



## UMM AL QUAWAIN FREE TRADE ZONE RULES AND REGULATIONS

FIRST EDITION – March 2015

### UMM AL QUAWAIN FREE TRADE ZONE

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## 1. INTRODUCTION

- 1.1 This is the first edition of these Regulations.
- 1.2 The Authority is a Government of Umm Al Quwain Free Trade Zone authority established pursuant to Law No. (3) of 2014. The Authority has been granted jurisdiction to develop, promote, manage, administer and govern areas as a free trade zone known as Umm Al Quwain Free Trade Zone (“**UAQFTZ**”).
- 1.3 UAQFTZ may include various sub-developments that are created from time to time by the Authority, either from the land currently owned and/or governed by the Authority or any other land that may in the future be granted to it.
- 1.4 These Regulations, as amended from time to time, set out the principal rules and regulations applicable to those who live, work and operate within the UAQFTZ. These Regulations must be read in conjunction with such other mandates, laws and regulations (as amended or introduced from time to time), including, without limitation (together referred to as “**Applicable Rules**”):
- a) Emiri Decree No. 2 of 1987 Concerning the Incorporation of a Free Zone in Ahmed Bin Rashid Port;
  - b) Umm Al Quwain Free Trade Zone Ordinance 1987;
  - c) Law No. 1 of 2013 Concerning Ports, Customs and Free Zone Corporation in Umm Al Quwain;
  - d) The Umm Al Quwain Free Trade Zone Company Regulations;
  - e) Any UAE Federal Law (to the extent they apply to the UAQFTZ); and
  - f) Any other rules, laws, policies and procedures issued by the Authority from time to time.

## 2. DEFINITIONS

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

<b>Administration Fees</b>	means such fees levied by the Authority from time to time (in its sole discretion) for coordinating and managing its various activities within the UAQFTZ;
<b>AED</b>	means the United Arab Emirates Dirham, being the lawful currency of the UAE;
<b>Agent and Agents</b>	means any entity or entities authorised by the Authority to provide services to the UAQFTZ on the Authority’s behalf;
<b>Applicable Rules</b>	as defined in the Introduction;

<b>Authority</b>	means UAQFTZ Authority;
<b>Bank Guarantee</b>	as detailed in clause 14.12;
<b>BCC</b>	as defined in clause 10.1;
<b>Contractor</b>	means an individual or entity performing work in UAQFTZ on behalf of a Licensee, and who is subject to any conditions governing such work put in place by the Authority from time to time;
<b>Employee Regulations</b>	as defined in clause 15.1;
<b>HSEQ Manual</b>	means the Health, Safety, Environment and Quality Manual issued by the Authority from time to time;
<b>Leasehold</b>	means the grant of a leasehold interest in office space, a commercial unit, a retail unit, outdoor storage space, residential unit or development land within the UAQFTZ from which a Licensee may undertake the activities specified in its Licence;
<b>Lease</b>	means a lease of office space, a commercial unit, a retail area, a retail unit, indoor storage, outdoor storage, outdoor space, residential unit or development land within UAQFTZ from which a Licensee may undertake the activities specified in its Licence;
<b>Licence</b>	means the authorisation granted to a Licensee by the Authority to undertake certain business activities within UAQFTZ;
<b>Licensee</b>	means a person or entity licensed by the Authority to conduct activities under a Licence;
<b>Mediation Body</b>	means a person or body established by the Authority to mediate any disputes relating to UAQFTZ;
<b>NOC</b>	means no objection certificate;
<b>Notice</b>	means a notice issued by the Authority pursuant to these Regulations;
<b>OFC</b>	as defined in clause 10.2;
<b>Operation Fitness Certificate</b>	means the certificate issued by the Authority before a Licensee is allowed to occupy and commence operations;

<b>Personnel Secondment Agreement</b>	means the secondment agreement entered into by the Authority and Licensee in respect of Licensee employees sponsored by the Authority;
<b>Registration</b>	means the registration of a company or any other entity by the Authority for undertaking business activities within the UAQFTZ pursuant to a Licence;
<b>Regulations</b>	means the rules and regulations applicable within UAQFTZ as set out or referred to in this document including without limitation the Applicable Rules and any other rules, regulations, policies or guidelines issued by the Authority from time to time;
<b>Relevant Authorities</b>	means the Authority or other relevant authority that may have jurisdiction over a particular issue concerning UAQFTZ;
<b>Sub-Developer</b>	means a person or entity authorised by the Authority to carry out residential, retail or commercial development within an agreed part of UAQFTZ;
<b>Tariff</b>	means the tariff of fees, levies and penalties applicable to UAQFTZ as determined by the Authority from time to time;
<b>UAQFTZ</b>	means Umm Al Quwain Free Trade Zone, and any other area that may from time to time be included as part of the territory;
<b>UAQFTZ Infrastructure</b>	means the areas within UAQFTZ including: <ul style="list-style-type: none"> <li>i. roads, pathways, walkways and promenades;</li> <li>ii. open areas, lakes and gardens;</li> <li>iii. power, water, sewerage, telecommunications and other utility related facilities;</li> <li>iv. all other associated areas and services that are from time to time notified by the Authority as being areas under its ownership, maintenance, management and administration for the benefit of all occupiers and licensees in UAQFTZ ; and</li> <li>v. any other parts of UAQFTZ not available for lease to third parties;</li> </ul>
<b>UAQFTZ Infrastructure Levy</b>	means a fee determined and levied by the Authority from time to time as a contribution towards the overall expenses of the

Authority for the construction, provision and use of the UAQFTZ Infrastructure; and

**UAE** means the United Arab Emirates.

### 3. OPERATIONAL PROVISIONS

3.1 These Regulations come into force on the date of issue and will be reviewed and updated by the Authority as and when considered appropriate. Amendments to the Regulations will be issued by circular. Circulars, notices and the latest edition of the Regulations can also be obtained online at [www.uaqftz.com](http://www.uaqftz.com).

