

In this document, underlining indicates new text and striking through indicates deleted text



## DIFC LAWS AMENDMENT LAW

DIFC LAW NO. [\*] of 2018

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**PART 1: GENERAL**

1. **Title**

This Law may be cited as the “DIFC Laws Amendment Law, DIFC Law No. [\*] of 2018”.

2. **Legislative Authority**

This Law is made by the Ruler of Dubai.

3. **Date of enactment**

This Law is enacted on the date specified in the Enactment Notice in respect of this Law.

4. **Commencement**

This Law comes into force on the date specified in the Enactment Notice in respect of this Law.

**PART 2: AMENDMENTS TO THE GENERAL PARTNERSHIP LAW 2004**

5. The General Partnership Law 2004 is amended as prescribed in this Part.
6. The following Articles of the General Partnership Law 2004 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

**PART 2: FORMATION AND REGISTRATION**

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**15. ~~Power to refuse registration of change of name and require change of name~~ Names**

(1) ~~The Registrar may refuse to register a change of name of a General Partnership or Recognised Partnership if the proposed name is misleading, undesirable or otherwise not in the interests of the DIFC.—~~

(2) ~~If, in the opinion of the Registrar, the name by which a General Partnership or a Recognised Partnership is registered is misleading, undesirable or otherwise not in the interests of the DIFC, he may direct the General Partnership or Recognised Partnership to change it.—~~

(3) ~~The direction shall be complied with within 14 days from the date of the direction or within such longer period as the Registrar may allow.—~~

(1) A General Partnership or Recognised Partnership shall not use a name which does not comply with the requirements prescribed in the DIFC Operating Law.

(2) A General Partnership or Recognised Partnership may change its name provided it complies with the requirements of the DIFC Operating Law.

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**PART 3: ADMINISTRATION OF AFFAIRS OF A GENERAL PARTNERSHIP**

**15A Licence**

(1) A General Partnership or Recognised Partnership shall hold a Commercial Licence pursuant to Article 10 of the DIFC Operating Law.

(2)

**16. ~~Registered office and conduct of business~~**

~~(1) A General Partnership that carries on business in the DIFC shall at all times have a registered office in the DIFC to which all communications and notices may be addressed.—~~

~~(2) A General Partnership must carry on its principal business activity in the DIFC, unless the Registrar otherwise permits.—~~

~~(3) A document may be served on a General Partnership by leaving it at, or sending it by post to, the registered office of the General Partnership.—~~

~~(4) A Recognised Partnership shall at all times have an address for service in the DIFC and a person authorised to accept service.—~~

- (5) ~~Documents may be served on a Recognised Partnership or on the person authorised to accept service of any document on its behalf by:—~~
- (a) ~~sending them by post to the address for service of the Recognised Partnership; or—~~
  - (b) ~~the person authorised to accept service on behalf of the Recognised Partnership.—~~
- (3) A General Partnership or Recognised Partnership shall, at all times, have a registered office in the DIFC as required by the DIFC Operating Law.

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**18. ~~Particulars in correspondence~~ communications**

- (1) ~~The name of a General Partnership and the address of the registered office shall appear in legible characters in all its business letters and order forms.—~~
- (2) ~~The name of the Recognised Partnership and the address for service shall appear in legible characters in all its business letters and order forms in respect of communications originating or terminating in the DIFC.—~~
- (4) A General Partnership or Recognised Partnership shall comply with the requirements of the DIFC Operating Law in respect of the use of its name and other relevant particulars in its communications.

**18A. Confirmation Statements**

- (5) A General Partnership and Recognised Partnership shall comply with the requirements of the DIFC Operating Law for the annual provision of information to the Registrar in respect of its operations and status.

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**20. Records**

- (1) A General Partnership and Recognised Partnership shall comply with the requirements of the DIFC Operating Law in respect of maintenance of its records.
- (2) Unless otherwise agreed by all the partners:
- (a) the General Partnership records are to be kept at the registered place of business of the General Partnership in the DIFC; and
  - (b) every partner is entitled to access ~~to~~ any records or other information of the General Partnership.

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**PART 7: DISSOLUTION AND CONTINUANCE**

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**43A. Strike off and Restoration**

The provisions of Articles 32 and 33 of the DIFC Operating Law apply to a General Partnership and, so far as the law allows, a Recognised Partnership.

**PART 8: ~~GENERAL CONTRAVENTIONS~~ POWERS AND REMEDIES**

**58. Administrative Imposition of Fine**

- (1) ~~The Board of Directors of the DIFCA shall prescribe in Regulations procedures in relation to the imposition and recovery of fines under this Article.~~
- (2) ~~Where the Registrar considers that a person has contravened a provision of the Law referred to in Schedule 2, the Registrar may impose by written notice given to the person a fine, in respect of the contravention, of such amount as it considers appropriate but not exceeding the amount of the maximum fine specified in Schedule 2 in respect of each contravention.~~
- (3) ~~If, within the period specified in the notice:~~
- ~~(a) the person pays the prescribed fine to the Registrar, then no Court proceedings may be commenced by the Registrar against the person in respect of the relevant contravention; or~~
  - ~~(b) the person takes action in Court to object to the imposition of the fine or has not paid the prescribed fine to the Registrar, then the Registrar may apply to the Court for, and the Court may so order, the payment of the fine or so much of the fine as is not paid and make any further order as the Court sees fit for recovery of the fine.~~
- (4) ~~A certificate that purports to be signed by the Registrar and states that a written notice was given to a person pursuant to Article 58(2) imposing a fine on the basis of specific facts is:~~
- ~~(a) conclusive evidence of the giving of the notice to the person; and~~
  - ~~(b) prima facie evidence of the facts contained in the notice;~~
- ~~in any proceedings commenced under Article 58(3).~~

58. Application of DIFC Operating Law

Part 5 of the DIFC Operating Law applies to a General Partnership or Recognised Partnership.

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**PART 9: MISCELLANEOUS**

**59. Powers to make Regulations**

- (1) ~~The Board of Directors of the DIFCA may make Regulations for the purposes of this Law pursuant to the power conferred upon it under Article 116 of the Companies Law 2009. to facilitate the administration of, or further the objects of, this Law.~~
- (2) ~~Without limiting the generality of Article 59(1)Article 116 of the Companies Law 2009,~~ such Regulations may be made in relation to:
- (a) the objectives, powers or functions of the Registrar under this Law;
  - (b) forms, procedures, notice and requirements under this Law;
  - (c) the filing of certain material;
  - (d) the manner in which such material shall be filed;
  - (e) which material, or parts of the material, shall be made available for viewing by the public ~~during the normal business hours;~~

- (f) the use of an electronic or computer-based systems for the filing, delivery or deposit of, documents or information required under or governed by the Law and Regulations;
  - (g) the circumstances in which persons shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose under the Law; and
  - (h) the payment of fees to the Registrar.
- (3) Where any legislation made for the purpose of this Law purports to be made in exercise of a particular power or powers, it shall be taken also to be made in the exercise of all powers under which it may be made.
- ~~(4) The Board of Directors of the DIFC shall publish draft Regulations in the manner prescribed under Article 141 of the Companies Law 2009.~~
- (4) Articles 45 and 46 of the DIFC Operating Law apply to the making of Regulations under this Law.
- (5) Without limiting the generality of Article 59(1), the Regulations under this Article may:
- (a) make different provision for different cases or circumstances;
  - (b) include supplementary, incidental and consequential provisions;
  - (c) be made to facilitate the administration of, or further the purposes of this Law and another Law, or other Laws; and
  - (d) require the doing of an act or thing, the default of which may result in a fine payable under that Law.

**60. Waivers and Modification of the Regulations**

The powers to waive and modify the Law or Regulations made pursuant to the Law are contained in Article ~~154~~<sup>59</sup> of the ~~Companies~~ DIFC Operating Law ~~2009~~<sup>18</sup>, which shall apply to this Law and Regulations made thereunder.

~~**61. False or misleading information**~~

~~A person shall not:~~

- ~~(a) provide information to the Registrar which is false, misleading or deceptive; or~~
- ~~(b) conceal information from the Registrar where the concealment of such information is likely to mislead or deceive him.~~

~~**62. Directions or requirements made by the Registrar**~~

- ~~(1) The Registrar may make directions to comply with this Law or Regulations.~~
- ~~(2) A person shall comply with any direction made by the Registrar under this Article or any other provision of the Law.~~

~~**63. Court order in relation to the decision of the Registrar**~~

~~The Court may on application of a person aggrieved by a decision of the Registrar, make~~

~~one or more of the following orders:~~

- ~~(a) an order affirming all or part of a decision of the Registrar;—~~
- ~~(b) an order modifying or substituting all or part of a decision of the Registrar;—~~
- ~~(c) an order as to the manner in which a decision of the Registrar or an order of the court is to be effected;—~~
- ~~(d) an order remitting a decision to the Registrar with directions;—~~
- ~~(e) an order as to costs; or—~~
- ~~(f) any other order that the Court may deem appropriate in the circumstances.—~~

**64.61 Public register**

- (1) The Registrar shall publish and maintain a register of current and past registrations of General Partnerships in such a manner as may be prescribed in the Regulations.
- (2) The Registrar shall publish and maintain a register of current and past registrations of Recognised Partnerships in such a manner as may be prescribed in the Regulations.
- (3) The Registrar shall make a reasonably current version of any register, maintained under this Article freely and available for viewing by the public ~~during the normal business hours of the Registrar~~ on the website of the DIFC.

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**SCHEDULE 1**

**INTERPRETATION**

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**3. Defined Terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings

<b>Term</b>	<b>Definition</b>
<u>DIFC Operating Law</u>	<u>the DIFC Operating Law DIFC Law No. [*] of 2018, and where relevant, include a reference to any Regulations made thereunder.</u>
Registrar	the Registrar appointed under the <del>Companies</del> <u>DIFC Operating Law</u> .

