of Association or any applicable laws, or the Liquidator sanctions their continuance.

#### 62. Liquidator's Rreport at each year's end

(1) In the event that the winding up continues for more than one (1) year, the Liquidator shall provide the Shareholders of the Company with a Liquidator's Report setting out an account of his acts and dealings, and of the conduct of the winding up, during the previous year:

- (a) at the end of the first year from the commencement of the winding up, and of each succeeding year; or
- (b) at the first convenient date within three (3) months from the end of the year or such longer period as the Court may allow.

~~(2)~~ The Liquidator shall send a copy of the Liquidator's Report to the Registrar and where the Company is an Authorised Person to the DFSA, before the end of that period (but not before sending it to the Shareholders of the Company).

~~(2)~~(3) If the Liquidator fails to comply with this Article ~~62(1)~~, he is liable to a fine, as set out in Schedule 5.

#### 63. Final Account

(1) As soon as the Company's affairs are fully wound up, the Liquidator shall make up a Final Account ~~an account~~ of the winding up, showing:

- (a) how it has been conducted and how the Company's property has been disposed of;
- (b) details of the remuneration charged and expenses incurred by the Liquidator during the period since the last Liquidator's Rreport (if any);
- (c) a description of the work done by the Liquidator during the period since the last Liquidator's Rreport (if any) in respect of which the remuneration was charged and the expenses incurred; and
- (d) a summary of the receipts and payments during that period.

(2) The Liquidator shall send a copy of the account referred to in Article 63(1) to the Shareholders of the Company within fourteen (14) days beginning on the day the account is made up. The Liquidator shall send the account to the last known addresses of the Shareholders of the Company as recorded

by the Company. If there is no known address for a Shareholder of the Company, the Liquidator shall not be required to send a copy of the account to that Shareholder, and shall not be liable pursuant to Article 63(4).

- (3) The Liquidator shall send a copy of the account to the Registrar and where the Company is an Authorised Person to the DFSA, before the end of that period (but not before sending it to the Shareholders of the Company).
- (4) If the Liquidator fails to comply with each requirement of this Article 63, he is liable to a fine, as set out in Schedule 5.

.....

**CHAPTER 4 – CREDITORS' VOLUNTARY WINDING UP**

**67. Directors to lay Statement of Affairs ~~statement of affairs~~ before creditors**

- (1) The Directors of the Company shall, within seven (7) days beginning the day on which the Company passes a Resolution for Voluntary Winding Up:
  - (a) make a Statement of Affairs ~~statement as to the affairs~~ of the Company, and
  - (b) send the Statement of Affairs ~~statement~~ to the Company's creditors.
- (2) The Statement of Affairs ~~statement as to the affairs of the Company~~ shall show include the content as set out in Annex 3 of the Regulations:
- (a) ~~particulars of the Company's assets, debts and liabilities;~~
- (b) ~~the names and addresses of the Company's creditors;~~
- (c) ~~the securities held by them respectively;~~
- (d) ~~the dates on which the securities were respectively given; and~~
- (e) ~~such further or other information as may be prescribed.~~

.....

**73. Liquidator's Rreport at each year's end**

- (1) In the event of the winding up continuing for more than one (1) year, the Liquidator shall provide the creditors and the Shareholders of the Company with an account of his acts and dealings, and of the conduct of the winding up, during the previous year:
  - (a) at the end of the first year from the commencement of the winding up, and of each succeeding year; or
  - (b) at the first convenient date within three (3) months from the end of the year or such longer period as the Court may allow.
- (2) The Liquidator shall send a copy of the Liquidator's Report to the Registrar and where the Company is an Authorised Person to the DFSA, before the end of that period.
- ~~(2)(3)~~ If the Liquidator fails to comply with this Article 73(1), he is liable to a fine, as set out in Schedule 5.
- ~~(3)(4)~~ Where under Article 65 a Members' Voluntary Winding Up has become a Creditors' Voluntary Winding Up, and the Liquidator sends a statement ~~of affairs~~ to the Company's creditors under Article 64(2) three (3) months or less before the end of the first year from the commencement of

the winding up, the Liquidator is not required by this Article to report to the creditors at the end of that year.

**74. Final Account**

- (1) As soon as the Company's affairs are fully wound up the Liquidator shall make up a Final Account ~~an account~~ of the winding up, showing:
  - (a) how it has been conducted and how the Company's property has been disposed of;
  - (b) details of the remuneration charged and expenses incurred by the Liquidator during the period since the last Liquidator's Report~~report~~ (if any);
  - (c) a description of the work done by the Liquidator during the period since the last Liquidator's Report~~report~~ (if any) in respect of which the remuneration was charged and the expenses incurred; and
  - (d) a summary of the receipts and payments during that period.
- (2) The Liquidator shall, before the end of the period of fourteen (14) days beginning with the day on which the Final Account ~~account~~ is made up:
  - (a) send a copy of the Final Account ~~account~~ to the Company's Shareholders, and
  - (b) send a copy of the Final Account ~~account~~ to the Company's creditors.
- (3) The Liquidator shall send the Final Account ~~account~~ to the last known addresses of the Shareholders and creditors of the Company as recorded by the Company. If there is no known address for a Shareholder or creditor (as applicable) of the Company, the Liquidator shall not be required to send a copy of the Final Account ~~account~~ to that Shareholder or creditor (as applicable).
- (4) The Liquidator shall, before the end of that period (but not before sending it to the Shareholders and creditors of the Company), send to the Registrar (and where the Company is an Authorised Person to the DFSA) a copy of the Final Account ~~account~~.
- (5) If the Liquidator fails to comply with this Article, he is liable to a fine, as set out in Schedule 5.

.....

**CHAPTER 5 – PROVISIONS APPLYING TO BOTH KINDS OF VOLUNTARY WINDING UP**

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

Subject to the provisions of this Law as to preferential payments and to any Regulations made under Article 127~~8~~ and the application of any other laws as described in Article 135~~6~~, the Company's property in a voluntary winding up shall be applied in satisfaction of the Company's L liabilities which rank *pari passu* and, subject to that application, distributed among the Shareholders according to their rights and interests in the Company (unless the Articles of Association of the Company otherwise provide).

**76. Appointment or removal of Liquidator by the Court**

- (1) If for any cause whatever there is no Liquidator acting, the Court may appoint a Liquidator.
- (2) The Court may, on cause shown, remove a Liquidator and appoint another.

**77. Reference of questions to Court**

- (1) The Liquidator, any Shareholder or other person liable to c contribute to the assets of the Company or creditor may apply to the Court to determine any question arising from the winding up of a

Company, or to exercise, as respects the enforcing of calls or any other matter, all or any of the powers which the Court might exercise if the Company were being wound up by the Court.

- (2) The Court may make such order on the application as it thinks just.

**78. Expenses of voluntary winding up**

All expenses properly incurred in the winding up, including the remuneration of the Liquidator, are payable out of the Company's assets in priority to all other claims.

**79. Saving for certain rights**

The voluntary winding up of a Company does not bar the right of any creditor or any Shareholder or other person liable to contribute to the assets of the Company to apply to have it wound up by the Court.

**80. Removal or resignation of Liquidator**

- (1) This Article 80 applies with respect to the removal from office and vacation of office of the Liquidator of a Company which is being wound up voluntarily.
- (2) The Liquidator may be removed from office only by an order of the Court or:
- (a) in the case of a Members' Voluntary Winding Up, by an Ordinary Resolution of the Shareholders of the Company, or
  - (b) in the case of a Creditors' Voluntary Winding Up, by a decision of a meeting of the Company's creditors summoned for that purpose.
- (3) A Liquidator shall vacate his office if he ceases to be a person who is qualified to act as an insolvency practitioner in relation to the Company.
- (4) A Liquidator may resign from his office in the following circumstances:
- (a) on grounds of ill health;
  - (b) because of the intention to cease to practice as an insolvency practitioner; or
  - (c) because the further discharge of the duties of Liquidator is prevented or made impracticable by a conflict of interest or a change in personal circumstances.
- (5) Before resigning, a Liquidator shall deliver a notice to the Court, creditors, Shareholders, the Registrar and where the Company is an Authorised Person, to the DFSA and:
- (a) in the case of a Members' Voluntary Winding Up, require the Shareholders to consider whether a replacement should be appointed by way of an Ordinary Resolution; or
  - (b) in the case of a Creditors' Voluntary Winding Up, summon the creditors to a meeting to consider whether a replacement should be appointed.
- (6) In the case of a Members' Voluntary Winding Up where the Liquidator has produced a Final Account ~~an account~~ of the winding up under Article 63, the Liquidator vacates office as soon as the Liquidator has complied with Article 63(3).
- (7) In the case of a Creditors' Voluntary Winding Up where the Liquidator has produced a Final Account ~~an account~~ of the winding up under Article 74, the Liquidator vacates office as soon as the Liquidator has complied with Article 74(3).

.....

**90. Choice of Liquidator by creditors and Contributories**

- (1) Where the Court orders that a Company be wound up, the order shall identify the person who is to act as the Liquidator of the Company, and that person shall take office immediately upon the order being made. That person may either continue the Liquidation or seek nominations from the Company's creditors and Contributories for the purpose of choosing a person to be the Liquidator of the Company.
- (2) The creditors and the Contributories may in accordance with the Regulations nominate a person to be Liquidator.
- (3) The Liquidator shall be the person nominated by the creditors or, where no person has been so nominated, the person (if any) nominated by the Contributories.
- (4) In the case of different persons being nominated, any Shareholder, creditor or other person liable to contribute to the assets of the Company, within seven (7) days after the date on which the nomination was made by the creditors, apply to the Court for an order either:
  - (a) appointing the person nominated as Liquidator by the Contributories to be a Liquidator instead of, or jointly with, the person nominated by the creditors; or
  - (b) appointing some other person to be a Liquidator instead of the person nominated by the creditors.

**91. Appointment of provisional Liquidator**

The Court may, at any time after an application for winding-up has been made, appoint a ~~p~~Provisional Liquidator. The powers of the ~~p~~Provisional Liquidator may be limited by the order appointing him.

.....

**95. Final Account**

- (1) If it appears to the Liquidator that ~~how~~ the winding up of the Company is for practical purposes complete, the Liquidator shall make ~~a up an account~~ Final Account of the winding up, showing:
  - (a) how it has been conducted and the Company's property has been disposed of;
  - (b) details of the remuneration charged and expenses incurred by the Liquidator during the period since the last Liquidator's Report (if any);
  - (c) a description of the work done by the Liquidator during the period since the last Liquidator's Report ~~report~~ (if any) in respect of which the remuneration was charged and the expenses incurred; and
  - (d) a summary of the receipts and payments during that period.
- (2) The Liquidator shall, within fourteen (14) days beginning with the day on which the Final Account ~~account~~ is made up send a copy of the Final Account ~~account~~ to the Company's creditors.
- (3) The Liquidator shall send the Final Account ~~account~~ to the last known addresses of the creditors of the Company as recorded by the Company. If there is no known address for a particular creditor of the Company, the Liquidator shall not be required to send a copy of the ~~account~~ Final Account to that particular creditor.
- (4) The Liquidator shall, before the end of that period (but not before sending it to the creditors of the Company), send to the Registrar and where the Company is an Authorised Person to the DFSA a copy of the Final Account ~~account~~.
- (5) If the Liquidator fails to comply with this Article 95, he is liable to a fine, as set out in Schedule 5.

**96. Power to stay proceedings**



- (1) At any time after an application for winding-up has been made, and before a winding-up order has been issued, the Company, creditor or other person liable to ~~c~~Contribute to the assets of the Company, may:
  - (a) where any action or proceeding against the Company is pending in the Court, apply to the Court for a stay of proceedings therein; and
  - (b) where any other action or proceeding is pending against the Company, apply to the Court to restrain any further action or proceeding,

and the Court may stay, desist or restrain the proceedings accordingly on such terms as it thinks fit.
- (2) The Court may at any time after an order for winding up, on the application either of the Liquidator or any creditor or Shareholder or other person liable to ~~c~~Contribute to the assets of the Company, and on proof to the satisfaction of the Court that all proceedings in the winding up ought to be stayed make an order staying the proceedings, either altogether or for a limited time, on such terms and conditions as the Court thinks fit.
- (3) A copy of every order made under this Article shall immediately be forwarded by the Company to the Registrar and where the Company is an Authorised Person to the DFSA.

.....

**98. Payment of expenses of winding up**

The Court may, in the event of the assets being insufficient to satisfy the ~~l~~iabilities, make an order as to the payment of the expenses incurred in the winding up out of the assets of the Company, in such order of priority as the Court thinks fit.

**99. Preferential debts**

- (1) In a winding up the Company's preferential debts shall be paid in priority to all other debts, subject to the application of any other laws as described in Article ~~135~~6.
- (2) The Board of Directors of the DIFCA may make such Regulations as it sees fit to designate certain types of claims on a Company as preferential debts and to prescribe any priorities as to their payment.

.....

~~101. Rescission of contracts by the Court~~

- ~~(1) The Court may, on the application of a person who is, as against the Liquidator, entitled to the benefit of or subject to the burden of a contract made with the Company, make an order rescinding the contract on such terms as to payment by or to either party to the contract of damages for the non-performance of the contract, or otherwise as the Court thinks fit.~~
- ~~(2) Any damages payable under the order to such a person may be proved by him as a debt in the winding up.~~

~~102. Notification that Company is in Liquidation~~

~~When a Company is being wound up, whether by the Court or voluntarily, every invoice, order for goods or business letter issued by or on behalf of the Company, a Liquidator of the Company, a Receiver of the Company's property, being a document on or in which the name of the Company appears, shall contain a statement that the Company is being wound up.~~

**103.101. Liquidator's Report at each year's end Information as to pending Liquidations**

- (1) If the winding up of a Company is not concluded within one (1) year after its commencement, the Liquidator shall provide all creditors of the Company with a Liquidator's Report setting out an

~~account of his acts and dealings, and of the conduct of the winding up, during the previous year: shall, at such intervals as may be prescribed, until the winding up is concluded, send to the Registrar and where the Company is an Authorised Person to the DFSA, a statement in the form prescribed under the Regulations and containing the prescribed particulars with respect to the proceedings in, and position of, the Liquidation.~~

- ~~(a) at the end of the first year from the commencement of the winding up, and of each succeeding year; or~~
- ~~(b) at the first convenient date within three (3) months from the end of the year or such longer period as the Court may allow.~~
- ~~(2) The Liquidator shall send a copy of the Liquidator's Report to the Registrar and where the Company is an Authorised Person to the DFSA, before the end of that period.~~
- ~~(3) If the Liquidator fails to comply with Article 62(1), he is liable to a fine, as set out in Schedule 5.~~

**104.102. Reference of questions to Court**

- (1) The Liquidator, any Shareholder or other person liable to contribute to the assets of the Company or creditor may apply to the Court to determine any question arising in the winding up of a Company by the Court.
- (2) The Liquidator or any aggrieved person may apply to the Court for an order in relation to the exercise of the powers or functions of the Liquidator.
- (3) The Court may make such order on an application under this Article as it thinks just, including where appropriate an order enforcing or setting aside any direction given or requirement made, by the Liquidator to a person.

