

## **Cabinet Decision No. 2/2018 On the Corporate Social Responsibility**

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The Council of Ministers,  
After perusal of the Constitution,  
Federal Law No. 1/1972 on the Competencies of the Ministries and Powers of the Ministers and its amendments,  
Federal Law No. 5/1975 on the Commercial Register,  
Civil Transactions Law promulgated by Federal Law No. 5/1985 and its amendments,  
Federal Law No. 37/1992 on Trademarks and its amendments,  
Commercial Transactions Law promulgated by Federal Law No. 18/1993,  
Federal Law No. 4/2000 on the UAE Securities and Commodities Authority and Market and its amendments,  
Federal Law No. 8/2004 on the Financial Free Zones,  
Federal Law No. 8/2011 on the Re-organisation of the State Audit Institution,  
Federal Law No. 12/2014 on the Regulation of the Auditing Profession,  
Federal Law No. 2/2015 on the Commercial Companies, and its amendments,  
Federal Decree-Law No. 6/2015 on the Establishment of the Federal Competitiveness and Statistics Authority (FCSA),  
Federal Decree-Law No. 11/2017 on the Delegation of some powers to the Council of Ministers,  
Upon the proposal of the Minister of Economy and the approval of the Council of Ministers,  
Has decided:

## **Article 1 - Definitions**

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

State: The United Arab Emirates State.

Ministry: The Ministry of Economy.

Minister: The Minister of Economy.

Fund: The National Social Responsibility Fund.

Board: The Board of Trustees of the Fund.

Relevant Entities: Federal or local government entities including economic departments or the free zones authorities of the State.

Company/Companies: The commercial company or companies practising its activity in the State as specified in the Two Clauses (A and B) of Article 3 of the present Decision.

Establishment/Establishments: The establishment or entities mentioned in Clause (C) of Article 3 of the present Decision.

Corporate Social Responsibility (CSR): The voluntary contribution of the Company or Establishment to the social community development through making contributions (in cash and/or in-kind) to implement development projects and programs including economic, social and environmental in the State, in addition to the Corporate Social Responsibility (CSR) practices mentioned in Article 5 of the present Decision.

Beneficiary Entities: The entities listed on the Platform that are approved by the Board.

Beneficiary Projects and Programs: The development projects, programs and initiatives listed on the Platform.

Label: The Corporate Social Responsibility (CSR) Label, which is a special national Label, of various categories, issued by the Fund and granted to Companies and Establishments according to the controls and criteria set out by the Board.

Passport: The Corporate Social Responsibility (CSR) Passport, which is a national social responsibility certificate issued by the Fund and awarded to Companies and Establishments who have most distinguished themselves in the Social Responsibility field in the State, according to the controls and criteria set out by the Board.

Index: The Corporate Social Responsibility (CSR) National Index which is prepared, annually, by the Fund, and in which is specified the rank of Companies and Establishments in the State, based on the degree of their contribution to the Corporate Social Responsibility (CSR) projects, programs and initiatives, according to the criteria set out by the Board.

Platform: The Corporate Social Responsibility (CSR) Smart Platform affiliated to the Fund, on which is listed the Companies, Establishments and Beneficiary Entities, and which aims to regulate and coordinate the Corporate Social Responsibility (CSR) work on the State level, and through which voluntary contributions are made by Companies and Establishments to projects and programs listed on the Platform to contribute to the Social Responsibility in the State.

Listing: Listing on the Platform.

Coordination Forums: The Corporate Social Responsibility (CSR) Forums, mean Platforms for annual communication intended to building partnerships between the leaderships of Companies and Establishments and those concerned in the humanitarian and social development activity in the State.

## **Article 2 - The Objectives of the Decision**

The present Decision aims to achieve the following:

- a-Setting down the organisational framework of the Corporate Social Responsibility (CSR) contributions, their certification mechanisms, management and administration in the State.
- b-Setting down the general framework of incentives and privileges for engaging in the Corporate Social Responsibility (CSR).
- c-Determining the roles and responsibilities of the Relevant Entities to regulate and promote the Social Responsibility of Companies and Establishments.

