Circular 310: Free Zone Limited Liability Companies (FZLLCs) – Compliance with the Private Companies Regulations 2016

Date: January 23, 2019

Dear Business Partner,

Dubai Development Authority (the **"Authority"**) issued revised Private Companies Regulations in 2016 (the "PCR"). The PCR replaced the earlier 2003 Companies Regulations that regulated companies in the Free Zone. The PCR introduced a number of modifications and updates to the way FZLLCs are incorporated and regulated in the Free Zone.

While it is the responsibility of the directors of an FZLLC to ensure that the FZLLC is operating in compliance with the PCR, for the vast majority of FZLLCs registered and licensed before the coming into force of the PCR on 1 February 2017 (the**"PCR Change Date"**), compliance with the PCR is fulfilled by adopting new form Articles of Association (**"AOA"**) for the FZLLC. The Authority has provided a template version of the new AOA. The adoption of new AOA by an FZLLC is done by a Special Resolution of the Shareholders under Article 13 of the PCR.

FZLLCs registered and licensed after the PCR Change Date will have been incorporated using the new form AOA so no additional compliance is now required.

The Authority has now sent a number of reminders to Business Partners incorporated as FZLLCs about the need to ensure compliance with the PCR and has previously extended the cut-off date by which compliance is required. The Authority advises that the final cut-off date for compliance is now 30 June 2019. Those remaining FZLLCs incorporated before the PCR Change Date that have not adopted new form AOA by 30 June 2019 will not be able to renew their trade licences as at the next renewal date.

If you have any queries or wish to give feedback, please call Customer Care on tel: 800-4-DDA (332) or by email to: info@dda.gov.ae.

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