

**Law No. (23) of 2009**  
**Concerning the**  
**Mohammed bin Rashid Establishment for**  
**Small and Medium-sized Enterprises Development<sup>1</sup>**

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

After perusal of:

Law No. (3) of 2003 Establishing the Executive Council of the Emirate of Dubai;

Law No. (18) of 2006 Concerning Management and Realisation of the Public Funds of the Government of Dubai;

Law No. (27) of 2006 Concerning Management of the Government of Dubai Human Resources;

Law No. (25) of 2008 Concerning the Department of Economic Development;

Decree No. (15) of 2002 Establishing the Mohammed bin Rashid Establishment for Young Business Leaders; and

The Order Concerning Young Business Leaders issued by the Ruler of Dubai on 2 October of 2002,

**Do hereby issue this Law.**

**Article (1)**

This Law will be cited as "Law No. (23) of 2009 Concerning the Mohammed bin Rashid Establishment for Small and Medium-sized Enterprises Development".

**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.

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*<sup>1</sup>Every 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.*

Executive Council:	The Executive Council of the Emirate of Dubai.
DED:	The Department of Economic Development.
Director General:	The director general of the DED.
MBRSME:	The Mohammed bin Rashid Establishment for Small and Medium-sized Enterprises Development.
CEO:	The chief executive officer of the MBRSME.
Programme:	The Hamdan bin Mohammed bin Rashid Programme for Young Business Leaders.
SMEs:	Small and medium-sized enterprises.
Members:	The small and medium-sized companies and establishments registered with the Programme.

### **Article (3)**

1. This Law will apply to the Mohammed bin Rashid Establishment for Young Business Leaders established pursuant to Decree No. (15) of 2002.
2. The name "Mohammed bin Rashid Establishment for Young Business Leaders " is hereby replaced by the name "Mohammed bin Rashid Establishment for Small and Medium-sized Enterprises Development". The MBRSME will retain the legal personality required for the achievement of its objectives. The MBRSME is hereby affiliated to the DED.

### **Article (4)**

The head office of the MBRSME will be located in Dubai. The MBRSME may open branches and offices within and outside of the Emirate.

### **Article (5)**

The MBRSME will have a capital of fifty million Dirhams (AED 50,000,000.00) that may be increased pursuant to a resolution of the Chairman of the Executive Council.

## **Article (6)**

The MBR SME aims to:

1. promote the Emirate as a business hub for entrepreneurship and the establishment of SMEs;
2. promote initiatives and innovative ideas of young business leaders and to motivate them to engage in economic activities; and
3. develop and implement programmes and initiatives targeting the development of SMEs.

## **Article (7)**

For purposes of achieving its objectives, the MBR SME will have the duties and functions to:

1. develop policies and strategic plans that promote programmes and initiatives related to the support, implementation, and regular development of SMEs;
2. determine the standards required for the classification of SMEs;
3. determine the main support areas of SMEs, as well as develop and implement relevant initiatives;
4. promote a favourable environment conducive to the creation of investment opportunities for SMEs in the public and private sectors;
5. establish and develop business incubators and other projects and initiatives that contribute to the achievement of the strategic objectives of the MBR SME;
6. review existing SMEs and identify the main obstacles to their growth;
7. develop awareness programmes to encourage setting up and developing SMEs;
8. conclude, in coordination with banks and financial institutions, contracts and agreements to enable Members to avail themselves of suitable financing solutions, and coordinate with external suppliers to provide consultancy and support services to Members;
9. establish or hold shares in companies, and own and take lease of real property and movables; and
10. perform any other duties required for the achievement of its objectives.

