

Federal Decree No. (73) of 2005
Concerning the Law on the Uniform Industrial System of the
Cooperation Council of the Arab States of the Gulf

We, Khalifa Bin Zayed Al Nahyan, President of the United Arab Emirates,

After perusal of Federal Law No. (1) of 1972 concerning the competences of ministries and the powers of ministers and its amending laws; and

Acting upon the submissions of the Ministry of Finance and Industry as approved by the Council of Ministers and ratified by the Federal Supreme Council,

Have decreed the following:

Article One

The Law on the Uniform Industrial System of the Cooperation Council of the Arab States of the Gulf, the text of which is attached hereto, is hereby ratified.

Article Two

The Minister of Finance and Industry shall implement this decree that shall be published in the official gazette.

Khalifa Bin Zayed Al Nahyan
President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi

On 12 Jumada AL-Akhira 1426 A.H.

Corresponding to 18 July 2005 A.D.

Law on the Uniform Industrial System of the Cooperation
Council of the Arab States of the Gulf

Chapter One

Definitions

Article one

For the purposes of this law, the following words and expressions shall have the meanings respectively assigned to them unless the context requires another meaning:

1. Minister:

The Minister of Industry or the Competent Minister.

2. Ministry:

The Ministry of industry, or the competent Ministry or authority for industry.

3. Department

The Competent Department for industry of the Ministry.

4. Committee:

The committee(s) formed in accordance with Article 4.

5. Industrial Project (Industrial Enterprise):

Any enterprise the main objective of which is to transform raw materials into fully-manufactured or semi-manufactured products, or semi-manufactured products into fully-manufactured products including the operations of mixing, separation, formation, assembly, packing and wrapping provided that all or most of such operations are carried out with an automatic power. The expression also includes the informational, environmental and other industries to be determined by the executive regulations.

6. Industrial Register:

A register wherein existing industrial enterprises are entered.

7. Industrial Project Expansion:

Increasing the size of one or more production elements for the purpose of raising the existing productivity or introducing production lines for other commodities.

8. Industrial Project Development

Making improvements, changes or additions to one or more production elements with the aim of increasing the production, reducing its cost of improving its quality.

9. Industrial Product:

The fully manufactured or semi-manufactured material(s) produced by the industrial project.

10. Industrial Project Owner

Any natural or artificial person having the right to handle the industrial project affairs. Where managing the industrial project or handling its affairs are entrusted to a manager, managing director or proxy holder, this manager, managing director or proxy holder shall be regarded as the project owner for the purpose of this law.

Chapter Two Scope

of Application

Article Two

The provisions of this law shall apply to any industrial project except:

1. The projects to be determined by the executive regulations hereof.
2. The projects governed by special treaties, agreements or laws, or the projects performed by the state or any of its firms without the participation of the private sector if it so determines, provided that the exception of such

projects are stipulated in the laws or agreements relative to their establishment.

Chapter Three
General Principles and Objectives for Application
Article Three

The following principles and objectives shall be observed for the application of this law:

1. The private sector participation to increase the national income, expand the base of economic engagement in the Council states and strengthen the activities of this Council.
2. The policy of the Council states for industrialization, the requirements of economic plans and the programs of economic development.
3. Cooperation, integration and coordination among the countries of the Cooperation Council of the Arab States of the Gulf.
4. The countries' economic needs and the potentials of domestic consumption and export.
5. The availability and utilization of the inputs reliable for industrialization in the Council states.
6. The procurement of appropriate advanced technologies and localizing them in the countries.
7. The employment and training of the national labor.
8. The protection of security, public health and environmental from pollution.
9. The general order, customs and traditions observed in the Council states.

10. Compliance with the regulations, standards and mechanisms adopted by the World Trade Agreement with respect to trade exchange and increase of export volumes.

Chapter Four

Technical Committee for Industrial Affairs

Article Four

By decision of the Minister or the competent authority a technical committee (or committees) shall be formed for the regulation, development and promotion of industry. Such committee(s) shall include representatives of industry-concerned authorities.

The committee shall be competent to express its opinion to the Minister or his authorized representative on all matters relative to industry. The committee may seek the assistance of any experts or technicians it selects.

The executive regulations hereof shall indicate the functions, attributions, the method of formation and the procedures of work of this committee.

Chapter Five

Industrial Licenses

Article Five

No industrial project may be established, expanded, developed, or changed with respect to production, or merged into another industrial project, or divided into more than one project, or changed in terms of location, or disposed of partially or entirely without the permission of the Minister or his authorized representative.