### 4. GOVERNANCE OF THE UAQFTZ

4.1 The UAQFTZ is managed and governed by the Authority. The Authority is granted jurisdiction over the UAQFTZ and is mandated to create policies and procedures appropriate for the nature of the UAQFTZ, its residential and business communities and Licensees, occupiers and invitees.

4.2 The Authority's policy is to govern the UAQFTZ and make use of the land on which UAQFTZ is situated in a manner that best promotes the long term economic and strategic potential of UAQFTZ. The policy is supported by the rights and obligations granted to the Authority pursuant to Law No. (3) of 2014. These include

- a) a commitment to provide UAQFTZ Infrastructure, buildings and services to those living, working and operating within UAQFTZ;
  - b) the right to own and lease real estate within UAQFTZ;
  - c) the right to render services within UAQFTZ and collect fees and charges for such services; and
  - d) to implement such rules and regulations to manage and govern UAQFTZ and to do anything else it sees as being necessary to achieve its objectives for the overall well being and management of UAQFTZ.
- 4.3 The Authority may introduce such policies to ensure that all those living, working, operating and undertaking any business or commercial activity within the UAQFTZ comply with these Regulations and any Applicable Rules and other applicable contracts, rules, laws or policies. In order to ensure consistent compliance, the Authority shall levy fines and penalties against those the Authority deems to be non-compliant on such terms as it deems appropriate from time to time.
- 4.4 The Authority reserves the right to consider and determine those matters and issues within the UAQFTZ that it has jurisdiction over, and those matters and issues it chooses to allow a Relevant Authority to have jurisdiction over. The Authority will generally reserve jurisdiction over all matters concerning the UAQFTZ but it may, on a case by case basis and at its sole discretion, choose to temporarily cede jurisdiction to a Relevant Authority for matters of convenience or practicality, or where the ceding of such jurisdiction does not have the effect of undermining any

current policy of the Authority as may be recorded in these Regulations and/or any Applicable Rules.

- 4.5 All those living, working, operating and doing business within the UAQFTZ are deemed to acknowledge and consent to the Authority's jurisdiction and right to govern the UAQFTZ on the terms set out in these Regulations and its right to construct, own and manage the UAQFTZ Infrastructure as contemplated by Authority.
- 4.6 Notwithstanding the Authority's policies, rules and regulations, those living, working, operating and doing business within the UAQFTZ acknowledge that they may also be subject to and liable for additional fees, charges and levies from Relevant Authorities or other bodies. Such additional fees, charges and levies may arise from:
- a) the use and maintenance of common areas within a specific building or other applicable legislation issued from time to time;
  - b) the ownership of a Lease interest in a specific building;
  - c) utility service provider charges;
  - d) any other applicable law or regulation;
  - e) any contractual obligation; or
  - f) such other fees as determined by the Authority from time to time.

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

## 5. GENERAL RULES

- 5.1 All Licensees or persons (including Contractors and Sub-Developers) working, operating, living, leasing real estate or otherwise having an interest or carrying out business of any kind in the UAQFTZ are subject to and must comply with these Regulations (as amended from time to time), along with all other laws, rules, policies and regulations promulgated by the Authority.
- 5.2 The Applicable Rules apply to UAQFTZ unless otherwise prescribed in these Regulations. Any violation of the Applicable Rules shall in addition to the procedures set out herein, shall be notified to the appropriate authorities.
- 5.3 The Authority has the sole and exclusive right to approve or decline any application for Registration or the grant of a Licence in the UAQFTZ by any person or entity for any reason whatsoever and accepts no liability for any loss arising as a result of such decision.
- 5.4 All entities and persons undertaking activities within the UAQFTZ must have a valid Lease, and be validly registered and hold a Licence.

- 5.5 All entities and persons registered and licensed to undertake activities within the UAQFTZ may only conduct such activities as are authorised by the terms of their Licence.
- 5.6 Licensees must conduct all of their business or operations within the UAQFTZ.
- 5.7 The manufacture and marketing of any contraband items is strictly forbidden, including any item that is prohibited by the laws of the UAE.
- 5.8 All Administration Fees are payable to the Authority in advance in accordance with the rates and charges set out in the Tariff in force from time to time.
- 5.9 Persons and entities who commit (either intentionally or unintentionally) violations of these Regulations will be subject to the penalties set out in the Tariff and/or such other fines and sanctions as may be issued by the Authority pursuant to its current policies and procedures or as otherwise determined. The Authority may levy fines and issue sanctions against any entities or persons (including Contractors and Sub- Developers) who the Authority considers are in breach of these Regulations and/or the Applicable Rules. The Authority reserves the right to issue such fines and sanctions for such behaviour or activity following reasonable warning, even if such behaviour or activity is not specifically prohibited by any of the Authority's current published policy.
- 5.10 These regulations shall be strictly observed by the Licensees, employees, visitors, clients, contractors and everybody operating, visiting or working in UAQFTZ.

