

**DUBAI MULTI COMMODITIES CENTRE AUTHORITY
FREE ZONE RULES AND REGULATIONS
THIRD EDITION - March 2012**

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1. INTRODUCTION

- 1.1 This is the revised third edition of these Regulations, which supersede the first edition 2002 and second edition 2006.
- 1.2 The Authority is a Government of Dubai free zone authority established by Decision No. 4 of 2002 (as amended), and is dedicated to enhancing commodity trade flows through Dubai. In order to achieve this goal, the Authority has been granted ownership of, and jurisdiction to develop, manage and govern an area of land on which the Authority has created a purpose built development known as Jumeirah Lakes Towers, associated enterprise zones (which currently include Jewellery & Gemplex and Enterprise Zones 1-4), JLT Infrastructure, Parking Garages and various other areas of land that are yet to be developed, which together comprise the Free Zone. Through the implementation of the best practice and governance procedures outlined in these Regulations, the Authority aims to become the world's leading commodity focused economic free zone and an indispensable partner for its member companies, and to establish an exclusive governance regime throughout the Free Zone that sets a world-class standard for the long-term management and administration of similar communities.
- 1.3 The map annexed as Schedule 2 sets out the current extent of the Free Zone. In addition to the areas described in section 1.2.above, the Free Zone may also include various other sub-developments that are created from time to time by the Authority, either from the land currently owned and governed by the Authority or any other land that may in the future be granted to it.
- 1.4 These Regulations set out the principal rules and regulations applicable within the Free Zone. Although these Regulations apply to all those who live, work and operate within the Free Zone, there are other mandates, laws and regulations that will also have application. These Regulations must be read in conjunction with those other mandates, laws and regulations (as amended or introduced from time to time), including, without limitation (together referred to as "**Applicable Rules**"):
 - a) Law No. (4) of 2001 in respect of Free Zones;
 - b) Decision No. (4) of 2002 on Establishing The Dubai Commodities and Metals Centre Issued in Dubai, 1 May 2002 and Rule No. (1) of 2003 Amending Certain Provisions of Rule No. (4) of 2002;
 - c) Rule No. (4) of 2002 for Organising Operations at DMCC;
 - d) The JLT Master Community Declaration, Master Community Rules and the JLT Master Community Planning Regulations, Development Guidelines and Design Control Regulations;
 - e) The HSEQ Manual;
 - f) The DMCC Company Regulations No. (1/03) 2003;

- g) DMCC Leasing Procedures - ALMAS/AU/AG/JGX;
 - h) DMCC Procedures related to Registration;
 - i) DMCC Procedures related to Licensing ;
 - j) DMCC Signage and Advertising Regulations;
 - k) DMCC Hotel Levy Policy;
 - l) DMCC Fit-out Policy;
 - m) DMCC Car Parking Policy;
 - n) Any subsequent lawful amendment to the above mandates, laws and regulations;
 - o) Any UAE Federal Law (to the extent they apply to the Free Zone);
 - p) Any applicable Dubai laws to the extent they apply to the Free Zone and insofar as these do not interfere with the overriding principles contained within these Regulations, Authority policy or the Authority's rights and obligations to govern the Free Zone pursuant to the DMCC Establishment Law as determined by the Authority pursuant to section 3.5(g) of these Regulations;
 - q) Any binding contractual documentation (including real estate sale and purchase agreements) containing obligations in favour of the Authority or otherwise connected to the Free Zone or related law or policy. For the avoidance of doubt, the obligations contained in such agreements apply in addition to and not in substitution for these Regulations; and
 - r) Any other rules, laws, policies and procedures issued by the Authority from time to time.
- 1.5 The Authority may also issue notices and implement additional policies from time to time in order to sustain and support its aim of implementing best practice, governance and management procedures for the Free Zone and ensuring consistency and certainty for affected parties. The provisions of any such notice or policy are mandatory on all entities and persons operating, living and working within the Free Zone and must be complied with at all times. Ignorance is no defence for non-compliance and those affected must keep themselves up to date with any amendments to these Regulations and any other notices or policies issued by the Authority or the Chairman from time to time. Such notices and policies may include procedures relating to the use of JLT Infrastructure, the levying and collection of JLT Infrastructure Levies, management of sub-communities within the Free Zone, the management and control of those living, working or otherwise undertaking any activity within the Free Zone, Free Zone planning requirements, the jurisdiction of the Authority and any other matter that in the Authority's sole and exclusive opinion is required to achieve the objectives set out in or contemplated by these Regulations.
- 1.6 These Regulations come into force on the date of issue and will be reviewed and updated by the Authority as and when considered appropriate. Amendments to the Regulations will be issued by circular. Circulars, notices and the latest edition of the Regulations can also be obtained online at www.dmcc.ae. It is the duty of any

person or entity operating, working or living within the Free Zone to check for updates to the Regulations and any new or amended notices and policies issued from time to time.

2. DEFINITIONS

In this document the following defined terms shall have the following meanings:

Administration Fees	means such fees levied by the Authority from time to time (in its sole discretion) for coordinating and managing its various activities within the Free Zone;
AED	means the United Arab Emirates Dirham, being the lawful currency of the UAE;
Agent and Agents	means any entity or entities authorised by the Authority to provide services to the Free Zone on the Authority's behalf;
Applicable Rules	means the rules applicable in the Free Zone which includes without limitation those set out in section 1.4 hereof;
Authority	means the Dubai Multi Commodities Centre Authority, which pursuant to the DMCC Establishment Law has governance over the Free Zone including Jumeirah Lakes Towers, Enterprise Zone 1, Enterprise Zone 2, Enterprise Zone 3, Enterprise Zone 4 and such other sub-developments as may be created within the Free Zone from time to time;
BCC	means a Building Completion Certificate;
Built Up Area	means the built up area of the relevant building as specified in the Authority's Design Control Regulations;
Chairman	means the chairman or executive chairman of the Authority as the case may be;
Contractor	means an individual or entity performing work in the Free Zone on behalf of a Licensee, and who is subject to any conditions governing such work put in place by the Authority from time to time;
DMCC Establishment Law	includes Decision No. (4) of 2002 on Establishing The Dubai Commodities and Metals Centre Issued in Dubai on 1 May 2002 and Rule No. (1) of 2003 Amending Certain Provisions of Rule No. (4) of 2002;
Freehold	means the grant of a freehold interest in office space, a commercial unit, a retail unit, outdoor storage space, residential unit or development land within the Free Zone from which a Licensee may undertake the activities specified in its Licence;
Free Zone	means the purpose built development known as Jumeirah Lakes Towers, associated enterprise zones (which currently include Jewellery & Gemplex and Enterprise Zones 1-4), JLT Infrastructure, Parking Garages and various other areas of land that are yet to be developed with the entire territory being delineated on the map attached to these Regulations at Schedule 2, and any other area that may from time to time be included as part of the territory comprising the Free Zone including the JLT Infrastructure;

