

Ministerial Decision No. 138/2024 On the Controls and Procedures for Registering Branches and Representative Offices of Foreign Companies

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Abrogating

Ministerial Decision No. 377/2010 dated 07/09/2010

The Minister of Economy,

After perusal of Federal Law No. 1/1972 On the Competencies of the Ministries and Powers of the Ministers, and its amendments;

Federal Law No. 3/2022 On the Regulation of Commercial Agencies;

Federal Decree-Law No. 32/2021 On Commercial Companies;

Federal Decree-Law No. 37/2021 On the Commercial Register;

Federal Decree-Law No. 42/2022 On the Promulgation of the Civil Procedure Law;

Federal Decree-Law No. 41/2023 On the Regulation of the Accounting and Auditing Profession;

Cabinet Decision No. 102/2022 On the Issuance of the Regulation of the Administrative Penalties for Acts Committed in Violation of the Provisions of Federal Decree-Law No. 32/2021 On Commercial Companies; and

Ministerial Decision No. 377/2010 On the Manual of Licence Procedures for Branches and Offices of Firms Incorporated Abroad and Free Zones in the UAE; and

Based on the proposal of the Undersecretary of the Ministry,

Hereby decides as follows:

Article 1 - Definitions

In application of the provisions of this Decision, the following terms and expressions shall have the meanings assigned against each, unless the context requires otherwise:

State: The United Arab Emirates.

Ministry: The Ministry of Economy.

Minister: The Minister of Economy.

Central Bank: The Central Bank of the United Arab Emirates.

Competent Authority: The local authority in charge of the corporate affairs in the concerned Emirate.

Foreign Company: The company incorporated outside the State.

Register: The register of the Branches and representative offices of Foreign Companies at the Ministry.

Electronic Services Platform: An electronic platform on the Ministry's website, including the Register, through which applications for registration, renewal of registration, amendment of registration, suspension of registration, deletion of registration or re-registration of the Branch or Office in the State are filed.

Branch: The Branch of the Foreign Company that carries out its activities in the State.

Office: The office representing the Foreign Company in the State, particularly the representative office, the regional liaison office, the management office and the banking representative office.

Decree-Law: Federal Decree-Law No. 32/2021 On Commercial Companies.

Article 2 - General Provisions

1. The Register shall be established at the Ministry and shall have competence over the following regarding the Branches and Offices:
 - a- Registration.
 - b- Renewal of Registration
 - c- Amendment of Registration.
 - d- Annotation with the update of any data on the status of registration.
 - e- Suspension of registration.
 - f- Re-registration.
 - g- Deletion of registration.
 - h- Inquiry about the status of registration.
2. A Foreign Company wishing to practise its activities in the State shall obtain a licence from the Competent Authority, after the Ministry's approval, and the Branch or Office shall be entered in the Register.
3. The Foreign Company shall license and register each additional Branch or Office in the State.
4. The name of the Branch or Office in the State shall match the name of the Foreign Company.

