

**Federal Law No. (25) of 2006 amending certain provisions of
Federal Law No (4) of 2000 Concerning
The Emirates Securities & Commodities
Authority and Market**

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

Having perused:

The Constitution; and

Federal Law No. 1 of 1972 concerning the Competences of the Ministries and the Powers of the Ministers, as amended; and

Federal Law No. 7 of 1976 establishing the State Audit Dewan, as amended; and

Federal Law No. 10 of 1980 concerning the Central Bank, the Monetary System and the Regulation of the Banking Profession, as amended; and

Federal Law No. 8 of 1984 concerning Commercial Companies, as amended; and

The Civil Transactions Law promulgated by Federal Law No. 5 of 1985, as amended; and

Federal Law No. 6 of 1985 concerning Banks, Financial Institutions, and Islamic Investment Companies; and

The Penal Code promulgated by Federal Law No. 3 of 1987, as amended; and

The Law of Evidence in Civil and Commercial Transactions promulgated by Federal Law No. 10 of 1992; and

The Civil Procedure Law promulgated by Federal Law No. 11 of 1992, as amended; and

The Commercial Transactions Law promulgated by Federal Law No. 18 of 1993; and

Federal Law No. 4 of 2000 concerning the Emirates security & commodity market authority and; and

Based on the presentation made by the Minister of Economy & Commerce, the approval of the Council of Ministers and the ratification of the Supreme Federal Council,

Have promulgated the following law:

Article One

The texts of Articles (6), (8), (9), (11), (14), (20), (21) of the said Federal Law No (4) of 2000 shall be replaced as follows:

Article 6

The Authority shall be managed by a board of directors formed by the resolution of the Council of Ministers and having the Minister as Chairman the following individuals as members:

1. Five experienced and competent members to be nominated by the Minister,
2. The Authority's chief executive officer,

In its first meeting, the Board shall elect Deputy-Chairman from amongst its members to replace the Chairman in his absence or if he is unable to assume his functions. The board shall also appoint a

rapporteur to record the minutes of its meetings and undertake the secretariat functions, without having a vote.

Article 8

The membership term shall be four years, renewable once only, with the exception of the office of the Authority's Chief Executive Officer excluded. If the office of any of the members becomes vacant for any reason before the end of his term, a successor shall be appointed for the remaining term of the Board.

Article 9

Immediately after assuming his duties, every member of the Board shall make a written declaration to the Authority as to the securities he, his wife and minor children may own, and undertake in writing to disclose any change to such securities within one week at the most from the date he becomes aware of the change.

Article 11

The Board shall meet four times a year and whenever necessary at the invitation of its Chairman or his deputy in his absence.

A written invitation shall be sent to the members well ahead of the session's date including the agenda.

Board meetings shall be deemed valid if attended by the majority of its members, including the Chairman or his deputy. In case of equal votes, the Chairman shall have a casting vote.

Article 14

The Authority shall have an administrative organ to be organized by the Chairman's decision and shall be headed by a full-time Chief Executive Officer holding the grade of an undersecretary, and a deputy executive president holding the grade of an assistant

undersecretary, both to be appointed by a federal decree as proposed by the Board.

Article 20

1. Markets for trading in securities and commodities shall be established in the UAE. Each Market shall take the form of a local public corporation or a public joint stock company licensed by the Authority. Reciprocal electronic link among such markets at the state level shall be required.
2. If a market takes the form of a local public corporation, it shall be managed by a board of directors to be formed by the decision of the local competent authority, provided that none of its members is a member of the board of directors of a public joint stock company or a financial broker. The market board members shall be subject to the provisions of Article 10 of this law.

Article 21

Immediately after assuming their duties, the Market Board chairman, members, the general manager and his deputy shall make a written declaration to the Authority as to the securities they, their wives and minor children may own and the holdings they, their wives and minor children may have with any broker, and undertake in writing to disclose any change to such securities or holdings within one week at most from the date they become aware of the change.

Article Two

Any provision contrary to or incompatible with the provisions of this law shall be revoked.

Article Three

This law shall be published in the Official Gazette and be enforced from the date of publication.

Khalifa Bin Zayed Al Nahyan
President of the United Arab Emirates

Issued by us at the Presidential Palace, Abu Dhabi
On 19 Rajab 1427 A.H.

Corresponding to 13/08/2006 AD