

Law No. (5) of 2021
Concerning the
Dubai International Financial Centre¹

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

After perusal of:

Federal Law No. (8) of 2004 Concerning Financial Free Zones and its Implementing Bylaw;

Law No. (9) of 2004 Concerning the Dubai International Financial Centre and its amendments;

Law No. (12) of 2004 Concerning the Dubai International Financial Centre Courts and its amendments;

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

Law No. (8) of 2016 Regulating the Grant of Law Enforcement Capacity in the Government of Dubai and its Implementing Bylaw;

Law No. (4) of 2018 Establishing the Financial Audit Authority; and

The legislation issued by His Highness the Ruler of Dubai to regulate activities, businesses, and affairs within the Dubai International Financial Centre,

Do hereby issue this Law.

Title of the Law
Article (1)

This Law will be cited as "Law No. (5) of 2021 Concerning the Dubai International Financial Centre".

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.

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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.
Ruler:	His Highness the Ruler of Dubai.
Government:	The Government of Dubai.
DIFC:	The Dubai International Financial Centre.
President:	The president of the DIFC.
Governor:	The governor of the DIFC.
DIFC Bodies:	These include the Dubai International Financial Centre Authority, the Dubai Financial Services Authority, the Dubai International Financial Centre Courts, and any other body established under the DIFC Laws or established upon approval of the President as an independent or affiliated entity of any of the said bodies.
Higher Board:	The higher board of the DIFC formed pursuant to the provisions of this Law.
DIFCA:	The Dubai International Financial Centre Authority.
DFSA:	The Dubai Financial Services Authority of the DIFC.
DIFC Courts:	The Dubai International Financial Centre Courts.
Financial Services:	The financial activities and services which require regulation by the DFSA under the DIFC Laws and the DIFC Regulations, including without limitation, accepting deposits; providing, credit-related facilities, arrangements, and consultancy; providing money transfer or exchange services; dealing in investments as principal or agent; managing assets, funds, and collective investment portfolios; advising on financial products; carrying out financial contracts; providing or arranging custody services; carrying out insurance contracts; providing insurance intermediation or management services; operating stock exchanges, central clearing houses, or central depository centres; managing investment accounts; operating alternative trading systems; providing trust services; acting as a trustee of trust funds; operating credit rating agencies; operating crowdfunding platforms; operating representative offices; issuing, offering, and listing financial products; promoting or marketing financial services and products; and trading in financial products.

Ancillary Services:	<p>These include exclusively the following services and activities:</p> <ol style="list-style-type: none"> 1. the services of auditing accounts and providing audit reports and opinions on the financial statements of Licensed DIFC Establishments, the funds established in the DIFC, or the companies listed on the DIFC financial market; 2. the services of auditing accounts and providing audit reports and opinions to verify compliance by Licensed DIFC Establishments with the DIFC Laws and the DIFC Regulations administered by the DFSA; and 3. any other services, businesses, professions, or activities which are provided or conducted within or through the DIFC; are classified under the DIFC Laws, the DIFC Regulations, or any other legislation applicable in the Emirate and the DIFC as non-financial; and are controlled by the DFSA for the purpose of enforcement of the requirements and procedures for combating money laundering or financing terrorism or illegal organisations.
Services, Products, and Goods:	<p>These include, without limitation, materials, equipment, instruments, goods, and services of whatever type or description permitted to be dealt in within or through the DIFC.</p>
DIFC Establishments:	<p>Any entity or business established, licensed, registered, or authorised to operate or to conduct any activity within or through the DIFC pursuant to the DIFC Laws and the DIFC Regulations. These include Licensed DIFC Establishments.</p>
Licensed Establishments:	<p>DIFC Any entity or business authorised and licensed by the DFSA to provide Financial Services or Ancillary Services within or through the DIFC.</p>
DIFC Laws:	<p>Any laws issued by the Ruler concerning the DIFC or regulating business, activities, and services within the DIFC in accordance with the provisions of this Law.</p>
DIFC Regulations:	<p>Any rules, regulations, bylaws, or orders regulating activities within the DIFC as issued by the President pursuant to his powers under this Law or by the DIFC Bodies concerning the DIFC or regulating business,</p>

activities, and services within the DIFC in accordance with the provisions of this Law.

Person: A natural or legal person.

Application of the Law to the DIFC Article (3)

- a. The provisions of this Law will apply to:
 1. the Dubai International Financial Centre regulated under the above-mentioned Law No. (9) of 2004, as a financial free zone having financial and administrative autonomy, and affiliated to the Government;
 2. the DIFC Bodies established under the above-mentioned Law No. (9) of 2004 and governed by this Law, the DIFC Laws, and the DIFC Regulations, which include:
 - a. the Dubai International Financial Centre Authority;
 - b. the Dubai Financial Services Authority;
 - c. the Dubai International Financial Centre Courts; and
 - d. any boards, bodies, offices, committees, registries, corporations, departments, or entities which are established under the above-mentioned Law No. (9) of 2004, the DIFC Laws, or the DIFC Regulations; or which are established pursuant to the provisions of this Law; and
 3. the plot of land whose location, area, and borders are specified in the resolutions issued in implementation of the above-mentioned Federal Law No. (8) of 2004.
- b. The DIFC Bodies established under the above-mentioned Law No. (9) of 2004 and the DIFC Establishments authorised to operate within or through the DIFC under the DIFC Laws and the DIFC Regulations by the effective date of this Law will continue to perform their duties and business, and to provide their Services, without interruption.
- c. The DIFC will continue to register and record companies and real property, commercial, and other transactions in its registers which are established and regulated in accordance with the DIFC Laws. The DIFC Bodies must, each within their respective jurisdiction, maintain these registers which include without limitation:
 1. a real property register supervised by the DIFC real property registrar in which all the rights, interests, benefits, and dispositions related to the real property located within the DIFC approved geographical area are recorded in accordance with the DIFC Laws and the DIFC Regulations;

2. a register of securities supervised by the DIFC securities registrar in which securities and their interests are recorded in accordance with the DIFC Laws and the DIFC Regulations; and
3. a register of companies and legal persons supervised by the DIFC registrar of companies in which DIFC Establishments and all administrative and operational matters and the details relating thereto are registered and recorded in accordance with the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC.