## **Article 3 - Scope of effectiveness**

The provisions of the present Decision shall apply to:

- a-All commercial companies in the State, of all legal forms, including banks, finance companies and commercial companies excluded from the provisions of Federal Law No. 2 of 2015, in addition to the branches of foreign companies which practice their activity in the State.
- b-Companies owned, in full or in part, by the federal or local government, either directly or indirectly.
- c-Institutions and entities willing to be listed on the Platform, such as civil companies/ professional companies/ individual companies/ companies operating in the free zones of the State/ cooperative societies.

## **Article 4 - Guidelines**

In implementing the provisions of the present Decision, the following guidelines shall be observed:

- a-The Corporate Social Responsibility (CSR) shall be based on pure voluntary basis practised by Companies and Establishments out of their desire of corporate giving and contribution to the development of the community, through voluntary contribution to the projects listed on the Platform.
- b-The Companies and Establishments are a key partner in the sustainable development in the State.

## **Article 5 - Corporate Social Responsibility (CSR) Practices**

The Social Responsibility practices of Companies and Establishments shall comprise the following:

- a-Contributing to the development of the community in the economic, social and environmental fields and others, through making cash or in-kind contributions to finance the development programs and projects in the State, that meet the conditions, controls and criteria approved by the Board.
- b-Adopting environment-friendly policies in production and work.
- c-Promoting innovation and scientific research, as well as contributing to the provision of solutions for problems and challenges encountered by the community.
- d-Establishing the Social Responsibility culture in Companies and Establishments through setting down sustainable strategies for the Corporate Social Responsibility (CSR), in addition to providing opportunities to develop the humanitarian and social campaigns and initiatives, as well as engaging in volunteering programs.

## **Article 6 - The National Social Responsibility Fund**

- a-A “National Social Responsibility Fund” shall be established according to the present Decision as a federal administrative body which reports directly to the Minister. The Fund shall have a juristic personality besides financial and administrative independence, as well as the legal capacity necessary to initiate all the competencies entrusted to it.
- b-The Ministry shall bear the constitutional costs of the Fund.

## **Article 7 - The Competencies of the National Social Responsibility Fund**

The Fund shall have the following duties:

- a-Setting up the Platform and regulating the listing of Companies, Establishments, Beneficiary Entities, Projects and Programs.
- b-Promoting and disseminating the Corporate Social Responsibility (CSR) culture.
- c-Following up the implementation of the Corporate Social Responsibility (CSR) Projects and Programs listed on the Platform.
- d-Awarding the Corporate Social Responsibility (CSR) Label and Passport to Companies and Establishments that comply with the criteria, conditions and requirements issued by the Board.
- e-Annual advertising of the results of the Social Responsibility of Companies and Establishments and issuing the relevant annual report.
- f-Preparing the Corporate Social Responsibility (CSR) National Index on annual basis, in which shall be recorded the rank of Companies and Establishments on basis of the following:
  - 1-Degrees of contribution to the Corporate Social Responsibility (CSR) Projects and Programs listed on the Platform.
  - 2-The criteria and controls set out by the Board.

g-Any other duties assigned to it by Cabinet Decision.

### **Article 8 - The management of the National Social Responsibility Fund**

a-The Fund shall have a Board of Trustees under the chairmanship of the Minister. A decision from the Minister shall be issued on the formation of the Board, the number of its members, their remunerations, term of membership, and its meetings. The Board shall have a rapporteur selected by the Chairman of the Board, and who shall determine his obligations and financial remunerations.

b-The Fund shall have an administrative branch to be regulated by decision of the Board.

c-The employees of the Fund shall be subject to the Human Resources Law and Regulations of the federal government.

d-The Board may, as it may deem appropriate, seek the assistance of any employees of the Ministry or of the federal and other local government authorities, in coordination with them, or the assistance of any experts to perform some of the duties related to the Fund or Platform, in addition to determining their fees or appropriate remunerations in this regard.

### **Article 9 - The competencies of the Board of Trustees**

a-The Board shall have the following competencies:

1-Approving the general policy of the Fund and overseeing its implementation.

2-Approving the organisational structure of the Fund.

3-Approving the strategies and plans related to the work of the Fund.

4-Identifying the Corporate Social Responsibility (CSR) Projects and Programs, the controls governing them, the implementation priorities and the objects of expenditure.

5-Approving the design of the Platform and the listing requirements of Companies and Establishments on the same and their classifications.

6-Approving the controls, criteria and conditions related to the award of the Passport and Label.

