



**DIFC**

---

---

**NON PROFIT INCORPORATED ORGANISATIONS LAW**

**DIFC LAW NO. 6 OF 2012**

---

---

Consolidated Version  
(December 2013)

As Amended by

DIFC Law Amendment Law  
DIFC Law No. 1 of 2013



## DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW

---

### CONTENTS

<b>PART 1: GENERAL</b> .....	<b>4</b>
1. Title .....	4
2. Legislative Authority .....	4
3. Application of the Law .....	4
4. Date of enactment .....	4
5. Commencement .....	4
6. Administration of the Law .....	4
7. Interpretation .....	4
8. Conflict of laws .....	4
<b>PART 2: PURPOSE AND ACTIVITIES</b> .....	<b>5</b>
9. Purpose and activities of an Incorporated Organisation .....	5
10. Restrictions .....	5
11. Capacity of an Incorporated Organisation .....	5
<b>PART 3: FORMATION AND REGISTRATION</b> .....	<b>6</b>
12. Method of formation.....	6
13. Charter of Organisation .....	6
14. Registration.....	7
15. Effects of registration .....	7
16. Registered office and conduct of business .....	8
17. Particulars in correspondence .....	8
18. Name .....	8
<b>PART 4: FINANCIAL RESOURCES, ACCOUNTS AND AUDIT</b> .....	<b>10</b>
19. Financial Resources .....	10
20. Accounts .....	10
21. Accounting records .....	10
<b>PART 5: FOUNDING MEMBERS AND MEMBERS</b> .....	<b>12</b>
22. Members .....	12
23. Rights and liabilities of Members .....	12
24. Members' Register .....	12
25. The Board of an Incorporated Organisation .....	12
<b>PART 6: REPORTING</b> .....	<b>14</b>
26. Notices .....	14



## DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW

---

<b>PART 7: DISSOLUTION.....</b>	<b>15</b>
27. Voluntary dissolution .....	15
28. Dissolution by the Registrar .....	15
29. Publication of dissolution .....	15
30. Distribution of surplus assets.....	15
<b>PART 8: GENERAL CONTRAVENTION.....</b>	<b>17</b>
31. General contraventions provision.....	17
32. Involvement in contraventions .....	17
33. Administrative imposition of fines .....	18
34. Applications to the Court.....	19
<b>PART 9: INSPECTIONS AND REMEDIES .....</b>	<b>20</b>
35. Appointment of inspectors .....	20
36. Production of books, records and assistance .....	20
37. Inspector’s reports .....	20
38. Directions to an Incorporated Organisation.....	21
<b>PART 10: MISCELLANEOUS .....</b>	<b>23</b>
39. The power to make Regulations .....	23
40. Publication by the Registrar .....	23
41. Waivers and modification of Law or Regulations.....	23
42. Application of the Insolvency Law .....	24
43. Obligation of disclosure to the Registrar .....	25
44. Disclosures to the Registrar .....	25
45. Public Register.....	26
46. Language .....	26
47. Fees.....	26
48. Provisions for existing non profit Companies .....	26
<b>SCHEDULE 1.....</b>	<b>27</b>
<b>SCHEDULE 2.....</b>	<b>32</b>

## **PART 1: GENERAL**

### **1. Title**

This Law may be cited as the “Non Profit Incorporated Organisations Law 2012”.

### **2. Legislative Authority**

The Law is made by the Ruler of Dubai.

### **3. Application of the Law**

This law applies in the jurisdiction of the DIFC.

### **4. Date of enactment**

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

### **5. Commencement**

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

### **6. Administration of the Law**

This Law and any legislation made for the purposes of this Law are administered by the Registrar.

### **7. Interpretation**

The Schedule contains:

- (a) interpretative provisions that apply to the Law; and
- (b) a list of defined terms used in the Law.

### **8. Conflict of laws**

To the extent any provision in this Law conflicts with a provision of a DIFC law administered by DFSA, the latter provision shall prevail.

