

Law No. (4) of 2016
Establishing the
Economic Security Centre of Dubai¹

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

After perusal of:

Federal Law No. (3) of 1987 Issuing the Penal Code and its amendments;

Federal Law No. (35) of 1992 Issuing the Criminal Procedures Law and its amendments;

Federal Law No. (4) of 2000 Establishing the Emirates Securities and Commodities Authority and Market and its amendments;

Federal Law No. (4) of 2002 Concerning Countering Money Laundering Crimes and Combatting Terrorism Financing and its amendments;

Federal Law No. (39) of 2006 Concerning International Judicial Cooperation in Criminal Matters;

Federal Law No. (7) of 2014 Concerning Combatting Terrorist Crimes;

Federal Law No. (2) of 2015 Concerning Commercial Companies;

Cabinet Resolution No. (35) of 2014 Regulating Terrorism Lists;

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. (9) of 2004 Concerning the Dubai International Financial Centre and its amendments;

Law No. (25) of 2008 Concerning the Department of Economic Development;

Law No. (37) of 2009 Concerning Procedures for the Recovery of Public Funds and other Funds Acquired by Illegal Means;

Law No. (8) of 2010 Concerning the Financial Audit Department and its amendments;

Law No. (2) of 2011 Concerning the Department of Islamic Affairs and Charitable Activities;

Law No. (13) of 2011 Regulating the Conduct of Economic Activities in the Emirate of Dubai and its amendments;

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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. (13) of 2015 Establishing the Free Zone Council in the Emirate of Dubai;
Law No. (1) of 2016 Concerning the Financial Regulations of the Government of Dubai;
Decree No. (22) of 2009 Concerning Special Development Zones in the Emirate of Dubai;
Decree No. (9) of 2015 Regulating the Raising of Donations in the Emirate of Dubai;
Regulation No. (3) of 2006 Determining Areas for Ownership by non-UAE Nationals of Real Property in the Emirate of Dubai and its amendments;
Executive Council Resolution No. (26) of 2013 Concerning Charitable Associations, Bounteous Quran Memorisation Centres, and Islamic Foundations in the Emirate of Dubai; and
The legislation establishing and regulating free zones in the Emirate of Dubai,

Do hereby issue this Law.

Chapter One

Title, Definitions, and Objectives of the Law

Title of the Law

Article (1)

This Law will be cited as "Law No. (4) of 2016 Establishing the Economic Security Centre of Dubai".

Definitions

Article (2)

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

UAE:	The United Arab Emirates.
Emirate:	The Emirate of Dubai.
Ruler:	His Highness the Ruler of Dubai.
Government:	The government of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
DESC:	The Economic Security Centre of Dubai established pursuant to this Law.
CEO:	The chief executive officer of the DESC.

Government Entity:	Any of the Federal Government Entities, or Local Government Entities.
Federal Government Entity:	Any of the ministries, public agencies and corporation, or other entities affiliated to the Federal Government.
Local Government Entity:	Any of the Government departments; public agencies and corporations; councils; authorities, including the authorities supervising Special Development Zones and free zones such as the Dubai International Financial Centre; companies and corporations owned by the Government, or in which the Government holds shares; or other entities affiliated to the Government.
Judicial Authority:	The competent judicial authority in the Emirate.
Concerned Entities:	Government Entities, and any other entities with which the DESC may coordinate for the purpose of enabling it to exercise the functions assigned to it and achieve the objectives of this Law.
Charitable Association:	Any sole proprietorship, or group which is organised for a definite or indefinite term, comprising natural or legal person(s), concerned in religious or charitable affairs, and which conducts its activities in the Emirate, including religious or charitable foundations and associations established or to be established under a law or decree.
Informer:	Any person who cooperates with the DESC or informs the DESC of any matter that may compromise the economic security of the Emirate.
Establishment:	Any company or sole proprietorship licensed to conduct an Economic Activity in the Emirate. This includes establishments licensed to operate within Special Development Zones and free zones such as the Dubai International Financial Centre.

