

Law No. (3) of 2020
Concerning the
Dubai Multi Commodities Centre¹

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. (11) of 2006 Establishing the Investment Corporation of Dubai and its amendments;

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

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

The Resolution Establishing the Dubai Multi Commodities Centre, issued on 1 May 2002, and its amendments; and

Regulation No. (4) 2002 Regulating Work at the Dubai Multi Commodities Centre and its amendments,

Do hereby issue this Law.

Title of the Law
Article (1)

This Law will be cited as “Law No. (3) of 2020 Concerning the Dubai Multi Commodities 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:

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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.*

Law No. (3) of 2020 Concerning the Dubai Multi Commodities Centre

UAE:	The United Arab Emirates.
Emirate:	The Emirate of Dubai.
Ruler:	His Highness the Ruler of Dubai.
Government:	The Government of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
ICD:	The Investment Corporation of Dubai.
DMCC:	The Dubai Multi Commodities Centre.
DMCCA:	The Dubai Multi Commodities Centre Authority.
Board of Directors:	The board of directors of the DMCCA.
Executive Chairman:	The executive chairman of the DMCCA.
Commodities:	Any natural substances; animal, agricultural, or industrial products; gold; diamonds and other precious stones; or other metals.
DMCC Establishments:	Sole proprietorships and all types of commercial companies licensed to operate within the DMCC pursuant to this Law and the resolutions issued in pursuance hereof.
Activity:	Any commercial, industrial, artisan, professional, or service activity related to Commodities or to Services; or other activity authorised in the DMCC in accordance with this Law and the resolutions issued in pursuance hereof.

Scope of Application **Article (3)**

This Law will apply to:

1. the DMCC established pursuant to the above-mentioned Resolution issued on 1 May 2002 as a free zone. The Plans attached to this Law specifies the location, area, and boundaries of the DMCC; and
2. the DMCCA, as a public authority having legal personality, financial and administrative independence, and the legal capacity required to undertake all acts

and dispositions that ensure the achievement of the DMCC objectives. The DMCCA is hereby affiliated to the ICD.

Objectives of the DMCC

Article (4)

The DMCC aims to:

1. promote the Emirate as a regional and international hub for Commodities trading, and for commercial and Islamic finance, in accordance with the legislation in force in the Emirate and applicable to the DMCC;
2. contribute to implementing the strategic priorities of the Government with a view to enhancing the economic growth of the Emirate;
3. contribute to attracting local and international investments and commercial companies and corporations to set up business and invest in the DMCC; and
4. boost the competitive edge of the Emirate in the field of Commodities trading in general, and precious metals trading in particular.

Functions of the DMCCA

Article (5)

The DMCCA will supervise the DMCC. For the purpose of achieving the objectives of the DMCC, the DMCCA will have the duties and powers to:

1. establish, develop, and manage, in coordination with the concerned entities in the Emirate, the infrastructure and administrative services within the DMCC; and undertake the construction of residential, commercial, and hotel buildings and facilities whether by itself or through real estate developers;
2. determine the Activities which are authorised within the DMCC, and establish the rules, conditions, requirements, and procedures for licensing these Activities;
3. license, regulate, control, and supervise the construction works performed within the DMCC;
4. register and license DMCC Establishments in accordance with the provisions of this Law and the resolutions issued in pursuance hereof;
5. regulate the liquidation and bankruptcy of DMCC Establishments, including by prescribing the liquidation and bankruptcy procedures related to handling assets,

payables, liabilities, set-off, and close-out netting rights; as well as restructuring procedures;

6. monitor and inspect DMCC Establishments and their Activities to verify their compliance with the provisions of this Law and the resolutions issued in pursuance hereof;
7. establish corporations and companies solely or in partnership with others, within or outside of the DMCC;
8. establish, regulate, and operate physical and digital Commodities markets, in accordance with the legislation in force in the Emirate;
9. establish professional associations and committees and organise events related to the DMCC's Activities;
10. oversee rough diamond trade in coordination with the concerned local and federal authorities and in accordance with the provisions of international agreements and conventions to which the UAE is a party;
11. examine, certify, and calibrate diamonds, gold, and precious stones; and verify the authenticity of the relevant certificates and documents;
12. authorise DMCC Establishments to import and store goods for purposes of re-exporting or bringing them into the customs zone in the Emirate, in coordination with the concerned entities;
13. amicably settle labour disputes and the disputes related to the operations of DMCC Establishments;
14. enter into agreements and memoranda of understanding with dispute resolution centres;
15. allow DMCC Establishments, in coordination with the concerned federal entities and in accordance with the legislation in force in the Emirate, to provide commercial, media, banking, and insurance services within the DMCC;
16. purchase, take lease of, and own the movable and immovable property required for performing its duties; and invest or dispose of such property by all means of legal disposition;
17. cooperate and coordinate with local, federal, regional, and international entities, including other free zones' authorities, to ensure achievement of the DMCC objectives; and

18. exercise any other duties or powers required for the achievement of the DMCC objectives.

