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UNITED ARAB EMIRATES

THE CABINET

Cabinet Resolution no. 2/2018 concerning

Corporate Social Responsibility UAE

The Cabinet:

- Having perused the Constitution;
- Federal Law no. 1 of 1972 concerning Responsibilities of the Ministries and Powers of Ministers, as amended;
- Federal Law no. 5 of 1975 concerning the Commercial Register;
- Civil Transactions Law promulgated by Federal Law no. 5 of 1985, as amended;
- Federal Law no. 37 of 1992 concerning Trademarks, as amended.
- Commercial Transactions Law promulgated by Federal Law no. 18 of 1993;
- Federal Law no. 4 of 2000 concerning UAE Financial Securities & Commodities Exchange Authority, as amended.
- Federal Law no. 8 of concerning Financial Free Zones;
- Federal Law no. 8 of 2011 on Restructuring the Audit Office;
- Federal Law no. 12 of 2014 Regulating the Auditors. Profession.
- Federal Law no. 2 of 2015 concerning Commercial Companies, as amended;
- Federal Decree-Law no. 6 of 2015 concerning Federal Competitiveness and Statistics Authority (FCSA);
- Federal Decree-Law no. 11 of 2017 delegating some power to some Cabinet;
- Pursuant to the Minister of Economy's proposal and the Cabinet's approval;

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Has decided:

Article (1)

Definitions

In implementing the provisions hereof , the following words and phrases shall have the respective meanings indicated opposite thereto, unless otherwise meant by the context

The UAE :	United Arab Emirates
Ministry:	Ministry of Economy
Minister:	Minister of Economy
Fund:	Corporate Social Responsibility UAE fund
Board:	The Fund's Board of Trustees
Concerned Entities:	Federal or Local Government Authorities including Economic Departments or Free Zones Authorities in the UAE.
Company/Companies:	Commercial Company or Companies, carrying on their activity within the UAE, as specified in Clauses (a and b) of Article (3) hereof.
Establishment/Establishments:	Establishment or entities as mentioned in Clause (c) of Article (3) hereof.
Social Responsibility:	The optional contribution of a company

	or an establishment in social development by offering (cash and/or in kind) contributions for executing economic, social and environmental development programs and project (inter-alia) ones in the UAE in addition to social responsibility practices as stipulated in article (5) hereof.
Beneficiaries:	Entities listed on the platform as approved by the Board.
Beneficiary Projects and Programs:	Developmental Projects, Programs and Initiatives listed on the platform.
Mark:	Social Responsibility Mark – it is a special national mark issued by the Fund in various categories to companies and establishments pursuant to controls and criteria determined by the Board.
Permit:	Permit of Social Responsibility –is a national certificate a social responsibility issued by the Fund to the most distinguished companies and establishment in the field of social responsibility in the UAE pursuant to controls and criteria determined by the Board.
Index:	The National Index of Social

	<p>Responsibility annually prepared by the Fund for ranking of companies and establishments in the UAE based on the percentage of their respective contribution in social responsibility initiatives, projects and programs, pursuant to the criteria determined by the Board.</p>
<p>Platform:</p>	<p>The Fund's Social Responsibility Smart Platform for listing, the beneficiary companies, establishments and entities, to regulate and co-ordinate social responsibility work in the UAE. Through this platform, optional contributions are offered by companies and establishments to be listed projects and programs for participate social responsibility in the UAE.</p>
<p>Listing:</p>	<p>Listing on the platform.</p>
<p>Coordination Forums:</p>	<p>Social Responsibility Forums which are platforms for annual communication to build partnerships between leaderships of companies and establishment involved with social and humanitarian development work in the UAE.</p>

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Article (2)

Objectives of the Resolution

The purpose of Resolution is to :

- a) Establish an organizational framework for social responsibility contributions, as well as mechanisms of authenticating, managing and directing them in the UAE.
- b) Establish a general framework for incentives and privileges gained in carrying out social responsibility.
- c) Specify the roles and responsibilities for the concerned entities, in order to regulate and motivate social responsibility in companies and establishments.

