The Cooperation Council for
the Arab States of the Gulf
Secretariat General



RULES FOR IMPLEMENTING
THE COMMON INDUSTRIAL REGULATORY LAW
FOR THE COOPERATION COUNCIL
FOR THE ARAB STATES OF THE GULF

Economic Affairs

Commerce and Industry Department

2010م

In the Name of Allah, the Most
Gracious, the Most Merciful

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CHAPTER ONE
Definitions

Article (1)

For the purposes of implementation of the provisions of these Rules of Implementation, the following words and terms shall have the meanings assigned against each, unless the context otherwise requires:

1- «Law»:The Common Industrial Regulatory Law of the Cooperation Council for the Arab States of the Gulf
2- « knowledge-based industries»: Industries based on ideas, information, software, inventions, expertise, studies and scientific research that can be invested
3- «environmental industries»: Industries that aim at protection of environment against pollution and application of the «clean production' concept.
4- «basic materials»:Materials that constitute a strategic importance, the suspension or reduction of which will be injurious to national interests.
5- «initial approval»: Non-objection by the Department to allow the owner of the project to complete the procedures related to approvals by the concerned government entities in preparation for issuing the industrial license.

CHAPTER TWO
Scope of Application

Article (2)

In addition to the industrial projects excluded in Article (2) of the Law, the following projects shall also be excluded:

1- Projects engaged in the field of oil exploration and extraction.
2- Projects engaged in the field of extraction of metal ores without transformation of their contents or shapes.

CHAPTER THREE
Technical Committees for Industry Affairs

Article (3)

Under a resolution by the minister or the competent authority, a technical committee (s) for regulation and development of industry shall be formed. Such committee(s) shall be chaired by the Department's official or representative. Members of such committee (s) shall include the ministries and other government agencies and entities concerned with industry affairs as well as representatives of the owners of the industrial projects nominated by the concerned entities.

The tenure of membership shall be three years, renewable for similar period (s). One or more officers of the Ministry staff shall chair the secretariat of each committee. The minister shall issue a resolution specifying the duties and tasks of such officers.

Article (4)

Functions and competence of the committee (s) shall be as follows:

1- Study the proposals relating to the regulation and development of industrial performance.
2- Examine the difficulties and problems facing the industrial projects and propose appropriate solutions thereto.
3 - Discuss means of exporting industrial products.
4- Study industrial matters referred by the minister.

Article (5)

The technical committee (s) shall meet at least twice a year at the Ministry's Headquarters upon an invitation by the chairperson and whenever necessary. The vice-chairperson shall substitute the chairperson, when the latter is absent.

Meetings of the technical committee shall be deemed valid when majority of members are present, including the chairperson or his vice-chairperson. Recommendations of the committee are passed by majority of votes present. In the event of a tie, the chairperson shall have the casting vote.

The committee shall draw up its rules of procedures, which shall be issued by a resolution by the minister.

Article (6)

In carrying out its tasks, the committee (s) may seek assistance of experts or qualified individuals, as it deems appropriate. Such experts or individuals shall not have the right to vote on the committee's recommendations. This committee (s) may write to all competent government entities for information that are necessary for the performance of its functions.

Article (7)

The Committee (s) shall keep a register outlining the matters that have been referred to it and the recommendations taken thereon. A minute shall be prepared for each meeting, showing the date and time of commencement and conclusion of the meeting, venue, the names of present and absent members, the topics listed on the agenda as well as relevant recommendations. The minute of the meeting shall be signed by the chairperson and the secretary.

Article (8)

The Committee (s) shall submit its recommendations to the Minister for appropriate action.

CHAPTER FOUR
Industrial Licensing

Article (9)

The application for setting up the industrial project, expanding its volume, improving, changing its production, merging it into another industrial project, splitting it into more than one project, relocating or disposing it, in full or part, shall be submitted using the respective specified Forms.

