

**Bridging
Humanity**



المدينة العالمية للخدمات الإنسانية
INTERNATIONAL HUMANITARIAN CITY

The International Humanitarian City

Registration Regulations



PART ONE

1. PRELIMINARY AND KEY PROVISIONS

- 1.1. This document is to be referred to as the **Registration Regulations**.
- 1.2. These Registration Regulations are issued in accordance with Articles 5, 20 and 21 Law No. (1) of 2012 (the **IHC Law**).
- 1.3. These Registration Regulations come into full force and effect on the date of their issuance by the Authority's Chief Executive Officer. Subsequent amendments to these Registration Regulations shall also come into full force and effect on the date of their issuance by the Authority's Chief Executive Officer.
- 1.4. The purpose of these Registration Regulations is to set out the framework under which an entity may become registered with the Authority.
- 1.5. The Authority's Chief Executive Officer may, from time to time, amend these Registration Regulations.

PART TWO

2. INTERPRETATION

- 2.1. Capitalised words in these Registration Regulations have the meaning indicted below:

AED: the lawful currency of the UAE.

Annual General Meeting: has the meaning given in Article 43.1.

Applicant: means an entity that submits an application in accordance with these Regulations.

Articles of Association: the Articles of Association of an Establishment as originally passed or as lawfully amended from time to time.

Authority: the International Humanitarian City Authority established in accordance with the IHC Law.

Authority's Licensing Regulations: the Licensing Regulations issued by the Authority.

Branch: the branch of an Overseas Establishment formed outside the Freezone under the laws and regulations applicable in its place of incorporation or registration and authorized to conduct business through this Branch inside the Freezone. For the avoidance of doubt, a Branch could be for an NPO Establishment, Intergovernmental Establishment or Commercial Establishment.

Commercial Companies Law: the UAE Law no. 8 of 1984 (as amended) in respect of Commercial Companies.

Court: the Court or arbitral body appointed by the Authority for the purposes of these Registration Regulations.



Debenture: includes debenture stock, bonds and any other securities of an Establishment whether constituting a charge on the assets of the Establishment or not.

Director: a member of the board of directors which manages and controls the affairs of an Establishment and includes an alternate director and any person occupying the position of director by whatever name called.

Electronic Record: a record generated, communicated, received or stored by electronic, magnetic, optical or other means in an information system or for transmission from one information system to another.

Electronic Signature: any letters, characters, numbers or other symbols in digital form attached to or logically associated with an Electronic Record, and executed or adopted with the intention of authenticating or approving the Electronic Record.

Establishment: a commercial company incorporated and registered on the Register under these Registration Regulations and to which these Registration Regulations apply.

Financial year: in respect of an Establishment, each successive period of twelve months commencing immediately after the end of the previous financial year provided that:

- (a) the first financial year of an Establishment shall commence on the date of its incorporation and shall be for a period of not less than six months, nor more than eighteen months as determined by the Establishment and as notified to the Authority in the form Prescribed within three months of the date of incorporation of the Establishment; and
- (b) an Establishment may, by notice to the Authority in the form Prescribed, specify a new financial year provided that in no case may the financial year of an Establishment exceed eighteen months or be shorter than six months.

Freezone: the geographical area comprising the International Humanitarian City.

Guidelines: the guidelines governing the registration and licensing requirements of new Establishments or licence renewal of existing Establishments, which are issued by the Authority from time to time.

IHC Higher Committee: the Authority's committee which reviews, accepts and / or rejects new registration applications and licence renewal requests.

Implementing Regulations: means those regulations promulgated by the Authority for the purpose of giving effect to or for the better carrying out of these Regulations and includes forms and such other regulations as may be made by the Authority from time to time.

Inaugural meeting: the meeting required to be held under Article 43.1.

Licence: a Licence issued pursuant to the Authority's Licensing Regulations.

Licensed Establishment: an Establishment holding a Licence to operate within the Freezone.

Memorandum: the Memorandum of Association of an Establishment, as originally delivered in writing to the Authority or as altered from time to time in accordance with these Registration Regulations.

Officer: in relation to a body corporate, includes Director, and if one has been appointed, the secretary.

Ordinary Resolution: a resolution passed by a Simple Majority of Shareholders at a general meeting of which notice specifying the intention to propose the resolution as an Ordinary Resolution has been duly given to all Shareholders.

Overseas Establishment: means any corporate body duly incorporated outside the Freezone pursuant to the laws and regulations applicable in the place of incorporation.

Prescribe(d): prescribed by the Implementing Regulations made under these Registration Regulations or in writing by the Authority from time to time.

Records: all papers, records, recorded tapes, photographs, statistical tabulations or other documentary materials or data, regardless of physical form or characteristics, including in written or electronic form.

Registrar: the registrar appointed by Implementing Regulations promulgated by the Authority, who shall be a public officer and shall have the powers and discharge the duties conferred or imposed upon him by such Implementing Regulations.

Register: the register of Companies maintained by the Authority under Article 13.1 including the register of Shareholders as well as the register of Branches maintained by the Authority under Article 91.

Sanctions: any punitive action that may be taken by the Authority in accordance with these Registration Regulations or any other rule or regulation promulgated by the Authority, or as determined by the Authority in its sole discretion.

Share: a share in the issued share capital of an Establishment.

Shareholder: the subscribers to the Memorandum of an Establishment who are deemed to have agreed to become Shareholders of the Establishment and on its registration with the Authority shall be entered as Shareholders in the Register and every other person who agrees to become a Shareholder of an Establishment, and whose name is entered in its register of Shareholders shall be a Shareholder of the Establishment.

Simple Majority: a majority of over 50%.

Special Majority: a majority not less than 75%.

Special Resolution: a resolution passed by a Special Majority of Shareholders at a general meeting of which notice specifying the intention to propose the resolution as a Special Resolution has been duly given to all Shareholders.

UAE: the United Arab Emirates.

- 2.2. For the avoidance of doubt, the provisions of the Commercial Companies Law are specifically inapplicable by way of any express provision contrary to the Commercial Companies Law in these Registration Regulations.
- 2.3. Wherever in these Registration Regulations an obligation or duty is placed on an Establishment or an Establishment is authorized to do any act, then unless it is otherwise provided, such obligation, duty or act may be carried out by the Directors of the Establishment.
- 2.4. For the avoidance of doubt, Parts 1, 2, 3 and 11 of these Registration Regulations apply equally to an Establishment or a Branch. Whereas, Parts 4 till 9 apply to Establishments only and Part 10 apply to Branches only.

- 2.5. References in these Registration Regulations to time periods are to be construed in accordance with the Gregorian calendar. Whenever these Registration Regulations reference a period of time, such period will include every calendar day, except that:
- 2.5.1. When the last day of the period falls on a Friday or a Saturday, the period will end instead on the following Sunday; and
- 2.5.2. When the last day of the period falls on a UAE or Dubai public holiday, the period will end instead on the next day that is not a UAE or Dubai public holiday.
- 2.6. Unless the context otherwise requires, any reference in these Registration Regulations to a “person” includes a reference to a natural person, and to a corporate body, limited liability company, association or partnership and to the legal or personal representatives, legal successors and lawful assigns of any such person.
- 2.7. A person who wishes to submit an original document or a photocopy of a document written in a language other than English or Arabic must also submit a notarized translation of that document in English or Arabic, prepared by a translation service acceptable to the Authority.
- 2.8. In the event of any inconsistency in these Registration Regulations or between these Registration Regulations and any other applicable law or regulation (whether issued by the Authority or otherwise), the Authority will determine the correct interpretation and each Establishment shall be so bound.

PART THREE

3. POWERS AND RESPONSIBILITIES

- 3.1. The Authority may by Implementing Regulations appoint a Registrar who shall be a public officer and shall have the powers and discharge the duties conferred or imposed upon him by such Implementing Regulations.
- 3.2. To be eligible for registration with the Authority, the Establishment should pursue objectives in relation to the humanitarian and / or emergency relief fields or have a connection to the humanitarian and / or emergency relief fields.
- 3.3. The Authority may, at its sole discretion, register an Establishment that does not pursue objectives in relation to the humanitarian or emergency relief fields.

PART FOUR

4. INCORPORATION OF ESTABLISHMENT

- 4.1. Any one or more persons and no more than fifty, by subscribing their names to a Memorandum and otherwise complying with the requirements of these Registration Regulations, may apply to form an Establishment with limited liability.
- 4.2. An Establishment shall be considered formed only if and when its name is entered on the Register.
- 4.3. Such an Establishment shall be an Establishment having the liability of its Shareholders limited by the Memorandum to the amount, if any, unpaid on the shares held by them.
- 4.4. Each Establishment formed under these Registration Regulations shall have UAE nationality, but this does not necessarily lead to the Establishment being entitled to privileges reserved for UAE nationals.

5. REGISTRATION OF AN ESTABLISHMENT

- 5.1. No Establishment shall be registered without the consent of the Authority, which subject to these Registration Regulations shall be granted in its absolute discretion.
- 5.2. Subject to any other regulation promulgated by the Authority, and to any waiver which the Authority may exercise from time to time, any application for consent under subsection 5.1 must be made in accordance with the guidelines issued by the Authority from time to time

and must be accompanied by all supporting documents set out in such guidelines issued by the Authority from time to time.

6. CERTIFICATE OF INCORPORATION TO BE ISSUED

- 6.1. Following the IHC Higher Committee approval of the application to form an Establishment, the Registrar will issue a Certificate of Incorporation evidencing the formation of the Establishment.

7. REQUIREMENTS OF MEMORANDUM

- 7.1. The Memorandum of every Establishment shall be in English or Arabic and must state:
 - 7.1.1. the name of the Establishment which in all cases shall be followed by the word “FZ-LLC” as the last word of the name; and
 - 7.1.2. that the liability of its Shareholder(s) is limited; and
 - 7.1.3. the objects of the Establishment set out with such degree of specificity as the Authority may from time to time require; and
 - 7.1.4. the names, addresses and nationalities of the persons who subscribe their names to the Memorandum; and
 - 7.1.5. the period, if any, fixed for the duration of the Establishment, or the event, if any, on the occurrence of which the Establishment is to be dissolved; and
 - 7.1.6. the amount of issued share capital with which the Establishment proposes to be registered, which shall be in UAE dirhams (AED), and the division thereof into shares of a fixed amount; and
 - 7.1.7. that the persons who subscribe their names to the Memorandum agree to take such number of shares of the Establishment as may be allotted to them respectively by the Directors, not exceeding the number of shares for which they respectively subscribe, and that they agree to satisfy such calls as may be made on them by the Directors, or promoters in respect of the shares allotted to them.
- 7.2. The Memorandum of every Establishment shall be signed by each subscriber referred to in Article 7.1.7 in the presence of the Registrar.
- 7.3. An Establishment may not alter the provisions of its Memorandum except in a manner provided in these Registration Regulations.