Article (3)

Scope of Application

Provisions of this Resolution shall apply to each of the following:

- a) all frame of commercial companies in the UAE, including banks, finance companies and commercial companies, exempted from the provisions of Federal Law no. 2 of 2015, as well as, branches of foreign companies operating within the UAE.
- b) Companies – are directly or indirectly fully owned by the Federal or Local Government or in which owns a percentage of its shares in a direct or an indirect way.

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- c) The institutions and entities desiring to be listed on the platform, such as the civil companies, professional companies, sole establishments, companies operating in Free Zones in the UAE and the Cooperative Societies.

Article (4)

Guideline Principles

Upon implementation of the provisions of this Resolution, the following guidelines shall be observed:

- a) The social responsibility shall be based on mere optional foundations practiced by the companies and institutions based on their desire in the institutional giving and participation in the society's development through the optional contribution in the projects listed on the platform.
- b) The Companies and establishments shall be considered as fundamental partner in the sustainable development in the State.

Article (5)

Social Responsibility Practices

The social responsibility practices of the companies and establishments shall include the following:

- a) Contribution in developing the society in the economic, social and environmental fields and etc, through rendering contributions in cash and in kind for financing the developmental programs and projects in the UAE according to the conditions, policies and criteria approved by the Council.

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- b) Environment friendly policies shall be adopted in the production and the work.
- c) Reinforce the innovation spirit and scientific research, and participation in rendering solutions for the problems or the challenges countered by the society.
- d) Establishing the social responsibility culture in the companies and the institutions through setting up sustainable strategies for the social responsibility, providing the opportunities for development of the social and humanitarian initiatives and campaigns, and involving in the voluntary programs.

Article (6)

National Fund for Social Responsibility

- a) The “National Fund for Social Responsibility” shall be established, by virtue of this Resolution, as a federal administrative body attached to the Minister. The Fund shall have the legal personality, the financial and management independence, and the necessary legal capacity for practicing the competences entrusted thereto.
- b) The Ministry shall bear the expenses for the establishment of the Fund.

Article (7)

Competences of the National Fund for Social Responsibility

The Fund shall carry out the following competences:

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- a) Establish the platform and organize listing of the beneficiary companies, establishments and entities, and projects and programs therein.
- b) Promote and publish the social responsibility culture.
- c) Follow up and implement the social responsibility projects and programs listed on the platform.
- d) Grant the mark and permit of the social responsibility to the companies and institutions, which are compatible with the criteria, conditions and rules issued by the Council.
- e) The annual announcement of the social responsibility results of the companies and institution, and issuance the annual report relating thereto.
- f) Prepare the national index for the social responsibility in an annual way to record the order of the companies and institutions based on the following:
 - (1) The contribution percentage in the social responsibility projects and programs listed on the platform.
 - (2) The criteria and rules determined by the Council.
- g) Any other duties entrusted thereto by virtue of resolution from the Cabinet.

Article (8)

Management of the National Fund for Social Responsibility

- a) The Fund shall have a Council of Trustees presided by the Minister, and resolution shall be issued by the Minister for formation of the Council, specifying of its members, their remunerations, and the period of membership and its meetings. The Council shall have a rapporteur to be selected by the Chairman of the Council, and specify his duties and financial remuneration.

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- b) The Fund shall have an Administrative Agency to be organized by a resolution issued by the Council.
- c) The Fund's Employees shall be subjected to the law and rules of the Human Resources in the Federal Government.
- d) The Council may hire whoever deemed reasonable among the employees in the Ministry or in the other Federal and Local Government Bodies in coordination with them, or among the specialized experts for carrying out some of the assignments relating to the Fund or the platform, and determine the appropriate fees and remunerations in such regard.

Article (9)

Competences of the Council

- a) The Council shall carry out the following competences:
 - (1) Approve the general policy of the Fund and supervise its implementation.
 - (2) Approve the organizational structure of the Fund.
 - (3) Approve the strategies and plans relating to the field of the Fund's work.
 - (4) Determine the projects and programs of the social responsibility and the rules governing thereof, implementation priorities and the aspects of spending thereon.
 - (5) Approve designing of the platform and the requirements for listing and classification the companies and establishments there on.
 - (6) Approve the rules, criteria and conditions related to granting the permit and the mark.