Article (10)

The Application for License shall include the following details:

1- Name and nationality of the owner.
2-The industry to be established along with a description of the industrial product and the method of production.
3- Capital of the industrial project.
4- A list of the main machinery to be used in the industrial project and the annual production capacity thereof.
5- The number of employees and labors to be hired in the industrial project.
6- Any other details required by the Department.

Article (11)

The following documents shall be attached with the Application for License:

1- I.D. of the of the owner of the industrial project.
2- Articles of Incorporation of the company, if the applicant is an already existing company.
3- Any other documents required by the Department.

The Department may request the owner of the project to submit an economic and technical feasibility study of the industrial project.

The feasibility study shall incorporate the following elements:

1- Sources of financing.
2- Paid up capital and overall invested capital.
3- Annual production costs.
4- Internal and external marketing policies and media.
5- Volume of workforce (national and expatriate workers) and the respective percentages thereof according to the nature of work.
6- Estimated annual revenues of the project.

Article (12)

The Department shall prepare a special register wherein applications are recorded and given serial numbers based on priority of submission. The register shall show the date of submission of each application, the date of entry in the register, the name and address of the applicant and the type of industrial activity.

Article (13)

The Department shall give the applicant a receipt showing the number and the date of his application, provided the application shall meet all requirements.

Article (14)

The Department shall open a file for each applicant. The application and all relevant correspondence, papers and documents as well as the follow-up reports and the changes of the industrial project, if any, shall be kept in this file.

Article (15)

The Department shall issue its initial approval of the application, upon completion of all data and documents and finalization of studying the application, no later than 30 days from the date submitted. Expiry of said period without reply from the Department shall be deemed a rejection of the application. Where a decision is

issued on the acceptance/rejection of the application, the applicant shall be notified within 15 days from the date of issuing such decision.

The applicant may appeal to the minister within sixty days from the date of the written notice of rejection or expiry of the period referred to in above paragraph, without taking any action on his application.

Appeal shall be submitted in a letter showing the name and address of the appellant and the decision appealed against and date thereof, together with all supporting documents. Appeal shall be considered within sixty days from the date submitted.

Article (16)

The industrial license shall be issued according to the uniform Form attached herewith.

CHAPTER FIVE
Industrial Registration

Article (17)

The Department shall keep a special Industrial Register named «Industrial Registration» wherein all licensed projects that have been completed and operated as well as those licensed prior to implementation of this Law shall be registered.

Article (18)

Application for registration in the Industrial Register shall be submitted to the Department within sixty days from the actual production date, using the Application Form prepared by the department for this purpose. The Application shall contain the following details:

1- Name and legal entity of the industrial project.
2- Name of the owner.
3- Address and head office of the industrial project.

4- Products and services produced by the project.
5- Actual production capacity and maximum estimated production capacity of the project.
6- Total investment in the industrial project, finance sources, subsidies, loans and entities providing such subsidies and loans.
7- Volume of the workforce of the industrial project.
8- Raw materials and semi-manufactured materials, a list of the machinery and the equipment required for the industrial project.
9- Date of commencement of production.
10 Any other details.

Article (19)

Copies of the following documents shall be attached with the Application:

1- The license of the project and any other previous licenses that might have been issued.
2- Commercial registration and an extract of the registration Certificate.
3- Articles of Incorporation and the bylaw of the company (if the industrial project is owned by a company).
4- Any other documents that may be required by the Department.

Article (20)

Upon verifying that all required documents and data have been completed, the Department shall issue a registration certificate containing all the data outlined in Articles (18) and (19) herein. The certificate shall be handed over to the owner of the industrial project. The owner shall keep such certificate at his establishment to present it, when required, to the government departments and institutions concerned with the project.

In case of loss or damage of the registration certificate, the owner of the industrial project may obtain a substitute certificate from the issuing Department.

Article (21)

Owner, heirs or assignee of the industrial project shall have the right to obtain an official extract of the data pertinent to the project registered with the Industrial Registration upon submitting a request to the Department attached with the following documents:

1- I.D. of the applicant or his representative.
2- A copy of the industrial license, if the applicant is the owner of the industrial project himself.
3- A certified copy of the heirs' declaration, if the applicant is one of the heirs of the owner of the industrial project.
4- A certified copy of the industrial project assignment, if the applicant is the assignee.
5- Any other data or documents that may be required by the Department.