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**SCHEDULE 2**

**CONTRAVENTIONS WITH FINES STIPULATED**

<i>Article of Law creating contravention</i>	<i>General nature of contravention</i>	<i>Fine</i>
.....		
<del>61</del>	<del>Providing false or misleading information to the Registrar</del>	<del>\$15,000</del>
<del>63</del>	<del>Failure to comply with the direction of the Registrar</del>	<del>\$15,000</del>

**PART 3: AMENDMENTS TO THE LIMITED LIABILITY PARTNERSHIPS LAW 2004**

- 7. The Limited Liability Partnerships Law 2004 is amended as prescribed in this Part.
- 8. The following Articles of the Limited Liability Partnerships Law 2004 are amended by inserting the underlined text and deleting the struck through text as shown below:

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**PART 3: NAMES AND CHANGE OF NAMES**

**12. ~~Power to require change of name~~ Names**

- (1) ~~If, in the opinion of the Registrar, the name by which a Limited Liability Partnership is registered is misleading or otherwise undesirable, he may direct the Limited Liability Partnership to change it.—~~
- (2) ~~The direction shall be complied with within 14 days from the date of the direction or within such longer period as the Registrar may allow.—~~
- (6) A Limited Liability Partnership shall not use a name which does not comply with the DIFC Operating Law.

**13. Change of name**

- (1) ~~A Limited Liability Partnership may, by Resolution, change its name, to a name which is acceptable to the Registrar.—~~ provided it complies with the requirements of the DIFC Operating Law.
- (2) ~~Where a Limited Liability Partnership changes its name under this Article, the Registrar shall enter the new name on the register in place of the former name, and shall alter the register and issue a certificate to meet the circumstances of the case; and the change of name has effect from the date on which the altered certificate is issued.—~~
- (3) ~~A change of name by a Limited Liability Partnership under this Law does not affect any rights or obligations of the Limited Liability Partnership or render defective any legal proceedings by or against it; and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.—~~

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**PART 4: ADMINISTRATION OF AFFAIRS OF A LIMITED LIABILITY PARTNERSHIP**

**13A Licence**

- (7) A Limited Liability Partnership and Recognised Limited Liability Partnership shall hold a Commercial Licence pursuant to Article 10 of the DIFC Operating Law.

**14. ~~Registered office and Conduct of business in the DIFC~~**

- (1) ~~A Limited Liability Partnership shall at all times have a registered office in the DIFC to which all communications and notices may be addressed.—~~
- (2) ~~A Limited Liability Partnership must carry on its principal business activity in the DIFC, unless the Registrar otherwise permits.—~~

- (3) ~~A document may be served on a Limited Liability Partnership by leaving it at, or sending it by post to, the registered office of the Limited Liability Partnership.~~
- (8) A Limited Liability Partnership and Recognised Limited Liability Partnership shall, at all times, have a registered office in the DIFC as required by the DIFC Operating Law.

**15. Particulars in correspondence communications**

- (1) ~~Subject to Article 15 (2) the name of a Limited Liability Partnership and the address of the registered office of a Limited Liability Partnership shall appear in legible characters in all its business letters and order forms.~~
- (2) ~~Wherever its name appears, a Limited Liability Partnership may abbreviate the words “Limited Liability Partnership” to “LLP”.~~
- (9) A Limited Liability Partnership and Recognised Limited Liability Partnership shall comply with the requirements of the DIFC Operating Law in respect of the use of its name and other relevant particulars in its communications.

**15A. Records**

- (10) A Limited Liability Partnership and Recognised Limited Liability Partnership shall comply with the requirements of the Law and DIFC Operating Law in respect of maintenance of its records.
- (11) The Members shall ensure that the records of a Limited Partnership are kept at the registered office of the Limited Partnership in the DIFC.
- (12) All Members are entitled to access to any records or other information of the Limited Partnership.

**15B. Confirmation Statements**

A Limited Liability Partnership and Recognised Limited Liability Partnership shall comply with the requirements of the DIFC Operating Law for the annual provision of information to the Registrar in respect of its operations and status.

**PART 7: ACCOUNTS AND AUDIT**

**CHAPTER 1 - ACCOUNTS**

**26. Maintenance of Accounting Records**

- (1) This Part does not apply in relation to any ~~Company~~ Limited Liability Partnership which is an Authorised Firm, Authorised Market Institution, Recognised Body or Recognised Member under the Regulatory Law 2004.
- (2) Every Limited Liability Partnership shall keep accounting records including underlying documents which are sufficient to show and explain its transactions and are such as to:
- (a) disclose with reasonable accuracy the financial position of the Limited Liability Partnership at any time; and
  - (b) enable the Members to ensure that any accounts prepared by the Limited Liability Partnership under this Part comply with the requirements of this Law.
- (3) A Limited Liability Partnership's accounting records shall be:
- (a) kept at such a place within the DIFC as the Members think fit unless specifically prescribed in the Regulations;

- (b) preserved by the Limited Liability Partnership for at least 6 years from the date upon which they were created, or for some other period as may be prescribed in the Regulations ;
- (c) open to inspection by any Member or auditor of the Limited Liability Partnership at all reasonable times; and
- (d) otherwise kept and maintained in such manner as may be prescribed in the Regulations.

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**PART 9: POWERS OF INSPECTION AND REMEDIES**

**CHAPTER 1 – POWERS OF INSPECTION**

**38. Appointment of Inspectors**

- (1) The Registrar may appoint one or more Inspectors to investigate the affairs of a Limited Liability Partnership and to submit such written report as the Registrar may direct.
- (2) The Registrar shall inform the DFSA prior to appointing Inspectors under 38(1) to investigate the affairs of a Limited Liability Partnership licensed, registered or recognised by the DFSA.

**39. Production of books, records and assistance**

- (1) If Inspectors appointed under Article 38 suspect that any person may be in possession of book, records or information relevant to the investigation, they may require such person:
  - (a) to produce any books and records in his custody or power relating to the affairs of the Limited Liability Partnership;
  - (b) to attend before them at reasonable times and on reasonable notice and answer all questions put to them relevant to the affairs of the Limited Liability Partnership; and
  - (c) to give reasonable assistance to them in connection with the investigation.
- (2) If Inspectors appointed under Article 38 have reasonable grounds for suspecting that a Member or past Member of a Limited Liability Partnership maintains or has maintained a bank account of any description, whether alone or jointly with another person, into or out of which has been paid money which is in any way related to the affairs of the Limited Liability Partnership which are the subject of investigation, the Inspectors may require the Member to obtain and produce all books and records in his custody or power relating to the bank account.
- (3) A person in respect of whom a requirement is made by an Inspector pursuant to Article 38 shall comply with that requirement.

**40. Inspectors’ Reports**

- (1) The Inspectors shall make a written report to the Registrar at the conclusion of their investigation.

- (2) — ~~The Inspectors shall make such interim reports, if any, to the Registrar that the Registrar may require. —~~
- (3) — ~~The Registrar may, upon receipt of a report by an Inspector, do any one or more of the following:~~
  - (e) ~~cause the report to be published; or —~~
  - (d) ~~in the case of a Limited Liability Partnership licensed, registered or recognised by the DFSA, provide a copy of the report to the DFSA. —~~

## **CHAPTER 2 — POWERS OF THE REGISTRAR**

### **41. — Direction to Limited Liability Partnership to comply with the Law**

- (1) — ~~If a Limited Liability Partnership or any Member of it fails to comply with:~~
  - (a) — ~~a provision of this Law or of the Regulations or of any legislation administered by the Registrar; or —~~
  - (b) — ~~a requirement made by the Registrar pursuant to any power under such Law, Regulations, or other legislation; —~~

~~— which requires any of them to deliver to or file with the Registrar any document, or to give notice to him of any matter, the Registrar may issue a direction that the Limited Liability Partnership or any Member to make good the failure within a time specified in the direction. —~~
- (2) — ~~If the Registrar considers that the Limited Liability Partnership or any Member of it has failed to comply with the direction, he may apply to the Court for one or more of the following orders:~~
  - (a) — ~~an order directing the Limited Liability Partnership or Members to comply with the direction or with any provision of the Law or of the Regulations or of any legislation administered by the Registrar relevant to the issue of the direction; —~~
  - (b) — ~~an order directing the Limited Liability Partnership or Members to pay any costs incurred by the Registrar or other person relating to the issue of the direction by the Registrar or the breach of such Law, Regulations or legislation relevant to the issue of the direction; or~~
  - (c) — ~~any other order that the Court considers appropriate.~~
- (3) — ~~Nothing in this Article prejudices the operation of any Article imposing penalties on a Limited Liability Partnership or its Members in respect of a failure mentioned above, nor any powers that the Registrar or other person or the Court may have under any other provision of the Law.~~

42. — ~~Compliance with an order or direction of the Registrar — Where the Registrar makes an order, issues a direction or makes a requirement in relation to a person pursuant to a provision of this Law or Regulations, such person must comply with such order, direction or requirement. —~~

### **43. — Dissolution of Limited Liability Partnerships**

- (1) — ~~If the Registrar has reason to believe that:~~
  - (a) — ~~a Limited Liability Partnership is not carrying on business or is not in operation; —~~
  - (b) — ~~a Limited Liability Partnership is acting in contravention of this Law; or —~~

- (c) — it is prejudicial to the interests of the DIFC for a Limited Liability Partnership to remain on the register, he may give notice to the Limited Liability Partnership that at the conclusion of three months from the date of the notice, the Limited Liability Partnership shall be struck off the register unless reason is shown to the contrary.—
- (2) — If the Limited Liability Partnership to whom notice under 43(1) is to be given is licensed, registered or recognised by the DFSA, the Registrar shall first obtain the consent of the DFSA prior to giving such notice.—
- (3) — If by the end of the three month period the Registrar:
- (a) — has received confirmation that the Limited Liability Partnership is no longer carrying on business or is not in operation; or—
- (b) — has not received from the Limited Liability Partnership sufficient reasons as to why the Limited Liability Partnership should not be struck off the register,—
- the Registrar shall strike the name of the Limited Liability Partnership off the register and the Limited Liability Partnership shall be dissolved. (4) If, where a Limited Liability Partnership is being wound up in a creditors' winding up, the Registrar has reason to believe either that no liquidator is acting, or that the affairs of the Limited Liability Partnership are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six consecutive months, the Registrar may give notice to the Limited Liability Partnership or the liquidator (if any) similar to that provided for in Article 43 (1).—
- (5) — At the end of the period mentioned in the notice the Registrar shall, unless reason to the contrary is shown by the Limited Liability Partnership, creditor or liquidator, strike the name of the Limited Liability Partnership off the register and the Limited Liability Partnership will be dissolved.—
- (6) — Where a Limited Liability Partnership is struck off the register under this Article, the liability of every Member of the Limited Liability Partnership continues and may be enforced as if the Limited Liability Partnership had not been dissolved.—