7-Setting down the functioning mechanism of the Index and the controls for the assessment of score-points to Companies and Establishments.

8-Following up and approving the annual performance reports of the Fund.

9-Forming committees and work teams, either permanent or temporary, in order to enable the Fund to perform its duties, as well as specifying the duties of said committees, work teams and their rules of procedure.

b-The Board may assign some of its competencies to the Chairman, provided that such delegation is made in writing and specific.

c-The Chairman of the Board or his delegate shall have the right of signature on behalf of the Fund.

d-Any other competencies assigned to it by the Minister.

### **Article 10 - The Advisory Committee**

a-An Advisory Committee shall be set up by decision of the Board, under the chairmanship of the Assistant Undersecretary for Economic Affairs, and members who represent a number of the relevant sectors in the State. The Decision shall determine its functioning system.

b-The Advisory Committee shall be competent to submit proposals, perceptions and ideas, and to file the recommendations with the Board regarding the development of the organisational frameworks, operations involving the Corporate Social Responsibility (CSR) practices, and all relevant programs and initiatives, such as the following:

1-Developing the Platform and Index.

2-Submitting proposals on the privileges and incentives for listing on the Platform.

3-Providing advice on the initiatives and activities related to the Corporate Social Responsibility (CSR).

4-Any other duties assigned to the Advisory Committee by the Board.

### **Article 11 - The Corporate Social Responsibility (CSR) Smart Platform**

a-The Fund shall create a Corporate Social Responsibility (CSR) Smart Platform, which aims to regulate the voluntary contributions to development projects and programs listed on the Platform, and to record and coordinate the Corporate (CSR) Social Responsibility efforts.

b-The Platform contains the following:

1-A comprehensive database of all listed Companies and Establishments, the values of their contributions, their classifications and others.

2-The development projects and programs submitted by Beneficiary Entities in the State.

3-The sectors which benefit from available contributions according to the development priorities in the State, as set out by the Board.

4-Studies on the real situation of Corporate Social Responsibility (CSR) in the State.

5-Educational and training manuals concerning the preparation and implementation of a corporate strategy for Companies and Establishments in the field of Social Responsibility.

6-Disclosure, by Companies and Establishments, of contributions to the Social Responsibility.

7-Disclosure, by Beneficiary Entities, of the phases of implementation of the Corporate Social Responsibility (CSR) Programs and Projects.

8-The forms regarding the listing on Platforms.

9-The incentives and privileges awarded to Companies and Establishments listed on the Platform.

10-The conditions, rules and controls related to obtaining the Corporate Social Responsibility (CSR) Label and Passport issued by the Board.

11-Any information, news or data related to the Social Responsibility.

## **Article 12 - Listing on the Corporate Social Responsibility (CSR) Smart Platform**

a-Listing on the Platform is mandatory for all the companies mentioned in Clauses (A) and (B), and voluntary for the Establishments mentioned in Clause (C) of Article 3 of the present Decision. The Relevant Entity shall satisfy the listing requirements on the Platform upon registration or renewal of registration of the Company and Establishment, in addition to notifying the Fund of a proof of the same.

b-The listing of projects and programs on the Platform shall be made through electronic entry of data, information and documents pertaining to the project or program, into the Platform, made by Relevant Entities in coordination with the Beneficiary Entities, according to the procedures issued by Decision of the Board.

c-No other entity in the State may use the phrase "Social Responsibility Project", unless such project is listed on the Platform according to the provisions of the present Decision.

d-The Board may award priority to certain projects and programs on the Platform, according to the controls, criteria and conditions set down by the Board in this regard.

## **Article 13 - The projects and programs listed on the Platform**

a-Contribution shall be voluntary to any of the Corporate Social Responsibility (CSR) Projects and Programs listed on the Platform.

b-The Company or Establishment that has contributed to any of the Projects or Programs listed on the Platform shall have the right to follow up the phases of completion of the Project/Program with the Beneficiary Entity.

c-The Company or Establishment willing to contribute, voluntarily, to the Project or Program listed on the Platform shall follow the controls and procedures issued by the Board.

d-The Fund shall have the right to adopt all appropriate legal procedures against the Beneficiary Entity in case of its failure to comply with the action plan or the period approved to the Project or Program or failure to comply with any of the terms of the agreement concluded with it or in case of violating the controls and criteria issued by the Board in this regard.