## PART 2: PURPOSE AND ACTIVITIES

### 9. Purpose and activities of an Incorporated Organisation

- (1) An Incorporated Organisation is prohibited from carrying on any activities other than the Authorised Purposes which shall not be contrary to the UAE public interest and public morals.
- (2) For the purpose of this Law, an Incorporated Organisation shall not undertake any Financial Services prescribed in the General Module of the DFSA Rulebook.
- (3) If an Incorporated Organisation undertakes any activities outside of those contained in the definition of Authorised Purposes, the Registrar shall, after the giving of notice to the Incorporated Organisation and the lapse of a reasonable period as determined by the Registrar, be entitled to revoke the status of the Organisation as an Incorporated Organisation and may strike off the Incorporated Organisation in accordance with Article 28.

### 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.

### 11. Capacity of an Incorporated Organisation

An Incorporated Organisation is a body corporate with a legal personality separate from that of its Founding Members and Members which is formed by being incorporated under Part 3 of this Law.

## PART 3: FORMATION AND REGISTRATION

### 12. Method of formation

- (1) Three or more Founding Members may apply for the Incorporation of an Incorporated Organisation by signing and filing with the Registrar, an application for incorporation in the manner prescribed in the Regulations.
- (2) The application filed with the Registrar under Article 11(1) shall be signed by the Founding Members and shall include:
  - (a) the name of the Incorporated Organisation;
  - (b) the address of the Incorporated Organisation's registered office;
  - (c) the Authorised Purposes of the Incorporated Organisation;
  - (d) a declaration signed by each of the Founding Members that the Incorporated Organisation shall solely carry on Authorised Purposes;
  - (e) the full name, nationality and address of each of the Founding Members;
  - (f) the Charter of Organisation; and
  - (g) such other particulars as the Registrar may require.
- (3) The fees for the incorporation and the manner of payment are prescribed in the Regulations.

### 13. Charter of Organisation

- (1) An Incorporated Organisation shall adopt a Charter of Organisation which shall be in the English language and contain the following:
  - (a) matters contemplated by this Law and the Regulations;
  - (b) such other matters as the Founding Members wish to include in the Charter of Organisation, provided that there is no provision which is contrary or inconsistent with this Law or the Regulations.
- (2) The Board of Directors of the DIFC Authority may prescribe in the Regulations model provisions to be known as the Standard Charter, and an Incorporated Organisation may, for its Charter of Organisation, adopt the whole or any part of such Standard Charter as are applicable to that Incorporated Organisation.

- (3) If the Standard Charter has not been adopted in its entirety, the Registrar shall be entitled to object to any amendments to the Standard Charter if such amendment is not in line with the Authorised Purposes of an Incorporated Organisation or any other matter prescribed in the Law or the Regulations.
- (4) Subject to the provision of this Law, an Incorporated Organisation may by Special Resolution amend its Charter of Organisation
- (5) Any amendment to the Charter of Organisation shall be submitted to the Registrar together with a written legal opinion from an external qualified lawyer stating that the proposed amendments to the Charter of Organisation comply with the requirements of the Law prior to such amendments taking effect.

#### **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.

#### **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 a 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.

**17. Particulars in correspondence**

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

**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.





## **DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW**

---

- (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.

## PART 4: FINANCIAL RESOURCES, ACCOUNTS AND AUDIT

### 19. Financial Resources

The financial resources of an Incorporated Organisation shall consist of the following:

- (a) Fees collected by the Incorporated Organisation for services provided to the members.
- (b) Grants and donations received by the Incorporated Organisation and accepted by its Board.
- (c) Any other resources approved by its Board in accordance with the Law and Regulations.

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

### 21. Accounting records

- (1) An Incorporated Organisation shall keep account records which are sufficient to show and explain its transactions and are such as:
  - (a) to disclose with reasonable accuracy the financial position of the Incorporated Organisation at any time; and
  - (b) to enable the Founding Members and the Board to ensure that any accounts prepared by the Incorporated Organisation under this Part comply with the requirements of the Law and the Regulations.



