

Law No. (8) of 2006
Establishing the
Dubai Aviation Corporation in Jebel Ali¹

We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai, do hereby issue this Law.

Chapter One
Title and Definitions

Title of the Law
Article (1)

This Law will be cited as “Law No. (8) of 2006 Establishing the Dubai Aviation Corporation in Jebel Ali”.

Definitions
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:

Emirate:	The Emirate of Dubai.
Ruler:	His Highness the Ruler of the Emirate of Dubai.
Government:	The Government of Dubai.
DACJA:	The Dubai Aviation Corporation in Jebel Ali.
Board of Directors:	The board of directors of the DACJA.
Chairman:	The chairman of the DACJA.
Affiliated Entity:	A company or corporation which is licensed to operate in the JAIAC and in which the DACJA holds no less than ten percent (10%) of the capital.

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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.

Law No. (8) of 2006 Establishing the Dubai Aviation Corporation in Jebel Ali

JAIAC:	The Jebel Ali International Airport City whose boundaries and landmarks are demarcated in Plan (1) attached to this Law.
Airport:	The JAIAC-based Jebel Ali International Airport.
Free Zone:	The free zone within the JAIAC, whose boundaries and landmarks are demarcated in Plan (2) attached to this Law.
JAIAC Zones:	The Airport, the Free Zone, and non-free zones within the JAIAC.
Sole Proprietorship or Company:	A sole proprietorship or company licensed to operate in the JAIAC.

Chapter Two
Establishment of the JAIAC, the Free Zone, and the DACJA and
Objectives of the DACJA

Establishment
Article (3)

Pursuant to this Law, the following entities are established:

1. a city named as “Jebel Ali International Airport City” divided into zones that include the Airport, the Free Zone, and non-free zones as demarcated in the plans attached to this Law; and
2. a public corporation wholly owned by the Government named as “Jebel Ali International Airport Corporation” established for the purpose of owning, and managing the affairs of, the JAIAC. The DACJA will have financial and administrative autonomy, and the full legal capacity to conclude all contracts and undertake all dispositions. It may sue and be sued in its own name, and may delegate any natural or legal person to represent it or represent Affiliated Entities in judicial claims and proceedings. The DACJA will conduct its business on a commercial basis.

Objectives
Article (4)

The JAIAC aims to:

1. keep up with the continuing growth witnessed by the Emirate in air traffic and navigation, and in international transport;
2. attract international air carriers to base their regional and international operations in the JAIAC;

3. attract passenger air transport and air freight to the JAIAC with a view to establishing the JAIAC as an international hub for air transport and navigation;
4. establish the JAIAC as a leading centre for education, training, and research in the field of air navigation and transport;
5. attract business and encourage investment in the JAIAC and its zones to promote the JAIAC as a competitive air navigation centre;
6. establish the JAIAC as an active player in promoting, diversifying, and boosting the economic development of the Emirate;
7. promote international air passenger transport and air freight services in the Emirate; and
8. establish the Emirate and the JAIAC as an international hub for multi-modal transport.

Chapter Three **Powers and Management of the DACJA**

Powers of the DACJA **Article (5)**

The DACJA may perform all the work and duties that will enable it to achieve the objectives of the JAIAC, including to:

1. design, construct, and develop the infrastructure of the JAIAC Zones and the services required for, or related to, these zones;
2. design, construct, and develop the air navigation infrastructure and provide the relevant services in accordance with the international agreements and the laws in force in the UAE. Such services will include, without limitation:
 - a. passenger and luggage services;
 - b. air cargo services;
 - c. private flight services;
 - d. helicopter services;
 - e. air freight services;
 - f. airliner operation services;
 - g. aviation engineering services;
 - h. aviation-related research, development, education, and training services;

- i. land cargo and shipping services between seaports and airports;
 - j. jet fuel procurement, storage, and supply services;
 - k. storage, supply, distribution, and re-distribution services;
 - l. power generation, transmission, and distribution services;
 - m. cooling services;
 - n. real property and facility management services; and
 - o. labour supply and procurement services.
3. designate zones, land, real property, and facilities to commercial, professional, residential, or industrial purposes, and lease or sell the same in accordance with the provisions of this Law;
 4. design, develop, supply, and maintain the information technology, e-commerce, telecommunications, and media industries. The DACJA may also, pursuant to a resolution of the Board of Directors, conclude agreements with third parties to establish companies or joint ventures; and
 5. to the extent that investments do not conflict with the main objective of the DACJA, invest the assets of the DACJA in commercial, industrial, financial, or services activities, or in other activities as the Board of Directors deems appropriate to increase such assets and generate profit for the DACJA.

