

**Law No. (13) of 2011**  
**Regulating the Conduct of**  
**Economic Activities in the Emirate of Dubai<sup>1</sup>**

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

After perusal of:

Federal Law No. (5) of 1975 Concerning the Commercial Register;

Federal Law No. (1) of 1979 Regulating Industrial Affairs;

Federal Law No. (4) of 1979 Concerning Suppression of Fraud and Deception in Commercial Transactions;

Federal Law No. (18) of 1981 Regulating Commercial Agencies and its amendments;

Federal Law No. (8) of 1984 Concerning Commercial Companies and its amendments;

Federal Law No. (5) of 1985 Issuing the Civil Code and its amendments;

Federal Law No. (3) of 1987 Issuing the Penal Code and its amendments;

Federal Law No. (37) of 1992 Concerning Trademarks and its amendments;

Federal Law No. (10) of 1992 Issuing the Law of Evidence Governing Civil Obligations and Commercial Transactions and its amendments;

Federal Law No. (35) of 1992 Issuing the Criminal Procedures Law and its amendments;

Federal Law No. (18) of 1993 Concerning Commercial Transactions and its amendments;

Federal Law No. (7) of 2002 Concerning Copyright and Related Rights;

Federal Law No. (17) of 2002 Concerning Regulation and Protection of Industrial Property Rights of Patents, Drawings, and Industrial Designs and its amendments;

Federal Law No. (1) of 2006 Concerning Electronic Transactions and e-Commerce;

Cabinet Resolution No. (6) of 2004 Authorising Nationals of the Gulf Cooperation Council States to Conduct Economic Activities and Practice Professions in the UAE;

Law No. (1) of 2001 Establishing the Ports, Customs, and Free Zone Corporation and its amendments;

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

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

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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.

Law No. (13) of 2011 Regulating the Conduct of Economic Activities in the Emirate of Dubai

Decree No. (22) of 2009 Concerning Special Development Zones in the Emirate of Dubai; and  
Local Order No. (63) of 1991 Concerning Licensing Professionals and Artisans in the Emirate of  
Dubai,

**Do hereby issue this Law.**

### **Title of the Law**

#### **Article (1)**

This Law will be cited as “Law No. (13) of 2011 Regulating the Conduct of Economic Activities in  
the Emirate of Dubai”.

### **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:

UAE:	The United Arab Emirates.
Emirate:	The Emirate of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
DED:	The Department of Economic Development.
Director General:	The director general of the DED.
Economic Activity:	Any commercial, industrial, artisan, occupational, agricultural, service, or other for-profit activity authorised in the Emirate in accordance with the legislation in force.
Competent Entity:	Any local or federal authority responsible for regulating one or more Economic Activities pursuant to the legislation in force.
Business:	Any company or sole proprietorship licensed to conduct an Economic Activity in the Emirate, excluding businesses licensed in free zones.
Establishment:	A Business owned by a natural person for the purpose of conducting an Economic Activity in the Emirate, whose legal personality is not distinct from its owner and whose financial liability is associated with such owner, being the person responsible for all its financial obligations towards third parties.
Licence:	A document authorising a Business to conduct an Economic Activity.

Commercial Authorisation:	A document issued by the DED authorising a Business to conduct a Marketing Activity.
Marketing Activity:	An activity conducted by a Business to market its products and services through commercials, advertising boards, clearance offers, sale, promotional campaigns, exhibitions, conferences, or other marketing activities.
Occupational or Artisan Activity:	An activity conducted by one or more natural persons who rely on their physical or intellectual efforts or use certain tools and equipment to perform such activity with a limited capital.
Business Incubators:	A range of services and facilities, and technical, administrative, and advisory support provided by a Competent Entity for a specific period with a view to encouraging the establishment and development of small and medium-size enterprises.

### **Objectives of the Law Article (3)**

This Law aims to:

1. regulate the conduct of Economic Activities in the Emirate and create a pro-investment environment in various economic areas in the Emirate;
2. create a “single window” for coordinating between Competent Entities to fulfil the requirements for licensing Economic Activities in the Emirate;
3. create the optimum environment for the conduct of business in the Emirate, and boost the economic growth of the Emirate;
4. develop the economic environment of the Emirate by relying upon accurate and transparent information and providing such information through latest technology to enable various Businesses to benefit from the same; and
5. contribute to marketing and promotional plans, raise economic and investment awareness, and identify the investment opportunities available in the Emirate.