## **DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW**

---

- (2) The accounting records of an Incorporated Organisation shall be:
- (a) kept at such a place within the DIFC as the Founding Members think fit unless specifically prescribed in the Regulations;
  - (b) preserved by the Incorporated Organisation for at least ten years from the date to which they relate, or for some other period as prescribed in the Regulations; and
  - (c) at all reasonable times, open to inspection by the Founding Members of the Incorporated Organisation.

## PART 5: FOUNDING MEMBERS AND MEMBERS

### 22. Members

- (1) An Incorporated Organisation shall have Founding Members and Members.
- (2) The Charter of Organisation shall define who may become a Founding Member or a Member of the Incorporated Organisation in accordance with the Law and the Regulations.
- (3) Founding Members, in exercising their powers and discharging their duties, shall act honestly, in good faith and in the best interest of the Incorporated Organisation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (4) A person may not be a Founding Member and a Member at the same time in the same Incorporated Organisation.

### 23. Rights and liabilities of Members

- (1) Subject to the provisions of the Law, a Member of an Incorporated Organisation shall not, by reason only of being a Member, be liable to contribute towards the payment of the debts and liabilities of the Incorporated Organisation or the costs, charges and expenses of the winding up of the Incorporated Organisation.
- (2) For the purposes of an Incorporated Organisation, membership of an Incorporated Organisation does not confer upon a Founding Member any right, title or interest, whether legal or equitable, in the property of the Incorporated Organisation.

### 24. Members' Register

- (1) An Incorporated Organisation shall maintain an up to date register of Founding Members and Members in the manner prescribed in the Regulations.
- (2) The Member's register shall, during business hours, be open to the inspection of any Founding Member or Member of the Incorporated Organisation or any other person.

### 25. The Board of an Incorporated Organisation

- (1) An Incorporated Organisation shall be managed by a Board composed solely of Founding Members, who shall be UAE residents.



## **DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW**

---

- (2) The Charter of Organisation will determine the number, term, method of selection, and the powers of the Board.
- (3) The Board may appoint a person to be the agent of the Incorporated Organisation and such person shall be a UAE resident.
- (4) The Board may delegate any of its powers to any person it deems appropriate.

## **PART 6: REPORTING**

### **26. Notices**

The Incorporated Organisation shall file a notice of any of the following changes within one month of the relevant change using the applicable form as prescribed by the Registrar:

- (a) any change to its registered office or office details (address, telephone number, fax number etc);
- (b) any change to its Founding Members;
- (c) any change to its name; or
- (d) any change in its Authorised Purposes.

## PART 7: DISSOLUTION

### 27. Voluntary dissolution

The Founding Members may agree through a Special Resolution for the voluntary dissolution of an Incorporated Organisation provided there are no outstanding liabilities owed by the Incorporated Organisation.

### 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.

### 29. Publication of dissolution

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

### 30. Distribution of surplus assets

- (1) Subject to the Insolvency Law 2009, an Incorporated Organisation shall not distribute any surplus assets available for distribution at the completion of the dissolution of the Incorporated Organisation under this Part to any:
  - (a) Founding Member or Member or former Founding Member or Member of the Incorporated Organisation; or

**DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW**

---

- (b) person to be held on trust for any Founding Member or Member or former Founding Member or Member of the Incorporated Organisation.
- (2) The distribution of surplus assets would be determined by a liquidator and approved by the Registrar after consultation with the Board of the Incorporated Organisation and liquidator.
- (3) Notwithstanding Article 30(2), surplus assets or any part of those surplus assets that consist of assets supplied by a government department or public authority, including any unexpended portion of a grant, shall be returned to that department or authority or to a body nominated by that department or authority.



## PART 8: GENERAL CONTRAVENTION

### 31. General contraventions provision

- (1) A person who:
  - (a) does an act or thing that the person is prohibited from doing by or under an Article of this Law referred to in Schedule 2;
  - (b) does not do an act or thing that the person is required or directed to do under an Article of this Law referred to in Schedule 2; or
  - (c) otherwise contravenes an Article of this Law referred to in Schedule 2;commits a contravention of this Law.
- (2) Under this Article, ‘person’ does not include the DIFCA, Registrar, DFSA or President.