Chairman of the DACJA

Article (6)

1. A Chairman, a chief executive officer (“CEO”), and a Board of Directors will be appointed to the DACJA. The Chairman will be appointed pursuant to a decree issued by the Ruler, and the CEO and the members of the Board of Directors will be appointed pursuant to a resolution of the Chairman.
2. The Chairman will issue a regulation governing the formation of the Board of Directors, its tenure, and the procedures for holding its meetings and passing its resolutions.

Duties of the Chairman

Article (7)

The Chairman will have the duties to:

1. approve, and supervise the implementation of, the strategic plans and general policy of the DACJA, and approve its development plans;

2. approve the regulatory, administrative, and financial bylaws of the DACJA and Affiliated Entities;
3. supervise the achievement of the objectives of the DACJA, and approve its work, projects, and activities;
4. approve the draft general budget of the DACJA submitted by the Board of Directors every financial year;
5. approve borrowing and obtaining finance by the DACJA as required for performing its work and for achieving its objectives; approve incurring any financial liabilities by the DACJA; or approve creating any interests, rights, or encumbrances, including mortgages, in respect of the assets and property of the DACJA and accept all relevant conditions; and
6. perform any other duties required for the proper management of the DACJA.

Board of Directors of the DACJA

Article (8)

1. The Board of Directors will manage the DACJA under the supervision and control of the Chairman.
2. The CEO of the DACJA will preside over the Board of Directors and will undertake the executive management and administration of the affairs of the DACJA in accordance with the bylaws and regulations of the DACJA and the resolutions of the Board of Directors. The CEO will represent the DACJA in all its dealings with third parties and before judicial authorities, and will, upon request, provide the Chairman with all information related to the DACJA, Affiliated Entities, or the JAIAC.

Duties of the Board of Directors

Article (9)

With respect to managing the affairs of the DACJA, the JAIAC, and the Free Zone, the Board of Directors will have, without limitation, the duties to:

1. DACJA Affairs:

- a. develop the strategies, plans, policies, and procedures required for the achievement of the objectives of the DACJA;
- b. develop and implement the rules and regulations governing the work of the DACJA;
- c. develop the organisational, functional, and financial structure of the JAIAC and Affiliated Entities;

- d. develop audit regulations and systems, and the procedures required for operating the DACJA;
- e. prepare periodic and long-term budgets, and submit these to the Chairman for approval;
- f. open and manage bank accounts within and outside of the UAE, and obtain finance through available financing options. For this purpose, the DACJA may conclude agreements with banks and financial institutions; establish and hold shares in special-purpose vehicles to obtain finance; and provide guarantees and undertakings or create mortgages as required for such purpose;
- g. take appropriate measures and conclude agreements with banks and financial institutions to protect the DACJA against any financial risk resulting from fluctuations in interest and exchange rates and in the price of goods or services;
- h. perform all transactions and activities related to the DACJA's business as required for the achievement of its objectives, including engaging in commercial and industrial activities and coordinating with local and federal government departments; international organisations; and private organisations, entities, and companies in respect of mutual interest matters with a view to achieving the objectives and goals of the DACJA;
- i. establish corporations and companies solely or with other persons; invest in, enter into partnership with, hold shares in, forge mergers with, or acquire shares or stocks in, companies, agencies, or institutions engaged in the same or similar activities as those of the DACJA or in activities which help the DACJA achieve its objectives within and outside of the UAE;
- j. establish branches and offices of the DACJA within or outside of the UAE; and
- k. take any other measures required for the achievement of the objectives of the DACJA.

2. JAIAC Affairs:

- a. construct the infrastructure that supports the work of Affiliated Entities and Sole Proprietorships or Companies;
- b. own and take lease of the movable and immovable property as required for the achievement of the objectives of the JAIAC;
- c. invest and dispose of property by any legal disposition, including by executing sale and lease contracts for land, real property, and units of the JAIAC;
- d. regulate work and activities within the JAIAC;
- e. impose and collect fees and commissions for the services provided in the JAIAC;

- f. organise or participate in exhibitions, conferences, and other events related to air navigation; and
- g. provide all services that are related to or in line with the objectives of the JAIAC.