### **Functions of the DED Article (4)**

For the purpose of achieving the objectives of this Law, the DED will regulate the conduct of Economic Activities in the Emirate, and may in particular:

1. establish the necessary rules to regulate granting the Licences required to conduct Economic Activities in the Emirate, and determine the details and validity of these Licences and the

method to modify such details, in accordance with the legislation in force and in coordination with the Competent Entities;

2. regulate the registration of Businesses in the Commercial Register;
3. register and maintain the trade names of Businesses;
4. in coordination with the Competent Entities, license Economic Activities in the Emirate in accordance with applicable laws, regulations, and bylaws;
5. determine and classify the Economic Activities authorised in the Emirate in line with the latest internationally recognised standards, and regularly develop and update the same in accordance with the Economic Activity needs and economic development requirements of the Emirate;
6. issue Commercial Authorisations to conduct Marketing Activities in accordance with the conditions and rules adopted by the DED in this respect;
7. regulate and determine working hours for Businesses operating in the Emirate in accordance with the rules adopted by the DED in this respect;
8. perform intellectual property audit and inspection, combat commercial fraud, and manage commercial protection and consumer protection processes in the Emirate; and
9. perform audit and inspection of Businesses licensed to conduct Economic Activities in the Emirate to verify compliance with the terms of their Licences.

### **Classification of Economic Activities**

#### **Article (5)**

Licences to conduct Economic Activities in the fields of commerce, industry, agriculture, fishing, mining, and services, or any other fields, will be granted in accordance with the relevant Economic Activities classification directory of the Emirate of Dubai issued by the DED.

### **Issuing Licences**

#### **Article (6)**

A natural or legal person may conduct an Economic Activity in the Emirate only through a Business licensed by the DED. The DED will determine the conditions and requirements that must be met and the documents and approvals that must be submitted in order to issue Licences.

### **Procedures for Licensing Businesses**

#### **Article (7)**

- a. A Business will be licensed in the Emirate in accordance with the following procedures:

1. An application for a Licence will be submitted to the DED on the relevant form prescribed by the DED.
  2. The DED will, in coordination with the Competent Entities, consider the application to verify that it complies with all provisions and conditions regulating the Economic Activity applied for and the legal form of the Business to be licensed.
  3. The DED will determine the application for Licence in accordance with the rules and conditions adopted in this respect, the legislation in force in the Emirate, and the exigencies of public interest.
- b. The DED will issue the bylaws required to regulate the procedures for submitting and determining Licence applications, including the documents to be submitted, the approvals to be obtained from Competent Entities, and the time frames prescribed for determining applications.

#### **Term of Licence**

##### **Article (8)**

- a. The Licence of a Business will be valid for a term of one (1) year renewable for the same period. At the request of the Business and subject to approval of the DED in coordination with the Competent Entity, the validity of the Licence may be more than one (1) year, up to four (4) years.
- b. A Business must renew its Licence within the last month prior to its expiry.

#### **Registration in the Commercial Register**

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

Companies will be registered in the Commercial Register maintained by the DED for this purpose, in accordance with the conditions and requirements adopted in this respect.

#### **Modification of Licence Details**

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

- a. A Business owner may not change the legal form of a Business, modify the Licence details, or dispose of the Licence in any legal manner without first obtaining the approval of the DED and Competent Entities.
- b. The DED will, in any of the following cases, publish any modifications related to the Licence at the expense of the Business owner in at least one daily newspaper published in the Emirate:
  1. change of the legal form of the company;

2. withdrawal of a general partner from a General Partnership, Simple Limited Partnership, or Business Partnership;
  3. modification of the trade name of a Business;
  4. revocation of the Licence of a Business; and
  5. any other cases determined by the DED.
- c. A third party who has an objection to any modification or change related to a Business must file such objection with the competent court.

### **Representation of Universal Successors in a Business**

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

Without prejudice to the conditions for conducting certain Economic Activities, if the ownership of a Business is devolved by inheritance or legacy to several heirs or legatees, they must nominate from amongst themselves one person to represent them in the Business, failing which a representative will be appointed pursuant to a court order.

### **Review of Licences for Certain Activities**

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

- a. In accordance with the exigencies of public interest and in coordination with the Competent Entities, the DED may, pursuant to a reasoned decision, suspend the Licence of certain commercial, industrial, agricultural, service, or any other activities for a specific period, or modify the terms and restrictions imposed on such Licences.
- b. Upon approval or request of the Competent Entity, the DED may suspend or alter the terms of the Licences it issues for Occupational or Artisan Activities.