8. PROHIBITION OF REGISTRATION OF COMPANIES WITH UNDESIRABLE NAMES

- 8.1. No Establishment shall be registered with a name which in the opinion of the Authority is undesirable.
- 8.2. Without prejudice to the generality of Article 8.1 no Establishment shall, except with the express approval of the Authority, be permitted to be registered with a name which:
 - 8.2.1. is identical to the name by which another Establishment already registered or incorporated under these Registration Regulations or so nearly resembles that name as to be likely to deceive unless that Establishment signifies its consent in such manner as the Authority may require; or
 - 8.2.2. contains words which in the opinion of the Authority suggests or is likely to suggest the patronage of prominent local persons with no real connection, or connection with any government or authority whether in the Freezone, the UAE or elsewhere; or
 - 8.2.3. contains the word “Dubai”, “Emirates”, “UAE”, “municipal” or “chartered”; or
 - 8.2.4. any other name which the Authority shall from time to time Prescribe as “sensitive”; or
 - 8.2.5. does not contain the word “FZ-LLC”; or
 - 8.2.6. the use of would constitute a violation of the laws of the UAE from time to time applicable to intellectual property rights; or

8.2.7. specifies words or expressions for which approval is required from the Authority for use by a Licensed Establishment in the Freezone.

8.3. If, through inadvertence or otherwise, an Establishment on its first registration with a new name is registered with a name which in the opinion of the Authority too closely resembles the name by which an Establishment in existence is already registered, or a name in respect of which the law applicable to intellectual property rights affords prior protection, the first mentioned Establishment shall, with the approval of the Authority, change its name.

9. CHANGE OF NAME OF AN ESTABLISHMENT

9.1. Subject to Articles 8.1 and 8.2, an Establishment may by Special Resolution change its name if the Authority has, on application, approved in writing the proposed name.

9.2. When an Establishment has passed Special Resolution for an Establishment's change of name, it shall, within fourteen (14) days of the passing of Special Resolution and Authority approval, give notice of the said resolution by advertisement in a newspaper Prescribed by the Authority.

9.3. The Authority shall, on receipt of a certified copy of the Special Resolution and evidence of notice referred to in Article 9.1 together with such fees as may be Prescribed:-

9.3.1. enter the new name on the Register in place of the former name; and

9.3.2. enter on the Register the effective date of the change of name which shall be the date of entry of the new name on the Register; and

9.3.3. issue a new certificate evidencing the change of name.

9.4. The change of name of an Establishment shall not affect any rights or obligations of the Establishment, or render defective any legal proceedings by or against it, and any legal proceedings that might have been continued or commenced against it in its former name may be continued or commenced against it in its new name.

10. POWERS AND OBJECTS OF AN ESTABLISHMENT ULTRA VIRES

10.1. No act of an Establishment shall be invalid by reason only of the fact that the Establishment was without capacity or power to perform the act.

11. PROCEDURES FOR ALTERATION OF MEMORANDUM

11.1. An Establishment may, by Special Resolution passed at a general meeting of Shareholders of which due notice has been given, amend the provisions of its Memorandum but the amendment shall only take effect if and when the same has been entered onto the Register.

11.2. Section 5 shall apply to an Establishment wishing to change its Memorandum as if the Establishment were applying to be registered.

12. ARTICLES OF ASSOCIATION

12.1. The administration of every Establishment shall be regulated by Articles of Association and an Establishment may in its Articles of Association make provision for any matter including, but not limited to, the matters set out in Article 12.2

12.2. An Establishment's Articles of Association shall be in English or if written in any other language than the English, accompanied by a certified English translation and shall provide for:

- (a) the transfer of shares and the registration of estate representatives of deceased Shareholders; and
- (b) a general meeting of the Establishment at least once in every calendar year; and
- (c) the keeping of its accounts and the laying of financial statements before general meetings of the Establishment; and
- (d) an audit of the accounts of the Establishment for each financial year by an auditor appointed by the general meeting; and
- (e) the duties of the secretary to the Establishment; and
- (f) the number of Shareholders required to constitute a quorum at any general meeting of the Shareholders of the Establishment; and
- (g) the appointment of a chairman for any general meetings

12.3. In addition, an Establishment may at the time of incorporation, or from time to time thereafter make Articles of Association if appropriate to regulate:

- (h) the transfer of shares (subject to due compliance with the requirement of registration of any such transfers in accordance with these Registration Regulations); and
- (i) the declaration and payment of dividends; and
- (j) the duties and responsibilities of its board of Directors and of any other Officers with special responsibilities or duties; and
- (k) the manner of appointment of alternate Directors; and
- (l) the appointment, functions, duties, remuneration and removal of all agents, officers, and servants of the Establishment, and the security, if any, to be given by them to the Establishment; and
- (m) the date on which the annual meetings of the Establishment shall be held; and
- (n) the calling of meetings of the Establishment, and of the board of Directors, the requirements as to proxies and requisite majorities (save where the requisite majority is specified by these Registration Regulations) in voting on any particular matter or class of matters and the procedure to be adopted at such meetings; and
- (o) the quorum at meetings of Directors; and
- (p) the conduct in all other particulars of the affairs of the Establishment, as well as for the application of its funds and profits.

12.4. The persons subscribing their names to the Memorandum of Association of an Establishment shall likewise subscribe their names to the Articles of Association.

12.5. Subject to an express provision in the Articles of Association to the contrary and to subsection 12.6, the Directors of an Establishment may after its incorporation amend the Articles of Association but any such amendment shall be submitted to a general meeting of the Establishment and to the extent they are approved by a Special Resolution at such meeting, shall only then take effect if and when the same has been entered on to the Register by the Authority.

12.6. Section 5 shall apply to an Establishment wishing to change its Articles of Association as if the Establishment was applying to be registered.

13. REGISTRATION AND RE-REGISTRATION OF COMPANIES

13.1. The Authority shall maintain the Register in such form as it may determine.

13.2. Where the Authority consents to the registration of an Establishment under Article 5.1 and has received or waived the documents under Article 5.2, the Authority may, if the Authority is satisfied that the Establishment will be in compliance with these Registration Regulations, register the Memorandum and Articles of Association in accordance with Article 5 and shall then issue one or more certificates showing the name and date of

incorporation of the Establishment and any other items the Authority may from time to time consider appropriate.

14. ESTABLISHMENT REFERRED TO BY NAME IN MEMORANDUM

- 14.1. From the date of the registration of an Establishment by the Authority the subscribers to the Memorandum, together with such other persons as may from time to time become Shareholders of the Establishment, shall be a body corporate by the name contained in the Memorandum, capable forthwith of exercising all the functions of an incorporated company, and having perpetual succession but with such liability on the part of the Shareholders to contribute to the assets of the Establishment in the event of its being wound up limited as is mentioned in these Registration Regulations.

15. CERTIFICATE OF INCORPORATION TO BE CONCLUSIVE EVIDENCE

- 15.1. No defect in the formalities leading up to the incorporation of an Establishment shall affect the validity of its incorporation and the Certificate of Incorporation shall be conclusive evidence of the due incorporation of the Establishment and the date of its incorporation.

16. EFFECT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

- 16.1. Subject to these Registration Regulations the Memorandum and the Articles of Association when registered shall bind the Establishment and the Shareholders thereof to the same extent as if they respectively had been signed by each Shareholder and contained covenants on the part of each Shareholder to observe all the provisions of the Memorandum and of the Articles of Association; and
- 16.2. All money payable by any Shareholder to the Establishment under the Memorandum or Articles of Association shall be a debt due from him to the Establishment.
- 16.3. If any Establishment fails to file a Memorandum and Articles of Association or its amendments in accordance with these Registration Regulations within (20) working days from the date the registration is completed, it may be subject to Sanctions. If the Establishment fails to file a Memorandum and Articles of Association or its amendments in accordance with these Registration Regulations in the following (20) working days the Authority has the right to terminate the Establishment's registration, if the date for submission was not extended by the Authority in writing before the second (20) working day period expire.

17. ALTERATIONS IN MEMORANDUM OR ARTICLES OF ASSOCIATION INCREASING LIABILITY TO CONTRIBUTE NOT TO BIND EXISTING SHAREHOLDERS WITHOUT CONSENT

- 17.1. Notwithstanding anything in the Memorandum or Articles of Association of an Establishment, no Shareholder of the Establishment shall be bound by an alteration made in the Memorandum or Articles of Association after the date on which he became a Shareholder, if and so far as the alteration requires that Shareholder to:
- (a) take or subscribe for more Shares than the number held by that Shareholder at the date on which the alteration is made, or
 - (b) in any way increase the liability of such Shareholder as at that date to contribute to the issued share capital of, or
 - (c) otherwise to pay money to, the Establishment provided that this Article 17 shall not apply where the Shareholder agrees in writing, either before or after the alteration is made, to be bound thereby.

18. COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE GIVEN TO SHAREHOLDERS

- 18.1. An Establishment shall, on being so required by a Shareholder, send such Shareholder a copy including all alterations to the Memorandum or Articles of Association of the Establishment subject to the payment by the Shareholder of the cost thereof.
- 18.2. If an Establishment defaults in complying with Article 18.1 the Establishment may be subject to Sanctions.

19. FORM OF CONTRACTS

- 19.1. Contracts on behalf of an Establishment may be made in written or other form by any person acting under its authority, express or implied.
- 19.2. A contract made according to this section shall be effectual in law and shall bind the Establishment and its successors and all other parties thereto.
- 19.3. A contract made according to this section may be varied or discharged in the same manner in which it is authorized by this section to be made.
- 19.4. Where a contract purports to be made by an Establishment or by a person as agent for an Establishment, at a time when the Establishment has not yet been formed, then subject to any agreement to the contrary, the contract shall have effect as a contract entered into by the person purporting to act for the Establishment or as agent for it and such person shall be personally liable on the contract accordingly.
- 19.5. Any contract purported to be made in the manner set out in subsection 19.4 may subsequently be unilaterally adopted by the Establishment and the Establishment shall thereupon become a party thereto to the same extent as if the contract had been made after the incorporation and in substitution for and discharge of the agent or person purporting to act on its behalf.

20. BILLS OF EXCHANGE AND PROMISSORY NOTES

- 20.1. A bill of exchange or promissory note shall be deemed to have been made, accepted or endorsed on behalf of an Establishment if made, accepted or endorsed in the name of, or by or on behalf or on account of the Establishment by any person acting under its Authority and if so endorsed the person signing the endorsement shall not be liable thereon.

21. EXECUTION OF INSTRUMENTS ABROAD

- 21.1. An Establishment may empower any person, either generally or in respect of any specified matters, as its agent, to execute documents, agreements, deeds or others similar on its behalf in any place whether within or outside the Freezone.
- 21.2. A document, agreement, deed or other similar instrument signed by such an agent on behalf of the Establishment shall bind the Establishment and have the same effect as if it had been executed by the Establishment itself.

22. AUTHENTICATION OF DOCUMENTS

- 22.1. A document or proceeding requiring authentication by an Establishment may be signed by a Director, secretary or other authorized officer of the Establishment.

