

## Roadmap to the Proposed Changes

#	Current Law reference	Proposed Law reference	Legislative Change	Summary of Change
1.	n/a	Art 4 - Prohibition against conduct of business 9(3)(e) - Exempt Persons	New provision	A Prohibiting against conducting business in or from the DIFC, unless holding a Commercial Licence or permission issued by the Registrar, or exempted by the Registrar. Please refer to paragraphs 39 and 40 of the Consultation Paper.
2.	n/a	Art 9 (1) - Objectives and powers of the Registrar	New provision	Including the Registrar's objectives. Please refer to paragraph 38 of the Consultation Paper.
3.	Art 9 – Type of Companies  Deletion of Part 8 – Limited Liability Companies	Art 10 - Types of Companies	Existing - amended	Abolishing the Limited Liability Company (“LLC”) regime under the Current Law and enhancing the regime for companies limited by shares by introducing a public and private company regime. Please refer to paragraphs 22 – 24 of the Consultation Paper.
4.	n/a	Art 16: Change in the registered details of a Company	New provision	The Registrar to be notified of any change to the registered details of the company within 14 days of the change. Please refer to paragraph 34 of the Consultation Paper.
5.	n/a – new article	Art 17: Commercial Licence	New provision	A valid commercial licence to be maintained at all times. Please refer to paragraphs 39 – 42 of the Consultation Paper.
6.	Art 12: Alteration of articles	Art 19: Alteration of Articles of Association	Existing - amended	Departure from the requirement for an external legal opinion for amendments to articles of association, instead requiring a certificate from at least 1 Director. Please refer to paragraph 59(a) of the Consultation Paper.
7.	n/a	Art 21: prohibition against the use of misleading, deceptive or conflicting Company names	New provision	A prohibition against a Company using a name which is reasonably likely to become misleading, deceptive or conflicting with an existing company name. Please refer to paragraph 59(f) of the Consultation Paper.
8.	Art 21: Particulars in correspondence	Art 25: Particulars in company communications	Existing - amended	Broadening the current provision by requiring that a Company must not include any misleading or deceptive information in its communication.
9.	Art 22: Annual Return	Art 26 Annual Return	Existing - amended	Requiring Annual Returns to be filed at the same time as renewing the Commercial Licence, rather than on the anniversary of incorporation or registration. Please refer to paragraph 40 of the Consultation Paper.
10.	n/a	Art 28: Filing of Special Resolutions and certain other resolutions and agreements	New provision	Requiring Companies to file certain Resolutions with the Registrar. Please refer to paragraph 59(b) of the Consultation Paper.

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11.	n/a	Art 36(3): Private Company Art 36(4) public company	New provision	Introducing a public and private company regime, which differentiates between large and small companies in terms of regulation applicable to them. Please refer to paragraphs 15 - 20 of the Consultation Paper.
12.	n/a	Arts 39 & 40: Provisions allowing re-registration of a Public Company as a Private Company	New provision	Introducing procedures for converting Public Companies to Private Companies, and vice-versa, subject to safeguards to ensure shareholder protection in some circumstances through application to the Court.
13.	n/a	Art 43: Minimum share capital	New provision	Replacing the current minimum share capital requirement of US\$50,000 by introducing a tailored capital requirement for public and private companies. A Public Company to have a minimum capital requirement of US\$100,000, of which at least ¼ to be paid up. A Private Company to have no minimum share capital requirements. Please refer to paragraph 59(c) of the Consultation Paper.
14.	Art 37: Non-cash consideration for Shares	Non-cash consideration for Shares in a Private Company (Art 45) and Public Company (Art 46)	Existing - amended	Enhancing the current regime relating to non-cash consideration for shares, in the case of Public Companies, by introducing some controls. Please refer to paragraph 19(d) of the Consultation Paper.
15.	Art 89: Transfer of Membership Interest (LLC)	Art 48: Shareholders' pre-emption rights  Art 49: Exceptions to the pre-emption rights	Existing - amended	Introducing new pre-emption rights for Shareholders of public and private companies. Please refer to paragraph 59(d) of the Consultation Paper.
16.	Art 39: Register of Shareholders	Art 52(f): joint holders - Register of shareholders	New provision	Introducing recognition of joint holders of shares in the Register of Shareholders.
17.	n/a	Art 53: register of debenture holders	New provision	Introducing a register of debenture holders. Please refer to paragraph 59(g) of the Consultation Paper.
18.	Art 35: share certificates	Art 58: Share certificates	Existing - amended	Introducing a new requirement for companies limited by shares to issue share certificates.
19.	n/a	Art 59: right of a Public Company to request information about interests in shares	New provision	Enabling a public company to request information from persons it believes has an interest in the company.
20.	n/a	Art 60(4): Directors certificate for redeemable shares	New provision	A Director's certificate relating to the solvency of the company being required before a company can redeem its paid up shares.