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- (7) Establish mechanism of the index work, and the rules for calculating the points for the companies and the institutions.
 - (8) Follow up and approve reports of the annual performance of the Fund.
 - (9) Formation of the committees and the permanent or temporary work teams to empower the Fund carrying out its assignments, and determine the assignments of such committees and work teams, and the system of their work.
- b) The Council shall authorize the Chairman for any of its competences, provided that, such authorization is in writing and specific.
 - c) Signing on behalf for the Fund shall be authorized to the Chairman of the Council or whoever being authorized.
 - d) Any other competences entrusted to the Minister.

Article (10)

Advisory Committee

- a) By resolution from the Council, an Advisory Committee shall be formed under the Chairmanship of the Undersecretary for the Economic Affairs, and members representing a number of the concerned sectors in the State, and the resolution shall determine the Committee's work.
- b) The Advisory Committee shall be competent in rendering the proposals, concepts and ideas, and shall submit the recommendations to the Council, regarding development of the organizational frames, operations of the social responsibility practices and all the related programs and initiatives, such as:
 - (1) Develop the platform and the index.
 - (2) Submit the proposals concerning the privileges and incentives for listing on the platform.

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- (3) Render the counseling, regarding the initiatives and activities relating to the social responsibility.
- (4) Any other assignments entrusted to the Advisory Committee by the Council.

Article (11)

The Smart Platform for the Social Responsibility

- a) The Fund shall establish a smart Platform for the Social Responsibility with the aim to organize the optional contributions in the development projects and programs listed on the platform, and to authenticate and to coordinate the efforts of the Social Responsibility.
- b) The Platform shall contain the following:
 - (1) A comprehensive database for all the listed companies and institutions, as well as, the value of their contributions and their classifications and etc.
 - (2) The development projects and programs presented by the beneficial entities in the State.
 - (3) The sectors benefiting from the available contributions, pursuant to the development priorities in the UAE as determined by the Council.
 - (4) Studies about reality of the social responsibility in the State.
 - (5) Educational and training guidelines concerning preparation and execution of institutional strategy for the companies and the establishments in the field of the social responsibility.
 - (6) The companies and the establishments shall disclose their contributions in the social responsibility.
 - (7) The beneficiary entities shall disclose the stages of implementing the programs and projects of the social responsibility.
 - (8) The forms related to listing on the platform.

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- (9) The incentives and the privileges granted to the companies and the institutions listed on the platform.
- (10) The terms, conditions and rules related to obtaining the mark and the permit relating to the social responsibility issued by the Council.
- (11) Any information, news and data connected with the social responsibility.

Article (12)

Listing on the Smart Platform of the Social Responsibility

- a) Listing on the platform shall be compulsory for all the companies, which referred thereto in clauses (a) and (b) while shall be optional for the institutions, which referred thereto in clause (c) of article (3) herein. The entities concerned shall fulfill the requirements for listing on the platform upon registration or renewal of registration of the company or institution thereon, and shall notify the Fund thereof.
- b) Listing of the projects and the programs on the platform shall be through entry such entities, in coordination with the beneficiary entities for the data, information and documents relating to the projects or the programs on the electronic platform, pursuant to the procedures determined through issuing a resolution by the Council.
- c) An entity in the UAE may not use the expression “Social Responsibility Project”, unless such project is listed on the platform, in accordance with the provisions of this Resolution.

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- d) The Council may grant the priority to some of the projects and the programs on the platform, pursuant to the rules, criteria and conditions as established by the Council in such regard.

Article (13)

Projects and Programs Listed on the Platform

- a) The contribution shall be optional in any of the projects and programs of the social responsibility listed on the platform.
- b) The company or the institution, which contributed in one of the projects or the programs listed on the platform, shall have the right to follow up on the stages of accomplishing the project/the program with the beneficiary entity.
- c) The company or the institution, that desires the optional contribution in a project or a program listed on the platform, shall follow the policies and procedures issued by the Council.
- d) The Fund shall have the right in taking all the appropriate legal procedures against the beneficiary entity, in case of breaching the work plan or the timeline approved for the project or the program, breaching any of the articles of the agreement concluded therewith, or breaching the rules and criteria issued by the Council in such regard.
- e) The beneficiary entity shall be responsible for the validation, accuracy and completion of all the documents, studies and reports presented through the platform about the projects/the programs. The beneficiary entity shall exert the effort of the due diligence in accomplishing the project/program and comply with the work plan and the timeline approved for the project / the program, all the procedures, rules, conditions and criteria approved by the Council.