Organisational Structure of the DMCCA **Article (6)**

The organisational structure of the DMCCA will be comprised of:

1. the Board of Directors; and
2. the executive body.

Formation of the Board of Directors **Article (7)**

The DMCCA will have a Board of Directors comprised of a chairman, a vice chairman, and a number of experienced and specialised members appointed pursuant to a decree of the Ruler.

Functions of the Board of Directors **Article (8)**

- a. The Board of Directors will undertake general supervision of the DMCCA. For this purpose, the Board of Directors will have the duties and powers to:
 1. approve, and supervise the implementation of, the policies and strategic and operational plans of the DMCCA;
 2. approve the services, business, projects, and Activities that the DMCCA intends to undertake;
 3. approve borrowing and financing programmes proposed by the Executive Chairman, subject to the legislation in force in the Emirate; and submit the same to the competent entity in the Emirate for final approval;
 4. approve the organisational structure of the DMCCA;
 5. appoint auditors and determine their annual remuneration;
 6. approve the draft annual budget and financial statements of the DMCCA; and submit the same to the competent entity in the Emirate for final approval;
 7. approve fees and charges for the services provided by DMCCA, and submit the same to the competent entity in the Emirate for final approval;

8. approve the resolutions and bylaws regulating the administrative, financial, and technical work of the DMCCA;
 9. approve the rules and procedures for licensing and registration of DMCC Establishments;
 10. approve the regulations related to the liquidation and bankruptcy of DMCC Establishments, and the regulations required for facilitating the trade and exchange of Commodities;
 11. conduct annual reviews of the performance reports of the DMCCA, and take the necessary action in respect thereof;
 12. approve investment and expansion plans, and submit the same to the ICD to take the action it deems appropriate in respect thereof; and
 13. exercise any other duties or powers assigned to it by the Ruler or the Chairman of the Executive Council.
- b. The Board of Directors may delegate any of the powers stipulated in subparagraphs (a)(7), (a)(8), (a)(9), and (a)(10) of this Article to the Executive Chairman, provided that such delegation is specific and in writing.

Meetings of the Board of Directors

Article (9)

- a. The Board of Directors will convene at the invitation of its chairman, or vice chairman if the chairman is absent, at least once every month, and where necessary. Meetings of the Board of Directors will be valid if attended by the majority of its members, provided that its chairman or vice chairman is in attendance.
- b. Resolutions and recommendations of the Board of Directors will be passed by majority vote of attending members, and in the event of a tie, the chair of the meeting will have the casting vote.
- c. Meeting proceedings, resolutions, and recommendations of the Board of Directors will be recorded in minutes signed by the chair of the meeting and attending members.
- d. The chairman of the Board of Directors will appoint, from among the DMCCA employees, a rapporteur to the Board of Directors. The rapporteur will be responsible for sending meeting invitations, preparing meeting agendas, recording minutes of meetings, following up the implementation of the Board of Directors

resolutions and recommendations, and performing any other duties assigned to him by the chairman of the Board of Directors.

- e. The Board of Directors may invite experts and specialists, as it deems appropriate, to attend its meetings. These experts and specialists will not have a vote in the deliberations of the Board of Directors.
- f. The vice chairman of the Board of Directors will act as its chairman where the chairman is absent or becomes incapable of performing his duties.

Executive Body Article (10)

- a. The executive body of the DMCCA will be comprised of the Executive Chairman and a number of administrative, finance, and technical employees.
- b. The rights, duties, and terms of employment of the employees of the executive body of the DMCCA will be determined pursuant to the relevant regulation issued by the Board of Directors for this purpose.

