

Federal Law by Decree No. (6) of 2022 Concerning Cooperative Associations

We, Mohammed Bin Zayed Al Nahyan, President of the United Arab Emirates;

- Upon reviewing the Constitution;
- Federal Law No. (1) of 1972 Concerning the Competences of Ministries and the Powers of Ministers, and any amendments thereto;
- Federal Law No. (2) of 1975 Regulating Agricultural Cooperative Associations;
- Federal Law (13) of 1976 Concerning Cooperative Association;
- Federal Law No. (18) of 1981 Regulating Trade Agencies, as amended;
- Federal Law No. (5) of 1985 Promulgating the Civil Transactions Law, as amended;
- Federal Law No. (10) of 1992 Promulgating the Law of Evidence in Civil and Commercial Transactions, as amended;
- Federal Law No. (11) of 1992 Issuing the Civil Procedure Law, as amended;
- Federal Law No. (35) of 1992 Promulgating the Criminal Procedure Code, as amended;
- Federal Law No. (18) of 1993 Promulgating the Commercial Transactions Law, as amended;
- Federal Law No. (4) of 2012 Regulating Competition;
- Federal Law No. (12) of 2014 Regulating the Profession of Auditors, as amended;
- Federal Decree by Law No. (9) of 2016 on Bankruptcy, as amended;
- Federal Law No. (14) of 2016 concerning Administrative Violations and Penalties in the Federal Government;
- Federal Law by Decree No. (20) of 2018 concerning Anti-Money Laundering, Combating the Financing of Terrorism and the Financing of Illegal Organisations, as amended;
- Federal Law No. (15) of 2020 Concerning Consumer Protection;
- Federal Law by Decree No. (31) of 2021 Promulgating the Crimes and Penalties Law;

- Federal Decree by Law No. (32) of 2021 concerning Commercial Companies;
- Federal Decree by Law No. (37) of 2021 Concerning Commercial Register;
- Upon the proposal of the Minister of Economy as approved by the Cabinet and the Federal National Council;

Has promulgated the following Law by Decree:

Chapter One

Definitions and General Provisions

Article (1)

Definitions

In applying the provisions of this Law, the following words and phrases shall have the meaning ascribed to each of them unless the context otherwise requires:

State	: United Arab Emirates
Ministry	: Ministry of Economy
Minister	: Minister of Economy
Competent Authority	: The Local Government in each Emirate or the Concerned Authority in the Emirate to issue Cooperative Association licences in accordance with the legislation in force in the Concerned Emirate
Cooperative Association	: Association consisting of people united by common goals through which they seek to achieve their aspirations and goals in order to meet their various economic, social, cultural and other needs, in accordance with the provisions of this Decree by Law and its Executive Regulations
Person	: Natural or legal person
Committee	: The temporary Committee for the incorporation stage, appointed from among the Founder members, with its competencies concerning incorporation and registration with the Competent Authority, and representing the Cooperative Association

	throughout this stage
General Assembly Member	: The members who hold a quorum and enjoy voting rights at the time of the General Assembly
Strategic Partner	: The person who owns Cooperative Association shares, except for holders of financing shares and Financial Instruments
Register of Cooperative Association	: Holder of the financing share or Financial Instruments whose entry results in the provision of technical, financial, operational or marketing support for the public benefit of the Cooperative Association
BOD	: The Register that shows the ownership of the members, the rights and the observations made thereon
A BOD member	: Cooperative Association BOD
Managing Director	: BOD Membe
Executive Management	: A BOD member assigned by the BOD to supervise the executive management of the Cooperative Association in exchange for a salary to be determined by the BOD
	: The Managing Director, the Chief Executive Officer, the General Manager, their Deputies, and whoever acts for them

Article (2)

Objectives of the Decree by Law and Principles of Cooperative Associations

1. This Law by Decree shall aim to achieve the following:
 - A. Enhance the role of Cooperative Associations in achieving sustainable development, benefiting their members, and achieving market balance;
 - B. Regulate the licensing and operation of the Cooperative Association Sector and its activities in the State;
 - C. Enhance the ability of Cooperative Associations to be self-reliant;
 - D. Enable community members and its various groups to establish Cooperative

Associations;