Gross Revenue	means the total revenue received from any source by a Hotel in each calendar year of business operation, before deduction of costs or expenses of any kind or nature whatsoever;
Hotel Levy	means a percentage of a Hotel's Gross Revenue as determined by the Authority from time to time;
Hotel Operator	means the entity granted a Licence by the Authority to operate a Hotel within the Free Zone;
Hotel	means the hotel the subject of any Licence granted to a Hotel Operator;
JLT	means Jumeirah Lakes Towers;
JLT Infrastructure	means the areas within the Free Zone including: <ol style="list-style-type: none">i. roads, pathways, walkways and promenades;ii. open areas, lakes and gardens;iii. power, water, sewerage, telecommunications and other utility related facilities;iv. such parts of any Parking Garage structures that incorporate access roads, pathways, car-park facilities and other services and facilities for the benefit of buildings located off a Parking Garage structure;v. all other associated areas and services that are from time to time notified by the Authority as being areas under its ownership, maintenance, management and administration for the benefit of all owners, occupiers and licensees in the Free Zone; andvi. any other parts of the Free Zone not available for sale or sold into separate freehold ownership to third parties;
JLT Infrastructure Levy	means a fee determined and levied by the Authority from time to time as a contribution towards the overall expenses of the Authority for the construction, provision and use of the JLT Infrastructure, which will be levied by the Authority through its nominated Agent, and which is described in the MCD as the Provisional Master Community Service Charge or Master Community Service Charge;
JOP Law	means Law No.27 of 2007 relating to Jointly Owned Property in the Emirate of Dubai;
Lease	means a lease of office space, a commercial unit, a retail area, a retail unit, indoor storage, outdoor storage, outdoor space, residential unit or development land within the Free Zone from which a Licensee may undertake the activities specified in its Licence;
Licence	means the authorisation granted to a Licensee to undertake certain business activities within the Free Zone;
Licensee	means a person or entity licensed to conduct activities under a Licence;
MCD	means the Master Community Declaration for the Free Zone, as issued or amended from time to time;
NOC	means a No Objection Certificate;

Notice	means a notice issued by the Authority pursuant to these Regulations;
Owners Association	means an association of owners established under the JOP Law;
Parking Garages	means those areas of the Free Zone outlined on the map annexed as Schedule 2, that the Authority has dedicated to the provision of parking and ancillary facilities in order to support the development of residential, office and retail communities including those developed by Sub-developers to whom the Authority may have granted the use of those areas on agreed terms;
Registration	means the registration of a company, family office, limited liability partnership or any other entity by the Authority for undertaking business activities within the Free Zone pursuant to a Licence;
Regulations	means the rules and regulations applicable within the Free Zone as set out or referred to in this document including without limitation the Applicable Rules and any other rules, regulations, policies or guidelines issued by the Authority from time to time;
Relevant Authorities	means the Authority or other relevant authority that (subject to the DMCC Establishment Law and in the sole opinion of the Authority pursuant to the DMCC Establishment Law) may have jurisdiction over a particular issue concerning the Free Zone;
Sub-Developer	means a person or entity authorised by the Authority to carry out residential, retail or commercial development within an agreed part of the Free Zone;
Tariff	means the tariff of fees, levies and penalties applicable to the Free Zone published by the Authority from time to time attached to these Regulations at Schedule 1; and
UAE	means the United Arab Emirates.

3. GOVERNANCE OF THE FREE ZONE

- 3.1 The Free Zone is managed and governed by the Authority. The Authority was granted jurisdiction over the Free Zone pursuant to the DMCC Establishment Law, and is mandated to create policies and procedures appropriate for the nature of the Free Zone, its residential and business communities and owners, occupiers and invitees in order to broadly achieve the objectives specified in the DMCC Establishment Law.
- 3.2 The Chairman has the power to supervise the activities of the Authority, lay down rules and regulations for the operation and management of the Free Zone, review and amend such rules and regulations at his discretion and implement the provisions of all laws and decisions under which the Authority has been established.
- 3.3 The Authority's policy is to govern the Free Zone and make use of the land on which the Free Zone is situated in a manner that best promotes the long term economic and strategic potential of the Free Zone, ensure consistency of application of these

Regulations and other applicable laws, regulations and policies, obtain an appropriate return from its investment in planning, constructing and maintaining the JLT Infrastructure, achieve clarity in the setting and levying of the JLT Infrastructure Levy, set appropriate and consistent expectations for those living, working and doing business in the Free Zone and make the decisions necessary to support these objectives.

3.4 The above policy is supported by the rights and obligations granted to the Authority pursuant to the DMCC Establishment Law. These include

- a) a commitment to provide superstructure, JLT Infrastructure, buildings and services to those living, working and operating within the Free Zone;
- b) the right to own, sell and lease real estate within the Free Zone;
- c) the right to render services within the Free Zone and collect fees and charges for such services; and
- d) to do anything else it sees as being necessary to achieve its objectives for the overall well being and management of the Free Zone, including issue policies in relation to the use of JLT Infrastructure, structure special forms of property ownership within the Free Zone, levy the JLT Infrastructure Levy, issue fines and sanctions relating to the non-compliance with these Regulations and other applicable agreements, rules and legislation, set appropriate planning strategies and generally make decisions regarding the operation of the Free Zone in its sole discretion.