Objectives of the Law

Article (3)

This Law will have the following objectives:

1. to protect the standing of the Emirate as an international financial and economic hub;
2. to enhance the financial stability of the Emirate and protect its economy;
3. to protect the investments of the Emirate against crimes that may harm the economy of the Emirate;
4. to ensure the implementation of the international best practices in the financial markets authorised to operate in the Emirate;
5. to counter risks that may face investors, and combat the activities that may harm financial markets;
6. to predict economic risks and phenomena that may affect the national economy and Public Funds in the Emirate, and develop appropriate solutions thereto;
7. to boost the trust of investors and financial institutions in the Emirate to encourage them to take it as a hub for their business;
8. to ensure the soundness of the financial rules, procedures, and operations in the Emirate; and
9. to encourage Concerned Entities to engage effectively in countering and combatting acts that compromise economic security, and raising awareness among members of the community about the threats such acts pose.

Chapter Two

Provisions Governing the DESC

Establishment of the DESC

Article (4)

Pursuant to this Law, a public corporation named the "Economic Security Centre of Dubai" is established. The DESC will have legal personality and the legal capacity required to undertake the acts and dispositions required for the achievement of the objectives of this Law.

Head Office of the DESC

Article (5)

The head office of the DESC will be located in the Emirate.

Entities Subject to the DESC Jurisdiction

Article (6)

The following entities are subject to the jurisdiction of the DESC:

1. Local Government Entities;
2. entities which the Government guarantees a minimum profit;
3. entities which receive financial aid from the Government;
4. Establishments;
5. Charitable Associations; and
6. any other entity which is subject to audit by the DESC pursuant to a resolution of the Chairman of the Executive Council.

Functions of the DESC

Article (7)

The DESC is a Government Entity concerned in economic security in the Emirate. The DESC will, in coordination with Concerned Entities, have the duties and powers to:

1. combat corruption; crimes of fraud, bribery, embezzlement, Public Funds abuse, counterfeiting, forgery, money laundering, and financing terrorism or illegal organisations; and other crimes that may be committed at the entities that are subject to the jurisdiction of the DESC;
2. detect, analyse, and curb the negative effects of, economic phenomena in the Emirate;
3. detect financial breaches and violations committed in the Emirate;
4. monitor financial markets and institutions, commercial sectors, and free zones in the Emirate;
5. monitor trading in currencies, commodities, precious metals, and listed and unlisted securities;
6. monitor donations given and/or received by Charitable Associations;
7. monitor persons and financial institutions to verify the funds and financial or cash instruments flowing into or out of the Emirate;
8. prescribe the binding rules and procedures prohibiting transactions with terrorists, terrorist organisations, and any persons linked to terrorist organisations;

9. propose and review the legislation regulating financial and economic affairs in the Emirate;
10. conduct specialised studies on the financial and economic standing of the Emirate with a view to increasing investment and economic awareness, and submit the relevant necessary recommendations;
11. provide, upon request, support and advice on economic security to entities that are subject to the DESC jurisdiction, and offer relevant qualifying programmes for their staff;
12. prepare special reports on critical matters that affect economic security in the Emirate, and present the same to the Chairman of the Executive Council;
13. prepare and publish periodic reports and statistics on the financial and economic position of the Emirate;
14. participate in councils, committees, and work teams concerned in the financial and economic affairs of the Emirate;
15. follow up, in coordination with the Judicial Authority, the litigation proceedings related to crimes that may affect the economy of the Emirate;
16. combat any untoward activities, practices, and transactions that affect the economy and resources of the Emirate;
17. follow up, in coordination with the Judicial Authority, the cases that fall within the DESC jurisdiction, including transnational crimes;
18. hold and participate in conferences and symposia; cooperate with regional and international organisations that are engaged in areas related to the work of the DESC; and exchange knowledge, expertise, and courses on economic security; and
19. perform any other duties required for the achievement of the objectives of this Law.

Seeking Assistance from Experts and Specialists

Article (8)

For the purpose of performing its duties and functions under this Law, the DESC may seek assistance from experts and specialists as it deems appropriate.