- E. Develop non-traditional Cooperative Association sectors and activities;
 - F. Governance of Cooperative Associations laws and regulations; and
 - G. Achieve the principles of Cooperative Associations represented in the following:
 - i. Voluntary and open membership for those who fulfil the membership conditions;
 - ii. Supervision of Cooperative Associations by members;
 - iii. Economic participation by members;
 - iv. Awareness and capacity building;
 - v. Cooperation between Cooperative Associations;
 - vi. Take care of community affairs; and
 - vii. The voting power of the members is equal and is not linked to the number of shares, subject to Article (10) of this Decree by Law.
2. The Ministry shall establish the General Policy for Cooperative Associations in a way that achieves the objectives of this Decree by Law, which is intended for each type and category of Cooperative Associations, in coordination with the Competent Authority, and it is approved by the Cabinet.

Article (3)

Obligations of Cooperative Associations

In order to achieve the principles of Cooperative Associations and the objectives of this Decree by Law, Cooperative Associations shall comply as follows:

- 1. Implement the general policy of Cooperative Associations, plans and programmes necessary to achieve their objectives;
- 2. Contribute voluntarily to achieve social responsibility, including allocating a percentage of Cooperative Association annual profits; or accumulated earnings for community responsibility;
- 3. Exercise exclusively the activities specified in the Articles of Association;
- 4. Improve the social and economic level of its members;

5. Implement the approved system for the governance of Cooperative Associations;
6. Not to interfere in politics or to stir up hatred and sectarian, racial, religious or ethnic conflicts or issues affect the security of the state or its system of government; and
7. Provide office or headquarters for the Cooperative Association in accordance with the conditions specified by the Competent Authority

Article (4)

Scope of Application of the Law by Decree

The provisions of this Decree Law shall apply to Cooperative Associations that are established or existing at the time of its issuance.

Article (5)

Types of Cooperative Associations

1. Cooperative Associations are divided into categories, and the Executive Regulations of this Decree by Law shall specify the special conditions, standards, and provisions in each category, including the volume of revenue, the volume of capital, and the nature of the Cooperative Association activity.
2. Cooperative Associations shall take any of the following types:
 - A. Consumer Cooperative Associations;
 - B. Productive Cooperative Associations;
 - C. Cooperative Associations of employees and professionals;
 - D. Community Cooperative Associations;
 - E. Service Cooperative Associations, including financial, health, educational and housing;
 - F. Digital Cooperative Associations and Platform Cooperative Associations; and
 - G. Any other types approved by the Cabinet upon a recommendation from the Ministry.

Article (6)

Legal Personality

1. Upon its declaration, the Cooperative Association shall have a legal personality and a financial liability independent of the members.
2. Subject to the previous Clause of this Article, a legal person for the Committee shall be established on a temporary basis during the incorporation period to the extent necessary to establish it.
3. The legal personality of the Committee shall expire in any of the following cases:
 - A. When forming the first BOD of the Cooperative Association.
 - B. Non-approval of the Competent Authority on its registration.
 - C. Failure to complete its incorporation procedures for any reason, in accordance with the provisions and period specified in the Executive Regulations of this Decree by Law.

Article (7)

Institutional Governance and Discipline

1. Cooperative Associations are subject to the system of corporate governance and discipline for Cooperative Associations.
2. The Ministry shall prepare standards and provisions for governance and institutional discipline of Cooperative Associations for approval by the Cabinet.

Chapter Two

Establishment of the Cooperative Association

Article (8)

Representing the Cooperative Association in the establishment stage

1. The Founders shall elect from among themselves the Committee, with the membership of (3) three persons at a minimum, including a Chairman, Vice-Chairman and Financial Officer.

2. The Committee undertakes the task of completing the procedures for establishing the Cooperative Association with the Competent Authority.
3. During the establishment period, the Committee undertakes to represent the Cooperative Association with others and to contract in its name, including the rights and obligations that this entails, and to the extent necessary for the establishment of the Cooperative Association.