## 6. UAQFTZ LICENSES AND ACTIVITIES

- 6.1 Licences to operate in the below categories are only valid in the UAQFTZ. Licensees cannot legally operate outside the UAQFTZ premises, using a License. The marketing of a Licensee's products or services in the UAE needs to be undertaken either by an agent, representative or distributor with a license issued by relevant authorities in the UAE.
- 6.2 The categories of Licence, available within the UAQFTZ, and as determined by the Authority from time to time, are as follows:

### (a) Trading Licence:

Activities allowed: Import, export, distribution, consolidation, storage or warehousing of items specified on the License.

### (b) Consultancy Licence:

Activities allowed: Offering Professional advice.

### (c) Service Licence:

Activities allowed: To carry out the services specified on the license within the Free Zone which include logistical support such as: restaurants or food outlets, catering services, travel agencies, leisure and social activities, insurance, cargo and freight forwarding, accounting, and auditing services, or any other such activities permitted by the Authority.



**(d) Freelancer Permit:**

Activities Allowed: Talent roles, creative roles and selected administrative roles designed to further encourage the development of a talent pool for the creative industry in UAQ.

**(e) Industrial Licence:**

Activities allowed: Import raw materials; manufacturing, processing, assembling, packaging, and exporting finished product. Feasibility and environmental impact studies and clearance from the Authority are required.

- 6.3 The Authority reserves the right to issues Licenses on such conditions deemed necessary by the Authority from time to time. Licensees whose activities fall under different categories should apply to the Authority for each category of activity.
- 6.4 To qualify for and to hold a Licence, the applicant must:
- (a) hold a valid Registration from the Authority ;
  - (b) be in possession of a valid Lease;
  - (c) not be in contravention of any aspect of the Regulations or any other laws, rules and regulations applicable within the Emirate of UAQ and the Federal Laws of the UAE;
  - (d) compliant at all times with the specific requirements of the Authority (i.e. qualification, experience) as they may be amended from time to time; and
  - (e) compliant at all times with any Applicable Rule.
- 6.5 Any changes which impact upon the accuracy of a Licence (including but not limited to change of address, telephone numbers, shareholders, manager, the authorised signatory or the business activity) must be notified immediately in writing to the Authority along with payment of the applicable fee identified in the Tariff, within a maximum time of two weeks of such change.
- 6.6 Licensees are strictly forbidden from carrying out activities other than those appearing on their Licence. Licensees violating this rule shall be liable for fines.
- 6.7 No Licensee may undertake any activities covered by a change of activity application unless and until the Authority has approved the amendment and issued a new Licence.
- 6.8 Licences are valid for a minimum period of 12 months from the date of issue. Licences must be renewed no later than 30 days prior to the date of expiry of the current Licence. Failure to do so will attract a fine as set out in the Tariff and may also lead to permanent revocation of the Licence, the declining of an application for renewal and/or company de-Registration.
- 6.9 In applying for a Licence renewal the Licensee must:
- (a) continue to comply with the provisions set out in sections 6.4;
  - (b) be in financial good standing as determined by the Authority;

- (c) provide evidence that the Licensee is not in arrears in respect of any rent, UAQFTZ Infrastructure Levy, fines or any other charges that may be due and payable to the Authority or any other entity or body in connection with its Lease or operations or any other matter relating to the UAQFTZ; and
  - (d) pay the renewal fee as specified in the Tariff.
- 6.10 Licensees should not move any cargo in/out of UAQFTZ without proper documentation from or acceptable to the Authority.
- 6.11 Subject to the provisions of UAE Customs laws, all foreign goods, of whatever kind or origin may be, brought into UAQFTZ and taken out to outside the GCC countries or to other Free Zones, will not be subjected to customs duties or taxes.
- 6.12 Goods taken out from UAQFTZ, into the UAE are treated as foreign goods even if incorporating local raw materials or articles on which customs duties and taxes have been collected prior to their admission into UAQFTZ and shall be subject to applicable UAE customs duty.
- 6.13 The goods imported from UAQFTZ into the GCC countries shall be treated as foreign goods and shall be subject to applicable UAE customs duty.
- 6.14 Samples of goods being brought into or out of UAQFTZ should be declared to the Authority.
- 6.15 Licenses will not be renewed after 6 months of the expiry date. The facilities shall be repossessed upon expiration of the lease if not renewed.
- 6.16 Licensees shall not allow any commercial leased property to be used to house or accommodate any persons or keep any animals inside.
- 6.17 Without prior written consent of the Authority, a Licensee shall not use the leased property for the storage of any combustible or explosive substance like petrol, kerosene, cooking gas etc or to carry on a permit to be carried on any offensive activities or for any purpose which may be a nuisance to UAQFTZ or occupies of neighbouring or adjacent premises or which in the Authority's opinion is detrimental to the use and development of UAQFTZ and to keep the premises free from pollution of any kind.
- 6.18 The Authority reserves the right to determine, at its sole discretion, the types of vehicles that can be registered under the ownership of a Licensee. Licensees are required to obtain the Authority's written approval prior to the registration of a vehicle in the name of the Licensee, which approval shall be upon such conditions as deemed necessary by the Authority.
- 7. CANCELLATION, REVOCATION OR SUSPENSION OF A LICENCE**
- 7.1 The Authority may cancel or revoke a Licence immediately upon written notice to a Licensee either upon the Licensee's request or in accordance with section 7.2 below.
- 7.2 The Authority may, at any time, revoke a Licence immediately upon written notice if a Licensee:
- (a) is found to have provided inaccurate or misleading information regarding its business or