3.5 The Authority's policy and commitment to those living, working, operating and doing business in the Free Zone is to comply with the above obligations and exercise the above rights through:

- a) **Investment in JLT Infrastructure:** The Authority has planned and constructed, and continues to own and manage, the JLT Infrastructure for the long-term mutual benefit of those living, working, operating and doing business within the Free Zone, together with implementing appropriate policies to ensure consistency of ownership and access to the JLT Infrastructure across the entire Free Zone for the long term benefit of the community;
- b) **Ownership of JLT Infrastructure:** The Authority has implemented and is authorised pursuant to the DMCC Establishment Law to retain ownership of the JLT Infrastructure or any part of it. The Authority's current policy is that (subject to the Authority's right to alter, re-zone or sell parts of the Free Zone as it sees fit) the JLT Infrastructure cannot be alienated from the Authority and is not subject to any communal or joint ownership. This meets the Authority's objective of ensuring the JLT Infrastructure will be consistently managed and maintained, and available for use by those living, working or operating within the Free Zone on agreed terms;
- c) **Sub-development:** The Authority has designated certain parts of the Free Zone that it considers does not include JLT Infrastructure, as development areas. This is intended to allow for the construction of residential, retail and commercial spaces by the Authority or Sub-Developers, and the sale or lease to third parties in order to allow for the growth and development of the general Free Zone community. The Authority may from time to time alter, extend or redevelop certain parts of the Free Zone in order to achieve the aims of this policy;

- d) **Certainty of JLT Infrastructure Levies:** The Authority has introduced a policy for the calculation and levying of the JLT Infrastructure Levy payable by those who benefit from the JLT Infrastructure. This is intended to help ensure that all users make a fair and equitable contribution to the JLT Infrastructure's upkeep and regeneration;
 - e) **Compliance with Laws and Authority Policies:** The Authority has introduced policies to ensure that all those living, working, operating and undertaking any business or commercial activity within the Free Zone comply with these Regulations and any Applicable Rules and other applicable contracts, rules, laws or policies. In order to ensure consistent compliance, the Authority levies fines and penalties against those the Authority deems to be non-compliant on such terms as it deems appropriate from time to time. The Authority also retains the authority and jurisdiction to make any other decision, levy any other penalties or issue any other sanctions it deems appropriate and the Authority may also levy sanctions in accordance with section 17 of these Regulations in respect of any breach of any of the Applicable Rules;
 - f) **Free Zone Planning:** The Authority's policy is to coordinate, manage, monitor and dictate all planning and zoning policies within the Free Zone. This includes the right to determine and amend different use areas (including adding to or removing JLT Infrastructure at its sole discretion), approve subdivisions, issue planning and design approvals, determine built up areas, approve, issue and register affection and site plans, issue related plot and registration numbers and consent to the change of use of any areas of the Free Zone on such terms as it deems appropriate from time to time;
 - g) **Determination of Jurisdiction:** Pursuant to rights granted to it under the DMCC Establishment Law and/or the Applicable Rules, the Authority reserves the right to consider and determine those matters and issues within the Free Zone that it has jurisdiction over, and those matters and issues it chooses to allow a Relevant Authority to have jurisdiction over. The Authority's policy is that the Authority will generally reserve jurisdiction over all matters concerning the Free Zone but it may, on a case by case basis and at its sole discretion, choose to temporarily cede jurisdiction to a Relevant Authority for matters of convenience or practicality, or where the ceding of such jurisdiction does not have the effect of undermining any current policy of the Authority as may be recorded in these Regulations and/or any Applicable Rules.
 - h) **DMCC Group Security:** The general security and safety of the Free Zone area, including without limitation to the towers within the Free Zone shall be governed and managed by the Authority's security team entitled: "DMCC Group Security". DMCC Group Security has full power and authority to take any security & safety measures and perform any acts it considers necessary or desirable to achieve its responsibilities of ensuring the safety of the Free Zone and to make decisions in respect of the entire Free Zone Community's safety and security."
- 3.6 The Authority considers that these policies will best achieve the objectives set out in the DMCC Establishment Law. For the avoidance of doubt:
- a) those individuals and entities purchasing a freehold interest in real estate within the Free Zone will not be granted any ownership interest in the JLT Infrastructure by the Authority;

- b) all JLT Infrastructure remains the property of the Authority and is not jointly owned or communal property under the JOP Law or otherwise;
 - c) the Authority has the power and discretion to calculate and levy the JLT Infrastructure Levy without reference to any other body or authority;
 - d) any disputes in relation to use of JLT Infrastructure, the quantum of the JLT Infrastructure Levy or any other matter contemplated by these Regulations must be dealt with pursuant to section 18 of these Regulations or any dispute resolution provisions contained within the relevant contractual documentation; and
 - e) these Regulations and the Applicable Rules take precedence over any rules, policies, procedures or governance documentation put in place over any individual sub-developments within the Free Zone, whether by a Sub-Developer or Owners Association, and whether in relation to the JOP Law or other related or relevant legislation as may be issued from time to time.
- 3.7 All those living, working, operating and doing business within the Free Zone are deemed to acknowledge and consent to the Authority's jurisdiction and right to govern the Free Zone on the terms set out in these Regulations and its right to construct, own and manage the JLT Infrastructure as contemplated by Authority policy and the MCD.
- 3.8 Notwithstanding the Authority's policies, rules and regulations and/or individual payment obligations in relation to JLT Infrastructure and the JLT Infrastructure Levy, those living, working, operating and doing business within the Free Zone acknowledge that they may also be subject to and liable for additional fees, charges and levies from Sub-Developers, Owners Associations, Relevant Authorities or other bodies. Such additional fees, charges and levies may arise from:
- a) the use and maintenance of common areas within a specific building pursuant to the JOP Law or other applicable legislation issued from time to time;
 - b) the ownership of a Freehold or Lease interest in a specific building;
 - c) any other applicable law or regulation; or
 - d) any contractual obligation.

Such costs will be calculated and levied independently of the Authority although may for ease of administration and payment incorporate the JLT Infrastructure Levy as a component of such cost depending on the Authority's collection policy at that time. The Authority reserves the right, if required, to review, query and amend any charges that the Authority in its sole discretion deems unreasonable.

