

In the name of God, the Most Gracious, the Most Merciful

**Mohamed bin Zayed Al Nahyan
President of the United Arab Emirates**

Federal Decree-Law No. (6) of 2022 on Cooperatives

We, Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates;

Having reviewed:

- The Constitution;
- Federal Law No. (1) of 1972 on the Competencies of Ministries and the Powers of Ministers, as amended;
- Federal Law No. (2) of 1975 Regulating Agricultural Cooperative Societies;
- Federal Law No. (13) of 1976 on Cooperative Societies;
- Federal Law No. (18) of 1981 Regulating Commercial 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 on Evidence in Civil and Commercial Transactions, as amended;
- Federal Law No. (11) of 1992 Promulgating the Civil Procedure Law, as amended;
- Federal Law No. (35) of 1992 Promulgating the Criminal Procedure Law, 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-Law No. (9) of 2016 on Bankruptcy, as amended;
- Federal Law No. (14) of 2016 on Violations and Administrative Penalties in the Federal Government;
- Federal Decree-Law No. (20) of 2018 on Countering Money Laundering Crimes and Combating the Financing of Terrorism and Illegal Organizations, as amended;
- Federal Law No. (15) of 2020 on Consumer Protection;
- Federal Decree-Law No. (31) of 2021 Promulgating the Crimes and Penalties Law;
- Federal Decree-Law No. (32) of 2021 on Commercial Companies;
- Federal Decree-Law No. (37) of 2021 on the Commercial Registry; and
- Based on the proposal of the Minister of Economy and the approval of the Cabinet and the Federal National Council;

Have issued the following Law:

**Chapter One
Definitions & General Provisions
Article (1)
Definitions**

In applying the provisions of this Decree-Law, the following terms shall have the meanings assigned to them opposite to each of them, unless the context of the provision requires otherwise:

State: The United Arab Emirates.
Ministry: The Ministry of Economy.

Minister:	The Minister of Economy.
Competent Authority:	The local government in each emirate or the entity in charge of issuing Cooperative licenses in the emirate in accordance with the legislation in force in the concerned emirate.
Cooperative:	A society consisting of persons who share common goals through which they seek to achieve their aspirations and objectives to meet their various economic, social, cultural and other needs, in accordance with the provisions of this Decree-Law and its Executive Regulations.
Person:	A natural or legal Person.
Committee:	The temporary Committee for the incorporation stage, appointed by the founding Members, with its competencies regarding incorporation, registration with the Competent Authority, and representation of the Cooperative throughout this stage.
General Assembly:	Members who meet the quorum and enjoy voting rights at the time of the General Assembly meeting.
Member:	A Person who owns the shares of the Cooperative, excluding the holders of financing shares and financial instruments.
Strategic Partner:	A holder of financing shares or financial instruments, whose stepping in results in the provision of technical, financial, operational or marketing support for the public benefit of the Cooperative.
Cooperatives Register:	A register that shows the ownership of the Members and the rights and notes thereon.
Board:	The Board of Directors of the Cooperative.
Board Member:	A member of the Board of Directors.
Managing Director:	A Board Member who is assigned by the Board to supervise the Executive Management of the Cooperative in return for a salary determined by the Board.
Executive Management:	The Managing Director, Chief Executive Officer, General Manager, their deputies and whoever acts on their behalf.

Article (2)

Objectives of the Decree-Law and Principles of Cooperatives

1. This Decree-Law aims to achieve the following:
 - a. Enhancing the role of Cooperatives in achieving sustainable development, benefit to their Members and market balance;
 - b. Regulating the licensing and operation of the Cooperative sector and its activities in the State;
 - c. Enhancing the ability of Cooperatives to be self-reliant;
 - d. Enabling members of society and its different groups to establish Cooperatives;
 - e. Developing non-traditional Cooperative sectors and activities;
 - f. Governance of Cooperative systems and organization of their work;
 - g. Achieving the principles of Cooperatives represented in the following:
 - 1) Voluntary and open membership for those who meet the conditions for membership;
 - 2) Supervision of Cooperatives by Members;
 - 3) Economic participation by Members;
 - 4) Awareness and capacity building;
 - 5) Cooperation between Cooperatives;
 - 6) Paying attention to community affairs; and

- 7) The voting power of the Members shall be equal and not related to the number of shares, subject to the provisions of Article (10) of this Decree-Law.
2. The Ministry shall prepare the general policy for Cooperatives in a manner which achieves the objectives of this Decree-Law and the intent of each type and category of Cooperatives, in coordination with the Competent Authority, and it shall be approved by the Cabinet.

