

Law No. (23) of 2009
Concerning Mohammed bin Rashid Establishment for Small
and Medium Size Enterprises

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We, Mohammed Bin Rashid Al Maktoum, Ruler of Dubai;

- Having perused Law No. (3) of 2003 Establishing the Executive Council of the Emirate of Dubai;
- Law No. (18) of 2006 on the Management and Realization of Public Funds of the Government and Dubai;
- Law of Management of Human Resources of the Government of Dubai No. (27) of 2006;
- Law No. (25) of 2008 Concerning the Department of Economic Development;
- Decree No. (15) of 2002 Establishing Mohammed Bin Rashid Establishment for Supporting Youth Enterprises;
- The Order issued by the Ruler of Dubai on October 2nd, 2002 on Supporting Youth Enterprises.

Have hereby issued the following Law

Article (1)

This Law shall be cited as “**Law on Mohammed Bin Rashid Establishment for Small and Medium Size Enterprises No. (23) of 2009**”.

Article (2)

The following words and phrases shall, wherever mentioned in this Law, have the meanings assigned next thereto, unless the context otherwise requires:

Emirate:	The Emirate of Dubai;
Executive Council:	The Executive Council of the Emirate;
Department:	The Department of Economic Development;
Director General:	The Director General of the Department;
Establishment:	Mohammed Bin Rashid Establishment for Small and Medium Size Enterprises;
Executive Director:	The Executive Director of the Establishment;
Program:	Hamdan Bin Mohammed Bin Rashid Program for Young Business Leaders;
Enterprises:	Small and Medium Size Enterprises;
Members:	Small and medium size companies and institutions as registered in the Program.

Article (3)

1. This Law shall apply to Mohammed Bin Rashid Establishment for Supporting Youth Enterprises, incorporated under Decree No. (15) of 2002.
2. **“Mohammed Bin Rashid Establishment for Supporting Youth Enterprises”** shall be substituted with **“Mohammed Bin Rashid Establishment for Small and Medium Size Enterprises”** and the Establishment shall retain its necessary corporate personality to achieve its objectives and shall be affiliated to the Department.

Article (4)

The head office of the Establishment shall be in Dubai. However, it may have branches and offices inside and outside the Emirate.

Article (5)

The capital of the Establishment is fifty million dirhams (AED 50,000,000.00) which may be raised by a resolution by the Chairman of the Executive Council.

Article (6)

The Establishment intends to:

1. enhance the position of the Emirate as a business and enterprises leadership center.
2. stir up the initiative spirit, encourage youth innovative ideas and induce them to work and practice economic activity.
3. develop and organize programs and initiatives aimed at enterprise development.

Article (7)

Towards achievement of its objectives, the Establishment shall assume the following duties and competencies:

1. develop, enforce and improve strategic plans and policies that provide programs and initiatives related to enterprise development on a periodical basis.
2. set necessary enterprise classification criteria.
3. set main fields for supporting enterprises, develop and implement relevant initiatives.
4. promote suitable environment to create investment opportunities to public and private sector enterprises.
5. establish and develop business incubators, other enterprises and initiatives that contribute to achieve the strategic objectives of the Establishment.
6. study the existing enterprises conditions and determine main obstacles that hinder their growth.
7. develop awareness programs to encourage establishment and development of enterprises.

8. conclude contracts and agreements in coordination with banks and finance institutions to facilitate members' attainment of suitable finance options and coordinate with external suppliers to provide support and consultation services to members.
9. incorporate and subscribe to companies, acquire and rent properties and movable properties.
10. assume any other duties as may be necessary for the Establishment to achieve its objectives.