Objectives of the DIFC

Article (4)

The DIFC aims to achieve the following objectives:

1. to promote the Emirate as a leading international financial centre based on the principles of efficiency, transparency, and integrity;
2. to participate in achievement of the sustainable economic growth vision of the Emirate;
3. to develop and diversify the Emirate's economy through effective contribution to Financial Services and related activities;
4. to increase the contribution of the Financial Services sector and related activities in the gross domestic product (GDP) of the Emirate;
5. to attract and promote investments into the Emirate and to encourage local, regional, and international financial institutions and companies to conduct their business and develop their investments through the DIFC; and
6. to promote the Emirate as an international centre for dispute resolution and settlement.

Appointment and Functions of the President

Article (5)

- a. The DIFC will have a President appointed pursuant to a decree issued by the Ruler.
- b. The President will be responsible for the general supervision of the DIFC and the DIFC Bodies; for coordination amongst them for the achievement of each of their respective strategies, policies, and objectives; and for ensuring cooperation among them and maintaining their independence.
- c. In addition to his functions under the DIFC Laws and the DIFC Regulations, the President will have the duties and powers to:
 1. approve and supervise implementation of the policies, strategies, and plans of the DIFC Bodies without prejudice to their independence as required under this Law;

2. approve the annual budgets of the DIFC Bodies before submitting them to the competent entities in the Emirate for approval in accordance with above-mentioned Law No. (1) of 2016;
 3. approve the financial statements of the DIFC Bodies;
 4. issue DIFC Regulations in accordance with his own powers;
 5. approve the draft DIFC Laws and submit the same to the Ruler for final approval and issuance;
 6. recommend to the Ruler the appointment, removal, and replacement of members of the Higher Board other than those appointed on a permanent basis by virtue of their positions;
 7. appoint, remove, and replace the chairmen and members of the boards of directors of the DIFCA and the DFSA, and specify the terms of their service and their respective remuneration, in accordance with the provisions of this Law;
 8. recommend to the Ruler the appointment of the Chief Justice of the DIFC Courts;
 9. recommend to the Ruler the appointment of the Governor;
 10. appoint and remove, upon consultation with the Chief Justice of the DIFC Courts, the Director of the DIFC Courts and specify the terms of his service, in accordance with the DIFC Laws;
 11. establish any bodies, establishments, offices, registries, departments, committees, boards, and any other entities required for achieving the objectives of the DIFC; specify their powers and duties; and cancel, merge, and restructure any of them, where the public interest so requires;
 12. form advisory committees that will provide support and advice to the DIFC and assist the DIFC Bodies in achieving their objectives; and specify the duties of such committees, the procedures for holding their meetings, their terms of reference, and the remuneration of their members;
 13. take any action he deems necessary to ensure the proper management of the DIFC; and
 14. exercise any other duties or powers required for the achievement of the objectives of the DIFC, or assigned to the President by the Ruler or pursuant to the DIFC Laws or the DIFC Regulations.
- d. With the exception of his powers under sub-paragraphs (c)(5), (c)(6), (c)(7), (c)(8) and (c)(9) of this Article, the President may delegate to the Governor any of his powers under this Law, the DIFC Laws, or the DIFC Regulations, provided that such delegation is specific and in writing, and that it does not prejudice the independence of the DIFC Bodies.

Higher Board Article (6)

- a. The DIFC will have a Higher Board chaired by the President with the permanent membership of the Governor, the chairmen of the boards of directors of the DIFCA and the DFSA, and the Chief Justice of the DIFC Courts.
- b. The President may, as he deems appropriate, appoint additional members to the Higher Board. A resolution issued by the President in this respect will determine the method and procedures for the appointment, removal, tenure, and terms of membership of these additional members, and any other relevant provisions.
- c. The Higher Board will, in accordance with the requirements of good governance applicable at the DIFC, have the duties and powers to:
 - 1. approve the strategy, general policies, and plans of the DIFC presented by the Governor for the purpose of achieving the objectives of the DIFC;
 - 2. receive and follow up on the reports presented by the Governor on the implementation of the strategy, general policies, and plans approved for achieving the objectives of the DIFC;
 - 3. ensure effective coordination amongst the DIFC Bodies;
 - 4. approve the general organisational structure of the DIFC proposed by the Governor; and
 - 5. exercise any other duties or powers required for the achievement of the objectives of DIFC that are assigned to it by the Ruler, the President, or pursuant to the DIFC Laws or the DIFC Regulations.
- d. The Higher Board will convene at the invitation of the President at least twice a year, and where required. Meetings of the Higher Board will be valid if attended by the majority of its members, provided that the President or Governor is in attendance.
- e. The terms of reference of the Higher Board; the procedures for holding and managing its meetings, and for passing its resolutions and recommendations; the terms of membership; the remuneration of its members; and any other relevant provisions will be determined in a resolution issued by the President in this respect.
- f. The President may, pursuant to a resolution he issues in this respect, form an advisory board to the Higher Board to assist it in performing its duties. This resolution will determine the functions of the advisory board, its terms of reference, the procedures for holding its meetings and for passing its recommendations and resolutions, and the remuneration of its members.

- g. For the purpose of performing its functions, the Higher Board may invite any person it deems appropriate to attend its meetings without having the right to vote; and may seek the opinion of any qualified or expert body or Person.

**Governor
Article (7)**

- a. The Governor will be appointed and removed pursuant to a decree issued by the Ruler, upon the recommendation of the President.
- b. The President will determine the terms of service, financial entitlements, and employment benefits of the Governor.
- c. Without prejudice to the independence of the DIFC Bodies and their functions stipulated in this Law, the DIFC Laws, and the DIFC Regulations, the Governor will have the duties and powers to:
 - 1. prepare the strategy, general policies, and plans of the DIFC with a view to achieving its objectives, submit the same to the Higher Board for approval, supervise their implementation upon approval, and submit reports on the same to the Higher Board;
 - 2. propose the organisational structure of the DIFC, and submit the same to the Higher Board for approval;
 - 3. form committees and work teams that will provide the required advice and assistance to enable him to perform his functions under this Law, the DIFC Laws, and the DIFC Regulations;
 - 4. appoint, at his own discretion, experts and specialists, on the conditions he deems appropriate, to provide support and advice;
 - 5. conclude, in consultation with the DIFC Bodies where necessary, contracts, agreements, and memoranda of understanding with third parties inside and outside of the UAE as required for achieving the objectives of the DIFC;
 - 6. represent the DIFC in its dealings with the competent federal and local entities, and any other entity inside and outside of the UAE, and involve the DIFC Bodies in such dealings in a manner consistent with their functions and responsibilities; and
 - 7. exercise any other duties or powers assigned or delegated to him by the Ruler or the President, or assigned to him pursuant to the DIFC Laws or the DIFC Regulations.
- d. The Governor may not occupy simultaneously with his position as Governor any other position; and must not conduct any activity which may conflict with the DIFC strategies, general policies, and objectives. This restriction does not include performance of the duties relating to any position or post to which he is assigned or appointed by the Ruler or the President.

DIFCA
Article (8)

- a. The DIFCA will have the legal personality and financial, administrative, and operational autonomy required to enable it to undertake legal dispositions and exercise its functions.
- b. The DIFCA will exercise its duties and powers under this Law, the DIFC Laws, and the DIFC Regulations without interference from any of the other DIFC Bodies.
- c. The DIFCA will have the duties and powers to:
 - 1. assist the Governor in preparing and implementing the strategy, general policies, and plans of the DIFC with a view to achieving the objectives of the DIFC;
 - 2. follow up compliance by DIFC Bodies and DIFC Establishments, as the case may be, with all international treaties and conventions to which the UAE is a party;
 - 3. compile, maintain, and exchange any information related to DIFC Establishments in accordance with the provisions of the DIFC Laws, the DIFC Regulations, the legislation in force in the Emirate which is applicable to the DIFC, and the international treaties and conventions to which the UAE is a party;
 - 4. supervise implementation of the DIFC Laws and the DIFC Regulations, except for those regulating the Financial Services and Ancillary Services in the DIFC;
 - 5. liaise with the Government, the federal and local government entities, and other free zone authorities within and outside of the UAE in the matters affecting the DIFC, in coordination with the Governor and other DIFC Bodies, where necessary; and
 - 6. build and supervise the operation, management, and maintenance of the infrastructure in the DIFC; provide administrative and technical Services in the DIFC; implement the master plan of the DIFC; verify that the service, municipal, security, safety, transportation, and information and telecommunication technology requirements are met; and provide any other services and meet any other requirements as necessary for achievement of the objectives of the DIFC in an efficient and effective manner.
- d. The DIFCA will have an independent budget. The Government will, where required, provide the DIFCA with financial support to enable it to exercise its duties and powers independently from other DIFC Bodies, in accordance with the provisions of the above-mentioned Law No. (1) of 2016.
- e. Each registry, office, body, or other entity managed or supervised by the DIFCA will have an independent budget, which will be approved by the President within the annual consolidated budget of the DIFCA.
- f. The DIFCA must keep confidential the information which is classified as confidential pursuant to the DIFC Laws or the DIFC Regulations; or which may be received or collected by or disclosed to the DIFCA in the course of performing its duties. Such information may

not be disclosed to third parties except in the cases permitted by the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC.

- g. The DIFCA may, with the approval of its board of directors, delegate any of its duties and powers under this Law, the DIFC Laws, and the DIFC Regulations to any Government Entity in the Emirate or to any of the DIFC Bodies. It may also exercise any duties or powers delegated to it by any of the DIFC Bodies, excluding the DIFC Courts. Delegation of duties or powers must be made pursuant to a written agreement concluded with any of those entities or bodies wherein the rights and obligations of the parties are specified.

DIFCA Board of Directors

Article (9)

- a. The DIFCA will have a board of directors whose members will be appointed and the terms of their membership and remuneration will be determined pursuant to a resolution of the President. The board of directors of the DIFCA will be directly responsible to the President for the work of the DIFCA.
- b. The board of directors of the DIFCA will supervise the business and activities of the DIFCA in accordance with the rules of good governance adopted by the DIFC. For this purpose, the board of directors of the DIFCA will have the duties and powers to:
1. review, approve, and supervise the implementation of, the strategies, policies, objectives, and plans of the DIFCA;
 2. conduct public opinion polls on any draft DIFC Laws or DIFC Regulations falling within the jurisdiction of the DIFCA;
 3. propose draft DIFC Laws, with the exception of those regulating the Financial Services and Ancillary Services of the DFSA, and submit the same to the President for approval, in preparation for final approval and issuance by the Ruler;
 4. approve and issue the DIFC Regulations, with the exception of those issued by the President as per his powers under this Law or those regulating Financial Services and Ancillary Services;
 5. prepare annual reports on implementation of the strategies, policies, plans, and objectives of the DIFCA, and submit the same to the President;
 6. propose and request the establishment of bodies, offices, registries, committees, and assemblies; the formation of their respective boards of directors; and the determination of their functions; and submit the same to the President to issue the resolutions required for their establishment and formation;
 7. approve the establishment of companies, solely or in partnership with third parties, for the purpose of acquisition, ownership, sale, and lease of movable and immovable property, including securities; and invest within and outside of the DIFC with a view

to achieving the objectives of the DIFC in accordance with the DIFC Laws and the DIFC Regulations;

8. approve the establishment of representative offices outside of the UAE to promote the DIFC and its objectives, operations, and various activities;
 9. approve the organisational structure of the DIFCA;
 10. establish the procedures and rules regulating management of the bank accounts of the DIFCA;
 11. obtain the necessary loans and financial facilities, and use the assets of the DIFCA or any of its affiliates as security for such loans and facilities, provided that the President's prior written consent on the same is obtained;
 12. establish the procedures and rules regulating concluding contracts, agreements, and memoranda of understanding relating to the DIFCA with third parties;
 13. review and approve the financial statements and accounts of the DIFCA and the entities it manages and supervises; and appoint auditors and determine their fees;
 14. approve, and submit to the President for approval, the consolidated annual budget of the DIFCA, including the respective budgets of each registry, office, body, or any other entity managed or supervised by the DIFCA; and manage their respective approved allocations;
 15. approve the fees and charges to be collected by the DIFCA in return for the Services it provides, and determine the violations, fines, and measures to be imposed on violators;
 16. supervise and monitor performance by the DIFCA chief executive officer of his duties and powers under this Law, the DIFC Laws, and the DIFC Regulations;
 17. approve the appointment of members of the executive management of the DIFCA, and determine their terms of service and remuneration, based on the proposal of the DIFCA chief executive officer; and
 18. exercise any other duties or powers assigned to it by the President or pursuant to the DIFC Laws and the DIFC Regulations.
- c. The board of directors of the DIFCA may delegate to the DIFCA chief executive officer any of its powers under this Law, the DIFC Laws, or the DIFC Regulations, provided that such delegation is specific and in writing.

Chief Executive Officer of the DIFCA
Article (10)

- a. The DIFCA will have a chief executive officer. The chief executive officer will be appointed, his service will be terminated, and the terms of his of service and entitlements will be determined, by the board of directors of the DIFCA. The chief executive officer will report to the board of directors of the DIFCA for exercising his duties and powers under this Law, the DIFC Laws, and the DIFC Regulations.
- b. The chief executive officer of the DIFCA will have the duties and powers to:
1. propose the strategies, policies, plans, and objectives of the DIFCA; submit the same to the DIFCA board of directors for approval; and follow up their implementation and achievement;
 2. submit reports to the board of directors of the DIFCA on the implementation of the approved strategies, policies, plans, and objectives of the DIFCA;
 3. prepare, and submit to the board of directors of the DIFCA for approval, the draft consolidated annual budget and financial statements of the DIFCA, including the respective budgets of any registry, office, body, or other entity managed or supervised by the DIFCA;
 4. propose the fees and charges to be collected by the DIFCA in return for the Services it provides and the fines, penalties, and measures to be imposed by the DIFCA or any registry, office, body, or other entity managed or supervised by the DIFCA where breaches or violations of the DIFC Laws or the DIFC Regulations are committed; submit the same to the board of directors of the DIFCA to take the action it deems appropriate in this respect; and supervise collection of such fees, charges, and fines;
 5. consult with the DFSA concerning the draft DIFC Laws and the draft DIFC Regulations proposed by the DIFCA, where necessary;
 6. supervise and manage the operation and maintenance of the buildings and infrastructure in the DIFC; provide administrative and technical Services in the DIFC; implement the master plan of the DIFC; verify that the service, municipal, security, safety, transportation, and information and telecommunication technology requirements are met; and provide any other services and meet any other requirements as necessary for achievement of the objectives of the DIFC in an efficient and effective manner;
 7. supervise and monitor performance by the employees and authorised representatives of the DIFCA of the duties assigned to them;
 8. propose the organisational structure of the DIFCA and submit the same to the board of directors of the DIFCA for approval;

9. monitor and supervise DIFC Establishments to verify their compliance with the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC;
 10. develop and maintain relationships with other DIFC Bodies, Government Entities, free zone authorities, and third parties within and outside of the Emirate, and maintain these relationships for the propose of achieving the objectives of the DIFC and enabling the DIFCA to perform its duties under this Law, the DIFC Laws, and the DIFC Regulations;
 11. ensure that the DIFC Establishments and their employees are working in a smooth and effective manner, in accordance with the DIFC Laws and the DIFC Regulations;
 12. ensure that services are provided in a smooth and effective manner to the DIFC Establishments and to third parties dealing with the DIFC, in accordance with the DIFC Laws and the DIFC Regulations;
 13. open and operate the bank accounts of the DIFCA in accordance with the relevant powers vested in him by the board of directors of the DIFCA;
 14. appoint and employ Persons to provide Products and Services to the DIFCA in accordance with the rules prescribed by the board of directors of the DIFCA in this respect;
 15. conclude contracts, agreements, and memoranda of understanding on behalf of the DIFCA as per the powers vested in him pursuant to this Law, the DIFC Laws, or the DIFC Regulations, or delegated to him by the board of directors of the DIFCA; and
 16. exercise any other duties or powers assigned or delegated to him by the board of directors of the DIFCA, or vested in him in accordance with the DIFC Laws and the DIFC Regulations.
- c. The chief executive officer of the DIFCA may delegate to any of the DIFCA's employees any of his powers under this Law, the DIFC Laws, and the DIFC Regulations, provided that such delegation is specific and in writing.

Dubai Financial Services Authority
Article (11)

- a. The DFSA will have the legal personality and financial, administrative, and operational autonomy required for undertaking legal dispositions and performing its functions.
- b. The DFSA will exercise its duties and powers under this Law, the DIFC Laws, and the DIFC Regulations without interference from any of the other DIFC Bodies.
- c. The DFSA is solely responsible for regulating Financial Services and Ancillary Services in the DIFC, and all matters which fall within its jurisdiction pursuant to this Law, the DIFC

Laws, the DIFC Regulations, and legislation in force in the Emirate which is applicable to the DIFC.

- d. The DFSA will have an independent budget. The Government will, where required, provide the DFSA with the financial support required to exercise its duties and powers independently from the other DIFC Bodies, in accordance with the provisions of the above-mentioned Law No. (1) of 2016.
- e. The DFSA must collect and maintain any information relating to Licensed DIFC Establishments that it may receive or collect or which may come to its notice in the course of performing its duties and functions under the DIFC Laws, the DIFC Regulations, the legislation in force in the Emirate which is applicable to the DIFC, or the international treaties to which the UAE is a party. The DFSA must keep confidential the information classified as confidential pursuant to the DIFC Laws or the DIFC Regulations. Such information may not be disclosed to third parties except in the cases permitted by the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC.
- f. The DFSA may, upon approval by the board of directors of the DFSA, delegate any of the duties and powers vested in the DFSA pursuant to this Law, the DIFC Laws, or the DIFC Regulations to any of the DIFC Bodies. The DFSA may accept performing any of the duties or powers assigned to it by the DIFC Bodies, excluding the DIFC Courts. Delegation of duties or powers must be made pursuant to a written agreement concluded with any of those bodies wherein the rights and obligations of the parties are specified.

DFSA Board of Directors Article (12)

- a. The DFSA will have a board of directors whose members are appointed and the terms of their membership and remuneration are determined pursuant to a resolution of the President. The board of directors of the DFSA will be directly responsible to the President for the business of the DFSA.
- b. The membership of a member of the board of directors of the DFSA will be forfeited in any of the following cases:
 - 1. gross negligence or misconduct in performing any of his duties;
 - 2. loss of capacity; or
 - 3. submitting a written resignation.
- c. The board of directors of the DFSA will supervise the work and activities of the DFSA in accordance with the requirements of good governance adopted by the DIFC. For this purpose, the board of directors of the DFSA will have the duties and powers to:

1. review, approve, and follow up implementation of the DFSA's strategies, policies, plans, and objectives governing the DFSA Financial Services and Ancillary Services, in accordance with the DIFC Laws and the DIFC Regulations;
2. conduct public opinion polls on the draft DIFC Laws and the draft DIFC Regulations falling within the jurisdiction of the DFSA;
3. propose the draft DIFC Laws regulating the DFSA Financial Services and Ancillary Services, and submit the same to the President for approval;
4. approve and issue the DIFC Regulations regulating the Financial Services and Ancillary Services of the DFSA, and any matters which fall within the jurisdiction of the DFSA, in accordance with the DIFC Laws and the DIFC Regulations;
5. approve the organisational structure of the DFSA;
6. determine the scope of the Financial Services and Ancillary Services of the DFSA requiring a licence, authorisation, approval, or registration by the DFSA, in accordance with the provisions of this Law, the DIFC Laws, and the DIFC Regulations; and submit the same to the President for approval;
7. prepare reports on implementation of the strategies, policies, and objectives of the DFSA; and submit the same to the President;
8. propose the establishment of bodies, departments, and establishments affiliated to the DFSA; submit the same to the President for approval; determine the duties and powers of such bodies, departments, and establishments; and delegate to them any of the duties and powers of the DFSA under this Law, the DIFC Laws, and the DIFC Regulations;
9. establish the procedures and rules for management of the bank accounts of the DFSA; obtain the necessary loans and financial facilities in accordance with the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC; and provide, upon approval of the President, the assets, rights, and entitlements of the DFSA as security for such loans and facilities;
10. establish the procedures and rules regulating conclusion by the DFSA of contracts, agreements, and memoranda of understanding with third parties;
11. review and approve the financial statements and accounts of the DFSA and appoint auditors and determine their fees;
12. approve the consolidated annual budget and financial statements of the DFSA and the bodies managed or supervised by it; and submit the same to the President for final approval;

13. approve the fees and charges to be collected by the DFSA in return for the Services it provides under the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC;
 14. supervise and monitor the chief executive officer of the DFSA in his performance of his duties and functions under this Law, the DIFC Laws, and the DIFC Regulations;
 15. approve the appointment of members of the executive management of the DFSA, and determine their terms of service and remuneration based on the proposal of the chief executive officer of the DFSA;
 16. determine the infrastructure, buildings, administrative services, and any other services required for the achievement of the objectives of the DFSA; and
 17. exercise any other duties or powers assigned to it by the President as per the DFSA's jurisdiction, or vested in it under the DIFC Laws or the DIFC Regulations.
- d. The board of directors of the DFSA may delegate to the chief executive officer of the DFSA any of the powers of the DFSA under this Law, the DIFC Laws, and the DIFC Regulations, provided that such delegation is specific and in writing.

Chief Executive Officer of the DFSA
Article (13)

- a. The DFSA will have a chief executive officer who is appointed and whose terms of service and remuneration are determined by the board of directors of the DFSA. The chief executive officer of the DFSA will be directly responsible to the board of directors of the DFSA for exercising his duties and functions under this Law, the DIFC Laws, and the DIFC Regulations.
- b. The chief executive officer of the DFSA will be removed pursuant to a resolution of the board of directors of the DFSA in case of loss of capacity, gross negligence, or misconduct in performing his duties and tasks.
- c. The chief executive officer of the DFSA will have the duties and powers to:
 1. propose the strategies, policies, plans, and objectives of the DFSA regulating the Financial Services and Ancillary Services of the DFSA; submit the same to the board of directors of the DFSA for approval; and follow up their implementation upon approval;
 2. submit reports to the board of directors of the DFSA on the implementation of the strategies, policies, plans, and objectives of the DFSA;
 3. prepare the draft consolidated annual budget and financial statements of the DFSA, including those of the entities it manages or supervises; and submit the same to the board of directors of the DFSA for approval;

4. propose the fees and charges to be collected by the DFSA in return for the services it provides; propose the violations and fines, and penalties to be imposed by the DFSA on violators of the DIFC Laws or the DIFC Regulations; submit the same to the board of directors of the DFSA for appropriate action in this respect; and supervise and follow up the collection of such fees, charges, and fines;
 5. consult with the DIFCA concerning the draft DIFC Laws and DIFC Regulations proposed by the DFSA prior to their approval and enactment;
 6. supervise and monitor performance by the DFSA employees and authorised representatives of their duties;
 7. propose the organisational structure of the DFSA and submit the same to the board of directors of the DFSA for approval;
 8. license and authorise the entities wishing to provide Financial Services and Ancillary Services within or through the DIFC in accordance with the DIFC Laws and the DIFC Regulations;
 9. cooperate and coordinate with the competent authorities, entities, and regulators within and outside of the UAE in the fields that are relevant to the DFSA's functions;
 10. monitor and supervise the Licensed DIFC Establishments that provide Financial Services and Ancillary Services within or through the DIFC, and impose the prescribed fines and penalties, in accordance with the DIFC Laws and the DIFC Regulations;
 11. open and operate the bank accounts of the DFSA, as per the relevant powers vested in the chief executive officer of the DFSA by the DFSA's board of directors;
 12. appoint and employ any Persons to provide Products and Services to the DFSA, in accordance with the rules established by the board of directors of the DFSA in this respect;
 13. conclude contracts, agreements, and memoranda of understanding on behalf of the DFSA as per the powers vested in him under this Law, the DIFC Laws, and the DIFC Regulations, or delegated to him by the board of directors of the DFSA;
 14. register and supervise Persons performing specified functions in or for Licensed DIFC Establishments; and
 15. exercise any other duties or powers assigned or delegated to him by the board of directors of the DFSA or assigned to him pursuant to the DIFC Laws or the DIFC Regulations.
- d. The chief executive officer of the DFSA may delegate to any of the DFSA's employees any of his duties or powers under this Law, the DIFC Laws, and the DIFC Regulations, provided that such delegation is specific and in writing.

DIFC Courts Article (14)

- a. The DIFC Courts will have the legal personality and financial, administrative, and operational autonomy required for undertaking legal dispositions and exercising their duties and powers.
- b. The DIFC Courts will comprise a judicial body and an administrative body.
- c. The DIFC Courts will have an independent consolidated budget incorporating judicial and administrative affairs. The Government will, where required, provide the DIFC Courts with the financial support required for exercising their duties and powers independently from other DIFC Bodies, in accordance with the provisions of the above-mentioned Law No. (1) of 2016.
- d. The DIFC Courts and their formation, jurisdiction, and procedures will be subject to a law issued by the Ruler in this respect, and to the DIFC Laws and the DIFC Regulations.
- e. The DIFC Courts will have exclusive jurisdiction to interpret the DIFC Laws and the DIFC Regulations.
- f. The DIFC Courts will have a Chief Justice and one or more deputy chief justices who will replace him in his absence or when his post falls vacant, and a number of judges known for their competence and expertise, who will be appointed pursuant to a decree of the Ruler issued upon recommendation of the President, and who will perform the judicial functions of the DIFC Courts.
- g. The terms of employment of the Chief Justice, his two deputies, and the DIFC Courts judges and their remuneration and employment benefits will be determined pursuant to a resolution issued by the President in this respect.
- h. The DIFC Courts will have a director who is appointed pursuant to a resolution of the President, and who will perform the administrative functions of the DIFC Courts.

Functions of the DIFC Courts Chief Justice Article (15)

- a. The Chief Justice of the DIFC Courts will undertake general supervision of the judicial affairs of the DIFC Courts in accordance with the good governance rules adopted by the DIFC. For this purpose, the Chief Justice will have the duties and powers to:
 - 1. propose the strategies, policies, plans, and objectives related to the judicial affairs of the DIFC Courts; submit the same to the President for approval; and follow up their implementation upon approval;
 - 2. prepare annual reports on implementation of the judicial strategies, policies, plans, and objectives of the DIFC Courts; and submit the same to the President;

3. conduct public opinion polls on any draft judicial procedural rules that will regulate the judicial procedures of the DIFC Courts;
 4. recommend to the President the issuance of the judicial procedural rules; and issue the necessary directives for implementation thereof;
 5. prepare the annual budget related to the judicial affairs of the DIFC Courts, and submit the same to the President for approval;
 6. propose the organisational structure of the DIFC Courts and the judicial organisation of the circuits and divisions of the DIFC Courts, and submit the same to the President for approval;
 7. supervise and monitor performance by the judges of the DIFC Courts of their duties and powers;
 8. recommend to the President the appointment of judges of the DIFC Courts by decree of the Ruler, and determine their terms of service, salaries, and financial benefits;
 9. appoint and remove judicial staff serving in the DIFC Courts and determine their duties, powers, terms of service, and employment benefits;
 10. establish the procedures relating to the powers of persons authorised to conclude on behalf of the DIFC Courts contracts, agreements, protocols, and memoranda of understanding in respect of the judicial affairs of the DIFC Courts;
 11. coordinate with the Director of the DIFC Courts in respect of the administrative affairs of the DIFC Courts, and in respect of the appointment of senior executive members of the DIFC Courts' administrative body, to ensure the autonomy and effective administration and operation of the DIFC Courts; and
 12. exercise any other duties or powers assigned to him by the President or delegated to him pursuant to the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC.
- b. The Chief Justice may delegate to a deputy chief justice or to any of the judges of the DIFC Courts any of his powers under this Law, the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC Courts, provided that such delegation is specific and in writing.

Functions of the Director of the DIFC Courts Article (16)

- a. The Director of the DIFC Courts will undertake general supervision of the administrative affairs of the DIFC Courts in accordance with the rules of good governance adopted by the DIFC. For this purpose, the Director of the DIFC Courts will have the duties and powers to:

1. propose the strategies, policies, plans, and objectives related to the administrative affairs of the DIFC Courts; submit the same to the President for approval; and follow up their implementation upon approval;
2. prepare annual reports on implementation of the administrative strategies, policies, plans, and objectives of the DIFC Courts; and submit the same to the President;
3. prepare the annual budget related to the administrative affairs of the DIFC Courts, and submit the same to the President for approval;
4. propose the organisational structure of the administrative organisational units of the DIFC Courts, and submit the same to the President for approval;
5. propose the fees and charges to be collected by the DIFC Courts in return for the Services it provides and submit the same to the President for approval, in accordance with the DIFC Laws and the DIFC Regulations;
6. supervise and manage the infrastructure, buildings, administrative services of the DIFC Courts, and any other administrative and operational services necessary for the proper achievement of the strategies, policies, plans, and objectives of the DIFC Courts;
7. establish the procedures relating to the powers of the persons authorised to conclude, on behalf of the DIFC Courts, contracts, agreements, protocols, and memoranda of understanding in respect of the administrative affairs of the DIFC Courts;
8. open and operate the bank accounts of the DIFC Courts in accordance with the powers vested in him by the President in this respect and with the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC Courts;
9. review and approve the accounts of the DIFC Courts, and appoint auditors and determine their fees;
10. appoint and terminate the services of the administrative staff of the DIFC Courts in accordance with the rules established by the President in this respect; and determine their duties, powers, salaries, and employment benefits;
11. appoint and terminate the services of senior executives of the DIFC Courts, including the registrar and deputy registrars, and determine their duties and powers, in consultation with the Chief Justice of the DIFC Courts;
12. supervise performance by the employees of the administrative body of the DIFC Courts of their duties and powers, including the registrar and deputy registrars; and
13. exercise any other duties or powers assigned to him by the President or delegated to him pursuant to the DIFC Laws, the DIFC Regulations, or the legislation in force in the Emirate which is applicable to the DIFC Courts.

- b. The President will determine the terms of employment, salary, and employment benefits of the Director of the DIFC Courts.
- c. The Director of the DIFC Courts may delegate to any member of the administrative body of the DIFC Courts any of his powers under this Law, the DIFC Laws, and the DIFC Regulations, provided that such delegation is specific and in writing.

Financial Resources of the DIFC Bodies Article (17)

The financial resources of the DIFC Bodies will consist of:

- 1. movable and immovable property allocated to the DIFC Bodies by the Government;
- 2. the fees and charges, including fines, collected by the DIFC Bodies in return for performing their powers and providing their services;
- 3. returns on investment of the property of the DIFC Bodies, and revenues generated from conducting their authorised activities;
- 4. the loans and financial facilities which the DIFC Bodies are authorised to obtain under this Law and the legislation in force in the Emirate; and
- 5. grants, gifts, donations, and any other resources approved by the President.

Budgets and Accounts of the DIFC Bodies Article (18)

- a. The DIFC Bodies will have independent budgets which reflect their actual financial position.
- b. In managing their accounts and records, the DIFC Bodies will apply commercial accounting rules and principles in accordance with recognised international standards.
- c. The financial year of any of the DIFC Bodies will commence on 1 January and will end on 31 December of each year.
- d. The respective accounts and financial and accounting records of the DIFC Bodies will be subject to audit by the Financial Audit Authority in accordance with the legislation in force in the Emirate which is applicable to the DIFC.

Activities of DIFC Establishments Article (19)

- a. No Person may conduct any profession or engage in any business or activity within or through the DIFC without first obtaining the relevant licence, permit, authorisation, approval, or registration from the competent DIFC Bodies. Licences, permits, authorisations, and approvals will be issued and the necessary registration will be made,

in accordance with the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC, as the case may be.

- b. Licensed DIFC Establishments will provide Financial Services and Ancillary Services within or through the DIFC as authorised under this Law, the DIFC Laws, the DIFC Regulations, and the terms of the licences and permits issued for them by the DFSA.
- c. DIFC Establishments may provide their Services through the DIFC to customers outside of the DIFC, provided that such Services are provided initially to their customers within the boundaries of the DIFC.
- d. The contracts and transaction concluded by DIFC Establishments within or through the DIFC will be subject to the DIFC Laws and the DIFC Regulations, unless otherwise agreed by the parties.
- e. DIFC Establishments may offer their Services and promote their Products outside of the DIFC, in accordance with paragraphs (c) and (d) of this Article, provided that they comply with the DIFC Laws, the DIFC Regulations, and the legislation applicable to the concerned entities outside of the DIFC.

Prohibited Activities

Article (20)

The following activities are prohibited within the DIFC:

1. any activity which conflicts with the provisions this Law, the DIFC Laws, the DIFC Regulations, or the legislation in force in the Emirate which is applicable to the DIFC, or which conflicts with the licences, permits, authorisations, or registration rules and terms issued to the DIFC Establishments; and
2. any activity that conflicts with public order or morality.

Prohibited Services, Products, and Goods

Article (21)

The DIFCA will prepare a list of the Services, Products, and Goods which may not be provided or dealt in within the DIFC including, without limitation:

1. expired goods and products;
2. goods violating commercial, industrial, literary, artistic, and intellectual property laws, including the laws and rules related to trademarks, patents, copyrights, and design rights;
3. the Services, Products, and Goods which violate the DIFC Laws or the DIFC Regulations;
4. the Services, Products, and Goods which are prohibited under the legislation in force in the Emirate;

5. the Services, Products, and Goods which are prohibited by any federal or local government entity;
6. the Services, Products, and Goods that feature inscriptions, drawings, ornamentations, marks, or figures that conflict with the doctrines, teachings, and beliefs of heavenly revealed religions; or that breach public order or morality;
7. military Services, Products, Goods, and ammunition, except those admitted pursuant to a permit issued by the competent authority in the UAE; and
8. any service or activity that involves unlawful competition.

Applicable Legislation
Article (22)

- a. DIFC Bodies and DIFC Establishments will conduct their business within or through the DIFC in accordance with this Law, the DIFC Laws, the DIFC Regulations, and the legislation in force in the Emirate which is applicable to the DIFC.
- b. Except for the legislation relating to the environment, health, public safety, and food control in force in the Emirate, the DIFC, the DIFC Bodies, the DIFC Establishments, the staff and employees of any of them or the Persons authorised by them, and the land, real estate, and property located in the DIFC, will not be governed by the legislation issued by the Government or any local Government Entity in the Emirate, except as may be provided for by a special provision in such legislation.

DIFC as Place of Business
Article (23)

- a. Any federal or local government entity, company, establishment, or other entity, whether they are established and regulated by the legislation in force in the Emirate, or licensed by the competent government entities in the UAE or in the Emirate, may take the DIFC as their principal place of business for conducting their activities, in accordance with the requirements determined in a resolution issued by the President in this respect.
- b. Where any of the entities referred to in paragraph (a) of this Article wishes to provide any Financial Services or Ancillary Services, or conduct any commercial activities, within the DIFC, such an entity must obtain the required licence, permit, authorisation, or registration certificate from the competent DIFC Bodies in accordance with the DIFC Laws and the DIFC Regulations.
- c. The relationship between the entities, companies, and establishments referred to in paragraph (a) of this Article and which conduct activities that are not related to Financial Services, Ancillary Services, or commercial activities will be governed by contracts concluded between them and the competent DIFC Bodies in which the rights and obligations of the parties are specified.