Article (3) **Obligations of Cooperatives**

In order to achieve the principles of Cooperatives and the objectives of this Decree-Law, Cooperatives shall:

1. Implement the general policy of Cooperatives and the plans and programs necessary for achieving their objectives;
2. Voluntarily contribute to achieving community responsibility, including the Cooperative's allocation of a percentage of its annual profits or cumulative profits to community responsibility;
3. Exercise the activities specified in the articles of association exclusively;
4. Raise the social and economic level of its Members;
5. Implement the approved system of Cooperative governance;
6. Not interfere in politics or incite hatred and sectarian, racial, religious or ethnic conflicts, or issues that affect the security of the State or the system of government therein; and
7. Provide a location or headquarters for the Cooperative in accordance with the conditions specified by the Competent Authority.

Article (4) **Scope of Application of the Decree-Law**

The provisions of this Decree-Law shall apply to Cooperatives incorporated or existing at the time of its issuance.

Article (5) **Types of Cooperatives**

1. Cooperatives are divided into categories, and the Executive Regulations of this Decree-Law shall specify the terms, standards and provisions for each of them, including the volume of revenues, volume of capital and the nature of activity of the Cooperative.
2. Cooperative types include the following:
 - a. Consumer Cooperatives;
 - b. Production Cooperatives;
 - c. Employee and professional Cooperatives;
 - d. Community Cooperatives;
 - e. Service Cooperatives, including financial, health, educational and housing Cooperatives;
 - f. Digital and platform Cooperatives; and
 - g. Any other types to be approved by the Cabinet upon the recommendation of the Ministry.

Article (6) **Legal Personality**

1. Upon its publication, a Cooperative shall acquire a legal personality and shall be financially independent from the Members.
2. Subject to the previous paragraph of this Article, a legal personality shall be temporarily created for the Committee during the incorporation period, to the extent necessary for its incorporation.
3. The legal personality of the Committee shall lapse in any of the following cases:
 - a. Upon the formation of the first Board of Directors of the Cooperative;
 - b. The Competent Authority's disapproval to register it; and
 - 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-Law.

Article (7)
Governance and Institutional Discipline

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

Chapter Two
Incorporation of the Cooperative

Article (8)
Representation of the Cooperative in the Incorporation Stage

1. The founders shall elect, from amongst themselves, the Committee with the membership of at least three (3) persons, including a chairman, a vice-chairman and a financial officer.
2. The Committee shall undertake the task of completing the procedures for incorporating the Cooperative with the Competent Authority.
3. During the incorporation period, the Committee shall represent the Cooperative before third parties and contract in its name, including the rights and obligations included therein, to the extent necessary for incorporating the Cooperative.

Article (9)
Responsibility of the Committee regarding the Incorporation Stage

1. Subject to the provisions of Articles (6) and (8) of this Decree-Law, the founders shall determine the powers and competencies of the Committee and approve contracts and disbursement during the incorporation stage.
2. Subject to the previous paragraph of this Article, the Committee is considered the legal representative of the Cooperative and is solely authorized in all acts, deeds and competencies, including legal, judicial and notary ones, in addition to acts, contracts, deeds and opening bank accounts for the Cooperative under the incorporation stage.
3. The Committee shall be fully responsible for the correctness, accuracy and completeness of the information and documents submitted to the Competent Authority during the stage of incorporating the Cooperative until its expiry and the closure of its business.
4. The founders shall be liable for any damages that may befall the Cooperative or third parties as a result of violating the incorporation rules and procedures specified in this Decree-Law and the decisions issued in implementation hereof.

5. The founders shall be jointly liable for the obligations of the Cooperative during the incorporation stage, as well as for the funds deposited in the account of the Cooperative and the funds subscribed in its shares until they are handed over to the Board of Directors.
6. In the event that the Cooperative is not published, the founders shall be jointly liable towards third parties

Article (10) **Membership**

1. The Executive Regulations of this Decree-Law shall regulate the terms and conditions regarding the formation of the Board of Directors and its competencies and the provisions related to assignment and stepping out, heirs and voting.
2. Subject to the previous paragraph of this Article, the Cooperative shall be formed of a number of no less than ten (10) persons, and an exception to this may be made by a decision of the head of the Competent Authority, if there is an acceptable reason.
3. The Member in the Cooperative is required to fulfill the following conditions and requirements:
 - a. The conditions specified in the Cooperative's articles of association approved by the Competent Authority;
 - b. Being a citizen, if the Cooperative is a standard consumer cooperative in the retail sector;
 - c. Having a legal capacity;
 - d. The age of the natural Person shall not be less than eighteen (18) years, or three (3) years from incorporation in the case of a legal Person, and the minimum requirement for a legal Person shall be excluded, if the legal Person is owned by a government entity;
 - e. Subject to the previous paragraph of this Article, the Competent Authority may reduce or increase the period of incorporation of a legal Person in accordance with the criteria and conditions specified in this regard;
 - f. Any other requirement determined by the Ministry or the Competent Authority in coordination with the Ministry.
4. The General Assembly of the Cooperative shall be composed of all the Members.
5. Cooperatives shall maintain a record called the "Cooperatives Register" showing all data regarding Members, their capacities, the number of shares they own, and any action or restriction on such shares, in accordance with the conditions and procedures to be determined by the Minister.
6. A Cooperative shall have a capital to the extent necessary for achieving its objectives, consisting of nominal shares of equal value. The Executive Regulations of this Decree-Law shall specify all the provisions regulating Cooperative shares, including the mechanisms for subscription, issuance, trading and disposal, the dividends on shares, Member rights, and the terms and conditions for increasing and reducing the capital, and the following shall apply in this regard:
 - a. The capital of the Cooperative shall consist of cash shares and/or in-kind shares, in accordance with the controls specified in the Executive Regulations of this Decree-Law;
 - b. The cash contributions shall be deposited in one of the banks in the State, and the bank may not pay them except to the Board of Directors of the Cooperative after submission of proof of the publication of the Cooperative with the Competent Authority;
 - c. In-kind stock shall be financially-assessable assets and not pledges or the provision of a service or supply;
 - d. The capital of a Cooperative may be increased by accepting new Members, or converting bonds or sukuk into shares in the Cooperative;

- e. The capital may be reduced in accordance with the terms, controls and procedures specified in the Executive Regulations;
 - f. The increase or decrease of the capital does not require amending its articles of association, and, in this regard, the procedures stipulated in the Executive Regulations or ministerial decisions shall be followed; and
 - g. The Cooperative may borrow from the private or public sector and issue bonds and sukuk of all kinds in support of the activities of the Cooperative in accordance with the controls issued by the Ministry in coordination with the Competent Authority in this regard.
7. Taking into account the categories of Cooperatives referred to in paragraph (1) of Article (5) of this Decree-Law, Cooperatives shall be subject to the following provisions:
- a. **Non-Major Cooperative:** Each Member in a non-major Cooperative shall have only one vote, regardless of the number of shares they own; and
 - b. **Major Cooperatives:** The articles of association of a major Cooperative may grant special privileges to major shareholding Members and grant multiple voting rights and distinct preferred rights, upon conditions and controls including the following:
 - 1) The size of the Member's investments in the Cooperative, provided that it is not less than the percentages specified in the Executive Regulations in this regard;
 - 2) The articles of association shall determine the number of votes granted for the number of shares to the major shareholding Members;
 - 3) The volume of transactions or contribution of a Member in the Cooperative, provided it is not less than the percentages specified in the Executive Regulations of this Decree-Law out of the total transactions or contributions of the Members;
 - 4) The representation of major shareholding Members who enjoy multiple voting rights shall not exceed one third of the Board Members;
 - 5) The percentage of the total votes of major shareholding Members shall not exceed 35% of the total votes of the Cooperative's Members, and whenever the percentage increases, distribution shall be remade according to the relative weight of their contribution, unless the Cabinet decides another percentage;
 - 6) Any other conditions specified by the Executive Regulations of this Decree-Law or the articles of association of the Cooperative; and
 - 7) As an exception to the previous paragraphs, the Competent Authority may, after coordination with the Ministry, approve special voting systems for the Cooperatives licensed by it.
 - c. General provisions for Major Cooperatives and Non-major Cooperatives: All Members shall have one vote when voting on a special resolution.
8. The Cooperative may issue financial instruments and financing shares under conditions and criteria to be set in the Executive Regulations of this Decree-Law, including the following:
- a. Such financial instruments and financing shares may not have a voting right in the Cooperative;
 - b. The holder of financial instruments and financing shares shall be a Strategic Partner;
 - c. The holder of financial instruments and financing shares is not considered a Member of the Cooperative;
 - d. Financial instruments and financing shares may not be traded or assigned except with the approval of the Board of Directors of the Cooperative; and
 - e. Any other privileges, conditions or criteria not conflicting with the articles of association of the Cooperative.
9. As an exception to the provisions of this Article, the Competent Authority may issue decisions to regulate the increase in the capital of Cooperatives that fall within its scope of competence,