### **Cessation of Economic Activities of Businesses**

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

- a. A Business owner may request the DED to suspend the Licence granted to his Business for a specific period due to cessation of its activities, and such application will be determined in accordance with the relevant rules and conditions adopted by the DED.
- b. A Business will not be subject to the licensing fees or the fines resulting from non-renewal of its Licence where the Licence expires and the Business ceases to conduct Economic Activities, or where the Business submits an application for cessation of its activities in accordance with paragraph (a) of this Article.

## **Legal Form of Businesses**

### **Article (14)**

Economic Activities in the Emirate must be conducted through a Business having one of the following legal forms:

- a. sole proprietorship;
- b. civil works company;
- c. commercial company; or
- d. branch of a national or foreign company or of a company operating in a free zone.

## **Conduct of Occupational and Artisan Activities**

### **Article (15)**

- a. UAE natural persons and other natural persons may enter into partnerships to personally conduct Occupational or Artisan Activities in the Emirate by establishing a partnership ("**Business Partnership**") in accordance with the provisions of the legislation and bylaws issued by the DED in this respect. A legal person may become a shareholder in a Business Partnership provided that the nature of his activity is similar to the nature of the activity conducted by such Business Partnership.
- b. Non-UAE nationals will be authorised to conduct Occupational or Artisan Activities provided that they have an agent ("**Local Service Agent**") who may be a natural person holding the UAE nationality or a legal person whose partners are all holders of the UAE nationality.

## **Responsibility of Local Service Agents**

### **Article (16)**

A Local Service Agent will be responsible to the Business and to third parties for exercising due diligence to enable the Business to conduct its Occupational and Artisan Activities in the Emirate, and will bear no civil or financial liabilities in relation to the work or activity of the Business. The relationship between the Business and the Local Service Agent must be governed by a notarised agency agreement based on the template prescribed by the DED.

## **Premises for Conducting Economic Activities**

### **Article (17)**

An applicant for a Licence must specify the premises in the Emirate through which its Economic Activities will be conducted. The premises must be suitable for the activities to be licensed, and must satisfy the procedures and requirements adopted by the DED and Competent Entities in this respect. The premises may not be used for purposes other than those determined in the Licence issued by the DED.

## **Exemption from Compliance with the Premises Requirement**

### **Article (18)**

Notwithstanding the provisions of Article (17) of this Law, the DED may issue Licences authorising UAE nationals to conduct certain Economic Activities determined by the DED from home or through Business Incubators in accordance with the rules and conditions adopted by the DED in this respect.

## **Obligations of Businesses**

### **Article (19)**

A Business must:

1. comply with the legislation and laws in force in the Emirate;
2. observe the conditions and rules for conducting its licensed Economic Activities;
3. notify the DED of any change in the information and documents based on which the Licence has been granted, within ten (10) working days from the date of such change, and ensure that the change is in accordance with the legislation in force in the UAE;
4. use the trade name specified in the Licence granted to it in all dealings with third parties;
5. enable the DED authorised employees to access the premises of the Business and review its information and records as required to perform their duties;
6. provide the DED with any information, data, or statistics it may require; and
7. comply with the instructions, bylaws, and resolutions issued by the DED and Competent Entities.

## **Licensing Service Centres**

### **Article (20)**

The DED will, in coordination with the Competent Entities, create a “single window” for Business licensing services to receive applications for Business Licences and deal with investors, professionals, and artisans.

## **Obligations of Competent Entities**

### **Article (21)**

Competent Entities must provide the DED with the requirements and conditions governing the conduct of Economic Activities falling within their jurisdiction, and must notify the DED of any modification of such requirements and conditions.



## **Using Licensing Systems within Free Zones**

### **Article (22)**

At the request of a free zone authority, the DED may authorise it to use the Business licensing software and Electronic systems to enable such authority to license Businesses operating in that free zone in accordance with its applicable legislation and procedures.

## **Conduct of Economic Activities in the Emirate by Businesses Licensed in Free Zones**

### **Article (23)**

- a. The DED may, in coordination with a free zone authority, authorise a Business licensed in that free zone to conduct its activities in the Emirate in accordance with the relevant rules and conditions issued upon the recommendation of the DED by the Executive Council, provided that such Business complies with the laws and legislation in force in the Emirate.
- b. A Business licensed in a free zone may open branches within the Emirate in accordance with the procedures adopted by the DED in this respect.

## **Delegation of Powers**

### **Article (24)**

The DED may delegate any of the powers stipulated in this Law and related to the licensing of Businesses to any public or private entity in order to facilitate and expedite the licensing process.

## **Issuing Commercial Authorisations**

### **Article (25)**

No Business may conduct any Marketing Activity of its products or services without first obtaining the relevant Commercial Authorisation from the DED.

## **Procedures for Granting Commercial Authorisations**

### **Article (26)**

- a. A Commercial Authorisation to conduct Marketing Activities in the Emirate will be granted to a Business in accordance with the following procedures:
  1. An application for a Commercial Authorisation will be submitted on the relevant form prescribed by the DED.
  2. The DED will, in coordination with Competent Entities, review the application to verify that it complies with all provisions and conditions regulating the relevant Marketing Activity.

3. The Commercial Authorisation application will be determined by the DED in accordance with the rules and conditions adopted in this respect, the legislation in force in the Emirate, and the exigencies of public interest.
- b. The validity of a Commercial Authorisation granted to a Business to conduct Marketing Activities will be determined in accordance with the rules adopted by the DED in this respect.
- c. The DED will issue the bylaws required to regulate the procedures for submitting and determining applications for Commercial Authorisations, including the documents to be submitted, approvals to be obtained, and time frames prescribed for determining applications.

### **Probative Force of Electronic Extracts**

#### **Article (27)**

Unless otherwise established, all Electronic Documents and Records generated by the software and Electronic systems of the DED will have the same probative force as official documents.

### **Fees**

#### **Article (28)**

In return for issuing Licences and authorisations and providing other services under this Law and the resolutions and bylaws issued in pursuance hereof, the DED will collect the fees prescribed by a resolution of the Chairman of the Executive Council.

### **Penalties**

#### **Article (29)**

- a. Without prejudice to any stricter penalty stipulated in any other law, a person who commits a violation of this Law or the resolutions issued in pursuance hereof will be punished by a fine of no less than one hundred Dirhams (AED 100.00) and no more than one hundred thousand Dirhams (AED 100,000.00).
- b. The Chairman of the Executive Council will issue a resolution determining the acts that constitute violations of this Law and the relevant fines prescribed for each violation.

### **Closure of Businesses**

#### **Article (30)**

- a. In addition to the penalty of a fine stipulated in Article (29) of this Law, the DED may order closure of a Business or revocation of its Licence in the following cases:

1. failure to renew the Licence and cessation of the activity, where a public notice is published in a daily widely circulated local newspaper, and no objections are raised within two (2) weeks from the date of publication; or
  2. where the Business commits a violation of this Law or the legislation in force in the Emirate which is punishable by closure of the Business or revocation of the Licence, or in case the Licence is issued based on false information or documents.
- b. Revocation of the Licence under paragraph (a) of this Article will not prejudice the rights and obligations of a Business or its owner towards third parties.

### **Amicable Settlement**

#### **Article (31)**

- a. At the request of a violating entity, the DED may conclude amicable settlement with that entity subject to the following conditions:
1. submission of an application for settlement within two (2) months from the date of committing the violation;
  2. payment of no less than fifty percent (50%) of the fine prescribed for the violation;
  3. no similar violations are committed by a violating Business within one (1) year preceding the commission of the violation in respect of which amicable settlement is requested; and
  4. any other conditions determined by the DED.
- b. A Business must implement the conditions of the amicable settlement within the period prescribed by the DED, failing which the settlement will be deemed null and void.

### **Law Enforcement**

#### **Article (32)**

DED employees nominated pursuant to a resolution of the Director General will have the capacity of law enforcement officers to record the acts committed in breach of the provisions of this Law and the resolutions issued in pursuance hereof. For this purpose, they may issue the relevant violation reports and seek, in the course of performing their duties, the assistance of concerned Government entities including police personnel.

### **Grievances against Decisions of the DED**

#### **Article (33)**

Any affected party may submit a written grievance to the Director General against any decision or measure taken against him within thirty (30) days from the date on which he becomes aware of this decision or measure.

## **Grievances Committee**

### **Article (34)**

Pursuant to a resolution of the Director General, a committee will be formed to consider the grievances submitted in accordance with Article (33) of this Law. The committee must determine the grievance within a period not exceeding thirty (30) days from the date of its referral to it, and its decision in this respect will be final.

## **Compliance**

### **Article (35)**

- a. Businesses licensed before the issuance of this Law must comply with its provisions within a period not exceeding one (1) year from its effective date. The Director General may extend this grace period once for the same period.
- b. Businesses licensed pursuant to orders and instructions of His Highness the Ruler of Dubai will be exempt from compliance with the provisions of this Law, and will be governed by the relevant rules issued by the DED.

## **Repeals**

### **Article (36)**

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

## **Publication and Commencement**

### **Article (37)**

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 24 August 2011

Corresponding to 24 Ramadan 1432 A.H.