Executive Body of the DESC

Article (9)

- a. The executive body of the DESC will comprise a CEO and a number of administrative, finance, and technical employees.

- b. The rights, duties, and rules of selection and appointment of the employees of the DESC will be determined pursuant to a human resources regulation approved by the Chairman of the Executive Council.
- c. As of the effective date of this Law, the employees of the DESC will continue to be governed by their employment contracts until the human resources regulation referred to in paragraph (b) of this Article is approved.

Appointment and Functions of the CEO

Article (10)

- a. A CEO will be appointed to the DESC by a resolution of the Chairman of the Executive Council.
- b. The CEO will supervise the daily work and manage the business of the DESC, and represent it in its relations with third parties and before the Judicial Authority. In particular, the CEO will have the duties and powers to:
 - 1. develop, and supervise the implementation of, the policies; strategic, development, and operational plans; initiatives; and programmes, that are conducive to achieving the objectives of this Law;
 - 2. propose the organisational structure of the DESC, and present it to the Chairman of the Executive Council for approval;
 - 3. approve the resolutions and bylaws required to regulate the administrative, financial, and technical work of the DESC, as well as the resolutions and bylaws governing the DESC contracts, projects, and bidding processes;
 - 4. prepare the draft annual budget and final accounts of the DESC, and submit them to the competent entity in the Emirate for approval;
 - 5. supervise the work of the DESC executive body, and appoint competent and specialised employees;
 - 6. prepare annual reports on the DESC performance, and submit the same to the Chairman of the Executive Council;
 - 7. approve financial transactions subject to the financial regulations and bylaws applicable to the DESC;
 - 8. sign, in the name and on behalf of the DESC, contracts, agreements, and memoranda of understanding to which the DESC is a party;

9. follow up the performance by the DESC organisational units of the duties assigned to them, and prepare periodic and annual reports on work flow at these units;
 10. engage experts and consultants and determine their remuneration in accordance with the bylaws applicable to the DESC; and
 11. perform any other duties assigned to him by the Chairman of the Executive Council.
- c. The CEO may delegate any of his duties under paragraph (b) of this Article to any of the DESC employees, provided that this delegation is specific and in writing.

Financial Resources of the DESC

Article (11)

The financial resources of the DESC will consist of:

1. support allocated to the DESC in the General Budget of the Government; and
2. any other resources approved by the Chairman of the Executive Council.

Accounts and Financial Year of the DESC

Article (12)

- a. In regulating its accounts and records, the DESC will apply the rules and principles of government accounting.
- b. The financial year of the DESC will commence on 1 January and will end on 31 December of each year, except that the first financial year will commence on the day on which this Law comes into force and will end on 31 December of the following year.

Chapter Three

Provisions on the DESC Role in Economic Security

Authorities of the DESC

Article (13)

For purposes of enabling the DESC to exercise its duties and powers under this Law, the DESC will, in coordination with the Concerned Entities, have the authority to:

1. monitor, examine, investigate, and collect information by all means available;
2. take preventive actions and measures;
3. exchange information and data;

4. conduct financial and administrative audit;
5. detect the crimes and violations that fall within the DESC jurisdiction pursuant to the provisions of this Law;
6. request the Public Prosecution to seize the funds, property, instruments, documents, and any other items related to the illegal act detected by the competent employees of the DESC;
7. coordinate with the concerned international institutions to access information and data related to investigations into the acts committed outside of the UAE which may compromise economic security; and
8. suspend dealings in securities markets or suspend the offering of any company's stocks or other securities for trading, in exceptional circumstances or upon the occurrence of an event that jeopardises the proper flow and progress of work in these markets; or freeze, suspend, or reinstate the enforcement of any bylaw or regulation related to the financial market or any of its operations.

