

Federal Decree Law No. (25) of 2022
Regarding the Regulation and Development of the Industry

I, Mohammed bin Zayed Al Nahyan, President of the United Arab Emirates,

- Upon reviewing the Constitution;
- Federal Law No. (1) of 1972 Regarding the Competences of Ministries and the Powers of Ministers and amendments thereof;
- Federal Law No. (1) of 1979 on the Regulation of Industry Affairs;
- Federal Law No. (18) of 1993 promulgating the Commercial Transactions Law and the amendments thereof;
- Federal Law No. (24) of 1999 Regarding the Protection and Development of the Environment and the amendments thereof;
- Federal Law No. (14) of 2016 Regarding Administrative Violations and Sanctions in the Federal Government;
- Federal Law by Decree No. (26) of 2019 on Public Finance;
- Federal Decree by Law No. (20) of 2020 Regarding Specifications and Standards;
- Federal Law by Decree No. (31) of 2021 Promulgating the Crimes and Punishments Law;
- Federal Decree by Law No. (32) of 2021 Regarding Commercial Companies;
- Federal Decree by Law No. (37) of 2021 Regarding Commercial Registry; and
- Based on the proposal submitted by the Minister of Industry and Advanced Technology, and the approval of the Cabinet.

Have promulgated the following Law by Decree:

Article (1)

Definitions

In application of the provisions of this Law by Decree, the following words and phrases shall have the meanings assigned to each of them, unless the context otherwise requires:

- State** : The United Arab Emirates (UAE).
Ministry : Ministry of Industry and Advanced Technology.
Minister : Minister of Industry and Advanced Technology.

Concerned Authority	:	The federal or local authority competent to implement the provisions herein.
Licensing Authority	:	The local authority or free zone authority competent to issue an industrial licence for an industrial establishment.
Industrial License	:	The document issued by the Licensing Authority denoting the licensing of the industrial establishment to practice its activity.
Industrial Establishment	:	Every establishment whose primary purpose is to transform raw materials into fully manufactured or semi-manufactured products or to convert semi-manufactured products into fully manufactured products, including mixing, separating, forming, assembling, and packaging works, provided that all or most of these operations shall be carried out by mechanical force.
Industrial Product	:	The fully or semi-manufactured material or materials produced by the industrial establishment.
Owner of the Industrial Establishment	:	A natural or legal person who owns the industrial establishment in the State in whole or in part.
Industrial Registry	:	An electronic database in which data of all industrial establishments licensed by the Licensing Authority shall be recorded.
Executive Regulations	:	The executive regulations issued in implementation of the provisions herein.

Article (2)

Law by Decree Objectives

This Law by Decree shall aim to achieve the following:

1. Contributing to the unification of policies and legislation related to the industrial sectors to comply with the programmes of development and diversification of the economy at

the state level;

2. Enabling the industrial sector in the State and raising its contribution to the gross domestic product; and
3. Achieving cooperation, integration, and coordination between the federal and local government agencies concerned with the development of the industrial sectors in the State.

Article (3)

Scope of Application of the Law by Decree

1. The provisions herein shall apply to all industrial establishments, including industrial establishments located in free zones in the State.
2. In the application of the provisions herein, establishments licensed as part of their activities to practice an industrial activity according to the approved classification of economic activities, whether the license issued to the establishment is industrial or non-industrial, are considered among the industrial establishments.
3. The Executive Regulations determine the controls that shall be observed in industrial establishments subject to the provisions herein.
4. The Council of Ministers may exempt any industrial sector from the provisions herein based on the proposal of the Minister in coordination with the Concerned Authorities.

Article (4)

Competences of the Ministry

To achieve the objectives herein, the Ministry shall undertake the following:

1. Developing national guidelines, policies, and strategies to empower the industrial sector in the State, raise its contribution to the gross domestic product and enhance its competitiveness, in coordination with the Concerned Authorities, and supervise their implementation after being approved by the Council of Ministers;
2. Proposing basic technical standards and requirements for the classification and licensing of industrial activities in coordination with the Licensing Authority and other concerned authorities;

3. Determining the primary and secondary industries and targeted supply chains that add value to the national economy;
4. Setting national priorities and standards, preparing programmes and initiatives necessary to develop the fields of industry, working on industrial establishments in developing models, applied technology, and newly competitive industries, and supervising their implementation in coordination with the concerned authorities; and
5. Studying and analysing data and information related to the industry, conducting specialised studies, research, surveys, and building indicators to measure the efficiency and effectiveness of the industrial sector and its impact on the State economy.
6. . Establishing strategic partnerships with the government and private sectors in the field of developing the industrial sector and enhancing its competitiveness regionally and internationally; and
7. Representing the State abroad in fields related to the industry, in accordance with the regulations in force in the State.

Article (5)

Industrial Establishment Licensing

1. The Licensing Authority shall be responsible for issuing, renewing, amending, suspending and cancelling industrial licences for industrial establishments within its jurisdiction in accordance with the controls and procedures regulated by the legislation in force in this regard.
2. The Licensing Authority shall take into account the technical standards and requirements required by the Ministry when issuing industrial licences.

Article (6)

Industrial Registry

1. A registry called the "Industrial Registry" shall be established at the Ministry, including data and information related to licensed industrial establishments. The Executive Regulations shall determine the data and information of the industrial registry, the procedures for their registration and modification, and the mechanisms for linking the industrial registry with the records and databases of the concerned authorities.

2. The Ministry may not make available data and information related to the establishments registered in the industrial registry and the modifications that occur to them through its website, except in accordance with the controls specified by the Executive Regulations.
3. The owner of the industrial establishment, the partner therein, or his heirs may obtain an extract of the data related to the industrial establishment from the industrial registry, in accordance with the conditions and procedures specified by the Executive Regulations.
4. Non-professional employees of the Ministry, licensing authorities or judicial authorities may view the contents of the industrial registry or circulate the data and information registered therein or use them except in accordance with the conditions specified by the Executive Regulations.

Article (7)

Privileges and Exemptions for Industrial Establishment

1. The Ministry shall be responsible for issuing the industrial production permit, according to which the industrial establishment is granted the privileges and exemptions specified by a resolution of the Council of Ministers based on the Minister proposal in coordination with the concerned authorities.
2. Privileges and exemptions shall be granted to industrial establishments that achieve the priorities of industry strategies in the State, which include the following establishments:
 - A. Establishments that provide a competitive advantage for the State and enhance its position within the global value chain of industry;
 - B. Establishments based on advanced technology in industrial systems and solutions;
 - C. Establishments that apply sustainable manufacturing policies;
 - D. Establishments that shall be established in areas specified by the State for their advancement;
 - E. Establishments that practice industries that shall be based on the exploitation and development of natural resources available in the State; and
 - F. Establishments practising industries that contribute to achieving industrial integration in the State.
3. The Executive Regulations shall determine the controls and procedures for issuing, renewing, suspending and cancelling the industrial production permit.

Article (8)

Obligations of the Industrial Establishment

The industrial establishment shall comply with the following:

1. Industrial license conditions;
2. Conditions for permitting industrial production and controls for benefits and exemptions granted to industrial establishments;
3. Mandatory specifications and standards issued by the Ministry;
4. Not to lease the land or building allocated for the industrial establishment from government agencies to others or dispose of it in any way without obtaining permission from the competent government agencies, provided that the Ministry shall be informed thereof;
5. Not to carry out any work that shall change production, expand or develop it, merge the industrial establishment with another industrial establishment, divide the industrial establishment into more than one project, or change the location of the establishment, except in accordance with the controls and procedures specified by the Executive Regulations;
6. Notifying the Ministry and the Licensing Authority of selling, mortgaging, leasing, or assigning the industrial establishment in whole or in part. The Executive Regulations shall specify the necessary procedures, therefore, including the procedures prior to any of these actions;
7. Notifying the Ministry and the Licensing Authority in the event that the industrial establishment stops working in whole or in part within (30) thirty days as of the date of stopping the activity, indicating the reasons for stopping;
8. Notifying the concerned authorities of any accident that poses a threat to life, property, public health, or the environment;
9. Providing the Ministry with the complete and correct data and information it requests about the industrial establishment;
10. Allowing authorised representatives of the Ministry and the concerned authorities to enter the industrial establishment, view records, documents, and accounts, and monitor production processes and other activities of the industrial establishment; and

11. Undertakings and other obligations imposed by the legislation in force on the industrial establishment.

Article (9)

Preview and Inspection

1. The Licensing Authority, the concerned authorities, and the Ministry, each within the limits of its competence, may inspect the existing industrial establishments to ensure their compliance with the terms of the industrial licence and the controls related to security, safety, public health, and the environment.
2. The Ministry, in coordination with the Licensing Authority, may inspect industrial establishments to ensure their compliance with the requirements of the industrial production permit and the requirements for obtaining the privileges and exemptions granted to industrial establishments.

Article (10)

Penalties

Every owner of an industrial establishment that practices an industrial activity without obtaining the industrial license shall be punished with imprisonment and a fine not exceeding (AED1,000,000) million or with one of these two penalties.

Article (11)

Reconciliation

1. A criminal case shall not be initiated for the crime stipulated in Article (10) herein except upon a written request from the Licensing Authority or the Ministry.
2. Reconciliation may be made in the crime stipulated in Article (10) herein before the case is referred to the competent court in exchange for payment of an amount that shall not exceed the maximum fine prescribed for the crime in accordance with the controls specified by the Executive Regulations. The criminal case shall expire upon payment of the reconciliation amount.

Article (12)

Administrative Penalties

Violations and administrative penalties for acts that occur in violation of the provisions herein and the resolutions issued in implementation thereof shall be determined by a resolution of the Council of Ministers based on a proposal by the Ministry and in coordination with the Licensing Authority, the entities imposing penalties, the grievance mechanism against them, and the entity concerned with collecting administrative fines.

Article (13)

Violation Causes Elimination

Whoever commits any of the violations specified in the Council of Ministers resolution referred to in Article (12) herein, in addition to the penalty specified in the aforementioned resolution, shall immediately remove the causes of the violation and the damages resulting from it and if he fails in this regard, the Concerned Authority shall by removing it and charging the violator with the costs of this procedure, in addition to (20%) of the value of the costs as administrative and supervisory expenses. The estimate of the concerned authority for these costs is considered a final estimate.

Article 14

Delegation of Competences

The Council of Ministers, based on a proposal by the Minister, may delegate any of the concerned authorities or licensing authorities, within the limits of their competence, to undertake the implementation of any of the competencies stipulated herein.

Article (15)

Judicial Seizure

The employees of the Ministry or the Licensing Authority who are specified by a resolution of the Minister of Justice in agreement with the Minister or who are specified by a resolution

of the head of the local judicial authority in agreement with the head of the Licensing Authority, as the case may be, have the capacity of judicial seizure officers to prove what occurs in violation of the provisions herein, its Executive Regulations and Resolutions issued in implementation thereof, within the scope of their competence. They shall have access to industrial establishments, seize violations, and issue the necessary records in accordance with the provisions specified by the Executive Regulations.

Article (16)

Regularization

All industrial establishments existing in the State at the time the provisions herein come into force shall reconcile their statuses in accordance with its provisions within one year of the date of its entry into force. Based on the Minister's proposal, the Council of Ministers may extend the deadline for another period.

Article (17)

The Executive Regulations

The Council of Ministers, based on the Minister's proposal, after coordination with the Licensing Authority, shall issue the Executive Regulations herein within (6) six months of the date of its publication in the Official Gazette.

Article (18)

Fees

The Council of Ministers, based on the proposal of the Minister of Finance, shall issue a resolution specifying the fees necessary to implement the provisions herein.

Article (19)

Executive Resolutions

Without prejudice to the competencies established for the Cabinet herein, the Minister shall

issue all resolutions and regulations necessary to implement its provisions.

Article (20)

Repeals

1. Federal Law No. (1) of 1979 on the Regulation of Industry Affairs;
2. Any provision that contravenes or contradicts the provisions herein shall be repealed.
3. The resolutions and regulations issued prior to the entry into force herein shall remain in force, in a manner that shall not conflict with its provisions, until the issuance of what replaces them in accordance with the provisions herein.

Article (21)

Publication of the Law by Decree and its Enforcement

This Law by Decree shall be published in the Official Gazette and shall come into force as of January 02, 2023.

Mohammed bin Zayed Al Nahyan

President of the United Arab Emirates

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

Safar 30, 1444 H

Corresponding to September 26, 2022