The Department shall issue an extract of the said data within ten days from the date of submitting the Application, which shall meet all respective requirements.

Article (22)

Without prejudice to Article (15) of this Law, the Department shall, every six months, issue a periodic bulletin declaring therein the basic information and data of the industrial projects that have been registered with the Industrial Registration and any other alterations that might be effected to the industrial project. Such declaration shall contain the following data:

1- Name and type of the industrial project.
2- Date of issuance of the industrial license of the industrial. project.

3- Date and number of registration with the Industrial Registration.
4- Legal entity of the industrial project.
5- Purposes of the industrial project.
6- Products of the industrial project and production capacity thereof.

Article (23)

Owners of the registered industrial projects shall periodically update their entries, at least once every two years, and the Department shall follow up the same.

Owner of the industrial project shall also apply to the Department for any change to the entries outlined in Articles (18, 19) herein and any other data pertaining to the industrial project no later than sixty days from the date of any change made to those entries.

Article (24)

Owner of the industrial project shall annually provide the Department with the following data, using the Form prepared by the Department for this purpose:

1- The estimated production capacity of the industrial project.
2- The actual production capacity of the industrial project.
3- Turnover of the industrial project.
4- Number of employed workforce (nationals and expatriates).
5- The way the industrial project benefits from the encouraging incentives granted to the industrial project.
6- Balance sheets and closing accounts for each fiscal year of the industrial project, which shall be duly certified by an approved auditor in the respective State, if so requested by the Department.
7- Any other data.

Article (25)

Owner of the of the industrial project industrial project shall notify the Department prior to selling the project in whole or in part, mortgaging, leasing, assigning or disposing it in any way. The following submittals shall be provided:

1- An application for disposal of the industrial project indicating the type of such disposal.
2- Disposal Application Form according to the type of the requested disposal.
3- Copy of I.D. of the owner or disposee.
4- Certificate of the industrial registration.
5- A letter from the mortgagor indicating his consent of disposition.
6- Any other documents that may be required by the Department.

The Department shall amend entries of the industrial project in the Industrial Register according to the approved requested changes.

CHAPTER SIX
Administrative Penalties

Article (26)

If the industrial project breaches any provision(s) of this Law or these Rules, the minister or his authorized representative may impose any of the following administrative penalties, depending on the type and nature of such violation:

1- Administrative warning (notice) to remedy the violation within a period to be specified by the minister or his authorized representative.
2- Administrative suspension of the industrial project until the

violation and its consequences are remedied.

3- Cancellation of the license and the industrial registration.

CHAPTER SEVEN
General and Final Provisions

Article (27)

Subject to the provisions provided for in this Law and these Rules of Implementation, appeals filed by the concerned persons shall be recorded in a special register at the Department. Such appeals shall be promptly referred to the Department for study and recommendations. To this effect, the Department may request all necessary data and documents. The Department shall submit the appeal with its recommendation to the minister for consideration. In all cases, the appeal shall be examined within sixty days from the date submitted.

Article (28)

Subject to the provisions of Article (2) herein, each owner of an industrial project who has obtained an industrial license prior to implementation of this Law, shall apply for registration with the Industrial Register within a year from the date of the entry into force of these Rules.

Emblem Of
Member State



License for an Industrial Project
(Industrial Establishment)

State: ---------- License No.: ----------
Ministry/Authority: ---------- Date of License: ----------
Department: ----------
Province: ----------

License for an Industrial Project (Industrial Establishment)

Name (s) of Owner (s):	Nationality:	Shareholding (%)
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----------	----------	----------

Name of the industrial project: ----------
Activity:

Products

Expiry date: ------- / -------- / ----------

Director

N.B.: Licensee shall abide by the conditions outlined on the back of this License.

Licensee shall abide by the following: