

Law No. (12) of 2022
Establishing the Salik Company PJSC¹

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

After perusal of:

Federal Law No. (7) of 1999 Issuing the Pensions and Social Security Law and its amendments;

Federal Law by Decree No. (32) of 2021 Concerning Commercial Companies;

Federal Law by Decree No. (33) of 2021 Regulating Labour Relations;

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

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

Law No. (17) of 2005 Establishing the Roads and Transport Authority and its amendments;

Law No. (22) of 2006 Concerning the Traffic Toll in the Emirate of Dubai, its amendments, and its Implementing Bylaw;

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. (8) of 2018 Concerning Management of the Government of Dubai Human Resources;

Resolution No. (3) of 2022 Concerning Representation of the Government of Dubai in the Companies it Owns;

Executive Council Resolution No. (19) of 2010 Approving the Fees and Fines Prescribed by the Traffic Toll Law in the Emirate of Dubai; and ^

Administrative Resolution No. (313) of 2020 Prescribing the Requirements and Procedures for Exempting Vehicles and Categories from Payment of the Traffic Toll (Salik),

Do hereby issue this Law.

©2022 The Supreme Legislation Committee in the Emirate of Dubai

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.

Definitions

Article (1)

The following words and expressions, wherever mentioned in this Law, will have the meaning indicated opposite each of them unless the context implies otherwise:

Emirate:	The Emirate of Dubai.
Government:	The Government of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
Law:	Law No. (22) of 2006 Concerning the Traffic Toll in the Emirate of Dubai.
RTA:	The Roads and Transport Authority.
Director General:	The director general and chairman of the Board of Executive Directors of the RTA.
Company:	The Salik Company PJSC, a public joint-stock company established pursuant this Law.
Articles of Association:	The articles of association of the Company.
Board of Directors:	The board of directors of the Company.
CEO:	The chief executive officer of the Company.
Traffic Toll System:	A system for collecting the Traffic Toll prescribed by the Law and the resolutions issued in pursuance thereof from road users upon passing through a Traffic Toll Gate.
Traffic Toll Gate:	The locations where special technical equipment is installed to deduct the Traffic Toll prescribed by the Law and the resolutions issued in pursuance thereof from the credit balance of the Traffic Toll Tag of any Vehicle passing through this location without the need to stop the vehicle.
Traffic Systems:	A set of electronic and electric devices that are linked, through a telecommunications network, to centralised systems and servers; and that host specialised engineering programmes and

applications used to monitor, manage, and control traffic flow on the road network.

Establishment of the Company Article (2)

A public joint-stock company named the "Salik Company PJSC" is hereby established. The Company will have legal personality, financial and administrative autonomy, and the legal capacity required to conduct its activities and achieve its objectives, in accordance with this Law, the Articles of Association, and other legislation in force in the Emirate.

Head Office of the Company Article (3)

The head office of the Company will be located in the Emirate. Other branches and offices of the Company may be established within and outside of the Emirate as determined by the Articles of Association.

Concluding Contracts with the Company and Transferring Rights and Obligations Article (4)

- a. The RTA will, under a franchise agreement to be concluded between the RTA and the Company, outsource all or any of its Traffic Toll System operation and management functions under the Law, the resolutions issued in pursuance thereof, and other legislation in force in the Emirate, in a manner that enables the Company to achieve the objectives for which it is established. The franchise agreement will state its term and the rights and obligations of both parties.
- b. The RTA will, in coordination with the Department of Finance, determine the assets, property, material and moral rights, privileges, obligations, guarantees, and undertakings that the RTA have in respect of the Traffic Toll System and that will be transferred to the Company.
- c. The aforementioned assets, property, rights, privileges, obligations, guarantees, and undertakings will be transferred to, and registered in the name of, the Company or any company owned by or affiliated to it, in accordance with the legislation in force in the Emirate. The concerned Government Entities must, upon the request of the RTA, take the necessary action to complete the transfer and registration process.

- d. Notwithstanding the provisions of the Law, the Chairman of the Executive Council may issue a resolution to remove or relocate any of the approved Traffic Toll Gates or to add new Traffic Toll Gates in the Emirate, in accordance with the outputs of the Traffic Toll Gate plan and location studies, conducted by the RTA in coordination with the Company, and with the traffic flow and the road user safety requirements in the Emirate.

Share Capital of the Company Article (5)

- a. The issued and paid-up share capital of the Company will be specified in the Articles of Association.
- b. The share capital of the Company will be transferred from the Government account to the share capital account of the Company.
- c. All the shares of the Company will be wholly owned by the Government. The Executive Council may determine the percentage of shares that may be transferred to other parties through Public Subscription or private subscription.
- d. The liability of the Company will be limited to its paid-up capital. The liability of shareholders will be limited to the nominal value of the shares they own.

Term of the Company Article (6)

The term of the Company is ninety-nine (99) years commencing from the date of its registration on the commercial register in accordance with the legislation in force in the Emirate. This term will be automatically renewed for the same period in accordance with the provisions of the Articles of Association.

Objectives and Powers of the Company Article (7)

- a. The Company will have the following objectives:
 - 1. to operate, manage, and develop the Traffic Toll System exclusively within the Emirate, and to implement the legislation governing Traffic Toll, including the above-mentioned Executive Council Resolution No. (19) of 2010, in accordance with the franchise agreement concluded with the RTA;

2. to manage, develop, and operate Traffic Systems, in accordance with the contracts concluded between the Company and the entities in charge of these systems within and outside of the Emirate;
 3. to provide consultancy services on Traffic Systems and Traffic Toll Systems;
 4. to coordinate with the RTA on conducting the studies related to Traffic Toll Gate plans and locations;
 5. to invest in Traffic Systems and Traffic Toll Systems; and
 6. to achieve any other objectives determined by the Articles of Association.
- b. For the purpose of achieving the objectives mentioned in paragraph (a) of this Article, the Company may:
1. contract with others to achieve its objectives;
 2. establish wholly-owned companies or hold shares in existing companies that are related to its objectives within and outside of the Emirate;
 3. acquire, own, rent, and lease out land and other real property as required to achieve its objectives;
 4. invest and use its property in any commercial, financial, service, or industrial fields;
 5. borrow funds, with or without security, in accordance with the legislation in force in the Emirate;
 6. grant usufruct rights or any other real right in respect of the assets and property owned by it to any other entity or company engaged in the field of Traffic Systems, including the Traffic Toll Systems; and
 7. perform any other work or activities related to the achievement of its objectives, as stipulated in the Articles of Association.

Articles of Association
Article (8)

- a. Without prejudice to the provisions of this Law and other legislation in force in the Emirate, the Chairman of the Executive Council will approve the Articles of Association. The Articles of Association must determine all matters related to regulating the Company affairs, particularly the following:

1. the share capital of the Company and the procedures for increasing or reducing it;
 2. the number of shares constituting the share capital of the Company, and the nominal value of each share;
 3. the procedures for obtaining loans from banking and financial institutions;
 4. the revenues of the Company;
 5. the formation of the general assembly of the Company, and determination of its functions;
 6. the budget and Financial Year of the Company;
 7. the procedures for distributing profits and losses;
 8. the procedures for establishing branches of the Company within or outside of the Emirate;
 9. the formation of the Board of Directors and its terms of reference;
 10. the disposal of the Company assets and management of its property and revenues;
 11. the issuance and types of shares, and the rules for ownership and trade of shares and their related rights;
 12. the issuance and trade of bonds and sukuk;
 13. the appointment of the Company auditors and determination of their functions and obligations;
 14. the Financial Year of the Company; and
 15. the dissolution and liquidation of the Company.
- b. The Chairman of the Executive Council will be authorised to amend the Articles of Association of the Company, provided that it remains wholly owned by the Government. Where the shares of the Company are offered for subscription and acquired by subscribers, the general assembly of the Company will be authorised to amend the Articles of Association.

Subscription for and Ownership of Shares

Article (9)

- a. Where the shares of the Company are offered for Public Subscription or private subscription, natural and legal persons may acquire shares in the Company. Subscription will be made in accordance with the legislation in force in the Emirate.
- b. Where the shares of the Company are offered for subscription, the Government must retain the ownership of at least sixty percent (60%) of the share capital of the Company.

Board of Directors and CEO

Article (10)

- a. The Company will have a Board of Directors comprised of a chairman, a vice chairman, and a number of members. The first Board of Directors will be formed pursuant to a resolution of the Chairman of the Executive Council. Membership of the Board of Directors will be for a term of three (3) years. The Articles of Association will determine the method of formation and reconstitution, and the term of membership, of subsequent Boards of Directors. The formation of Boards of Directors must reflect ownership rights in the Company.
- b. The Company will have a CEO, who will be appointed, and may be dismissed, by the Board of Directors. The CEO will undertake direct supervision of the Company; perform his functions under this Law and the Articles of Association; and exercise the duties and powers assigned or delegated to him by the Board of Directors.
- c. The Board of Directors may assign any of its members as a managing director to undertake direct supervision of the management of the Company, and to perform the duties of the CEO.

Board of Directors Functions

Article (11)

- a. The Board of Directors will undertake general supervision of the Company and management of its affairs. The Board of Directors will perform its functions under this Law and the Articles of Association, and particularly will:
 - 1. approve, and follow up the implementation of, the strategic plans and policies of the Company;
 - 2. supervise the achievement by the Company of its objectives;

3. issue the financial, administrative, technical, and procurement bylaws of the Company and manage its assets;
 4. approve the organisational structure of the Company;
 5. approve the contracts and agreements concluded by the Company, including loan, financing, mortgage, settlement, and arbitration agreements;
 6. divide, assign, transfer, amalgamate, merge, sell, and mortgage or pledge any of the property or assets of the Company, or the property or assets of any the companies it owns; or assign or dispose of the same in any legal manner;
 7. authorise the Company, and the companies owned by it, to perform any investment, borrowing, or lending transactions; to provide guarantees and security; or to issue bonds, sukuk, or any other debt instruments, in accordance with the legislation in force in the Emirate;
 8. acquire or merge companies and establishments and determine the acquisition value;
 9. form permanent and temporary committees and work teams, and determine their duties and powers; and
 10. perform any other duties assigned to it pursuant to the legislation in force and the Articles of Association, as required to enable the Company to achieve its objectives.
- b. Except for the powers vested in it under sub-paragraphs (a)(6), (a)(7), and (a)(8) of this Article, the Board of Directors may delegate any of its powers under paragraph (a) of this Article or under the Articles of Association to its chairman, to any of its members, to any committees it forms, or to the CEO, provided that such delegation is specific and in writing.

Human Resources of the Company Article (12)

- a. Some of the Employees working for the RTA on the effective date of this Law may be transferred to the Company without prejudice to their existing rights. These Employees will be nominated pursuant to the relevant resolution issued by the Director General. They will be governed by the above-mentioned Law No. (8) of 2018 until the human resources regulations referred to in paragraph (c) of this Article are issued.
- b. Upon their transfer to the Company, the period of service of UAE National RTA Employees preceding the effective date of this Law will be deemed uninterrupted and will form part of their service with the Company. The Company will be deemed as a government sector employer for the purpose of calculating the retirement pension benefits or end-of-service

gratuity of these Employees in accordance with the above-mentioned Federal Law No. (7) of 1999.

- c. Subject to the legislation in force in the Emirate, the employees of the Company will be governed by the human resource regulations adopted by the Board of Directors.

Financial Resources of the Company Article (13)

The financial resources of the Company will consist of:

1. the Traffic Toll prescribed by the legislation in force in the Emirate and the charges collected in return for the services provided by the Company;
2. the fines prescribed for Traffic Toll System violations;
3. returns on the investment of its property; its profits; and the profits of the companies owned by it, affiliated to it, or in which it holds shares; and
4. any other financial resources approved by the Board of Directors.

Payment of Fees and Fines Article (14)

The fees and fines collected pursuant to the above-mentioned Executive Council Resolution No. (19) of 2010, or any superseding resolution, will be paid to the Company within the scope of the functions assigned to the Company under the franchise agreement concluded with the RTA.

Law Enforcement Article (15)

- a. The employees of the Company 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 the legislation that the Company is assigned to enforce. In this capacity, they may 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.

Cooperation with the Company
Article (16)

All Government Entities must, upon request, fully cooperate with the Company to enable it to achieve its objectives and exercise its functions under this Law, the Articles of Association, and other legislation in force in the Emirate.

Consideration of Pending Claims
Article (17)

Without the need for any further action as a result of the establishment of the Company under this Law, courts of all types and levels will continue to consider the claims and appeals pertaining to the Traffic Toll System to which the RTA is a party, until these claims and appeals are determined by final definitive judgements.

Non-liability
Article (18)

Neither the Government nor the RTA will be held liable to third parties for any debts or obligations arising from the conduct by the Company of its activities.

Repeals
Article (19)

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

Commencement and Publication
Article (20)

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 10 June 2022
Corresponding to 11 Thu al-Qidah 1443 A.H.