

Law No. (27) of 2021
Concerning the
Dubai Electricity and Water Authority¹

We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai,

After perusal of:

Federal Law No. (8) of 1980 Regulating Labour Relations and its amendments;

Federal Law No. (7) of 1999 Issuing the Pension and Social Security Law and its amendments;

Federal Law No. (2) of 2015 Concerning Commercial Companies and its amendments;

Law No. (3) of 2003 Establishing the Executive Council of the Emirate of Dubai;

Law No. (19) of 2009 Establishing the Supreme Council of Energy;

Law No. (6) of 2011 Regulating Participation of the Private Sector in Electricity and Water Production in the Emirate of Dubai;

Law No. (6) of 2015 Concerning Protection of the Public Electricity and Water Network in the Emirate of Dubai;

Law No. (1) of 2016 Concerning the Financial Regulations of the Government of Dubai and its Implementing Bylaw;

Law No. (8) of 2016 Regulating the Grant of Law Enforcement Capacity in the Government of Dubai and its Implementing Bylaw;

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¹Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict, the Arabic text will prevail.

Decree No. (1) of 1992 Establishing the Dubai Electricity and Water Authority and its amendments;

Decree No. (22) of 2009 Concerning Special Development Zones in the Emirate of Dubai;

Executive Council Resolution No. (2) of 2010 Establishing the Regulatory and Supervisory Bureau for the Electricity and Water Sector in the Emirate of Dubai;

Executive Council Resolution No. (16) of 2011 Approving the Electricity and Water Tariff in the Emirate of Dubai;

Executive Council Resolution No. (46) of 2014 Regulating the Connection of Photovoltaic Generation Units to the Power Distribution System in the Emirate of Dubai; and

The legislation establishing and regulating free zones in the Emirate of Dubai,

Do hereby issue this Law.

Definitions

Article (1)

The following words and expressions, wherever mentioned in this Law, will have the meaning indicated opposite each of them unless the context implies otherwise:

Emirate:	The Emirate of Dubai.
Ruler:	His Highness the Ruler of Dubai.
Government:	The Government of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
DEWA:	The Dubai Electricity and Water Authority established pursuant to the above-mentioned Decree No. (1) of 1992.

Government Entity:	Any of the Government departments, public agencies or corporations, Government councils or authorities, or public entities affiliated to the Government.
Company:	The Dubai Electricity and Water Authority PJSC.
Articles of Association:	The articles of association of the Company.
Board of Directors:	The board of directors of the Company.
CEO:	The chief executive officer of the Company.
Public Network:	This includes all facilities, stations, machinery, equipment, systems, power and water lines, fibre optic cables, and other assets owned, managed, or supervised by the Company.

Legal Form Change

Article (2)

- a. The legal form of DEWA is hereby changed into a public joint stock company named “Dubai Electricity and Water Authority PJSC”. The Company will have legal personality and financial and administrative autonomy and the full legal capacity to conduct its activities and achieve its objectives, in accordance with this Law, the Articles of Association, and the legislation in force in the Emirate. The Company will be managed on a commercial basis.
- b. The name “Dubai Electricity and Water Authority”, wherever mentioned in any legislation in force in the Emirate, is hereby replaced by the name “Dubai Electricity and Water Authority PJSC”.

Substitution and Transfer

Article (3)

- a. The Company will replace DEWA for the purposes of all legislation in force in the Emirate and will exercise all the functions of DEWA under that legislation, among which is the provision of electricity and water services across the Emirate, including in Special Development Zones and free zones, such as the Dubai International Financial Centre.
- b. All the rights, assets, property, tangible and intangible assets, concessions, obligations, companies, guarantees, and undertakings of DEWA, within or outside of the Emirate, are hereby transferred to the Company.
- c. All the assets, rights, and obligations to be transferred to the Company will be conveyed to, and registered in the name of, the Company or any company owned or affiliated to it, in accordance with the legislation in force in the Emirate. Concerned Government Entities must, upon the request of the Company, take the necessary action to complete the conveyance and registration process.

Head Office of the Company

Article (4)

The head office of the Company will be located in the Emirate of Dubai. Other branches and offices of the Company may be established within and outside of the Emirate as determined by the Articles of Association.

