

Cabinet Resolution No. (22) of 2016

on Unified Definition of Small and Medium Enterprises

The Cabinet:

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972 on the Competences of Ministries and Powers of Ministers, as amended,
- Federal Law No. (2) of 2014 on Small and Medium Enterprises,
- Based on the Cabinet's approval,

Hereby resolves as follows:

Article (1)

Definitions

In implementing the provisions of this Resolution, the following terms and phrases shall bear the meanings assigned thereto respectively, unless the context otherwise stipulates:

- State** : The United Arab Emirates.
- Law** : Federal Law No. (2) of 2014 on Small and Medium Enterprises.
- Council** : Council of Small and Medium Enterprises.
- Small and Medium Enterprises (SMEs)** : Any company or sole proprietorship engaged in an economic activity, whether it is small, including micro-enterprises, or medium, which is subject to the unified definition set forth herein.
- Trade Sector** : Any activity including the sale of a natural material or animal, agricultural or industrial product.
- Industry Sector** : Any activity including transformation of raw materials into processed or semi-processed materials, including an activity through which procedures, which lead to changing the function of any tool or material, are taken.
- Services Sector** : Any activity provided in return for a fee including the provision of utilities to third parties, including contracting and construction projects.

Article (2)

Definition of Enterprises

For the purposes of considering enterprises to be small and medium enterprises, including micro-enterprises, such enterprises shall meet the stipulations of the unified definition as per the categories set forth in Articles (3), (4) and (5) hereof.

Article (3)

Trade Sector

SMEs shall be deemed as engaged in the Trade Sector in case of meeting any of the standards of the following categories:

1. Micro-enterprises category, where the number of workers is not more than (5) persons or whose annual revenues are not more than AED (3) million.
2. Small enterprises, where the number of workers is more than (6) persons and less than (50) persons or whose annual revenues are not more than AED (50) million.
3. Medium enterprises, where the number of workers is more than (51) persons and less than (200) persons or whose annual revenues are not more than AED (250) million.

Article (4)

Industry Sector

SMEs shall be deemed as engaged in the Industry Sector in case of meeting any of the standards of the following categories:

1. Micro-enterprises category, where the number of workers is not more than (9) persons or whose annual revenues are not more than AED (3) million.
2. Small enterprises, where the number of workers is more than (10) persons and less than (100) persons or whose annual revenues are not more than AED (50) million.
3. Medium enterprises, where the number of workers is more than (101) persons and less than (250) persons or whose annual revenues are not more than AED (250) million.

Article (5)

Services Sector

SMEs shall be deemed as engaged in the Services Sector in case of meeting any of the standards of

the following categories:

1. Micro-enterprises category, where the number of workers is not more than (5) persons or whose annual revenues are not more than AED (2) million.
2. Small enterprises, where the number of workers is more than (6) persons and less than (50) persons or whose annual revenues are not more than AED (20) million.
3. Medium enterprises, where the number of workers is more than (51) persons and less than (200) persons or whose annual revenues are not more than AED (200) million.

Article (6)

The Council shall perform a comprehensive study and provide the Cabinet with recommendations, at least once every three years, including determination of the necessity to update the unified definition referred to herein.

Article (7)

The Council's Chairman shall issue the appropriate decisions for taking the procedures necessary to implement the provisions of this Resolution.

Article (8)

Any provision violating or contradicting with the provisions of this Resolution shall be repealed.

Article (9)

This Resolution shall be published in the Official Gazette; and shall enter into force as of the day following its publication date.

Mohammed bin Rashid Al-Maktoum

Prime Minister

Issued by us.

Date: 05 / Shawwal / 1437 AH

Corresponding to: 10 / July / 2016 AD