3. Free Zone Affairs:

- a. develop and implement the rules and regulations governing the work of Sole Proprietorships or Companies;
- b. develop the rules and conditions governing the issuance of licences and the registration of Affiliated Entities and Sole Proprietorships or Companies;
- c. audit and regulate the activities of Affiliated Entities and Sole Proprietorships or Companies;
- d. upon request, provide establishments within the Free Zone with personnel in accordance with this Law and the regulations and bylaws issued in pursuance hereof;
- e. impose and collect fees for the services provided in the Free Zone to Affiliated Entities and Sole Proprietorships or Companies;
- f. impose fines and civil penalties on, revoke the licences of, or deregister any Affiliated Entity or Sole Proprietorship or Company that violates applicable laws, regulations, and bylaws; and
- g. coordinate with other free zones to achieve mutual interests.

**Chapter Four
Financial Affairs of the DACJA**

**Financial Resources of the DACJA
Article (10)**

The financial resources of the DACJA will consist of:

1. movable property allocated to the DACJA by the Government;
2. revenue generated from the services and facilities provided by the DACJA in the JAIAC;
3. proceeds from the lease or sale of the real property of the JAIAC such as land and real property units;
4. registration, incorporation, and licensing fees; renewal and variation fees of licences issued by the DACJA; and any other fees or amounts collected by the DACJA in return for the services it provides and the activities it performs;

5. profits generated by the DACJA, returns on its investments, and profits and proceeds from the projects which it implements by itself or through Affiliated Entities; and
6. financial support provided by the Government or by third parties and approved by the Chairman which does not conflict with the objectives of the DACJA and applicable laws.

**Tax Exemption
Article (11)**

The DACJA will be exempt from all taxes and fees prescribed by the laws in force in the Emirate.

**Budget and Accounts of the DACJA
Article (12)**

1. The DACJA will have an independent budget that reflects its actual financial position.
2. In regulating its accounts and records, the DACJA will apply the rules and principles of commercial accounting in accordance with recognised international standards.
3. The accounts and records of the DACJA must be audited by a certified audit firm appointed by the Chairman upon the recommendation of the Board of Directors.
4. The financial year of the DACJA will commence on 1 January and will end on 31 December of each year.
5. The first financial year will commence on the day on which this Law comes into force and will end on 31 December of the following year.

**Financial Audit
Article (13)**

The Financial Audit Department will audit the accounts of the DACJA.

**Chapter Five
Free Zone**

**Establishing the Free Zone
Article (14)**

The location, boundaries, and landmarks of the Free Zone established in the JAIAC pursuant to this Law are demarcated in Plan (2) attached to this Law.

Establishing Legal Entities

Article (15)

1. Limited liability legal entities wholly owned by one (1) natural or legal person, whether a UAE national or a foreigner, may be established within the Free Zone.
2. Any legal entity referred to in paragraph (1) of this Article will have a separate legal personality and an independent financial liability. The liability of its owner will be limited to the paid up capital.

Limited Liability Companies

Article (16)

1. The name of a company established in accordance with the preceding Article must, in all its transactions, contracts, advertisements, invoices, correspondence, and publications, be followed by an indication that it is established in the Free Zone in accordance with this Law, and that it is a limited liability company.
2. In case of non-compliance with the provisions of paragraphs (1) or (2) of this Article, the owner(s) of the company will be personally liable to settle the company's obligations from all his/their property.

Assignment of Licence

Article (17)

An assignment of the licence issued by the DACJA to any other party or entity will be null and void.

Bank Licence

Article (18)

No bank or financial institution may conduct any activity in the Free Zone unless so authorised and licensed by the UAE Central Bank.

Prohibited Goods, Services, and Activities

Article (19)

In the Free Zone, all commercial, financial, industrial, and professional activities may be conducted, all services may be provided, and all products and goods may be imported or manufactured, except the following:

1. services, products, activities, and goods violating intellectual, industrial, literary, or artistic property laws;

2. services, goods, and products that feature inscriptions, drawings, ornamentations, marks, or figures that conflict with the doctrines, teachings, and beliefs of heavenly revealed religions; or that breach public morality;
3. services, goods, and products which are boycotted or prohibited in accordance with the laws in force in the UAE, or which conflict with the bylaws and regulation of the Free Zone; and
4. any activities or processes that involve unfair competition or violate the laws and regulations in force in the Free Zone.