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**105. Dissolution and early dissolution**

- ~~(1) Where a Company is being wound up, Articles 105(2) and 105(3) apply, where the Liquidator has sent his final account and return to creditors and the Registrar.~~
- ~~(2) On the expiration of three (3) months from the date of dispatch of the final account and return the Company is deemed to be dissolved.~~
- ~~(3) However, the Court may, on the application of the Liquidator or any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the Company is to take effect for such time as the Court thinks fit.~~
- ~~(4) If it appears to the Liquidator that the realisable assets of the Company are insufficient to cover the expenses of the winding up, and the affairs of the Company do not require any further investigation, the Liquidator may at any time apply, to the Registrar and where the Company is an Authorised Person to the DFSA for the early dissolution of the Company.~~
- ~~(5) Before making an application under Article 105(4), the Liquidator shall give at least twenty eight (28) days' notice of his intention to do so to the Company's creditors and Contributories.~~
- ~~(6) On receipt of the application made under Article 105(4), the Registrar shall within a reasonable time register it on the Public Register and, at the end of the period of three (3) months beginning on the day of the registration, the Company shall be dissolved.~~
- ~~(7) Where a notice has been given under Article 105(4), the Liquidator, any creditor or Contributory of the Company, or the Administrative Receiver of the Company (if there is one) (1) may apply to the Registrar and where the Company is an Authorised Person to the DFSA for directions on the grounds that:~~

- (a) ~~the realisable assets of the Company are sufficient to cover the expenses of the winding up;~~
  - (b) ~~the affairs of the Company do require further investigation; or~~
  - (c) ~~for any other reason the early dissolution of the Company is inappropriate.~~
- (8) ~~Directions from the Registrar or DFSA under Article 105(7):~~
- (a) ~~are directions making such provision as the Registrar or DFSA thinks fit for enabling the winding up of the Company to proceed as if no notice has been given under Article 105(4); and~~
  - (b) ~~may include a direction deferring the date at which the dissolution of the Company is to take effect for such period as the Registrar or DFSA thinks fit.~~
- (9) ~~It is the duty of the person on whose application any directions are given under this Article, within seven (7) days of the directions, to deliver them to the Registrar and where the Company is an Authorised Person to the DIFC for registration.~~

**106.103. Removal or resignation of Liquidator**

- (1) This Article 106~~3~~ applies with respect to the removal from office and vacation of office of the Liquidator or a p~~rovisional~~ Liquidator of a Company that is being wound up by the Court.
- (2) The Liquidator may be removed from office only by an order of the Court or by a decision of a meeting of the Company's creditors and in accordance with the Regulations, and a provisional Liquidator may be removed from office only by an order of the Court.
- (3) A Liquidator or a provisional Liquidator shall vacate office if he ceases to be a person who is qualified to act as an insolvency practitioner in relation to the Company.
- (4) A Liquidator may resign his office in the following circumstances:
  - (a) on grounds of ill health;
  - (b) because of the intention to cease to practice as an insolvency practitioner; or
  - (c) because the further discharge of the duties of Liquidator is prevented or made impracticable by a conflict of interest or a change in personal circumstances.
- (5) Before resigning, a Liquidator shall deliver a notice to the Court, creditors, the Registrar and where the Company is an Authorised Person to the DFSA, and shall summon the creditors to a meeting to consider whether a replacement should be appointed.
- (6) Where the Liquidator has produced ~~an account~~ a Final Account of the winding up under Article 95, the Liquidator vacates office as soon as the Liquidator has complied with Article 95(3).

**CHAPTER 7 – PROTECTION OF ASSETS IN LIQUIDATION**  
**GENERAL PROVISIONS APPLICABLE TO ALL TYPES OF WINDING UP**

**104. Notification that Company is in Liquidation**

When a Company is being wound up, whether by the Court or voluntarily, every invoice, order for goods or business letter issued by or on behalf of the Company, a Liquidator of the Company, a Receiver of the Company's property, being a document on or in which the name of the Company appears, shall contain a statement that the Company is being wound up.

**105. Rescission of contracts by the Court**

- (1) The Court may, on the application of a person who is, as against the Liquidator, entitled to the benefit of or subject to the burden of a contract made with the Company, make an order rescinding the contract on such terms as to payment by or to either party to the contract of damages for the non-performance of the contract, or otherwise as the Court thinks fit.
- (2) Any damages payable under the order to such a person may be proved by him as a debt in the winding up.

**106. Dissolution and early dissolution**

- (1) Where a Company is being wound up, Articles 106(2) and 106(3) apply, where the Liquidator has sent his Final Account and return to creditors and the Registrar.
- (2) On the expiration of three (3) months from the date of dispatch of the Final Account and return the Company is deemed to be dissolved.
- (3) However, the Court may, on the application of the Liquidator or any other person who appears to the Court to be interested, make an order deferring the date at which the dissolution of the Company is to take effect for such time as the Court thinks fit.
- (4) If it appears to the Liquidator that the realisable assets of the Company are insufficient to cover the expenses of the winding up, and the affairs of the Company do not require any further investigation, the Liquidator may at any time apply, to the Registrar and where the Company is an Authorised Person, to the DFSA for the early dissolution of the Company.
- (5) Before making an application under Article 106(4), the Liquidator shall give at least twenty eight (28) days' notice of his intention to do so to the Company's creditors and Contributories.
- (6) On receipt of the application made under Article 106(4), the Registrar shall within a reasonable time register it on the Public Register and, at the end of the period of three (3) months beginning on the day of the registration, the Company shall be dissolved.
- (7) Where a notice has been given under Article 106(4), the Liquidator, any creditor or Contributory of the Company, or the Administrative Receiver of the Company (if there is one) (1) may apply to the Registrar, and where the Company is an Authorised Person, to the DFSA for directions on the grounds that:

  - (a) the realisable assets of the Company are sufficient to cover the expenses of the winding up;
  - (b) the affairs of the Company do require further investigation; or
  - (c) for any other reason the early dissolution of the Company is inappropriate.
- (8) Directions from the Registrar or DFSA under Article 106(7):

  - (a) are directions making such provision as the Registrar or DFSA thinks fit for enabling the winding up of the Company to proceed as if no notice has been given under Article 106(4); and
  - (b) may include a direction deferring the date at which the dissolution of the Company is to take effect for such period as the Registrar or DFSA thinks fit.
- (9) It is the duty of the person on whose application any directions are given under this Article, within seven (7) days of the directions, to deliver them to the Registrar and where the Company is an Authorised Person to the DFSA for registration.

**CHAPTER 78 –: PROTECTION OF ASSETS IN LIQUIDATION**

**107. Fraud in anticipation of winding up**

When a Company is ordered to be wound up by the Court, or passes a Resolution for Voluntary Winding Up, or an Administrator is appointed, Article 115 shall apply in respect of any person, being a past or present Officer of the Company, who, within the twelve (12) months immediately preceding the commencement of the winding up, or the appointment of an Administrator has:

- (a) concealed any part of the Company's property to the value of \$1,000 or more, or concealed any debt due to or from the Company;
- (b) fraudulently removed any part of the Company's property to the value of \$1,000 or more;
- (c) concealed, destroyed, mutilated or falsified any book or paper affecting or relating to the Company's property or affairs;
- (d) made any false entry in any book or paper affecting or relating to the Company's property or affairs;
- (e) fraudulently parted with, altered or made any omission in any document affecting or relating to the Company's property or affairs; or
- (f) pawned, pledged or disposed of any property of the Company which has been obtained on credit and has not been paid for (unless the pawning, pledging or disposal was in the ordinary way of the Company's business),

in each case with the intention of defrauding the creditors of the Company or concealing the state of affairs of the Company from any person or to deliberately circumvent or contravene this Law.

**108. Transactions in fraud of creditors**

- (1) When a Company is ordered to be wound up by the Court or passes a Resolution for Voluntary Winding Up, or an Administrator is appointed, Article 115 shall apply in respect of any person, being at the time an Officer of the Company, who:
  - (a) has made or caused to be made any gift or transfer of, or charge on, or has caused or connived at the levying of any execution against, the Company's property; or
  - (b) has concealed or removed any part of the Company's property since, or within two (2) months before, the date of any unsatisfied judgment or order for the payment of money obtained against the Company.
- (2) Article 115 shall not apply to any person if he proves that, at the time of the conduct constituting a breach of this Law he had no intent to defraud the Company's creditors.

**109. Falsification of Company's books**

When a Company is being wound up, or an Administrator is appointed, Article 115 shall apply to an Officer or Shareholder or other person liable to ~~c~~Contribute to the assets of the Company if he destroys, mutilates, alters or falsifies any books, papers or securities, or makes or is privy to the making of any false or fraudulent entry in any register, book of account or document belonging to the Company with intent to defraud or deceive any person.

**110. Material omissions from the Statement of Affairs ~~statement relating to Company's affairs~~**

When a Company is being wound up, whether by the Court or voluntarily, or an Administrator is appointed, Article 115 shall apply to any person, being a past or present Officer of the Company, who makes any material omission in any Statement of Affairs ~~statement relating to the Company's affairs~~ with an intent to defraud any person.

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**PART 7: RECOGNISED AND FOREIGN COMPANIES**

**117. Proceedings in respect of Foreign Companies**

- (1) Where a Foreign Company is the subject of insolvency proceedings in its jurisdiction of incorporation, the Court shall, upon request from the court of that jurisdiction, assist that court in the gathering and remitting of assets maintained within the DIFC.
- (2) The Board of Directors of the DIFCA may make Regulations in relation to the getting in of assets of Foreign Companies and other issues arising in the context of such co-operation.
- (3) The UNCITRAL Model Law (with certain modifications for application in the DIFC) as set out in Schedule 4 of this Law has force in the DIFC in respect of Foreign Companies. This Law applies with such modification as the context requires for the purpose of giving effect to this Article 117(3).

**118. Application of this Part in relation to Recognised Companies**

- (1) This Part 7 has effect in addition to, and not in derogation of, any provisions contained in this Law or its Regulations or any other legislation in relation to Insolvency and winding up applicable to the Foreign Company, and the Liquidator or Court may exercise any powers or do any act in the case of a Recognised Company that might be exercised or done by him or it in the winding up of a Company.
- (2) A Recognised Company may be wound up under this Part 7 notwithstanding that it is being wound up or has been dissolved, deregistered or otherwise ceased to exist as a body corporate under laws applicable to it in the place it was incorporated.
- (3) In the case of a Recognised Company which is an Authorised Person, the DFSA administered regime applies to the winding up of that Company.

**119. Winding up Recognised Companies**

- (1) Subject to this Part 7, a Recognised Company may be wound up under this Law and this Law applies accordingly to a Recognised Company with such adaptations as are necessary, including the following:
  - (a) the place of business of a Recognised Company in the DIFC is taken, for all the purposes of the winding up, to be the registered office of the Recognised Company;
  - (b) a Recognised Company is not to be wound up voluntarily under this Law; and
  - (c) a Recognised Company may be wound up by the Court if:
    - (i) the Recognised Company is unable to pay its debts, has been dissolved or deregistered in its place of origin, has ceased to carry on business in the DIFC, or has a place of business in the DIFC only for the purpose of winding up its affairs; or
    - (ii) the Court is of the opinion that it is just and equitable that the Recognised Company should be wound up.
- (2) On a Recognised Company being wound up, every person who:
  - (a) is liable to pay or contribute to the payment of:
    - (i) a debt or Liability of a Recognised Company;
    - (ii) any sum for the adjustment of the rights of the Shareholders among themselves; or
    - (iii) the costs and expenses of the winding up; or

- (b) if the Recognised Company has been dissolved or deregistered in its place of origin, was so liable immediately before the dissolution or deregistration,

is a Contributory and every cContributory is liable to contribute to the property of the Recognised Company all sums due from the Contributory in respect of any such liability.

- (3) Any provisions of this and any other DIFC Law with respect to staying and restraining actions and other civil proceedings against a Company, apply to a Recognised Company or Contributory of a Recognised Company, where the application to stay or restrain is made by a creditor, at any time after the filing of an application for winding up and before the making of a winding up order.
- (4) Where an order has been made for the winding up of a Recognised Company, no action or other civil proceeding is to be proceeded with or commenced against a Contributory of a Recognised Company in respect of a debt of the Recognised Company except by leave of the Court and subject to such terms as the Court may impose.

**~~120. Outstanding property of a defunct Recognised Company~~**

- ~~(1) This Article applies where, after the dissolution or deregistration of a Recognised Company, outstanding property of the Recognised Company remains in the DIFC.~~
- ~~(2) The estate and interest in the property of the Recognised Company or of its Liquidator at the time, together with all claims, rights and remedies that the Recognised Company or the Liquidator then had in respect of the property, vests by force of this Article with the DIFCA or if the Recognised Company is an Authorised Person with the DFSA.~~
- ~~(3) Where any claim, right or remedy of a Liquidator may under this Law be made, exercised or availed of only with the approval or concurrence of the Court or some other person, the DIFCA or DFSA (as applicable) may, for the purpose of this Article, make, exercise or avail itself of the claim, right or remedy without such approval or concurrence.~~

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**PART 8: OTHER TYPES OF COMPANY**

**~~121~~.120. Application of the Law to other types of Company**

- (1) Where, pursuant to Part 11 of the Companies Law, a type of Company is prescribed in Regulations made under that Part, the Board of Directors of the DIFCA may make Regulations:
  - (a) prescribing:
    - (i) the circumstances and manner in which such a type of Company may enter into a Voluntary Arrangement, Rehabilitation, Administration, or Receivership or be wound up;
    - (ii) any requirements or obligations in relation to the appointment of an insolvency practitioner to such a type of Company; and
    - (iii) forms and procedures for the Voluntary Arrangement, Rehabilitation, Administration, Receivership and winding up of such a Company; and
  - (b) extending, excluding, waiving or modifying the application of provisions of this Law or the Regulations, where considered necessary or desirable to facilitate the orderly application of this Law in relation to such types of Companies.
- (2) The Law will apply to a type of Company to which this Article applies except where a provision of or the context of the Law or Regulations or other Legislation administered by the Registrar provides otherwise.



**PART 9: APPLICATION OF THE LAW TO LIMITED LIABILITY PARTNERSHIPS**

**122-121. Application to Limited Liability Partnerships**

All of the provisions of this Law and the Regulations shall apply to a Limited Liability Partnership, except where the context otherwise requires, with the following modifications:

- (a) references to a Company shall include references to a Limited Liability Partnership;
- (b) references to a Director or to an Officer of a Company shall include references to a member of a Limited Liability Partnership;
- (c) references to a Shareholder of a Company shall include references to a member of a Limited Liability Partnership;
- (d) references to the Companies Law or Operating Law or to provisions of the Insolvency Law shall include references to those provisions as they apply to Limited Liability Partnership in accordance with this Law;
- (e) references to the Articles of Association of a Company shall include references to the Limited Liability Partnership agreement of a Limited Liability Partnership;
- (f) references to a resolution of a Company shall include references to a determination of a Limited Liability Partnership;
- (g) the following specific modifications shall apply:
  - (i) in Article 7(1), for “The Directors of a Company” substitute “A Limited Liability Partnership” and delete “to the Company and”;
  - (ii) in Article 7(2), for “The Directors” substitute “A Limited Liability Partnership”;
  - (iii) for Article 54, substitute the following “A Limited Liability Partnership may be wound up voluntarily when it determines that it is to be wound up voluntarily”;
  - (iv) in Article 59, for “Directors” (wherever it appears) substitute “Designated Members”, and for “Director” (wherever it appears) substitute “Designated Member”;
  - (v) in Article 60, for “Directors” substitute “Designated Members”;
  - (vi) in Article 64(1), for “Directors” substitute “Designated Members”;
  - (vii) in Article 67(1), for “Directors” substitute “Designated Members”;
  - (viii) in Article 85, for “any transfer of shares” substitute “any transfer by a member of the Limited Liability Partnership of his interest in the property of the Limited Liability Partnership”; and
  - (ix) in Article 109, substitute “an Officer or Shareholder” for “an Officer or member”.
- (h) such further modifications as the context requires for the purpose of giving effect to that legislation as applied by this Law.

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**PART 10: INSOLVENCY PRACTITIONERS**

**~~123.~~122. Restrictions on service as Liquidator or Receiver**

- (1) No person may be appointed as or serve as a Nominee, Administrator, Receiver, an Administrative Receiver, a Liquidator or provisional Liquidator of a Company under this Law or any other DIFC Law unless he is registered as an insolvency practitioner under this Part.
- (2) Without limiting the generality of Article ~~122~~3(1), no insolvency practitioner may be appointed by the Court as:
  - (a) Liquidator under Articles 61, 76 or 90 of the Law; or
  - (b) provisional Liquidator under Article 91 of the Law,unless he is further registered as an official Liquidator under this Part.
- (3) The registration of an insolvency practitioner as an official Liquidator constitutes an acknowledgement of that insolvency practitioner that he will accept any appointment made by the Court as a Liquidator or provisional Liquidator to a Company in accordance with the provisions of any rules of procedure as may be made by the Court.