PART FIVE

23. ESTABLISHMENT SHARE CAPITAL REQUIREMENTS

- 23.1. The minimum issued share capital of an Establishment shall be determined by the Authority from time to time. The share capital requirements shall be as Prescribed in the Authority's Guidelines.
- 23.2. Subject to Article 27, the share capital of an Establishment shall be of one class of shares, with all shares being of an equal value, and all shares holding the same rights as to voting, dividends, redemptions and distributions.
- 23.3. The Authority shall issue an Establishment with a certificate in accordance with Article 6 if, on an application made to it by the Establishment in the prescribed form, it is satisfied that the Establishment's share capital is not less than the prescribed minimum, and there is delivered to it a declaration complying with the following Regulation.
- 23.4. The declaration must be in the prescribed form and be signed by the Shareholders of the Establishment and it must state that the Establishment's share capital is not less than the prescribed minimum together with such evidence as the Authority may require that an amount representing such capital has been deposited for the benefit of the Establishment in an account opened in the name of the Establishment under formation with a bank in the UAE holding a commercial banking licence from the UAE Central Bank.
- 23.5. Unless the Authority shall otherwise specifically approve, all capital of an Establishment shall be subscribed in cash only.

24. PAYMENT OF COMMISSIONS

- 24.1. It shall be lawful for an Establishment to pay reasonable commission (within any limits from time to time that may be established by the Authority) to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Establishment.
- 24.2. Except as permitted under Article 24.1, no Establishment shall apply any of its shares or capital either directly or indirectly in payment of any commission, discount or allowance to any person in consideration of such person subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Establishment, or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares in the Establishment, whether the shares or capital be so applied by being added to the purchase money of any property acquired by the Establishment, or the money be paid out of the nominal purchase money or contract price, or otherwise.

25. APPLICATION OF PREMIUMS RECEIVED ON ISSUE OF SHARES

- 25.1. Where an Establishment issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account".
- 25.2. The provisions of these Registration Regulations relating to the reduction of the issued share capital of an Establishment shall, except as provided in this section, apply as if the share premium account were paid-up share capital of the Establishment provided that in the case of an exchange of shares the excess value of the shares acquired over the nominal value of the shares being issued may be credited to a contributed surplus account of the issuing Establishment.
- 25.3. The share premium account may, notwithstanding anything in Article 25.1 be applied by the Establishment:

- (a) in paying up un-issued shares of the Establishment to be issued to Shareholders of the Establishment as fully paid bonus shares; or
- (b) in writing off:
 - (i) the preliminary expenses of the Establishment; or
 - (ii) the expenses of, or the commission paid or discount allowed on, any issue of shares or Debentures of the Establishment; or
- (c) in providing for the premiums payable on redemption of any shares or of any Debentures of the Establishment

26. POWER TO ISSUE SHARES

26.1. Subject to these Registration Regulations and without prejudice to any rights attached to any existing shares, any share may be issued with such rights or restrictions as provided for in an Establishment's Articles of Association and approved by the Authority.

27. SPECIAL CLASSES OF SHARES

27.1. The Authority may, on application by an Establishment, consent to an Establishment dividing its share capital into different classes of shares. The consent of the Authority shall be granted in its absolute discretion and the Authority shall not be bound to provide any reason for its refusal to grant consent and its decision shall not be subject to appeal or review in any court.

27.2. Subject to Article 27.1, an Establishment by special resolution and by its bylaws may:

- (a) divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions; and
- (b) consolidate and divide all or any of its issued share capital into shares of larger amount than its existing shares; and
- (c) subdivide its shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum, so, however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (d) make provision for the issue and allotment of shares which do not carry any voting rights; and
- (e) make provision for the issue and allotment of any form of rights to or interests in shares.

27.3. The Authority may, in its discretion, issue additional regulations from time to time pertaining to special classes of shares.

28. POWER OF ESTABLISHMENT TO ALTER ITS SHARE CAPITAL

28.1. Subject to provisions in these Registration Regulations, an Establishment, if authorized by an Ordinary Resolution and by its Articles of Association, may increase its issued share capital by issuing new shares of such amount as it thinks expedient.

28.2. An Establishment may not without the consent of the Authority create a share capital denominated in a currency other than AED.

29. REDUCTION OF ISSUED SHARE CAPITAL

29.1. An Establishment, if authorized by a Special resolution may, subject to any order made by the Authority under Article 5, and to its Memorandum and Articles of Association, on such

terms as it may decide, reduce its issued share capital in any way, and in particular, without prejudice to the generality of the foregoing power, by:

- (a) either with or without extinguishing or reducing liability on any of its Shares, cancel any paid up capital that is lost or underrepresented by available assets; or
 - (b) either with or without extinguishing or reducing liability of any of its Shares and either with or without reducing the number of such Shares pay off any capital that is in excess of the requirements of the Establishment
- 29.2. No Establishment shall reduce the amount of its issued share capital by virtue of Article 29.1 unless on the date from which the reduction is to have effect a letter is provided to the Authority that is signed by all the Directors of the Establishment declaring either that on that date the Establishment is solvent or that all the creditors of the Establishment on that date have expressed in writing their concurrence in the reduction. Any reduction in issued share capital shall be entered onto the Register by the Authority.
- 29.3. Where an Establishment reduces the amount of its issued share capital then within fourteen days after the date from which the reduction has effect the Establishment shall file a Memorandum, with a copy of the letter referred to in Article 29.2 annexed thereto with the Authority stating that this Article has been duly complied with.

30. NATURE AND TRANSFER OF SHARES

- 30.1. Subject to such other Regulations as may be made by the Authority the shares or other interests of any Shareholder in an Establishment shall be personal estate, transferable in a manner provided by the Articles of Association of the Establishment and subject only to the restrictions provided therein.
- 30.2. Notwithstanding anything in the Articles of Association of an Establishment, it shall not be lawful for the Establishment to register a transfer of shares in the Establishment unless a proper instrument of transfer has been delivered to the Establishment and the share transferred have been registered by the Authority.
- 30.3. Nothing in this Article shall prejudice any power of the Establishment to register as Shareholder any person to whom the right to any shares of the Establishment has been transmitted by operation of law.
- 30.4. Subject to such other Regulations as may be made by the Authority, a pledge over the shares or other interests of any Shareholder in an Establishment may be created pursuant to the provisions of the applicable laws of the UAE.

31. TRANSFER BY ESTATE REPRESENTATIVE

- 31.1. A transfer of the Share or other interest of a deceased Shareholder of an Establishment made by such person's estate representative shall, although the estate representative is not himself a Shareholder of the Establishment, be as valid as if he had been such a Shareholder at the time of the execution of the instrument of transfer.

32. CERTIFICATE TO BE EVIDENCE OF TITLE

- 32.1. A certificate of the Establishment specifying any Shares held by any Shareholder, shall be prima facie evidence of the title of the Shareholder to the Shares.

33. BEARER SHARES PROHIBITED

- 33.1. It shall not be lawful for any Establishment to issue bearer shares.

34. DIVIDENDS AND OTHER DISTRIBUTIONS

- 34.1. An Establishment shall not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:
- (a) the Establishment is, or would after the payment be, unable to pay its liabilities as they become due; or
 - (b) the realizable value of the Establishment's assets would thereby be less than the aggregate of its liabilities and its share capital and share premium accounts.
- 34.2. For the purposes of this Article, contributed surplus includes proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to the Establishment.

PART SIX

35. REGISTERED OFFICE OF AN ESTABLISHMENT

- 35.1. An Establishment shall at all times have a registered office in the Freezone to which all communications and notices may be addressed.
- 35.2. Notice of every change to the registered office shall be given to the Authority on the prescribed form (if any) within fourteen (14) days of the Establishment making such change but the change shall only be effective as of the date of registration.

36. SERVICE OF DOCUMENTS

- 36.1. A document served in relation to any matter under these Registration Regulations may be served on an Establishment by leaving it at the registered office of the Establishment in the Freezone.

37. PUBLICATION OF NAME AND REGISTERED OFFICE OF ESTABLISHMENT

- 37.1. Every Establishment shall have its name and registered office mentioned in legible characters in all business letters of the Establishment and in all notices and other official publications of the Establishment, and in all bills of exchange, promissory notes, endorsements, cheques and orders for money or goods purporting to be signed by or on behalf of the Establishment, and in all invoices, receipts and letters of credit of the Establishment.
- 37.2. If default is made in complying with this Article the Establishment may be subject to Sanctions.

38. RESTRICTION ON COMMENCEMENT OF BUSINESS

- 38.1. No Establishment shall commence or carry on business within the Freezone unless licensed to do so by the Authority as per the IHC Licensing Regulations.
- 38.2. If default is made in complying with Article 38.1 the Establishment may be subject to Sanctions.

39. POWER OF THE AUTHORITY TO RECTIFY THE REGISTER

- 39.1. The person aggrieved in the situations outlined in this Article, or any Shareholder of the Establishment, may apply to the Authority for rectification of the Register maintained by the Authority when:
- (a) the name of any person is, without sufficient cause, entered in or removed from the Register of Shareholders of an Establishment maintained by the Authority; or
 - (b) default is made or unnecessary delay takes place in entering on the Register the fact of any person having ceased to be a Shareholder; or
 - (c) any other error or mistake concerning an Establishment is apparent on the Register.
- 39.2. Where an application is made under this Article the Authority may either refuse the application or may rectify the Register.
- 39.3. On an application under this Article the Authority may decide any question relating to the title of any person who is a party to the application to have his name entered in or removed from the Register, whether the question arises between a Shareholder or alleged Shareholders, or between Shareholders or alleged Shareholders on the one hand and the Establishment on the other hand, and generally may decide any question necessary or expedient to be decided for rectification of the Registers.

40. REGISTER TO BE EVIDENCE

- 40.1. The Register shall be prima facie evidence of any matters by these Registration Regulations directed or authorized to be inserted therein.

41. FIRST DIRECTORS

- 41.1. The persons who are nominated as such in the Memorandum or Articles of Association of the Establishment or in the absence thereof, in the official completed application forms for incorporation of the Establishment with the Authority shall be the first Directors of the Establishment.

42. INAUGURAL MEETING OF SHAREHOLDERS TO CONFIRM ELECTION OF DIRECTORS

- 42.1. Unless the Memorandum or Articles of Association of the Establishment provide otherwise, the first Directors as defined in Article 41 shall convene the Inaugural Meeting which shall be a general meeting of the Shareholders of the Establishment for the purpose of confirming the identity of those who will serve as Directors of the Establishment.
- 42.2. At least five (5) days' notice in writing of the Inaugural Meeting shall be given to each Shareholder of the Establishment unless the Shareholders unanimously agree to waive such notice; the notice shall specify the place, date and hour at which the meeting is intended to be held and, shall state that at the meeting the Shareholders present or represented by proxy will elect the new board of Directors.
- 42.3. The procedure at a meeting called under this Article shall be the same as that for an Annual General Meeting called under Article 43.1.
- 42.4. The quorum for a meeting called under this Article shall be a majority of the Shareholders of the Establishment, present in person or by proxy.
- 42.5. A meeting called under Article 42.1 shall be deemed to be the Annual General Meeting for the year in which it is convened.

43. MEETINGS

- 43.1. A meeting of Shareholders of an Establishment shall be convened at least once in every calendar year; this meeting shall be referred to as the "Annual General Meeting". The exception to this is where the Establishment only has one Shareholder, in which case a

resolution signed by or on behalf of such Shareholder by his duly appointed representative shall serve in place of any requirement to hold or determine any matter at a general meeting.

