

Law No. (2) of 2018
Concerning the
Innovation Dirham Fee¹

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

After perusal of:

Law No. (5) of 1995 Establishing the Department of Finance;

Law No. (14) of 2009 Concerning the Pricing of Government Services in the Emirate of Dubai and its amendments;

Law No. (19) of 2015 Establishing the Museum of the Future and its amendments;

Law No. (20) of 2015 Imposing the Innovation Dirham Fee and its Implementing Bylaw;

Law No. (1) of 2016 Concerning the Financial Regulations of the Government of Dubai; and

Decree No. (24) of 2007 Forming the Supreme Fiscal Committee in the Emirate of Dubai and its amendments,

Do hereby issue this Law.

Title of the Law
Article (1)

This Law will be cited as "Law No. (2) of 2018 Concerning the Innovation Dirham Fee".

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:

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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.

Emirate:	The Emirate of Dubai.
Government:	The Government of Dubai.
DOF:	The Department of Finance.
DFF:	The Dubai Future Foundation.
Board of Trustees:	The board of trustees of the DFF.
Chairman:	The chairman of the Board of Trustees.
Government Entity:	Any of the Government departments; public agencies and corporations; Government councils and authorities, including the authorities supervising Special Development Zones and free zones, such as the Dubai International Financial Centre; or other entities affiliated to the Government.
Revenue:	Financial proceeds generated from the services provided and the activities conducted by a Government Entity. This includes fees, fines, sale proceeds, rent, proceeds from franchises, and proceeds from encashing guarantees.
Innovation Dirham Fee:	The fee collected pursuant to the provisions of this Law.

Objectives of the Law

Article (3)

This Law aims to:

1. provide the support required for innovation-related projects;
2. ensure that members and all categories of the community bear part of the costs and burdens incurred by the Government in the field of innovation; and
3. ensure that the collection of the Innovation Dirham Fee is in accordance with clear and simplified rules.

Scope of Application

Article (4)

The provisions of this Law will apply to all Revenues, including those collected by any federal government entity on behalf of the Public Treasury of the Government.

Collecting the Innovation Dirham Fee

Article (5)

An "Innovation Dirham Fee" in the amount of ten Dirhams (AED 10.00) will be charged on the Revenue collected by a Government Entity in return for the services it provides and the activities it conducts. The proceeds of the Innovation Dirham Fee will be paid in full to the DFF.

Revenues Exempt from the Innovation Dirham Fee

Article (6)

The Innovation Dirham Fee will not be collected in respect of Revenues generated from:

1. the services and activities whose Revenue is less than fifty Dirhams (AED 50.00);
2. the tariffs and prices collected by Government Entities in return for the goods and services they provide;
3. the fiscal charges determined by the DOF;
4. the costs of medical treatment and healthcare services provided by the healthcare facilities affiliated to the Government;
5. traffic violations which are committed in the Emirate and whose prescribed fines are collected by any other emirate or by any Gulf Corporation Council state;
6. traffic violations which are committed in any other emirate or in any Gulf Corporation Council state and whose prescribed fines are collected by the concerned entities in the Emirate;
7. the services provided to Government Entities whose budgets are included in the General Budget of the Government;
8. the services that are exempt from fees; and
9. any other services or activities determined by the DOF upon the recommendation of the DFF.

Rules for Collecting the Innovation Dirham Fee
Article (7)

- a. The Innovation Dirham Fee will be collected subject to the following rules:
 - 1. The Innovation Dirham Fee will be collected in respect of the Revenue generated from any service or activity, including the Revenues generated from the fines imposed for acts constituting violations under the legislation in force in the Emirate.
 - 2. Where a financial claim includes multiple Revenues generated from various services or activities that are provided or conducted through one or more steps, the Innovation Dirham Fee will be collected in respect of each Revenue separately.
 - 3. Where a financial claim includes multiple Revenues generated from various services or activities that are provided or conducted by more than one Government Entity, the Innovation Dirham Fee will be collected in respect of each Revenue separately, whether these services or activities have been provided or conducted through a single window or by each entity separately.
- b. The Innovation Dirham Fee will be collected upon collecting the relevant Revenue, whether through ordinary, electronic, or smart collection methods.

Refund of the Innovation Dirham Fee
Article (8)

- a. A refund of an amount paid as Innovation Dirham Fee may be requested in case there is an error in collecting or calculating this fee.
- b. An amount collected as Innovation Dirham Fee may not be refunded where the client cancels the service in respect of whose Revenue the Innovation Dirham Fee has been collected.

Depositing the Innovation Dirham Fee
Article (9)

- a. A Government Entity which collects the Innovation Dirham Fee by itself or through private entities it contracts must, by the end of each month, transfer the proceeds of this fee to the DOF; and submit a financial report with all the details determined by the DOF.
- b. The DOF must deposit the proceeds of the Innovation Dirham Fee collected pursuant to this Law in a special account with a local bank in the name of the DFF.

Formation of the Investment Committee

Article (10)

Pursuant to a resolution of the Chairman, a committee named the "Innovation Dirham Fee Investment Committee" will be formed. The committee will identify the areas of investment and development of the Innovation Dirham Fee proceeds; propose the allocation of the proceeds of the Innovation Dirham Fee to support innovation-related projects; and present the same to the Board of Trustees for approval. The committee will also perform any other duties assigned to it by the Chairman or the Board of Trustees.

Functions of the Board of Trustees

Article (11)

For purposes of this Law, the Board of Trustees will establish the bylaws, policies, and standards pertaining to innovation-related projects. These bylaws, policies, and standards will be approved by the Chairman or his authorised representative in preparation for circulating them to Government Entities.

Withdrawal and Disbursement from Bank Account

Article (12)

The Chairman or his authorised representative will have the authority to withdraw, disburse, and transfer any amounts from the Innovation Dirham Fee bank account in accordance with the financial approval authorities adopted by the DFF.

Functions of the DOF

Article (13)

For purposes of this Law, the DOF will:

1. determine any dispute arising in connection with the Innovation Dirham Fee, whether the dispute relates to the type of the Revenue to which the Innovation Dirham Fee applies, or to collection methods and rules; and
2. propose the Revenues to which the Innovation Dirham Fee applies, and submit the relevant recommendations to the Supreme Fiscal Committee for approval.

**Issuing Implementing Resolutions
Article (14)**

The Chairman will issue the resolutions required for the implementation of the provisions of this Law.

**Repeals
Article (15)**

The above-mentioned Law No. (20) of 2015 and its Implementing Bylaw are hereby repealed. Any provision in any other legislation will also be repealed to the extent that it contradicts the provisions of this Law.

**Publication and Commencement
Article (16)**

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 23 January 2018
Corresponding to 6 Jumada al-Ula 1439 A.H.