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- f) The Council may reject listing of any project or program on the platform in case of not fulfilling the rules, criteria and conditions issued in such regard, or if the public interest necessitates.
- g) It shall not be permissible to start withdrawal of any amounts from the bank account of the project or the program, whether by the beneficiary entity or the authorized person in such regard, unless after fulfillment of all the conditions, criteria and rules issued by the Council.
- h) In case the beneficiary entity breaches the rules, criteria and conditions issued by the Council, the Council may cancel any project/program listed on the platform, and transfer the sums of money deposited by the company or the institution from the bank account relating to such project / program to the Fund's banking account.
- i) The Council shall have the right to render cash contribution from the bank account of the Fund to one of the projects/programs listed on the platform, in the cases where the Council deems necessary to do so.
- j) The Council may transfer the management of any project or program listed on the platform from the beneficiary entity to another beneficiary entity in the cases where the Council deems necessary to do so.
- k) In case of surplus amounts not used after full accomplishment of the project/program according to the work plan, the beneficiary entity shall transfer such amount and any resulting revenues from the bank account of the project/program to the bank account of the Fund, pursuant to the procedures determined by the Council in such regard.
- l) In case the amounts allocated for the project or the program have finished while continuing the need for additional amounts for accomplishing, the Fund, after obtaining approval from the Council, may disburse the amount needed for such project or program from the bank account of the Fund,

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pursuant to the stipulations determined by the Council, or the remaining works of the project / the program are offered on the platform.

Article (14)

Compulsory Disclosure of the Companies and the Institutions

The Company or the Institution, before renewal of their annual license with the entity concerned shall disclose through the platform their contribution or non-contribution in the social responsibility for the period preceding the specified date. In case there are contributions, the disclosure shall be inclusive of all the data and information relating to the type and size of the contribution, and the entity or entities benefiting from the contribution.

Article (15)

The Compulsory Disclosure to the Beneficiary Entities

- a) All the beneficiary entities shall disclose, through the platform, the work plan of the program or the project, the developments and challenges every three months or whenever it is necessary to do so, unless decided otherwise by the Council.
- b) The disclosure shall be inclusive of all the data and information relating to the project or the program.
- c) The Council may request the beneficiary entity to appoint an accounting auditor for the project/program of the social responsibility or to change their accounting auditor, if deemed necessary to do so.

Article (16)

Social Responsibility Index

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- a) The Fund shall prepare the annual index of the social responsibility, pursuant to the criteria specified by the Council, provided to be included the percentages of the contributions in cash and in kind for all the establishments contributing in the projects and programs of the social responsibility listed on the platform.
- b) The Council shall set up the mechanism of the index's work and the rules for calculating the points for the companies and the institutions.
- c) The results for the index of the social responsibility shall be announced in an annual way according to that which determined by the Council.

Article (17)

The Mark and Permit relating to the Social Responsibility

- a) The Fund shall issue a mark and permit for the social responsibility, and each of them shall be registered as trademark owned by the Fund.
- b) The Fund may issue various classes of the mark and the permit.
- c) The Fund may perform an institutional assessment of the companies and the establishments applying for obtainment of the mark or permit. The Fund may appoint whoever deemed appropriate among the technical offices specialized in performing the process of assessment, pursuant to the rules, criteria and conditions determined by the Council in such regard.
- d) Each of the mark and the permit shall be used as method for promotion about the granted companies and the institutions in order to reflex their distinctness and contribution in the field of giving and the social work.
- e) The granting of any of the mark or the permit shall result in obtaining the companies and the establishments for the privileges and incentives for a

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limited period, and the company or the institution may not use such mark or permit after expiry of its period.