- 43.2. The Directors may, whenever they think fit, convene a general meeting; all meetings other than Annual General Meetings shall be called special general meetings.
- 43.3. Notice of all general meetings shall specify the place, the day and hour of the meeting and, in case of special general meetings, the general nature of the business to be considered.
- 43.4. The accidental omission to give notice of a meeting to or the non-receipt of a notice of a meeting by any persons entitled to receive notice shall not invalidate the proceedings of the meeting.

44. FAILURE TO HOLD ANNUAL GENERAL MEETING OR TO ELECT DIRECTORS

- 44.1. If default is made in calling or holding a general meeting in accordance with Article 43.1 the Directors shall use their best endeavours to call or hold the meeting at the earliest practicable date.
- 44.2. If an Annual General Meeting is not held within three months of the date it should have been held or the required number of Directors have not been elected at such a meeting the Establishment may apply to the Authority to sanction the holding of a general meeting to put the affairs of the Establishment in order.
- 44.3. Upon receipt of such an application made under Article 44.1 the Authority may, in its discretion, make an order allowing the application under such conditions as it thinks fit to impose including ordering the date by which the affairs of the Establishment shall be put in order.
- 44.4. Subject to Article 44.2 if default is made in calling an Annual General Meeting in accordance with Article 43.1 or to elect the required number of Directors at such meeting any creditors or Shareholder of the Establishment may, apply to the Authority to order the winding-up of the Establishment.

45. POSITION WHEN ELECTION OF DIRECTORS DOES NOT TAKE PLACE

- 45.1. If the Annual General Meeting or the election of any Directors does not take place at the proper time, it shall be lawful for the Establishment to continue its business and for the existing Directors to continue in office.

46. CONVENING OF SPECIAL GENERAL MEETING ON REQUISITION

- 46.1. The Directors of an Establishment, notwithstanding anything in its Articles of Association, shall, on the requisition of Shareholders of the Establishment holding at the date of deposit of the requisition not less than ten percent (10%) of such of the paid-up capital of the Establishment which, as at the date of the deposit, carries the right of voting at general meetings of the Establishment, forthwith proceed duly to convene a special general meeting of the Establishment.
- 46.2. The requisition must state the purposes of the meeting, and must be signed by the requisitioners and deposited at the Registered office of the Establishment, and may consist of several documents in like form each signed by one or more requisitioners.
- 46.3. If the Directors do not, within twenty-one (21) days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitioners, or any of them representing more than ten percent (10%) of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.
- 46.4. A meeting convened under this Article of the requisitioners shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by Directors.
- 46.5. Any reasonable expenses incurred by the requisitioners by reason of the failure of the Directors duly to convene a meeting shall be repaid to the requisitioners by the Establishment, and any sum so repaid shall be retained by the Establishment out of any

sums due or to become due from the Establishment by way of fees or other remuneration in respect of their services to such Directors as were in default.

47. LENGTH OF NOTICE FOR CALLING MEETINGS

- 47.1. An Annual General Meeting shall be called by not less than twenty-one (21) days notice in writing and a special general meeting called for the passing of a special resolution shall be called by not less than twenty-one (21) days notice in writing.
- 47.2. All other special general meetings shall be called by not less than fourteen (14) days notice in writing.
- 47.3. The notice given under Articles 47.1 and 47.2 shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, day and time of the meeting, and, in the case of a special general meeting, the general nature of the business to be considered.
- 47.4. A meeting of an Establishment shall, notwithstanding that it is called by shorter notice than that specified in Articles 47.1 or 47.2 be deemed to have been duly called if it is so agreed:
 - (a) in the case of a meeting called as the Annual General Meeting, by all the Shareholders entitled to attend and vote thereat; and
 - (b) in the case of any other meeting, by a majority in number of the Shareholders having a right to attend and vote at the meeting, being a majority together holding not less than ninety-four percent (94%) in nominal value of the shares giving a right to attend and vote at the meeting.

48. FORM OF MEETING

- 48.1. Unless the Articles of Association otherwise provide, a meeting of Directors or of a committee of Directors or of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously, and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

49. POWER OF THE AUTHORITY TO ORDER MEETING

- 49.1. If for any reason it is impracticable to call a meeting of an Establishment in any manner in which meetings of that Establishment may be called, or to conduct the meeting of the Establishment in a manner Prescribed by the Articles of Association or these Registration Regulations, the Authority on the application of any Director of the Establishment or of any Shareholder of the Establishment who would be entitled to vote at the meeting, order a meeting of the Establishment to be called, held and conducted in such manner as the Authority thinks fit, and where any such order is made may give such ancillary or consequential directions as it thinks expedient.
- 49.2. Any meeting called, held and conducted in accordance with an order under Article 49.1 shall for all purposes be deemed to be a meeting of the Establishment, duly called, held and conducted.

50. VOTING AT MEETINGS

- 50.1. Subject to the provisions of this Article, the Articles of Association of the Establishment and to any rights or restrictions lawfully attached to any different classes of shares if any, at any general meeting each Shareholder of the Establishment shall be entitled to one vote for each share held by him; such votes may be given in person or by proxy.
- 50.2. Unless otherwise specified in these Registration Regulations, at any general meeting of an Establishment any question proposed for consideration shall be decided on a simple

- majority of votes or by such majority as the Articles of Association of the Establishment may Prescribe, and such majority shall be ascertained in accordance with this Article.
- 50.3. Subject to Article 50.4, it shall be lawful for any question proposed for consideration at a general meeting of an Establishment to be decided on a show of hands and in any such case, and subject to any rights or restrictions for the time being lawfully attached to any different classes of shares if any, every Shareholder present in person or by proxy at such meetings shall be entitled to one vote and shall cast such vote by raising his hand.
- 50.4. At any general meeting of an Establishment a declaration by the chairman that a question proposed for consideration has, on a show of hands, been carried or carried unanimously or by a particular majority or lost and an entry to that effect in a book containing the minutes of the proceedings of the Establishment shall, subject to Article 50.4, be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour or against such question
- 50.5. Notwithstanding Article 50.2, at any general meeting of an Establishment, it shall be lawful, in respect of any question proposed for the consideration of the Shareholders, whether before or on the declaration of the result of a show of hands as provided for in Article 50.2 for a poll to be demanded by any of the following persons:
- (a) the chairman of such meetings; or
 - (b) at least two Shareholders present in person, or represented by proxy and entitled to vote; or
 - (c) any Shareholders present in person or represented by proxy and holding between them not less than ten percent (10%) of the total voting rights of all the Shareholders having the right to vote at such meeting.
- 50.6. Where, in accordance with Article 50.4, a poll is demanded, and subject to any rights or restrictions for the time being lawfully attached to any different classes of shares if any, every Shareholder present in person or by proxy at such meetings shall have one vote for each share of which such person is the holder or for which such person holds a proxy and such votes shall be counted in such manner as the Articles of Association of the Establishment may provide or, in default of such provision, as the chairman may direct and the result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded and shall replace any previous resolution upon the same matter which has been the subject of a show of hands.
- 50.7. A poll demanded, in accordance with Article 50.4, for the purpose of electing a chairman, or on a question of adjournment, shall be taken forthwith and a poll demanded on any other question shall be taken at such time at such meeting as the chairman may direct.
- 50.8. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which such show of hands takes place, or at which such poll is demanded, shall, unless the Articles of Association of the Establishment otherwise provide, be entitled to a second or casting vote.
- 50.9. Nothing contained in this Article shall be construed as prohibiting a Shareholder who is the holder of two or more shares from appointing more than one proxy to represent him and vote on his behalf, whether on a show of hands or on a poll, at a general meeting of the Establishment or at a class meeting.

51. RESOLUTION IN WRITING

- 51.1. Subject to Article 51.3, anything which may be done by resolution of an Establishment in general meeting may, without a meeting and without any previous notice being required, be done by resolution in writing signed by, or in the case of a Shareholder that a corporation whether or not an Establishment within the meaning of these Regulations, on behalf of, all the Shareholders of the Establishment who at the date of the resolution would be entitled to attend the meeting and vote on the resolution.
- 51.2. A resolution in writing may be signed by, or, in the case of a Shareholder that is a corporation whether or not an Establishment within the meaning of these Regulations, on

behalf of, all the Shareholders of an Establishment, in as many counterparts as may be necessary.

51.3. A resolution in writing made in accordance with this Article is as valid as if it had been passed by the Establishment in general meeting or by a meeting of the relevant class of Shareholders of the Establishment, as the case may be and any reference in any enactment to a meeting at which a resolution is passed or to Shareholders voting in favour of a resolution shall be construed accordingly.

51.4. Articles 51.1 to 51.2 shall not apply to:

- (a) a resolution passed pursuant to Article 62.3; or
- (b) a resolution passed for the purpose of removing a Director before the expiration of his term of office under Article 69.

51.5. A resolution in writing signed by all the Directors entitled to receive notice of a meeting of the Directors or signed by all Shareholders of a committee of Directors entitled to receive notice of a meeting of a committee is as valid as if it had been passed at a meeting of Directors or, as the case may be, Authority duly called and constituted and any reference in any enactment to a meeting at which a resolution is passed or to Directors or a committee of Directors voting in favour of a resolution shall be construed accordingly. Such resolution may be in as many counterparts as are necessary.

51.6. For the purposes of this Article, the date of the resolution is the date when the resolution is signed by, or on behalf of, the last, as the case may be, Director to sign and any reference in any enactment to the date of passing of a resolution is, in relation to a resolution made in accordance with this Article, a reference to such date.

51.7. A resolution in writing made in accordance with this Article shall constitute minutes for the purposes of Articles 55 and 56.

52. REPRESENTATION OF CORPORATION AT MEETINGS

52.1. A corporation, whether an Establishment within the meaning of these Registration Regulations or not, may:

- (a) if it is a Shareholder of another corporation, being an Establishment within the meaning of these Registration Regulations, authorize such person as it thinks fit to act as its representative at any meeting of the Establishment or at any meeting, of any class of Shareholders of the Establishment; and
- (b) if it is a creditor (including a holder of Debentures) of another corporation, being an Establishment within the meaning of these Regulations, authorize such person as it thinks fit to act as its representative at any meeting of any creditors of the Establishment held in pursuance of these Registration Regulations or any applicable Rules, Standards or Policies, or in pursuance of the provisions contained in any Debenture or trust deed, as the case may be.

52.2. A person authorized as aforesaid shall be entitled to exercise the same powers on behalf of the corporation which it represents as that corporation could exercise if it were an individual Shareholder, creditor or holder of Debentures of that other company.

53. CIRCULATION OF SHAREHOLDER RESOLUTION

53.1. Subject to this Article it shall be the duty of an Establishment, on the requisition in writing of such number of shareholders as is hereinafter specified, at the expense of the requisitioners unless the Establishment otherwise resolves:

- (a) to give to Shareholders of the Establishment entitled to receive notice of the next Annual General Meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and

- (b) to circulate to Shareholders entitled to have notice of any general meeting sent to them any statement with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

53.2. The number of Shareholders necessary for a requisition under Article 53.1 shall be:

- (a) either any number of Shareholders representing not less than ten percent (10%) of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates; or
- (b) not less than five (5) Shareholders.