**~~124.~~123. Qualification and registration of insolvency practitioners**

- (1) In this Law, unless expressed otherwise, a reference to:
  - (a) an insolvency practitioner is a reference to an insolvency practitioner who is registered under this Law; and
  - (b) an official Liquidator is a reference to an official Liquidator who is registered under this Law.
- (2) The Board of Directors of the DIFCA shall make Regulations containing a set of requirements which an application for registration as an insolvency practitioner or as an official Liquidator shall meet before such application can be accepted and registration granted by the Registrar. Such Regulations may include requirements relating to the qualifications, experience and fitness and propriety of applicants, and any bonding arrangements that they must put in place.
- (3) The Board of Directors of the DIFCA may make Regulations providing for such requirements referred to in Article ~~123~~4(2) to be varied in cases where an application is made by a person who is, at the time of application, regulated in a jurisdiction other than the DIFC.
- (4) The Registrar may in his absolute discretion refuse to grant an application for registration of an insolvency practitioner or an official Liquidator.
- (5) The Registrar may cancel the registration of an insolvency practitioner or an official Liquidator on that person's request or as otherwise provided under this Law.

**~~125.~~124. Register of insolvency practitioners and official Liquidators**

- (1) The Registrar shall publish and maintain registers of current and past registrations of insolvency practitioners and official Liquidators in such manner as may be prescribed in the Regulations.
- (2) The Registrar shall make a reasonably current version of any registers maintained under this Article freely available for viewing by the public on the website of the DIFC.

**~~126.~~125. Obligation of disclosure to the Registrar**

- (1) Subject to Article ~~125~~6(2), an insolvency practitioner appointed to a Company shall disclose to the Registrar, and where the Company is an Authorised Person to the DFSA, any matter which reasonably tends to show one (1) of the following:

- (a) a breach, or likely breach of a provision of the Law, Regulations, other Legislation administered by the Registrar or other legislation administered by the DFSA as applicable;
  - (b) a failure, or likely failure, to comply with any obligation that a person is subject to under such legislation; or
  - (c) any other matter as the Board of Directors of the DIFCA may prescribe in Regulations, which may be attributable to the conduct of the relevant Company or of its Officers, employees or agents.
- (2) Article 1256(1) shall not apply to the extent that compliance with such requirement would disclose a Privileged Communication.
- (3) Any provision in an agreement between a Company and an Officer, employee, agent or insolvency practitioner is void in so far as it purports to hinder any person from causing or assisting a Company to comply with an obligation under Article 1256(1).
- (4) No person shall be subjected to detriment or loss or damage merely by reason of undertaking any act to cause or assist an insolvency practitioner to comply with an obligation under Article 1256(1).
- (5) A Court may, on application of an aggrieved person, make any order for relief where the person has been subjected to any such detriment or loss or damage referred to in Article 1256(4).
- (6) Without limiting the application of any other provision of this Law, an insolvency practitioner does not contravene any duty to which he is subject merely, because he gives the Registrar or the DFSA (as applicable):
- (a) a notification as required under this Article; or
  - (b) any other information or opinion in relation to any such matter,

**127-126.Supervision of insolvency practitioners**

- (1) The Court may, on application of the Registrar, and upon being satisfied that an insolvency practitioner:
- (a) has contravened a provision of the Law, Regulations, or other Legislation administered by the Registrar; or
  - (b) has failed, whether within or outside the DIFC, to carry out or perform duties or functions adequately or properly; or
  - (c) is otherwise not a fit and proper person to remain registered as an insolvency practitioner or, where applicable, as an official Liquidator,
- make one or more of the following orders:
- (d) an order that the Registrar may cancel, or suspend for a specified period, the registration of the insolvency practitioner or as an official Liquidator;
  - (e) an order imposing conditions or restrictions on the future conduct of the insolvency practitioner;
  - (f) an order requiring the insolvency practitioner to do, or refrain from doing, any act or thing; or
  - (g) any other order as the Court sees fit.
- (2) For the avoidance of doubt:

- (a) any cancellation or suspension of the registration of a person as an insolvency practitioner is deemed to constitute a cancellation or suspension of any registration of the person as an official Liquidator; and
  - (b) the imposition of any condition or restriction on the future conduct of an insolvency practitioner is deemed, as the context may permit, to constitute the imposition of such a condition or restriction on the future conduct of the insolvency practitioner acting in his capacity as an official Liquidator.
- (3) Nothing in this Article affects the powers that any person or the Court may have apart from this Article.

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**PART 11: MISCELLANEOUS**

**125.127. Power to make Regulations and waivers and modifications of the Law and Regulations**

- (1) The Board of Directors of the DIFCA may make Regulations for the purposes of this Law to facilitate the administration of, or further the objects of, this Law.
- (2) Without limiting the generality of Article 1287(1), such Regulations may be made in respect of:
  - (a) the practice and procedures under this Law including the valuation of ~~L~~liabilities, the ranking of debts (other than preferential debts) and the identification and application of assets; and
  - (b) ~~the powers to waive and modify the Law or Regulations are contained in Article 60 of the Operating Law 2018, which shall apply to this Law and the Regulations. extending, excluding, waiving or modifying the application of provisions of this Law as may appear to the Board of Directors of DIFCA to be necessary or desirable to amend the powers, duties or responsibilities of any person under this Law.~~
- (3) Without limiting the generality of Article 1287(1), Regulations under this Article may:
  - (a) make different provisions for different cases or circumstances including different descriptions of Companies and different descriptions of creditors;
  - (b) include supplementary, incidental and consequential provision;
  - (c) require the doing of an act or thing, the default of which may result in a fine payable under the Operating Law; and
  - (d) make transitional provision and savings.
- (4) Article 1287(2) shall apply not only in relation to Regulations made under Article 1287(1) on or after the date on which this Law comes into force, but also in relation to Regulations made under a provision equivalent to Article 1287(1) before that date.
- (5) Where any legislation made for the purposes of this Law purports to be made in exercise of a particular power or powers, it shall be taken also to be made in the exercise of all powers under which it may be made.
- (6) Articles 46 and 47 of the Operating Law apply to the making of Regulations in the manner prescribed under Article 1404 of this Law.

**126.128. Getting in the Company's property**

- (1) This Article 1289 applies in the case of a Company where:
  - (a) a Receiver or Administrative Receiver is appointed;
  - (b) an Administrator is appointed;
  - (c) the Company goes into Liquidation; or
  - (d) a provisional Liquidator is appointed,

and the “office-holder” means the Receiver, the Administrative Receiver, the Administrator, the Liquidator or the provisional Liquidator, as the case may be.
- (2) Where any person has in his possession or control any property, books, papers or records to which the Company appears to be entitled, the Court may, on application by an office-holder, require that person within a reasonable period (or within such period as the Court may direct) to pay, deliver, convey, surrender or transfer the property, books, papers or records to the office- holder.

- (3) Where the office-holder:
- (a) seizes or disposes of any property which is not property of the Company; and
  - (b) at the time of seizure or disposal believes, and has reasonable grounds for believing, that he is entitled (whether in pursuance of an order of the Court or otherwise) to seize or dispose of that property,

the office-holder is not liable to any person in respect of any loss or damage resulting from the seizure or disposal (except in so far as that loss or damage is caused by the office-holder's own negligence), and has a lien on the property, or the proceeds of its sale, for such expenses as were incurred in connection with the seizure or disposal.

**127-129. Duty to co-operate with office-holder**

- (1) This Article ~~129~~<sup>30</sup> applies in the cases mentioned in Article ~~128~~<sup>9</sup>(1).
- (2) Each of the persons mentioned in Article ~~130~~<sup>129</sup>(3) shall:
  - (a) give to the office-holder such information concerning the Company and its promotion, formation, business, dealings, affairs or property as the office-holder may at any time after the effective date (as defined in Article ~~130~~<sup>129</sup>(4)) reasonably require;
  - (b) attend on the office-holder at such times as the latter may reasonably require.
- (3) The persons referred to in Article ~~129~~<sup>130</sup>(2) are:
  - (a) those who are or have at any time been Officers of the Company;
  - (b) those who have taken part in the formation of the Company at any time up to one (1) year before the effective date (as defined in Article ~~129~~<sup>130</sup>(4));
  - (c) those who are in the employment of the Company, or have been in its employment (including employment under a contract for services) within that year, and are in the office-holder's opinion capable of giving information which he requires;
  - (d) those who are, or have within that year been, Officers of, or in the employment (including employment under a contract for services) of, another Company which is, or within that year was, an Officer of the Company in question; and
  - (e) in the case of a Company being wound up by the Court, any person who has acted as a Receiver, Administrative Receiver, Administrator, provisional Liquidator or Liquidator of the Company.
- (4) For the purposes of Articles ~~130~~<sup>129</sup>(2) and (3), the "effective date" is whichever is applicable of the following dates:
  - (a) the date on which the Receiver or Administrative Receiver was appointed or, if he was appointed in succession to another Receiver or Administrative Receiver, the date on which the first of his predecessors was appointed;
  - (b) the date on which the Administrator was appointed;
  - (c) the date on which the provisional Liquidator was appointed; and
  - (d) the date on which the Company went into Liquidation.
- (5) Any person referred to in Article ~~130~~<sup>129</sup>(3) that fails to comply with the obligations in this Article shall be liable to a fine, as set out in Schedule 5.

**128-130. Inquiry into Company's dealings**

- (1) The Court may order:
  - (a) any Officer of the Company;
  - (b) any persons known or suspected to:
    - (i) have in his possession any property of the Company or
    - (ii) be indebted to the Company; or
  - (c) any person whom the Court thinks capable of giving information concerning the promotion, formation, business, dealings, affairs or property of the Company,  
  
to produce to it or to the office holder an account of his dealings with the Company or any books, papers or records in his possession relating to the Company or to any such dealings.
- (2) Any person that fails to comply with the obligations in this Article shall be liable to a fine, as set out in Schedule 5.

**129-131. Transactions at an undervalue**

- (1) This Article ~~132~~1 applies in the case of a Company where:
  - (a) an Administrator is appointed; or
  - (b) the Company goes into Liquidation; or
  - (c) a provisional Liquidator is appointed,and the “office-holder” means the Administrator, Liquidator or the provisional Liquidator, as the case may be.
- (2) Where the Company has at a relevant time (defined in Article ~~135~~4) entered into a transaction with any person at an undervalue, the Court may, on application of the office-holder, make an order restoring the position to what it would have been if the Company had not entered into that transaction.
- (3) A Company enters into a transaction with a person at an undervalue if it makes a gift to that person or otherwise enters into a transaction with that person on terms that provide for the Company to receive no consideration, or consideration the value of which, in money or money's worth, that is significantly less than the value, in money or money's worth, of the consideration provided by the Company.
- (4) The Court shall not make an order under this Article ~~131~~2 in respect of a transaction at an undervalue if it is satisfied:
  - (a) that the Company which entered into the transaction did so in good faith and for the purpose of carrying on its business; and
  - (b) that at the time it did so there were reasonable grounds for believing that the transaction would benefit the Company.

**130-132. Preferences**

- (1) This Article applies in the circumstances prescribed in Article ~~132~~1(1).
- (2) Where the Company has at a relevant time (defined in Article ~~135~~4) given a preference to any person, the Court may, on application of an office-holder (as defined in Article ~~132~~1), make an order restoring the position to what it would have been if the Company had not given that preference.

- (3) For the purposes of this Article 133~~2~~ a Company gives a preference to a person if:
- (a) that person is one (1) of the Company's creditors or a surety or guarantor for any of the Company's debts or other L liabilities; and
  - (b) the Company does anything or suffers anything to be done which (in either case) has the effect of putting that person into a position which, in the event of the Company going into insolvent Liquidation, will be better than the position he would have been in if that thing had not been done.
- (4) The Court shall not make an order under this Article 132~~3~~ in respect of a preference given to any person unless the Company which gave the preference was influenced in deciding to give it by a desire to produce in relation to that person the effect mentioned in Article 132~~3~~(3)(b).
- (5) A Company which has given a preference to a person connected with the Company (otherwise than by reason only of being its employee) at the time the preference was given is presumed, unless the contrary is shown, to have been influenced in deciding to give it by such a desire as is mentioned in Article 132~~3~~(4).

**~~131-133.~~ 133. Invalid security interests**

- (1) Where a Company becomes insolvent, a Security Interest ~~security interest~~ in all or substantially all of the Company's property is invalid where:
- (a) the Security Interest ~~security interest~~ is created in favour of a person connected with the Company and was created within two (2) years ending with the date on which the Company goes into Liquidation or an Administrator is appointed pursuant to a rehabilitation proposal; or
  - (b) the Security Interest ~~security interest~~ is created in favour of any person within one (1) year ending with the date on which the Company goes into Liquidation or an Administrator is appointed pursuant to a rehabilitation proposal and the Company either was at the date of the creation or became pursuant to the transaction in respect of which the charge was created unable to pay its debts as they fell due; or
  - (c) the Security Interest ~~security interest~~ was created after the commencement of a Voluntary Arrangement.
- (2) Article 133~~4~~(1) does not invalidate a Security Interest ~~security interest~~ to the extent of the value transferred to the Company or Liabilities of the Company released as a result of the transaction giving rise to the grant of the security interest.

**~~132-134.~~ 134. Relevant time under Articles 132~~1~~ and 132~~3~~**

- (1) The time at which a Company enters into a transaction at an undervalue or gives a preference is a relevant time if the transaction is entered into, or the preference given:
- (a) in the case of a transaction at an undervalue or of a preference which is given to a person who is connected with the Company (otherwise than by reason only of being its employee), at a time in the period of two (2) years ending with the date on which the Company goes into Liquidation or an Administrator is appointed pursuant to a rehabilitation proposal; and
  - (b) in the case of a preference which is not such a transaction and is not so given, within a period of six (6) months ending with the date on which the Company goes into Liquidation or an Administrator is appointed.

**~~133-135.~~ 135. Application of other laws in relation to receivership and winding up**

- (1) The provisions of this Law and Regulations are subject to the application of other DIFC Laws and rules and regulations made under those laws which may be inconsistent with or otherwise extend,



exclude, modify, or waive the application of provisions of this Law and Regulations in relation to companies.

- (2) In particular, and without limiting the generality of Article 1365(1), such other laws, rules or regulations may provide for the orderly conduct of affairs or winding up of a Company which is licensed as an Authorised Firm or Authorised Market Institution under the Regulatory Law in relation to which the legislation may prescribe procedures and priorities for the dealing with assets of the Company or other persons in the event of pending or actual Insolvency or other default.

**134-136. Power of Court to declare dissolution of Company void**

- (1) Where a Company has been dissolved under this Law or the Operating Law, the Court may at any time within six (6) years of the date of the dissolution, on an application made for the purpose by a Liquidator of the Company or by any other person appearing to the Court to be interested, make an order, on such terms as the Court sees fit, declaring the dissolution to have been void and the Court may by the order give such directions and make such determination as it thinks just for placing the Company and all other persons in the same position as nearly as may be as if the Company had not been dissolved.
- (2) Upon the Court making an order under Article 1367(1), such proceedings may be taken which might have been taken if the Company had not been dissolved.