operations;

- (b) has acted or is acting in breach of, or in a manner which is contrary to, the terms of the applicable Licence, these Regulations, all other regulations applicable within the UAQFTZ or any Federal Laws;
- (c) has violated one or more provisions of the Regulations or a condition of its Licence;
- (d) has or is behaving in a manner which shows a disregard to these Regulations, the Authority or any applicable laws;
- (e) is not operating or otherwise carrying on any business;
- (f) has not submitted the requisite application or renewal documents;
- (g) has not paid any fees, rent, levies, fines, service or other charges in the Tariff when and payable to the Authority; or
- (h) is or has acted in a manner which the Authority believes is detrimental or prejudicial to the reputation and interests of the Authority, the UAQFTZ or the interests of any other Licensee or the general public.

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

## 8. UAQFTZ LEASES

8.1 All applications for a Licence must be made in conjunction with an application for commercial property, including but not limited to, a Lease of either office space, commercial unit, warehouse space or development land within the UAQFTZ from which the Licensee can operate. Licensees are not permitted to operate from residential properties and a Lease of a residential property shall be deemed insufficient for the grant of a Licence.

8.2 The rent, UAQFTZ Infrastructure Levy and all other charges and terms and conditions will be as specified in the Lease agreement.

8.3 Licensees holding a Lease of office space, commercial unit space or warehouse space within the UAQFTZ must ensure that their space is fitted out in accordance with the Authority's Fit-Out Policy (as issued from time to time) and physically functional within such time as may be agreed from the commencement date of their Licence.

8.4 Licensees wishing to construct their own facilities to their own specification and design can do so by leasing a plot of prepared land of the required area for that purpose. All construction works must be in accordance with the Authority's Planning Regulations and Development Guidelines (as issued by the Authority from time to time) and the Authority's Construction Health, Safety and Environment (HSE) Guidelines (as issued by the Authority from time to time) and completed so that premises are physically functional and operationally ready within such time as may be agreed from the commencement date of the Licence.

8.5 Licensees are not permitted to share, assign, novate, mortgage, dispose of or sub-lease their premises without the prior written approval of the Authority.

8.6 The Authority has the ultimate right and jurisdiction to charge and collect the UAQFTZ Infrastructure Levy referred to in these Regulations, without recourse to any other Authority.

## 9. TERMINATION OF A LEASE

9.1 The termination process for a Lease requires that all outstanding matters relating to that Lease (including but not limited to payment of outstanding dues and Administration Fees) must be settled by the Licensee regardless of whether the termination process was initiated by the Licensee or the Authority.

9.2 In the event of termination of a Lease, the Licensee must ensure that the leased premises are fully vacated and restored and handed back in their original condition (including removal of all signage and making good any damage) by the termination date (unless otherwise agreed with the Authority). Any waste material must be properly and safely disposed of in accordance with the requirements of all Relevant Authorities.

9.3 Once a Licensee has vacated and cleared its leased premises it must issue a written notice to the Authority, which will then arrange for inspection of the leased premises as soon as reasonably practicable. If the inspection reveals that the leased premises have not been fully vacated and properly cleared the Authority may, amongst other things, continue to charge a rent to the Licensee.

9.4 The Authority has the right to take possession of any abandoned goods in leased premises after the Lease termination date. The Authority shall, at its discretion, auction the abandoned goods to expedite clearance of the leased premises and/or to recover any outstanding dues.

9.5 The Authority reserves the right to terminate the Lease and cancel the License at any time or not permit to renew the License for appropriate valid reasons.

## 10. BUILDING AND OPERATION CONTROLS

10.1 Licensees constructing and/or modifying their own facilities must satisfy the requirements of the Authority and shall liaise with the Relevant Authority, Agent(s), or any other authorities nominated by the Authority in order to obtain the necessary inspections and approvals in writing from the Authority prior to commencement of construction works, including but not limited to obtaining a NOC from the relevant authorities if required by the Authority. Once the construction works have been completed, the Authority requires a Building Completion Certificate (“BCC”) from the Relevant Authority and/or any other relevant approvals before allowing occupation of the facilities and authorising connection of any services. Any NOC for a BCC will not be issued by the Authority, or occupation or service connection authorised, if any re-submission or other related fees are outstanding (including but not limited to Administration Fees).