including the provisions regulating the increase in the capital of such Cooperatives by adding new Members or the local government's contribution to the Cooperative's capital.

Article (11)

Incorporation, Management and Financial Matters

1. Application to Incorporate a Cooperative

- a. The application for registration of a Cooperative shall be submitted to the Competent Authority, accompanied by the memorandum and articles of association in accordance with the requirements, terms, conditions and forms specified in the Executive Regulations of this Decree-Law and the decisions of the Ministry in their regard.
- b. The Competent Authority shall decide on an application for registration within a period of twenty (20) working days, and during this period, it may meet with the Committee and request any additional information, and upon approval of the application, the registration shall be published.
- c. The Executive Regulations of this Decree-Law shall specify the criteria, terms and conditions regarding the incorporation, publication and management of the Cooperative, the distribution of profits, its liquidation or extinction, and other procedures and activities, and any forms necessary in this regard.
- d. Upon publishing the Cooperative, the Cooperative shall bear all costs and expenses incurred by the Committee for the purposes of incorporation, and an auditor's report on such expenses shall be presented to the founding General Assembly for discussion and approval.

2. Board of Directors

- a. The Cooperative shall have a Board of Directors to manage its affairs, and it shall consist of no less than three (3) members and no more than nine (9) members.
- b. Subject to the previous paragraph of this Article, the Minister may specify another number of members for the Board of Directors of certain types of Cooperatives.
- c. The articles of association of the Cooperative shall determine the method of formation of the Board of Directors, the number of its members and the term of membership, provided that the number of its members is odd and the term of membership does not exceed three (3) Gregorian years starting from the date of election or appointment.
- d. Subject to the previous paragraph of this Article, membership of the Board of Directors may be reinstated or renewed more than once.
- e. The Board of Directors 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-Law.
- f. The Ministry shall issue a decision specifying the conditions, controls and procedures that the Cooperative must abide by in the formation of the Board of Directors and nomination for membership.
- g. A person may not simultaneously be a Board Member in more than one Cooperative aiming to achieve the same activity, neither may they simultaneously have the capacities of the chairman of the Board, the vice-chairman or the Executive Management in the same Cooperative or even in another Cooperative, and the Managing Director may not be a CEO or general manager of another Cooperative.
- h. The Board of Directors shall elect, from among its members, by secret vote, a chairman of the Board and a vice-chairman to replace him in his absence or whenever he has an impediment, and a Managing Director may be elected for the Cooperative.