### CHAPTER 3 — GENERAL CONTRAVENTIONS

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#### 44. — Administrative Imposition of Fine

- (1) — The Board of Directors of the DIFCA shall prescribe in Regulations procedures in relation to the imposition and recovery of fines under this Article.—
- (2) — Where the Registrar considers that a person has contravened a provision of the Law referred to in Schedule 2 which has a fine stipulated, the Registrar may impose by written notice given to the person a fine, in respect of the contravention, of such amount as it considers appropriate but not exceeding the amount of the maximum fine specified in Schedule 2 in respect of each contravention.—
- (3) — If, within the period specified in the notice:
- (a) — the person pays the prescribed fine to the Registrar, then no proceedings may be commenced by the Registrar against the person in respect of the relevant contravention; or—
- (b) — the person takes such action as is prescribed in the Regulations to object to the imposition of the fine or has not paid the prescribed fine to the Registrar, then the Registrar may apply to the Court for, and the Court may so order, the payment of

~~the fine or so much of the fine as is not paid and make any further order as the Court sees fit for recovery of the fine.—~~

- (4) ~~A certificate that purports to be signed by the Registrar and states that a written notice was given to a person pursuant to Article 45 (2) imposing a fine on the basis of specific facts is:~~
- ~~(a) — conclusive evidence of the giving of the notice to the person; and~~
  - ~~(b) — prima facie evidence of the facts contained in the notice; in any proceedings commenced under Article 45 (3).~~

**~~CHAPTER 4 — APPLICATIONS TO COURT~~**

**~~46. — Orders for compensation—~~**

~~The power of the Court to make orders for compensation is contained in Article 133 of the Companies Law 2009.—~~

**~~47. — Orders in event of unfair prejudice—~~**

- (1) ~~Where a Limited Liability Partnership’s affairs are being or have been conducted in a manner whereby the conduct is unfairly prejudicial to the interests of its Members generally or of one or more Members; or an actual or proposed act or omission of the Limited Liability Partnership is or would be so prejudicial, the Court may, on application of one or more Members of the Limited Liability Partnership, make one or more of the following orders:~~
- ~~(a) — an order regulating the conduct of the Limited Liability Partnership’s affairs in the future;—~~
  - ~~(b) — an order requiring a person to do, or refrain from doing, any act or thing;—~~
  - ~~(c) — authorise proceedings to be brought in the name of and on behalf of the Limited Liability Partnership by such person or persons and on such terms as the Court may direct; or—~~
  - ~~(d) — other order as the Court sees fit.~~
- (2) ~~Nothing in this Article affects the powers that any person or the Court may have apart from this Article.~~

**~~48. — Power of Court to grant relief in certain cases—~~**

~~The power of the Court to grant relief under this Law is contained in Article 137 of the Companies Law 2009.—~~

**~~49. — Effect of Provisions —~~**

~~For the avoidance of doubt, nothing in any Article in this Part limits the generality of any other Article in this Part, or the generality of any other provision in the Law or Regulations or other legislation administered by the Registrar, which may provide for administrative remedies or the commencement of proceedings in the Court.—~~

**38. Application of DIFC Operating Law**

Part 5 of the DIFC Operating Law applies to a Limited Liability Partnership or Recognised

Limited Liability Partnership.

## 39. Strike off and Restoration

The provisions of Articles 32 and 33 of the DIFC Operating Law apply to a Limited Liability Partnership and, so far as the law allows, a Recognised Limited Liability Partnership.

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**PART 10: MISCELLANEOUS**~~**50. Irregularities**~~

(1) — In this Article:

- (a) — “procedure” is a reference to any procedure including but not limited to the making of a decision, the conduct of a hearing, the giving of a notice, and any proceeding whether a legal proceeding or not; and —
- (b) — “procedural irregularity” includes a reference to a defect, irregularity or deficiency of notice or time. —

(2) — A procedure under the Law or the Regulations or any other legislation administered by the Registrar is not invalidated because of any procedural irregularity unless the Court declares the procedure to be invalid. —

(3) — A person may apply to the Court for an order:

- (a) — declaring that:
  - (i) any act or thing purporting to have been done; or —
  - (ii) any procedure purporting to have been commenced or undertaken; —
 under the Law or the Regulations administered by the Registrar is not invalid by reason of any contravention of a provision of such Law, Regulations or other legislation; or —
- (b) — extending or abridging the period for doing any act, matter or thing or commencing or undertaking any procedure under the Law or the Regulations or any other legislation administered by the Registrar; —

where any such act or thing, or procedure, is essentially of a procedural nature. —

~~**51. False or Misleading Information**~~

A person shall not:

- (a) — provide information which is false, misleading or deceptive to the Registrar; or —
- (b) — conceal information where the concealment of such information is likely to mislead or deceive the Registrar. —

~~**52. Forms and Filing of Material with the Registrar**~~

The Board of Directors of the DIFCA may by means of Regulations:

- (a) — require the filing or delivery of certain material with the Registrar, including without limitation in relation to applications for registration of a Limited Liability



Partnership;—

- (b) ~~provide for the manner in which any document to be filed with the Registrar is to be, or to be deemed, signed, including authentication by electronic means, and by whom;—~~
- (c) ~~prescribe the manner in which such material shall be filed;—~~
- (d) ~~prescribe which material, or parts of the material, shall be made available for viewing by the public during the normal business hours of the Registrar;—~~
- (e) ~~permit or require the use of an electronic or computer based system for the filing, delivery or depositing of, documents or information required under or governed by the Law or Regulations or other legislation administered by the Registrar, and any ancillary documents; and—~~
- (f) ~~prescribe the circumstances in which persons or Limited Liability Partnerships shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose under the Law.~~

**40. Power to make Regulations**

- (1) The Board of Directors of the DIFCA may make Regulations for the purposes of this Law ~~pursuant to the power conferred upon it under Article 116 of the Companies Law 2009.~~ to facilitate the administration of, or further the objects of, this Law.
- (2) Without limiting the generality of ~~Article 116 of the Companies Law 2009~~ 40(1), such Regulations may be made in respect of:
  - (a) the operation of the Law;
  - (b) forms, procedures and requirements under the Law;
  - (c) the keeping of public registers and databases; and
  - (d) the conduct of the Registrar and his officers, employees and agents in relation to the exercise of powers and performance of functions, including the exercise of discretionary powers and powers to conduct investigations and hearings.
- (3) The Board of Directors of the DIFCA may, without limiting powers conferred upon it elsewhere under the Law, make Regulations extending, waiving or modifying the application of the provisions of Part 7 of this Law in relation to different cases or classes of cases.
- (4) Where the Board of Directors of the DIFCA issues a standard or code of practice, the Board of Directors of the DIFCA may incorporate such a standard or code into the Regulations by reference and in such circumstances, except to the extent that the Regulations otherwise provide, a person who is subject to the provisions of any such standard or code must comply with such provisions as if they were provisions of the Regulations.
- (5) Where any legislation made for the purpose of this Law purports to be made in exercise of a particular power or powers, it shall be taken also to be made in the exercise of all powers under which it may be made.
- ~~(6) The Board of Directors of the DIFCA shall publish draft Regulations in the manner~~

~~prescribed under Article 141 of the Companies Law 2009.~~

- (6) Articles 45 and 46 of the DIFC Operating Law apply to the making of Regulations under this Law.
- (7) Without limiting the generality of Article 40(1), the Regulations under this Article may:
  - (a) make different provision for different cases or circumstances;
  - (b) include supplementary, incidental and consequential provision;
  - (c) be made to facilitate the administration of, or further the purposes of this Law and another Law, or other Laws; and
  - (d) where made to facilitate the administration of, or further the purposes of another Law, require the doing of an act or thing in default of which a fine is payable under that Law.

**55.41. Waivers and Modification of Law or Regulations**

The powers to waive and modify the Law or any Regulations made pursuant to the Law are contained in Article ~~430-59 of the Companies DIFC Operating Law 2009~~ apply to this Law or Regulations made thereunder.

**5642. Public Registers**

- (1) The Registrar shall publish and maintain a register of current and past registrations of Limited Liability Partnerships in such manner as may be prescribed in the Regulations.
- (2) The Registrar shall make a reasonably current version of any register maintained under this Article freely available for viewing by the public ~~during the normal business hours of the Registrar~~ on the website of the DIFC.

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**SCHEDULE 1  
INTERPRETATION**

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**2. Legislation in the DIFC**

References to legislation and Guidance in the Law shall be construed in accordance with the following provisions:

- (a) Federal Law is law made by the federal government of the United Arab Emirates;
- (b) Dubai Law is law made by the Ruler, as applicable in the Emirate of Dubai;
- (c) DIFC Law is law made by the Ruler (including, by way of example, the Law), as applicable in the DIFC;
- (d) the Law is ~~the~~ Limited Liability Partnership Law, DIFC Law No.5 of 2004, made by the Ruler;
- (e) ~~the Companies Law is the Companies Law, DIFC Law No.2 of 2009, made by the Ruler~~  
;—

- (e) the DIFC Operating Law is the DIFC Operating Law, DIFC Law No.2[\*] of 2018;
- (f) the Regulations are legislation made by the Board of Directors of the DIFCA for the purpose of the Law and are binding in nature;
- (g) Guidance is indicative and non-binding and may comprise (i) guidance made and issued by the Registrar under the Law; and (ii) any standard or code of practice issued by the Board of Directors of the DIFCA which has not been incorporated into the Regulations; and
- (h) references to “legislation administered by the Registrar” are references to DIFC Law and Regulations conferring functions and powers on the Registrar.