Article (8)

The Establishment shall have an Executive Director that shall be appointed by a resolution issued by the Chairman of the Executive Council. The Executive Director shall assume the following duties and powers:

1. propose policies and internal regulations that enhance the implementation of enterprise development relevant programs and initiatives and forward the same to the Director General for approval.
2. propose legislations on the operations of the Establishment.
3. draft and forward the action plan, draft annual balance sheet and closing account of the Establishment to the Director General for approval.
4. supervise the daily operations of the Establishment.
5. represent the Establishment vis-à-vis third parties and conclude necessary contracts and agreements for the achievement of the objectives of the Establishment.
6. realize desirable performance results and forward performance reports to the Director General.
7. assume any other duties as he may be assigned by the Director General.

Article (9)

A program named “**Hamdan Bin Mohammed Bin Rashid Program for Young Business Leaders**” shall be established in the Establishment with a view to enhance initiative spirit, encourage youth and national businessmen and increase their contribution to the economic activity in the Emirate through:

1. provision of financial and technical support as well as sufficient loans to members to enable them to establish and possess enterprises through a fund specifically established for this purpose to render financing services pursuant to the Establishment's approved rules and bases in this regard.
2. qualification, training and preparation of members to practice the economic activity and business management.
3. provision of consultations and studies on available opportunities and business.
4. raising youth awareness on the value of investment initiatives and utilization of the opportunities and incentives that the Program makes available to its members.

Article (10)

The Establishment shall license members pursuant to its approved requirements in this regard, subject to the following conditions:

1. A member shall pay a fee in the amount of AED 1,000 per year of license period as a practice fee for a term of three (3) years from the date of first license granted to a member. Thereafter, fees are collected in accordance with the legislations in force in the Emirate for practice of economic activities therein.
2. No fees other than those stipulated under clause (1) of this Article may be collected during the first three years.

Article (11)

1. All rights and obligations of the Incentive Regulations of “Mohammed Bin Rashid Establishment for Supporting Youth Enterprises” shall be transferred to the Establishment.
2. The rules and procedures applicable at “Mohammed Bin Rashid Establishment for Supporting Youth Enterprises” shall remain in force to the extent they are in line with this Law and the resolutions hereby issued.

Article (12)

All government agencies, institutions and companies owned by the Government of Dubai or to which capital the Government of Dubai subscribes for more than fifty percent (50%) shall:

1. allocate 5% of its purchases for goods and services provided by members.
2. give priority to members when making bids or auctions with any of them, where the proposal made by the member is not 5% higher or lower than the best proposal made, in terms of quality and price.

Article (13)

The financial resources of the Establishment shall consist of:

1. the subsidies allocated to the Establishment out of the Department's budget.
2. proceeds of its funds' investments.
3. charges of provided services.
4. any other resources as the Executive Council may approve.

Article (14)

The Establishment shall apply the approved accounting practices and standards of the Government of Dubai to its accounts and records. The financial year of the Establishment shall commence on the first of January and end on the thirty-first of December every year.

Article (15)

The Establishment shall replace “Mohammed Bin Rashid Establishment for Supporting Youth Enterprises” in its rights and obligations. In addition, all

employees of “Mohammed Bin Rashid Establishment for Supporting Youth Enterprises” shall be transferred to the Establishment and shall retain their respective acquired rights. The employees of the Establishment shall be subject to Law of Management of Human Resources of the Government of Dubai No. (27) of 2006.

Article (16)

The Chairman of the Executive Council shall issue necessary regulations and resolutions to put this Law into force and effect.

Article (17)

Decree No. (15) of 2002 Establishing “Mohammed Bin Rashid Establishment for Supporting Youth Enterprises”, the Order issued by the Ruler of Dubai on October 2nd, 2002 on Supporting Youth Enterprises, as well as any stipulation under any other legislation shall, to the extent they are contradictory herewith, hereby become null and void.

Article (18)

This Law shall go into effect as of its issue date and shall be published in the Official Gazette.

Mohammed Bin Rashid Al Maktoum
Ruler of Dubai

Issued in Dubai
Dated 5 July 2009 A.D.
Corresponding to 12 Rajab 1430 A.H.