10.2 Licensees that have constructed their own facilities on development land or who have fitted out warehouse, commercial unit or office space are required to liaise with the Authority, its Agent(s) or any other Relevant Authorities nominated by the Authority in order to obtain an Operation

Fitness Certificate (“**OFC**”) before commencing operations. If a Licensee is required to hold an OFC for the premises it operates from, it may not, under any circumstances, commence business operations unless it is in receipt of a valid OFC.

- 10.3 No sign board(s) or name plate(s) shall be erected on any leased property without the prior written approval of the Authority. Notwithstanding this, all Licensee must place a copy of the Licence in the entrance of the leased property so that it is clearly visible to all visitors.
- 10.4 All signage and names plates shall be in accordance with the Authority’s Signage and Advertising Regulations and/or policies (as issued by the Authority from time to time), as may be amended from time to time.
- 10.5 The Licensee shall retain the services of a UAE registered engineering consultant registered and listed by the Authority, to obtain a construction permit. The proposal along with drawings of the intended work, from the consultant, shall be submitted to the Authority for review and approval. All Contractors to be appointed by a Licensee shall require prior written approval from the Authority.
- 10.6 The Operation Fitness Certificate must be renewed annually, which must be done prior to renewal of the License. Licenses cannot normally be renewed without the availability of a valid Operation Fitness Certificate.
- 10.7 The Licensee shall apply to the Authority for approval, for any requirement to add or modify machinery or equipment. Upon completion of implementing the changes, an inspection will be required and when satisfactory, the Operation Fitness Certificate will be updated including the changes. The period of validity of the changed Operation Fitness Certificate shall be from the date changes are made to end date of the License.

## 11. INSPECTION OF PREMISES

- 11.1 The Authority or its nominated Agent(s) may conduct inspections of a Licensee’s premises from time to time to monitor compliance with these Regulations and to review operations, staff and premises layout, the terms of the applicable Licence and any Lease or other agreement between the Authority and the Licensee.
- 11.2 The Authority reserves the right to enter a Licensee’s premises at any time without prior notice:
  - (a) in the event of fire or flood or any other matter which presents an actual or suspected threat to the safety and security of UAQFTZ or any person or property within UAQFTZ;
  - (b) in the event there is a discharge of substances from the premises which are or are believed to be noxious or otherwise offensive;
  - (c) if the Authority has reason to suspect that the Licensee is in serious breach of the terms of its Licence(s), Lease or any provisions of these Regulations;
  - (d) if the Authority reasonably believes such entry is justified in order to protect the interests of the Authority, any other Licensee or the general public.

- 11.3 Neither the Authority nor its authorised agents or employees shall be held liable for any loss or damage resulting from the proper performance of their duties.
- 11.4 Inspections of a Licensee's premises or any other part of UAQFTZ by third parties or outside organisations (other than Agent(s) nominated by the Authority or Governmental Authorities working under the Authority of the Authority) are expressly prohibited unless the Authority has given prior written consent to such inspection. If a Licensee is approached by a third party or outside organisation for inspection of its premises or any part of UAQFTZ it should notify the Authority immediately.
- 11.5 Licensees must extend, and ensure that their officers extend, all such cooperation and assistance as the Authority's authorised agents or employees may require to properly perform their duties in relation to any entry and inspection.
- 11.6 Licensees who fail to extend cooperation or assistance to the Authority's authorised agents or employees or otherwise seek to obstruct or hinder such persons from performing their duties in any way will be liable for a fine and penalties as specified in the Tariff.

## 12. INSURANCE

All insurance policies shall identify the Authority as a co-insured party.

### Property

- 12.1 All Licensees and tenants of premises in UAQFTZ are required to hold and maintain valid policies of insurance as set out in their Licence and/or the Lease agreement and these Regulations
- 12.2 The Authority may at its discretion arrange property all-risks insurance and third party liability insurance in respect of all property owned by the Authority including the UAQFTZ Infrastructure, the costs of which will form part of the UAQFTZ Infrastructure Levy.
- 12.3 Licensees are required to maintain their own policy of insurance in accordance with the terms of their Lease agreement to cover the contents of any leased property and the Licensees' vehicles. Neither the Authority, its affiliates, business units nor, any of their employees, officers or agents will be liable for any loss or damage to any property from any leased premises or vehicles, due to any reason, including without limitation, theft, fire or natural calamity.
- 12.4 All Sub-Contractors and any other legal or beneficial owners of plots of land under development must hold valid contractor's all risks insurance policies as well as third party insurance policies on terms acceptable to the Authority and provide a copy of such policy to the Authority on reasonable written notice.
- 12.5 The Licensee shall be responsible for arranging the insurance for the premises built or erected by the Licensee. The policy shall be sufficient to cover replacement costs of the structure, fixtures and fittings. The policy must be presented before the BCC is issued.
- 12.6 Where any damage is incurred to pre-built premises, the Authority requires the Licensee to bear the required amount to cover the deductible amount which will not be paid by the Insurance

Company.

- 12.7 All other insurances required shall remain the responsibility of the Licensee.

#### **Third Party Liability/Public Liability**

- 12.8 All Licensees must hold and maintain a valid Third Party Liability (or Public Liability) Insurance policy in respect of their business operations in accordance with limits as advised by the Authority from the commencement date of the Licence.
- 12.9 A copy of the Third Party Liability/Public Liability Policy referred to in clause 12.8 must be forwarded to the Authority together with a certificate issued by the insurance provider advising the date of expiry and agreeing to give the Authority 30 days notice of the expiry of that policy.