e-The Beneficiary Entity shall be responsible for the validity, accuracy and fulfilment of all documents, studies, and reports, submitted through the Platform, on the Project/Program. The Beneficiary Entity shall act with due diligence in the completion of the Project/Program and comply with the timely action plan approved to the Project/Program in addition to all procedures, controls, conditions and criteria approved by the Board.

f-The Board may deny the listing of any project or program on the Platform in case it fails to meet the controls, criteria and conditions issued in this regard, or if the public interest requires so.

g-No amounts may be withdrawn from the bank account of the Project or Program whether by the Beneficiary Entity or any authorised person, unless after the fulfilment of all the conditions, criteria, and controls issued by the Board.

h-If the Beneficiary Entity violates the controls, criteria and conditions issued by the Board, then the Board may cancel any Project/Program that has been listed on the Platform and transfer the amounts deposited by the Company or Establishment from the bank account of said Project/Program to the bank account of the Fund.

i-The Board shall have the right to make a cash contribution from the bank account of the Fund to any of the Projects /Programs listed on the Platform in the cases that the Board may deem necessary.

j-The Board may transfer the management of any Project or Program listed on the Platform from one Beneficiary Entity to another in the cases that the Board may deem necessary.

k-If there are surplus unused amounts after the full accomplishment of the Project/Program according to the action plan, then the Beneficiary Entity shall transfer said amounts and any proceeds from the bank account of the Project/Program to the bank account of the Fund according to the procedures specified by the Board in this regard.

l-If the amounts allotted to the Project or Program are consumed where there is a need for additional amounts to accomplish the same, then the Fund may, after the approval of the Board, disburse the amount required for this Project or Program from the bank account of the Fund according to the requirements set out by the Board, or that the remaining works of the Project /Program be offered on the Platform.

#### **Article 14 - Mandatory Disclosure of Companies and Establishments**

The Company or Establishment shall, before the renewal of its annual licence at the Relevant Entity, disclose through the Platform, its contribution or non-contribution to the Social Responsibility for the period prior to the renewal date. If there are contributions, then the disclosure shall comprise all data and information related to the type and volume of the contribution, and the Beneficiary Entity or Entities of said contribution.

#### **Article 15 - Mandatory Disclosure of Beneficiary Entities**

a-All Beneficiary Entities shall disclose, through the Platform, the action plan of the Program or Project, its latest developments, and challenges, every three months, or as necessary, unless otherwise is determined by the Board.

b-The disclosure shall comprise all data and information related to the Project or Program.

c-The Board may request from the Beneficiary Entity to appoint an auditor for the Corporate Social Responsibility (CSR) Project/Program or to change the auditor, as it may deem necessary.

#### **Article 16 - Corporate Social Responsibility (CSR) Index**

a-The Fund shall prepare an annual Corporate Social Responsibility (CSR) Index according to the criteria set out by the Board, provided that they include the percentages of cash and in-kind contributions of all Establishments contributing to the Corporate Social Responsibility (CSR) Projects and Programs that are listed on the Platform.

b-The Board shall set down the functioning mechanism of the Index and the rules for the assessment of score-points to Companies and Establishments.

c-The results of the Corporate Social Responsibility (CSR) Index shall be announced, on annual basis, as determined by the Board.

#### **Article 17 - The Corporate Social Responsibility (CSR) Label and Passport**

a-The Fund shall issue the Corporate Social Responsibility (CSR) Label and Passport, and each of them shall be registered as a trademark owned by the Fund.

b-The Fund may issue different categories of the Label and Passport.

c-The Fund may conduct a corporate assessment for Companies and Establishments applying for the Label or the Passport, and it may assign any of the specialised technical offices, as it may deem appropriate, to conduct the assessment according to the controls, criteria and conditions set down by the Board in this regard.

d-The Label and Passport shall be used as a way to promote the Companies and Establishments that have been awarded the same, to reflect their excellence and contribution in the field of giving and social community work.

e-Awarding a Label or Passport shall result in that the Companies or Establishments obtain the privileges and incentives for a specified period. The Company or Establishment may not use said Label or Passport after the termination of their term.

f-The Label and Passport shall be used exclusively by the Company or Establishment that have been awarded the same. Subsidiary Companies, parent companies or holding companies may not use the same.

g-In case the Establishment uses the Label or Passport in violation of the provisions of the present Decision, then the provisions set out in Federal Law No. 37 of 1992 on Trademarks and decisions issued in implementation thereof shall apply.