Article (9)

Responsibility of the Committee concerning the Incorporation Phase

1. Subject to the provisions of Articles (6) and (8) of this Decree by Law, the Founders shall determine the powers and functions of the Committee and undertake the approval of contracts and disbursements during the incorporation stage.
2. Subject to the previous Clause of this Article, the Committee shall be considered the legal representative of the Cooperative Association and is exclusively delegated to it in all works, disposals and functions, including legal, judicial and notary public, in addition to works, contracts, disposals and opening bank accounts for the Cooperative Association under the incorporation phase.
3. The Committee shall be fully responsible for the validity, accuracy and completeness of the information and documents submitted to the Competent Authority during the incorporation phase of the Cooperative Association and until its expiration and completion of its work.
4. The Founders shall be responsible for any damages that may befall the Cooperative Association or third parties as a result of violating the rules and procedures of incorporation specified in this Decree by Law and the decisions issued for its implementation.
5. The Founders shall be jointly liable for the obligations of the Cooperative Association during its incorporation phase, as well as for the funds raised by the Cooperative Association.
6. It is deposited in the Cooperative Association account and the funds subscribed to in its

shares, until it is handed over to the BOD. In the event that the Cooperative Association is not declared, the Founders bear the responsibility jointly towards others.

Article (10)

Membership

1. The Executive Regulations of this Decree by Law shall regulate the terms and conditions for the formation of the BOD, its terms of reference, and the provisions relating to renunciation and exit, heirs, and voting.
2. Subject to the previous Clause of this Article, the Cooperative Association shall be established from a number of not less than (10) ten persons, and it is permissible, by a decision of the Head of the Competent Authority, to make an exception from that if an acceptable reason is found.
3. A member of a Cooperative Association is required to fulfil the following conditions and requirements:
 - A. Conditions specified in the Articles of Association of the Cooperative Association approved by the Competent Authority;
 - B. The member shall be a Citizen whenever the Cooperative Association is one of the typical Consumer Cooperative Associations in the retail sector;
 - C. Enjoy legal capacity;
 - D. The age of a natural person shall not be less than (18) eighteen years, or (3) three years from incorporation if it is a legal person. The minimum requirement for a legal person is excluded when the legal person is owned by a government agency;
 - E. Subject to the previous Clause of this Article, the Competent Authority may reduce or increase the period of incorporation of the legal person in accordance with the criteria and conditions specified in this regard; and
 - F. Any other requirement determined by the Ministry or the Competent Authority in coordination with the Ministry.
4. The General Assembly of the Cooperative Association shall be composed of the members.

5. Cooperative Associations shall keep a register called the "Cooperative Association Register" in which all data concerning members, their capacities, the number of shares they own, and any procedure or restriction on those shares are indicated, in accordance with the conditions and procedures specified by the Minister.
6. The Cooperative Association shall have a capital to the extent necessary to achieve its objectives, consisting of nominal shares of equal value, and the Executive Regulations of this Decree by Law specify all the provisions regulating the shares of the Cooperative Association. This shall include the mechanism of subscription, issuance, trading and disposal thereof, the profits due on the shares, the rights of the member, and the terms and conditions for raising and decreasing the capital, and it shall apply in that regard the following:
 - A. The Cooperative Association capital shall consist of cash shares and in-kind shares, or one of them, in accordance with the controls specified in the Executive Regulations of this Decree by Law.
 - B. Cash contributions shall be deposited in a bank in the State, and the bank may not pay them except to the BOD of the Cooperative Association after submitting proof of the declaration of the Cooperative Association with the Competent Authority.
 - C. In-kind shares are financially assessable assets and are not commitments or the provision of a service or supply.
 - D. The Cooperative Association capital may be increased by accepting new members, or converting bonds or instruments into shares in the Cooperative Association.
 - E. The capital may be reduced in accordance with the conditions, controls and procedures specified in the Executive Regulations.
 - F. Increasing or decreasing the capital does not require amending its Articles of association, and the procedures stipulated in the Executive Regulations or ministerial decisions are followed in this regard.
 - G. The Cooperative Association may borrow from the private or public sector and issue bonds and instruments of all kinds in support of the Cooperative Association activities in accordance with the controls issued by the Ministry after coordination

with the Competent Authority in this regard.

7. Subject to the categories of Cooperative Associations referred to in Clause (1) of Article (5) of this Decree by Law, Cooperative Associations are subject to the following provisions:
 - A. Non-Basic Cooperative Association: Each member of a Non-Basic Cooperative Association shall have only one vote, regardless of the number of shares he owns;
 - B. Basic Cooperative Associations: The Articles of Association of the Basic Cooperative Association shall grant special privileges to major shareholder members and to grant multiple voting rights and distinct preferential rights under conditions and controls, including the following:
 - i. The size of the member investments in the Cooperative Association, provided that they are not less than the percentages specified in the Executive Regulations in this regard.
 - ii. The Articles of Association shall specify the number of votes granted to the number of shares of the major shareholder members.
 - iii. The volume of the member transactions or contributions to the Cooperative Association, so that they are not less than the percentages specified in the Executive Regulations of this Decree by Law out of the total transactions or contributions of the members.
 - iv. The percentage of representation of Senior Shareholder members who enjoy multiple voting rights shall not exceed one-third of the BOD members.
 - v. The percentage of the votes of the Senior Shareholders collectively shall not exceed (35%) of the total votes of the members of the Cooperative Association.
 - vi. Any other conditions specified by the Executive Regulations of this Decree by Law or the Articles of Association of the Cooperative Association.
 - vii. As an exception to the previous Clauses, the Competent Authority may, after coordination with the Ministry, approve special voting systems for licensed Cooperative Associations.
 - C. General provisions for Basic and Non-Basic Cooperative Associations: All members

have one vote when voting on the special resolution.

8. The Cooperative Association may issue Financial Instruments and financing shares under conditions and criteria regulated in the Executive Regulations of this Decree by Law, including the following:
 - A. That these Financial Instruments and financing shares do not have the right to vote in Cooperative Association.
 - B. The Holder of Financial Instruments and financing shares is a Strategic Partner.
 - C. The Holder of Financial Instruments and financing shares is not considered a member of the Cooperative Association.
 - D. Financial Instruments and financing stocks may not be traded or transferred except with the approval of the Cooperative Association BOD.
 - E. Any privileges, conditions or other standards that do not contradict the Articles of Association of the Cooperative Association.
9. As an exception to the provisions of this Article, the Competent Authority may issue decisions regulating the increase of the capital of Cooperative Associations that fall within its jurisdiction, including the provisions regulating the increase of the capital of such Cooperative Associations through the inclusion of new members or the contribution of the local government to the capital of the Cooperative Association.

Article (11)

Incorporation, Management and Finances

1. Incorporation Application of Cooperative Association
 - A. The application for registration of the Cooperative Association shall be submitted to the Competent Authority, accompanied by the Memorandum of Association and Articles of Association, in accordance with the requirements, terms, conditions, and forms specified in the Executive Regulations of this Decree by Law and the Ministry decisions in this regard.
 - B. The Competent Authority shall decide on a registration application within a period of (20) twenty working days, and during that period it may meet with the Committee and

request any additional information, and upon approval of the application, the registration shall be publicised.

- C. The Executive Regulations of this Decree by Law specify the criteria, terms and conditions for the establishment, publicity and management of the Cooperative Association, the distribution of profits, its liquidation or termination and other works and activities and any necessary forms in this regard.
- D. Upon the declaration of the Cooperative Association, the Cooperative Association shall bear all the costs and expenses incurred by the Committee for the purposes of incorporation, and the Auditor Report for these expenses shall be presented to the Constituent General Assembly for discussion and approval.

2. Board of Directors (BOD)

- A. The Cooperative Association shall have a BOD that manages its affairs and consists of a number of members that are not less than (3) three members and not more than (9) nine members.
- B. Subject to the previous Clause of this Article, the Minister may specify another number for the BOD membership of certain types of Cooperative Associations.
- C. The Articles of Association of the Cooperative Association shall determine the method of forming the BOD, the number of its members, and the term of membership. The number of its members shall be individual, and the term of membership does not exceed (3) three Gregorian years, starting from the date of election or appointment.
- D. Subject to the previous Clause of this Article, the BOD membership may be returned or renewed more than once.
- E. The BOD shall be elected by the General Assembly by secret ballot in accordance with the rules and procedures specified in the Executive Regulations of this Decree by Law.
- F. The Ministry shall issue a decision specifying the conditions, controls, and procedures that the Cooperative Association shall comply with in forming the BOD and nominating for membership.
- G. The membership of more than one BOD for more than one Cooperative Association that aims to achieve the same activity may not be combined, nor to combine the capacity of

chairing the BOD, his Deputy, or Executive Management in the same Cooperative Association, or even with another Cooperative Association, just as the Managing Director is not permitted to be a CEO, General Manager of another Cooperative Association.

- H. The BOD shall elect from among its members, by secret vote, a BOD Chairman and a Vice-Chairman who replaces him in the event of his absence or an impediment to it, and a Managing Director may be elected for the Cooperative Association.
- I. The BOD Chairman shall be the legal representative of the Cooperative Association before the judiciary and in its relations with third parties, unless the Articles of Association the Cooperative Association stipulates that its General Manager or CEO is the one who represents it before the courts and in its relations with third parties. The BOD Chairman may delegate some of his powers to other BOD members.
- J. The Competent Authority may, on its own initiative or based on a report from the Auditor or the supervisory Authorities of the Cooperative Association, or at the request of (10%) of the members of the Cooperative Association, at a minimum, dissolve the BOD of the Cooperative Association and appoint a new BOD, for a period not exceeding (3) three years. Or temporary for the conduct of business, not exceeding six months, during which the General Assembly is invited to elect a new BOD to replace it, if it appears to it that the BOD is unable to carry out its tasks or is unable to achieve the objectives of the Cooperative Association, or if there are financial or administrative irregularities in the Cooperative Association that harm the Cooperative Association or its members.
- K. Unless the Competent Authority decides to renew the appointment of the BOD appointed in accordance with the text of the previous Clause of this Article, the BOD shall call for elections for the BOD at least one month before the expiration date of its term, in accordance with the procedures stipulated in the Articles of association of the Cooperative Association.
- L. I. Subject to the previous Clauses of this Article, the Competent Authority may appoint and replace the BOD members and renew their membership in the Cooperative

Association, whether at the incorporation Phase or after its declaration. Subject to the previous Clause of this Article, the BOD appointed by the local authority prior to the issuance of this Decree by Law shall continue to manage the affairs of the association, for a period of (3) three years from the date of its issuance, unless the Competent Authority decides to invite the General Assembly to elect a new BOD before this period expires.

3. General Assembly and Constituent General Assembly

The Executive Regulations of this Decree by Law specify the controls, conditions, and procedures of the Cooperative Association General Assembly, including the invitation to the meeting, the meeting schedule, the quorum for the validity of the meeting, the voting mechanism, the powers of the General Assembly, and cases of inability to elect the BOD or appoint an Auditor, and others.

4. Opening and Managing Branches

For the Cooperative Association may open branches for it in the State after the approval of the Competent Authority for the new branch.

5. Financial Accounts of the Cooperative Association and its Balance Sheet

- A. The Cooperative Association shall keep organised records and financial accounts in accordance with international accounting standards and names that reflect a true and fair picture of the Cooperative Association profits or losses for the fiscal year and place them at the end of the fiscal year. It shall also comply with any requirements stipulated in this Decree by Law and the decisions issued in implementation thereof and the Articles of Association of the Cooperative Association.
- B. The Financial Statements shall be approved by the signature of the BOD members or the BOD Chairman and its Auditor, who in turn prepares his report on the Financial Statements in accordance with professional principles.
- C. The fiscal year of the Cooperative Association shall commence on January 1 of each year and ends on December 31 of the same year, with the exception of the first fiscal year, which shall commence from the date of its publication and ends on December 31 of the following year.

- D. The Financial Statements of the Cooperative Association for the fiscal year shall be duly audited prior to the annual meeting of the General Assembly by (15) fifteen days at least, and the board shall prepare a report on the Cooperative Association activity, the outcome of its business and its financial position at the end of the fiscal year and the method it proposes for distributing the net profits. It shall provide a copy It is reported to each of the members and the Competent Authority and made available on the website of the Cooperative Association.
- E. The Audited Financial Statements shall be published on the website within (15) fifteen days from the date of approval of the budget by the General Assembly, and a copy thereof shall be deposited with each of the Ministry and the Competent Authority.
- F. Subject to the two previous Articles, the annual net profits shall be distributed as follows:
- a. Returns on transactions are granted to each member according to the volume of his dealings with Cooperative Associations.
 - b. Returns on shares for all members at the rate approved by the General Assembly, subject to the provisions stipulated in the Articles of Association.
 - c. Returns derived from financing shares or Financial Instruments.
 - d. The remuneration of the BOD members as determined by the General Assembly, not exceeding (10%) of the annual net profits.
 - e. The Executive Regulations of this Decree by Law shall regulate the terms and conditions regulating the distribution of profits, including any other allocations for the distribution of net profits.