#### **Workman's Compensation Insurance**

- 12.10 All Licensees must hold and maintain a valid Workmen's Compensation insurance policy to cover permanent injury/disability and all related medical expenses in accordance with the provisions of the Employee Regulations.
- 12.11 A copy of the Workman's Compensation insurance policy referred to in clause 12.10 must be forwarded to the Authority together with a certificate issued by the insurance provider advising of the date of expiry and agreeing to give the Authority 30 days notice of the expiry of that policy.

### **13. UTILITY AND UAQFTZ INFRASTRUCTURE**

- 13.1 UAQFTZ, including the UAQFTZ Infrastructure, shall be developed by the Authority in phases.
- 13.2 Licensees shall connect and acquire utilities from service providers appointed by the Authority from time to time, which may require that the Licensee contract directly with the relevant service provider, upon such terms and conditions provided for under the relevant service provider agreements.
- 13.3 Licensees shall be required to obtain the Authority's NOC prior to the connection of any utility. The Authority's NOC shall be subject to such terms and conditions and fees as deemed necessary by the Authority.

### **14. EMPLOYMENT AFFAIRS**

#### **General**

- 14.1 The Authority will provide employment related services to Licensees subject to the provisions of these Regulations and/or policies and regulations of any Relevant Authority and upon such terms and conditions deemed necessary by the Authority from time to time. Such services may include, without limitation, the processing of entry permits, employee sponsorship and visa services, work permits and other matters concerning employees.
- 14.2 An employee of a Licensee may not work outside the UAQFTZ prior to written approval by the Authority and any other concerned authority having jurisdiction over such matters in the place

where the employee intends to work. However Licensee employees may reside anywhere in the UAE.

- 14.3 An employee of a Licensee must not work inside the UAQFTZ until they have been provided with an employment card and a residency and access card by the Authority.
- 14.4 Employees sponsored by the Authority are only allowed to work with the Licensee they are seconded to. Under no circumstances they will be allowed to work for other Licensees, even during their free time or holidays. Licensees shall not recruit, employ or make use of employees of other Licensees.

### **Employee Sponsorship**

- 14.5 Only the Authority shall sponsor employees of Licensees for the purpose of residence visas. Notwithstanding this the Licensee will, at all times, remain responsible for the payment of wages, benefits and all other obligations and duties owed to the sponsored employees under the terms of the employment contract or at law. The Authority will not be liable under any circumstances for any act, default or omission on the part of a sponsored employee.
- 14.6 Licensees must provide a cash deposit, in a sum and upon such terms to be determined by the Authority, from time to time for each such employee sponsorship and enter into a Personnel Secondment Agreement with the Authority.
- 14.7 The cash deposit under a Personnel Secondment Agreement will be forfeited if the Licensee's company closes down for any reason including liquidation and/or if the sponsored employee does not receive his or her end of service dues for whatever reason.
- 14.8 The number of visas to be issued to a Licensee is to be determined at the absolute discretion of the Authority based on the Licence activity and operations.
- 14.9 Licensees must ensure that all employees comply with the general laws and customs of the UAE and these Regulations.
- 14.10 The Authority may terminate the sponsorship of any sponsored employee on reasonable written notice to the Licensee if:
- the Licensee has failed to renew its Licence or Lease;
  - the Licensee becomes insolvent or otherwise enters into liquidation;
  - the Licensee is not operating or otherwise carrying on business;
  - the sponsored employee has failed to abide by the laws of the UAE or is or has acted in a manner which the Authority reasonably believes is detrimental or prejudicial to the reputation and interests of the Authority, UAQFTZ or Federal Laws of the UAE; or
  - any other reason that the Authority may, in its sole discretion, determine.



- 14.11 All employee sponsorship is subject to satisfaction of the requirements of the UAE Naturalisation and Immigration Department.

#### **Entry Permits and Visas**

- 14.12 The Authority may (subject to the Applicable Rules), upon request, arrange for the procurement of entry permits and residence visas for employees and, if applicable, their dependants on behalf of all Licensees. The fees applicable for processing such permits will be as per the Tariff and will be payable in advance at the time of submitting the permit application.
- 14.13 Licensees wishing to employ personnel, other than nationals of GCC countries, are required, in the first instance, to apply for an entry permit. All unused entry permits must be returned to the Authority for cancellation.

#### **Employment Cards**

- 14.14 All employees of a Licensee will be issued with an Employment Card which provides a unique identification for each employee and also serves as a permit to work in UAQFTZ.
- 14.15 Licensees must immediately notify the Authority of the cessation of an employee's contract of employment so that the Employment Card can be cancelled and all Employment Cards or access passes which have been issued to an employee must be returned promptly.
- 14.16 If an Employment Card or access pass relating to UAQFTZ is lost or stolen this must be immediately notified to the Authority. Replacement of Employment Cards will be issued subject to the payment of the applicable fee as specified in the Tariff. Failure by a Licensee to notify the Authority of a lost or stolen access pass will attract a fine as set out in the Tariff.