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**3. Defined Terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings

Term	Definition
<u>Auditor</u>	(13) <u>a person registered by the Registrar as an auditor in accordance with the requirements in Part 4 of the DIFC Operating Law.</u>

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<u>Company</u>	<u>a Company incorporated under the Companies Law 2009 2018.</u>
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<u>DIFC Operating Law</u>	<u>the DIFC Operating Law DIFC Law No. [*] of 2018, and where relevant, include a reference to any Regulations made thereunder.</u>
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<u>Registrar</u>	<u>the Registrar appointed under the <del>Companies Law</del> DIFC Operating Law 2009.</u>
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**SCHEDULE 1**

**CONTRAVENTIONS WITH FINES STIPULATED**

<i>Article of Law creating contravention</i>	<i>General nature of contravention</i>	<i>Fine</i>
..... 42	<del>Failure to comply with a direction or order of the Registrar.</del>	\$15,000
51	<del>Provision of false or misleading information to the Registrar.</del>	\$15,000

**PART 4: AMENDMENTS TO THE LIMITED PARTNERSHIPS LAW 2006**

9. The Limited Partnerships Law 2006 is amended as prescribed in this Part.
10. The following Article of the Limited Partnerships Law 2006 is amended by inserting the underlined text and deleting the struck through text as shown below:

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**PART 2: ESTABLISHMENTS OF LIMITED PARTNERSHIPS**

.....

~~14 — Power to refuse registration of change of name and require change of name~~

- ~~(1) — The Registrar may refuse to register a change of name of a Limited Partnership if the proposed name is misleading, conflicts with an existing name, is undesirable or otherwise not in the interests of the DIFC. —~~
- ~~(2) — If, in the opinion of the Registrar, the name by which a Limited Partnership is registered is misleading, conflicts with an existing name, is undesirable or otherwise not in the interests of the DIFC, he may direct the Limited Partnership to change it. —~~
- ~~(3) — The direction shall be complied with within 14 days from the date of the direction or within such longer period as the Registrar may allow. —~~

14. Names

- (1) A Limited Partnership shall not use a name which does not comply with the DIFC Operating Law.
- (2) A Limited Partnership may change its name provided it complies with the requirements of the DIFC Operating Law.

**PART 3: ADMINISTRATION OF AFFAIRS OF A LIMITED PARTNERSHIP**

14A. Licence

A Limited Partnership and Recognised Limited Partnership shall hold a Commercial Licence pursuant to Article 10 of the DIFC Operating Law.

**15. Registered office ~~and conduct of business~~**

- ~~(1) — A Limited Partnership that carries on business in the DIFC shall at all times have a registered office in the DIFC to which all communications and notices may be addressed. —~~
- (1) A Limited Partnership and Recognised Limited Partnership shall, at all times, have a registered office in the DIFC as required by the DIFC Operating Law.
- ~~(2) — A Limited Partnership shall carry on its principal business activity in the DIFC, unless the Registrar otherwise permits. —~~

~~(3)~~ — A document may be served on a Limited Partnership by leaving it at, or sending it by post to, the registered office of the Limited Partnership. —

~~(4)~~(2) The general partners shall keep at the registered office of the Limited Partnership:

- (a) a register showing in alphabetical order for each partner:
  - (i) the full name and address of each partner who is an individual, or in the case of a body corporate its full name, the place where it is incorporated and its registered or principal office;
  - (ii) the date on which each person was registered as a partner; and
  - (iii) the date on which each person ceased to be a partner;
  - (iv) whether a partner is a general partner or a limited partner
- (b) a copy of the Limited Partnership’s Certificate of Registration;
- (c) a copy of the partnership agreement and each amendment made to it;
- (d) a statement of the amount of any contributions agreed to be made by partners and the time at which, or events on the happening of which, the contributions are to be made;
- (e) a statement of the amount of money and nature and value of any other property contributed by each partner and the dates thereof; and
- (f) such other particulars as may be prescribed in the Regulations.

~~(5)~~(3) The general partners shall ensure that the records kept under Article 15~~(4)~~(2) shall be:

- (a) amended within 14 days of any change in the particulars contained therein;
- (b) available for inspection and copying without charge during ordinary business hours at the request of a partner.

~~(6)~~(4) The information contained in the register and documents referred to in Article 15~~(4)~~(2) shall be deemed to be accurate, unless proven otherwise.

**16. Particulars in ~~correspondence~~ communications**

~~The name of a Limited Partnership and the address of the registered office shall appear in legible characters in all its business letters and order forms. —~~

A Limited Partnership and Recognised Limited Partnership shall comply with the requirements of the DIFC Operating Law in respect of the use of its name and other relevant particulars in its communications.

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**19 Records**

~~(1)~~ A Limited Partnership and Recognised Limited Partnership shall comply with the requirements of the Law and the DIFC Operating Law in respect of maintenance of its records.

~~(+2)~~ The general partners shall ensure that the records of a Limited Partnership are kept at the registered office of the Limited Partnership in the DIFC.

~~(23)~~ All partners are entitled to access to any records or other information of the Limited Partnership.

19A. Confirmation Statements

A Limited Partnership and Recognised Limited Partnership shall comply with the requirements of the DIFC Operating Law for the annual provision of information to the Registrar in respect of its operations and status.

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**PART 7: LEGAL PROCEEDINGS AND APPLICATIONS TO THE COURT**

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**44. ~~Orders for compensation~~[Deleted]**

~~(1)~~ A person is liable to pay compensation for loss or damage caused to another person in accordance with Article 129 of the Companies Law 2009.

~~(2)~~ The power of the Court to make orders for compensation contained in Article 133 of the Companies Law 2009.

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**PART 9: GENERAL CONTRAVENTIONS**

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**48. ~~Administrative Imposition of Fine~~[Deleted]**

~~(1)~~ The Board of Directors of the DIFCA shall prescribe in Regulations procedures in relation to the imposition and recovery of fines under this Article.

~~(2)~~ Where the Registrar considers that a person has contravened a provision of the Law referred to in Schedule 2, the Registrar may impose by written notice given to the person a fine, in respect of the contravention, of such amount as it considers appropriate but not exceeding the amount of the maximum fine specified in Schedule 2 in respect of each contravention.

~~(3)~~ If, within the period specified in the notice:

~~(a)~~ the person pays the prescribed fine to the Registrar, then no Court proceedings may be commenced by the Registrar against the person in respect of the relevant contravention; or

~~(b)~~ the person takes action in Court to object to the imposition of the fine or has not paid the prescribed fine to the Registrar, then the Registrar may apply to the Court for, and the Court may so order, the payment of the fine or so much of the fine as is not paid and make any further order as the Court sees fit for recovery of the fine.

~~(4)~~ A certificate that purports to be signed by the Registrar and states that a written notice was given to a person pursuant to Article 48(2) imposing a fine on the basis of specific facts is:

~~(a)~~ conclusive evidence of the giving of the notice to the person; and

~~(b) — prima facie evidence of the facts contained in the notice;—~~

~~in any proceedings commenced under Article 48(3).—~~

**PART 10: ~~THE REGISTRAR POWERS AND REMEDIES~~**

**49. ~~Appointment of Inspectors~~**

~~(1) — The Registrar may appoint one or more Inspectors to investigate the affairs of a Limited Partnership or a Recognised Limited Partnership and to submit such written report as the Registrar may direct.—~~

~~(2) — The Registrar shall inform the DFSA prior to appointing Inspectors under 49(1) to investigate the affairs of a Limited Partnership licensed, registered or recognised by the DFSA.—~~

**49. Application of DIFC Operating Law**

Part 5 of the DIFC Operating Law applies to a Limited Partnership or Recognised Limited Partnership.

**50. ~~Production of books, records and assistance~~**

~~(1) — If Inspectors appointed under Article 49 suspect that any person may be in possession of books, records or information relevant to an investigation, they may require such person:~~

~~(a) — to produce any books and records in his custody or power relating to the affairs of a Limited Partnership or Recognised Limited Partnership;—~~

~~(b) — to attend before them at reasonable times and on reasonable notice and answer all questions put to them relevant to the affairs of a Limited Partnership or Recognised Limited Partnership; and—~~

~~(c) — to give reasonable assistance to them in connection with the investigation.—~~

~~(2) — If Inspectors appointed under Article 49 have reasonable grounds for suspecting that a partner of a Limited Partnership or Recognised Limited Partnership maintains or has maintained a bank account of any description, whether alone or jointly with another person, into or out of which has been paid money which is in any way related to the affairs of the Limited Partnership which are the subject of investigation, the Inspectors may require the partner to obtain and produce all books and records in his custody or power relating to the bank account.~~

~~(3) — A person in respect of whom a requirement is made by an Inspector pursuant to Article 50(2) shall comply with that requirement.—~~

**50. Strike off and Restoration**

The provisions of Articles 32 and 33 of the DIFC Operating Law apply to a Limited Liability Partnership and, so far as the law allows, a Recognised Limited Liability Partnership.

**51. Inspectors' Reports [Deleted]**

- (1) ~~The Inspectors shall make a written report to the Registrar at the conclusion of their investigation.~~
- (2) ~~The Inspectors shall make such interim reports, if any, to the Registrar that the Registrar may require.~~
- (3) ~~The Registrar may, upon receipt of a report by an Inspector, do any one or more of the following:~~
- ~~(a) provide a copy to the Limited Partnership or Recognised Limited Partnership to which the report relates;~~
  - ~~(b) provide a copy of the report to any person whose financial interests may have been affected by the matters dealt with in the report; or~~
  - ~~(c) cause the report to be published; or~~
  - ~~(d) in the case of a Limited Partnership or Recognised Limited Partnership licensed, registered or recognised by the DFSA, provide a copy of the report to the DFSA.~~

52. **False or misleading information[Deleted]**

A person shall not:

- ~~(a) provide information to the Registrar which is false, misleading or deceptive; or~~
- ~~(b) conceal information from the Registrar where the concealment of such information is likely to mislead or deceive him.~~

53. **Direction to a Limited Partnership to comply with the Law[Deleted]**

- (1) ~~If a Limited Partnership, Recognised Limited Partnership or any of their partners fail to comply with:~~
- ~~(a) a provision of this Law or of the Regulations or of any legislation administered by the Registrar; or~~
  - ~~(b) a requirement made by the Registrar pursuant to any power under such Law, Regulations, or other legislation;~~
- ~~which requires any of them to deliver to or file with the Registrar any document, or to give notice to him of any matter, the Registrar may issue a direction that the Limited Partnership or any partner make good the failure within a time specified in the direction.~~
- (2) ~~If the Registrar considers that the Limited Partnership or any partner has failed to comply with the direction, he may apply to the Court for one or more of the following orders:~~
- ~~(a) an order directing the Limited Partnership or partners to comply with the direction or with any provision of the Law or of the Regulations or of any legislation administered by the Registrar relevant to the issue of the direction;~~
  - ~~(b) an order directing the Limited Partnership or partners to pay any costs incurred by the Registrar or other person relating to the issue of the direction by the Registrar or the breach of such Law, Regulations or legislation relevant to the~~