- f) The use of the mark and the permit shall be exclusively for the granted company or the institution, and its subsidiary companies; however the parent companies or holding companies may not use thereof.
- g) If the institution uses the mark or the permit in violation of the provisions of this Resolution, the Provisions stated in the Federal Law No. 37/1992 shall be applied regarding the trademarks and the executive resolutions issued thereon.

Article (18)

Privileges and Incentives

The Chairman of the Council of Directors or whoever is authorized shall conclude the Memoranda of Understanding with the entities concerned, for approval of the list of the privileges and the incentives granted to the companies and the establishments listed on the platform.

Article (19)

The Coordinating Forums

- a) The Chambers of Commerce & Industry in every Emirate of the UAE Emirates, in coordination with the Ministry, Fund and the Licensing Authorities in every Emirate, shall convene the coordinating forums for the society responsibility yearly. Work committees for the social responsibility

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for the companies and the establishments shall be emerged from these forums.

b) The forums and the committee aim to achieve the following:

- (1) Establish the partnerships between the companies and the institutions, as well as, the beneficiary entities in the field of the developmental work.
- (2) Exchange the information and the experiences between the various sectors.
- (3) Develop a common concept for the developmental priorities in the society.
- (4) Direct the common investments towards the priorities of the development in the society.

Article (20)

Statistics of the Social Responsibility

The Federal Competitiveness and Statistics Authority (FCSA), in cooperation and coordination with Council or whoever the Council authorizes in such regard, shall prepare, issue and publish the annual statistics report on the social responsibility for the companies and the institutions.

Article (21)

Announcement of the Social Responsibility Result

The Fund, in coordination with the Ministry, shall organize an annual event for discussing the entire developments of the social responsibility, whereas the social

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responsibility results shall be announced for the companies and the institutions.
The event shall include announcement of the following:

- a) The National Index Result for the social responsibility.
- b) Classes of the social responsibility mark and those who obtained thereof.
- c) Results of those obtained the permit for the social responsibility.
- d) Amendments on the stipulations and the criteria concerning the index, mark or permit.
- e) Amendments on the related privileges and incentives.
- f) Result of convening the related forums and committees.
- g) Statistics of the social responsibility.
- h) Any related subjects decided by the Minister.

Article (22)

Contributions in the Fund

- a) The contribution for listing on the platform shall be a sum of AED (1,500) [Only One Thousand Five Hundred Dirham] to be paid annually by the companies and the establishments in favour of the Fund. Such contributions shall be considered as part of the contribution in the social responsibility in the State.
- b) The companies and the establishments may optionally contribute in the Fund for a sum amounting to AED (10,000) [Only Ten Thousand Dirham] in case of desiring to obtain the mark of the social responsibility as per the classes.
- c) The companies and the establishments may optionally contribute in the Fund for a sum amounting to AED (15,000) [Only Fifteen Thousand Dirham] in case of desiring to compete for obtaining the social responsibility permit.

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- d) Any other optional contributions approved by the Council.
- e) The Council, after approval of the Cabinet, may issue a resolution to determine exemption of certain classes of the companies or the establishments from settlement of the contribution value for listing on the platform as stated in Clause (a) of this Article.

Article (23)

Financial Year

The financial year of the Fund starts on first day of January and ends on thirty one day of December in each year.

Article (24)

Final Provisions

- a) The Fund shall be subject to control by the subsequent accounting State Audit Institution; and shall provide the latter with all the required data or information regarding its work.
- a) The Fund shall be exempted from application of the Provisions of the Federal Decree-Law No. 8/2011 concerning the rules for preparing the balance sheet and the final account.

Article (25)

Rules and Regulations

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The Minister and the Council, each in competences thereof, shall issue the necessary regulations and resolutions for implementing the Provisions of this Resolution.

Article (26)

Cancellations

Any other provision contravening or conflicting with the Provisions of this Resolution shall be abrogated.

Article (27)

Publication and Enforcement

Such Resolution shall be published in the official gazette to be enforceable as of the next day from publication.

(Stamped)

The Cabinet

United Arab Emirates

Mohamed Bin Rashid Al Maktoum

Cabinet President

Issued by:

Dated on: 4 Jumaddah (I) 1429 AH

Corresponding to: 21 Jan 2018 AD