

**Cabinet Resolution No. (72) of 2021**  
**Regarding the National Content Program**

**The Cabinet:**

- 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 2015 concerning Commercial Companies and amendments thereof;
- Federal Law No. (14) of 2016 concerning Administrative Violations and Penalties in the Federal Government;
- Federal Decree-Law No. (20) of 2020 Concerning Specifications and Standards;
- The Cabinet Resolution No. (4) of 2019 concerning the Regulations of Procurement and Stocks Management of the Federal Government, as amended;
- And based on the proposal submitted by the Minister of Industry and Advanced Technology, and the approval of the Cabinet,

**Has resolved:**

**Article One**

The National Content Program attached to this Resolution shall be approved.

**Article Two**

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: Dhu al-Qa'dah 21, 1442 H**

**Corresponding to: July 01, 2021 AD**

## Article (1)

### Definitions

In application of the provisions herein, the following words and expressions shall have the meanings ascribed thereto, unless the context requires otherwise:

- Ministry** : Ministry of Industry and Advanced Technology.
- Minister** : Minister of Industry and Advanced Technology.
- Federal Entities** : Any ministry established in accordance with Federal Law No. (1) of 1972 Concerning the functions of ministries and the powers of ministers, and its amendments, any federal independent agency, whether an authority or institution, in addition to federal regulatory bodies affiliated with the Government and have the authority to approve procurement operations.
- Concerned Entities** : Any local entity, whether a department, authority, institution, or any private sector company, including companies owned by the federal or local government, which implements the program in its procurement.
- Committee** : The National Committee of National Content Program stated in Article (6) of this Resolution.
- The National Content** : The total amounts spent within the State to develop businesses, human resources, and boost productivity in the economy according to the criteria of the In-Country Value (ICV) formula.
- Program** : The National Content Program approved by this Resolution.
- Certificate** : The In-Country Value certificate measuring the supplier's contribution to the In-Country Value.

- Companies Granting the Certificate** : Companies and institutions authorized by the Ministry, according to its regulations and procedures, to issue In-Country Value certificates presented by suppliers, in accordance with the controls and requirements approved by the Ministry.
- Supplier** : Any natural or legal person with whom federal entities and concerned entities contract or wish to contract to secure their procurement. This includes the supplier in relation to the purchase and supply of goods, the contractor concerning the execution and establishment of works, and the service provider regarding the provision of various types of services.
- Development of National Human Capabilities** : The development of national cadres and the availability of more educational and training opportunities to enable and qualify a diverse and effective national manpower, as well as the expenditure made on their qualification and training.
- Advanced Technology** : Innovative or newly adopted technology, technology with low production, incomplete or emerging technological maturity.
- Spending on Products and Services within the State** : Spending on local content, such as products, manufacturing and assembling facilities, services, and infrastructure to enhance the GDP of the State. This ensures benefiting from local production and strengthening the internal local value chain among economically registered entities in the State.
- Fixed Assets within the State** : These are the fixed assets that relate to a specific location throughout their productive lifespan, which cannot be practically relocated from one place to another except in rare cases and

through the use of high-cost technologies, such as buildings and infrastructure assets.

**National Content Improvement Plan** : This is the action plan between the supplier and the federal entity or the concerned entity during the contract period, which contributes to stimulating the increase of in-country value based on the controls set by the Ministry.

**National Products** : Any product that is produced within the State, including all extractive, agricultural, animal, and industrial products, whether in their raw form or at any stage of assembly, preparation, or subsequent manufacturing.

**The National Content Formula** : The formula used to measure the contribution to the development of the national content.

**Electronic Platform** : The unified electronic system managed by the Ministry for the National Content Program.

**Procurement** : Any commodity, service, or works needed by federal, local entities or companies to carry on their operations.

## **Article (2)**

### **Objectives**

The program aims to achieve the following:

1. Localize the production of industrial goods and services and support demand for national products.
2. Recycle a larger portion of procurement and services expenditures in the national economy.

3. Activate the governmental procurement cycle to achieve governmental objectives and strategies.
4. Support the State's programs, projects, and objectives regarding increasing Emiratization rates and providing job opportunities for citizens in the private sector.
5. Encourage institutions and companies contracting in procurement to set plans and mechanisms to enhance the local content.
6. Develop and enhance economic activities that are based on knowledge and advanced technology in the State, and increase their positive impact on the gross domestic product.

### **Article (3)**

#### **Scope of Application**

1. The program shall apply to all procurement procedures and categories, supply contracts, and service execution conducted by federal entities to carry out their operations.
2. The program shall apply to the concerned entities and suppliers if they choose to join the program voluntarily, according to the standards and procedures set by the Ministry. Upon joining, the provisions outlined in the program shall apply to them in a mandatory manner.

### **Article (4)**

#### **Criteria of the National Content**

The percentage of the national content value shall be calculated based on the following criteria:

1. First Criterion: The cost of manufacturing and spending on products and services within the State.
2. Second Criterion: The volume of investment in fixed assets within the State.
3. Third Criterion: Spending on hiring, qualifying, and developing national human capabilities.
4. Fourth Criterion: Investment in advanced technology, research and development.
5. Fifth Criterion: Spending on the job cadres existing in the State.

## Article (5)

### Tasks of the Ministry in the Program

The Ministry undertakes the following tasks:

1. Supervising the program, monitoring its implementation, and establishing the necessary criteria for its application and participation.
2. Preparing the manuals, criteria, requirements, and procedures related to the program and its operating system, proposing amendments, and submitting them to the committee for review and presenting its recommendations to the Ministry.
3. Issuing the requirements for obtaining the National Content Certificate and its validity period in coordination with the concerned entities in the State, taking into account the national content criteria referred to in Article (4) of this Resolution.
4. Approving the mechanism for calculating the national content percentage and the criteria mentioned in Article (4) of this Resolution and issuing the necessary manuals as submitted by the committee.
5. Approving the criteria and controls for the operation of the companies granting the certificates as submitted by the committee.
6. Determining the mechanism for evaluating procurement and awarding the bid to be applied to the procurement of all federal entities in coordination with the Ministry of Finance.
7. Approving the implementation programs, criteria, and mechanisms necessary for supervising and monitoring the companies granting the certificates as submitted by the committee.
8. Establishing and managing the unified electronic platform for the national content.
9. Forming executive committees to apply any of the provisions of the program.

The Ministry may delegate any of its entities or executive committees to execute any of its competencies relevant to the program.

## **Article (6)**

### **National Committee**

**A committee named "The National Committee for the National Content Program"** shall be established, and shall be reporting to the Ministry. Formation, operating system, and decision-making mechanism of the committee shall be regulated by a resolution to be issued by the Minister.

## **Article (7)**

### **Tasks of the National Committee**

The National Committee referred to in Article (6) of this Resolution shall perform the following tasks:

1. Prepare policies and strategies relevant to the program and submit them to the Ministry.
2. Propose the mechanism for calculating the National Content percentage, along with the criteria, formula, and related guidelines, and submit them to the Ministry for approval.
3. Review the guidelines, criteria, requirements, and procedures relevant to the program and its operating system, as well as any amendments submitted by the Ministry, and provide recommendations for the same.
4. Determine the financial cost controls for issuing National Content certificates issued by the companies granting such certificates.
5. Design a unified incentive program for federal entities that considers the absence of any financial implications or effects.
6. Propose guidelines, criteria, and requirements necessary for the approval of companies granting the certificate and submit them to the Ministry for approval.
7. Propose the executive programs, criteria, and mechanisms necessary for supervising and monitoring the companies granting the certificates, and submit them to the Ministry for approval.
8. Propose administrative penalties for violations of the program's provisions and the related grievance procedures and submit them to the Ministry.
9. Any other tasks assigned thereto by the Minister.

## **Article (8)**

### **Responsibilities of Federal Entities**

Federal entities shall carry out the following:

1. Implement the program across all procedures and categories of procurement contracts.
2. Apply the specified mechanism for evaluating procurements and awarding bids as referred to in Clause (6) of Article (5) of this Resolution.
3. Provide the Ministry with any studies and reports regarding the implementation of the program's reports with respect to the program.