53.3. Notice of any such intended resolution shall be given, and any such statement shall be circulated, to Shareholders of the Establishment entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Shareholders of the Establishment by giving notice of the general effect of the resolution in any manner permitted for giving him notice of meetings of the Establishment provided that the copy shall be served, or notice of the effect of the resolution shall be given, as the case may be, in the same manner and, so far as practicable, at the same time as notice of the meeting and, where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.

54. CONDITIONS TO BE MET BEFORE ESTABLISHMENT BOUND TO GIVE NOTICE OF RESOLUTION

54.1. An Establishment shall not be bound under Article 53 to give notice of any resolution or to circulate any statement unless:

- (a) a copy of the requisition signed by the requisitioners, or two or more copies which between them containing the signatures of all the requisitioners, is deposited at the Registered office of the Establishment:
 - (i) requiring notice of a resolution, not less than twenty-one (21) days before the meeting; and
 - (ii) in the case of any other requisition, not less than one week before the meeting; and
 - (iii) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Establishment's expenses in giving effect thereto, provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the registered office of the Establishment, an Annual General Meeting is called for a date twenty-one (21) days or less after the copy has been deposited.

55. MINUTES OF PROCEEDINGS TO BE KEPT

55.1. Every Establishment shall cause minutes of all proceedings of general meetings and of all proceedings of meetings of its Directors to be entered in books kept for that purpose and such minutes shall be signed by the person presiding over the proceedings.

55.2. Minutes prepared in accordance with Article 55.1 shall be kept by the secretary or other Officer of the Establishment at the registered office of the Establishment and shall be evidence of the proceedings and until the contrary is proved, the proceedings shall be deemed to have been duly held and convened and the business conducted thereat shall be deemed to be valid.

55.3. If default is made in complying with Article 55.1 the Establishment may be subject to Sanctions.

56. INSPECTION OF MINUTE BOOKS

- 56.1. Minutes of general meetings of an Establishment shall be open for inspection by any Director of the Establishment without charge for not less than two (2) hours during business hours each day, subject to such reasonable restrictions as the Establishment may impose.
- 56.2. Any Shareholder or Director shall be entitled to be furnished, within seven (7) days after it has made a request to the Establishment, with a copy of any such minutes on the payment of a reasonable charge sufficient to meet the Establishment's expenses in giving effect thereto.
- 56.3. In the case of any such refusal or default, the competent court may by order, compel an immediate inspection of the minutes or direct that the copies required shall be sent to the persons properly requiring them.

57. KEEPING OF BOOKS OF ACCOUNT

- 57.1. Every Establishment shall cause to be kept proper Records of account with respect to:
 - (a) all sums of money received and expended by the Establishment and the matters in respect of which the receipt and expenditure takes place; and
 - (b) all sales and purchases of goods by the Establishment; and
 - (c) the assets and liabilities of the Establishment.
- 57.2. The Records of account shall be kept at the registered office of the Establishment and shall at all times be open to inspection by the Directors.
- 57.3. In the case of Records of account not being made available for inspection by a Director the Authority may by order compel immediate inspection of such Records.
- 57.4. If an Establishment fails to comply with this Article the Establishment may be subject to Sanctions.

58. DUTY TO PREPARE ESTABLISHMENT ACCOUNTS

- 58.1. The Directors of every Establishment shall prepare for each financial year of the Establishment:
 - (a) a balance sheet as at the last day of the year; and
 - (b) a profit and loss account in the form Prescribed in the Establishment's Articles of Association. Such annual accounts will form part of the Establishment's financial statements.
- 58.2. In the case of a failure to comply with this Article every person who was a Director of the Establishment immediately before the end of the period for delivery accounts and reports for the financial year in question is guilty of an offence and the Establishment may be subject to Sanctions.

59. FINANCIAL STATEMENTS TO BE LAID BEFORE GENERAL MEETING

- 59.1. The Directors of every Establishment shall, for each financial year, lay before the Establishment in general meeting:
 - (a) financial statements for such period which shall include:-
 - (i) a statement of the results of operations for such period (i.e. a profit and loss account); and
 - (ii) a statement of retained earnings or deficit; and
 - (iii) a balance sheet at the end of such period; and
 - (iv) a statement of changes in financial position for such period; and
 - (v) notes to the financial statements and the notes thereto shall be in accordance

- with Article 59.2; and
- (vi) such further information as required by these Regulations, any applicable rules, standards and policies issued by the Authority from time to time and the Establishment's own Memorandum and Articles of Association; and
- (b) the report of the auditors as set out in Article 63.2 in respect of the financial statements described in Article 59.1(a).

- 59.2. The notes mentioned in Article 59.1(v) shall include a description of the generally accepted accounting principles used in the preparation of the financial statements, which principles shall be such accepted accounting principles as may be appointed by the Authority under Article 59.5 and where the generally accepted accounting principles used are other than those of the Freezone, the notes shall identify the generally accepted accounting principles so used.
- 59.3. Establishment, be signed on the balance sheet page by two of the Directors of the Establishment.
- 59.4. Notwithstanding Article 59.1 if at a general meeting at which financial statements should be laid, the statements have not been so laid; it shall be lawful for the chairman to adjourn the meeting for a period of up to ninety days or such longer period as the Shareholders may agree.
- 59.5. The Authority may appoint generally accepted accounting principles promulgated by an accounting standard setting body which may be either International Accounting Standards (IAS) or such other standards as the Authority may determine from time to time.

60. RIGHT TO RECEIVE COPIES OF FINANCIAL STATEMENTS

- 60.1. A copy of the financial statements of an Establishment, including every document required by these Regulations or the Articles of Association of the Establishment shall be made available to every Shareholder of the Establishment and, if such financial statements and other documents are not sent to each Shareholder seven (7) days before the general meeting, any Shareholder may move a resolution at the general meeting that it be adjourned for seven (7) days provided that this Article shall not require the making available of the financial statements and other documents to:
 - (a) any person not entitled to receive notices of general meetings; and
 - (b) more than one of the joint holders of any shares; and
 - (c) any person whose address is not known to the Establishment.

61. POWER TO WAIVE LAYING OF ACCOUNTS AND APPOINTMENT OF AUDITOR

- 61.1. Notwithstanding Articles 12.2 (d) and 12.2 (f), but subject to the prior written approval of the Authority, which may be withheld at the Authority's sole discretion, if all Shareholders of an Establishment agree that in respect of a particular financial year or other interval no financial statements or auditor's report thereon need be laid before a general meeting or that no auditor shall be appointed to the close of the next Annual General Meeting then there shall, subject to any requirement to the contrary under the Authority's Licensing Regulation, be no obligation to lay financial statements for such period or to appoint an auditor until the close of the next Annual General Meeting, as the case may be.
- 61.2. For the purposes of Article 61.1 all the Shareholders of an Establishment shall be deemed to have agreed at a general meeting if either:
 - (a) all the Shareholders are present in person at the meeting and agree; or
 - (b) if some of the Shareholders are not present in person at the meeting then if the Shareholders present in person at the meeting agree and there are produced at the meeting statements in writing signed by the Shareholders not present in person stating that they agree.

62. APPOINTMENT OF AUDITOR

- 62.1. The Shareholders of an Establishment at the Inaugural Meeting shall appoint one or more auditors to hold office until the close of the next Annual General Meeting, and, if the Shareholders fail to do so, the Directors shall forthwith make such appointment or appointments.
- 62.2. The Shareholders of an Establishment at each Annual General Meeting shall appoint one or more auditors to hold office until the close of the next Annual General Meeting, and, if an appointment is not so made, the auditor already in office shall continue in office until a successor is appointed.
- 62.3. The Shareholders, by a special resolution cast at a general meeting of which notice specifying the intention to pass such resolution was given, may remove any auditor before the expiration of his term of office, and shall by a majority of the votes cast at that meeting appoint another auditor in its stead for the remainder of its term.
- 62.4. The remuneration of an auditor appointed by the Shareholders shall be fixed by the Shareholders or by the Directors, if they are authorized to do so by the Shareholders, and the remuneration of an auditor appointed by the Directors shall be fixed by the Directors.
- 62.5. No person shall be appointed as auditor of an Establishment who is an officer or employee of that Establishment or of an affiliated company or who is a partner, employer or employee of any such officer or employee.

63. AUDIT

- 63.1. The auditor shall audit any financial statements to be laid pursuant to Article 59 as will enable the auditor to report to Shareholders.
- 63.2. Based on the results of the audit under Article 63.1 which audit shall be made in accordance with generally accepted auditing standards as defined in Article 59.5, the auditor shall make a report to the Shareholders.
- 63.3. The generally accepted auditing standards referred to in Article 63.2 may be those of the Freezone, a country or jurisdiction other than the Freezone or such other generally accepted auditing standards as may be appointed by the Authority under Article 59.5 for the purpose of this Article 63.3 and where the generally accepted auditing standards used are other than those of the Freezone, the report of the auditor shall identify the generally accepted auditing standards used and the auditor's opinion of this appropriateness and of the general nature, extent and effect of the same.
- 63.4. No action shall lie against an auditor in the performance of any function as an auditor contemplated by these Regulations except in the instance of:
 - (a) the Establishment who engaged the auditor to perform such function; or
 - (b) any other person expressly authorized by the auditor to rely on his work.

64. ELECTION OF DIRECTORS

- 64.1. The affairs of the Establishment shall be managed by one or more Directors who shall be individuals elected in the first place by Ordinary Resolution at the Inaugural Meeting and thereafter by Ordinary Resolution at each Annual General Meeting of the Establishment.
- 64.2. A general meeting of an Establishment may by Ordinary Resolution authorize the Directors of the Establishment to elect or appoint on their behalf an individual or individuals to act as Directors up to a maximum determined by the Shareholders by Ordinary Resolution in a general meeting to those elected at the general meeting, but which shall not be more than four (4).
- 64.3. Any individual may be appointed as an alternate Director by or in accordance with an Ordinary Resolution of the Shareholders or by a Director in such manner as may be provided in the Articles of Association, and the individual so appointed shall have all the rights and powers of the Director for whom he is appointed in the alternative, except that he shall not

be entitled to attend and vote at any meeting of the Directors otherwise than in the absence of such Director.

- 64.4. An alternate Director shall only be a Director for the purposes of these Regulations and shall only be subject to the provisions of these Regulations insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative.
- 64.5. So long as a quorum of Directors remains in office, unless the Articles of Association of an Establishment otherwise provide, any vacancy occurring in the board of Directors may be filled by such Directors as remain in office. If no quorum of Directors remains the vacancy shall be filled at a general meeting of Shareholders.

65. REPRESENTATION OF DIRECTOR BY ANOTHER DIRECTOR

65.1. Subject to any express provision to the contrary in the Articles of Association of the Establishment, a Director of the Establishment may appoint another Director of the Establishment to represent him and to vote on his behalf at any meeting of the Directors of the Establishment provided that a Director so appointed:

- (a) shall not be entitled to vote at any such meeting on behalf of the Director who appointed him if the Director who appointed him is himself present at that meeting; and
- (b) may, subject to Article 65.1 (a) vote at any such meeting on his own behalf as well as on behalf of the Director who appointed him.