6. Legal Reserve

- A. (10%) of the Cooperative Association net profits shall be deducted every year and allocated to form a legal reserve, unless the Articles of Association specify a higher percentage.
- B. The General Assembly may suspend this deduction when the legal reserve reaches (50%) of the Cooperative Association capital, unless the Articles of Association shall specify a higher percentage.
- C. The legal reserve may not be distributed as profits to the shareholder members or

returns on financing shares or Financial Instruments.

7. Optional Reserve

The Articles of Association of the Cooperative Association may stipulate the allocation of a certain percentage of the net profits to establish an optional reserve, which shall be allocated for the purposes stipulated in the Articles of Association, and may not be used for any other purposes except by a decision issued by the General Assembly.

8. Cooperative Association Dissolution and Liquidation

- A. The Cooperative Association shall be dissolved and liquidated in any of the following cases:
- a. according to the provisions specified in the Articles of Association.
 - b. Issuance of a final judgment by the Competent Court.
 - c. Issuance of a decision by the Competent Authority if the Cooperative Association is unable to achieve its objectives or goes beyond the limits of the Cooperative Association objectives.
 - d. Any other cases determined by the Executive Regulation of this Law by Decree.
- B. Those concerned may appeal the liquidation decision before the Competent Court within (15) fifteen days from the date of notifying the Cooperative Association Decision.
2. The Executive Regulations of this Decree by Law shall determine the provisions regulating the liquidation and termination of the Cooperative Association, the appointment of a liquidator, the basis for determining his fees, duties, powers, and the period required for liquidation.
- D. Subject to the previous Clause of this Article, a liquidator may not be appointed if he is an Auditor for the accounts of the Cooperative Association in any of the periods.
- E. Subject of the provisions of Clause (7) of Article (10) of this Decree by Law, the Cooperative Association shall be subject to the legislation in force concerning liquidation in matters not provided for in this Decree by Law or its Executive Regulations. The priority rights of financing stocks and Financial Instruments are among the privileged rights upon liquidation, with their privileges in applying for the fulfilment of other obligations and other debts.

9. Special Resolution

- A. special decision shall be issued concerning the essential matters of the Cooperative Association, including amending the Articles of Association. The Memorandum of Association, changing the legal form of the Cooperative Association, dissolving or merging it, dismissing the BOD members, changing the BOD any cases in which the Articles of Association require a special decision to be amended.
- B. The Executive Regulations of this Decree by Law regulate the special conditions, requirements, and percentages concerning the special decision.

Chapter Three Supervision and Control

Article (12)

Auditor

1. The Cooperative Association shall have one or more Auditors to be appointed and whose fees shall be determined by the General Assembly, based on the nomination of the BOD.
2. The provisions stipulated in the law regulating the profession of Auditors and its Executive Regulations apply to Auditors, including the terms of appointment and other provisions and standards concerning the practice of the profession of Auditors.
3. The Executive Regulation of this Decree by Law shall specify the terms and conditions for the Auditor, including the duration of the appointment of the Auditor, his powers, obligations and responsibilities, and the contents of the Audit Report he is assigned to prepare.
4. The accounts for the fiscal year are audited by the Auditor who prepares a report on them, and they are approved by the BOD and submitted to the General Assembly, together with the Auditor Report, within (4) four months from the end of each fiscal year for the Cooperative Association.
5. The Cooperative Association shall deposit a copy of the final budget, the Audited

Financial Statements and the Auditor Report with the Competent Authority and make it available on its website within (7) seven days of the meeting of the General Assembly to which the accounts and the Auditor Report were submitted and submit it to the Competent Authority.

Article (13)

Control

1. The Ministry and the Competent Authority shall be responsible for supervising and controlling the Cooperative Association, its activities, its members and shareholders in accordance with the provisions of this Decree by Law and its Executive Regulations.
2. The Committee shall appoint a Licensed Auditor, after approval by the Competent Authority, to audit the Committee expenses during the establishment of the Cooperative Association. The General Assembly shall appoint him thereafter.

Article (14)

Inspection and Judicial Enforcement

1. Employees designated by a resolution of the Minister of Justice or the head of the local judicial authority in consultation with the Minister or in agreement with the Competent Authority, as the case may be, shall have the capacity of judicial reviewers to establish which occur in violation of the provisions of this Law, its implementing regulations and the decisions made pursuant to them, each within their competence.
2. Judicial enforcement officers have the competence to inspect Cooperative Associations in coordination and cooperation with the Competent Authority.