Appointment and Functions of the Executive Chairman Article (11)

- a. An Executive Chairman will be appointed to the DMCCA pursuant to a resolution of the Chairman of the Executive Council.
- b. The Executive Chairman will, under the supervision of the Board of Directors, manage the DMCCA in accordance with the provisions of this Law and the resolutions issued in pursuance hereof. For this purpose, the Executive Chairman will have the duties and powers to:
 - 1. propose the general policy, and strategic and operational plans, of the DMCCA; submit the same to the Board of Directors for approval; and take all actions required for their implementation upon approval;
 - 2. propose the services, business, projects, and Activities that the DMCCA intends to perform; and submit the same to the Board of Directors for approval;
 - 3. propose the organisational structure of the DMCCA, and submit the same to the Board of Directors for approval;

4. propose fees and charges for the services provided by the DMCCA, and submit the same to the Board of Directors for approval;
 5. prepare the draft annual budget and financial statements of the DMCCA, and submit the same to the Board of Directors for approval;
 6. propose resolutions regulating the administrative, financial, and technical work of the DMCCA; and submit the same to the Board of Directors for approval;
 7. approve rules and procedures for the registration and licensing of the DMCC Establishments, and submit the same to the Board of Directors for approval;
 8. propose the regulations related to the liquidation and bankruptcy of DMCC Establishments, and the regulations required for facilitating the trade and exchange of Commodities; and submit the same to the Board of Directors for approval;
 9. propose the borrowing programmes required to obtain the financing that enables the DMCC to achieve its objectives, and submit the same to the Board of Directors for approval;
 10. issue the resolutions required for maintaining a register for the licensing of DMCC Establishments and any other registers that are relevant to the work of the DMCCA;
 11. supervise the work of the DMCCA executive body employees;
 12. open and manage bank accounts subject to the legislation in force in the Emirate;
 13. represent the DMCCA before third parties, and conclude the contracts and agreements required for the achievement of the objectives of the DMCC; and
 14. exercise any other duties or powers required for the achievement of the objectives of the DMCC, as assigned or delegated to him by the Board of Directors.
- c. The Executive Chairman may delegate any of his powers under sub-paragraphs (b)(10) and (b)(13) of this Article to any of the DMCCA employees, provided that such delegation is specific and in writing.

Financial Resources of the DMCCA

Article (12)

The financial resources of the DMCCA will consist of:

1. movable and immovable property allocated to the DMCCA by the Government;
2. fees and charges collected by the DMCCA in return for the Activities it conducts and the services it provides;
3. returns on investment of the property of the DMCCA; and
4. gifts, donations, and other resources approved by the Board of Directors.

Budget and Accounts of the DMCCA

Article (13)

- a. The DMCCA will have an independent budget which reflects its actual financial position.
- b. In organising its accounts and financial records, the DMCCA will apply the rules and principles of commercial accounting in accordance with the relevant internationally accepted standards.
- c. The financial year of the DMCCA will commence on 1 January and will end on 31 December of each year.

Cooperation with the DMCCA

Article (14)

All Government Entities in the Emirate must fully cooperate with the DMCCA to enable it to perform the duties assigned to it under this Law and the resolutions issued in pursuance hereof.

Prohibited Activities

Article (15)

The following activities will be prohibited within the DMCC:

1. any activity that conflicts with the terms of the licences issued to DMCC Establishments or with the legislation in force in the Emirate; and
2. any activity that conflicts with public order or morality.

Prohibited Commodities

Article (16)

- a. All Commodities of whatever origin, whether national or foreign, will be admitted to the DMCC.
- b. Notwithstanding the provisions of paragraph (a) of this Article, it is prohibited to bring the following Commodities into the DMCC or to trade in them within the DMCC:
 - 1. spoilt commodities;
 - 2. commodities violating commercial, industrial, literary, artistic, and intellectual property protection laws, including the laws and rules related to trade marks, patents, copyrights, and design rights;
 - 3. commodities prohibited by the UAE or the Government;
 - 4. commodities 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;
 - 5. military commodities and ammunition, except those in respect of which a permit is issued by the competent authority in the Emirate; and
 - 6. commodities, services, and products in which trading is prohibited in the UAE pursuant to the legislation in force.

Exemption from Customs Duties

Article (17)

- a. Commodities brought into the DMCC, or 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 Commodities.
- b. Commodities stored in the DMCC, or used in any operations within the DMCC, will be exempt from customs duties.
- c. Commodities exported from the DMCC 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 Commodities in accordance with the customs tariff provisions in force.

Tax Exemption Article (18)

Without prejudice to applicable legislation in the UAE, DMCC Establishments and their employees will be exempt from all taxes, including income tax, in respect of their operations in the DMCC; and will be exempt from any restrictions on the transfer of share capital, profits, or wages in any currency to any destination outside the DMCC. Exemption will apply for a period of fifty (50) years, renewable for the same period pursuant to a resolution of the Ruler. This period will commence on the day on which these establishments or their employees commence work.

Immunity from Limitation of Ownership Measures Article (19)

Neither DMCC 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 DMCC.

