

Law No. (1) of 2001
Establishing the
Ports, Customs, and Free Zone Corporation¹

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

After perusal of:

Law No. (4) of 1979 Concerning the Jebel Ali Port;

Decree No. (1) of 1989 Establishing the Jebel Ali Port Corporation;

Decree No. (3) of 1990 Concerning the Jebel Ali Port Corporation;

Decree No. (1) of 1990 Establishing the Port Rashid Authority;

Decree No. (4) of 1991 Concerning the Port Rashid Authority;

Decree No. (5) of 1991 Amending Decree No. (1) of 1990 Establishing the Port Rashid Authority;

The Customs Law of 1966;

Law No. (4) of 1998 Concerning Customs;

Law No. (1) of 1980 Establishing the Jebel Ali Free Zone;

Decree No. (1) of 1985 Establishing the Jebel Ali Free Zone Authority;

Law No. (2) of 1986 Concerning Business Activities in the Jebel Ali Free Zone; and

Law No. (1) of 1995 Establishing the Financial Audit Directorate and its amendments,

Do hereby issue this Law.

Article (1)

This Law will be cited as "Law No. (1) of 2001 Establishing the Ports, Customs, and Free Zone Corporation".

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

Article (2)

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

Ruler:	His Highness the Ruler of Dubai.
Government:	The Government of Dubai.
Ports:	The Jebel Ali Port, Port Rashid, and Al Hamriya Port.
Free Zone:	The Jebel Ali Free Zone.
Department:	The Customs Department.
PCFC:	The Ports, Customs, and Free Zone Corporation.
Chairman:	The chairman of the PCFC.
Authorities:	The Dubai Ports Authority and the Free Zone Authority.
Affiliates:	The Authorities and the companies owned by them, and the Department.
Subsidiaries:	The companies owned by the PCFC or by the Authorities.
Board of Directors:	The board of directors of the PCFC.

Article (3)

A public corporation named the "Ports, Customs, and Free Zone Corporation" is hereby established and will have legal personality and financial and administrative autonomy. The PCFC may sue and be sued in its own name, and may, for this purpose, appoint any person to represent it in the judicial proceedings in which the PCFC or its Affiliates are involved. The PCFC will be managed on commercial basis.

Article (4)

The Department, and the Authorities and their Subsidiaries, are hereby affiliated to the PCFC.

Article (5)

The PCFC will supervise the work of the Department, the Authorities, and the Subsidiaries; and will in particular:

1. supervise and audit the Affiliates, and coordinate amongst them;
2. develop the work plans and programmes of the PCFC and the Affiliates;
3. prepare the draft budgets of the PCFC and the Affiliates, and obtain the Ruler's approval on the same;
4. draft the administrative and financial regulations of the PCFC and the Affiliates, and obtain the Chairman's approval on the same;
5. subject to the approval of the Chairman, establish companies solely or with other persons and own shares in any other company;
6. extend loans to the Affiliates or provide security for the loans they conclude;
7. obtain loans from banks, from the Government, or from public financial institutions; and
8. approve purchase contracts, tenders, and projects of the Affiliates.

Article (6)

The PCFC may invest its assets, to the extent that this does not prejudice the achievement of its main objectives, in any commercial, financial, or services activities as the Board of Directors deems appropriate to increase these assets and generate profits for the PCFC.

Article (7)

The financial resources of the PCFC will consist of the funds allocated to it by the Government, the net profits of the Authorities and the Subsidiaries paid to it, and any other revenue generated from its activities or from the work it performs for the account of third parties.

The revenue of the Department, including the customs duties, proceeds, and other amounts collected pursuant to the above-mentioned Customs Law of 1966 and Law No. (4) of 1998 Concerning Customs, will not be considered part of the revenue of the PCFC. These amounts will be paid directly to the Government. The Government will be solely responsible for payment of the salaries of Department employees and for Department expenditure.

Article (8)

The Chairman will be appointed pursuant to a decree issued by the Ruler.

Article (9)

The Board of Directors will manage the PCFC under the supervision and control of the Chairman. The Chairman will issue a regulation determining the method of formation of the Board of Directors, its tenure, and the procedures for its meetings and for passing its resolutions.

Article (10)

The Board of Directors and the chief executive officer of the PCFC will be appointed pursuant to a resolution issued by the Chairman.

Article (11)

The Board of Directors will be chaired by the chief executive officer of the PCFC who will be in charge of the executive management of the PCFC and the administration of its affairs in accordance with the bylaws and regulations of the PCFC and the resolutions of the Board of Directors. The chief executive officer will represent the PCFC in its dealings with third parties and before judicial authorities, and will provide the Chairman, upon his request, with all information related to the PCFC and the Affiliates.

Article (12)

The Chairman or the Board of Directors may delegate any of their functions to the chief executive officer of the PCFC.

Article (13)

The PCFC property is considered public property.

Article (14)

Subject to the functions and powers of the PCFC under this Law, the following will apply:

1. The Department and each of the Authorities and Subsidiaries will retain their legal personality and will perform their work in accordance with the laws and regulations applicable to them, to the extent that these laws and regulations do not contradict the provisions of this Law.

2. Subject to the approval of the Chairman, each of the Authorities may change its legal form to any of the forms of commercial companies, and the PCFC may establish a holding company to control the Subsidiaries.

Article (15)

The net profits of the PCFC, the Authorities, and the Subsidiaries will be paid to the Government after deduction of the general reserve amount determined by the Board of Directors.

Article (16)

The PCFC and the Affiliates will be exempt from all types of taxes, company registration fees, and customs duties on all imports that are required for their operations and for the achievement of their objectives.

Article (17)

The Financial Audit Directorate will audit the accounts of the PCFC and the Affiliates in accordance with the above-mentioned Law No. (1) of 1995 Establishing the Financial Audit Directorate.

Article (18)

The Government will not be liable for the debts or obligations of the PCFC or the Affiliates. The PCFC will not be liable for the debts or obligations of the Subsidiaries.

Article (19)

This Law will be published in the Official Gazette and will come into force on the day on which it is published.

Maktoum bin Rashid Al Maktoum

Ruler of Dubai

Issued in Dubai on 1 April 2001

Corresponding to 7 Muharram 1422 A.H.