Chapter Four

Penalties

Article (15)

Administrative Penalties and Violations

1. The Cabinet, based on a recommendation from the Minister, after coordination with the Competent Authorities, issues a decision regulating administrative fines and violations, and that the decision includes specifying the bodies that impose administrative fines on the Cooperative Association and the controls and procedures for signing and appeal against them.
2. The imposition of an administrative fine does not absolve oneself of liability for acts committed contrary to the provisions of the legislation in force.
3. The Cooperative Association shall appeal before the Competent Court within (60) sixty working days from the date of learning of the rejection of the appeal, after which the decision shall be immune from appeal before any party.

Article (16)

Crimes and Penalties

1. The imposition of the penalties stipulated in this Law shall be without prejudice to any more severe penalty stipulated in any other law.
2. A fine of not less than (200,000) two hundred thousand dirhams and not more than (1,000,000) million dirhams shall be imposed on whoever submits false or misleading information in the Memorandum of Association, Articles of Association, prospectus Subscription, data, annual reports, financial statements, or financial position.
3. A fine of not less than (100,000) one hundred thousand dirhams and not more than (1,000,000) million dirhams shall be imposed on members of the BOD and any of the senior executive management who recommended the distribution of profits to members or others, or the distribution of bonuses to members of the Board in violation of the provisions of this Decree by Law or its Executive Regulations or any of the decisions issued pursuant thereto, as well as every Auditor who approved such distribution with

his knowledge of the violation.

4. A fine of no less than (100,000) one hundred thousand dirhams and no more than (1,000,000) one million dirhams shall be imposed on anyone who unlawfully uses a name or slogan that appears to the public that this work or project is Cooperative Association, as well as anyone who uses a Cooperative Association logo untruly and any person or An entity that has practised any business suggesting that it is Cooperative Association without registration contrary to the provisions of this Decree by Law, and the Court shall order the removal of the name and the publication of the judgment, at the expense of the convict, in one of the local daily newspapers.
5. A liquidator who recommended the distribution or distribution to members of the Cooperative Association assets, or who performed any practice, procedure, or act contrary to the professional principles established in the legislation in force, shall be punished with a fine of not less than (50,000) fifty thousand dirhams and not exceeding (500,000) five hundred thousand dirhams. Carries out the established obligations.
6. A criminal case shall be filed against the legal representative of the Cooperative Association for the crimes committed by the Cooperative Associations.

Chapter Five

Listing in financial markets, transition to trading companies and acquisitions

Article (17)

Listing in Financial Markets

The Cooperative Association may list its shares in the stock markets in the State in accordance with the terms and conditions regulating it from the financial stock market.

Article (18)

Establishment of Cooperative Association Companies and Acquisitions

1. The Cooperative Association to establish companies in any way and in accordance with the requirements and procedures specified by the Competent Authorities.

2. Subject to the Articles of association of the Cooperative Association, the Cooperative Association may, after obtaining the approval of the Competent Authority, acquire the shares of other companies and Cooperative Associations.

Article (19)

Transforming the Cooperative Association into a Commercial Company

1. The Cooperative Association may transform into a company in the manner specified in the Companies Law in accordance with the terms and conditions specified in the Executive Regulations of this Decree by Law.
2. Obtain the approvals of the Competent Authorities.

Chapter Six

Strategic Partner, Endowments and Grants

Article (20)

Strategic Partner

1. The Cooperative Association, according to a special decision, approving the entry of a Strategic Partner, and the Ministry shall issue a decision that determines the conditions, percentages, and procedures for the entry of the Strategic Partner into the Cooperative Association.
2. The BOD of the Cooperative Association shall present to the General Assembly a study showing the benefits that the Cooperative Association will reap from the inclusion of the Strategic Partner.
3. The Ministry and the Competent Authority shall refuse the entry of the Strategic Partner if such entry would violate the laws of the State or the applicable regulations or harm the public interest.

Article (21)

Grants and Gifts

1. The Cooperative Association, according to a special decision, may obtain donations and grants after obtaining the approval of the Competent Authority in accordance with the legislation in force in the State.
2. Cooperative Associations shall obtain the approval of the Granting Authorities concerning any actions or acts related to grants and gifts, when these agencies are governmental.

