

Law No. (11) of 2012
Establishing the Mohammed bin Rashid Fund to
Support Small and Medium-sized Enterprises¹

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. (25) of 2008 Concerning the Department of Economic Development; and

Law No. (23) of 2009 Concerning the Mohammed bin Rashid Establishment for Small and Medium-sized Enterprises Development,

Do hereby issue this Law.

Title of the Law

Article (1)

This Law will be cited as “Law No. (11) of 2012 Establishing the Mohammed bin Rashid Fund to Support Small and Medium-sized Enterprises”.

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.
DED	:	The Department of Economic Development.
Director General	:	The director general of the DED.
MBR SME	:	The Mohammed bin Rashid Establishment for Small and Medium-sized Enterprises Development.

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¹*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.*

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CEO	:	The chief executive officer of the MBR SME.
Fund	:	The Mohammed bin Rashid Fund to Support Small and Medium-sized Enterprises.
Committee	:	The committee formed to supervise the Fund pursuant to the provisions of this Law.
Programme	:	The Hamdan bin Mohammed bin Rashid Programme for Young Business Leaders.
SMEs	:	The small and medium-sized enterprises owned by UAE nationals who are Members of the Programme.

Establishment of the Fund Article (3)

A fund named the “Mohammed bin Rashid Fund to Support Small and Medium-sized Enterprises” is hereby established. The Fund will have financial and administrative autonomy and the full capacity to enter into contracts and undertake legal dispositions. The Fund is hereby affiliated to the MBR SME.

Objectives of the Fund Article (4)

The Fund will have the following objectives:

1. to enhance and promote entrepreneurship and investment initiatives of UAE nationals, and diversify and develop the local and national economy;
2. to encourage UAE national youth to enter the private business sector and to establish and own SMEs that create business opportunities for them;
3. to provide financial support to existing SMEs of UAE nationals; and
4. to provide technical expertise in various fields to support UAE national SMEs owners.

Functions of the Fund Article (5)

For the purposes of achieving its objectives, the Fund will have the duties and powers to:

1. prepare economic feasibility studies for SMEs and investment initiatives submitted by Members of the Programme; provide technical expertise to SMEs owners relating to the financial, economic, marketing, administrative, and organisational aspects of SMEs; and assist them in implementing such SMEs and initiatives;

2. market the products of the SMEs owners in cooperation and coordination with the relevant entities;
3. coordinate among SMEs owners with the objective of helping them exchange expertise, and establish an integrated process in relation to their SMEs;
4. provide loans or financial guarantees to SMEs, or hold shares therein;
5. attract financial and technical support for SMEs, whether from individuals, companies, or corporations operating in the UAE, or from specialised organisations;
6. monitor the compliance of the owners of the SMEs, which receive support from the Fund, with the standards and rules prescribed by the MBR SME, by reviewing the reports submitted by SMEs owners and by conducting field visits;
7. create a database of the names of the owners of the SMEs, which receive support from the Fund, and the types of support provided to them; and
8. develop the assets of the Fund by investing its funds in bank deposits, investment portfolios, and any other investment projects.

Formation and Functions of the Committee

Article (6)

- a. A Committee will be formed pursuant to a resolution of the Director General to supervise the work of the Fund. This resolution will determine the procedures for holding the Committee meetings and passing its resolutions; and the term of membership of the Committee.
- b. For the purpose of supervising the work of the Fund, the Committee will have the authority to:
 1. set the general policy for achieving the objectives of the Fund and the methods of dealing with SMEs owners, submit these to the Director General for approval, and supervise their implementation;
 2. approve the criteria, rules, and procedures for providing support by the Fund to SMEs owners, and submit these to the Director General for final approval.
 3. review and study reports of the director of the Fund, and follow up the Fund's activities;
 4. determine applications for obtaining financial and technical support from the Fund;
 5. propose the financial and administrative regulations and bylaws of the Fund, and submit these to the Director General for approval;
 6. form sub-committees and work teams and determine their duties; and
 7. perform any other duties relating to the objectives of the Fund as assigned to the Committee by the Director General.

Functions of the Director of the Fund
Article (7)

The director of the Fund will supervise the daily work of the Fund. For this purpose, he will have the authority to:

1. implement the resolutions issued by the Committee;
2. sign contracts and agreements as authorised by the Committee;
3. prepare an annual report on the balance sheet and final accounts of the Fund, and submit these to the Committee for approval;
4. supervise the administrative body of the Fund and manage the executive, financial, administrative, and technical affairs of the Fund;
5. propose, and submit to the Committee for approval, the rules and conditions for availing of the services of the Fund; the procedures and conditions for submitting applications and the feasibility of such applications; the conditions for disbursement or rejection of loans; and all matters related to the incentives, benefits, and services provided by the Fund;
6. disburse support to SMEs owners in accordance with the procedures and rules adopted in this regard;
7. prepare reports on actual revenue and expenditure and analysis and follow-up procedures to monitor performance, conduct comparison with the approved budget, and assess and analyse the results of funded SMEs; and present these reports to the Committee on a regular basis; and
8. perform any other duties assigned to him by the Committee or the CEO.

Assets of the Fund
Article (8)

The assets of the Fund will consist of:

1. revenues from building (B) owned by the DED and located in the Business Village on Plot No. (129-621 – Port Said);
2. returns on the investment of, and revenues from, real property allocated to the Fund by the Ruler, the Chairman of the Executive Council, or the Director General; and
3. gifts and donations approved by the Director General.

Cooperation and Coordination
Article (9)

All Government entities in the Emirate must cooperate with and support the Fund, provide all data and information required by the Fund, and provide support to the SMEs in which the Fund holds shares, or those financed or recommended by the Fund. Such support will be determined pursuant to a resolution of the Director General upon the recommendation of the Committee.

Implementing Bylaws

Article (10)

The Director General will issue the bylaws required for the implementation of the provisions of this Law.

Repeals

Article (11)

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

Commencement and Publication

Article (12)

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 12 December 2012
Corresponding to 28 Muharram 1434 A.H.