5. The Foreign Company shall file applications for registration, renewal of registration, amendment of registration, suspension of registration, deletion of registration or re-registration of the Branch or Office in the State, through the Electronic Services Platform. The registration of the Branch or Office in the Register shall be valid, except for applications for renewal of registration. If the required documents are drafted in a foreign language, the Foreign Company shall have the documents translated into Arabic by a certified translator in the State.
6. The documents required for the services set out in Clause No. (5) of this Article shall be certified and authenticated by the competent authority outside the State. The Ministry may make an exception by accepting temporary registration applications, if the required documents are not certified and authenticated by the relevant authorities, whereby a temporary period not exceeding (3) three months shall be granted to complete the certified and authenticated documents, otherwise the application shall be considered cancelled and the registration deleted.
7. The Foreign Company shall obtain prior approval from the other relevant authorities in the State, in case the activity is subject to the jurisdiction of those authorities.
8. In case the Foreign Company obtains more than one licence in a single location, the following conditions shall be met:
 - a- If the activities in the licences are not different, all activities shall be included in the certificate of Branch registration at the Ministry, along with the payment of the fees prescribed at the Ministry for amending each licence separately.
 - b- If the activities in the licences are different, a registration certificate shall be issued for each licence separately, along with the payment of the fees prescribed at the Ministry accordingly.
9. In case the Foreign Company obtains a permit from the Competent Authority to open a Branch or an Office annex for the Foreign Company entered in the Register, without the Foreign Company obtaining a licence from the Competent Authority, the Foreign Company shall take into account the following:
 - a- If the Branch or Office annex is located in the same building as the headquarters of the Foreign Company entered in the Register, the Foreign Company shall file an application to amend registration with the Ministry and pay the prescribed fees.
 - b- If the Branch or Office annex is located in a building other than that of the headquarters of the Foreign Company entered in the Register, the Foreign Company shall file an application to register an additional Branch or Office with the Ministry and pay the prescribed fees.
10. In case the registration of the Branch or Office of the Foreign Company is not renewed for two consecutive years calculated from the date of termination of registration, the registration of the Branch or Office shall be administratively deleted.
11. In case the Ministry or the Competent Authority - as the case may be - finds that the Branch or Office has violated the provisions of the Decree-Law and the provisions of this Decision, the Ministry may, after coordination with the Competent Authority, administratively delete the registration of the Branch or Office, subject to the fulfilment of the following:
 - a- A written warning shall be issued to the Branch or Office, including the nature of the violation, the value of the administrative penalty and the time limit for rectifying the violation, which shall not exceed (3) three months from the date of the warning.
 - b- If the Branch or Office rectifies the violation within the time limit stated in Paragraph (a) of Clause (12) of this Article, the Ministry or the Competent Authority - as the case may be - shall notify the Branch or Office of the elimination of the violation.
 - c- If the Branch or Office fails to rectify the violation within the time limit stated in Paragraph (a) of Clause (12) of this Article, the Ministry may, after coordination with the Competent Authority, notify the Branch or Office of the decision to delete the registration administratively on account of the violation.
 - d- The Foreign Company that is issued a decision of administrative deletion in respect of its Branch or Office may file with the Ministry an application for re-registration in the Register after one year from the date of notification of the decision of administrative deletion.

Article 3 - Entry in the Register

When applying for registration of a Branch or Office in the State, the Foreign Company shall obtain the initial approval of the Ministry and a licence from the Competent Authority and entry in the Register, as follows:

First - Initial approval of the Ministry

The Foreign Company shall file an application to obtain a certificate of initial approval from the Ministry to register the Branch or Office.

The certificate shall be valid for a period of (8) eight months, and the following documents shall be attached to the application:

1. A certificate of trade name reservation, and the initial approval of the Competent Authority indicating the activity of the Branch or Office.
2. An official certified and authenticated certificate issued by the competent authority to the Foreign Company outside the State, including the following data:

- a- The name of the Foreign Company, its legal form and the names of the partners or shareholders - as the case may be.
- b- The capital of the Foreign Company, the date of its establishment and its activity.
3. The decision of the Foreign Company approving the registration of the Branch or Office in the State. Such decision shall include the delegation of the representative of the Foreign Company in the State.
4. The name and data of the legal representative.
5. Any other documents as requested by the Ministry.

Second - Obtaining a licence from the Competent Authority

Subject to the period set out in the above clause of this Article, the Foreign Company shall obtain a licence for the Branch or Office in the State pursuant to the procedures in force at the Competent Authority.

Third - Registration documents

The Foreign Company shall file an application with the Ministry to obtain a certificate of registration of the Branch or Office in the Register within a period of one month, calculated from the date of issuance of the licence by the Competent Authority, and shall pay the registration fees prescribed at the Ministry. The certificate shall be valid for a period of one year, and the following documents shall be attached to the application:

1. A copy of a valid licence for the Branch or Office issued by the Competent Authority.
2. A copy of the delegation issued to the manager in-charge by the Foreign Company, provided that it is certified and authenticated by the competent authority outside the State.
3. Any other documents as requested by the Ministry.

