

Cabinet Resolution No. (79) of 2022

Concerning the Controls for Motivating Commercial Companies to Exercise Their Corporate Social Responsibility

The Cabinet,

- Having reviewed:
- The Constitution; and
- Federal Law No. (1) of 1972 Concerning the Competences of Ministries and the Powers of Ministers, as amended; and
- Federal Law No. (4) of 2000 Concerning the Emirates Securities and Commodities Authority and Market, as amended; and
- Federal Decree-Law No. (14) of 2018 Concerning the Central Bank and Organization of Financial Institutions and Activities, as amended; and
- Federal Decree-Law No. (32) of 2021 Concerning Commercial Companies; and
- Cabinet Resolution No. (2) of 2018 Concerning the Corporate Social Responsibility of Commercial Companies and Institutions; and
- Based on the proposal of the Minister of Economy and the Cabinet’s Approval thereof,

Hereby resolves as follows:

Article (1)

Definitions

For the purpose of the present Resolution, the following words and expressions shall have the meaning assigned thereto as stated herein below unless the context requires otherwise:

- State** : The United Arab Emirates.
- Ministry** : The Ministry of Economy.
- Minister** : The Minister of Economy.
- Fund** : CSR UAE Fund established under Cabinet Resolution No. (2) of 2018.
- Decree-Law** : Federal Decree-Law No. (32) of 2021 Concerning Commercial Companies.

- The Company** : The commercial company subject to the provisions of the Decree-Law and a branch of a foreign company established outside the State while practicing its activity inside the State.
- Special Resolution** : The resolution issued by the shareholders or owners of shares at the Annual Meeting of the General Assembly or the Owners or Shareholders in accordance with the different forms of the Company as identified in the Decree-Law.
- Social Responsibility** : The voluntary contribution to the social development through providing cash or in-kind contributions for the implementation of development projects and programs in the State
- Competent Authority** : The local authority in charge of corporate affairs within the relevant emirate

Article (2)

Applicability

The present Resolution shall apply to companies with regard to contribution to social responsibility.

Article (3)

Objectives of the Resolution

The present Resolution aims at setting the controls required to motivate companies to assume their social responsibility and the stages of application thereof.

Article (4)

Controls for Contribution to Corporate Social Responsibility

With regard to social contributions, whether cash or in kind, the following controls shall be followed:

1. The corporate social contribution shall be voluntary and shall aim at fulfilling corporate giving and contribution to social development.
2. Providing the aforementioned contributions through programs and projects approved by the Fund or other licensed entities in the State or through any other forms of social responsibility contributions, in any form, whether by contributing to the development of

society in the economic, social and environmental fields, promoting the spirit of innovation and scientific research to solve problems or meet challenges facing the society, establishing a culture of social responsibility and providing opportunities to develop humanitarian and social campaigns and initiatives and volunteer programs or any other social responsibility practices.

3. The lapse of at least one fiscal year from the date of incorporation of the company.
4. Issuance of a special resolution by the company regarding the contribution to social responsibility and determination of the contribution percentage therein.
5. The contribution to social responsibility shall be granted from the profits realized by the company at the end of each fiscal year of the company and may be granted from the profits of the preceding fiscal years which have not been distributed.
6. The contribution to social responsibility may be disclosed after the end of the fiscal year.
7. Inclusion of the auditor's report and the company's annual financial statements regarding the entity or entities that benefit from its contribution to social responsibility.
8. Subject to the provisions of clauses (3) to (7) of this article, if the company is a branch of a foreign company, the special resolution shall be issued by the foreign company or the authorized person, as the case may be, as specified in the company's articles of association in this regard.

Article (5)

Role of Federal and Local Government Agencies Regarding Incentives to be Granted to Companies Contributing to Social Responsibility

Subject to the provisions hereof, federal, and local government agencies, including the competent authority and other authorities, may exercise their powers by granting incentives to companies contributing to social responsibility.

Article (6)

Social Responsibility Resolutions Shall Remain in Force

The company shall continue to fulfill its obligations in accordance with the Cabinet resolutions regarding its corporate social responsibility, including Cabinet Resolution No. (2) of 2018 regarding Corporate Social Responsibility.

Article (7)

Publication and Enforcement

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

Mohammed bin Rashid Al Maktoum

Prime Minister

Issued by Us

On: 18 Muharram 1444 AH

Corresponding to: 16 August 2022 AD