### 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.

**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

### 35. Appointment of inspectors

- (1) The Registrar may, should he consider it necessary or desirable in the pursuit of his objectives, appoint one or more Inspectors to investigate the affairs of an Incorporated Organisation and to submit such written report as the Registrar may direct.
- (2) Inspectors appointed under Article 35(1) may, with the consent of the Registrar, also investigate and report on the affairs of another company that is or was related to the Incorporated Organisation in respect of which they were initially appointed.

### 36. Production of books, records and assistance

- (1) If inspectors, appointed under Article 35, suspect that any person may be in possession of books, 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 Incorporated Organisation;
  - (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 Incorporated Organisation; and
  - (c) to give reasonable assistance to them in connection with the investigation.
- (2) If Inspectors appointed under Article 35 have reasonable grounds for suspecting that a Founding Member or past Founding Member of an Incorporated Organisation 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 Incorporated Organisation the subject of investigation, the Inspectors may require the Founding 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 36(1) or (2) shall comply with that requirement.

### 37. Inspector's 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:
  - (a) provide a copy to the Incorporated Organisation to which the report related with or without a direction that it be disclosed to the Founding Members; or
  - (b) cause the report to be published.

**38. Directions to an Incorporated Organisation**

- (1) If an Incorporated Organisation or any officer 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 either or both 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 Incorporated Organisation or any officer of it or both of them make good the failure within a time specified in the direction.

- (2) If an Incorporated Organisation or any officer of it fails to comply with a provision of this Law or of the Regulations or of any legislation administered by the Registrar which requires either or both of them to comply with a lawful requirement in relation to another person, the Registrar may issue a direction that the Incorporated Organisation or any officer of it or both of them make good the failure within a time specified in the direction.
- (3) If the Registrar considers that the Incorporated Organisation or any officer 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 Incorporated Organisation or officer 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 Incorporated Organisation or officer to pay any costs incurred by the Registrar or other person relating to the issue of the direction by the Registrar or the contravention of such Law, Regulations or legislation relevant to the issue of the direction; or
  - (c) any other order that the Court considers appropriate.



## **DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW**

---

- (4) Nothing in this Article prejudices the operation of any Article imposing penalties on a Incorporated Organisation or any officer of it 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.

## PART 10: MISCELLANEOUS

### 39. The power to make Regulations

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.

### 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. 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.

#### **42. 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.

**45. 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.

**46. Language**

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

**47. 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.

**48. Provisions for existing non profit Companies**

- (1) A non profit Company 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 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.

## SCHEDULE 1

### 1. Rules of Interpretation

- (1) In this Law, a reference to:
  - (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
  - (b) a person includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
  - (c) an obligation to publish or cause to be published a particular document shall, unless expressly provided otherwise in this Law, include publishing or causing it to be published in printed or electronic form;
  - (d) unless stated otherwise, a day means a calendar day. If an obligation falls on a calendar day which is either a Friday or a Saturday or an official UAE holiday in the DIFC, the obligation shall take place on the next calendar day which is a business day;
  - (e) a year shall mean a year of the Gregorian calendar;
  - (f) the masculine gender includes the feminine;
  - (g) "dollar" or "\$" is a reference to United States Dollars unless the contrary intention appears.
- (2) The headings in the Law shall not affect its interpretation.

### 2. Legislation in the DIFC

References to legislation 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 government of the Emirate of Dubai;
- (c) DIFC Law is law made by the Ruler of Dubai;
- (d) the Law is the Non Profit Organisations Law, DIFC Law No. 6 of 2012, made by the Ruler of Dubai;



## **DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW**

---

- (e) the Regulations are legislation made by the Board of Directors of the DIFC Authority and are binding in nature.

