

Circular 421: Submission of Audited Financial Statement in Compliance with the Dubai Development Authority Private Companies Regulations 2016

Introduction:

The "Dubai Technology and Media Free Zone Private Companies Regulations", published on April 9, 2003, and its amendments "(the Repealed Regulations)," in addition to other Decision No. 3 of 2004, Decision No. 1 of 2005, and Decision No. 2 of 2010, were all replaced by the "Dubai Creative Clusters Private Companies Regulations (The DCC Private Companies Regulations 2016)," which was largely implemented in the DCC Private Companies Regulations 2016.

DDA's Commitment to Supporting its Valued Business Partners	
Requirements from FZ LLCs and Branch Offices ("Company")	Objective Behind DDA's Support to Business Partners
Prepare and submit their Audited Financial Statement and Annual Return each Financial Year (Collectively Referred to as the "Audited Financial Statement").	Make sure that these Business Partners are in Compliance with Financial Reporting Obligations Under Applicable Laws and Regulations within the Mandatory Timeframes.

Key Points from the Regulations 63-68 of the Private Companies Regulations of 2016:

- 1) Provides the requirements of the audited financial statement for an FZ LLC
- 2) A branch office has the option of submitting the parent company's consolidated audited financial statement or a separate extract of the branch office operation's financials.

This is a necessary step to take in order to comply with all applicable federal, state, and local laws, especially those pertaining to Anti-Money laundering efforts and countering terrorism financing, economic substance, and tax regulations. The Company must use the AXS site to submit the properly completed Financial Statements Report Summary Sheet and the Audited Financial Statement.

By or before November 30, 2022, companies are required to submit their most recent audited financial statements. After that, within six months of the financial year's conclusion, all Companies must file their audit financial statements. A newly registered company that hasn't finished its first fiscal year is required to provide an audited financial statement within six months of the conclusion of that fiscal year.

Roles and Responsibilities of the Authority and the Companies with regards to Audited Financial Statements:

- 1) Thoroughly Monitored by the Authority.
- 2) In the Event of Non-Compliance, The Authority may, in its sole discretion, decide to Enforce Decision No. (2) Of 2017
- 3) To be submitted via the AXS Portal by the companies who are subject to the Economic Substance Regulations, even if they are submitted via the ESR portal.