## **Article (8)**

A CEO will be appointed to the MBR SME pursuant to a resolution issued by the Chairman of the Executive Council. The CEO will have the duties and powers to:

1. propose policies and internal regulations to support the implementation of programmes and initiatives related to the development of SMEs, and submit them to the Director General for approval;
2. propose legislation related to the work of the MBR SME;
3. draft the action plan, draft annual budget, and final accounts of the MBR SME, and submit these to the Director General for approval;
4. supervise the day-to-day activities of the MBR SME;
5. represent the MBR SME before third parties, and conclude the contracts and agreements required for the achievement of the objectives of the MBR SME;
6. achieve the required performance outcomes and submit performance reports to the Director General; and
7. perform any other duties assigned to him by the Director General.

#### **Article (9)**

A Programme known as the "Hamdan bin Mohammed Programme for Young Business Leaders" will be created within the MBR SME with the objective of promoting initiatives and encouraging young UAE national business leaders and increasing their contribution to the economic activities in the Emirate through:

1. provision of financial and technical support, and loans to Members in order to enable them to establish and own SMEs by creating a special fund for this purpose that provides financing services in accordance with the rules and principles adopted by the MBR SME in this regard;
2. qualifying, training, and empowering Members to conduct economic activities and business administration;
3. provision of consultancy services and studies on available projects and business opportunities; and
4. raising awareness among youth of the importance of investment initiatives, and of the ways of benefiting from opportunities and the incentives offered by the Programme to Members.

#### **Article (10)**

The MBR SME will be responsible for licensing Members as per the approved conditions and requirements in this regard, taking the following into consideration:

1. For the first three (3) years after the date of the licence , Members will pay an annual licence fee of one thousand Dirhams (AED 1,000.00). Thereafter, the fees prescribed by the legislation on the conduct of economic activities will apply.
2. During the first three (3) years of licensing, no fees will be collected except those stated in paragraph (1) of this Article.

#### **Article (11)**

1. All rights and obligations related to the incentive scheme adopted by the Mohammed bin Rashid Establishment for Young Business Leaders are hereby transferred to the Programme.
2. The rules and procedures adopted by the Mohammed bin Rashid Establishment for Young Business Leaders will continue to apply to the extent that they do not contradict the provisions of this Law and the resolutions issued in pursuance hereof.

#### **Article (12)**

All Government entities as well as corporations and companies owned by the Government of Dubai or in which the Government of Dubai holds more than fifty percent (50%) of the share capital must:

1. outsource five percent (5%) of their purchased goods and services from Members; and
2. give priority to any Member bidding for a tender or auction, where the quality and price offered under that Member's bid does not exceed or fall below, as the case may be, the quality and price offered under the best bid, by more than five percent (5%).

#### **Article (13)**

The financial resources of the MBR SME will consist of:

3. support allocated to the MBR SME in the budget of the DED;
4. return on investments of the property of the MBR SME;
5. fees for the services rendered by the MBR SME; and
6. any other resources approved by the Executive Council.

#### **Article (14)**

In regulating its accounts and records, the MBR SME will apply the rules and standards of commercial accounting adopted by the Government of Dubai. The financial year of the MBR SME will commence on 1 January and will end on 31 December of each year.

#### **Article (15)**

All rights and obligations of the Mohammed bin Rashid Establishment for Young Business Leaders are hereby transferred to the MBR SME. All employees of the Mohammed bin Rashid Establishment for Young Business Leaders will also be transferred to the MBR SME and will retain their existing rights. The provisions of Law No. (27) of 2006 Concerning Management of the Government of Dubai Human Resources will apply to all employees of the MBR SME.

#### **Article (16)**

The Chairman of the Executive Council will issue the regulations and resolutions required for the implementation of the provisions of this Law.

#### **Article (17)**

Decree No. (15) of 2002 Establishing the Mohammed bin Rashid Establishment for Young Business Leaders, and the Order Concerning Young Business Leaders issued by the Ruler of Dubai on 2 October 2002 are hereby repealed. Any other provision in any other legislation will also be repealed to the extent that it contradicts the provisions of this Law.

#### **Article (18)**

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

**Mohammed bin Rashid Al Maktoum**

**Ruler of Dubai**

Issued in Dubai on 5 July 2009

Corresponding to 12 Rajab 1430 A.H.