The Board of Directors will, from time to time, issue an updated list of the prohibited activities and goods under the legislation in force.

Supervisory Powers of the DACJA Article (20)

The DACJA will be responsible for monitoring and inspecting the activities of Free Zone establishments which are suspected of violating the provisions of this Law or of any other legislation. Within the Free Zone, the DACJA will, in cooperation with the competent departments, have the audit, investigation, and law enforcement powers in respect of goods, products, and activities that contravene intellectual property laws.

Exemption from Customs Duties Article (21)

Goods brought into the Free Zone, or manufactured, produced, developed, stored, or used therein, and those used in the manufacturing of any product in the Free Zone, will be exempt from customs duties.

Free Zone Imports Article (22)

Products brought from the Free Zone into the customs zone in the Emirate will be deemed as if imported from abroad for the first time, and customs duties will apply to these products in accordance with the customs tariff in force.

Tax Exemption Article (23)

Natural and legal persons working in the Free Zone will be exempt from all taxes, including income tax, in respect of their operations in the Free Zone. They will also be exempt from any limitations on capital, profit, or wage transfer in any currency and to any destination outside of the Free Zone. This exemption will apply for a period of fifty (50) years renewable once for the

same period pursuant to a resolution of the Ruler. Such period will commence on the day on which these natural or legal persons commence their work in the JAIAC.

Immunity from Nationalisation and Confiscation

Article (24)

Throughout the period of their work within the Free Zone, the property and activities of any natural or legal person working in the Free Zone will not be subject to any nationalisation or confiscation measures.

Chapter Six

Governing Law and Competent Courts

Governing Law

Article (25)

1. JAIAC Zones will be subject to this Law and any other laws in force in the Emirate.
2. With the exception of laws and regulations relating to the environment, neither the Free Zone nor any natural or legal entity working in the Free Zone may, with respect to their operations in the Free Zone, be subject to the laws, regulations, authorities, and powers granted to Dubai Municipality, the Department of Economic Development, or the Rent Committee in the Emirate. The Chairman may issue the regulations governing the exceptions stipulated in this Article.
3. Free Zone establishments will conduct their activities in accordance with the laws in force in the Free Zone and in accordance with the licences issued to them under these laws and regulations. Free Zone establishments may operate outside the Free Zone for a period not exceeding four (4) years from the date this Law comes into force, and in accordance with the terms and restrictions set by the DACJA. For the purposes of this Article, the operations and activities performed outside of the Free Zone will be deemed as if performed inside the Free Zone, and will be subject to the laws and regulations in force in the Free Zone.

Competent Courts

Article (26)

Dubai Courts will have exclusive jurisdiction to hear claims arising out of, or in connection with, this Law.

Chapter Seven
Exemptions from Liability

Exempting the Government and the DACJA from Liability
Article (27)

The Government will not be liable for any debts or liabilities of the DACJA or Affiliated Entities. The DACJA will not be liable for any debts or liabilities of Affiliated Entities.

Exempting the Management of the DACJA from Liability
Article (28)

Neither the Chairman, nor the CEO, nor any member of the Board of Directors will be personally liable for any obligations arising from any act or omission related to exercising the powers vested in him under this Law. The DACJA will be solely liable to third parties for such act or omission.

Chapter Eight
General Provisions

Obligation of Government Departments to
Cooperate with the DACJA
Article (29)

All Government or semi-government departments, corporations, and authorities in the Emirate, including the Dubai Municipality, the Department of Economic Development, the Dubai Ports and Customs Corporation, the Free Zone, and the Dubai Electricity and Water Authority, must fully cooperate with the DACJA to enable it to achieve its goals and objectives.

Penalties
Article (30)

The Chairman will issue a bylaw determining the civil penalties prescribed for violating this Law, the regulations and bylaws issued in pursuance hereof, or the terms of the licences issued by the Authority. This bylaw will determine the entity authorised to impose and enforce such penalties.