- i. The chairman of the Board shall be the legal representative of the Cooperative before the judiciary and in its relations with third parties, unless the articles of association of the Cooperative stipulate that its general manager or CEO shall represent it before the judiciary and in its relations with third parties. The chairman of the Board of Directors may delegate some of his powers to other Board Members.
- j. The Competent Authority may, on its own initiative, at the request of the auditor or the Cooperative's supervising authorities or at the request of 10% of the Members of the Cooperative as a minimum, dissolve the Board of Directors of the Cooperative and appoint another Board of Directors to replace it, for a period not exceeding three (3) years or temporarily to administer the works without exceeding six months during which the General Assembly shall be invited to elect a new Board of Directors to replace it, if it finds that the Board of Directors is unable to carry out its duties or achieve the objectives of the Cooperative, or if there are financial or administrative violations in the Cooperative that harm the Cooperative or its Members.
- k. Unless the Competent Authority decides to renew the appointment of the Board of Directors appointed in accordance with the provision of the previous paragraph of this Article, the Board of Directors shall call for the elections of the Board of Directors at least one month before the date of the expiry of its term, in accordance with the procedures stipulated in the articles of association of the Cooperative.
- l. Subject to the previous paragraphs of this Article, the Competent Authority may appoint and replace Board Members and renew their membership in the Cooperative, whether at the incorporation stage or after its publication.
- m. Subject to the previous paragraph of this Article, the Boards of Directors appointed by the local authority prior to the issuance of this Decree-Law shall continue to manage the affairs of the Cooperative, for a period of three (3) years from the date of its issuance, unless the Competent Authority decides to invite the General Assembly to elect a new Board of Directors before expiry of this period.

3. General Assembly & Founding General Assembly

The Executive Regulations of this Decree-Law shall specify the controls, conditions and procedures for the General Assembly of the Cooperative, including the invitation to meetings, agenda of meetings, quorum for validity of meetings, mechanism for voting, powers of the General Assembly and cases of inability to elect a Board of Directors or appoint an auditor, etc.

4. Opening and Managing Branches

The Cooperative may open branches in the State after obtaining the approval of the Competent Authority for the new branch.

5. Cooperative's Financial Accounts and Balance Sheet

- a. The Cooperative shall keep organized records and financial accounts, in accordance with international accounting standards and principles, properly and justly reflecting the profits or losses of the Cooperative for the financial year and its position at the end of the financial year. It shall also comply with any requirements stipulated in this Decree-Law, the decisions issued in implementation hereof and the articles of association of the Cooperative.
- b. The financial statements shall be approved by signature of the Board Members or the chairman of the Board of Directors and its auditor, who shall, in turn, prepare their report on the financial statements in accordance with professional principles.

- c. The financial year of the Cooperative shall start on the first of January of each year and end on 31 December of the same year, except for the first financial year, which shall start from the date of its publication and end on 31 December of the following year.
- d. The Cooperative's financial statements for the financial year shall be duly audited at least fifteen (15) days before the annual General Assembly meeting, and the Board shall prepare a report on the Cooperative's activity and financial position at the end of the financial year, and the method they propose for distribution of net profits, with a copy thereof being provided to the Members and the Competent Authority and made available on the Cooperative's website.
- e. The audited financial statements shall be published on the Cooperative's website within fifteen (15) days from the date of the General Assembly's approval of the balance sheet, and a copy thereof shall be deposited with both the Ministry and the Competent Authority.
- f. Taking into account the previous two paragraphs, the annual net profits shall be distributed as follows:
 - 1) Returns on transactions to be granted to each Member according to the volume of their dealings with Cooperatives;
 - 2) Returns on shares for all Members at the percentage approved by the General Assembly, subject to the provisions stipulated in the articles of association;
 - 3) Returns on financing shares or financial instruments;
 - 4) Remuneration of the Board Members as determined by the General Assembly, and not exceeding 10% of the annual net profits; and
 - 5) The Executive Regulations of this Decree-Law shall set the terms and conditions for distribution of profits, including any other appropriations for the distribution of net profits.

6. Legal Reserve

- a. 10% of the net profits of the Cooperative shall be deducted each year and allocated for forming a legal reserve, unless the articles of association specify a higher percentage.
- b. The General Assembly may stop this deduction whenever the legal reserve reaches 50% of the Cooperative's capital, unless the articles of association specify a higher percentage.
- c. The legal reserve may not be distributed as dividends to the shareholding Members or returns on financing shares or financial instruments.

7. Voluntary Reserve

The articles of association of a Cooperative may provide for allocating a certain percentage of the net profits for forming a voluntary reserve, to be allocated for the purposes stipulated in the articles of association, and may not be used for any other purposes except by virtue of a resolution issued by the General Assembly.

8. Dissolution and Liquidation of the Cooperative

- a. The Cooperative shall be dissolved and liquidated in any of the following cases:
 - 1) In accordance with the provisions specified in the articles of association;
 - 2) Upon the issuance of a final judgment by the competent court;
 - 3) Upon the issuance of a decision from the Competent Authority, if the Cooperative fails to achieve its objectives or deviates from the limits of cooperative objectives; and
 - 4) Any additional case specified by the Executive Regulations of this Decree-Law.

- b. The persons concerned may appeal the liquidation decision before the competent court within fifteen (15) days from the date of informing the Cooperative of the decision.
- c. The Executive Regulations of this Decree-Law shall specify the provisions regulating the liquidation and extinction of the Cooperative, the appointment of a liquidator, the bases for determining his fees, duties and powers and the period required for liquidation.
- d. Subject to the previous paragraph of this Article, a liquidator may not be appointed, if he was an auditor of the Cooperative in any period of time.
- e. Subject to the provisions of paragraph (7) of Article (10) of this Decree-Law, the Cooperative shall be subject to the legislation in force regarding liquidation in relation to matters not provided for in this Decree-Law or its Executive Regulations, provided that the priority rights of the financing shares and financial instruments are considered among the privileged rights upon liquidation, with their privileges of priority in recovery over other obligations and debts.

9. Special Resolution

- a. A special resolution shall be issued regarding the essential matters of the Cooperative, including the amendment of the memorandum and articles of association, change of the legal form of the Cooperative, its dissolution or merger, dismissal of Board Members, replacement of the Board of Directors, and any cases where the articles of association require obtaining a special resolution regarding their amendment.
- b. The Executive Regulations of this Decree-Law shall set the special conditions, requirements and percentages regarding the special resolution.

Chapter Three Supervision and Control Article (12) Auditor

1. The Cooperative shall have one or more auditor(s) to be appointed and their fees determined by the General Assembly, based on a nomination by the Board of Directors.
2. The provisions stipulated in the Law Regulating the Profession of Auditors and its Executive Regulations, including terms of appointment and other provisions and criteria regarding the practice of the profession of auditors, shall apply to auditors.
3. The Executive Regulations of this Decree-Law shall determine the terms and conditions of the auditor, including the term of appointment of the auditor, their powers, obligations and responsibilities, and the contents of the audit report they are assigned to prepare.
4. The accounts of the financial year shall be audited by the auditor, who shall prepare a report thereon, and they shall be approved by the Board of Directors and submitted to the General Assembly accompanied by the auditor's report, within four (4) months from the end of each financial year of the Cooperative.
5. The Cooperative shall deposit a copy of the final balance sheet, audited financial statements and auditor's report with the Competent Authority and make them available on the website within seven (7) days of convening the General Assembly to which the accounts and auditor's report were submitted, and shall submit it to the Competent Authority.

Article (13) Control

1. The Ministry and the Competent Authority are responsible for supervising and controlling the Cooperative, its activities, Members and shareholders, in accordance with the provisions of this Decree-Law and its Executive Regulations.
2. The Committee shall appoint a licensed auditor, after they are approved by the Competent Authority, to audit the expenses of the Committee during the incorporation of the Cooperative, and they shall be appointed by the General Assembly thereafter.

Article (14)
Inspection and Judicial Enforcement

1. The employees who are designated by a decision of the Minister of Justice or the head of the local judicial authority in agreement with the Minister or in coordination with the Competent Authority, as the case may be, shall have the capacity of judicial enforcement officers in capturing violations of the provisions of this Decree-Law, its Executive Regulations and the decisions issued in implementation hereof, each within their scope of competence.
2. Judicial enforcement officers shall have the power to inspect Cooperatives in coordination and cooperation with the Competent Authority.

Chapter Four
Penalties
Article (15)
Violations & Administrative Fines

1. The Cabinet shall, upon the recommendation of the Minister after coordination with the Competent Authorities, issue a resolution with the list of violations and administrative fines, provided that the resolution specifies the parties that shall impose administrative fines on the Cooperative and the controls and procedures for imposing them and grievances against them.
2. The imposition of the administrative fine does not preclude any liability arising from the acts committed in violation of the provisions of the legislation in force.
3. The Cooperative may appeal before the competent court within sixty (60) working days from the date of being informed of the rejection of the grievance, after which the decision shall be immune from appeal before any entity.

