

**Federal Law No. (17) of 2004 Combating  
Commercial Fronting**

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**We, Zayed Bin Sultan Al Nahyan, President of the United Arab Emirates,**

Having perused:

The Constitution,

Federal Law No. (1) of 1972 regarding the Jurisdiction of Ministries and Powers of Ministers, as amended; and

Federal law No. (5) of 1975 concerning the Commercial Register; and

Federal Law No. (4) of 1997 on Suppression of Fraud and Deception in Commercial Transactions; and

Federal Law No. (18) of 1981 Organizing Commercial Agencies, and the Amending Laws thereof; and

Federal Law No. (8) of 1984 concerning Commercial Companies and the Amending Law thereof; and

Federal Law No. (9) of 1984 concerning Insurance Companies and Agencies and Amending Laws thereof; and

Federal Law No. (3) of 1987 concerning the Penal Code; and

Federal law No. (35) of 1992 concerning the Law of Criminal Procedures; and

Federal Law No. (18) of 1993 concerning Commercial Transactions; and

Federal Law No. (18) of 1995 concerning Simple Crafts; and

According to the submission made by the Minister of Economy and Commerce, cabinet approval, Federal National Council approval, and the ratification by the Supreme Federal Council,

**Issued the following law:**

### **Article One**

In implementing the provisions of this law, the following words and expressions shall have the meanings assigned to each unless the context suggests otherwise:

|                     |  |
|---------------------|--|
| The State           | : United Arab Emirates   |
| The Ministry        | : Ministry of Economy and Commerce   |
| The Minister        | : Minister of Economy and Commerce   |
| Competent Authority | : the local authority in the emirate concerns  |
| The Committee       | : Commercial Anti-Fronting Committee   |
| Anti-Fronting       | : Enabling a foreigner, wither a natural person or body corporate, to practice any commercial or professional activity that the applicable laws and decisions in the United Arab Emirates do not allow him to practice whether for his own account or in partnership with other parties, or enabling him to avoid meeting his obligations. |
| Front               | : any natural or body corporate enabling a foreigner –wither a natural person or a body corporate – to practice any economic or professional activity he is prohibited to do so inside the United Arab Emirates.   |
| Concealed party     | : a foreigner – whether natural or body corporate –practicing any economic or professional activity he is prohibited to practice in the United Arab Emirates with the assistant of the front.  |

## **Article Two**

It is prohibited to act as a front for any foreigner – whether a natural person or a body corporate – by using the name, license or commercial register of the front or by using any other method in light of the definition of fronting stated in Article (1) of this law.

## **Article Three**

Without prejudicing any severer punishment stipulated by another law, the front shall be punished by paying a fine of no more than one Hundred Thousand Dirhams. The fine shall multiply as the activities subject of the front multiply. In the event of repeated commission of such offence, the punishment shall be imprisonment of the front for a period not exceeding two years and the fine of One Hundred Thousand Dirhams.

The concealed party shall encounter the same punishment along with deportation from the country after the punishment has been served and after having met all the obligations required of him.

## **Article Four**

Condemnation judgments according to above article shall entail deletion of the name of the front from the commercial register with respect to the activity subject to fronting, and summary of judgment shall be published at the expense of the adjudged person in two dailies published in the UAE provided that one of them is published in Arabic.

## **Article Five**

Employees commissioned to implement this law and the decisions enforcing thereof, who are specified by a decision issued by the minister of Justice, Islamic Affairs and Endowment (*Awqaf*) along with the Minister and the competent authority, shall have the capacity of Judicial control officers to prove violation of the provisions of this law, regulations and decisions enforcing thereof, and to do so they have the right to examine all

records and documents of the economic and professional activities concerned.

#### **Article Six**

The Minister shall issue the rules and regulations that are necessary to enforce the provisions of this law in coordination with the competent authorities.

#### **Article Seven**

This Law shall be published in the Official Gazette.

**Zayed Bin Sultan Al Nahyan**  
**President of the United Arab Emirates**

Issued by the Presidential Palace, Abu Dhabi  
On 18 Ramadhan 1425 Hijri  
Corresponding to 1 November 2004.