Repeals
Article (31)

Any provision in any other local legislation will be repealed to the extent that it contradicts the provisions of this Law.

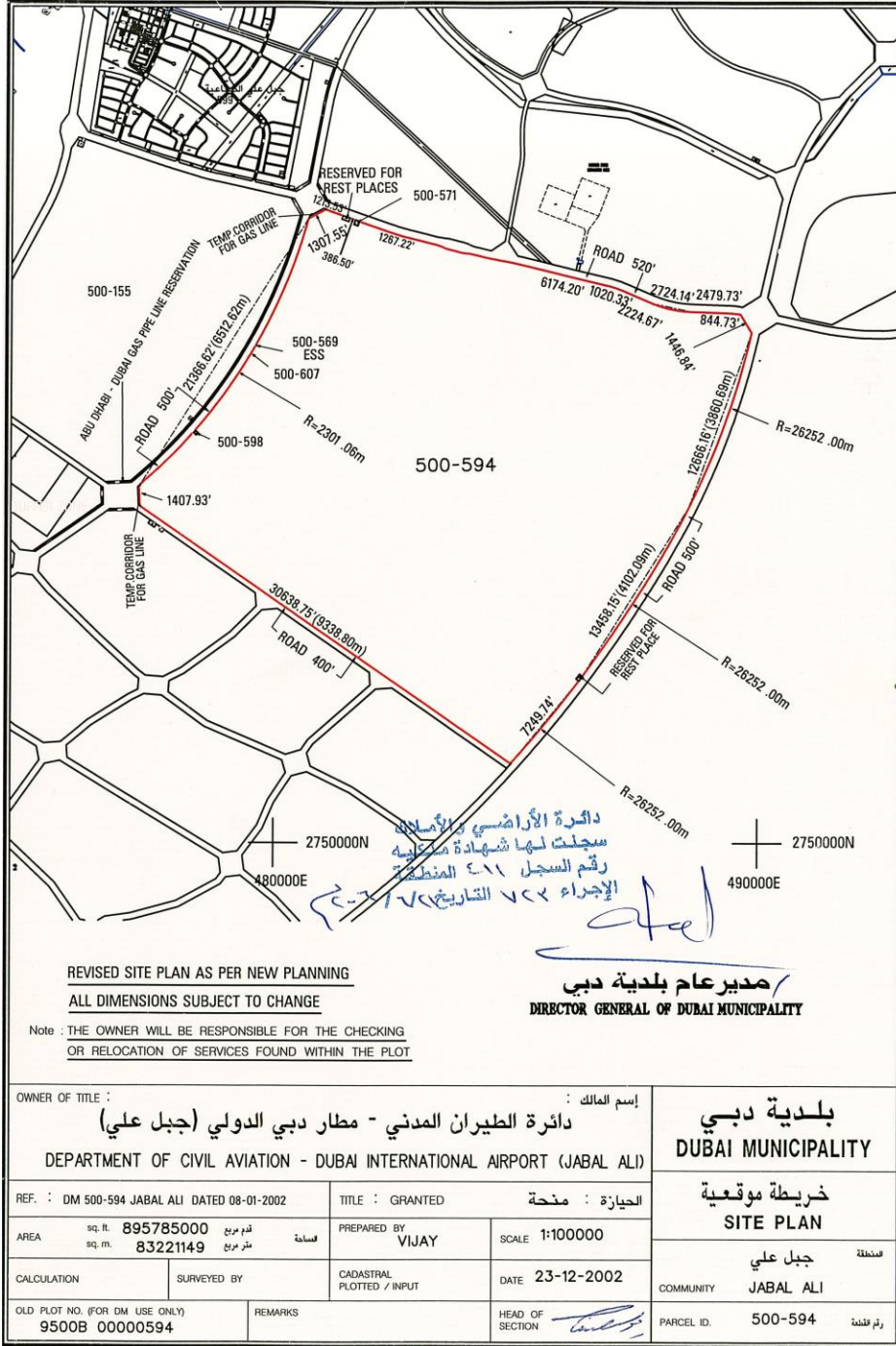
Commencement of this Law
Article (32)

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

Mohammed bin Rashid Al Maktoum
Ruler of Dubai

Issued in Dubai on 14 March 2006
Corresponding to 14 Safar 1427 A.H.

Plan (1)



Plan (2)