## **Article (9)**

### **Responsibilities of the Concerned Entities**

Concerned entities, upon joining the program, shall undertake the following:

1. Set appropriate procedures and policies to meet the requirements for application of the program.
2. Include the weight of the National Content in the evaluation criteria for tenders and contract awarding.
3. Provide proposals and improvements for the development of the program and submit them to the Ministry or the National Committee as appropriate.
4. Provide the Ministry with any studies and reports regarding the implementation of the program's reports with respect to the program.

## **Article (10)**

### **Companies Granting the Certificate**

Companies granting the certificate and wishing to be appointed under the program shall submit an application for approval in accordance with the criteria and conditions specified by the Ministry.



## **Article (11)**

### **Obligations of the Companies Granting the Certificate**

Companies granting the certificate shall abide by the following:

1. Measure the National Content for suppliers based on the criteria approved by the Ministry.
2. Comply with the confidentiality, good conduct, ethics, integrity, and impartiality requirements specific to the program.
3. Notify the Ministry of any form of fraud, intentional misrepresentation, inappropriate conduct by suppliers, or any unfair practices or risks to the effective implementation of the program.
4. Contribute to the preparation of awareness workshops, training, and specialized programs regarding the program, in line with the performance and operational requirements set by the Ministry.
5. Inform the Ministry of any changes in management or ownership that may affect their ability to calculate the National Content.
6. Issue the certificate through the Ministry's electronic platform.
7. Submit periodic achievement reports in accordance with the requirements set by the Ministry.
8. Any other obligations assigned by the Ministry.

## **Article (12)**

### **Obligations of Suppliers**

Suppliers shall abide by the following:

1. Provide documentation to the companies granting the certificate that proves the contribution percentage to the National Content, along with copies of the audited financial statements prepared in accordance with international financial reporting standards, as per the forms and criteria set by the Ministry.
2. Renew the National Content certificate subject to the procedures approved by the Ministry.
3. Submit the National Content certificate along with the requirements and conditions for participation in the procurement of federal entities and concerned entities.

4. Provide the Ministry, or its authorized representatives, with a list of all commodities and services supplied during the last fiscal year.
5. Submit wages protection system reports as approved by the Ministry of Human Resources and Emiratization.
6. Attach a plan to enhance the National Content when requested by federal entities or concerned entities, in accordance with the form prepared by the Ministry.

### **Article (13)**

#### **The National Content Mark**

1. The Ministry shall determine the form of the National Content Program Mark, its conditions, and its usage controls, and it shall be considered the exclusive owner of the intellectual property rights related to it.
2. All federal entities, concerned entities, companies granting the certificate, and suppliers shall adhere to the shape of the aforementioned mark and the conditions and controls for its use.
3. None of the federal entities, concerned entities, companies granting the certificate, or suppliers may place, use, or promote the aforementioned mark, including abbreviations, symbols, or images that indicate any of the above, unless they are participants in the program in accordance with the provisions of this Resolution and the procedures issued by the Ministry in this respect.

### **Article (14)**

#### **Control and Monitoring Procedures**

1. Without prejudice to the Ministry's duties outlined in this Resolution, federal entities and concerned entities shall be responsible for controlling and monitoring suppliers within their jurisdiction regarding the application of the program's provisions.
2. The Ministry shall monitor the companies granting the certificate in accordance with the criteria and procedures approved by the Ministry.

## **Article (15)**

### **Administrative Penalties**

A regulation regarding administrative violations and penalties for breaching the provisions of the program, as well as the grievance procedures against the imposed penalties, shall be issued by a Cabinet Resolution.

## **Article (16)**

### **Final Provisions**

1. The application of the program's provisions shall not violate other relevant legislations and shall not exempt from or affect any legal obligations stipulated in such legislations.
2. The Ministry of Finance shall apply the program's requirements in the federal procurement system.
3. The Minister shall issue the resolutions necessary to implement this program.