Article (16)
Offenses & Penalties

1. The application of the penalties stipulated in this Decree-Law shall not prejudice any severer penalty stipulated in any other law.
2. A fine of no less than two hundred thousand (200,000) dirhams and no more than one million (1,000,000) dirhams shall be imposed on whoever makes false or misleading statements in the memorandum of association, articles of association, prospectuses, annual statements and reports, financial data and position or financial statements.
3. A fine of no less than one hundred thousand (100,000) dirhams and no more than one million (1,000,000) dirhams shall be imposed on the members of the Board and any of the senior Executive Management members who recommend the distribution of dividends to Members or others or the distribution of remuneration to members of the Board in violation of the provisions of this Decree-Law, its Executive Regulations or any of the decisions issued pursuant hereto, as well as every auditor who approves such distribution whilst being aware of the violation.

4. A fine of no less than one hundred thousand (100,000) dirhams and no more than one million (1,000,000) dirhams shall be imposed on whoever unlawfully uses a name or logo that suggests to the public that this business or project is cooperative, as well as whoever uses a cooperative logo that is not true and any person or entity that has practiced any business that suggests that it is a Cooperative without registration, in violation of the provisions of this Decree-Law, and the court shall order removal of the name and publication of the judgment, at the expense of the convict, in one of the local daily newspapers.
5. A liquidator who recommends distribution or distributes to the Members the assets of the Cooperative or who performs any practice, procedure or act contrary to the professional principles stipulated in the legislation in force, and whoever fails to fulfill the prescribed obligations, shall be punished by a fine of no less than fifty thousand (50,000) dirhams and no more than five hundred thousand (500,000) dirhams.
6. A criminal case shall be filed against the legal representative of the Cooperative for the crimes committed by Cooperatives.

Chapter Five
Listing in Financial Markets, Transformation into Commercial Companies and Acquisition
Article (17)
Listing in Financial Markets

A Cooperative may list its shares in the financial markets in the State in accordance with the terms and conditions regulating them by the financial markets.

Article (18)
Cooperative's Incorporation of Companies and Acquisition

1. A Cooperative may incorporate companies in any form and in accordance with the requirements and procedures specified by the Competent Authorities.
2. Subject to the articles of association, a Cooperative may – after obtaining the approval of the Competent Authority – acquire shares of companies and other Cooperatives, and may acquire, incorporate, or participate in the incorporation of, commercial companies or Cooperatives, whether by itself or with others, in accordance with the terms, conditions and procedures issued by the Competent Authority.

Article (19)
Transformation of a Cooperative into a Commercial Company

1. A Cooperative may transform into a company in the form specified in the Companies Law, in accordance with the terms and conditions set in the Executive Regulations of this Decree-Law.
2. The approval of the Competent Authority and the Ministry shall be obtained.

Chapter Six
Strategic Partner, Gifts and Grants
Article (20)
Strategic Partner

1. A Cooperative may, by a special resolution, approve the stepping in of a Strategic Partner, and the Ministry shall issue a decision to specify the conditions, percentages and procedures for the stepping in of the Strategic Partner into the Cooperative.

2. The Board of Directors of the Cooperative shall present to the General Assembly a study showing the benefits that the Cooperative shall receive from the Strategic Partner stepping in.
3. The Ministry and the Competent Authority shall reject the stepping in of the Strategic Partner, if it would violate the laws of the State or the applicable regulations or harm the public interest.

Article (21)
Grants and Gifts

1. The Cooperative may, by a special resolution, obtain gifts and grants after obtaining the approval of the Competent Authority in accordance with the legislation in force in the State.
2. Cooperatives shall obtain the approval of donors regarding any actions or disposals related to grants and gifts, if such donors are governmental.

Article (22)
Delegation of Powers and Cooperation with Competent Authorities

1. The Cabinet may, upon a proposal by the Minister, delegate any of the Ministry's powers mentioned in this Decree-Law to the Competent Authority.
2. Subject to the provisions of the previous paragraph of this Article, the Competent Authority shall undertake electronic linking with the Ministry.