**135-137. Contraventions and administrative notice of fine**

- (1) Where:
  - (a) a provision of the Law or of the Regulations provides that a failure to comply with a provision constitutes a contravention and prescribes a maximum fine in relation to the contravention; and
  - (b) the Registrar considers that a person has committed such a contravention,the Registrar may impose by written notice given to the person a fine, in respect of the contravention, of such amount as he considers appropriate but not exceeding the prescribed maximum amount in respect of each contravention. The imposition of a fine under this Law and Regulations is subject to the Decision Making Procedures.
- (2) If a person is knowingly concerned in such a contravention committed by another person, the aforementioned person as well as the other person commits a contravention and is liable to be proceeded with and dealt with under Article 1387(1).
- (3) If, within the period specified in the notice issued under Article 1387(1):
  - (a) the person pays the fine imposed by the Registrar, then no proceedings may be commenced by the Registrar against the person in respect of the relevant contravention; or
  - (b) the person takes such action as is prescribed in the Regulations as applicable under Article 1378(4) to object to the imposition of the fine or has not paid the imposed fine to the Registrar, then the Registrar may apply to the Court for, and the Court may so order, the payment of the fine or so much of the fine as is not paid and make any further order as the Court sees fit for recovery of the fine.
- (4) The Operating Law applies in relation to the giving of a notice under this Article with such modifications as the context requires for the purpose of giving effect to that legislation as applied by this Law.
- (5) A certificate that purports to be signed by the Registrar and states that a written notice was given to a person pursuant to Article 1387(1) imposing a fine on the basis of specific facts is:
  - (a) conclusive evidence of the giving of the notice to the person; and

- (b) prima facie evidence of the facts contained in the notice, in any proceedings commenced under Article 1387(3).
- (6) Nothing in this Article limits the powers that the Registrar may otherwise have in relation to a failure to comply with the Law or Regulations, including the powers under the Companies Law or Operating Law, to issue and enforce a direction to a Company or any Officer of it to make good a failure.

**136-138. Remote attendance at meetings**

- (1) Subject to Article 1389(2), this Article applies to:
  - (a) any meeting of the creditors of a Company summoned under this Law or the Regulations; or
  - (b) any meeting of the Shareholders of a Company summoned by the Office-holder (as defined in Article 1398(10) under this Law or Regulations, other than a meeting of the Shareholders of the Company in a Members' Voluntary Winding Up.
- (2) This Article does not apply where a Receiver or an Administrative Receiver is appointed under Part 5 of the Law.
- (3) Where the person summoning a meeting (“the convener”) considers it appropriate, the meeting may be conducted and held in such a way that persons who are not present together at the same place may attend it.
- (4) Where a meeting is conducted and held in the manner referred to in Article 1398(3), a person attends the meeting if that person is able to exercise any rights which that person may have to speak and vote at the meeting.
- (5) For the purposes of this Article:
  - (a) a person is able to exercise the right to speak at a meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting; and
  - (b) a person is able to exercise the right to vote at a meeting when:
    - (i) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and
    - (ii) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.
- (6) The convener of a meeting which is to be conducted and held in the manner referred to in Article 1389(3) shall make whatever arrangements the convener considers appropriate to:
  - (a) enable those attending the meeting to exercise their rights to speak or vote, and
  - (b) ensure the identification of those attending the meeting and the security of any electronic means used to enable attendance.
- (7) Where in the reasonable opinion of the convener:
  - (a) a meeting will be attended by persons who will not be present together at the same place, and
  - (b) it is unnecessary or inexpedient to specify a place for the meeting,

any requirement under this Law or the Regulations to specify a place for the meeting may be satisfied by specifying the arrangements the convener proposes to enable persons to exercise their rights to speak or vote.

- (8) In making the arrangements referred to in Article 1398(6) and in forming the opinion referred to in Article 1398(7)(b), the convener shall have regard to the legitimate interests of the members and others attending the meeting and to the efficient dispatch of the business of the meeting.
- (9) If:
- (a) the notice of a meeting does not specify a place for the meeting,
  - (b) the convener is requested in accordance with the Regulations to specify a place for the meeting, and
  - (c) that request is made by members representing not less than ten percent (10%) of the total voting rights of all the members having at the date of the request a right to vote at the meeting,

it shall be the duty of the convener to specify a place for the meeting.

- (10) In this Article 1398, “the office-holder”, in relation to a Company, means:
- (a) its Liquidator or provisional Liquidator of a Company, or
  - (b) its Rehabilitation Nominee; or
  - (c) its Administrator; or
  - (d) its Nominee or Supervisor.

**137-139. Use of websites**

- (1) Subject to Article 13840(2), where any provision of this Law or the Regulations requires the office-holder (as defined in Article 1389(10)) to give, deliver, furnish or send a notice or other document or information to any person, that requirement is satisfied by making the notice, document or information available on a website:
- (a) in accordance with the Regulations, and
  - (b) in such circumstances as may be prescribed.

**138-140. Public Register**

The events specified in this Article 1404 shall be notified to the Registrar by the person specified in each case within seven (7) days of the occurrence of the event:

- (a) the date of commencement and the date of cessation of:
  - (i) a Voluntary Arrangement by the Nominee (in the case of commencement) and by the Nominee or the Supervisor as applicable (in the case of cessation);
  - (ii) a Receivership by the Receiver or the Administrative Receiver as applicable;
  - (iii) a Rehabilitation by the Rehabilitation Nominee;
  - (iv) an Administration by the Administrator; and
  - (v) a Liquidation by the Liquidator or provisional Liquidator (as the case may be);
- (b) the name, address, date of appointment and date of vacation of office of:

- (i) each Nominee and Supervisor of a Voluntary Arrangement;
  - (ii) each Rehabilitation Nominee of a Rehabilitation;
  - (iii) each Administrator of an Administration;
  - (iv) each office-holder; and
- (c) the date of the dissolution of the Company by the Liquidator.

.....

**SCHEDULE 1  
INTERPRETATION**

.....

**1. Rules of interpretation**

- (1) In this Law, unless otherwise provided, a reference to:
  - (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) “person” includes any natural person, body corporate or body unincorporate, including a Company, partnership, unincorporated association, government or state;
  - (c) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in this Law, include publishing or causing to be published in printed or electronic form;
  - (d) a “day” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar day which is either a ~~Friday or Saturday~~, Sunday or an official public holiday, the obligation shall take place on the next calendar day which is a business day;
  - (e) a “business day” means a calendar day, excluding Saturdays, Sundays and official public holidays;
  - (f) a “week” shall mean a calendar week or seven (7) days, whichever is applicable in the circumstances;
  - (g) a “month” shall mean a period of thirty (30) days;
  - (h) a “year” shall mean a period of three hundred and sixty five (365) days and a “calendar year” shall mean a year of the Gregorian calendar;
  - (i) a reference to the masculine gender includes the feminine and vice versa;
  - (j) the singular shall include the plural and vice versa;
  - (k) "dollar" or "\$" is a reference to United States Dollars unless the contrary intention appears; and
  - (l) this Law includes any Regulations made under this Law.
- (2) The headings in the Law shall not affect its interpretation.
- (3) References in this Law to a body corporate include a company incorporated outside the DIFC.
- (4) A reference in this Law to a Part, Chapter, Article or Schedule by number only, and without further identification, is a reference to the Part, Chapter, Article or Schedule of that number in this Law.
- (5) A reference in an Article or other division of this Law to an Article by number or letter only, and without further identification, is a reference to the Article of that number or letter contained in the Article or other division of this Law in which that reference occurs.
- (6) Unless the context otherwise requires, where this Law refers to an enactment, the reference is to that enactment as amended from time to time, and includes a reference to that enactment as extended or applied by or under another enactment, including any other provision of that enactment.
- (7) References in this Law to writing, filing, instrument or certificate include any mode of communication that preserves a record of the information contained therein and is capable of being reproduced in tangible form, including electronic means. For the avoidance of doubt, a Company may, with the consent of a Shareholder, communicate with that Shareholder by electronic means.

**3. Defined terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

<b>Term</b>	<b>Definition</b>
Adequate Protection	<del>shall mean</del> an interest reasonably sufficient to protect the holder of a valid <del>security interest</del> <u>Security Interest</u> against a diminution in the value of such <del>security interest</del> <u>Security Interest</u> to the extent such diminution is occasioned by the moratorium, any grant of a Security Interest pursuant to Article 31 or the Company's use, sale, or Lease of the property subject to such <del>security interest</del> <u>Security Interest</u> following <u>the Rehabilitation Plan</u> . <del>Rehabilitation Plan Notification.</del>
Administration	<del>means</del> the procedure under Part 4.
Administrative Receiver	has the meaning in Article 42(5).
Administrator	has the meaning given to it in Article 22(2) of Part 3.
Appointed Publication	has the meaning given to it in the Companies Law.
Articles of Association	has the meaning given to it in the Companies Law.
Authorised Firm	has the meaning set out in the Regulatory Law.
Authorised Market Institution	has the meaning set out in the Regulatory Law.
Authorised Person	has the meaning set out in the Glossary.
Board of Directors of the DIFCA	the governing body of the DIFCA.
Companies Law	the Companies Law DIFC Law No. 5 of 2018.
Company	a company incorporated under the Companies Law.
Company Voluntary Arrangement	<del>means</del> the procedure under Part 2.
Contributory	any person who, on the commencement of any insolvency procedure in respect of a Company, was at the date of commencement of that procedure liable to contribute any amount to the share capital of the Company, either by way of unpaid calls on shares or otherwise.
Court	the DIFC Court as established under Dubai Law.
Creditors' Committee	<del>means</del> a committee of creditors established in accordance with Article 50.
Creditors' Voluntary Winding Up	a winding up other than a Members' Voluntary Winding Up.
Decision Making Procedures	has the meaning given to the term in the Operating Law.
Designated Members	has the meaning given to the term in the Limited Liability Partnership Law.
DFSA	the Dubai Financial Services Authority.
DIFC	the Dubai International Financial Centre.

<b>Term</b>	<b>Definition</b>
DIFC Law	has the meaning given in Article 2 of Schedule 1 to the Law.
DIFCA	the DIFC Authority established under Dubai Law.
Directions Hearing	<del>means</del> the court hearing at which the classification creditors, proposed notice of meetings and voting procedures are considered in accordance with Article 24(3).
Director	has the meaning given to it in the Companies Law.
Dubai Law	has the meaning given in Paragraph 2 of Schedule 1 to the Law.
<u>Final Account</u>	<u>the account required under Article 63, Article 74 or Article 95 of the Law (as applicable)</u>
Financial Collateral	has the meaning given to the term in regulations issued under Article 44 of the Security Law.
Foreign Company	has the meaning given to it in the Companies Law.
General Meeting	has the meaning given to it in the Companies Law.
Glossary	the Glossary module of the DFSA.
Insolvency	has the meaning given in Article 4(1) of Schedule 1 to the Law.
Lease	has the meaning as defined in the Real Property Law DIFC Law No. 10 of 2018.
Lessee	has the meaning as defined in the Real Property Law DIFC Law No. 10 of 2018.
Lessor	has the meaning as defined in the Real Property Law DIFC Law No. 10 of 2018.
Liability	<del>means</del> a liability to pay money or money's worth, including any liability under an enactment, any liability for breach of trust, any liability in contract, tort or bailment, and any liability arising out of an obligation to make restriction or as otherwise defined in the Law of Obligations DIFC Law No. 5 of 2005.
Limited Liability Partnership	a partnership with limited liability established under the Limited Liability Partnership Law (DIFC Law No. 5 of 2004).
Liquidating Company	has the meaning set out in Article 116(1).
Liquidation	<del>means</del> the procedures under Part 6.
Liquidation Committee	a committee appointed in accordance with Article 69(1) or 92(1), as the case may be.
Liquidator	includes, where the context allows, a Liquidator appointed provisionally.

<b>Term</b>	<b>Definition</b>
Liquidator's Report	the report required under Article 62, Article 73 or 101 of the Law (as applicable) having the content set out in Appendix 4 of the Regulations.
Members' Voluntary Winding Up	a winding up in the case of which a Director's statutory declaration has been made in accordance with Article 59.
Nominee	a person appointed to act in relation to a Voluntary Arrangement in accordance with Article 7(2).
Notification Date	has the meaning given to it in Article 15(2).
Officer	has the meaning given to it in the Companies Law.
Operating Law	<del>means</del> the Operating Law No. 7 of 2018.
Ordinary Resolution	has the meaning given to it in the Companies Law.
Post Plan Hearing	<del>means</del> the hearing at which the Court considers whether or not to sanction the Rehabilitation Plan in accordance with Article 27.
Privileged Communication	a communication attracting a privilege arising from the provision of professional legal advice and any other advice or from the relationship of lawyer and client or other similar relationship, but does not include a general duty of confidentiality.
Public Register	has the meaning given to it in the Companies Law.
Receiver	has the meaning in Article 42(1).
Receivership	<del>means</del> the procedure under Part 5.
Recognised Company	has the meaning given to it the Companies Law.
Registrar	the Registrar of Companies appointed under the Companies Law.
Regulations	has the meaning given in Article 2 of Schedule 1 to the Law.
Regulatory Law	the Regulatory Law DIFC Law No. 1 of 2004.
Rehabilitation	means the procedure under Part 3.
Rehabilitation Nominee	means the insolvency practitioner appointed by the board of the company in accordance with Article 20.
Rehabilitation Plan	is the arrangement proposed to the creditors and/or Shareholders of the Company under Part 3.
<del>Rehabilitation Plan Notification</del>	<del>has the meaning given to it in Article 15.</del>
Resolution for Voluntary Winding Up	a resolution passed under Article 54.



<b>Term</b>	<b>Definition</b>
Ruler	the ruler of the Emirate of Dubai.
Schedule	a schedule to the Law.
Security Interest	has the meaning set out in the Security Law.
Security Law	the Security Law DIFC No. 8 of 2005.
Shareholder	has the meaning given to it in the Companies Law.
<u>Statement of Affairs</u>	<u>has the meaning given to the term in the Regulations.</u>
Supervisor	has the meaning set out in Article 12(2).
UNCITRAL Model Law	<del>means</del> the Model Law on cross border insolvency as adopted by the United Nations Commission on International Trade Law on 30 May 1997.
Unimpaired	<del>means</del> where a class of creditors or Shareholders, and each holder of a claim or interest of such class is unaffected under the terms of the Rehabilitation Plan.
Voluntary Arrangement	has the meaning set out in Article 8(1).

**SCHEDULE 5  
FINES**

<i>Article</i>	<i>Contravention</i>	<i>Maximum Fine (USD)</i>
38(4)	Administrator failing to submit copy of the Court order discharging the Administrator to the Registrar	\$100 per day
39(4)	Administrator failing to submit copy of the Court order discharging or varying the order appointing the Administrator	\$100 per day
53(4)	Officer failing to co-operate with the Liquidator	\$15,000
59(4)	Director making a statutory declaration of solvency without reasonable grounds	\$20,000
62(23)	Liquidator failing to make a year-end <u>Liquidator's Report</u> <del>report</del> in a Members' Voluntary Winding Up	\$5,000
63(4)	Liquidator failing to comply with the requirements in respect of a <u>Final Account</u> <del>final account</del> on the conclusion of a Members' Voluntary Winding Up	\$5,000
73(23)	Liquidator failing to make a <u>Liquidator's Report</u> <del>year-end report</del> in a Creditors' Voluntary Winding Up	\$5,000
74(5)	Liquidator failing to comply with the requirements in respect of a <u>Final Account</u> <del>final account</del> on the conclusion of a Creditors' Voluntary Winding Up	\$5,000
95(5)	<u>Liquidator failing to comply with the requirements in respect of a Final Account on the conclusion of compulsory winding up.</u>	<u>\$5,000</u>
101(3)	<u>Liquidator failing to make a year-end Liquidator's Report in a compulsory winding up.</u>	<u>\$5,000</u>
116(2)	Restriction on the re-use of Company names	\$10,000
129 <del>30</del> (5)	Relevant person failing to comply with the duty to co-operate with the office-holder	\$15,000
134 <del>0</del> (2)	Relevant person failing to provide an account of dealings to the office- holder	\$15,000

**PART 4: AMENDMENTS TO ELECTRONIC TRANSACTIONS LAW 2017**

9. The Electronic Transactions Law 2017 is amended as prescribed in this Part.
10. Schedule 1 of the Electronic Transactions Law 2017 is to be amended by deleting the struck through text as shown below:

.....