~~issue of the direction; or—~~

~~(e) — any other order that the Court considers appropriate.—~~

~~(3) — Nothing in this Article prejudices the operation of any Article imposing penalties on a Limited Partnership or its partners in respect of a failure mentioned above, or any powers that the Registrar or other person or the Court may have under any other provision of the Law.—~~

**54. ~~Compliance with an order or direction of the Registrar [Deleted]~~**

~~Where the Registrar makes an order, issues a direction or makes a requirement in relation to a person pursuant to a provision of this Law or Regulations, such person shall comply with such order, direction or requirement.~~

**55. ~~Dissolution of Limited Partnerships by the Registrar [Deleted]~~**

~~(1) — If the Registrar has reason to believe that:~~

~~(a) — a Limited Partnership is not carrying on business or is not in operation;—~~

~~(b) — a Limited Partnership is acting in contravention of this Law; or—~~

~~(c) — it is prejudicial to the interests of the DIFC for a Limited Partnership to remain on the register;—~~

~~he may give notice to the Limited Partnership that at the conclusion of three months from the date of the notice, the Limited Partnership shall be struck off the register unless reason is shown to the contrary.~~

~~(2) — If the Limited Partnership to whom notice under Article 55(1) is to be given is licensed, registered or recognised by the DFSA, the Registrar shall obtain the consent of the DFSA prior to giving such notice.—~~

~~(3) — If by the end of the three month period the Registrar:~~

~~(a) — has received confirmation that the Limited Partnership is no longer carrying on business or is not in operation; or—~~

~~(b) — has not received from the Limited Partnership sufficient reasons as to why the Limited Partnership should not be struck off the register,—~~

~~the Registrar shall strike the name of the Limited Partnership off the register and the Limited Partnership shall be dissolved.—~~

~~(4) — If, where a Limited Partnership is being wound up in a creditors' winding up, the Registrar has reason to believe either that no liquidator is acting, or that the affairs of the Limited Partnership are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six consecutive months, the Registrar may give notice to the Limited Partnership or the liquidator (if any) similar to that provided for in Article 55(1).—~~

~~(5) — At the end of the period mentioned in the notice the Registrar shall, unless reason to the contrary is shown by the Limited Partnership, creditor or liquidator, strike the name of the Limited Partnership off the register and the Limited Partnership will be dissolved.—~~

~~(6) — Where a Limited Partnership is struck off the register under this Article, the liability of~~

every partner of the Limited Partnership continues and may be enforced as if the Limited Partnership had not been dissolved.—

**56. ~~Court order in relation to the decision of the Registrar~~[Deleted]**

The Court may on application of a person aggrieved by a decision of the Registrar, make one or more of the following orders:

- (a) ~~an order affirming all or part of a decision of the Registrar;—~~
- (b) ~~an order modifying or substituting all or part of a decision of the Registrar;—~~
- (c) ~~an order as to the manner in which a decision of the Registrar or an order of the Court is to be effected;~~
- (d) ~~an order remitting a decision to the Registrar with directions;—~~
- (e) ~~an order as to costs; or—~~
- (f) ~~any other order that the Court may deem appropriate in the circumstances.—~~

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**PART 12: MISCELLANEOUS**

**64. Powers to make Regulations**

- (1) The Board of Directors of the DIFCA may make Regulations ~~for the purposes of this Law pursuant to the power conferred upon it under Article 140 of the Companies Law 2009~~ to facilitate the administration of, or further the objects of, this Law.
- (2) Without limiting the generality of ~~Article 140 of the Companies Law 2009~~ Article 64(1), such Regulations may be made in relation to:
  - (a) the objectives, powers or functions of the Registrar under this Law;
  - (b) forms, procedures, notice and requirements under this Law;
  - (c) the filing of certain material;
  - (d) the manner in which such material shall be filed;
  - (e) which material, or parts of the material, shall be made available for viewing by the public ~~during the normal business hours;~~
  - (f) the use of an electronic or computer-based system for the filing, delivery or deposit of, documents or information required under or governed by the Law and Regulations;
  - (g) the circumstances in which persons shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose under the Law; and
  - (h) the payment of fees to the Registrar.
- (3) ~~The Board of Directors of the DIFC shall publish draft Regulations in the manner prescribed under Article 141 of the Companies Law 2009.~~

- (3) Articles 45 and 46 of the DIFC Operating Law apply to the making of Regulations under this Law.
- (4) Where any Regulation made under this Law purports to be made in the exercise of a particular power or powers, it shall be taken also to be made in the exercise of all the powers under which it may be made.
- (5) Without limiting the generality of Article 64(1), the Regulations under this Article may:
  - (a) make different provision for different cases or circumstances;
  - (b) include supplementary, incidental and consequential provision;
  - (c) be made to facilitate the administration of, or further the purposes of this Law and another Law, or other Laws; and
  - (d) where made to facilitate the administration of, or further the purposes of another Law, require the doing of an act or thing in default of which a fine is payable under that Law.

**65. Waivers and Modification of the Regulations**

~~The powers to waive and modify the Law or Regulations made pursuant to the Law are contained in Article 154 of the Companies Law 2009.~~

The powers to waive and modify the Law or any Regulations made pursuant to the Law contained in Article 59 of the DIFC Operating Law, apply to this Law or Regulations made thereunder.

**66. Public register**

- (1) The Registrar shall publish and maintain a register of current and past registrations of Limited Partnerships in such a manner as may be prescribed in the Regulations.
- (2) The Registrar shall publish and maintain a register of current and past registrations of Recognised Limited Partnerships in such a manner as may be prescribed in the Regulations.
- (3) The Registrar shall make a reasonably current version of any register, maintained under this Article freely available for viewing by the public ~~during the normal business hours of the Registrar~~ on the website of the DIFC.

.....

SCHEDULE 1

INTERPRETATION

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3. **Defined Terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings

Term	Definition
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.....

<u>DIFC Operating Law</u>	<u>the DIFC Operating Law DIFC Law No. [*] of 2018, and where relevant, include a reference to any Regulations made thereunder.</u>
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Registrar	the Registrar appointed under the <del>Companies Law 2009</del> -DIFC Operating Law.
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SCHEDULE 2

CONTRAVENTIONS WITH FINES STIPULATED

<i>Article of Law creating contravention</i>	<i>General nature of contravention</i>	<i>Fine</i>
.....		
52	Providing false or misleading information to the Registrar	\$15,000
54	Failure to comply with the direction of the Registrar	\$15,000

**PART 5: AMENDMENTS TO NON PROFIT INCORPORATED ORGANISATIONS LAW 2012**

11. The Non Profit Incorporated Organisations Law 2012 is amended as prescribed in this Part.
12. The following Articles of the Non Profit Incorporated Organisations Law 2012 are amended by inserting the underlined text and deleting the struck through text as shown below:

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**PART 2: PURPOSE AND ACTIVITIES**

**10. Restrictions**

- (1) For the purposes of this Law, an Incorporated Organisation shall not be formed to carry on activities for the purpose of commercial or financial gain for its Founding Members or Members or former Founding Members or Members.
- (2) An Incorporated Organisation shall not distribute profits or revenues from its activities to its Founding Members or Members or former Founding Members or Members.
- (3) The revenues generated from the activities of the Incorporated Organisation shall be used for the following purposes:
  - (a) to fund the operations of the Incorporated Organisation in relation to its Authorised Purposes; and
  - (b) other purposes which are in compliance with this Law and are approved by the Registrar of Companies.

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**PART 3: FORMATION AND REGISTRATION**

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**14. Registration**

- (1) The Registrar may refuse to register an Incorporated Organisation for such reason as he believes to be proper grounds for refusing such registration.
- (2) Where the Registrar refuses to register an Incorporated Organisation he shall not be bound to provide any reason for his refusal and his decision shall not be subject to appeal or review in court.
- (3) No person shall carry on activities as an Incorporated Organisation in or from the DIFC unless and until such person has been duly permitted to do so by the Registrar. Due permission by the Registrar for these purposes shall be conclusive evidenced by the issuance to such person by the Registrar of a certificate of incorporation ~~along with a Licence as provided for in the Regulations.~~

**14A. Licence**

An Incorporated Organisation shall hold an Operating Licence pursuant to Article 10 of the DIFC Operating Law.

**15. Effects of registration**

On the registration of an Incorporated Organisation and the Charter of Organisation, the Registrar shall:

- (a) issue a certificate that the Incorporated Organisation is incorporated and such certificate shall expressly set out the status of the Incorporated Organisation as a “Non Profit Incorporated Organisation”;
- (b) assign to the Incorporated Organisation a number, which shall be the Incorporated Organisation’s registered number; and
- (c) issue an Operating Licence.

**16. Registered office and conduct of business**

~~(1) An Incorporated Organisation shall at all times have a registered office in the DIFC to which all communications and notices may be delivered.~~

~~(2) An Incorporated Organisation shall carry on its activities in the DIFC.~~

~~(3) A document may be served on the Incorporated Organisation by leaving it at, or sending it by post to, the registered office of the Incorporated Organisation.~~

An Incorporated Organisation shall, at all times, have a registered office in the DIFC as required by the DIFC Operating Law.

**17. Particulars in communication**

~~The name of the Incorporated Organisation and the address of the registered office shall appear in legible characters in all its correspondence.~~

An Incorporated Organisation shall comply with the requirements of the DIFC Operating Law in respect of the use of its name and other relevant particulars in its communications.