65.2. An appointment made under Article 65.1:

- (a) shall not have effect unless notice thereof is given in writing to the secretary of the Establishment by the Director making the appointment; and
- (b) may be either general or in respect of a particular meeting or meetings specified in the notice of appointment; and
- (c) may be revoked at any time by notice in writing given to the secretary of the Establishment by the Director making the appointment.

66. DIRECTORS ENTITLED TO RECEIVE NOTICE OF MEETINGS

- 66.1. The Directors of an Establishment shall upon written request deposited at the registered office of the Establishment be entitled to receive notice of, and to attend and be heard at, any or all general meetings.
- 66.2. Notwithstanding Article 47 a notice given under Article 66 shall be valid if in all the circumstances, such notice is reasonable.

67. APPOINTMENT OF SECRETARY

- 67.1. The Directors of an Establishment may appoint a secretary to the Establishment who may also be a Director of the Establishment and who shall hold office in accordance with the Articles of Association.
- 67.2. Anything required or authorized to be done by or to the secretary may, if the office is vacant or there is for any other reason no secretary capable of acting, be done by or to any assistant or deputy secretary or, if there is no assistant or deputy secretary capable of acting, by or to any officer of the Establishment authorized generally or specially in that regard by the Directors.

68. REGISTER OF DIRECTORS AND OFFICERS

- 68.1. Every Establishment shall keep at its registered office a register of Directors and officers and the register shall, with respect to the particulars to be contained in it of those persons, comply with Article 68.5.
- 68.2. The Establishment shall enter on its register the particulars of the following changes, within the period of fourteen (14) days from the occurrence of:
 - (a) any change among its Directors or in its officers; or
 - (b) any change in the particulars contained in the register,
- 68.3. The register shall, during the business hours (subject to such reasonable restrictions as the Establishment may impose, so that not less than two (2) hours in each day be allowed for inspection), be open for inspection by Shareholders and Directors.
- 68.4. In the case of a refusal or default, the Authority may, by order, compel an immediate inspection of the register.
- 68.5. The register shall contain the following particulars with respect to each Director and officer:
 - (a) in the case of an individual, his first name, surname and address; and
 - (b) in the case of an Establishment, its name and registered office.
- 68.6. Each Establishment shall file with the Authority, in a manner to be Prescribed by the Authority, details of any change in the persons or the particulars of the persons who are Directors and officers of the Establishment within fourteen (14) days of such change taking place.

69. REMOVAL OF DIRECTORS

- 69.1. Subject to its Articles of Association, the Shareholders of an Establishment may, at a special general meeting called for that purpose, remove by Ordinary Resolution a Director, provided that notice of any such meeting shall be served on the Director concerned not less than fourteen (14) days before the meeting and such Director shall be entitled to be heard at such meeting and provided further that nothing in this Article shall have effect to deprive any person of any compensation or damages which may be payable to him in respect of the termination of his appointment as a Director or of any other appointment with the Establishment.
- 69.2. A vacancy created by the removal of a Director at a special general meeting may be filled at that meeting by the election of another Director in his place or in the absence of any such election by the other Directors.

70. UNDISCHARGED BANKRUPT NOT TO TAKE PART IN MANAGEMENT OF AN ESTABLISHMENT

- 70.1. No undischarged bankrupt in any country may act as Director of, or directly or indirectly take part in or be concerned in the management of, any Establishment except with the leave of the Authority.

71. PROHIBITION OF LOANS TO DIRECTORS WITHOUT CONSENT OF SHAREHOLDERS

- 71.1. Without the consent of any Shareholders holding in the aggregate not less than ninety percent (90%) of the total voting rights of all the Shareholders having the right to vote at any meeting of the Shareholders it shall not be lawful for an Establishment to make a loan to any person who is its Director or a Director of its holding company, or to enter into any guarantee and/or indemnity or provide any security in connection with a loan made to such person as aforesaid by any other person provided that nothing in this Article shall apply either:
 - (a) subject to Article (2) to anything done to provide any such person as aforesaid with funds to meet expenditure incurred or to be incurred by him for the purposes of the Establishment or for the purpose of enabling him properly to perform his duties as an officer of the Establishment; and

- (b) in the case of an Establishment whose ordinary business includes the lending of money or the giving of guarantees in connection with loans made by other persons, to anything done by the Establishment in the ordinary course of that business.
- 71.2. The provision stated at Article 71.1 shall not authorize the making of any loan, or quasi-loan or the entering into any guarantee and/or indemnity or credit transaction, or the provision of any security, except either:
 - (a) with the prior approval of the Establishment given at a general meeting at which the purposes of the expenditure and the amount of the loan or quasi loan or the extent of the guarantee and/or indemnity, credit transaction or security, as the case may be, are disclosed; or
 - (b) on condition that, if the approval of the Establishment is not given as aforesaid at or before the next following Annual General Meeting, the loan shall be repaid or the liability under the guarantee and/or indemnity, credit transaction or security shall be discharged, as the case may be, within six (6) months from the conclusion of that meeting.
- 71.3. Where the approval of the Establishment is not given as required by any such condition, the Directors authorizing the making of the loan or quasi loan, or the entering into the guarantee and/or immunity, credit transaction or the provision of the security, shall be jointly and severally liable to indemnify the Establishment against any loss arising therefrom.
- 71.4. A loan shall be deemed to be a loan to a Director if it is made to:
 - (a) the spouse or children of a Director; or
 - (b) an Establishment (other than an Establishment which is a holding company or subsidiary of the Establishment making the loan) which a Director, his spouse or children own or control directly or indirectly more than twenty percent (20%) of the capital or loan debt.
- 71.5. For the purposes of this Article a loan shall not be deemed to have been made in the ordinary course of business of an Establishment if it has not been made on normal commercial terms in respect of interest rates, repayment terms and security.

72. DUTY OF CARE OF OFFICERS

- 72.1. Every officer of an Establishment in exercising his powers and discharging his duties shall:
 - (a) act honestly and in good faith with a view to the best interests of the Establishment;
 - (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances;
 - (c) not make a secret profit and must seek to avoid putting themselves in a position where their interests conflict with those of the Establishment; and
 - (d) exercise their powers only for the purpose for which they were given.
- 72.2. Every officer of an Establishment shall comply with these Registration Regulations and the Articles of Association of the Establishment and with the terms of any service contract entered into between the Establishment and the officer.
- 72.3. Without in any way limiting the generality of Article 72.1 an officer of the Establishment shall be deemed not to be acting honestly and in good faith if:
 - (a) he fails on request to make known to the auditors of the Establishment full details of:
 - (i) any emolument, pension or other benefit that he has received or it is agreed that he should receive from the Establishment or any of the Establishment's subsidiaries; or
 - (ii) any loan he has received or is to receive from the Establishment or any of its subsidiaries;

- (b) he fails to disclose at the first opportunity at a meeting of Directors or by writing to the Directors:
 - (i) his interest in any material contract or proposed material contract with the Establishment or any of its subsidiaries; or
 - (ii) his material interest in any person that is a party to a material contract or proposed material contract with the Establishment or any of its subsidiaries.

72.4. For the purposes of this Article:

- (a) a general notice to the Directors of an Establishment by an officer of the Establishment declaring that he is an officer of or has a material interest in a person and is to be regarded as interested in any contract with that person is a sufficient declaration of interest in relation to any such contract;
- (b) the word "material" in relation to a contract or proposed contract shall be construed as relating to the materiality of that contract or proposed contract in relation to the business of the Establishment to which disclosure must be made;
- (c) an interest occurring by reason of the ownership or direct or indirect control of not more than ten percent (10%) of the capital of a person shall not be deemed material.

72.5. An officer is not liable if he relies in good faith upon:

- (a) financial statements of the Establishment represented to him by another officer of the Establishment; or
- (b) a report by a legal advisor, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by him.

72.6. Nothing in this Article shall be taken to prejudice any provision of the Articles of Association of an Establishment restricting Officers of an Establishment from having any interest in contracts with the Establishment.

73. EXEMPTION, INDEMNIFICATION AND LIABILITY OF OFFICERS

73.1. Subject to Article 73.2 an Establishment may in its Articles of Association or in any contract or arrangement between the Establishment and any Officer, or any person employed by the Establishment as auditor, exempt such Officer or person from, or indemnify him in respect of any negligence, default, breach of duty or breach of trust of which the officer or person may be guilty in relation to the Establishment or any subsidiary thereof.

73.2. Any provision, whether contained in the Articles of Association of an Establishment or in any contract or arrangement between the Establishment and any Officer, or any person employed by the Establishment as auditor, exempting such officer or person from, or indemnifying him against any liability which by virtue of any rule of law would otherwise attach to him in respect of any fraud or dishonesty of which it may be guilty in relation to the Establishment shall be void provided that:

- (a) nothing in this Article shall operate to deprive any person of any exemption or right to be indemnified in respect of anything done or to be done by him while any such provision was in force; and
- (b) notwithstanding anything in this Article an Establishment may, in pursuance of any such provision as aforesaid indemnify any such officer or auditor against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which it is acquitted or when relief is granted to him by a court of competent jurisdiction.

74. INSURANCE OF OFFICERS

- 74.1. An Establishment may purchase and maintain insurance for the benefit of any officer of the Establishment against any liability incurred by him under Article 73 in his capacity as an officer of the Establishment or indemnifying such an officer in respect of any loss arising or liability attaching to him by virtue of any rule or law in respect of any negligence, default, breach of duty or breach of trust of which the officer may be guilty in relation to the Establishment or any subsidiary thereof and nothing in these Registration Regulations shall make void or avoidable any such policy.

75. LIABILITY OF AUDITOR OR OFFICER

- 75.1. Where an auditor or an Officer is found liable to any person for damages arising out of the performance of any function as such auditor or Officer as contemplated by these Registration Regulations, then the following provisions of this Article shall apply.
- 75.2. An auditor or Officer may be liable jointly and severally only if it is proved that he knowingly engaged in fraud or dishonesty.
- 75.3. In any case other than that contemplated by Article 75.2, the liability of the auditor or Officer, as the case may be, shall be determined as follows:
- the Court shall determine the percentage of responsibility of the plaintiff, of each of the defendants, and of each of the other persons alleged by the parties to have caused or contributed to the loss of the plaintiff. In considering the percentages of responsibility, the Court shall consider both the nature of the conduct of each person and the nature and extent of the causal relationship between the conduct and the loss claimed by the plaintiff;
 - the liability of the auditor or Officer, as the case may be, shall be equal to the total loss suffered by the plaintiff multiplied by the auditor's or Officers, as the case may be, percentage of responsibility as determined under this Article.
- 75.4. No auditor or Officer whose liability is determined under Article 75.3 hereof shall have any liability in respect of any judgment entered against any other party to the action.
- 75.5. Except where agreed in writing between the parties, where the liability of an auditor or officer has been determined in accordance with Article 75.3 no other person shall have any right to recover from such auditor or officer any portion of any judgment entered against such other person in respect of the action.

76. PERSONAL INTEREST

- 76.1. If a Director has a personal interest (direct or indirect) in any matter to be discussed at a board meeting, he must formally declare to the other Directors in a board meeting that he has such an interest.
- 76.2. A Director shall be prevented from voting and counting in the quorum on any matter in which he has an interest and it has been declared in accordance with this Article.