**SCHEDULE 1**

**1. Rules of interpretation**

- (1) In this Law, a reference to:
  - (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) company, partnership, unincorporated association, government or state;
  - (c) a calendar year shall mean a year of the Gregorian calendar;
  - (d) a day shall refer to a business day, being a ~~normal working day in the DIFC~~ calendar day, excluding Saturdays, Sundays and official public holidays;
  - (e) reference to the masculine gender includes the feminine and vice versa; and
  - (f) where relevant, the singular shall include the plural and vice versa.
- (2) The headings in this Law shall not affect its interpretation.
- (3) References in this Law to a body corporate include a body corporate incorporated outside DIFC.
- (4) A reference in this Law to a Part, Article or Schedule by number only, and without further identification, is a reference to the Part, Article or Schedule of that number in this Law.
- (5) A reference in an Article or other division of this Law to a paragraph, sub-paragraph or Article by number or letter only, and without further identification, is a reference to the paragraph, sub-paragraph or Article or other division of this Law in which that reference occurs.

.....

**3. Defined terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
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.....

Centre Body	has the meaning given in <del>DIFC Law No. 9 of 2004</del> <u>Dubai Law No. 9 of 2004 (as repealed and substituted by Dubai Law No. 5 of 2021).</u>
Electronic Signature	an Electronic sound, symbol or process attached to or logically associated with a <del>Record</del> and executed or adopted by a person with the intent to sign the record.

.....

- 11. Schedule 2 of the Electronic Transactions Law 2017 is to be amended by deleting the struck through text as shown below:

SCHEDULE 2

1. Matters excluded by Article 8

Parts 3, 4 and 5 of this Law shall not apply to the following matters:-

- (a) The creation, performance or enforcement of a power of attorney.
- (b) The creation, performance or enforcement of a declaration of trust (with the exception of implied, constructive and resulting trusts) and any provision in the ~~Trust Law 2005 (DIFC Law No. 11 of 2005, as amended)~~ Trust Law 2018 (DIFC Law No.4 of 2018, as amended) requiring Information to be written or in writing.
- (c) The creation and execution of wills, codicils or testamentary trusts.
- (d) The creation, execution and use of affidavits or affirmations as evidence in court proceedings pursuant to rule 29 of the Rules of the Dubai International Financial Centre Courts 2014.
- ~~(e) Transactions involving the sale, purchase, lease (for a term of more than 10 years) and other disposition of immovable property and the registration of other rights relating to immovable property.~~

.....

**PART 5: AMENDMENTS TO TRUST LAW 2018**

12. The Trust Law 2018 is amended as prescribed in this Part.
13. Schedule 1 of the Trust Law 2018 is to be amended by inserting the underlined text and deleting the struck through text as shown below:

.....

SCHEDULE 1

.....

**1. Rules of interpretation**

- (1) In the Law, a reference to:
  - (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) a “person” includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
  - (c) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in the Law, includes publishing or causing to be published in printed or electronic form;
  - (d) a “day” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar day which is either a ~~Friday or Saturday~~, Sunday or an official public holiday, the obligation shall take place on the next calendar day which is a business day;
  - (e) a “business day” means a calendar day, excluding Saturdays, Sundays and official public holidays;
  - (f) a “week” shall mean a calendar week or seven (7) days, whichever is applicable in the circumstances;
  - (g) a “month” shall mean a period of thirty (30) days;
  - (h) a “year” shall mean a period of three hundred and sixty five (365) days and a “calendar year” shall mean a year of the Gregorian calendar;
  - (i) a reference to the masculine gender includes the feminine and vice versa;
  - (j) the singular shall include the plural and vice versa; and
  - (k) “dollar” or “\$” is a reference to United States Dollars unless the contrary intention appears.

**3. Defined terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
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ultimate beneficial owners	<p><del>has the meaning given in Article 61(3) of the Operating Law.</del> <u>a natural person (other than a person acting solely in the capacity of a professional adviser or professional manager) who:</u></p> <ul style="list-style-type: none"> <li>(a) <u>in relation to a company, owns or controls (directly or indirectly):</u> <ul style="list-style-type: none"> <li>(i) <u>shares or other ownership interests in the company of at least the Relevant Percentage;</u></li> <li>(ii) <u>voting rights in the company of at least the Relevant Percentage; or</u></li> </ul> </li> </ul>
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	<p>(iii) <u>the right to appoint or remove the majority of the directors of the company;</u></p> <p>(b) <u>in relation to a partnership, has the legal right to exercise, or actually exercises, significant control or influence over the activities of the partnership;</u> <u>or</u></p> <p>(c) <u>in relation to a foundation or a non profit incorporated organisation, has the legal right to exercise, or actually exercises, significant control or influence over the activities of the governing body, person or other arrangement administering the property or carrying out the objects of the foundation or the Non Profit Incorporated Organisation.</u></p> <p><u>If no natural person is identified as an ultimate beneficial owner in accordance with the above, any natural person upon whose instructions the body corporate is required or is accustomed to act, shall be an ultimate beneficial owner.</u></p> <p><u>Beneficial ownership may be traced through any number of persons or arrangements of any description. If two (2) or more natural persons jointly own or control an ultimate beneficial interest, each of them is treated as owning or controlling that interest.</u></p>
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**PART 6: AMENDMENTS TO STRATA TITLE LAW 2007**

14. The Strata Title Law 2007 is amended as prescribed in this Part.
15. The following Articles of the Strata Title Law 2007 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

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**PART 2: STRATA SCHEMES**

**CHAPTER 1 - DIVISION OF REAL PROPERTY BY STRATA PLAN**

**9. Division of Real Property by Strata Plan**

- (1) Real Property for which one (1) or more Folios have been created under the Real Property Law may be divided into Lots, or into Lots and Common Property, by registering a Strata Plan as provided in this ~~Article~~ Part 9(1).
- (2) If the Real Property to be divided by a Strata Plan is comprised in two (2) or more Folios, the Registration of the Strata Plan effects any necessary consolidation of the Real Property contained in such Folios without the need for the Registration of any plan of consolidation.
- (3) Real Property may be divided both vertically and horizontally under this Law, but vertical division into more than one (1) vertical levels (or stratum) is not a necessary requirement of a Strata Development.
- (4) If Real Property is divided vertically, a Lot may be created entirely on one (1) level, or partially on one (1) level and partially on another or other levels. A Lot may comprise a number of parts within the Strata Development and such parts need not be contiguous.
- (5) A Strata Development may have more than one (1) layer of division and Strata Plan with the Strata Development being first divided into Principal Lots and Principal Common Property by a Principal Strata Plan and secondly one (1) or more Principal Lots being further divided into Lots and Common Property by a secondary Strata Plan or secondary Strata Plans.
- (6) A Body Corporate is established by operation of this Law for each Strata Scheme upon Registration of a Strata Plan.
- (7) Subject to planning controls, and the requirements of the DIFCA, the Master Developer and the Registrar, designated Lots and Common Property within a Strata Development may be designated for different Permitted Uses (for example, one (1) area within the Strata Development may be designated for residential use, another for commercial use, and another for retail use).
- (8) The Permitted Use of the Lots in a Strata Development must be specified in the Strata Management Statement and the Permitted Use of the Common Property must be specified on the Strata Plan.
- (9) The Owner must not use a Lot or any part of Common Property for any other use than the Permitted Use.
- (10) No change to the Permitted Use of a Lot or the Common Property may be made unless such change is made by way of Extraordinary Resolution and with the prior written approval of the Master Developer and the Registrar.

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**CHAPTER 2 - REQUIREMENTS FOR REGISTRATION OF A STRATA PLAN**

**11. Lodgement and Registration of Strata Plan**

- (1) A Strata Plan has no legal effect unless and until it is Registered.
- (2) A Strata Plan must be lodged with the Registrar for Registration by the Developer within one (1) month from Building Completion or such other period as approved by the Registrar. A Developer who breaches this Article 11(1) commits a contravention of this Law.
- (3) The Strata Plan must be accompanied by:

- (a) subject to Article 11(4), a certificate issued by the Relevant Authority that the Relevant Authority has approved the Strata Development and the construction of the Building;
  - (b) any other documents that may be required by the Registrar; and
  - (c) the Prescribed Fee.
- (4) Where the DIFCA, the Master Developer or a Relevant Authority has assented through a notification to the strata subdivision of a Building without needing planning approval, the as-built building plans as approved by the Relevant Authority may constitute the Strata Plan for the purposes of Article 10, if they are accompanied by a certificate from a Licensed Surveyor:
- (a) setting out the information required by Article 10; and
  - (b) certifying that the submitted Strata Plan is correct and that the separate areas within the Building accord with the areas that the Registered freehold Owner of the Real Property on which the Building stands has sold or agreed to sell.

If satisfied that the requirements for Registration have been complied with, the Registrar must register the Strata Plan.

- (5) If a Strata Plan has not been lodged with the Registrar for Registration by the Developer within one (1) month from Building Completion or such other period as approved by the Registrar, the ~~Registrar~~Register may make an Order that an interim Body Corporate be established by the Developer pending Registration of the Strata Plan.
- (6) If the ~~Registrar~~Register makes an Order that an interim Body Corporate be established by the Developer the Registrar shall specify in the Order what requirements the Developer must satisfy during such period which may include the calling of the first General Meeting, the election of the Management Committee and the appointment of a Body Corporate Manager notwithstanding the Body Corporate shall not be established until the Strata Plan is Registered.

## **12. Mortgages**

- (1) If, immediately before Registration of a Strata Plan, a Mortgage was Registered in the Folio or Folios for the entire Strata Development, then on Registration of the Strata Plan the Registrar must register the Mortgage in the Folio for each Lot created on Registration of the Strata Plan.
- (2) If, immediately before the Registration of the Strata Plan, a part of the Strata Development was subject to one (1) Mortgage and another part of the Strata Development was subject to another Mortgage, the Registrar must Register each Mortgage in the Folio for the Lot that corresponds most closely to the part of the Strata Development over which the Mortgage was granted.
- (3) The Registrar must not Register the Mortgage in the Folio for the Common Property.

## **13. Effect of Registration**

- (1) A Registered Strata Plan forms part of the Real Property Register.
- (2) On Registration of the Strata Plan, the Registrar must create Folios for:
  - (a) each Lot created by the Registration of the Strata Plan; and
  - (b) the Common Property.
- (3) When creating a Folio for a Lot, the Registrar must:
  - (a) if the Developer still owns the Lot, Register the Developer as the Owner of that Lot;
  - (b) if the Developer has transferred the Lot, and the Prospective ~~Owner~~ Purchaser has Registered such Real Property Interest in the Off Plan Register, the Registrar must Register

as the Owner the Prospective ~~Owner Purchaser~~ who, at the time of creation of the Folio, appears as the Prospective ~~Owner Purchaser~~ in the Off Plan Register upon written confirmation from the Developer that the Prospective ~~Owner Purchaser~~ has fully complied with its obligations under the Sale and Purchase Agreement; and

- (c) record on the Folio of the Lot that ownership of the Lot is subject to the benefits and burdens created under the Master Community Declaration and any Sale and Purchase Agreement, Principal Strata Management Statement or similar document applying to the Lot, as applicable.
- (4) When creating a Folio for the Common Property, the Registrar must Register the Body Corporate as the Registered Owner.
- (5) The following provisions apply to the Folio for the Common Property:
  - (a) Easements (other than Statutory Easements), Covenants and Caveats affecting the Strata Development are to be Registered in the Folio;
  - (b) dealings with the Common Property by the Body Corporate of a kind authorised under this Law are to be Registered in the Folio;
  - (c) the initial Strata Management Statement of the Body Corporate is to be Registered on the Folio;
  - (d) if the initial By-laws of the Body Corporate are not the ~~m~~Model By-laws in Schedule 1, that fact is to be Registered in the Folio and any changes to By-laws are to be Registered in the Strata Management Statement; and
  - (e) any amendments to the Strata Plan and the Strata Management Statement are to be Registered in the Folio.

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**CHAPTER 5 – LOT ENTITLEMENTS**

**22. Change of Lot Entitlements**

- (1) The Lot Entitlements created by the Registration of a Strata Plan may be changed with the prior written approval of the Registrar:
  - (a) by Extraordinary Resolution of a Body Corporate;
  - (b) by an Order of the Registrar under ~~Article 90~~ Part 11090, where an application for relief has been made by an interested party under Article 90; or
  - (c) if the total Lot Entitlements of all of the Lots are not affected, by agreement between the Owners of the Lots subject to the change and with the consent of the Registered Mortgagees and Occupiers of the Lots.
- (2) The Registrar may dispense with a Mortgagee’s and Occupier’s consent under Article 22(1)(c) if satisfied that the Mortgagee’s or Occupier’s interests would not be prejudiced by the change of Lot Entitlement or if the Mortgagee’s or Occupier has unreasonably withheld consent.
- (3) A change of Lot Entitlements under Article 22(1) does not take effect until the Strata Management Statement is changed by Registration of an amendment including the change.
- (4) This Article does not limit other ways in which Lot Entitlements may change under this Law.

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**CHAPTER 10 – TERMINATION OF STRATA SCHEME**

**37. Effect of cancellation**

On cancellation of a Strata Scheme:

- (a) the Strata Development vests in the former Owners of the Lots, as tenants in common ~~Tenants in Common~~, in shares proportionate to the respective Lot Entitlements of their Lots;
- (b) the Body Corporate is dissolved, and any outstanding rights and liabilities of the Body Corporate attach to the Owners in shares proportionate to the respective Lot Entitlements of their Lots; and
- (c) any Mortgage or other encumbrance Registered over a Lot attaches to the interest of the former Owner of the Lot in the Strata Development.

**38. Registration of cancellation**

On cancelling a Strata Scheme, the Registrar must:

- (a) cancel existing Folios related to the former Strata Scheme; and
- (b) create a new Folio for the Strata Development to give effect to this Chapter.

**39. Reinstatement of Buildings**

- (1) If a Building within the Strata Development is damaged or destroyed, a scheme for reinstating the Building in whole or in part may be approved under this Article.
- (2) A reinstatement scheme referred to in Article 0 may be approved:
  - (a) by agreement in writing between all interested parties approved by the Registrar; or
  - (b) by Order of the Registrar made on application by an interested party.
- (3) A reinstatement scheme may:
  - (a) direct how insurance money is to be applied;
  - (b) direct payment by a Body Corporate or any one (1) or more Owners;
  - (c) direct changes to the Strata Plan;
  - (d) require a Body Corporate to compensate the Owners of Lots prejudiced by changes to the Strata Plan; and
  - (e) deal with incidental or ancillary matters.
- (4) The following are interested parties under this Article 39:
  - (a) the Body Corporate;
  - (b) the insurer;
  - (c) the Owners and registered ~~m~~Mortgagees of Lots affected by the reinstatement scheme;
  - (d) any Relevant Authority with jurisdiction over the Strata Development; and
  - (e) all other persons who the Registrar determines to have an interest in the reinstatement scheme.

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## PART 3: STAGED STRATA SCHEMES

## CHAPTER 1 – NATURE OF STAGED STRATA SCHEME

## 41. Staged Strata Schemes

- (1) This ~~Article~~~~Part~~ 41 provides for Staged Strata Schemes.
- (2) Where, at the time this Law comes into force, the Relevant Authority has approved a form of Strata Plan or Strata Plans which comply with the Real Property Law and which provide for Strata Development ~~in~~ to occur in stages, then the Strata Development may proceed in those stages despite the provisions of this ~~Article~~~~Part~~ 41.