**18. Name**

~~(1) Subject to the Law, the name of an Incorporated Organisation, as approved by the Registrar shall:~~

~~(a) appear in legible characters on the common seal of the Incorporated Organisation, and on every business letter, statement of account, invoice, official notice, publication or any other instrument issued by the Incorporated Organisation, including communications through electronic means; and~~

~~(b) have the phrase “Non Profit Organisation” as part of or at the end of its name or any visible part of the instruments referenced in Article 18(1).~~

~~(2) The Founding Members of an Incorporated Organisation may, by Special Resolution, change its name provided the new name is acceptable to the Registrar.~~

- ~~(3) — Where an Incorporated Organisation changes its name under this Article, the Registrar shall enter the new name on the register in place of the former name, and shall issue a certificate of name change showing the previous name and the new name of the Incorporated Organisation.~~
- ~~(4) — The name change will take effect from the date on which the Registrar issues the certificate of name change.~~
- ~~(5) — In the event that an Incorporated Organisation changes its name under this Article, it shall amend its Charter of Organisation in order to reflect such change any time within 30 days from the date the Registrar issues the certificate of name change or within such longer period as the Registrar may allow.~~
- ~~(6) — A change of name by an Incorporated Organisation under this Law does not affect any rights or obligations of the Incorporated Organisation or render defective any legal proceedings by or against it and any legal proceedings that might have been continued or commenced against it by its former name may be continued or commenced under its new name.~~
- ~~(7) — If in the opinion of the Registrar, the name by which an Incorporated Organisation is registered is misleading, conflicting or otherwise undesirable, he may direct the Incorporated Organisation to change it and the Incorporated Organisation shall comply with such direction within 30 days.~~
- (1) An Incorporated Organisation shall not use a name which does not comply with the requirements prescribed in the DIFC Operating Law.
- (2) An Incorporated Organisation may change its name by Special Resolution provided that it complies with the requirements of the DIFC Operating Law.

**18A Confirmation Statements**

An Incorporated Organisation shall comply with the requirements of the DIFC Operating Law for the annual provision of information to the Registrar in respect of its operations and status.

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**PART 4: FINANCIAL RESOURCES, ACCOUNTS AND AUDIT**

**20. Accounts**

- (1) The Founding Members of an Incorporated Organisation shall cause accounts to be prepared in relation to each financial year of the Incorporated Organisation within six months after the end of the financial year.
- (2) The accounts shall be prepared in accordance with accounting principles or standards approved by the Registrar or prescribed in the Regulations and shall show a true and fair view of the financial position of the Incorporated Organisation.
- (3) The accounts shall be approved by the Founding Members and signed on their behalf by at least two Founding Members.
- (4) The accounts shall be examined and reported upon by an auditor registered under the

~~Companies Law 2009-DIFC Operating Law.~~

- (5) An Incorporated Organisation shall file its annual audited accounts with the Registrar within ~~seven~~thirty (30) days after the accounts have been approved by the Founding Members and reported upon by an auditor.

**PART 7: DISSOLUTION**

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**28. ~~Dissolution by the Registrar~~**

- (1) ~~If the Registrar has reason to believe that:~~

(a) ~~an Incorporated Organisation is acting in contravention of this Law and the Regulations; or~~

(b) ~~it is prejudicial to the interest of the DIFC for an Incorporated Organisation to remain on the register;~~

~~he may give notice to the Incorporated Organisation that at the conclusion of three months from the date of the notice, the Incorporated Organisation shall be struck off the register unless reason is shown to the contrary.~~

- (2) ~~If by the end of the three months period, the Registrar has not received from the Incorporated Organisation or any other third party sufficient reason as to why the Incorporated Organisation should not be struck off the register, the Registrar may strike the name of the Incorporated Organisation off the register and the Incorporated Organisation shall be dissolved.~~

**2928. Publication of dissolution**

The Registrar ~~of Companies~~ shall publish the dissolution of an Incorporated Organisation on the website of the DIFC.

**29. Strike off and Restoration**

The provisions of Article 32 and 33 of the DIFC Operating Law apply to an Incorporated Organisation.

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**PART 8: GENERAL CONTRAVENTION POWERS AND REMEDIES**

.....

**32. ~~Involvement in contraventions~~**

- (1) ~~If a person is knowingly concerned in a contravention of the Law or Regulations or other legislation administered by the Registrar committed by another person, the aforementioned person as well as the other person commits a contravention and is liable to be proceeded against and dealt with accordingly.—~~

- (2) ~~Without limiting the generality of Article 32(1), if an officer of an Incorporated Organisation is knowingly concerned in a contravention of the Law or Regulations or other legislation administered by the Registrar committed by an Incorporated~~



~~Organisation, the officer as well as the Incorporated Organisation commits a contravention and is liable to be proceeded against and dealt with accordingly.—~~

- ~~(3) For the purposes of this Article, “officer” means a Founding Member, agent, secretary or other similar officer of the Incorporated Organisation, or a person purporting to act in such capacity.—~~
- ~~(4) For the purposes of this Article, a person is ‘knowingly concerned’ in a contravention if, and only if, the person:—~~
- ~~(a) has aided, abetted, counselled or procured the contravention;—~~
  - ~~(b) has induced, whether by threats or promises or otherwise, the contravention;—~~
  - ~~(c) has in any way, by act or omission, directly or indirectly, been knowingly involved in or been party to, the contravention; or—~~
  - ~~(d) has conspired with another or others to effect the contravention.—~~
  - ~~(e) has, alone or in concert with others, directly or indirectly, done, attempted or planned to conceal the existence or extent or nature of a contravention; or obstruct, impede or prevent competent authorities within the DIFC from detecting, investigating or prosecuting a contravention.—~~
- ~~(5) In this Article, ‘person’ does not include the DIFCA, Registrar, DFSA or President.~~

### 32. Application of DIFC Operating Law

Part 5 of the DIFC Operating Law applies to an Incorporated Organisation.

### **33. Administrative imposition of fines**

- ~~(1) The Board of Directors of the DIFC Authority shall prescribe in Regulations procedures in relation to the imposition and recovery of fines under this Article.—~~
- ~~(2) Where the Registrar considers that a person has contravened a provision of the Law referred to in Schedule 2 and in relation to which a fine is stipulated in that Schedule, it may impose by written notice given to the person a fine, in respect of the contravention, of such amount as it considers appropriate but not exceeding the amount of the maximum fine specified in Schedule 2 in respect of each contravention.—~~
- ~~(3) If, within the period specified in the notice:~~
- ~~(a) the person pays the prescribed fine to the Registrar, then no proceedings may be commenced by the Registrar against the person in respect of the relevant contravention; or—~~
  - ~~(b) the person takes such action as is prescribed in the Regulations to object to the imposition of the fine or has not paid the prescribed fine to the Registrar, then the Registrar may apply to the Court for, and the Court may so order, the payment of the fine or so much of the fine as is not paid and make any further order as the Court sees fit for recovery of the fine.—~~
- ~~(4) A certificate that purports to be signed by the Registrar and states that a written notice~~

was given to a person pursuant to Paragraph (2) imposing a fine on the basis of specific facts is:

(a) ~~conclusive evidence of the giving of the notice to the person; and~~

(b) ~~prima facie evidence of the facts contained in the notice;~~

~~in any proceedings commenced under Article 33(3).~~

34. ~~Applications to the Court~~

~~The powers of the Court in relation to applications are contained in Articles 133 and 134 of the Companies Law 2009.~~

.....

~~PART 9: INSPECTIONS AND REMEDIES~~ [Deleted in its entirety]

.....

**PART 10: MISCELLANEOUS**

~~3933.~~ **The power to make Regulations**

- (1) The Board of the DIFC Authority may make Regulations for the purposes of this Law pursuant to the powers conferred upon it under Article 140 of the Companies Law 2009 to facilitate the administration of, or further the objects of, this Law.
- (2) Without limiting the generality of Article 33(1), such Regulations may be made in relation to:
  - (a) the objectives, powers or functions of the Registrar under this Law;
  - (b) forms, procedures, notice and requirements under this Law;
  - (c) the filing of certain material;
  - (d) the manner in which such material shall be filed;
  - (e) which material, or parts of the material, shall be made available for viewing by the public during the normal business hours;
  - (f) the use of an electronic or computer-based system for the filing, delivery or deposit of, documents or information required under or governed by the Law and Regulations;
  - (g) the circumstances in which persons shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose under the Law; and
  - (h) the payment of fees to the Registrar.
- (3) Articles 45 and 46 of the DIFC Operating Law apply to the making of Regulations under this Law.

- (4) Where any Regulation made under this Law purports to be made in the exercise of a particular power or powers, it shall be taken also to be made in the exercise of all the powers under which it may be made.
- (5) Without limiting the generality of Article 33(1), the Regulations under this Article may:
- (a) make different provision for different cases or circumstances;
  - (b) include supplementary, incidental and consequential provision;
  - (c) be made to facilitate the administration of, or further the purposes of this Law and another Law, or other Laws; and
  - (d) where made to facilitate the administration of, or further the purposes of another Law, require the doing of an act or thing in default of which a fine is payable under that Law.

**40. ~~Publication by the Registrar~~**

- (1) ~~The Registrar shall make available to the public without undue delay after their making or issuing:~~
- (a) ~~Regulations made by the Board of Directors of the DIFCA; and~~
  - (b) ~~Guidance in the form of:~~
    - (i) ~~guidance made and issued by the Registrar under the Law; and~~
    - (ii) ~~a standard or code of practice issued by the Registrar under the Law which has not been incorporated into the Regulations.~~
- (2) ~~The Registrar may publish in such form and manner as it regards appropriate information and statements relating to the practices and procedures of the Registrar, decisions of the Court, and any other matters which the Registrar considers relevant to the conduct of affairs in the DIFC.~~
- (3) ~~Publications made under this Article may be provided with or without charge as the Board of Directors of the DIFC Authority may determine.~~

**41~~34~~. ~~Waivers and modification of Law or Regulations~~**

- (1) ~~In this Article, a reference to a “relevant provision” is a reference to:~~
- (a) ~~any provision of the Law which is expressed to be subject to this Article; or~~
  - (b) ~~any provision of the Regulations.~~
- (2) ~~The Registrar may:~~
- (a) ~~on the application of a person; or~~
  - (b) ~~with the consent of a person;~~
- ~~by means of a written notice provide that one or more relevant provision either:~~
- (c) ~~shall not apply in relation to such person; or~~

- (d) ~~shall apply to such person with such modifications as are set out in the written notice.~~
- (3) ~~A written notice may be given subject to conditions.~~
- (4) ~~A person to whom a condition specified in a written notice applies must comply with the condition. In the event of failure to comply with a condition, the Registrar may, without limiting any other powers that he may have, apply to the Court for an order, including an order that the person must comply with the condition in a specified way.~~
- (5) ~~Unless the Registrar is satisfied that it is inappropriate or unnecessary to do so, he must publish a written notice in such a way as he considers appropriate for bringing the notice to the attention of:~~
- (a) ~~those likely to be affected by it; and~~
- (b) ~~others who may be likely to become subject to a similar notice.~~
- (6) ~~The Registrar may:~~
- (a) ~~on his own initiative or on the application of the person to whom it applies, withdraw a written notice; or~~
- (b) ~~on the application of, or with the consent of, the person to whom it applies, vary a written notice.~~
- (7) ~~The Board of Directors of the DIFCA may make Regulations in connection with the provision of a written notice under this Article, including Regulations prescribing procedures for the making of applications and providing of consents.~~

The powers to waive and modify the Law or Regulations made pursuant to the Article 59 of the DIFC Operating Law apply to this Law or Regulations made thereunder.