4. GENERAL RULES

- 4.1 All entities or persons (including Contractors and Sub-Developers) working, operating, living, owning or leasing real estate or otherwise having an interest or carrying out business of any kind in the Free Zone are subject to and must comply with these Regulations insofar as they apply to them, along with all other laws, rules, policies and regulations promulgated by the Authority pertaining to the Free Zone.
- 4.2 The Authority has the sole and exclusive right to approve or decline any application for Registration or the grant of a Licence in the Free Zone by any person or entity and accepts no liability for any loss arising as a result of such decision.
- 4.3 All entities and persons undertaking commercial activities within the Free Zone must have a valid Lease or Freehold interest, and be validly registered and hold a Licence. Licences must be renewed on or before expiry in accordance with the procedures set out in section 5.8.
- 4.4 All entities and persons registered and licensed to undertake commercial activities within the Free Zone may only conduct such activities as are authorised by the terms of their Licence.
- 4.5 Licensees must conduct all or a substantial part of their business or operations within the Free Zone in order to maintain a valid Licence and Registration.
- 4.6 The manufacture and marketing of any contraband items is strictly forbidden, including any item that is prohibited by the laws of the UAE.
- 4.7 All Free Zone Administration Fees are payable in advance in accordance with the rates and charges set out in the Tariff in force from time to time.
- 4.8 Persons and entities who commit (either intentionally or unintentionally) violations of these Regulations will be subject to the penalties set out in the Tariff and/or such other fines and sanctions as may be issued by the Authority pursuant to its current policies and procedures or as otherwise determined. The Authority may levy fines and issue sanctions against any entities or persons (including Contractors and Sub-Developers) who the Authority considers are in breach of these Regulations and/or the Applicable Rules or who otherwise cause nuisance, disturbance or disruption to the community or the JLT Infrastructure. The Authority reserves the right to issue such fines and sanctions for such behaviour or activity following reasonable warning, even if such behaviour or activity is not specifically prohibited by any of the Authority's current published policy.

5. FREE ZONE LICENSES

5.1 The categories of Licence available within the Free Zone are as follows:

Trading Licence: To carry out trading activities specified in the Licence;

Service Licence: To carry out service activities specified in the Licence; and

Industrial Licence: To carry out light manufacturing activities as specified in the Licence.

5.2 Licensees whose activities fall under different categories should apply for separate licences for each category of activity.

5.3 Licences to operate in the above categories are only valid in the Free Zone.

5.4 To qualify for and to hold a Licence, the applicant must:

- hold a valid Registration from the Authority ; and
- be in possession of a valid Lease or Freehold as defined herein; and
- not be in contravention of any aspect of the Regulations or any other laws, rules and regulations applicable within the Emirate of Dubai and the Federal Laws of the UAE.

5.5 The Authority may, upon the grant of a Licence or any time thereafter, issue a written notice to the Licensee that the Licence is subject to one or more conditions or restrictions that it believes are necessary or desirable to protect the interests of the Free Zone, other Licensees, the general public or the Authority along with a written statement explaining the imposition of any such conditions or restrictions.

5.6 The Authority must be notified immediately, and within a maximum time of two weeks, of any changes which impact upon the accuracy of a Licence (including but not limited to change of address, telephone numbers, shareholders, manager, the authorised signatory or the business activity). A written notice specifying such change must be submitted to the Authority together with the appropriate fee as specified in the Tariff and a request to the Authority to issue an updated Licence.

5.7 No Licensee may undertake any activities covered by a change of activity application unless and until the Authority has approved the amendment and issued a new Licence.

5.8 Licences are valid for a minimum period of 12 months from the date of issue. Licences must be renewed no later than 30 days prior to the date of expiry of the current Licence. Failure to do so will attract a fine as set out in the Tariff and may

also lead to permanent revocation of the Licence, the declining of an application for renewal and/or company de-Registration.

5.9 In applying for a Licence renewal the Licensee must:

- continue to comply with the provisions set out in sections 5.4 and 5.5; and
- be able to demonstrate that it is in financial good standing by submitting its latest audited financial statements or audit certificate; and
- provide evidence that the Licensee is not in arrears in respect of any rent, JLT Infrastructure Levy, fines or any other charges that may be due and payable to the Authority or any other entity or body in connection with its Lease or Freehold or any other matter relating to the Free Zone; and
- pay the renewal fee as specified in the Tariff.

6. CANCELLATION, REVOCATION OR SUSPENSION OF A LICENCE

6.1 The Authority may cancel or revoke a Licence immediately upon written notice to a Licensee either upon the Licensee's request or in accordance with section 6.2 below.

6.2 The Authority may revoke a Licence immediately upon written notice if a Licensee:

- is found to have provided inaccurate or misleading information regarding its business or operations;
- has acted or is acting in breach of, or in a manner which is contrary to, the terms of the applicable Licence, these Regulations, all other regulations applicable within the Free Zone or any Dubai or Federal Laws;
- has violated one or more provisions of the Regulations or a condition of its Licence;
- has or is behaving in a manner which shows a disregard to these Regulations, the Authority or any applicable laws;
- is not operating or otherwise carrying on any business;
- has not submitted the requisite application or renewal documents;
- has not paid any fees, rent, levies, fines, service or other charges in the Tariff when due and payable to the Authority; or
- is or has acted in a manner which the Authority believes is detrimental or prejudicial to the reputation and interests of the Authority, the Free Zone or the interests of any other Licensee or the general public.

6.3 If a Licence is cancelled or revoked, all outstanding matters relating to that Licence (including but not limited to payment of outstanding dues) must be settled by the Licensee regardless of whether the cancellation process was initiated by the Licensee or the Authority. No refunds of licence fees or any items paid according to the Tariff will be made for cancellations or revocations of licences.

7. FREE ZONE FREEHOLDS AND LEASES

- 7.1 All applications for a Licence must be made in conjunction with an application for commercial property, including but not limited to, a Freehold or Lease of either office space, commercial unit, warehouse space or development land within the Free Zone from which the Licensee can operate. Licensees are not permitted to operate from residential properties and a Freehold or Lease of a residential property shall be deemed insufficient for the grant of a Licence.
- 7.2 The rent, JLT Infrastructure Levy and all other charges and terms and conditions will be as specified in the Lease agreement or Freehold sale and purchase agreement, as applicable.
- 7.3 Licensees owning the Freehold or holding a Lease of office space, commercial unit space or warehouse space within the Free Zone must ensure that their space is fitted out in accordance with the Authority's Fit-Out Policy (as issued from time to time) and physically functional within such time as may be agreed from the commencement date of their Licence.
- 7.4 Licensees wishing to construct their own facilities to their own specification and design can do so by purchasing or leasing a plot of prepared land of the required area for that purpose. All construction works must be in accordance with the Authority's Planning Regulations and Development Guidelines and the Authority's Construction Health, Safety and Environment (HSE) Guidelines and completed so that premises are physically functional and operationally ready within such time as may be agreed from the commencement date of the Licence. Building and Operation Controls are further expanded on in section 9 of these Regulations.
- 7.5 Licensees are not permitted to share or sub-lease their premises without the prior written approval of the Authority. The Authority reserves the right to reject any application for a sub-lease and to charge a fee annually for each approved sub-lease, in addition to the Licence fee.
- 7.6 The Authority has the ultimate right and jurisdiction to charge and collect the JLT Infrastructure Levy referred to in these Regulations and/or the MCD from all those owning a Freehold or having a Lease in the Free Zone, without recourse to any other authority.