## 42. Form and contents of Staged Strata Scheme

- (1) An application for the Staged Strata Scheme consists of:
  - (a) a Staged Strata Plan for developing the Strata Development in stages by a series of Strata Plans; and
  - (b) a Disclosure Statement that conforms with the requirements of this ~~Article~~~~Part~~ 42.
- (2) The Staged Strata Plan for a Staged Strata Scheme must:
  - (a) identify the Strata Development by reference to the relevant Folio or Folios and delineate the boundaries of the Strata Development;
  - (b) contain a separate Strata Plan for each proposed stage of the development (identifying its location by reference to the Strata Development) and a Principal Strata Plan if the Strata Development is to be the subject of a Principal Strata Scheme that:
    - (i) shows the location of existing and proposed Buildings;
    - (ii) identifies the boundaries of the proposed Lots and Common Property; and
    - (iii) indicates proposed construction zones, access zones and the nature of the use that may be made of them; and
  - (c) contain any other information or material required by the Registrar.
- (3) A Disclosure Statement for a Staged Strata Scheme must include:
  - (a) a warning to Prospective Owners in the form and terms required by the Registrar;
  - (b) the name and address of the Developer;
  - (c) a description of the proposed development and the stages in which it is to be carried out;
  - (d) a statement of the estimated construction commencement and Building Completion of each stage of the Strata Development (which may be fixed by reference to the calendar, by reference to the completion of a previous stage of the development, by reference to progress in the sale of Lots, or on any other reasonable basis in each case as approved by the Registrar);
  - (e) a schedule of the working hours during which work is to proceed on the second and any subsequent stage of the Strata Development;
  - (f) a description of any amenities to be provided in each stage of the Strata Development, and a statement of:
    - (i) the purposes for which the amenities are to be provided;

- (ii) the extent to which the amenities are to be available for use by the Owners and Occupiers of Lots in each Strata Scheme; and
- (iii) the arrangements for providing and maintaining the amenities and the estimated Service Charges in respect of their Operation;
- (g) a schedule of material and finishes to be used in the building work involved in carrying out proposed development work;
- (h) a schedule of the proposed Lot Entitlements for each proposed Lot as at the completion of each stage of the Strata Development;
- (i) a copy of the Strata Management Statement (and Principal Strata Management Statement, if applicable) for the Strata Scheme; and
- (j) any other information or materials required by the Registrar.

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## **CHAPTER 6 – VARIATION OF STAGED STRATA SCHEME**

### **51. Variation of Staged Strata Scheme by Court**

- (1) The Court may, on application by an interested party, make an order for variation of a Staged Strata Scheme if satisfied that it is impossible or impracticable to complete the Staged Strata Scheme as proposed in the Staged Strata Plan and Disclosure Statement.
- (2) The applicant must give notice of an application under this Article to all interested parties.
- (3) An interested party under this Article may appear and be heard in the proceedings.
- (4) The Court may make an order:
  - (a) deferring the time for completion of a particular stage or stages of the Staged Strata Scheme;
  - (b) changing the order in which the various stages of the Staged Strata Scheme are to be completed; or
  - (c) varying the Staged Strata Scheme in other ways to ensure (as far as practicable) its successful completion.
- (5) An order under this Article may also:
  - (a) provide for the payment of compensation in addition to, or instead of, damages or compensation to which a person would be otherwise entitled;
  - (b) vary rights and obligations arising under this Law in relation to the Staged Strata Scheme; and
  - (c) make any other provision the Court considers just and equitable.
- (6) The Court may, on application by an interested party, vary or revoke an order of the Registrar under this Article.
- (7) A copy of an order of the Court under this Article (including an order varying or revoking an earlier order) must be served on the Registrar.
- (8) The Registrar must register the order, and on Registration the Staged Strata Scheme is so varied in the manner specified in the order.
- (9) The following are interested parties under this Article 0:

- (a) the Developer;
- (b) each Owner and each Prospective Owner of a Lot;
- (c) the Registrar;
- (d) any ~~m~~Mortgagee of a Lot; and
- (e) any other person who has, in the Court's opinion, a proper interest in the matter.

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## CHAPTER 7 – ENFORCEMENT OF STAGED STRATA SCHEME

### 52. Court Order

- (1) The Court may, on application by an interested party, make an order (including, if appropriate, a mandatory injunction) requiring the Developer under a Staged Strata Scheme to complete the Strata Scheme in accordance with the terms of the Staged Strata Plan and Disclosure Statement.
- (2) The following are interested parties under this Article 0:
  - (a) an Owner or Prospective Owner of a Lot;
  - (b) a Body Corporate for a Strata Scheme within the Staged Strata Scheme;
  - (c) the Relevant Authorities;
  - (d) any ~~m~~Mortgagee of a Lot;
  - (e) any other person who has, in the Court's opinion, a proper interest in the matter.

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**PART 5: BODIES CORPORATE**

**CHAPTER 5 – FUNCTIONS AND DUTIES**

**68. Services Charges**

- (1) A Body Corporate shall on an annual basis in advance levy on the Owners Service Charges in respect of the Lots to raise funds necessary to meet the anticipated General Fund Expenses and maintain the Reserve Fund at an appropriately high level as approved by the Registrar.
- (2) A Body Corporate Manager must prepare an annual budget for the raising of Service Charges and submit a copy of such budget to the Registrar for approval prior to the levying of the Service Charges for the Operating Year. The Registrar may direct a Body Corporate to vary the budget should the Registrar consider that the budget, or any part thereof, is excessive or insufficient to enable the Strata Development to be Operated to an appropriately high standard. Nothing contained in this Article ~~68(4)~~(2) confers any obligation on the Registrar to approve the annual budget for the raising of Service Charges of a Body Corporate nor any liability on the Registrar should the budget be insufficient to Operate the Strata Development to an appropriately high standard.
- (3) Subject to Article 68(4) in respect of a Principal Strata Scheme, and Article 21(3), the Service Charges are to be apportioned between the Owners proportionate to the Lot Entitlements of the Lots.
- (4) The Principal Body Corporate shall raise Services Charges to meet the anticipated General Fund Expenses and maintain the Reserve Fund with respect to the Principle Common Property ~~Principal Common Areas~~ and apportion such expenses between the Principal Lot Owners on the basis of beneficial use, and as approved by the Registrar.
- (5) A Service Charge falls due for payment on a date fixed by a Body Corporate. A Body Corporate must give the Owners at least thirty (30) days' notice of the amount and when it is due.
- (6) The Owner of the Lot as at the due date for payment is liable for the Service Charge, and any person who later becomes an Owner before the Service Charge is paid becomes jointly and severally liable for payment.
- (7) If a Service Charge for which an Owner or other person is liable under Article 68(5) is not paid, the Owner or other person is taken to have failed to comply with a requirement of this Law for as long as the Service Charge remains unpaid.
- (8) Interest accrues on overdue Service Charges at a rate fixed by Ordinary Resolution of the Body Corporate. The rate of interest must be fixed on a fair and reasonable basis and be approved by the Registrar.
- (9) If at any time the Registrar considers that the Service Charges raised by a Body Corporate are not sufficient to enable the Strata Development to be Operated to an appropriately high standard the Registrar may make an Order directing the Body Corporate to raise a special Service Charge to fund the deficiency and the Body Corporate will do so in accordance with such Order.
- (10) A Developer shall not raise Service Charges against any Owners for any period prior to Building Completion and hand-over of the Lots to the Prospective Owners.

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**CHAPTER 6 – MISCELLANEOUS**

**70A. Developer's Obligation to Rectify Defects**

- (1) The Developer is responsible for repairing, rectifying or replacing all defective building works, materials, equipment and installations (including mechanical, electrical, sanitary and drainage works and the like) in the Strata Development of a non-structural nature as notified to the Developer

by the Body Corporate Manager and/or the affected Owner(s) within such one (1) year from the date of Building Completion.

- (2) The Developer is responsible for repairing, rectifying or replacing all defective building works, materials, equipment and installations (including mechanical, electrical, sanitary and drainage works and the like) in the Strata Development of a structural nature for a period of ten (10) years from the date of Building Completion as notified to the Developer by the Body Corporate Manager and/or the affected Owner(s) within such ten (10) year period.
- (3) Upon receipt of notification from a Body Corporate or the affected Owner(s) of the defects under Article 70(A)(1) and Article 70(A)(2), the Developer shall promptly rectify such defects in accordance with industry standards.
- (4) The effect of this Article 70(A)(4) shall survive the transfer of any Lot and apply notwithstanding any contractual provision between the Developer and the Owner to the contrary.
- (5) If the Developer fails to comply with its obligations under Article 70(A)(1) and/or Article 70(A)(2) a Body Corporate and/or the affected Owner(s) may apply to the Registrar for an Order against the Developer enforcing the Developer's obligations Article 70(A)(1) and/or Article 70(A)(2) as applicable.

**71. Subrogation of Contractual Rights**

- (1) Without affecting the generality of Article 70, or in any way limiting the obligations of the Developer to rectify defective workmanship or materials under Article 70(A)(1), if:
  - (a) building work was carried out for the Developer; and
  - (b) the building work proves defective,the Body Corporate is subrogated to the Developer's contractual rights to damages in respect of those defects.
- (2) The Body Corporate may recover damages under this Article on its own behalf (so far as the defects relate to Common Property) or on behalf of Owners of Lots affected by the defects.
- (3) The Body Corporate's right of subrogation under this Article does not operate to the exclusion of the Developer's rights and, if both the Body Corporate and the Developer take action to recover damages for breach of contract, the damages must be apportioned between them in appropriate proportions.

**72. Strata Roll to be kept by Body Corporate**

- (1) A Body Corporate Manager must on behalf of the Body Corporate maintain a Strata Roll containing the following particulars:
  - (a) the Strata Plan number allocated by the Registrar;
  - (b) the name, address and contact numbers of the Owner of each Lot;
  - (c) the name and contact numbers of the Occupier of each Lot;
  - (d) the name and address of the Body Corporate Manager and any of suppliers appointed to perform any functions or provide services in relation to the Strata Scheme.
- (2) A Body Corporate Manager must base the Strata Roll on the best information reasonably available to it, acting diligently.
- (3) The Strata Roll must be kept in the form of a written record or a computer record from which a written record may be reproduced and a copy provided to the Registrar on an annual basis or earlier if so requested by the Registrar at any time.

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**PART 6: STRATA MANAGEMENT STATEMENT AND BY-LAWS**

**CHAPTER 3 – ENFORCEMENT OF STRATA MANAGEMENT STATEMENT AND THE BY-LAWS**

**80. Compliance notices**

- (1) If the Owner or Occupier contravenes an obligation under the Strata Management Statement or By-law, the Body Corporate may give notice (which must be in writing) requiring the person:
  - (a) in the case of a continuing contravention, to refrain from further contravention; and
  - (b) in any case, to take specified action to remedy the contravention within a specified period (which must be at least thirty (30) days) stated in the notice.
- (2) A Body Corporate may, in addition to or instead of taking action under Article 81(1), apply for relief under ~~Article~~ Part 90.

**81. Enforcement by Registrar**

- (1) If the Owner or Occupier fails to comply with a notice under this Chapter, a Body Corporate may apply to the Registrar for an Order enforcing the relevant provision of the Strata Management Statement or By-law.
- (2) In proceedings taken under Article 81(1), the Registrar may exercise either or both of the following powers:
  - (a) impose a fine on the person in default;
  - (b) make other Orders the Registrar considers appropriate to enforce the relevant provision of the Strata Management Statement or By-law.
- (3) A fine imposed by the Registrar under this Article is recoverable by the Body Corporate as a debt.
- (4) A person must comply with an Order under Article 81(2).
- (5) The Registrar may, in lieu of making an Order under this Article, refer the matter to be dealt with by the Court under ~~Article~~ Part 128.

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**PART 7: INSURANCE**

**84. Insurance by a Body Corporate**

- (1) A Body Corporate for a Strata Scheme must insure:
  - (a) the Buildings and any other improvements on the Common Property; and
  - (b) any Building divided by the Strata Plan.
- (2) The policy of insurance:
  - (a) must cover:
    - (i) damage from fire (whether deliberate or accidental), storm, tempest, explosion, equipment malfunction, or other risks prescribed by the Regulations; and
    - (ii) costs incidental to the full reinstatement or replacement of the Buildings, including the cost of removing debris and the fees of architects and other professional advisers; and
  - (b) must provide for the full reinstatement or repair of the Buildings and improvements to their condition when new.
- (3) A Body Corporate that breaches Article 84(1) or 84(2) commits a contravention of this Law.
- (4) Despite any provision of the insurance policy, a Body Corporate (and not the individual Owner affected, other than to the ~~extent~~extend it is obliged to pay Service Charges) is liable to pay:
  - (a) any excess under an insurance policy taken out by the Body Corporate under this Article; and
  - (b) any Service Charge that has to be made to the cost of reinstatement or repair because the insurance was not adequate.

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**86. Other insurance**

- (1) A Body Corporate must maintain public risk insurance (covering accidental death, personal injury and property damage) over the Common Property. Where the Regulations prescribe a minimum amount of public risk insurance, a Body Corporate must maintain such insurance for an amount at least equal to ~~the~~a minimum ~~set out prescribed in the by Strata~~set out prescribed in the by Strata Regulations.
- (2) A Body Corporate may insure against:
  - (a) loss from dishonesty, negligence or other wrongful conduct;
  - (b) office bearers professional indemnity insurance; and
  - (c) any other risks that a prudent Body Corporate should insure against or otherwise as required by the Registrar.

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**PART 8: DISPUTE RESOLUTION**

**CHAPTER 4 – SERVICE AND ENFORCEMENT OF ORDERS**

**123. Enforcement of Orders**

- (1) If a person is required by an Order under this Part to take specified action, and the person fails to comply with the Order within the time allowed by the Order, any other person with a proper interest in the matter may apply to the Registrar for an Order:
  - (a) authorising the applicant to take the necessary action; and
  - (b) requiring the person in default to reimburse the applicant for the cost of taking the action.
- (2) An Order cannot be made under this Article if the time for commencing an appeal against the original Order has not yet expired or, if an appeal has been commenced, until the appeal has been determined or discontinued.
- (3) An appeal against an Order under Article 123(1) lies to the Court under the provisions of ~~Article~~Part 128. The Court may make any order it considers appropriate regarding implementation of the Order while the appeal is being pursued.

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**CHAPTER 5 – MISCELLANEOUS**

**126. Recording of certain Orders**

- (1) If an Order under this Part affects:
  - (a) the administration of a Strata Scheme; or
  - (b) the rights of Owners or Occupiers of Lots,

the Registrar must record the Order in the Folio for the Common Property or in the Folio for the affected Lots (as the case may be).
- (2) The Registrar may:
  - (a) on the Registrar’s own initiative; or
  - (b) on application by an interested party and on payment of the Prescribed Fee,

cancel any Registration made under Article 126(1) if satisfied that the Order does not affect or has ceased to affect the Common Property or the Lot to which it purports to relate.
- (3) For the purposes of this ~~Article~~Part 126, each of the following is an interested party:
  - (a) the Developer;
  - (b) the Body Corporate;
  - (c) each Owner and each Prospective Owner;
  - (d) each occupier of a Lot;
  - (e) the Relevant Authorities;
  - (f) any other person (including a ~~m~~Mortgagee) who has, in the opinion of the Registrar, a proper interest in the matter.

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**PART 9: APPEALS**

**128. Right of appeal to Court**

- (1) The following are interested parties under this ~~Article~~**Part** 128:
  - (a) the applicant for the decision or order;
  - (b) in the case of a decision or order under ~~Article~~**Part** 90, a person who was entitled to make, and made, written submissions to the Registrar in connection with the application for relief;
  - (c) in the case of an Order, a person required by the Order to do, or refrain from doing, a specified act; and
  - (d) any other person prescribed by the Regulations as an interested party in relation to a decision or order of a specified kind.
- (2) An interested party may appeal to the Court against a decision or Order made by the Registrar on an application under this Law:
  - (a) on matters of law; and
  - (b) on the ground of a bona fide claim of misconduct or abuse of office by the Registrar.
- (3) An appeal is commenced by lodging with the Registrar a notice of appeal, accompanied by the Prescribed Fee, within thirty (30) days after the date of the Order.
- (4) A notice of appeal lodged under Article 128(3) must specify:
  - (a) the name and address of the appellant;
  - (b) the Order appealed against;
  - (c) the grounds of the appeal; and
  - (d) any other prescribed matter.
- (5) On receiving a notice of appeal, the Registrar must forward to the Court:
  - (a) the notice of appeal;
  - (b) the Registrar's records (if any) relating to the decision or Order appealed against; and
  - (c) a note of the names and addresses of all interested parties.
- (6) The Court must give written notice of the appeal, and the time and place appointed by the Court for hearing the appeal, to all interested parties.
- (7) In the case of an Order made by the Registrar under ~~Article~~**Part** 90:
  - (a) the Order cannot be challenged except by way of an appeal under this Part; and
  - (b) the Registrar is not to be a party to the appeal.