### **15. EMPLOYER/EMPLOYEE RELATIONSHIP**

- 15.1 Licensees will be responsible for discharging all of their duties in relation to their employees in accordance with Federal Law No. 8 of 1980 (as amended) and/or any other applicable laws, regulations and policies applied to UAQFTZ (the "**Employee Regulations**").

#### **Recruitment**

- 15.2 All costs of recruitment and other employment related services must be born solely by the Licensee. Under no circumstances may a Licensee, recruitment agent, subcontractor or other third party working directly or indirectly on behalf of the Licensee recharge or pass all or any part of such costs to a recruited employee as part of a recruitment fee, transfer fee, visa fee or any other claim, charge or expense whatsoever.
- 15.3 The Authority may investigate any claim that employees have paid or were required to pay any fees or charges to a Licensee recruitment agent, subcontractor or other third party working directly or indirectly on behalf of the Licensee, either by its own volition or as a result of any complaint by an employee or any other third party. Such investigation may include interviews of relevant personnel. If the Authority's investigation substantiates such claims the Authority may amongst other things:

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

### **Contract of Employment**

15.4 Licensees who will be recruiting employees under the sponsorship of the Authority are responsible to bear the following costs. Under no circumstances will these expenses be charged to the employee or deducted from his/her salary.

- a) Cost of processing the Entry Permit.
  - b) Cost of air ticket from the Employee's point of origin.
  - c) Cost of processing the Residence Permit.
  - d) Cost of Health Card and Medical Check-up.
  - e) Cost of Emirates Identity.
  - f) Cost of renewal of Residence Permit and Health Card (including the cost of Medical Fitness Certificate required for the said purpose).
  - g) All Medical expenses incurred by the Employee during the sponsorship.
- 15.5 All Authority sponsored employees shall sign an Employment Contract (in the standard form issued by the Authority) and get it attested by the Authority on remitting the prescribed fee by the Authority. Those who are exempted from providing a Bank Guarantee are required to sign an undertaking in lieu of the Employment Contract to the effect that they shall not make any claims against the Authority as Sponsor. The effective date of the contract shall be the date of entry on the employment visa, or with the transfer date at Immigration.

### **Working hours and Holidays**

15.6 All Licensees will be bound by the provisions of the Employee Regulations in relation to working hours (including provisions relating to overtime, Ramadan timing and summer working) and holidays as applicable to the private companies in UAE.

### **Basic Work Rules**

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

### **Employee Passports**

15.8 For security reasons, the passports of the employees of Licensees shall be deposited with the document storage companies or bank lockers listed by the Authority. A receipt of the same shall be submitted by the Licenses to the Authority.

- 15.9 The Licensees shall make sure that employees hold a valid passport at all times.

#### **Medical Insurance**

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

#### **Termination of Employment**

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

#### **Absconding Employees**

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

#### **Employee Accommodation**

- 15.14 Where Licensees provide their employees with group labour accommodation either within or outside of UAQFTZ they must, in all circumstances and as a minimum, obtain written approval from the Authority and comply with the Guide for General Standards of Group Labour Accommodation and Services attached to it in the UAE as approved by Cabinet Resolution No. 13 of 2009 (as amended).

### **16. TRAFFIC AFFAIRS**

- 16.1 The roads within the UAQFTZ are treated as public highways for licensing and Registration purposes. The Authority may request a Licensee to produce evidence that all drivers, operators and vehicles are properly licensed and registered with the Umm Al Quwain Traffic Department or other UAE Governmental Authority.
- 16.2 All vehicles using the UAQFTZ Infrastructure must be roadworthy and in compliance with all applicable laws, rules and regulations in the UAE pertaining to vehicle safety. Drivers violating any provisions of this regulation will be reported to the Police and may be subject to penalties imposed by the Umm Al Quwain Traffic Department or other UAE Government Authority.

- 16.3 All vehicles using the UAQFTZ Infrastructure must adhere to the Authority's and other relevant regulations concerning parking in the UAQFTZ. Vehicles may only be parked at authorised locations which may be subject to charges. Any vehicle found to be parking in breach of regulations or in an unauthorised location anywhere within the UAQFTZ will be reported to the Relevant Authorities and will be liable for a fine as set out in the Tariff.
- 16.4 All vehicles and personnel moving in and out of the UAQFTZ must have the appropriate pass or permit. The Authority reserves the right to allow and refuse entry to vehicles as per its sole discretion.
- 16.5 Vehicles and personnel seeking entry into UAQFTZ shall declare to UAQFTZ security, all articles, which it is bringing into UAQFTZ.
- 16.6 The UAQFTZ security shall inspect or search the body or vehicle upon entry and exit from UAQFTZ.
- 16.7 Pass or permit holder shall not take photograph or film in any part of UAQFTZ without prior permissions from the Authority. The Authority may withhold the permissions for no reasons.
- 16.8 All Licensees are required to lodge a second key of their premises with the UAQFTZ Security Department to ensure ready access in the event of fire or other serious incident.
- 16.9 Arms, ammunitions and explosives will not be allowed in or out of UAQFTZ. Any violations will be notified to the appropriate Authority.