8. TERMINATION OF A DMCC LEASE

- 8.1 The termination process for a DMCC Lease requires that all outstanding matters relating to that Lease (including but not limited to payment of outstanding dues) must be settled by the Licensee regardless of whether the termination process was initiated by the Licensee or the Authority.
- 8.2 In the event of termination of a DMCC Lease, the Licensee must ensure that the leased premises are fully vacated and restored and handed back in their original condition (including removal of all signage and making good any damage) by the termination date (unless otherwise agreed with the Authority). Any waste material must be properly and safely disposed of in accordance with the requirements of all Relevant Authorities.
- 8.3 Once a Licensee has vacated and cleared its leased premises it must issue a written notice to the Authority, which will then arrange for inspection of the leased premises as soon as reasonably practicable. If the inspection reveals that the leased premises have not been fully vacated and properly cleared the Authority may, amongst other things, continue to charge a rent to the Licensee.

9. BUILDING AND OPERATION CONTROLS

- 9.1 Licensees constructing their own facilities must liaise with the Relevant Authority, Agent(s), or any other authorities nominated by the Authority pursuant to section 3.5(g) of these Regulations in order to obtain the necessary inspections and approvals once construction work has been completed, including but not limited to obtaining a NOC if required by the Authority. Once the construction works have been completed, the Authority requires a BCC from the Relevant Authority and/or any other relevant approvals before allowing occupation of the facilities and authorising connection of any services. Any NOC for a BCC will not be issued by the Authority, or occupation or service connection authorised, if any re-submission or other related fees are outstanding.
- 9.2 Licensees that have constructed their own facilities on development land or who have fitted out warehouse, commercial unit or office space are required to liaise with the Authority, its Agent(s) or any other Relevant Authorities nominated by the Authority in order to obtain an Operation Fitness Certificate (“OFC”) before commencing operations. If a Licensee is required to hold an OFC for the premises it operates from, it may not, under any circumstances, commence business operations unless it is in receipt of a valid OFC.
- 9.3 No sign board(s) or name plate(s) shall be erected without the prior written approval of the Authority.

9.4 All signage shall be in accordance with the Authority's Signage and Advertising Regulations, as may be amended from time to time.

10. INSPECTION OF PREMISES

10.1 The Authority or its nominated Agent(s) may conduct inspections of a Licensee's premises from time to time to monitor compliance with these Regulations and to review operations, staff and premises layout, the terms of the applicable Licence and any Lease or other agreement between the Authority and the Licensee. The Authority will endeavour to arrange any such inspection so that the potential for disturbance or disruption to the Licensee's business is minimised.

10.2 Notwithstanding clause 10.1 of these Regulations, the Authority reserves the right to enter a Licensee's premises at any time without prior notice:

- in the event of fire or flood or any other matter which presents an actual or suspected threat to the safety and security of the Free Zone or any person or property within the Free Zone;
- in the event there is a discharge of substances from the premises which are or are believed to be noxious or otherwise offensive;
- if the Authority has reason to suspect that the Licensee is in serious breach of the terms of its Licence(s), Lease or any provisions of these Regulations;
- if the Authority reasonably believes such entry is justified in order to protect the interests of the Authority, any other Licensee or the general public.

10.3 Neither the Authority nor its authorised agents or employees shall be held liable for any loss or damage resulting from the proper performance of their duties.

10.4 Inspections of a Licensee's premises or any other part of the Free Zone by third parties or outside organisations (other than Agent(s) nominated by the Authority or Governmental Authorities working under the authority of the Authority) are expressly prohibited unless the authority has given prior written consent to such inspection. If a Licensee is approached by a third party or outside organisation for inspection of its premises or any part of the Free Zone it should notify the Authority immediately.

10.5 Licensees must extend, and ensure that their officers extend, all such cooperation and assistance as the Authority's authorised agents or employees may require to properly perform their duties in relation to any entry and inspection.

10.6 Licensees who fail to extend cooperation or assistance to the Authority's authorised agents or employees or otherwise seek to obstruct or hinder such persons from performing their duties in any way will be liable for a fine and penalties as specified in the Tariff.

11. INSURANCE

Property

11.1 All Licensees and owners of residential units are required to hold and maintain valid policies of insurance as set out in their Licence and/or the Lease and/or Freehold sale and purchase agreement and these Regulations

11.2 The Authority may at its discretion arrange property all-risks insurance and third party liability insurance in respect of all property owned by the Authority including the JLT Infrastructure, the costs of which will form part of the JLT Infrastructure Levy.

11.3 Licensees are required to maintain their own policy of insurance in accordance with the terms of their Lease or Freehold sale and purchase agreement to cover the contents of any leased or freehold property and the Licensees' vehicles. Neither the Authority, its affiliates, business units or any of their employees, officers or agents will be liable for any loss or damage to any property from any leased or freehold premises or vehicles, due to any reason, including without limitation, theft or natural calamity.

11.4 All Sub-Contractors and any other legal or beneficial owners of plots of land under development must hold valid contractor's all risks insurance policies as well as third party insurance policies on terms acceptable to the Authority and provide a copy of such policy to the Authority on reasonable written notice.

Third Party Liability/Public Liability

11.5 All Licensees must hold and maintain a valid Third Party Liability (or Public Liability) Insurance policy in respect of their business operations in accordance with limits as advised by the Authority from the commencement date of the Licence.

11.6 A copy of the Third Party Liability/Public Liability Policy referred to in clause 11.5 must be forwarded to the Authority together with a certificate issued by the insurance provider advising the date of expiry and agreeing to give the Authority 30 days notice of the expiry of that policy.