Article (23)
Data Sharing

The Competent Authority shall share with the Ministry all data of the Cooperative and any updates that occur thereto by linking to the Economic Register, including the financial statements and balance sheet approved by the General Assembly, the auditor's report and the resolutions of the General Assembly, and shall provide the Ministry with any other information or data at the request of the Ministry.

Article (24)
Regularization of Status

Cooperatives existing at the time of the entry into force of the provisions of this Decree-Law shall regularize their status within a period not exceeding two years from the date of its entry into force, provided that this period may be extended by a resolution of the Cabinet upon the recommendation of the Minister.

Article (25)
Lapse of Liability Case

Any resolution issued by the General Assembly to discharge the Board of Directors shall not result in the lapse of the civil liability case against the Board Members due to the errors committed by them in carrying out their duties. If the act entailing civil liability was presented to and approved by the General Assembly, the civil liability shall lapse one year after the date of the convening of such Assembly. However, if the act attributed to the Board Members constitutes a penal offense, the civil liability case shall not lapse except by the lapse of the penal case.

Article (26)

Community Responsibility

1. A Cooperative may, after the approval of the Competent Authority and the issuance of a resolution by the General Assembly, allocate a percentage of its annual profits or accumulated profits to community responsibility.
2. The Cooperative shall disclose on its website, after the end of the financial year, whether or not it has assumed its community responsibility.
3. The auditor's report and annual financial statements of the Cooperative shall include the party(ies) benefiting from such community contributions.

Article (27)

Merger

1. A Cooperative may, after obtaining the approval of the Competent Authority, merger with another Cooperative, and the Executive Regulations of this Decree-Law shall specify the terms, conditions and procedures for the merger between Cooperatives.
2. The Competent Authority may, on its own initiative or at the request of the Board of Directors of the Cooperative, decide to merge more than one Cooperative within its scope of competence, if such merger would achieve the interests of the cooperative movement in the Emirate or the interests of the Members of such Cooperatives. The Competent Authority shall issue the provisions, rules, conditions and procedures for the merger of Cooperatives in this case.
3. Subject to the provisions of this article, if the merger is between cooperatives in different emirates, it requires the approval of the Competent Authority in each emirate.

Article (28)

Incorporation of Joint Cooperatives and Cooperative Union

1. Any number of licensed Cooperatives may form joint Cooperatives among themselves, to produce or import what the activity of such Cooperatives requires or to serve their various purposes, and the Executive Regulations of this Decree-Law shall specify all the provisions regulating the incorporation of joint Cooperatives and cooperative unions.
2. Cooperatives of the same type may establish a union among themselves in accordance with the detailed terms and conditions regulating this in the Executive Regulations of this Decree-Law.
3. The legal personality of each of the joint Cooperatives and cooperative union shall be created upon their publication.

Chapter Seven

Final Provisions

Article (29)

Fees Necessary for Enforcement of the Decree-Law

The Cabinet shall, based on the recommendation of the Minister and the proposal of the Minister of Finance, issue a resolution specifying the fees prescribed for this Decree-Law.

Article (30)

Executive Regulations

1. The Cabinet shall issue the Executive Regulations of this Decree-Law based on a proposal by the Minister within six (6) months from the entry into force hereof.

2. The Cabinet may delegate any of its powers to the Minister.

Article (31)

Repeals

1. Federal Law No. (2) of 1975 Regulating Agricultural Cooperative Societies, Federal Law (13) of 1976 on Cooperative Societies, as well as any provision that contradicts or conflicts with the provisions of this Decree-Law, shall be repealed.
2. Subject to the provisions of the previous paragraph of this Article, the regulations and decisions issued in implementation of the aforementioned Federal Law No. (2) of 1975 and Federal Law No. (13) of 1976 shall remain in force, in a manner that does not conflict with the provisions of this Decree-Law.

Article (32)

Publication of the Decree-Law

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

The original is signed by His Royal Highness Sheikh Mohamed bin Zayed Al Nahyan
President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi:

On: 19 Muharram 1444 AH

Corresponding to: 17 August 2022 AD