Article 4 - Renewal of Registration

The Branch or Office shall renew its registration at the Ministry within one month before the expiration of the registration certificate. The following documents shall be attached to the application for renewal of registration:

1. The Branch or Office licence issued by the Competent Authority.
2. An updated official certificate issued by the competent authority outside the State, including the name, the activity and the legal form licensed for the Foreign Company, with the exception of branches of banks, financial institutions, insurance companies and related professions.
3. A final account for the last fiscal year audited by an accredited auditor from the Roll of Auditors in the State.
4. In the case of Branches subject to the jurisdiction of the Central Bank, a valid licence for the Branch issued by the Central Bank shall be submitted.

Article 5 - Amendment of Registration Data in the Register

In the event that the Foreign Company amends the registration data of its Branch or Office in the State, it shall file an amendment application with the Ministry within a period of one month calculated from the date of implementation of the amendment decision, as follows:

First - Type of amendment

1. Name of the Foreign Company.
2. Activity of the Foreign Company, Branch or Office.
3. Suspension of registration.
4. Re-registration.

Second - Required documents according to the type of amendment

1. In the event of amending the name of the Foreign Company, a valid certificate of trade name reservation for the Branch or Office issued by the Competent Authority shall be submitted.
2. An official certificate issued by the Competent Authority in the State, where the headquarters of the Foreign Company are located.
3. Prior approval from the relevant authorities in the State, in case the activity is subject to the jurisdiction of those authorities.
4. A lease contract for the Branch or Office. The Ministry shall consider exempting the Branch or Office from filing an application for amendment in the event that the name of the property owner changes, where the address is modified.
5. An extract of the Commercial Register, the Memorandum of Association or the Articles of Association of the Foreign Company, as the case may be, if the nature of the amendment so requires.
6. A delegation of powers to the new manager issued by the Foreign Company.
7. A copy of the valid ID or passport of the manager or the regional manager of the Branch or Office.

8. Where the nature of the amendment relates to the name of the Foreign Company, the Foreign Company shall publish the amendment decision in two local daily newspapers, at least one of which should be published in Arabic in the State, using the form approved by the Ministry, provided that the notice period in both newspapers is not less than one week, calculated from the date of publication. This shall exclude the Foreign Company that publishes the notice in accordance with the requirements of the Central Bank or the Competent Authority.
9. Where any amendment is made to its data, the Foreign Company shall file a single amendment application in respect of such data, even if it has multiple Branches or Offices in the State.
10. Where there are acts of transfer of ownership in the capital of the Foreign Company, such data shall be updated at the Ministry.
11. Where multiple amendments are made to the data of the Branch or Office of the Foreign Company in the Register within a period not exceeding one month, calculated from the date of implementation of the first amendment decision, the Foreign Company shall merely file a single amendment application that shall include all of those required amendments. The late payment penalty shall be calculated from the date of implementation of the first amendment decision.

Article 6 - Suspension of Registration

A Foreign Company may file an application in the Register to suspend the registration of all or some of its Branches or Offices in the State. The period of suspension of the Branch or Office may not be less than one year and not more than three consecutive years, subject to the following:

1. The Ministry shall be provided with the decision of the Foreign Company or by virtue of a delegation of the authorised person that includes the grounds for and period of suspension of registration.
2. There shall be no workforce in the Branch or Office of the Foreign Company based on the records of the relevant authorities in the State.
3. The licence shall be suspended at the Competent Authority based on the Ministry's non-objection to the suspension of registration.

Article 7 - Deletion of Registration

The Foreign Company shall, in the event that a decision is issued to suspend its activity in the State, file an application to delete its registration in the Register, subject to the fulfilment of the following:

1. The Ministry shall be provided with the decision of the Foreign Company or by virtue of a delegation of the authorised person in this regard.
2. The decision to delete the Foreign Company's registration shall be published in two local daily newspapers, at least one of which should be published in Arabic. The notice shall include an invitation to creditors and stakeholders to submit their objections to the Ministry, within a period not exceeding one month from the date of publication of the notice. The maturity dates of all debts owed by the Foreign Company shall lapse upon notice. This shall exclude the Foreign Company that publishes such notice in accordance with the requirements of the Central Bank or the Competent Authority.
3. The Foreign Company shall complete the procedures for publishing the notice of deletion of registration during the period of validity of its registration at the Ministry, otherwise the Foreign Company shall pay the fees prescribed for renewal of registration and the delay fines in the event that the notice is published after expiration of its registration.
4. If the Foreign Company wishes, after following the procedures for deleting registration, to reverse the decision to delete the registration of the Branch or Office, a decision shall be issued by the Foreign Company or by virtue of a delegation to the authorised person and the following conditions shall be met:
 - a- In case of non-revocation of the licence with the Competent Authority:
 - An application for renewal of the registration of the Branch or Office shall be filed.
 - The fees and fines (if any) shall be paid.
 - A certificate of renewal of registration in the Register for the previous period shall be issued.
 - b- In case of revocation of the licence with the Competent Authority:
 - A new registration application shall be filed, to which shall be attached all required documents, provided that those documents are recently issued and that they are certified and authenticated in accordance with the provisions of this Decision. The Foreign Company shall be entered in the Register under a new registration number.

Article 8 - Re-registration

Any Foreign Company whose registration has been administratively deleted may file an application for re-registration, subject to the following:

1. Submission of all required documents upon registration, provided that those documents are recently issued.

2. Statement by the Competent Authority that the licence of the Foreign Company, Branch or Office has not been revoked, otherwise a new registration application shall be filed.
3. Payment of the prescribed fees.

Article 9 - Appointment of Auditor

1. The Branch shall have one or more auditors registered in the Roll of Auditors operating in the State.
2. The auditing company shall be appointed for a period of one year, renewable by a decision of the Foreign Company, provided that the auditing company does not undertake the auditing of the Branch for a period not exceeding (6) six consecutive fiscal years from the date of assuming the auditing duties. In this case, the partner in charge of auditing the Branch shall be changed after (3) three fiscal years, and that company may be re-appointed to audit the Branch's accounts after at least (2) two fiscal years from the end of the term of its appointment.

Article 10 - Maintaining Confidentiality of Data

The auditor shall maintain confidentiality of the Branch data to which he has been privy by reason of the performance of his duties. He may not disclose such data to third parties, otherwise he shall be dismissed, without prejudice to civil and criminal liability when need be.

Article 11 - Notification of Crimes and Violations

1. The auditor shall notify the Ministry of any violations of the provisions of the Decree-Law or this Decision or any violations constituting a criminal offence that are detected in the course of the performance of his duties at the Branch, within (10) ten days from the date of detecting the violation.
2. In the event that the auditor violates the provision of Clause (1) of this Article, the Ministry may suspend him from auditing the Branch accounts for a period not exceeding one year, or may refer him to the Public Prosecution if need be.

Article 12 - Liability of the Auditor

The auditor shall be liable towards the Branch for the auditing and the validity of the data contained in his report, and for compensating for the damage caused by any fault on his part in the performance of his work. Where there are multiple auditors, each of them shall be liable for his error that gave rise to the damage.

Article 13 - Inquiry in the Register

It shall be permissible to inquire about the data of the Foreign Companies entered in the Register, by filing an application for information through the Electronic Services Platform. The applicant may obtain a certificate that includes the following data:

1. Name of the Foreign Company.
2. Nationality of the Foreign Company.
3. Name of the manager.
4. Activity of the Foreign Company.
5. Address of the Foreign Company.
6. Branches of the Foreign Company.
7. Registration number of the Foreign Company in the Register.
8. Date of registration and date of expiration of the registration of the Foreign Company in the Register.

Article 14 - Abrogations

Ministerial Decision No. 377/2010 On the Manual of Licence Procedures for Branches and Offices of Firms Incorporated Abroad and Free Zones in the UAE shall be abrogated, as shall be any provision or decision that is contrary to or inconsistent with the provisions of this Decision.

Article 15 - Publication and Enforcement

This Decision shall be published in the Official Gazette, and it shall come into force from the date of its issuance.

Issued On: 30/07/2024
Abdulla bin Touq Al Marri
Minister of Economy

This Ministerial Decision was published in the Official Gazette, Issue No. 781, p. 63.