Workman's Compensation Insurance

11.7 All Licensees must hold and maintain a valid Workmen's Compensation insurance policy to cover permanent injury/disability and all related medical expenses in accordance with the provisions of the UAE Labour Law.

11.8 A copy of the Workman's Compensation insurance policy referred to in clause 11.7 must be forwarded to the Authority together with a certificate issued by the insurance provider advising of the date of expiry and and agreeing to give the Authority 30 days notice of the expiry of that policy.

12. EMPLOYMENT AFFAIRS

General

12.1 The Authority will provide employment related services to Licensees subject to the provisions of these Regulations. Such services may include, without limitation, the processing of entry permits, employee sponsorship and visa services, work permits and other matters concerning employees.

12.2 An employee of a Licensee may not work outside the Free Zone prior to written approval by the Authority and any other concerned authority having jurisdiction over such matters in the place where the employee intends to work.

12.3 An employee of a Licensee must not work inside the Free Zone until they have been provided with an Employment Card and a residency and access card by the Authority.

12.4 The Authority may, in its absolute discretion, set limits on the number of employees for a particular Licensee.

Employee Sponsorship

12.5 Where the Authority stands as the sponsor for Licensees' employees such sponsorship will not confer any obligation of an employer on the Authority. The Licensee will, at all times, remain the employer of all sponsored employees and will be primarily responsible for the payment of wages, benefits and all other obligations and duties owed to the sponsored employees under the terms of the employment contract or at law. The Authority will not be liable to a Licensee under any circumstances for any act, default or omission on the part of a sponsored employee.

12.6 Licensees requiring the Authority to stand as sponsor for their employees must provide a cash deposit, in a sum to determined by the Authority, from time to time for each such sponsorship and enter into a Personnel Secondment Agreement with the Authority.

12.7 The cash deposit will be released if the Licensee's company closes down for any reason including liquidation and/or if the sponsored employee does not receive his or her end of service dues for whatever reason.

12.8 The number of visas to be issued to a Licensee is to be determined at the absolute discretion of the Authority based on the Licence activity and size of the premises the Licensee is operating from.

12.9 Licensees must ensure that all employees comply with the general laws and customs of the UAE and these Regulations.

12.10 The Authority may terminate the sponsorship of any sponsored employee on reasonable written notice to the Licensee if:

- the Licensee has failed to renew its Licence or Lease;
- the Licensee becomes insolvent or otherwise enters into liquidation;
- the Licensee is not operating or otherwise carrying on business;
- the sponsored employee has failed to abide by the laws of the UAE or is or has acted in a manner which the Authority reasonably believes is detrimental or prejudicial to the reputation and interests of the Authority, the Free Zone, the Emirate of Dubai or Federal Laws of the UAE; or
- any other reason that the Authority may, in its sole discretion, determine.

Alternative Sponsorship Options

12.11 Personnel not sponsored by the Authority may be permitted to work for a Licensee subject to the laws of the Emirate of Dubai, UAE Federal Laws and any rules and regulations applicable in the Free Zone.

Entry Permits and Visas

12.12 The Authority will, upon request, arrange for the procurement of entry permits and residence visas for employees and, if applicable, their dependants on behalf of all Licensees. The fees applicable for processing such permits will be as per the Tariff and will be payable in advance at the time of submitting the permit application.

12.13 Licensees wishing to employ personnel, other than nationals of GCC countries, are required, in the first instance, to apply for an entry permit. All unused entry permits must be returned to the Authority for cancellation.

12.14 There are certain travel documents and passports which are not acceptable for entry into the UAE. If in doubt, clarification on such restrictions should be obtained from the Authority or the Department of Naturalisation and Residency Dubai (“DNRD”) before applying for an entry permit or residency visa.

Employment Cards

12.15 All employees of a Licensee will be issued with an Employment Card which provides a unique identification for each employee and also serves as a permit to work in the Free Zone.

12.16 Licensees must immediately notify the Authority of the cessation of an employee's contract of employment so that the Employment Card can be cancelled and all Employment Cards or access passes which have been issued to an employee must be returned promptly.

12.17 If an Employment Card or access pass relating to the Free Zone is lost or stolen this must be immediately notified to the Authority. Replacement of Employment Cards will be issued subject to the payment of the applicable fee as specified in the Tariff. Failure by a Licensee to notify the Authority of a lost or stolen access pass will attract a fine as set out in the Tariff.

13. EMPLOYER/EMPLOYEE RELATIONSHIP

13.1 Licensees will be responsible for discharging all of their duties in relation to their employees in accordance with Federal Law No. 8 of 1980 (as amended) (the "Labour Law"). The Labour Law will apply to all persons employed in the Free Zone in addition to the provisions of this section 13.

Recruitment

13.2 All costs of recruitment and other employment related services must be born solely by the Licensee. Under no circumstances may a Licensee, recruitment agent, subcontractor or other third party working directly or indirectly on behalf of the Licensee recharge or pass all or any part of such costs to a recruited employee as part of a transfer fee, visa fee or any other claim, charge or expense whatsoever.

13.3 The Authority may investigate any claim that employees have paid or were required to pay any fees or charges to a Licensee recruitment agent, subcontractor or other third party working directly or indirectly on behalf of the Licensee, either by its own volition or as a result of any complaint by an employee or any other third party. Such investigation may include interviews of relevant personnel. If the Authority's investigation substantiates such claims the Authority may amongst other things:

- Impose a fine upon the Licensee in accordance with the Tariff; and/or
- Require the Licensee to immediately reimburse the recruited employee an amount equal to any fees or charges paid by the recruited employee together with such interest and other compensation as the Authority may consider to be fair and reasonable in the circumstances.

Contract of Employment

13.4 A Licensee must have a written contract of employment with each employee. The terms and conditions of such contract of employment are a matter of negotiation

between the Licensee and the employee. The contract of employment must, as a minimum, comply with the provisions of the Labour Law.

Working hours

13.5 All Licensees will be bound by the provisions of the Labour Law in relation to working hours (including provisions relating to overtime, Ramadan timing and summer working.)

Basic Work Rules

13.6 All Licensees should establish a set of basic work rules for the benefit of all employees. As a minimum, such work rules should include details of working hours, employee health and safety in the workplace, employee conduct and the Licensees grievance and disciplinary procedures.