- d. The government entities, companies, establishments, and other entities referred to in paragraph (a) of this Article will be governed by all the federal and local legislation regulating their activities. However, these entities will not be governed by the DIFC Laws and the DIFC Regulations except to the extent of their relationship with the DIFC Bodies and the terms approved by the President in this respect.

Tax Exemption Article (24)

Without prejudice to the federal tax legislation in force in the UAE, DIFC Bodies, DIFC Establishments, and their respective employees, will be subject to zero (0) tax rate for fifty (50) years from the effective date of this Law, including the income tax, in relation to their operations in the DIFC and the tax imposed on the transfer of assets, profits, or salaries in any cash currency to any party outside of the DIFC for the same period. The said period will be renewable for the same period pursuant to a resolution of the Ruler.

Exemption from Customs Duties Article (25)

- a. The Goods that are imported into the DIFC, or that are manufactured, produced, or developed therein, will be exempt from customs duties; and when exported outside of the UAE, no customs duties will be levied on these Goods.
- b. Products stored in the DIFC, or used in any process within the DIFC, will be exempt from customs duties.
- c. Products exported from the DIFC to the customs zone within 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 provisions in force.

Immunity from Limitation of Ownership Measures Article (26)

- a. Neither DIFC Establishments, nor their property, nor the property of their employees may be subject to any nationalisation or limitation of private ownership measures throughout the period of their work within the DIFC.
- b. DIFC Establishments may be wholly owned by non-UAE national persons or by persons or entities who do not have a place of residence in the UAE.

Employees of DIFC Establishments Article (27)

DIFC Establishments may, at their own discretion, employ or hire any Person to perform work in the DIFC, provided that such Person is not a national of any country which is politically boycotted by the UAE or convicted in any other country.

Non-Liability Article (28)

- a. The Government will not be liable to third parties for any debts or obligations owed by any of the DIFC Bodies. The DIFC Bodies will be solely liable for such debts or obligations.
- b. Neither the DIFC Bodies nor their authorised representatives will be liable to third parties for the obligations of DIFC Establishments or of their employees.

Exemption from Liability Article (29)

Except in cases of fraud and gross fault, neither the President, nor the Governor, nor members of the Higher Board, nor the chairmen and members of the DIFCA or the DSFA boards of directors, nor the chief executive officers of the DIFC Bodies, nor the Chief Justice or the Director of the DIFC Courts, nor any member of the DIFC executive management or employee of the DIFC Bodies, nor their respective representatives will, in the course of performing their duties under the law, be liable to any third party for any act or omission. The DIFC Bodies will be liable to any third party for such act or omission.

Law Enforcement Article (30)

- a. The employees and inspectors of the DIFC Bodies nominated pursuant to a resolution of the President or his authorised representative will have the capacity of Law Enforcement Officers to record the acts committed in breach of the provisions of this Law, the DIFC Laws, or the DIFC Regulations. In this capacity, they may monitor and supervise DIFC Establishments and their employees, activities, and business; issue the necessary violation reports; and, where necessary, seek the assistance of police personnel.
- b. The law enforcement capacity, referred to in paragraph (a) of this Article, will be granted in accordance with the provisions of the above-mentioned Law No. (8) of 2016 and the resolutions issued in pursuance thereof.

Rights and Obligations of the Dispute Resolution Authority Article (31)

As of the date on which this Law comes into force, the duties, powers, rights, and obligations of the Dispute Resolution Authority established pursuant to the above-mentioned Law No. (9) of 2004 and of those of its employees are hereby transferred to the following DIFC Bodies without interruption and without prejudice to their existing rights:

1. the DIFC Courts, in all matters relating to the DIFC Courts, the roll of lawyers, and the wills registry; and
2. the DIFCA, in all matters relating to the affairs of the Academy of Law.

Arbitration Institute Article (32)

- a. The Arbitration Institute established pursuant to the above-mentioned Law No. (9) of 2004 is hereby deemed as an independent DIFC Body, and will continue, without interruption, to perform the duties assigned to it under the above-mentioned Law No. (9) of 2004 and the resolutions issued in pursuance thereof.
- b. The powers, terms of reference, board of trustees, and the authority that will approve the arbitration rules and procedures of the Arbitration Institute will be determined, approved, and formed pursuant to a resolution issued by the President in this respect.
- c. The Arbitration Institute will have legal personality and financial and administrative autonomy. The Government will allocate to the Arbitration Institute the financial resources required to enable it to exercise its functions independently from the other DIFC Bodies.
- d. All arbitration agreements to resort to the Arbitration Institute are hereby deemed valid, and the Arbitration Institute will continue without interruption to consider and settle all arbitration claims in accordance with the rules and procedures it adopts in this respect, unless otherwise agreed by the parties to the dispute.

Supersession and Repeals Article (33)

- a. This Law supersedes the above-mentioned Law No. (9) of 2004.
- b. Any provision in any other legislation, including the DIFC Laws and the DIFC Regulations, will be repealed to the extent that it contradicts the provisions of this Law.
- c. The DIFC Laws and the DIFC Regulations issued in implementation of the above-mentioned Law No. (9) of 2004 will continue in force to the extent that they do not contradict this Law, until new superseding DIFC Laws and DIFC Regulations are issued.

- d. The DIFC Bodies, each within its respective jurisdiction, must amend the DIFC Laws and the DIFC Regulations falling within its jurisdiction in such a manner as to make them in line with the provisions of this Law, within no later than one (1) year from date on which this Law comes into force. The President may extend this time frame for the same period.

Cooperation with the DIFC Bodies
Article (34)

- a. All Government Entities in the Emirate must cooperate with the DIFC Bodies to enable them to achieve the objectives of the DIFC and perform the duties assigned to them under this Law, the DIFC Laws, and the DIFC Regulations.
- b. The DIFC Bodies may seek assistance from Government Entities in the Emirate, including free zone authorities, to enable them to exercise their functions under this Law, the DIFC Laws, and the DIFC Regulations.

Commencement and Publication
Article (35)

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 27 April 2021
Corresponding to 15 Ramadan 1442 A.H.