77. DIRECTOR SERVICE CONTRACTS

- 77.1. The terms of any service or employment contract for a Director that is for a fixed term in excess of one (1) year must be approved by an Ordinary Resolution of the Shareholders in general meeting.
- 77.2. Any service or employment contract that provides for notice periods of more than three (3) months must be disclosed in the annual report of the Directors.

78. RETENTION OF INFORMATION

- 78.1. Copies of minutes referred to in Article 55 and financial statements referred to in Article 059 shall be preserved in the registered office of the Establishment for a period of not less than six (6) years from the date when they were first required.

PART SEVEN

79. AMALGAMATION OF COMPANIES

- 79.1. Two (2) or more companies which are incorporated in the Freezone, may, subject to the consent of the Authority given in its absolute discretion and pursuant to the provisions of these Registration Regulations amalgamate and continue as one Establishment and, if a Licence has been granted to one or more of these companies, these Registration Regulations governing such Licence shall continue in effect for the surviving Establishment, subject to the Authority's consent.

80. SURVIVAL OF ESTABLISHMENT ON AMALGAMATION OF ONE OR MORE COMPANIES

- 80.1. One or more Establishments and one or more bodies incorporated outside of the Freezone (each such body hereinafter in these Registration Regulations referred to as an "outside Company") may apply to the Authority for consent to amalgamate and continue as an Establishment registered in the Freezone to which the provisions of these Registration Regulations and any other applicable Regulations shall apply.
- 80.2. An application for consent under Article 80.1 shall be in such form, and be accompanied by an application fee and such documents, as the Authority may determine, including documentary proof, satisfactory to the Authority, that the Establishment has obtained all necessary authorizations required under the laws of the country in which it was incorporated to enable it to make the application.

81. SURVIVAL OF FOREIGN CORPORATION ON AMALGAMATION OF ONE OR MORE COMPANIES AND ONE OR MORE FOREIGN CORPORATIONS

- 81.1. One or more Establishments and one or more foreign corporations may apply to the Authority for consent to amalgamate and continue as a foreign corporation (in this Article 81 and in Articles 82 and 83 referred to as "the surviving corporation") to which the provisions of the laws of the jurisdiction of incorporation of the surviving corporation shall apply.
- 81.2. An application for consent under Article 81 shall be in such form, and shall be accompanied by an application fee and supported by such documents as the Authority may determine and such documents shall include:-
- (a) a certified copy of a resolution of the shareholders of each amalgamating company (in this Article 81 and in Articles 82 and 83 referred to as an "amalgamating company") passed in a general meeting provided that in the case of an Establishment having only one shareholder, one shareholder present in person or by proxy constitutes the necessary quorum; or if so authorised by the Articles of Association, a certified copy of a resolution of the Board of Directors of each amalgamating company approving the amalgamation and naming the country or jurisdiction outside the zone of the surviving corporation; and
 - (b) a declaration signed by an officer of each amalgamating company declaring that there are reasonable grounds for believing that :-
 - (i) the amalgamating company is, and the surviving corporation will be, able to pay its liabilities as they become due; and
 - (ii) the realisable value of the surviving corporation's assets will not be less than the aggregate of its liabilities and issued capital of all classes; and
 - (iii) either no creditor will be prejudiced by the amalgamation or adequate notice has been given to all known creditors of such company and no creditor objects to the amalgamation otherwise than on grounds that are frivolous or vexatious; and

- (c) documentary proof, satisfactory to the Authority, that each amalgamating company being a foreign corporation (in this Article 81 referred to as an "amalgamating foreign corporation") has obtained all necessary authorisations required under the laws of the country or jurisdiction in which it was incorporated to enable it to make the application.

82. AUTHORITY'S REFUSAL TO GRANT CONSENT

- 82.1. Where the Authority refuses to grant its consent under Articles 80 or 81 it shall not be bound to assign any reason therefore, and its decision shall not be subject to appeal or review in any court.

83. IMPLEMENTING REGULATIONS

- 83.1. The Authority may make Implementing Regulations for carrying out the purposes of this Part 7.

PART EIGHT

84. INVESTIGATION OF ESTABLISHMENT AFFAIRS

- 84.1. Any Shareholders or creditors or officers of the Establishment may make an application to the Court by petition for an order to appoint one or more competent inspectors to investigate the affairs of an Establishment and to report on them as the Court may direct.
- 84.2. The Court may, before appointing inspectors, require the applicant, to give security, to an amount as may be Prescribed for payment of the costs of the investigation.
- 84.3. This Article applies whether or not the Establishment is being wound up.
- 84.4. Article 84.1 shall apply in order to investigate the affairs of an Establishment.
- 84.5. All officers and agents of the Establishment shall produce to the inspector all books and documents in their custody or power.
- 84.6. An inspector may examine the officers and agents of the Establishment in relation to its business.
- 84.7. On the conclusion of the investigation the inspector shall report his opinion to the Court, and a copy of the report shall be forwarded by the Court to the Establishment and a further copy may in the Court's discretion, at the request of the applicants for the investigation, be delivered to them. Upon receipt of any report under this Article, the Establishment must promptly forward a copy to the Authority for the Authority's information and the provision of the report to the Authority shall not imply or impose any liability or responsibility on the Authority to take any act, or refrain from taking any act, in respect of the report or the Establishment.
- 84.8. All expenses of and incidental to the investigation shall be defrayed by the applicants, unless the Court directs that they be paid by the Establishment.

85. ALTERNATIVE REMEDY TO WINDING UP IN CASES OF OPPRESSIVE OR PREJUDICIAL CONDUCT

- 85.1. Any Shareholder of an Establishment who complains that the affairs of the Establishment are being conducted or have been conducted in a manner oppressive or prejudicial to the interests of some part of the Shareholders, including himself, the Shareholder may make an application to the Court by petition for an order under this Article.
- 85.2. If on any such petition the Court is of the opinion:
 - (a) that the Establishment's affairs are being conducted or have been conducted as aforesaid; and

- (b) that to wind-up the Establishment would unfairly prejudice that part of the Shareholders, but otherwise the facts would justify the making of a winding-up order on the ground that it was just and equitable that the Establishment should be wound up, the Court may, with a view to bringing to an end the matters complained of, make such order as it thinks fit, whether for regulating the conduct of the Establishment's affairs in the future, or for the purchase of the shares of any Shareholders of the Establishment by other Shareholders of the Establishment or by the Establishment and, in the case of a purchase by the Establishment, for the reduction accordingly of the Establishment's capital, or otherwise.
- (c) Where an order under this Article makes an alteration in or addition to any Establishment's Memorandum or Articles of Association, then, notwithstanding anything in any other Article of these Registration Regulations, but subject to the provisions of the order, the Establishment concerned shall not have power without the leave of the Court to make further alteration in or addition to the Memorandum or Articles of Association as so altered or added to accordingly.

PART NINE

86. MODES OF WINDING UP

- 86.1. The winding up of an Establishment shall be made in accordance with the Commercial Companies Law as if the Establishment were a limited liability company formed pursuant thereto, with the exception that all rights and responsibilities vested in the competent authority thereunder shall instead be vested in the Authority and all references to the commercial register shall be to the Register maintained by the Authority.
- 86.2. For the avoidance of doubt, however, no Establishment shall be considered a limited liability company with regard to any other provisions of such Commercial Companies law.

PART TEN

87. REGISTRATION OF BRANCH

- 87.1. Subject to the provisions of any relevant Authority's Licensing Regulations and the Overseas Establishment meeting any specified criteria and requirements Prescribed by the Authority in accordance with the Guidelines, an Overseas Establishment wishing to establish a Branch in the Freezone shall apply to the Authority for prior approval.
- 87.2. Subject to any other applicable regulations of the Authority as may be adopted from time to time and to any waiver which the Authority may exercise from time to time, an application for approval to establish a Branch in the Freezone shall:
 - (a) be made to the Authority in such form and manner as the Authority may require from time to time;
 - (b) be accompanied by all the documents and information stipulated in the Authority's Guidelines issued from time to time; and
 - (c) the Authority reserves the right to request any such other documents or information as the Authority may in its absolute discretion require from time to time

88. GRANT OR REFUSAL OF APPLICATION TO REGISTER A BRANCH

- 88.1. The Authority may, upon receipt of an application duly made in accordance with Article 87 and after being provided with (or after having waived the requirement to be provided with) all such information, documents and reports as required under the applicable Regulations, grant or refuse the application.

88.2. Where the Authority refuses to grant an application to establish a Branch it shall give written notice of that fact to the applicant but shall not be bound to provide any reason for its refusal.

89. PROHIBITION OF REGISTRATION OF BRANCH WITH UNDESIRABLE NAME

89.1. No Branch shall be registered with a name which in the opinion of the Authority is undesirable. All Branches must include the Overseas Establishment name as part of their operating name at the Freezone.

90. PRINCIPAL REPRESENTATIVES

90.1. Every Branch shall appoint and maintain a principal representative in the Freezone and shall give notice in writing to the Authority of such particulars of its principal representative as the Authority may determine.

90.2. If any particulars of a principal representative are altered, the Branch shall notify the Authority and give in writing particulars of the alteration.

91. REGISTER OF BRANCH

91.1. The Authority shall keep a register of Branches in such form as it shall determine but which shall show:

- (a) the name of the Branch and, if different, the Establishment or Overseas Establishment or body; and
- (b) the principal place in the Freezone from which the Branch engages in or carries on any trade or business in the Freezone and the address of its registered office outside the Freezone; and
- (c) the date and place of incorporation of its parent Overseas Establishment; and
- (d) a copy of the certificate of registration/incorporation of the parent Overseas Establishment.

92. OVERSEAS ESTABLISHMENT NOT TO CARRY ON BUSINESS WITHOUT A LICENCE

92.1. An Overseas Establishment shall not engage in or carry on or purport to carry on any trade or business activity in the Freezone, except under and in accordance with the Authority's Licensing Regulations and the terms of any Licence issued pursuant to such Authority's Licensing Regulations.

92.2. For the purposes of this Section, "engage in or carry on or purport to carry on any trade or business activity in the Freezone" includes the engaging in or carrying on any trade or business outside the zone from a place of business in the zone.

92.3. A person who contravenes this Article shall be subject to Sanctions.

93. NO RIGHT OF REVIEW

93.1. If the Authority refuses to grant a Licence, or grants a Licence on terms other than those sought by the Branch, the Authority may provide the Branch with a written statement of reasons for the refusal or the terms of the Licence, on request from the Applicant, but the Authority is not obliged to do so.

94. RECORDS TO BE KEPT BY BRANCH

94.1. Every Branch shall keep at the principal place in the zone from which the Overseas Establishment engages in or carries on any trade or business in the zone such Records of its

acts and financial affairs as will show adequately the trade or business it is engaging in or carrying on or has engaged in or carried on in the Freezone.

- 94.2. The Authority shall have the same power to appoint an inspector to investigate the affairs of a Branch and to empower such an inspection and require the cooperation of third parties with such an inspector, and to require the production of documents and Records and the taking of copies thereof.