Employee Passports

13.7 All Licensees are reminded that employee passports are the property of the issuing country. No Licensee may hold the passport of an employee without the employee's prior and genuine consent. Where an employee has consented to a Licensee holding his or her passport the Licensee must have effective procedures and controls in place to ensure that retained passports are held in a safe and secure facility and can and will be returned to the employee promptly at the employee's request.

Medical Insurance

13.8 All Licensees must procure and maintain a medical insurance policy for all of its employees in accordance with applicable law. Evidence of a valid medical insurance policy must be provided to the Authority upon request.

Termination of Employment

13.9 Where an employee's contract of employment is terminated or expires and is not renewed both the Licensee and the employee must deliver a signed letter of confirmation, in such format as may be specified by the Authority from time to time, conforming that the employment has terminated and that the Licensee has paid and the employee has received all sums due and owing to the employee (including, without limitation, any applicable end of service gratuity payment). Failure by the Licensee to promptly notify the Authority of a terminated employee will attract a fine as set out in the Tariff.

Absconding Employees

13.10 If an employee is absent from work without approval for seven (7) consecutive days or is otherwise believed to have absconded from his or her employment the Licensee must promptly file a report of such unauthorised absence with the Authority. The Licensee will be liable to pay all applicable fines (e.g. immigration fines) and fees (as set out in the Tariff) in relation to such absconding employee.

13.11 Failure by the Licensee to promptly notify the Authority of an absconding employee will attract a fine and penalties as set out in the Tariff.

Employee Accommodation

13.12 Where Licensees provide their employees with accommodation either within or outside of the Free Zone they must, in all circumstances and as a minimum, comply with the Guide for General Standards of Group Labour Accommodation and Services attached to it in the UAE as approved by Cabinet Resolution No. 13 of 2009 (as amended).

14. TRAFFIC AFFAIRS

14.1 The roads within the Free Zone are treated as public highways for licensing and Registration purposes. The Authority may request a Licensee to produce evidence that all drivers, operators and vehicles are properly licensed and registered with the Dubai Roads and Transport Authority (“RTA”) or other UAE Governmental Authority.

14.2 All vehicles must be roadworthy and in compliance with all applicable laws, rules and regulations in the UAE pertaining to vehicle safety. Drivers violating any provisions of this section 14 will be reported to the Dubai Police and may be subject to penalties imposed by the RTA and/or Dubai Police.

14.3 All vehicles must adhere to the Authority’s and other relevant regulations concerning parking in the Free Zone. Vehicles may only be parked at authorised locations which may be subject to charges. Any vehicle found to be parking in breach of regulations or in an unauthorised location anywhere within the Free Zone will be reported to the Relevant Authorities and will be liable for a fine as set out in the Tariff.

15. HEALTH, SAFETY AND ENVIRONMENT (HSE)

General

15.1 All entities or persons (including contractors and Sub-Developers) working or operating within the Free Zone must comply with the rules, regulations and guidelines set out in the JLT HSEQ Manual. The JLT HSEQ Manual provides a basic framework for insuring excellence in health, safety and environmental performance and the protection of persons and property within the Free Zone.

15.2 All Licensees that have purchased or leased development land are required to comply with Green Building Regulations issued by the Authority or any relevant regulatory authority. All Licensees are expected to monitor their operations and be able to demonstrate that their operations meet or improve upon the standards for sustainability established by the Authority or any relevant regulatory authority from time to time.

Accidents and Emergencies

15.3 All Licensees are required to provide the Authority with written details of an authorised person that may be contacted 24/7 in the event of any fire, flood or other emergency. Such contact may either be the Licensee's general manager or another authorised individual.

15.4 In the event an emergency situation arises and the Licensee's premises are unmanned, unguarded, closed or locked the Authority reserves the right to make a forced entry to such premises where there is reasonable justification to do so or where a failure to act could result in significant losses or damage.

15.5 All accidents which occur at a Licensee's premises and which result in a person needing medical attention must be reported to the Authority within three (3) days of the date of the accident. Failure to inform the Authority of such accidents within the timeframe will attract a fine as set out in the Tariff.

15.6 Following receipt of an accident report the Authority may carry out a site investigation to determine the cause of the accident and whether action has been taken to prevent a recurrence. If such investigation reveals that an accident has occurred due to a breach of the Regulations the Authority may issue a violation notice and/or impose a fine in accordance with the Tariff.

Waste Management

15.7 All Licensees must adhere to the Authority's and other relevant regulations concerning waste management. Waste may only be disposed of at authorised locations. Any person, company or organisation found to be dumping waste at an unauthorised location anywhere in the Free Zone will be reported to the authorities and will be liable for a fine as set out in the Tariff.

15.8 All domestic and municipal waste generated in office premises leased from the Authority must be disposed of in the appropriate containers provided by the Authority.

15.9 All waste which is classified as being hazardous or industrial waste must be handled and disposed of expressly in accordance with the requirements for such waste types established by the Authority and any Relevant Authority.

15.10 All Licensees that are producing or likely to produce hazardous waste must declare the same to the Authority in the form and manner prescribed by the Authority from time to time. Once such declaration has been reviewed and approved by the Authority the declaration must be submitted to the relevant environmental authority appointed by the Authority for further processing.

HSE Violations

15.11 Regular HSE inspections shall be carried out by the Authority. If such inspections reveal any violations of these Regulations or unsafe practices, the Authority may issue an HSE Violation Notice (“HVN”) to the concerned party. Such notice may be accompanied by a fine in accordance with the Tariff depending on the severity of the violation.

15.12 In case of serious violations or repeated incidents which may place personnel at risk of harm, the Authority may order all work or operations associated with such risk to be stopped immediately until proper corrective action is taken by the party concerned.

16. HOTEL LEVIES

16.1 All Hotels operating within the Free Zone are required to pay the Authority an annual Hotel Levy. The Hotel Levy shall be payable by the Hotel Operator quarterly in arrears. The Hotel Operator shall be responsible for the timely and accurate calculation and payment of the Hotel Levy to the Authority on such terms as the Authority may direct from time to time.