#### **4235. Application of the Insolvency Law**

The Insolvency Law shall apply to an Incorporated Organisation, except where the context otherwise requires, with the following modifications:

- (a) reference to a Company shall include references to an Incorporated Organisation;
- (b) references to a director or an officer of a Company shall include references to a Founding Member;
- (c) references to other provisions of the Companies Law shall include references to those provisions as they apply to an Incorporated Organisation in accordance with this Law;
- (d) references to the articles of a Company shall include references to the Charter of Organisation of an Incorporated Organisation;
- (e) references to a meeting of a Company shall include references to a meeting of the Founding Members of an Incorporated Organisation; and
- (f) such further modifications as the context requires for the purpose of giving effect to that legislation as applied by this Law.

**43. — Obligation of disclosure to the Registrar**

(1) — ~~Subject to Article 43(2), an Incorporated Organisation or an auditor of an Incorporated Organisation shall disclose to the Registrar any matter which reasonably tends to show one of the following:~~

- (a) — ~~a contravention, or likely contravention of a provision of the Law or Regulations or other legislation administered by the Registrar;~~
- (b) — ~~a failure, or likely failure, to comply with any obligation to which a person is subject under such legislation; or~~
- (c) — ~~any other matter as the Board of Directors of the DIFCA may prescribe in Regulations;~~

~~which may be attributable to the conduct of the relevant Incorporated Organisation or its officers, employees or agents.~~

(2) — ~~Article 43(1) shall not apply to the extent that compliance with such requirement would disclose a Privileged Communication.~~

(3) — ~~An Incorporated Organisation shall establish and implement appropriate systems and internal procedures to enable its compliance with Article 43(1).~~

(4) — ~~Any provision in an agreement between an Incorporated Organisation and an officer, employee, agent or auditor is void in so far as it purports to hinder any person from causing or assisting an Incorporated Organisation to comply with an obligation under Article 43(1).~~

(5) — ~~No person shall be subjected to detriment or loss or damage merely by reason of undertaking any act to cause or assist an Incorporated Organisation to comply with an obligation under Article 43(1).~~

(6) — ~~A Court may, on application of an aggrieved person, make any order for relief where the person has been subjected to any such detriment or loss or damage referred to in Article 43(5).~~

**44. — Disclosures to the Registrar**

~~A person is neither liable to a proceeding, nor subject to a liability, nor in breach of any duty, merely by reason of the giving of information or production of a document by the person to the Registrar:~~

- (a) — ~~in good faith; and~~
- (b) — ~~in reasonable belief that the information or document is relevant to any functions of the Registrar;~~

~~whether such information or document is given or produced pursuant to a requirement at law or otherwise.~~

**4536. Public Register**

(1) The Registrar shall publish and maintain a register of current and past registrations of Incorporated Organisations in such manner as may be prescribed in the Regulations.

(2) The Registrar shall make a reasonably current version of any register maintained under

this Article freely available for viewing by the public during the normal business hours of the Registrar on the website of the DIFC.

46. **Language**

The Registrar may require communication to which it is a party to be conducted in the English language.

4737. **Fees**

- (1) An Incorporated Organisation shall pay the fees applicable to an Incorporated Organisation, including annual licensing fees, as prescribed in the Regulations.
- (2) For the avoidance of doubt, the DIFC Operating Regulations (OR) shall not apply to Incorporated Organisations.

4838. **Provisions Conversion of for existing non profit Companies to Incorporated Organisations**

- (1) An existing non profit Company may apply to the Registrar for continuance in existence at the date of entry into force of this Law shall not be required to re-incorporate as an Incorporated Organisation under this Law provided it complies with this Law and has obtained the written approval of the Registrar.
- (2) The Registrar may require the a non profit Company to do any act or thing, including amending its articles of association, to ensure compliance with this Law and the Regulations.
- (3) The Registrar may give directions as to the manner in which the conversion is to be effected and the Company shall comply with those directions prior to it being continued as an Incorporated Organisation by the Registrar.

.....

**SCHEDULE 1  
INTERPRETATION**

.....

**3. Defined Terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings

Term	Definition
.....	
Companies Law	Means the Companies Law 2009 DIFC Law No. 5 of 2018.
<u>DIFC Operating Law</u>	<u>the DIFC Operating Law DIFC Law No. [*] of 2018, and where relevant, include a reference to any Regulations made thereunder.</u>
.....	
Registrar	Means the Registrar of Companies as defined in the Companies Law 2009 appointed under the DIFC Operating

	<u>Law.</u>
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SCHEDULE 2

CONTRAVENTIONS WITH FINES STIPULATED

<i>Article of the Law creating contravention</i>	<i>General nature of contravention</i>	<i>Maximum fine</i>
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.....

17	Failure to have the name of the Incorporated Organisation on <del>correspondence</del> <u>communications</u> .	US\$ 1,000
18(2)	<del>Failure to have the phrase "Non Profit Organisation" on</del> company instruments	US\$ 1,000

.....

38	Failure comply with a direction of the Registrar	US\$25,000
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**PART 6: AMENDMENTS TO THE FOUNDATIONS LAW 2018**

13. The Foundations Law 2018 is amended as prescribed in this Part.
14. The following Articles of the Foundations Law 2018 are amended by inserting the underlined text and deleting the struck through text as shown below:

.....

**PART 1: GENERAL**

.....

**9. Regulations**

- (1) The Board of Directors of the DIFCA may make Regulations to facilitate the administration of, or further the objects of, this Law.
- ~~(2) Articles 182 and 183 of the Companies Law 2018 apply to the making of Regulations under this Law.~~
- (2) Without limiting the generality of Article 9(1), such Regulations may be made in relation to:
- (a) the objectives, powers or functions of the Registrar under this Law;
  - (b) forms, procedures, notice and requirements under this Law;
  - (c) the filing of certain material;
  - (d) the manner in which such material shall be filed;
  - (e) which material, or parts of the material, shall be made available for viewing by the public;
  - (f) the use of an electronic or computer-based system for the filing, delivery or deposit of, documents or information required under or governed by the Law and Regulations;
  - (g) the circumstances in which persons shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose under the Law; and
  - (h) the payment of fees to the Registrar.
- (3) Articles 45 and 46 of the DIFC Operating Law apply to the making of Regulations under this Law.
- (4) Where any Regulation made under this Law purports to be made in the exercise of a particular power or powers, it shall be taken also to be made in the exercise of all the powers under which it may be made.
- (5) Without limiting the generality of Article 9(1), the Regulations under this Article may:

- (a) make different provision for different cases or circumstances;
- (b) include supplementary, incidental and consequential provision;
- (c) be made to facilitate the administration of, or further the purposes of this Law and another Law, or other Laws; and
- (d) where made to facilitate the administration of, or further the purposes of another Law, require the doing of an act or thing in default of which a fine is payable under that Law.

.....

## **PART 2: NATURE OF A DIFC FOUNDATION**

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### **12. Objects and categories of Foundations**

- (1) A Foundation's objects:
  - (a) must be certain, reasonable and possible; and
  - (b) must not be unlawful or contrary to public policy in the DIFC.
- (2) A Foundation may be established for:
  - (a) objects which are exclusively charitable; ~~and or~~
  - (b) one or more of the following:
    - (i) objects which are not charitable; and
    - (ii) objects to benefit persons by name, category or class.

.....

## **PART 3: ESTABLISHMENT OF A DIFC FOUNDATION**

### **17. Creation**

- (1) The Founder(s) may apply for the establishment of a Foundation by signing and filing with the Registrar an application for its establishment in the manner prescribed by the Registrar.
- (2) The application filed with the Registrar under Article 17(1) shall be signed by each Founder and shall include:
  - (a) the name of the proposed Foundation;
  - (b) the address of the proposed Foundation's registered office in the DIFC;
  - (c) the full name, nationality and address of each Founder;
  - (d) the full name, nationality and address of each of the proposed members of the

- Council of the proposed Foundation;
- (e) if applicable, the name and business address of the proposed Registered Agent in the DIFC;
  - (f) the Charter of the proposed Foundation;
  - (g) unless a Registered Agent is proposed to be appointed, the By-laws of the proposed Foundation; and
  - (h) such other particulars as the Registrar may require.
- ~~(3) The provisions of Article 21 of the Companies Law shall apply to a Foundation in respect of the use of misleading, deceptive or conflicting names. —~~
- (3) A Foundation shall not use a name which does not comply with the requirements prescribed in the DIFC Operating Law.
- (4) A person may not be named as a Registered Agent unless that person is a Qualified Person.
- (5) Upon lodgment of the application and payment of the prescribed fee, the Registrar shall either:
- (a) register the Foundation;
  - (b) seek further information in respect of the proposed Foundation; or
  - (c) refuse the application.
- (6) On the registration of a Foundation, the Registrar shall:
- (a) issue a certificate that the Foundation is established and such certificate shall expressly set out its status as a Foundation;
  - (b) assign to the Foundation a number, which shall be the Foundation's registered number; and
  - (c) issue a Licence in its favour.
- ~~(7) The provisions of Article 17 of the Companies Law apply to a Licence issued to a Foundation. A Foundation which fails to maintain a valid Licence is liable to a fine, as set out in Schedule 3. A Foundation shall hold a Licence pursuant to Article 10 of the DIFC Operating Law.~~

.....

