

**Federal Law No. 17 of 2004**  
**concerning fighting commercial cover.**

**We, Zayed Bin Sultan Al Nahyan,            President of the United Arab Emirates**

- Upon Review of the Constitution; and
- Federal Law No. (1) for the Year 1972, On the Matter of the Concerns and Rights of the Ministries, as amended; and
- Federal Law No. (5) for the Year 1975, On the Matter of the Commercial Registry; and
- Federal Law No. (4) for the Year 1979, On the Matter of the Suppression of Fraud and Deception in Commercial Transactions; and
- Federal Law No. (18) for the Year 1981, On the Matter of the Regulation of Commercial Agencies; as amended; and
- Federal Law No. (8) for the Year 1984, On the Matter of Commercial Companies, as amended; and
- Federal Law No. (9) for the Year 1984, On the Matter Of Insurance Companies and Agents, as amended; and
- The Penal Law as issued by Federal Law No. (3) for the Year 1987; and
- The Penal Procedures Law as issued by Federal Law No. (35) for the Year 1992; and
- The Commercial Transactions Law as issued by Federal Law No. (18) for the Year 1993; and
- Federal Law No. (18) for the Year 1995 On the Matter of Simple Trades; and
- Pursuant to the representations made by the Minister of Economy & Commerce, the approval of the Cabinet and the Federal National Council, and the ratification by the Federal Supreme Council,

**We enact the following law:**

## Article (1)

In implementation of this Law, the following words and expressions shall have the meanings shown, unless the context would require otherwise:

- State** : The United Arab Emirates
- Ministry** : The Ministry of Economy & Commerce
- Minister** : The Minister of Economy & Commerce
- Competent Authority** : The local authority in the respective Emirate
- Committee** : The Commercial Anti-Fronting Committee
- Fronting** : Enabling a foreigner - whether a natural or artificial person - to undertake any economic or professional activity, which he is not permitted to carry out under the effective laws and decrees of the State, whether undertaken on his own account or in collusion with others; or enabling him to evade obligations applicable to him'.
- Fronter** : Any natural or artificial person who enables a foreigner—whether a natural or artificial person—to undertake any economic or professional activity which is prohibited for him to undertake within the State.
- Fronting Person** : Any foreigner—whether a natural or artificial person—who undertakes any economic or professional activity, which is prohibited for him to undertake within the State, with the assistance of the Fronter.

## Article (2)

Fronting shall be prohibited for any foreigner—whether a natural or artificial person—and whether by use of the name, commercial license or [registration information within the] Commercial Register of the Fronter, or by any other means in light of the definition of Fronting provided for in Article (1) of this Law.

### **Article (3)**

Without prejudice to any greater sanction imposed by any other law, the Fronter shall be subject to a fine not to exceed one hundred thousand dirhams, and such fine shall be multiplied by the number of Fronting activities. In case of a recurrence [of such fronting activities], the sanction shall be imprisonment of the Fronter for a period not to exceed two years, with a fine of one hundred thousand dirhams.

The Fronting Person shall be subject to the same sanctions, along with deportation from the State, after the imposition of such sanctions and his discharge of related obligations.

### **Article (4)**

Conviction, in accordance with the provisions of the preceding Article, shall result in the removal of the Fronter from registration within the Commercial Registry regarding the Fronting activity, revocation of the license granted to him, and the barring of his undertaking such activity for a period not to be less than two years and not to exceed five years from the date of the judgment. Summary of the judgment shall be published, at the cost of the convicted person, in two daily newspapers published within the State, provided that one of them is in the Arabic language.

### **Article (5)**

The concerned officials overseeing the execution of the provisions of this Law, and the implementing decrees thereof, shall be determined by decree of the Minister of Justice, Islamic Affairs & Pious Foundations, in accord with the Minister and the Competent Authority, and they shall have the capacity of judicial officers in establishing violations of the provisions of this Law, and the implementing bylaws and decrees thereof, and they shall therefore have the right to review all records and documents of the related economic and professional activities.

### **Article (6)**

The Minister shall issue the necessary bylaws and decrees to execute the provisions of this

Law, in coordination with the Competent Authority.

### **Article (7)**

This Law shall be published in the Official Gazette and shall be in force three years from the date of its publication.

**Zayed Bin Sultan Al Nahyan**

**President of the United Arab Emirates**

**Issued by us in the Presidential Palace:**

Date: 18th of Ramadan, 1425

Corresponding to: 1st of November, 2004