Article Six

The application for the License shall be submitted to the Department on the relevantly designed forms. The Department may request an economic feasibility study on the project as indicated in the executive regulations and regulatory decisions.

Article Seven

The Department shall consider the technical and economic aspects of the application which shall be determined not later than thirty days from the date of submission. Any rejection shall be under a decision citing the reasons for rejection. In the event that the application is rejected or the period expires, the applicant shall be entitled to complain to the Minister within sixty days from the date of being served a written notice of rejection or the expired period.

Article Eight

The industrial License shall be issued according to the unified form to the determined by the executive regulations. The License granted to the applicant shall state the conditions under which it has been granted, particularly, the following:

1. The period of time within which the industrial project owner shall perform the work on the project and which shall not exceed one year except if there are reasons acceptable to competent authorities.
2. The condition that the industrial project must adhere to the standards and specifications determined by any respective laws, regulations and decisions.
3. Abidance by the conditions laid down for the protection of public health and environmental safety from pollution and disturbance.

Article Nine

The Minister or his authorized representative may, after considering any reasonable grounds given by the licensee, cancel the license if the project is not executed within the specified period, or if the project is discontinued before completion, or if it is proved that the license was obtained on the basis of incorrect details.

Article Ten

The licensee may complain to the Minister at the cancellation decision within thirty days from the date of being notified of cancellation.

Chapter Six
Industrial Register
Article Eleven

The Department shall form an industrial register wherein all licensed projects executed and operated shall be entered. The executive regulations hereof shall determine the conditions and procedures of this register.

The owner of the industrial project that has been registered shall be given a certificate of registration in the industrial register. The executive regulations hereof shall determine the details and procedures of this certificate. The certificate of registration in the industrial register shall be renewed periodically as required by this law.

Article Twelve

The certificate of registration in the industrial register must be produced in case of dealing with the Departments and institutions of the state in connection with any aspects of the project.

Article Thirteen

The industrial project owner, his heirs or the person handing the project shall be entitled an extract of his project details entered in the industrial register pursuant to the conditions set forth in the executive regulations hereof.

Article Fourteen

The information and details of the projects entered in the industrial register shall be declared in accordance with the conditions determined by the executive regulations hereof.

Any amendment to the details entered in the industrial register shall be declared in the same way.

Article Fifteen

The industrial register is a confidential archive the contents of which may not be accessed except by the competent personnel of the Department or judicial bodies. The details and information entered in the industrial register may not be exchanged or used either except under the conditions prescribed herein.

Chapter Seven

Promotion and Development of Industrial Projects

Article Sixteen

Priority for privileges and exemptions shall be given to the following industrial projects:

1. The projects that produce domestic consumption commodities that replace or compete foreign commodities.
2. The projects that produce commodities for exportation.
3. The industries based on exploiting and developing the natural resources available in the Council states.
4. The projects created in areas designated by the state for development.
5. The projects of special economic importance or those included in this capacity in the state plan.
6. The industries that contribute to achieving an economic integration for the Gulf through joint investments in industrial projects.
7. The projects working for the environmental protection.
8. The project leading to the development and localization of technologies.

Article Seventeen

The Minister or his authorized representative may take any appropriate measures to grant the industrial project all or some of the following exemptions:

1. Total or partial exemption from customs duties on the project imports in accordance with the regulations of “the exemption of industrial inputs” as agreed upon within the frame of the cooperation Council.
2. Total or partial exemption from all taxes including the income tax in accordance with the respective laws of the states.
3. Exemption of the industrial project exports from exportation taxes and duties.
4. Any other exemptions to be agreed upon within the frame of the cooperation Council.

Article Eighteen

The Minister, his authorized representative or the competent authorities of the state may grant the industrial project all or some of the following privileges:

1. The allocation of a suitable parcel of land.
2. The lease of the industrial buildings necessary for the industrial project within the industrial areas established by the state on incentive conditions.
3. The provision of electricity, water, fuel, energy and the other utilities necessary for the industrial project on incentive prices.
4. Any other privileges to be agreed upon within the frame of the cooperation Council.

Article Nineteen

The Ministry may by decision of the Minister participate in preparing the technical and economic studies conducted by the industrial project owner if the project is important for the national economy.

Article Twenty

The industrial project exports sent outside the cooperation Council of the Arab States of the Gulf may be granted promotional incentives in accordance with applicable laws and regulations.

Article Twenty-One

The industrial project owner may within the available capabilities of the Ministry obtain any published statistical information or data. He may also obtain a statement of the privileges, exemptions and facilities granted to industrial projects, and any new technological information that facilitates the possibility of selecting and exploiting technologies with high competency and efficiency.