16.2 A Hotel’s obligation to pay the Hotel Levy commences from the date on which the Hotel obtains its BCC.

16.3 Hotels are also required to pay JLT Infrastructure Levies. The amount of the JLT Infrastructure Levy shall be invoiced separately from the Hotel Levy but may be discounted from the Hotel Levy contribution subject to the JLT Infrastructure Levy having been paid in full and proof of payment provided. The Hotel Operator shall pay the JLT Infrastructure Levy to an Agent appointed by the Authority from time to time. JLT Infrastructure Levies for Hotels shall be calculated by the Authority based on a Hotel’s Built Up Area (including any hotel apartments attached to the Hotel).

16.4 If the Hotel Operator fails to pay the Hotel Levy or JLT Infrastructure Levy in accordance with the Authority’s policy from time to time, the Authority has the right to claim those sums from the owner of the Hotel plot on which the Hotel is situated, and on such terms as the Authority deems appropriate based on its current policy.

- 16.5 All Hotel Operators and Hotel managing bodies are required to furnish the Authority with a Certificate issued by a reputable and internationally recognised firm of auditors, confirming that the Gross Revenue has been accurately calculated, and furnish the Authority or its Agent with a Manager's Cheque for the total Hotel Levy payable for the previous year by no later thirty (30) calendar days from the end of the respective year. The Authority reserves the right to verify the calculation of the Hotel Levy at the cost of the Hotel Operator (should any discrepancy in the calculation of the Gross Revenue be found). Hotel Operators shall cooperate with the Authority and provide whatever information is requested by the Authority in verifying such calculation.
- 16.6 Falsification of figures or any failure to cooperate with the Authority in order to verify the amount of the Hotel Levy, and in particular depicting a lower Gross Revenue than realized, will attract such fines and penalties as the Authority may deem appropriate at the time, and which the Hotel Operator agrees to pay in addition to any underpayment of the Hotel Levy.

17. VIOLATION OF REGULATIONS

- 17.1 Ignorance of any provision of these Regulations, Licence and/or any of the Applicable Rules will not be accepted as an excuse for lack of compliance with the relevant provisions.
- 17.2 Any Licensee which is found to be in violation of any provision of these Regulations shall be guilty of an offence which, if not remedied within the time frame required by, and to the satisfaction of the Authority, shall render the Licensee liable to fines and sanctions in accordance with these Regulations, or such other sanctions as the Authority may implement from time to time.
- 17.3 All those committing violations deemed by the Authority as "serious" will be automatically subject to a fine as specified in the Tariff and/or suspension or revocation of Licence and de-Registration. Where an offence is not explicitly covered in the Tariff then the Authority may levy an appropriate fine or penalty that is commensurate with the severity of the offence and the level of loss, damage and/or inconvenience caused by the offence. The payment of any fine or penalty shall be in addition to and not in substitution of any civil and/or criminal penalties that may apply.
- 17.4 All fines, charges or other financial penalties imposed upon a Licensee or any other party in accordance with these Regulations, if unpaid after a period of 90 days, may

be set off from any money owed by the Authority or its subsidiaries to the Licensee, added to the Licence renewal fees or recovered from the Licensee as a debt.

18. DISPUTE RESOLUTION

- 18.1 Any dispute or objection (“**Dispute**”) arising from the Authority’s application of these Regulations and/or in applying the Applicable Rules including the levying of any fine or issuance of any sanction may, at the written request of the disputing party, be raised with any committee established by the Authority for dealing with such Dispute from time to time (“**Committee**”).
- 18.2 In making its decision regarding any such Dispute, the Committee will apply the current Free Zone policy and procedures as issued from time to time. The disputing party agrees it will be bound by the decision of the Committee
- 18.3 Nothing contained in this clause 18 shall prevent a party to a contract with the Authority or the Authority itself from seeking a judgment in the appropriate forum set out in that contract.
- 18.4 Nothing contained in this clause 18 shall prevent the Authority from taking action through competent courts to enforce these Regulations or any part thereof against any person.

19. MISCELLANEOUS

- 19.1 Any delay in application of or failure to enforce these Regulations shall not operate as a waiver in respect of any breach of these Regulations.
- 19.2 Unless specifically provided otherwise by the Authority, rights arising under these Regulations are cumulative and do not exclude rights provided by law or at contract.
- 19.3 If any provision of these Regulations is finally resolved by a competent judicial body, having jurisdiction in respect thereto, to be invalid, unenforceable or illegal, the other provisions of these Regulations shall remain in full force.
- 19.4 If any invalid, unenforceable or illegal provision of these Regulations would be valid, enforceable or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the Authority’s intention in respect of such provision.

19.5 To the extent there is any conflict between the explicit provisions set out herein and those contained in any of the Applicable Rules then to the maximum extent permissible at law, the provisions set out herein shall prevail.

SCHEDULE 1 - TARIFF OF PENALTIES

No.	Type of violation	Penalty per violation (in AED)
Category A		
1	Change of address without notifying the Authority within two weeks	5,000
2	Change of shareholders without notifying the Authority within one month.	5,000
3	Change of manager without notifying the Authority within one month	5,000
4	Change of business activity without notifying the Authority within two weeks	5,000
5	Change of authorized signatory without notifying the Authority within two weeks	5,000
6	Change of business activity without notifying the Authority within one month	5,000
7	Failure to submit the audited financial statements/audit confirmation within three month of the close of the company's financial year	5,000
8	Failure to renew license within one month after expiry date	2,500
9	Failure to renew license within two months after expiry date	5,000
10	Failure to renew license within three months after expiry date	7,500
11	Failure to renew license within four months* after expiry date	10,000
12	Licensee physically not present in the declared address in the license	10,000
13	Sharing unit with another company or sub-leasing without proper written approval from the authority and a per the related policy	10,000
Category B		
1	Department of Naturalization and Residence (DNRD) immigration violations	10,000
2	Employing workers on terms that are not authorized by these regulations (section 12&13 of FZ rules and regulations)	10,000
3	Failure to notify Authority of absconding employee within 7 days	5,000
4	Using the Authority logo, or any proprietary material without prior written approval	25,000
5	Including misleading/misrepresenting information on licensee's website	5,000
6	Undertaking operational activities which are not covered by the license or which are in breach of any license terms and conditions	20,000

Category C		
1	Wilfully submitting false , inaccurate, or misleading information/documentation	50,000

* Termination of license and charges for new license application

Please note that Knowledge Dirham fees will be added to all the stated charges upon any payment.

SCHEDULE 2 - FREE ZONE MAP