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SCHEDULE 2

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**1. Rules of Interpretation**

- (1) In this Law, unless otherwise provided, a reference to:
  - (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) a “person” includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
  - (c) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in this Law, include publishing or causing to be published in printed or electronic form;
  - (d) a “day” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar day which is either a ~~Friday or Saturday~~, Sunday or an official public holiday, the obligation shall take place on the next calendar day which is a business day;
  - (e) a “business day” means a calendar day, excluding Saturdays, Sundays and official public holidays;
  - (f) a “week” shall mean a calendar week or seven (7) days, whichever is applicable in the circumstances;
  - (g) a “month” shall mean a calendar month or a period of thirty (30) days where the reference in the Law is to a period of one (1) month;
  - (h) a “year” shall mean a period of three hundred and sixty five (365) days and a “calendar year” shall mean a year of the Gregorian calendar;
  - (i) a reference to the masculine gender includes the feminine and vice versa;
  - (j) the singular shall include the plural and vice versa;
  - (k) “dollar” or “\$” is a reference to United States Dollars unless the contrary intention appears; and
  - (l) this Law includes any Regulations made under this Law.
- (2) The headings in this Law do not affect its interpretation.
- (3) A reference in this Law to a Part, Chapter, Article or Schedule by number only, and without further identification, is a reference to the Part, Chapter, Article or Schedule of that number in this Law.
- (4) Reference in an Article or other division of this Law to an Article by number or letter only, and without further identification, is a reference to the Article of that number or letter contained in the Article or other division of this Law in which that reference occurs.
- (5) Unless the context otherwise requires, where this Law refers to an enactment, the reference is to that enactment as amended from time to time, and includes a reference to that enactment as extended or applied by or under another enactment, including any other provision of that enactment.
- (6) References in this Law, to Registering an Instrument or information in the Folio is a reference to Registering it in (or in the case of a Folio kept in paper form, on) on the Folio for the Lot or Lots concerned.

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**2. Defined terms**

In this Law, unless the context indicates otherwise:

Term	Definition
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By-laws	the by-laws made under <del>Article</del> <u>Part</u> 75.
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Insolvency Law	the Insolvency Law DIFC Law No. <u>1 of 2019</u> <del>3 of 2009</del> .
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Occupier	any occupier, tenant, licensee or person with any other right of possession or occupation (including any <del>m</del> -Mortgagee in possession) of a Lot or the Common Property (or any part thereof).
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Proxy	a duly executed proxy in the form approved by the Registrar from an Owner <del>appointed</del> <u>appointing</u> a person to vote on behalf of the Owner <del>as at</del> a General Meeting.
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Resolution	an <del>Extra-Ordinary</del> <u>Extraordinary</u> Resolution, an Ordinary Resolution and a Special Resolution, as the context so provides.
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Strata Plan	a Survey Plan prepared by a Licensed Surveyor in the form approved by the Registrar that divides the Strata Development or any Real Property within the Strata Development into Lots or into Lots and Common Property. A reference in this Law to a Strata Plan includes a reference to a Principal Strata Plan and a <del>Phased</del> <u>Staged</u> Strata Plan unless expressly excluded.
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**PART 7: AMENDMENTS TO COMMON REPORTING STANDARD LAW 2018**

16. The Common Reporting Standard Law 2018 is amended as prescribed in this Part.

17. The following Articles of the Common Reporting Standard Law 2018 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

**PART 3: REPORTING, RECORDS, INVESTIGATIONS AND INSPECTIONS**

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**12. Collecting, reporting and keeping records of information**

- (1) A Reporting Financial Institution must collect and report to the UAE Competent Authority the information required in the Regulations by way of the reporting system provided by the Relevant Authority or the UAE Competent Authority for this purpose, in the manner and on the dates prescribed in the Regulations.
- (2) A Reporting Financial Institution shall establish and implement appropriate systems and internal procedures to enable its compliance with this Law.
- (3) A Reporting Financial Institution shall keep records of the steps undertaken and any evidence relied upon for the performance of the due diligence procedures and measures to obtain those records that the Reporting Financial Institution obtains or creates for the purpose of complying with this Law.
- (4) All records required to be kept by Reporting Financial Institutions pursuant to the provisions of this Law and the Regulations shall be retained in an electronically readable format for a retention period of six (6) years after the date of reporting the information.
- (5) A Reporting Financial Institution that obtains or creates records for any purpose under this Law, in a language other than English shall, upon request, provide an English translation to the Relevant Authority.
- (6) A Reporting Financial Institution must, prior to 28 February each year following the first year in which a person becomes a Reportable Person, notify such person of the information relating to that person which is required to be reported under this Law to the UAE Competent Authority.

**13. Investigations and inspections**

- (1) The Relevant Authority may request information from a Reporting Financial Institution and, at all reasonable times, be permitted to enter any premises or place of business of a Reporting Financial Institution for the purposes of:
  - (a) determining whether information:
    - (i) included in an information return made pursuant to this Law by the Reporting Financial Institution is correct and complete; or
    - (ii) not included in an information return made by the Reporting Financial Institution was correctly not included; or
  - (b) examining the systems and internal procedures put in place by a Reporting Financial Institution for the purposes of ensuring compliance with its obligations under this Law.
- (2) The Relevant Authority may require a Reporting Financial Institution to provide records, information, explanations and particulars, including information in respect of an Account Holder and, if applicable, a Controlling Person and to give all the required assistance which it may reasonably require in connection with the administration or enforcement of this Law. Where the Relevant Authority makes such a request, the Reporting Financial Institution shall comply with the request.
- (3) The Relevant Authority may request information from an Account Holder that has a Reportable Account held with a Reporting Financial Institution, inclusive of (but not limited to) Accounting Records and all other records held in connection with the information or certifications provided to the Reporting Financial Institution pursuant to this Law, and the Relevant Authority may ask a Reporting Financial Institution to assist it to obtain such information or records from an Account Holder.

- (4) Where an Account Holder does not comply in full with any request for information by the Relevant Authority under Article 13(3), the Relevant Authority may, after informing the UAE Competent Authority and the DFSA, order a Reporting Financial Institution to:
- (a) block or suspend transfers or payments to or from any Reportable Accounts relevant to the Account Holder; or
  - (b) close any Reportable Accounts held by the Account Holder with the Reporting Financial Institution in the DIFC.

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**PART 4: PENALTIES, ENFORCEMENT AND APPEALS****19. Penalties**

- (1) A Reporting Financial Institution who:
  - (a) does an act or thing that is prohibited under this Law;
  - (b) does not do an act or thing that is required or directed to do under this Law;
  - (c) does not perform any action directed by the Relevant Authority under this Law; or
  - (d) otherwise contravenes this Law,commits a contravention of this Law and is liable to a fine under Schedule 2.
- (2) Where a Reporting Financial Institution opens a New Account without obtaining a valid self-certification or fails to validate such a self-certification:
  - (a) the Reporting Financial Institution commits a contravention of this Law and is liable to a fine under Schedule 2;
  - (b) the Relevant Authority shall, within thirty (30) days of becoming aware of the contravention of Article 19(2)(a), notify the Reporting Financial Institution of the contravention and the amount of the fine; and
  - (c) the Reporting Financial Institution shall pay this fine within thirty (30) days from the date of receipt of such notification.
- (3) Where an Account Holder or Controlling Person provides a self-certification to a Reporting Financial Institution that contains inaccurate or incorrect information, which the Account Holder or Controlling Person knew or ought to have known, was inaccurate or incorrect:
  - (a) the Account Holder or Controlling Person commits a contravention of this Law and is liable to a fine under Schedule 2;
  - (b) the Reporting Financial Institution shall, within thirty (30) days of discovering that an Account Holder or Controlling Person has contravened Article 19(4)(3)(a), notify the Relevant Authority of such contravention and provide information relating to the identity, address and place of residence of the Account Holder or Controlling Person; and
  - (c) the Relevant Authority shall, within thirty (30) days of the date of the notification provided by the Reporting Financial Institution under Article 19(4)(3)(b):
    - (i) notify the Account Holder or Controlling Person of the contravention of Article 19(4)(3)(a) and the amount of the fine; and
    - (ii) require the Account Holder or Controlling Person to pay the penalty within thirty (30) days of the receipt of such notification.
- (4) If a Reporting Financial Institution, person or intermediary enters into any arrangement, the main purpose or one of the main purposes, of which is to avoid an obligation imposed under this Law, such Reporting Financial Institution, person or intermediary is subject to the obligation as if the Reporting Financial Institution, person or intermediary had not entered into the arrangement.
- (5) If any Reporting Financial Institution, Account Holder or Controlling Person contravenes this Law, or refuses to answer any question put to such person by an Inspector for the purpose of an investigation, the Relevant Authority may certify such contravention or refusal in writing to the DFSA. The DFSA may thereupon inquire into the case and take such action or make such orders in respect of such Reporting Financial Institution, Account Holder or Controlling Person as it sees fit

under applicable law, which shall be in addition to any fines imposed or action directed by the Relevant Authority under this Law.

**20. Enforcement**

- (1) Where the Relevant Authority, or its delegate, considers that a Reporting Financial Institution, Account Holder or Controlling Person has contravened a provision of this Law, it may by written notice to such Reporting Financial Institution, Account Holder or Controlling Person:
  - (a) ~~allege that the Reporting Financial Institution, Account Holder or Controlling Person has committed the contravention and states the particular facts it relies on;~~
  - (b) provide a description of each alleged contravention, including the date of the contravention;
  - (c) set out the details of the applicable fine in respect of each contravention, including the reasons for imposing the fine and the amount of the fine; and
  - (d) order that certain action(s) be taken in order to comply with this Law.
- (2) Subject to Articles 19(2)(b) and 19(3)(c), the imposition of any fine under this Law shall be made within the period of twelve (12) months on the later of:
  - (a) the date the Reporting Financial Institution, Account Holder or Controlling Person became liable to the fine; or
  - (b) the date the contravention first came to the attention of the Relevant Authority.
- ~~(3) A Reporting Financial Institution, Account Holder or Controlling Person shall not be liable to a fine under this Law if the Relevant Authority is satisfied that there is a reasonable excuse for contravening this law.~~
- ~~(4) Neither of the following shall be considered to be a reasonable excuse for the purpose of Article 20(3):~~
  - ~~(a) the Reporting Financial Institution, Account Holder or Controlling Person having insufficient funds to do something required to be done under this Law; or~~
  - ~~(b) the Reporting Financial Institution relying on another person to do something required to be done under this Law.~~
- ~~(5) If the Relevant Authority determines that a Reporting Financial Institution, Account Holder or Controlling Person has a reasonable excuse for contravening this Law up to a particular time or event, the Reporting Financial Institution, Account Holder or Controlling Person shall not be liable to a fine if it can show that any subsequent contravention of this Law was remedied without unreasonable delay after it became aware that the reason(s) providing the reasonable excuse had ceased.~~

**21. Appeals**

- (1) A Reporting Financial Institution, Account Holder or Controlling Person may appeal against any fine imposed or action ordered under Articles 19 or 20, on any one (1) or more of the following grounds:
  - ~~(a) it disputes the grounds or reasons for the fine provided by the Relevant Authority;~~
  - ~~(b) it disputes the amount of the fine imposed;~~
  - ~~(c) it disputes the validity of any action ordered by the Relevant Authority.~~
  - (a) it did not commit the contravention;

- (b) the fine imposed is not proportionate to the contravention; or
  - (c) the fine imposed exceeds the limit set out in this Law for the contravention.
- (2) Any appeal by a Reporting Financial Institution, Account Holder or Controlling Person under Article 21(1) shall be instituted by a written notice of appeal signed by the Reporting Financial Institution, Account Holder or Controlling Person or their authorised representative, setting out the grounds of appeal and delivered to the Relevant Authority, within a period of ~~thirty (30)~~ twenty (20) business days from the date of the relevant notice provided to it under Articles 19 or 20. If the appeal is submitted after this period, the Relevant Authority has the right to decide not to accept the appeal, unless it decides that there are compelling reasons that prevented the Reporting Financial Institution, Account Holder or Controlling Person from submitting the appeal within the requisite timeframe.
- (3) The Relevant Authority shall examine the written notice of appeal and notify the Reporting Financial Institution, Account Holder or Controlling Person in writing that it has received the appeal and that it shall issue its decision within the period specified in the Relevant Authority's notification, which shall not exceed sixty (60) business days from the date of the Relevant Authority's notification. The Relevant Authority may request the Reporting Financial Institution, Account Holder or Controlling Person to submit any additional documents or information that it deems necessary to make a decision or request the Reporting Financial Institution, Account Holder or Controlling Person to make representations before the Relevant Authority.
- ~~(2)~~(4) When considering an ~~notice of~~ appeal delivered pursuant to Article 21(2), the Relevant Authority may, after due consideration of the grounds of appeal, decide to:
- (a) accept or reject the appeal, in whole or in part; and
  - ~~(b) confirm, change or cancel any action originally ordered;~~
  - (b) confirm, cancel or vary:
    - (i) increase or reduce the amount of any fine originally imposed; or
    - (ii) any action originally ordered.
- ~~(5)~~ and The Relevant Authority shall confirm ~~such~~ its finding under Article 21(4) in writing to the Reporting Financial Institution, Account Holder or Controlling Person; provided that such a person shall have the right to challenge any finding made by the Relevant Authority, by way of a judicial review application to the Court, which shall stay any pending or further enforcement action under this Law until the final determination thereof by the Court.
- (6) Subject to Article 19(3)(c)(ii), a fine imposed or action ordered by a ~~the~~ Relevant Authority under Articles 19 or 20, ~~or confirmed pursuant to Article 21(3),~~ shall be paid or performed by the Reporting Financial Institution, Account Holder or Controlling Person (as applicable) within thirty (30) business days after the date of the relevant written notice provided by the Relevant Authority. Where the Reporting Financial Institution, Account Holder or Controlling Person (as applicable) fails to pay the fine or perform the action ordered under Articles 19 or 20, and has not made an appeal pursuant to Article 21, the Relevant Authority may apply to the Court for the enforcement thereof.
- (7) Where the fine imposed or the action ordered by the Relevant Authority is confirmed pursuant to Article 21(5), the Reporting Financial Institution, Account Holder or Controlling Person (as applicable) shall pay the fine or perform the action within fifteen (15) business days after the date of the written notice provided by the Relevant Authority. Where the Reporting Financial Institution, Account Holder or Controlling Person (as applicable) fails to pay the fine or perform the action ordered under Article 21(5), ~~failing which~~ the Relevant Authority may apply to the Court for the enforcement thereof.
- (8) Where the Relevant Authority has applied to the Court for enforcement action pursuant to Articles 21(6) or 21(7), ~~and~~ the Court may:

- (a) order the payment of the fine;
- (b) order for the required action to be taken; or
- (c) make any further order it deems fit.

(9) The Relevant Authority may prescribe forms and procedures in relation to:

- (a) the imposition and recovery of any fines and penalties imposed pursuant to Articles 19 and 20;
- (b) the enforcement of actions required by the Relevant Authority pursuant to Article 20; and
- (c) any objection or right of appeal in respect of any such fine, action required or the enforcement thereof pursuant to this Article 21.