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21.	45: Power of Company to purchase own shares	Art 61: Power of Company to purchase its own shares	Existing - amended	Enhancing the current procedures for a company to purchase its own shares.
22.	n/a	Art 62: Treasury shares	New provision	Introducing provisions enabling a company to create "Treasury Shares". Please refer to paragraph 59(e) of the Consultation Paper.
23.	Art 46: Prohibition on financial assistance to acquire Shares	Art 63: Prohibition on financial assistance to acquire Shares	Existing - amended	Differentiating regulation of public and private companies, by applying the prohibition against financial assistance to purchase own shares to only Public Companies. Please refer to paragraph 19(e) of the Consultation Paper.
24.	Art 47 to 48: Reduction of Share Capital	Arts 64 – 71: Reduction of share capital	Existing - amended	Enhancing the provisions dealing with the reduction of its share capital by a Company. Please refer to paragraph 19(f) of the Consultation Paper.
25.	Arts 53 – 54: Directors' Duties	Arts 76 – 85: Directors' Duties	Existing - amended	Introducing significant enhancements to the current Directors' Duties provisions. Please refer to paragraphs 25 – 29 of the Consultation Paper.
26.	Art 56: Alternate Directors	Sch 1: definition of "Director"	Existing – amended	Retaining the current 'Alternate Director' provision by including it in the definition of "Director".
27.	Art 58: Secretary	Art 89: Secretary	Existing - amended	Tailoring the provisions dealing with Secretary by: <ul style="list-style-type: none"> <li>removing the requirement for a Secretary for a Private Company;</li> <li>specifying the qualifications of a Secretary of a Public Company; and</li> <li>removing the restriction that a Secretary cannot be a Director.</li> </ul>
28.	n/a	Art 92: Disqualification orders	New provision	Enabling the Registrar to apply to the Court to disqualify a Director from being involved in the management of a Company
29.	Art 62: Annual General meetings	Art 94: Annual General Meetings	Existing - amended	Specifying that only Public Companies are required to hold Annual General Meetings. Please refer to paragraph 19(b) of the Consultation Paper.
30.	n/a	Part 8: Mergers; Arts. 113 – 126	New provisions	Introducing new Mergers provisions. Please refer to paragraphs 30 – 32 of the Consultation Paper.
31.	n/a	Part 9 – Compromises and Arrangements; Arts 124 - 126	New provision	Introducing new compromises and arrangements provisions. Please refer to paragraphs 31 and 32 of the Consultation Paper.
32.	n/a	Art 131(6): Small Private Company exemption	New provision	Introducing a new concept of 'Small private companies', which are exempted from the requirements to have their accounts audited and to have their audited financial statements and the auditor's report filed with the Registrar. Please refer to

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				paragraphs 35 – 36 of the Consultation Paper.
33.	n/a – new provision	Art 133: Director's report for Public Companies	New provision	Introducing a new requirement for Directors of a Public Company to submit a Directors' report for each financial year containing the information prescribed. Please refer to paragraph 19(g) of the Consultation Paper.
34.	Part 13, Inspection and Remedies	Part 14: Powers and Remedies; Art 158 - 179	Existing - amended	Making significant enhancements to the existing powers of the Registrar. Please refer to paragraphs 37 – 52 of the Consultation Paper.
35.	n/a – new article	Art 158: Application and Interpretation of this Part	New provision	Extending the the Registrar's Powers in Part 14 to Recognised Companies, unless expressly provided otherwise.
36.	n/a – new provision	Art 158(2)	New provision	Enabling the Registrar to take action against the Company or any Officer of the Company (both existing and former) for a period of 3 years from the date the Registrar becomes aware of an alleged contravention. Please refer to paragraph 51(h) of the Consultation Paper.
37.	Art 125: Production of books, records and assistance	Art 160: Powers of Inspectors to obtain information and Documents	Existing - amended	Enhancing the powers of the Registrar to inspect premises and obtain information and documents. Please refer to paragraph 51(a) of the Consultation Paper.
38.	n/a – new article	Art 161: Use and effect of Documents and Information obtained for investigations Art 162: Obstruction of Inspectors Art 164: Powers of Registrar to apply to Court	New provision	Strengthening the powers of the Registrar relating to inspection and investigations and clarifying the use and effect of documents and information obtained through investigations, including greater powers to impose fines on persons obstructing inspections or applying to the Court to make such orders as it thinks fit. Please refer to paragraphs 51(b) - (d) of the Consultation Paper.
39.	Art 128: Dissolution of Company	Arts 167(4) – (10): Power to strike off names of voluntarily wound up Companies	Existing - amended	Introducing more detailed provisions relating to the Registrar's ability to dissolve a Company that has undergone voluntary winding-up procedures under the Insolvency Law
40.	n/a – new article	Art 172: Administrative Censures	New provision	Introducing powers for the Registrar to impose administrative censures on any person who contravenes any law, regulation, standard, code of practice or guidance administered by the Registrar, subject to the Registrar following the Decision Making Procedures ('due process procedures') prescribed in the Regulations. Please refer to paragraph 51(g) of the Consultation Paper.
41.	Art 132:	Art 173:	Existing -	Introducing new due process procedures to

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	Administrative imposition of fines	Administrative imposition of fines	amended	be followed by the Registrar for the imposition of fines that are not automatically applied. Please refer to paragraphs 44 - 47 of the Consultation Paper.
42.	n/a – new Article	Art 196: Whistleblowing	New provision	Introducing new “whistleblowing” provisions. Please refer to paragraphs 56 - 57 of the Consultation Paper.