#### **Article 18 - Privileges and Incentives**

The Chairman of the Board or his delegate shall conclude Memorandums of Understanding with Relevant Entities for the recognition of the list of privileges and incentives awarded to Companies and Establishments listed on the Platform.

#### **Article 19 - Coordination Forums**

a-The Chambers of Commerce and Industry in each Emirate of the State shall, in coordination with the Ministry, the Fund, and the licensing authorities of each Emirate, hold, annually, Corporate Social Responsibility (CSR) Coordination Forums. Social Responsibility working committees of Companies and Establishments shall emanate from these Forums.

b-The Forums and committees shall aim to achieve the following:

- 1-Building partnerships between Companies, Establishments and Beneficiary Entities in the development work field.
- 2-Exchanging information and expertise between various sectors.
- 3-Developing a common perception of development priorities in the community.
- 4-Directing joint investments towards the development and improvement priorities in the community.

#### **Article 20 - Corporate Social Responsibility (CSR) Statistics**

The Federal Competitiveness and Statistics Authority (FCSA) shall, in cooperation and coordination with the Board or its delegate in this regard, prepare, issue and publish the annual statistics report on the Social Responsibility of Companies and Establishments.



## **Article 21 - Announcement of the Results of the Social Responsibility**

The Fund shall, in coordination with the Ministry, organise an annual event to discuss all the latest developments of the Social Responsibility, in addition to announcing the results of the Social Responsibility of Companies and Establishments, provided that the event includes the announcement of the following:

- a-The results of the Corporate Social Responsibility (CSR) National Index.
- b-The categories of Corporate Social Responsibility (CSR) Label and the holders of the same.
- c-The results of the holders of the Corporate Social Responsibility (CSR) Passport.
- d-The amendments to the requirements and criteria regarding the Index, Label, or Passport.
- e-The amendments to related privileges and incentives.
- f-The results of related Forums and Committees.
- g-The Corporate Social Responsibility (CSR) statistics.
- h-Any related subject-matters specified by the Minister.

## **Article 22 - Contributions to the Fund**

a-The contribution to the listing on the Platform shall be one-thousand and five hundred (1,500) AED, to be paid annually by Companies and Establishments to the account of the Fund. This contribution shall be considered a part of the contribution to the Social Responsibility in the State.

b-Companies and Establishments may contribute, voluntarily, to the Fund by ten thousand (10,000) AED, in case of the desire to obtain a Corporate Social Responsibility (CSR) Label pursuant to categories.

c-Companies and Establishments may contribute, voluntarily, to the Fund by fifteen thousand (15,000) AED, in case there is a desire to compete so as to obtain the Corporate Social responsibility (CSR) Passport.

d-Any other voluntary contributions approved by the Board.

e-The Board may, after the approval of the Council of Ministers, issue a decision exempting certain categories of Companies or Establishments from the requirement to settle the contribution amount for listing on the Platform mentioned in Clause (A) of this Article.

## **Article 23 - The fiscal year**

The fiscal year of the Fund shall start to run from the first day of January and ends on the thirty first of December of each year.

## **Article 24 - Final Provisions**

a-The Fund shall be subject to the subsequent audit of the State Audit Institution, and the Fund is required to provide it with all data or information related to its activities.

b-The Fund shall be exempt from the application of the provisions of Federal Decree-Law No. 8 of 2011 on the Rules for the Preparation of the Public Budget and Final Accounts.

## **Article 25 - Regulations and Rules**

The Minister and the Board shall, each within his own competence, issue the regulations and decisions necessary for the implementation of the provisions of the present Law.

## **Article 26 - Abolitions**

Any provision that is contrary to or contradicts with the provisions of the present Law shall be abrogated.

## **Article 27 - Publication of the Decision and its entry into force**

The present Decision shall be published in the Official Gazette and enter into force on the next day following the date of its publication.

Issued by Us  
On 4 Jumada Al-Awwal 1439 H  
Corresponding to 21 January 2018  
**Mohammed Bin Rashid Al Maktoum**  
**Prime Minister**

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