Chapter Eight

Duties of Industrial Project Owners

Article Twenty-Two

The owner whose industrial project enjoys the privileges and exemptions provide for in Chapter Seven hereof shall:

1. not misuse the privileges granted.
2. start and continue the works for which the privileges have been granted on the conditions determined.
3. take all necessary steps for meeting the demand for the protected industrial products.
4. not sell, assign, license or transfer the privileges granted to any other person without the prior written approval of the Ministry.
5. abide by the other undertakings and obligations imposed by any applicable laws or regulations, such as indicting

the product formula, production date, expiry date, enterprise name, country of manufacture on the external cover of the product as per the nature of commodities.

6. Provide the Ministry with full and correct details on the project in case of the product enjoying the privileges granted.

Article Twenty-Three

Every industrial project owner shall:

1. Keep regular accounts of the industrial project according to applicable accounting principles and legal rules, and submit to the Ministry a balance sheet approved by a chartered accountant and final accounts for every fiscal year.
2. Allow the personnel of the Ministry licensed in writing to enter his industrial project, examine his registers, documents and accounts, and monitor the production operations and any other activities of the project during the official working hours.
3. Notify the Ministry before totally or partially selling, pledging, renting or assigning the project in any manner. The executive regulations hereof shall indicate the necessary procedures in this respect.
4. Notify the Department if the enterprise stops operating totally or partially within thirty days from the date the activity stops and indicate the reasons for this stoppage.
5. Use the machines, systems, spare parts and raw materials exempted from customs in the licensed factory for the purposes of exemption, and keep a register of such materials.
6. Not lease or dispose in any way of the land or building allocated by the state for the project to others without the

permission of the competent government authorities,
provided that the Department is notified in this respect.

7. Submit the information stipulated in the executive delegations hereof to the Ministry on a yearly basis using the forms prepared for such purpose.
8. Employ the national labor and limit the employment of foreign labor except in case of necessity and in accordance with applicable regulations and laws.
9. Protect the environmental safety from pollution.
10. Act for assimilating, localizing and developing the production technologies on his project, train the national labor in his enterprise, and cooperate with the state pursuant to the regulations and plans framed for vocational training.
11. Ensure the conformity of his products with the approved standards and specifications.
12. Comply with the laws, rules and regulations of safety, industrial security and public health.

Article Twenty-Four

The owner of the industrial project producing a primary material shall notify the Ministry before liquidating or dissolving his enterprise, and before stopping or reducing his production. In this case, the Ministry may take the necessary measures for the production to continue.

Chapter Nine

Control and Penalties

Article Twenty-Five

The Department shall assume the responsibility for controlling the industrial projects.

Article Twenty-Six

The personnel appointed by the decision of the Minister or his authorized representative shall be entitled to enter the premises, offices and branches of the industrial projects at normal working hours, examine their books and documents, take samples of their products for inspection and record any violation of the provisions hereof.

Article Twenty-Seven

Personnel of the Department licensed under the provisions hereof shall examine any books or documents of the industrial projects and keep the confidentiality of this information and not disclose it to any external body unless it is competent. In case of violation, disciplinary penalties shall be inflicted in accordance with the laws of each state.

Article Twenty-Eight

The Minister or his authorized representative may order that administrative penalties be inflicted on the industrial projects violating the provisions of this law in accordance with its executive regulations including the closure of the industrial project.

Article Twenty-Nine

The Minister or his authorized representative may withdraw all or some of the privileges, exemptions or promotional incentives granted to the industrial project in the following cases:

1. If the industrial project owner has obtained such privileges, exemptions or promotional incentives as a result of giving false or misleading information or using illicit means.
2. If the industrial project suspends its production for six months, reduces its production or changes its productivity without reasons approved by the Department.
3. If the industrial project owner fails to register his project in the industrial register or notify the competent

Department of any change to the details entered in such register.

The industrial project owner may appeal to the Minister against the decision within thirty days from the date of being notified thereof.

Article Thirty

The administrative remedy provided for herein shall not relieve the industrial project owners of judicial impeachment in accordance with applicable laws and regulations.

Article Thirty-One

As regards any matter not specifically provided for, the interested party may appeal against any express or implicit decisions within thirty days for the date they are published, announced or notified to him. The appeal shall be submitted to the authority that has issued the decision, and shall be determined within sixty days from the date of submission.

Article Thirty-Two

The industrial project owner shall have the right to appeal before the court/authority competent to consider administrative appeals.

Article Thirty-Three

The Industrial Cooperation Committee of the Cooperation Council of the Arab States of the Gulf shall have the right to interpret and propose any amendments to this law and issue amend and interpret the executive regulations thereof.