Obligations of the DESC Employees

Article (14)

A DESC employee:

1. must, upon assuming his job duties, make a written disclosure of any securities owned by him, his spouse, or minor children, and any shares that he, his spouse, or minor children, own in any financial institution; and must undertake to declare in writing any change to the same no later than one (1) week from becoming aware of this change;
2. must maintain the confidentiality of the information and data to which he has access or of which he becomes aware by virtue of his position in the DESC; and
3. must not, without first obtaining the relevant written consent of the DESC, disseminate, divulge, disclose or transfer to any person or entity any information or data, or retain any confidential instrument or document, which is related to the DESC or the entities subject to its jurisdiction, or which has become accessible or known to him by virtue of his position. The DESC employee will remain bound by the confidentiality obligation even after the end of his service with the DESC.

Prohibited Acts

Article (15)

The DESC may neither conduct any commercial or banking business, nor perform any profit-generating activities, nor hold an interest in any enterprise.

Financial Disclosure

Article (16)

For purposes of research and investigation, and of exercising its functions under this Law, the DESC may, in coordination with the Concerned Entities, request detailed statements of the accounts, funds, and banking movements of any natural or legal person, and request disclosure of the financial liabilities of such person. The Concerned Entities must fully cooperate with the DESC in this respect.

Settlement and Recovery of Public Funds

Article (17)

The DESC may provide the Judicial Authority and Concerned Entities with the support required for ensuring the collection of the Public Funds owed to these entities by third parties and for depositing the collected Public Funds in a special account with the Department of Finance.

Collaborating with the DESC

Article (18)

The DESC will prescribe the required procedures and methods and establish connections and channels of communication with members of the community, to assist it in exercising its duties and powers under this Law.

Protecting the Informer

Article (19)

- a. The DESC will provide the necessary protection for Informers. This includes:
1. providing protection for the Informer at his place of residence;
 2. not disclosing any information related to the Informer's identity or whereabouts; and
 3. protecting the Informer at his workplace and ensuring that he is not subjected to discrimination or ill treatment.

- b. For purposes of this Law, informing the DESC of matters that may compromise the economic security of the Emirate may not be deemed as a violation of the provisions of legislation and agreements related to divulging or disclosing confidential information of the entity by which the Informer is employed or with which he deals.
- c. The freedom, security, and protection of the Informer are guaranteed under the provisions of this Law and the legislation in force in the Emirate. Except in the case of false reporting, no legal or disciplinary action may be taken against the Informer.

Confidentiality of Information

Article (20)

All the data and information provided by the entities that are subject to the DESC jurisdiction are deemed confidential. The DESC, its employees, and all persons dealing with it may not grant third parties access to this data or information, disclose it, or use it for other than its designated purposes.

Penalties

Article (21)

- a. Without prejudice to any stricter penalty prescribed by any other legislation:
 - 1. any person who discloses any information or data deemed confidential under this Law will be punished by imprisonment for not less than three (3) months and not more than one (1) year, and by a fine not exceeding fifty thousand Dirhams (AED 50,000.00); and
 - 2. any person who violates the provisions of this Law and the resolutions issued in pursuance hereof will be punished by a fine of not less than ten thousand Dirhams (AED 10,000.00) and not more than five hundred thousand Dirhams (AED 500,000.00).
- b. The Chairman of the Executive Council will issue a resolution determining the acts that constitute administrative violations of the provisions of this Law and the fine prescribed for each violation.

Law Enforcement Officers

Article (22)

Employees of the DESC nominated pursuant to a resolution issued by the CEO 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. For this purpose, they may issue the relevant violation reports and, where necessary, seek assistance from police personnel and Concerned Entities.

Cooperation with the DESC

Article (23)

- a. All individuals and Concerned Entities must cooperate with the DESC; accommodate its requests in accordance with the provisions of this Law; provide it with all support to enable it to exercise its functions, powers, and authorities; and not obstruct exercising the same.
- b. Where necessary, the DESC may, if the CEO or any of the competent employees is prevented by those to whom this Law applies from performing his duties under the law, request the Judicial Authority to place under seizure the data, information, cabinets, boxes, equipment, or places where the required items or data are kept.

Chapter Four

Final Provisions

Issuing Implementing Resolutions

Article (24)

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

Repeals

Article (25)

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

Publication and Commencement

Article (26)

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 18 April 2016

Corresponding to 11 Rajab 1437 A.H.