Article (22)

Delegation of Competence and Coordination with the Competent Authorities

1. The Cabinet, based on the Minister proposal, may delegate any of the Ministry competencies stipulated in this Decree by Law to the Competent Authority.
2. Subject to the previous Clause of this Article, the Competent Authority shall undertake the electronic link with the Ministry.

Article (23)

Data Sharing

The Competent Authority shall share with the Ministry all data related to the Cooperative Association and any updates thereof by linking it to the economic register, including the Financial Statements and budget approved by the General Assembly, the Auditor Report, and the decisions of the General Assembly. It also provides the Ministry with any other information or data upon the Ministry request.

Article (24)

Regularisation

Existing Cooperative Associations at the time of enforcement of the provisions of this Decree

Law shall regulate not exceeding two years from the date of its entry into force, provided that this period may be extended by a decision of the Cabinet based on the recommendation of the Minister.

Article (25)

Forfeiture Liability Lawsuit

Any decision issued by the General Assembly to discharge the BOD does not result in the forfeiture of the civil liability lawsuit against the members of the BOD due to the mistakes they make in carrying out their mission. It shall lapse with the lapse of one year from the date of the meeting of that assembly. Nevertheless, if the act attributed to the BOD members constitutes a criminal offense, the civil liability lawsuit shall not lapse unless the criminal lawsuit lapses.

Article (26)

Social Responsibility

1. The Cooperative Association, after the approval of the Competent Authority and the issuance of a decision by the General Assembly, may allocate a percentage of its annual profits or the accumulated profits for social responsibility.
2. The Cooperative Association shall disclose on its website after the end of the fiscal year whether or not it has carried out its social responsibility.
3. The Auditor Report and the annual Financial Statements of the Cooperative Association shall include the entity or entities benefiting from these community contributions.

Article (27)

Mergers

1. The Cooperative Association, after the approval of the Competent Authority, to merge with another Cooperative Association.
2. The Competent Authority may, on its own initiative or at the request of the Cooperative

Association BOD, decide to merge more than one Cooperative Association that falls within the scope of its competence, if this merger would achieve the interests of the Cooperative Association movement in the Emirate or the interests of the members of those Cooperative Associations. The Competent Authority issues provisions, rules, conditions and procedures for merging Cooperative Associations in this case.

3. Pursuant to the provisions of this Article, when the merger is between Cooperative Associations in different Emirates, this requires the approval of the Competent Authority in each Emirate.

Article (28)

Establishment of joint Cooperative Associations and Cooperative Association Union

1. Any number of licensed Cooperative Associations may form joint Cooperative Associations among themselves, to produce or import what is required for the activity of these Cooperative Associations or to serve their various purposes.
2. For Cooperative Associations of the same kind to establish a union among themselves in accordance with the terms and conditions regulating that in the Executive Regulations of this Decree by Law.
3. The legal personality of each of the joint Cooperative Associations and the union of Cooperative Associations is established upon their declaration.

Chapter Seven

Final Provisions

Article (29)

Fees necessary to implement the Decree by Law

The Cabinet, upon the recommendation of the Minister and the proposal of the Minister of Finance, shall issue a decision specifying the fees prescribed in connection with this Decree by Law.

Article (30)

Executive Regulation

1. The Cabinet, based on a proposal of the Minister, shall issue the Executive Regulations for this Decree by Law within six (6) months from the date of its enforcement.
2. The Cabinet delegates any of its powers to the Minister.

Article (31)

Repeals

1. Federal Law No. (2) of 1975 concerning the organisation of agricultural Cooperative Associations, Federal Law No. (13) of 1976 concerning Cooperative Associations, as well as every provision that contradicts or conflicts with the provisions of this Decree by Law are repealed.
2. Pursuant to the previous Clause of this Article, the regulations and decisions issued in implementation of Federal Law No. (2) of 1975 AD and Federal Law No. (13) of 1976 referred to above shall continue to be in force, provided they do not conflict with the provisions of this Decree by Law.

Article (32)

Law by Decree

This Law by Decree shall be published in the Official Gazette and shall come into force after (3) three months from the date of its publication.

Mohammed Bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by us at the Palace of the Presidency in Abu Dhabi:

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