### 3. Defined Terms

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

<b>Terms</b>	<b>Definition</b>
Authorised Purposes	Means the purposes for which an Incorporated Organisation can, subject to DIFC laws and regulations, carry out activities under this Law. The purpose shall be limited to the following: <ul style="list-style-type: none"> <li>(a) professional and financial services organisations to the extent that their scope is not considered as providing Financial Services as prescribed in the General Module of the DFSA Rulebook; and</li> <li>(b) any other ancillary purposes related to promotion and development of financial services and related activities subject to the approval and discretion of the Registrar.</li> </ul>
Board	Means the governing body of the Incorporated Organisation composed of Founding Members.
Charter of Organisation	Means the Charter of Organisation of an Incorporated Organisation as filed with the Registrar.
Companies Law	Means the Companies Law 2009.
Company	Has the same meanings given to it under the Companies Law.
Court	The DIFC Courts as established under Dubai Law.
DFSA	Means the Dubai Financial Services Authority established under Dubai Law.
DIFC	Means the Dubai International Financial Centre.
DIFC Authority	The Dubai International Financial Centre Authority established under Dubai Law.

---

**DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW**


---

Financial Services	Has the meaning prescribed in the General module of the DFSA Rulebook.
Founding Member	(1) Means a person that:  (a) has signed the application to incorporate an Incorporated Organisation in the DIFC; or  (b) has been appointed by Special Resolution of the Board as a Founding Member.  (2) A Founding Member shall be resident in the UAE.
General Meeting	A meeting of the Founding Members of an Incorporated Organisation. A General Meeting may be called by at least 21 days' notice in writing by any Founding Member.
Incorporated Organisation	Means a non-profit organisation which is incorporated in the DIFC pursuant to this Law.
Insolvency Law	Means the Insolvency Law, DIFC Law No. 3 of 2009 as amended from time to time and it includes any regulations made under such law.
Law	the Non Profit Incorporated Organisations Law 2011.
Licence	Means the licence issued by the Registrar in accordance with the Regulations.
Member	Means a person that has been accepted as a member in the Incorporated Organisation in accordance with the Charter of Organisation and has paid the due membership fees up to date. A Member shall not be involved in the management of the Incorporated Organisation.
Registrar	Means the Registrar of Companies as defined in the Companies Law 2009.
Regulations	Means the Regulations made under this Law by the Board of Directors of the DIFC Authority and are

---

**DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW**


---

	binding in nature
Ruler	The Ruler of the Emirate of Dubai.
Standard Charter	Means the standard charter of an Incorporated Organisation prescribed in the Regulations.
Special Resolution	Means a resolution passed by the votes of Founding Members holding membership rights representing more than 75% of the total memberships of the Organisation present at the meeting or, where proxies are allowed, by proxy, at a General Meeting for which notice specifying the intention to propose the resolution has been duly given.
UAE	Means the United Arab Emirates.

**SCHEDULE 2**

**CONTRAVENTIONS WITH FINES STIPULATED**

<i>Article of the Law creating contravention</i>	<i>General nature of contravention</i>	<i>Maximum fine</i>
9(1)	Incorporated Organisation carries on purposes other than Authorised Purposes	US\$ 25,000
10(1)	Incorporated Organisation carries on activities for the purposes of commercial or financial gain	US\$ 25,000
10(2)	Incorporated Organisation distributes profits or revenues from its activities to Founding Members or Members	US\$ 10,000
16(1)	Failure to maintain a registered office in the DIFC	US\$ 2,000
17	Failure to have the name of the Incorporated Organisation on correspondence	US\$ 1,000
18(2)	Failure to have the phrase “Non-Profit Organisation” on company instruments	US\$ 1,000
20(1)	Failure to prepare accounts within the prescribed period	US\$ 10,000
20(3)	Failure to approve and sign accounts	US\$ 10,000
20(4)	Failure to have the accounts examined and reported on by an auditor	US\$ 10,000
20(5)	Failure to file annual audited accounts within the	US\$ 5,000



**DIFC NON PROFIT INCORPORATED ORGANISATIONS LAW**

---

	prescribed period	
21(1)	Failure to keep accounting records	US\$ 15,000
21(2)(a) or (b)	Non-compliant maintenance of accounting records	US\$ 2,000
21(2)(c)	Failure to keep accounting records open to inspection	US\$ 1,000
24	Failure to keep a register of Members	US\$ 2,000
25	Failure to report	US\$ 5,000
38	Failure comply with a direction of the Registrar	US\$25,000