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**SCHEDULE 1  
INTERPRETATION**

**1. Rules of Interpretation**

- (1) In this Law, a reference to:
- (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) a “person” includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
  - (c) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in this Law, include publishing or causing it to be published in printed or electronic form;
  - ~~(d)~~(d) a “day” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar day which is either a ~~Friday or Saturday~~, Sunday or an official public holiday, the obligation shall take place on the next calendar day which is a business day;
  - ~~(e)~~ a “business day” means a calendar day, excluding Saturdays, Sundays and official public holidays;
  - ~~(e)~~(f) a “week” shall mean a calendar week or seven (7) days, whichever is applicable in the circumstances;
  - ~~(f)~~(g) a “month” shall mean (unless specifically referring to a calendar month) shall be a period of thirty (30) days;
  - ~~(g)~~(h) a “year” shall mean a period of three hundred and sixty five (365) days and a “calendar year” shall mean a year of the Gregorian calendar;
  - ~~(h)~~(i) a reference to the masculine gender includes the feminine;
  - ~~(i)~~(j) the singular shall include the plural and vice versa;
  - ~~(k)~~(k) “dollar” or “\$” is a reference to United States Dollars unless the contrary intention appears;
  - ~~(l)~~(l) “this Law” includes, where relevant, a reference to any Regulations made under the Law; and
  - ~~(m)~~(m) any capitalised term not otherwise defined in this Law or the Regulations will have the meaning set forth in the Common Reporting Standard or, failing that, the meaning that it has under the applicable laws of the DIFC.
- (2) The headings in the Law shall not affect its interpretation.
- (3) References in this Law to a body corporate include a company incorporated outside the DIFC.
- (4) A reference in this Law to a Part, Chapter, Article or Schedule by number only, and without further identification, is a reference to the Part, Chapter, Article or Schedule of that number in this Law.
- (5) A reference in an Article or other division of this Law to an Article by number or letter only, and without further identification, is a reference to the Article of that number or letter contained in the Article or other division of this Law in which that reference occurs.
- (6) Unless the context otherwise requires, where this Law refers to an enactment, the reference is to that enactment as amended from time to time, and includes a reference to that enactment as extended or applied by or under another enactment, including any other provision of that enactment.

- (7) References in this Law to writing, filing, instrument or certificate include any mode of communication that preserves a record of the information contained therein and is capable of being reproduced in tangible form, including electronic means.

**2. Legislation in the DIFC**

References to legislation in the Law shall be construed in accordance with the following provisions:

- (a) Federal Law is law made by the federal government of the United Arab Emirates;
- (b) Dubai Law is law made by the Ruler, as applicable in the Emirate of Dubai;
- (c) DIFC Law is law made by the Ruler, (including by way of example this Law), as applicable in the DIFC;
- (d) this Law is the DIFC Common Reporting Standard Law, DIFC Law No. 2 of 2018 as amended and restated, made by the Ruler of Dubai, and shall include (unless otherwise required in the context) reference to the Regulations;
- (e) the Regulations are legislation made by the Board of Directors of the DIFCA under this Law and are binding in nature;
- (f) the Enactment Notice is the enactment notice pursuant to which this Law is brought into force;
- (g) a Directive is any directive or statement issued by the Relevant Authority directing any party subject to this Law to do, or not to do, something which, once approved by the Board of the DIFCA, shall be binding in nature; and
- (h) Guidance is any guidance, commentaries or explanatory material published by the OECD, the UAE Competent Authority or the Relevant Authority for the purpose of assisting with the interpretation of the Common Reporting Standard, which shall be indicative and non-binding.

**3. Defined terms**

In this Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

<b>Term</b>	<b>Definition</b>
Account Holder	any person defined as such in Section VIII of the Regulations.
Accounting Records	records and underlying documents comprising initial and other accounting entries and associated supporting documents, such as: <ul style="list-style-type: none"> <li>(a) cheques;</li> <li>(b) records of electronic funds transfers;</li> <li>(c) invoices;</li> <li>(d) contracts;</li> <li>(e) the general and subsidiary ledgers, journal entries and other adjustments to the financial statements that are not reflected in journal entries; and</li> <li>(f) work sheets and spread sheets supporting cost allocations, computations, reconciliations and disclosures.</li> </ul>
Board of Directors of the DIFCA	the Board of Directors of the DIFCA appointed by the President from time to time.

<b>Term</b>	<b>Definition</b>
Common Reporting Standard	the standard for automatic exchange of financial account information developed by the OECD as amended from time to time by the OECD, the current format of which is set out in the Regulations or incorporated by reference in the Regulations.
<del>Companies Law</del>	<del>the Companies Law DIFC Law No.2 of 2009.</del>
<del>Companies Regulations</del>	<del>the companies regulations approved by the Board of the DIFCA under the Companies Law.</del>
Controlling Person	any person defined as such in Section VIII of the Regulations.
Court	any relevant court or tribunal established in the DIFC.
Decision-Making Procedures	the decision-making procedures prescribed in the Operating Regulations for the exercise of powers by the Relevant Person which shall, with all necessary adaptations apply to the Relevant Authority under this Law.
DFSA	the entity established as the Dubai Financial Services Authority under Dubai Law No. 9 of 2004 <u>(as repealed and substituted by Dubai Law No. (5) of 2021)</u> or, where permitted, its delegate.
DIFC	the Dubai International Financial Centre.
DIFCA	the entity established as the DIFC Authority under Dubai Law No. 9 of 2004 <u>(as repealed and substituted by Dubai Law No. (5) of 2021)</u> or, where permitted, its delegate.
Directive	has the meaning given in paragraph 2(g) of this Schedule 1.
Government	the federal government of the UAE.
Guidance	has the meaning given in paragraph 2(h) of this Schedule 1.
Inspector	any inspector appointed by the Relevant Authority under Article 14.
Law	the Common Reporting Standard Law No. 2 of 2018.
New Account	any account defined as such in Section VIII of the Regulations.

<b>Term</b>	<b>Definition</b>
OECD	the Organisation for Economic Co-Operation and Development which was established by the Convention on the Organisation for Economic Co-operation and Development signed in Paris on 14 December, 1960.
Pre-existing Account	any account defined as such in Section VIII of the Regulations.
President	the President of the DIFC appointed by the Ruler pursuant to Dubai Law No. 9 of 2004 ( <u>as repealed and substituted by Dubai Law No. (5) of 2021</u> ).
Regulations	has the meaning given in paragraph 2(e) of this Schedule 1.
Relevant Authority	the DIFC Registrar of Companies, or any other competent authority designated by the Board of the DIFCA to administer the provisions of this Law, or any part thereof.
Reportable Account	any account defined as such in Section VIII of the Regulations.
Reporting Financial Institution	any person defined as such in Section VIII of the Regulations.
Ruler	the Ruler of the Emirate of Dubai.
UAE	the United Arab Emirates.
UAE Competent Authority	the UAE Ministry of Finance, or any other competent authority designated by the Government to facilitate the exchange of information under the Common Reporting Standard pursuant or any agreement or treaty entered into by the Government, or its permitted delegate or nominee, in connection therewith.

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**SCHEDULE 2  
CONTRAVENTIONS AND FINES\***

Every Reporting Financial Institution which fails to comply with a duty or obligation imposed under this Law is liable to the penalties set out in the table below:

	<b>Contravention</b>	<b>Fine</b>
<u>1.</u>	A Reporting Financial Institution that opens a New Account without obtaining a valid self-certification or fails to validate such self-certification.	US\$ <del>300</del> <u>280</u>
	<del>A Reporting Financial Institution knowingly or recklessly signs or otherwise positively affirms a false self certification</del>	US\$7,000
<u>2.</u>	A Reporting Financial Institution that fails to keep records of the due diligence procedures performed under the Regulations, or fails to keep them for a period of six (6) years pursuant to the requirements of the Regulations.	US\$2,800
<u>3.</u>	A Reporting Financial Institution that fails to apply the due diligence procedures specified in Section II through to Section VII in the Regulations.	US\$ <del>7,000</del> <u>11,000</u>
<u>4.</u>	<u>A Reporting Financial Institution that fails to submit the information return in the form, manner and by the date specified in the Regulations (or as otherwise advised by the UAE Competent Authority or the Relevant Authority).</u>	<u>US\$14,000</u> <u>US\$280 for every day the failure continues up to a maximum fine of US\$28,000</u>
<u>5.</u>	<u>A Reporting Financial Institution that fails to submit the information return confirming that the institution maintains no Reportable Accounts (Nil Return) in respect of that year within the timeframe stipulated in the Regulations (or as otherwise advised by the UAE Competent Authority or the Relevant Authority).</u>	<u>US\$2,800</u> <u>plus</u> <u>US\$280 for every day the failure continues up to a maximum fine of US\$8,400</u>
	<del>A Reporting Financial Institution that fails to report the information required to be reported in terms of the Regulations.</del>	<del>US\$2,800</del> <del>plus</del> <del>US\$140 for every day the failure continues up to a maximum fine of US\$28,000</del>
<u>6.</u>	(a) <u>A Reporting Financial Institution that files a report which fails to state the information in a complete and accurate manner, that is required to be reported under this Law or the, in terms of the Regulations in a complete and accurate manner.</u>  (b) <u>A Reporting Financial Institution that commits the contravention described in 6(a) above in the immediately following reporting year.</u>  (c) <u>A Reporting Financial Institution that commits the contravention described in 6(a) above in any further successive reporting year(s) following the reporting year specified in 6(b).</u>	<del>Minor non-compliance</del> <u>Minimum Fine:</u> <u>US\$<del>280</del><u>1,400</u></u> <u>plus</u> <u>US\$28 for every day the failure continues up to a maximum fine of US\$7,000</u> <u>Maximum Fine: US\$7,000</u> <u>For each instance such a report is filed in a reporting year</u>  <u>Minimum Fine: US\$2,800</u> <u>Maximum Fine:</u> <u>US\$14,000</u>

		<u>Minimum Fine:</u> US\$16,800 <u>Maximum Fine:</u> US\$28,000
7.	<u>A Reporting Financial Institution that otherwise fails to comply with any other provision(s) of this Law or the Regulations.</u>	<u>Minimum Fine: US\$2,800</u> <u>Maximum Fine: US\$8,400</u>
8.	<u>A Reporting Financial Institution that adopts any practices with the intent to circumvent this Law or the Regulations.</u>	US\$70,000
9.	An Account Holder or Controlling Person that provides an inaccurate or incorrect self-certification to a Reporting Financial Institution that the Account Holder or Controlling Person knew or ought to have known, was inaccurate or incorrect.	US\$5,500
	<del>Penalties that remain outstanding for a period of longer than thirty (30) days, or a Reporting Financial Institution fails to perform an action ordered by the Relevant Authority for a period of longer than thirty (30) days, as the case may be, the Relevant Authority may serve further default notices in accordance with these Regulations on the said Reporting Financial Institution imposing with each successive notice double the amount of the said penalties, provided that each such successive notice shall supersede the previous notice served on the Reporting Financial Institution for the same default but any payment made in respect of that previous notice shall be taken into account accordingly.</del>	Double the amount of the previous fine, provided that such penalties for each contravention shall not exceed an aggregate amount of US\$70,000

*\* A fine will be levied on each of occurrence of a contravention of this Law and shall (if applicable) accumulate separately for each contravention.*

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**PART 8: AMENDMENTS TO RULES OF INTERPRETATION IN VARIOUS DIFC LAWS**

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**PART A**

18. The term “day”, as it appears in Schedule 1, Rules of interpretation of the DIFC Laws set out at paragraph 20 below, is amended as prescribed in this Part.
19. The term “day”, as it appears in Schedule 1, Rules of Interpretation of the DIFC Laws set out at paragraph 20 below, is to be amended, and supplemented with a “business day” definition, by inserting the underlined text and deleting the struck through text as shown below.
20. The following DIFC Laws shall be amended as prescribed in this Part:
  - (a) The Companies Law 2018;
  - (b) The Foundations Law 2018;
  - (c) The General Partnerships Law 2004;
  - (d) The Leasing Law 2020;
  - (e) The Limited Liability Partnership Law 2004;
  - (f) The Limited Partnership Law 2006;
  - (g) The Non Profit Incorporated Organisations Law 2012;
  - (h) The Operating Law 2018; and
  - (i) The Real Property Law 2018.

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**SCHEDULE 1  
INTERPRETATION**

**1. Rules of Interpretation**

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a “day” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar day which is either a ~~Friday or Saturday~~, Sunday or an official public holiday, the obligation shall take place on the next calendar day which is a business day;

a “business day” means a calendar day, excluding Saturdays, Sundays and official public holidays;

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**PART B**

21. The term “day”, as it appears in Schedule 1, Rules of interpretation of the DIFC Laws set out at paragraph 23 below, is amended as prescribed in this Part.
22. The term “day”, as it appears in Schedule 1, Rules of Interpretation of the DIFC Laws set out at paragraph 23 below, is to be amended by inserting the underlined text and deleting the struck through text as shown below.
23. The following DIFC Laws shall be amended as prescribed in this Part:
  - (a) The Contract Law 2004
  - (b) The Court Law DIFC Law 2004
  - (c) The Implied Terms in Contracts and Unfair Terms Law 2005
  - (d) The Intellectual Property Law 2019
  - (e) The Law of Damages and Remedies 2005
  - (f) The Law of Obligations 2005
  - (g) The Law of Security 2005
  - (h) The Law on the Application of Civil and Commercial Laws in the DIFC
  - (i) The Personal Property Law 2005

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**SCHEDULE 1  
INTERPRETATION**

**1. Rules of Interpretation**

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a day shall refer to a business day, being a ~~normal working day in the DIFC~~ calendar day, excluding Saturdays, Sundays and official public holidays;

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**PART C**

24. The Employment Law 2019 is amended as prescribed in this Part.
25. Schedule 1 of the Employment Law 2019 is to be amended by inserting the underlined text and deleting the struck through text as shown below.

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**SCHEDULE 1  
INTERPRETATION**

**1. Rules of Interpretation**

- (1) In this Law, a reference to:
- (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) a person includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, authority, government or state;
  - (c) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in this Law, include publishing or causing it to be published in printed or electronic form;
  - (d) a “day” means a calendar day, unless expressly stated otherwise. If an obligation falls on a calendar day which is either a ~~Friday or Saturday~~, Sunday or a Public Holiday, the obligation shall take place on the next calendar day which is a business day;
  - (e) a “business day” means a calendar day, excluding Saturdays, Sundays and Public Holidays;
  - (f) a “week” shall mean a calendar week or seven (7) days, whichever is applicable in the circumstances;
  - (g) a “month” shall mean (unless specifically referring to the holy month of Ramadan) a calendar month;
  - (h) a year shall mean a calendar year of the Gregorian calendar or three hundred and sixty five (365) days, whichever is applicable in the circumstances;
  - (i) where applicable, a reference to the masculine gender includes the feminine and vice versa;
  - (j) “dollar” or “\$” is a reference to United States Dollars unless the contrary intention appears; and
  - (k) the singular includes the plural and vice versa.
- (2) The headings in this Law shall not affect its interpretation.
- (3) A reference in this Law to a Part, Chapter, Article or Schedule by number only, and without further identification, is a reference to the Part, Chapter, Article or Schedule of that number in this Law.
- (4) A reference in an Article or other division of this Law to an Article by number or letter only, and without further identification, is a reference to the Article of that number or letter contained in the Article or other division of this Law in which that reference occurs.
- (5) Unless the context otherwise requires, where this Law refers to an enactment, the reference is to that enactment as amended from time to time, and includes a reference to that enactment as extended or applied by or under another enactment, including any other provision of that enactment.
- (6) References in this Law to a writing, filing, instrument or certificate include any mode of communication that preserves a record of the information contained therein and is capable of being reproduced in tangible form, including electronic means.

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**3. Defined terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

<b>Term</b>	<b>Definition</b>
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<u>Weekend</u>	a consecutive two (2) day period falling on either a Friday and Saturday or a Saturday and Sunday, as determined by the Employer and, if not determined by the Employer shall be a Saturday and Sunday.
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Work Day	(a) an Employee's working day as provided for in the Employee's Employment Contract and, if not provided for in the Employee's Employment Contract, every calendar day which is not a Weekend <del>Friday, Saturday</del> or a Public Holiday; or  (b) the reduced work day for Part-Time Employees referred to in Article 17(2).
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Work Week	a period of five (5) consecutive calendar days in a week, which are not a Weekend <del>Friday or Saturday</del> , without taking into consideration any Public Holidays that may interrupt or shorten this period.
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