## 17. HEALTH, SAFETY AND ENVIRONMENT (HSE)

### General

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

### Accidents and Emergencies

- 17.2 All Licensees are required to provide the Authority with written details of an authorised person that may be contacted 24/7 in the event of any fire, flood or other emergency. Such contact shall be the Licensee's general manager.
- 17.3 In the event an emergency situation arises and the Licensee's premises are unmanned, unguarded, closed or locked the Authority reserves the right to make a forced entry to such premises where there is reasonable justification to do so or where a failure to act could result in significant losses or damage.
- 17.4 All accidents which occur at a Licensee's premises and which result in a person needing medical attention must be reported to the Authority within three (3) days of the date of the accident. Failure

to inform the Authority of such accidents within the timeframe will attract a fine as set out in the Tariff.

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

### **Waste Management**

- 17.6 All Licensees at their cost, must adhere to the Authority's and other relevant regulations concerning waste management. Waste may only be disposed of at locations authorised in writing by the Authority. Any person, company or organisation found to be dumping waste at an unauthorised location anywhere in the UAQFTZ will be reported to the authorities and will be liable for a fine as set out in the Tariff.
- 17.7 All domestic and municipal waste generated in office premises leased from the Authority must be disposed of in the appropriate containers provided by the Authority.
- 17.8 All waste which is classified as being hazardous or industrial waste must be handled and disposed of expressly in accordance with the requirements for such waste types established by the Authority and any Relevant Authority.
- 17.9 All Licensees that are producing or likely to produce hazardous waste must declare the same to the Authority in the form and manner prescribed by the Authority from time to time. Once such declaration has been reviewed and approved by the Authority the declaration must be submitted to the relevant environmental Authority appointed by the Authority for further processing.

### **HSE Violations**

- 17.10 Regular HSE inspections shall be carried out by the Authority. If such inspections reveal any violations of these Regulations or unsafe practices, the Authority may issue an HSE Violation Notice ("HVN") to the concerned party. Such notice may be accompanied by a fine in accordance with the Tariff depending on the severity of the violation.
- 17.11 In case of serious violations or repeated incidents which may place personnel at risk of harm, the Authority may order all work or operations associated with such risk to be stopped immediately until proper corrective action is taken by the party concerned.

## **18. VIOLATION OF REGULATIONS**

- 18.1 Ignorance of any provision of these Regulations, Licence and/or any of the Applicable Rules will not be accepted as an excuse for lack of compliance with the relevant provisions.
- 18.2 Any Licensee which is found to be in violation of any provision of these Regulations shall be guilty of an offence which, if not remedied within the time frame required by, and to the satisfaction of the Authority, shall render the Licensee liable to fines and sanctions in accordance with these Regulations, or such other sanctions as the Authority may implement from time to time.

18.3 All those committing violations deemed by the Authority as “serious” will be automatically subject to a fine as specified in the Tariff and/or suspension or revocation of Licence and de-Registration. Where an offence is not explicitly covered in the Tariff then the Authority may levy an appropriate fine or penalty that is commensurate with the severity of the offence and the level of loss, damage and/or inconvenience caused by the offence. The payment of any fine or penalty shall be in addition to and not in substitution of any civil and/or criminal penalties that may apply.

18.4 All fines, charges or other financial penalties imposed upon a Licensee or any other party in accordance with these Regulations, if unpaid after a period of 90 days, may be set off from any money owed by the Authority or its subsidiaries to the Licensee, added to the Licence renewal fees or recovered from the Licensee as a debt.

## **19. DISPUTE RESOLUTION**

19.1 Any dispute between a Licensee and the Authority arising from the Authority’s application of these Regulations and/or in applying the Applicable Rules including the levying of any fine or issuance of any sanction may, at the written request of the disputing party, be first raised with the Mediation Body. Should any dispute between a Licensee and the Authority not be resolved by the Mediation Body within ninety (90) days of referral to the Mediation, then subject to clause 19.3 either Party may refer the matter to the UAQ courts.

19.2 Any dispute between Licensees and employees shall be first raised with the Mediation Body. Should any dispute between a Licensee and employee not be resolved by the Mediation Body within thirty (30) days of referral to the Mediation, the Mediation Body may refer the matter to the UAQ courts.

19.3 Any referral of a dispute between by a Licensee to the UAQ Courts under clause 19.1 above, shall be subject to the prior written consent of the UAQ Ruler’s court.

19.4 Nothing contained in this clause 19 shall prevent a party to a contract with the Authority or the Authority itself from seeking a judgment in the appropriate forum set out in that contract.

19.5 Nothing contained in this clause 19 shall prevent the Authority from taking action through competent courts to enforce these Regulations or any part thereof against any person.

## **20. MISCELLANEOUS**

20.1 Any delay in application of or failure to enforce these Regulations shall not operate as a waiver in respect of any breach of these Regulations.

20.2 Unless specifically provided otherwise by the Authority, rights arising under these Regulations are cumulative and do not exclude rights provided by law or at contract.

20.3 If any provision of these Regulations is finally resolved by a competent judicial body, having jurisdiction in respect thereto, to be invalid, unenforceable or illegal, the other provisions of these Regulations shall remain in full force.

20.4 If any invalid, unenforceable or illegal provision of these Regulations would be valid, enforceable

or legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the Authority's intention in respect of such provision.

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