95. LETTERHEADS AND SERVICE OF PROCESS OF BRANCH

- 95.1. Every Branch shall have the following particulars on all official letters sent from a place of business in the Freezone in connection with its business:

- (a) its full name as appears on the Licence obtained from the Authority to operate in the Freezone; and
- (b) the place of incorporation of its parent company;
- (c) the fact that it is a member of the Freezone in the letterhead or footer; and
- (d) the principal place and address in the Freezone from which the Branch engages in or carries on any trade or business in the Freezone.

- 95.2. For the purposes of these Registration Regulations, any process or notice required to be served on an Overseas Establishment shall be sufficiently served if served on any person named in the list of persons delivered to the Authority or if left at a place of business notified to the Authority.

PART ELEVEN

96. FORM OF REGISTERS

- 96.1. Any book or paper required by these or any other regulations, whether public or private, to be kept and maintained by the Authority or an Establishment or a Branch may be kept by recording the matters in question in bound books, held in electronic form or in any other permanent manner.
- 96.2. The Authority may in the manner Prescribed by it, provide a copy of any entry (and may certify same) in the Register to any person who asks for it on payment of the fee Prescribed by the Authority.
- 96.3. Adequate precautions shall be taken for guarding against falsification and facilitating its discovery and where the book or paper is kept in a form otherwise than legible it shall be capable of being reproduced in a legible form.
- 96.4. Where in these Registration Regulations or such other applicable Regulations provision is made for the inspection or reproduction of any book or paper then it shall be treated as a provision to allow inspection or reproduction in a legible form.

97. AUTHORITY AND OTHER OFFICERS MAY INSPECT BOOKS WITHOUT CHARGE

- 97.1. The Authority and any person acting on its behalf shall be exempt from the payment of any fee or charges for inspecting, or copying the Register or any books or any books or papers of an Establishment or a Branch when lawfully entitled so to do.

98. PRODUCTION AND INSPECTION OF BOOKS WHEN OFFENCE SUSPECTED

- 98.1. Where, on an application to the Authority, it appears to the Authority that a breach under these Registration Regulations may have been committed, and that evidence relating to the commission of such breach may be found in any books or papers of or under the control of the Establishment or the Branch, a direction in writing may be made by the Authority requiring the Manager of the Establishment or Branch or such other officer or person as may

be named in the direction to produce the said books or papers or any of them to a person named in the direction at a place and time so named.

98.2. When a direction has been made under Article 98.1, the person named in the direction to whom the said books or papers are to be produced, shall inspect and may take copies thereof for the purpose of investigating and obtaining evidence of any breach of these Registration Regulations.

98.3. A person to whom books and papers are produced pursuant to Article 98.1 shall on completion of his investigation forward a report of the results thereof to the Authority together with all copies of documents made by him pursuant to Article 94.

99. SUITS AND ACTIONS AGAINST THE AUTHORITY

99.1. No suit or action shall lie against the Authority or any person acting on its behalf in respect of anything done or omitted to be done in its official capacity in good faith without negligence.

100. AUTHORITY TO BE INDEMNIFIED IN RESPECT OF FOREIGN SUITS

100.1. The Authority shall not be required to prosecute, defend or take part in any proceedings outside the jurisdiction of the zone unless it is indemnified by or on behalf of the person who wishes the Authority to act against any judgment, order or costs that may be awarded against him by deed guarantee or deposit, as it may require.

101. APPLICATIONS TO COURT

101.1. The Authority shall, at its absolute discretion, be entitled, at any time, to refer any matter or question that it deems appropriate to a court or arbitral body of its choice.

101.2. Any application to such a court or arbitral body under these Regulations shall be made in the manner Prescribed by the relevant court or arbitral body (as the case may be).

101.3. Without prejudice to Article 101.1, an application may in the first place be heard when the relevant court may direct that the proceedings shall be served on such persons, if any, as it shall think fit and that the application shall be supported by such evidence as the court shall require.

102. POWER TO ENFORCE

102.1. Orders made by any court or arbitral body under these Registration Regulations may be enforced as orders made in an action pending therein.

103. RULES, STANDARDS AND POLICIES

103.1. Without prejudice to the specific powers in certain Articles of these Registration Regulations to Prescribe matters or issue decisions or rules, standards and policies and notwithstanding the absence of such powers in certain other Articles of these Registration Regulations, the Authority may make rules, guidelines, manuals and policies from time to time to Prescribe any matter to be Prescribed under these Registration Regulations or for the better carrying out of these Registration Regulations including by amending or supplementing these Registration Regulations and in particular the Authority may make rules, guidelines, manuals and policies from time to time to fix or amend fees and Sanctions for any function or offence performed under these Registration Regulations.

103.2. This Registration Regulation and any rules, policies, guidelines and manuals may be amended at any time by the Authority.

104. FEES

- 104.1. There shall be paid to the Authority by an Establishment the fees referred to in the General Rules and Regulations, these Registration Regulations, or any other regulations, policies, guidelines or manuals issued by the Authority from time to time.
- 104.2. The Authority may amend the value of the fees from time to time.
- 104.3. The Authority may by order require the payment to the Authority of such fees as may be Prescribed in respect of the performance by the Authority of such functions under these Registration Regulations as may be specified in the order, including the receipt by the Authority of any document under these Registration Regulations which is required to be delivered to the Authority.
- 104.4. Where a fee is provided for or charged under any of the Authority's regulations, policies, guidelines or manuals for the performance of an act or duty by the Authority, no action need be taken by the Authority until the fee is paid, and where the fee is payable on the receipt by the Authority of a document required to be delivered to the Authority, the Authority shall be deemed not to have received it until the fee is paid.

105. ENFORCEMENT OF ESTABLISHMENT'S DUTY TO MAKE RETURNS

- 105.1. If an Establishment, having failed to comply with a provision of these Registration Regulations which requires it to deliver to the Authority any document, or to give notice of any matter, does not make good the failure within fourteen (14) days after the service of a notice on the Establishment requiring it to do so, the Authority may make an order directing the Establishment and any officer of it to make good the failure within a time specified in the order.
- 105.2. Nothing in this Article prejudices the operation of any Article in these Registration Regulations imposing penalties on an Establishment or a Branch or its officers in respect of a failure mentioned above.

106. AUTHORITY MAY STRIKE DEFUNCT ESTABLISHMENT OR BRANCH OFF REGISTER

- 106.1. If the Authority has reason to believe that an Establishment or Branch is not carrying on business or is not in operation, the Authority may send to the Establishment a letter inquiring whether the Establishment is carrying on business or in operation.
- 106.2. If the Authority receives an answer to the effect that the Establishment is not carrying on business or is not in operation, or does not within one month after sending the letter receive an answer, send to the Establishment, a notice that at the end of three months from the date of that notice the name of the Establishment, unless reason is shown to the contrary, be struck off the Register.
- 106.3. If, where an Establishment is being wound up in a creditors' winding up, the Authority has reason to believe either that no liquidator is acting, or that the affairs of the Establishment are fully wound up, and the returns required to be made by the liquidator have not been made for a period of six (6) consecutive months, the Authority shall send to the Establishment or the liquidator (if any) a notice similar to that provided for in Article 106.2.
- 106.4. At the end of the period mentioned in the notice the Authority may, unless reason to the contrary is previously shown by the Establishment or a Shareholder, creditor or liquidator of it, strike its name off the Register; and on the striking off the Establishment is dissolved; but the liability (if any) of every Director and Shareholder of the Establishment continues and may be enforced as if the Establishment had not been dissolved by a competent court.

107. AUTHORITY MAY STRIKE ESTABLISHMENT OR BRANCH OFF REGISTER

- 107.1. Where it appears to the Authority that:
 - (a) an Establishment or Branch is acting in breach of restrictions on activities; or
 - (b) it is necessary to protect the good repute of the Freezone as a city for business activities that an Establishment should be struck off the Register,
 the Authority may send to the Establishment a letter setting out the reasons for that belief

and requesting the Establishment or the Branch to show reason why it should not be struck off.

- 107.2.If within one month after sending the letter the Authority does not receive an answer, the Authority may send to the Establishment or the Branch, a notice that at the end of the three months from the date of the notice the Establishment will unless reason is shown to the contrary be struck off the Register and the Establishment will be dissolved.
- 107.3.At the end of the period mentioned in the notice the Authority may, unless reason to the contrary is previously shown by the Establishment or a Shareholder, creditor or liquidator of it, strike its name off the Register, and on the striking off the Establishment is dissolved, but the liability (if any) of every Director and Shareholder of the Establishment continues and may be enforced as if the Establishment had not been dissolved.
- 107.4.Where an Establishment has been dissolved under Articles 106 or 107, the Authority may, on an application made for the purpose by a liquidator of the Establishment or by any other person appearing to the Authority to be interested, make an order, on such terms as the Authority thinks fit, declaring the dissolution to be void and the Authority may by the order give such directions and make such provisions as seem just for placing the Establishment and all other persons in the same position as if the Establishment had not been dissolved. Thereupon such proceedings may be taken which might have been taken if the Establishment had not been dissolved by competent court.

108. MISCELLANEOUS

- 108.1.Any fee or sanction incurred in these Registration Regulations shall be determined and levied by the Authority and paid to the Authority in accordance with the applicable rules, guidelines, manuals and policies issued by the Authority from time to time.
- 108.2.Any fee payable under these Registration Regulations that remains unpaid for thirty (30) days immediately following the date on which demand for payment is made by the Authority is recoverable at the request of the Authority before the Court in civil proceedings as a debt due to the Authority notwithstanding the amount sought to be recovered.
- 108.3.The Authority may Prescribe forms to be used for any of the purposes of these Registration Regulations and the manner in which any document to be delivered to the Authority is to be authenticated.
- 108.4.Unless otherwise provided by or under these Registration Regulations, any document delivered to the Authority by an Establishment under these Registration Regulations shall be signed by the authorized signatory of the Establishment or Branch.
- 108.5.In case of wrongdoing or any default by the Establishment's Shareholders, Directors, officers, liquidator in compliance with these Registration Regulations or any other terms and conditions issued by the Authority the other aggrieved parties have the right to apply to the Court or an appropriate body to order an investigation.
- 108.6.In the case of any default by the Establishment or its Shareholders, Directors, officers or liquidator in compliance with these Registration Regulations or any Rules, Standards or Policies or the terms and conditions of the Establishment's license, Lease Agreement or any other terms and conditions issued by the Authority, the Authority may, in addition to all other rights and privileges hereunder, impose Sanctions on the Establishment.
- 108.7.Each Establishment shall be required to comply with all rules, standards and policies issued by the Authority from time to time and with the terms of the Licence, Lease Agreement issued or to be issued by the Authority in relation to the Establishment or Branch in question.
- 108.8.The penal responsibility for the violations committed by an Establishment and stipulated in these Registration Regulations or any other regulation issued by the Authority shall be directed to whoever legally represents the Establishment.
- 108.9.The Authority may make rules, policies and guidelines from time to time for carrying out the purposes of these Registration Regulations.



- 108.10. The Authority also reserves the right to relax or waive, either in whole or in part and either unconditionally or subject to such conditions as it deems appropriate, any or all of a fee or Sanction, any or all of the requirements specified in these Registration Regulations or any other rule, policy, guideline or manual if it considers it appropriate to do so.