## **PART 5: ADMINISTRATION OF DIFC FOUNDATIONS**

### **33A. Confirmation Statements**

A Foundation shall comply with the requirements of the DIFC Operating Law for the annual provision of information to the Registrar in respect of its operations and status.

**34. Change of name**

- ~~(1)~~ A Foundation or Recognised Foundation may change its name provided it complies with the requirements of the DIFC Operating Law.
- ~~(2)~~ Where a Foundation changes its name under Article 19(4), the Registrar shall enter the new name on the Register in place of the former name, and shall issue a certificate of name change showing the previous name and the new name of the Foundation, provided that any such name change shall also be subject to Article 17(3).
- ~~(23)~~ The name change will take effect from the date on which the Registrar issues the certificate of name change.
- ~~(34)~~ A change of name by a Foundation under this Law does not affect any rights or obligations of the Foundation or render defective any legal proceedings by or against it and any legal proceedings that might have been continued or commenced by or against it under its former name may be continued or commenced under its new name.

**35. Accounts and Accounting Records**

- (1) Unless inconsistent with this Article 35, Articles ~~128-126~~ to ~~132-130~~ of the Companies Law shall apply to a Foundation, as if it were a private company and any reference to “Director(s)” or “Officer(s)” in relevant Articles in the Companies Law shall be interpreted to refer to member(s) of the Council. A Foundation which fails to keep and maintain accounts or make them available as required under this Law is liable to a fine, as set out in Schedule 3.
- (2) A Foundation’s accounts shall be approved by the Council and signed on their behalf by at least two members of the Council. A Foundation which fails to comply with this requirement is liable to a fine, as set out in Schedule 3.
- (3) A Foundation shall within thirty days (30) after the accounts have been approved by the Council:
- (a) if it has not appointed a Registered Agent, file a copy of its annual accounts with the Registrar; or
  - (b) if it has appointed a Registered Agent, provide a copy of its annual accounts to its Registered Agent.
- (4) A Foundation which fails to comply with the requirements in Article 35(3) is liable to a fine, as set out in Schedule 3.
- (5) A person who makes a statement that is false, misleading or deceptive in a material way to the Registrar or the Registered Agent in respect of accounts, is liable to a fine as set out in Schedule 3.

**PART 6: REGISTRAR**

**36. Exercise of functions of the Registrar**

- (1) The Registrar shall administer this Law on behalf of the DIFCA.

- (2) In the exercise of his functions under this Law, the Registrar has all the powers and duties conferred upon him by:
- (a) ~~Articles 8 and 9 of the Companies Law; and~~
  - (b) ~~Articles 159 to 169 of the Companies Law,~~
  - (a) Articles 7 and 8 of the DIFC Operating Law; and
  - (b) Articles 23 to 33 of the DIFC Operating Law
- including the power of delegation.
- (3) In exercising any powers and duties conferred upon the Registrar in Article 36(2), any reference to “Director(s)” or “Officer(s)” shall be interpreted as referring to member(s) of the Council.

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## **PART 7: JUDICIAL AND NON JUDICIAL PROCEEDINGS**

### **54. Arbitration of Foundation disputes**

- (1) Where the Charter or By-laws of a Foundation provide that any dispute or Administration~~ne~~ Question arising between any of the parties in relation to the Foundation shall be submitted to arbitration, that provision shall, for all purposes under the Arbitration Law have effect as between those parties as if were an arbitration agreement and as if those parties were parties to that agreement.
- (2) Where the Charter or By-laws of a Foundation do not provide that any dispute or Administration Question arising in relation to the Foundation shall be submitted to arbitration but the parties to that dispute agree in writing to have it resolved by arbitration, that agreement shall, for all purposes under the Arbitration Law, have effect as between those parties as if it were an arbitration agreement.
- (3) The Arbitration Law shall apply to an arbitration under this Law in accordance with the provisions of Schedule 2.
- (4) The Court may make such orders in relation to an arbitration or possible arbitration which supplement or vary the application of Schedule 2 as the Court deems appropriate in the circumstances.

.....

## **PART 8: CONTINUATION OF FOUNDATIONS AND COMPANIES**

### **65. Recognised Foreign Foundations**

- (1) A Foreign Foundation which wishes to conduct operations within the DIFC may apply for a Licence to be a Recognised Foreign Foundation in the DIFC for the purposes of this Law, in accordance with the DIFC Operating Law.

- (2) An application made under Article 65(1) shall be in such form as may be prescribed by the Registrar and accompanied by the prescribed fee.
- (3) A Recognised Foreign Foundation must appoint a Registered Agent and have a registered office in the DIFC, and comply with any conditions in its Licence and the DIFC Operating Law.
- (4) A Recognised Foreign Foundation may not carry out any commercial activities, except those necessary for, and ancillary or incidental to, its objects.
- (5) Article 24 and Part 5 of this Law and Articles ~~145 to 151~~ 137 to 143 of the Companies Law shall apply with all necessary modifications to a Recognised Foreign Foundation.

.....

**77. Fines**

- (1) A Foundation which contravenes a requirement of this Law to provide information to the Registrar, or its Registered Agent, is liable to a fine, as set out in Schedule 3.
- (2) A Foundation which in any document or other communication provided to the Registrar, or its Registered Agent, makes a statement which is false or intentionally misleading in any particular, is liable to a fine, as set out in Schedule 3.
- (3) Part 1 of Schedule 3 to this Law contains a list of fines applicable to any contravention of this Law.
- (4) Articles ~~172 to 174 of the Companies Law~~ 36 to 38 of the DIFC Operating Law apply in relation to proceedings by the Registrar in respect of contraventions, or possible contraventions, of this Law.
- (5) Article ~~171 of the Companies Law~~ 35 of the DIFC Operating Law applies in respect of the involvement of persons knowingly concerned in a contravention of this Law or the Regulations.

.....

**SCHEDULE 1  
INTERPRETATION**

.....

**3. Defined terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

DIFC Operating Law	<u>the DIFC Operating Law DIFC Law No. [*] of 2018, and where relevant, include a reference to any Regulations made</u>
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	<u>thereunder.</u>
Registrar	the Registrar of Companies appointed under Article 8 of the Companies Law the DIFC Operating Law

**PART 7: AMENDMENTS TO THE TRUST LAW 2018**

15. The Trust Law 2018 is amended as prescribed in this Part.
16. The following Articles of the Trust Law 2018 are amended by inserting the underlined text and deleting the struck through text as shown below:

.....

**PART 8: DUTIES AND POWERS OF TRUSTEES**

**60. Duties of trustees**

.....

- (6) A trustee of an express trust shall:
  - (a) take reasonable steps to identify the ultimate beneficial owners of any party to the trust which is a body corporate, including the settlor, enforcer, protector, beneficiaries and any other person exercising effective ultimate control over the trust;
  - (b) keep records of the names and contact details of the agents and service providers engaged on behalf of the trust;
  - (c) disclose its status as trustee to financial institutions and DNFBPs when engaging their services on behalf of the trust;
  - (d) maintain accurate and up-to-date records of the information required under Articles 60(6)(a) and (b) for a period of six (6) years from the date on which it ceased to act or be involved with the trust; and
  - (e) make the information referred to in Article 60(6)(a) and (b) available to the Registrar of Companies for the purposes of Article 60(7), within three (3) days of receipt of such a request at such time and at such place as may be specified in the notice.
- (7) The Registrar of Companies shall:
  - (a) collect and process information obtained under Article 60(6)(e) only for the purposes of regulation in relation to money laundering and terrorism financing, unlawful organisations and sanctions compliance in the DIFC, or to comply with any other applicable laws in the DIFC; and
  - (b) disclose such information only at the request of a regulator, a law enforcement agency or other government authority prescribed by legislation.
- (8) A trustee is entitled to rely in good faith, without further enquiry, on any information provided to the trustee in response to enquiries made pursuant to Article 60(6)(a), unless the trustee has reason to believe the response is misleading, false or incomplete.
- (9) Where the trustee fails to comply with the requirements in Article 60(6), the Registrar of Companies may make an application to the Court for orders under Article 20(2)(a)(i) and if the trustee fails to comply with such an order, the Registrar may make an application



under Article 54(1). For the avoidance of doubt, the Registrar of Companies shall be deemed, for the purpose of this Article, to have standing to make applications to the Court under Articles 20(2)(a)(i) and 54(1).

.....

**SCHEDULE 1  
INTERPRETATION**

**3. Defined terms**

In the Law, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

Term	Definition
<u>DIFC Operating Law</u>	<u>the DIFC Operating Law DIFC Law No. [*] of 2018, and where relevant, include a reference to any Regulations made thereunder.</u>

.....

Registrar	<del>the Registrar of Companies</del> appointed under the <del>Companies Law</del> <u>DIFC Operating Law</u> .
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.....

ultimate beneficial owners	has the meaning given in Article <del>197(2)</del> <u>60(3)</u> of the <del>Companies Law</del> <u>DIFC Operating Law</u> .
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.....

**SCHEDULE 3  
FINES AND FEES**

**PART 1 - FINES**

.....

**PART 2**

The following fees are payable in respect of applications and notifications made in accordance with the Regulations

Application or notification	Fee Payable
Application for registration of a Foundation	<del>\$200</del> <u>NIL</u>

Application for renewal of a Foundation (Annual Fee)	\$200
Notification of a change in registered office address	\$100
Notification of appointment and cessation of a Registered Agent (if appointed)	\$100
Notification of change of particulars of the appointed Registered Agent	\$100
Notification of an appointment and cessation of a Councillor	\$100
Notification of change of particulars of a Councillor	\$100
Notification of an appointment and cessation of a Guardian	\$100
Notification of change of particulars of a Guardian	\$100
Notification of a change of name of a Foundation	\$100
Amendment of the Charter by the Founder(s) or in the event of Founder's death by Court Order	\$100
Request for information from the Registrar	\$100
Continuation to DIFCA	\$500
Continuation from DIFCA	\$500
Application for Registration of a Foreign Foundation	\$100
Application to strike off	\$100
Reinstatement of a Foundation on the Register	Nil