Employees of DMCC Establishments Article (20)

DMCC Establishments may, at their own discretion, employ or hire any person to perform their work, provided that this person is not a subject of any country which is politically or economically boycotted by the UAE.

Exemption from Compliance with Certain Legislation Article (21)

- a. Neither the DMCC nor DMCC Establishments will, in relation to their operations in the DMCC, be governed by the legislation, authority, or powers of the Dubai Municipality or the Department of Economic Development. This will not apply to the legislation related to public health and safety, the environment, and food control; or to the legislation that expressly stipulates that it is applicable to free zones.
- b. The DMCCA may, as it deems appropriate, seek assistance from Government Entities in the Emirate and other free zones, and benefit from their programmes and systems in licensing DMCC Establishments. These programmes and systems will be implemented in accordance with the bylaws applicable within the DMCC. Licences issued to DMCC Establishments in cooperation with the concerned Government Entities will be deemed as if issued by the DMCCA.

Establishing DMCC Establishments

Article (22)

Sole proprietorships and commercial companies will be established within the DMCC pursuant to the regulations and resolutions that are applicable in the DMCC. DMCC Establishments may be owned by one or more natural or legal persons, regardless of whether these persons are UAE or non-UAE nationals.

Licensing DMCC Establishments

Article (23)

- a. No person or entity may conduct any Activity within the DMCC unless it is licensed by the DMCCA to conduct that Activity.
- b. DMCC Establishments will be licensed in accordance with a regulation approved by the Board of Directors in this regard. This regulation will prescribe all rules governing the business of DMCC Establishments, including their incorporation and registration; and will stipulate all requirements and rules applicable to them. It will also regulate the liquidation of DMCC Establishments as well as any other matters related to them.

Obligations of DMCC Establishments

Article (24)

- a. In all its transactions, contracts, advertisements, invoices, correspondence, and publications, the name of a DMCC Establishment must end with an indication that it is a free zone establishment, and must state its legal form.
- b. Where the owner of a DMCC Establishment fails to comply with paragraph (a) of this Article, he will be personally liable to settle the DMCC Establishment's obligations from all his moveable and immoveable property.

Liability

Article (25)

- a. Neither the Government nor the ICD will be liable to third parties for any debts or obligations claimed from the DMCCA or its affiliates. The DMCCA will be solely liable for such debts or obligations.
- b. Neither the DMCCA nor its authorised representatives will be liable to third parties for the obligations of DMCC Establishments or of their employees.

Exemption from Liability
Article (26)

Except in cases of fraud and gross fault, neither the Board of Directors, nor the Executive Chairman, nor any of the employees of the DMCCA executive body will be liable to third parties for any act or omission they commit in the course of managing the DMCCA and its operations. The DMCCA will be solely liable to third parties for such an act or omission.

Assignment of Licences
Article (27)

No DMCC Establishment may assign the licence issued to it by the DMCCA to any other party or entity without first obtaining the written approval of the DMCCA.

Administrative Penalties Bylaw
Article (28)

The Board of Directors will issue a bylaw determining the administrative penalties prescribed for violation of any of the provisions of this Law, the resolutions issued in pursuance hereof, or any of the terms of the licences issued by the DMCCA. The bylaw will also specify the entity authorised to impose and enforce such penalties.

Law Enforcement
Article (29)

- a. DMCCA employees and inspectors nominated pursuant to a resolution of the Executive Chairman will have the capacity of Law Enforcement Officers to record the acts committed in breach of the provisions of this Law and the resolutions issued in pursuance hereof. In this capacity, they may monitor and supervise DMCC Establishments and their 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.

Delegation of Powers
Article (30)

The DMCCA may delegate any of the powers stipulated in this Law to any public or private entity in accordance with an agreement to be executed in this regard. This agreement will determine the rights and obligations of the parties thereto.

Confidentiality

Article (31)

Subject to liability, the records and information of DMCC Establishments will be treated as confidential, and may not be divulged or disclosed to third parties unless pursuant to the legislation in force in the UAE and the regulations, bylaws, and resolutions adopted by the DMCCA.

Issuing Implementing Resolutions

Article (32)

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

Repeals

Article (33)

- a. The above-mentioned Resolution issued on 1 May 2002 and Regulation No. (4) of 2002 are hereby repealed. Any provision in any other legislation will also be repealed to the extent that it contradicts the provisions of this Law.
- b. The resolutions, bylaws, and regulations applicable to the DMCC will continue in force, to the extent that they do not contradict this Law, until new superseding resolutions, bylaws, and regulations are issued.

Publication and Commencement

Article (34)

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 14 February 2020

Corresponding to 20 Jumada al-Thaniyah 1441 A.H.

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