Share Capital of the Company

Article (5)

- a. The issued and paid-up share capital of the Company will be five hundred million dirhams (AED 500,000,000.00).

- b. The sum of five hundred million dirhams (AED 500,000,000.00) will be transferred from the Government account, as represented in the financial statements of DEWA, to the share capital account of the Company.
- c. All the shares of the Company will be wholly owned by the Government. The Executive Council may determine the percentage of shares that may be transferred to other parties through Public Subscription or private subscription.
- d. The liability of the Company will be limited to its paid-up capital. The liability of shareholders will be limited to the nominal value of the shares they own.

Term of the Company

Article (6)

The term of the Company is ninety-nine (99) years commencing from the date of its registration on the commercial register in accordance with the legislation in force in the Emirate. This term will be automatically renewed for the same period in accordance with the provisions of the Articles of Association.

Objectives and Powers of the Company

Article (7)

- a. The Company will be exclusively in charge of achieving the following objectives in the Emirate:
 - 1. to establish; manage; operate; maintain; and own the Public Network, including power stations, water desalination plants, water reservoirs, and power transmission and water distribution systems in the Emirate;
 - 2. to develop all water resources. This includes the treatment of water of reservoirs to make it potable; water storage and transportation, and distribution of water to consumers in the Emirate;

3. to implement and manage the projects related to electricity generation and supply of water to meet the needs of the public and the requirements of development in the Emirate; and
 4. to achieve any other objectives determined by the Articles of Association.
- b. For the purpose of achieving the objectives mentioned in paragraph (a) of this Article, the Company may:
1. purchase electricity and water from any entity whatsoever in accordance with the relevant rules and procedures it adopts;
 2. contract with others to construct power stations and water production plants in the Emirate in accordance with the above-mentioned Law No. (6) of 2011;
 3. establish wholly-owned companies or hold shares in existing companies that are related to its objectives within or outside of the Emirate;
 4. purchase, sell, and supply fuel for the purpose of generating electricity or producing water in accordance with the legislation in force in the Emirate;
 5. own, possess, take lease of, and lease out land and other real property as required for the achievement of its objectives;
 6. invest and use its property in any commercial, financial, service, or industrial fields;
 7. borrow funds, with or without security, in accordance with the legislation in force in the Emirate;
 8. grant usufruct rights and any other real right in respect of the land owned by the Company to any other entity or company that participates in the production of electricity and water in the Emirate; and

9. perform any other work or activities related to the achievement of its objectives, as stipulated in the Articles of Association.

Articles of Association

Article (8)

- a. Without prejudice to the provisions of this Law and other legislation in force in the Emirate, the Chairman of the Executive Council will approve the Articles of Association upon the recommendation of the Board of Directors. The Articles of Association must determine all matters related to regulating the Company affairs, particularly the following:
 1. the procedures for increasing or reducing the share capital of the Company;
 2. the number of shares constituting the share capital of the Company, and the nominal value of each share;
 3. the procedures for obtaining loans from banking and financial institutions;
 4. the revenues of the Company;
 5. the formation of the general assembly of the Company, and determination of its functions;
 6. the budget and Financial Year of the Company;
 7. the procedures for distributing profits and losses;
 8. the procedures for establishing branches of the Company within or outside of the Emirate;
 9. the formation and terms of reference of the Board of Directors;
 10. the disposal of the Company assets and management of its property and revenues;
 11. the issuance and types of shares, and the rules for ownership and transfer of shares and their related rights;

12. the issuance and trade of bonds and sukuk;
 13. the appointment of the Company auditors and determination of their functions and obligations; and
 14. the dissolution and liquidation of the Company.
- b. The Chairman of the Executive Council will be authorised to amend the Articles of Association of the Company, provided that it remains wholly owned by the Government. Where the shares of the Company are offered for subscription and acquired by subscribers, the general assembly of the Company will be authorised to amend the Articles of Association.

Subscription for and Ownership of Shares

Article (9)

- a. Where the shares of the Company are offered for Public Subscription or private subscription, natural and legal persons may acquire shares in the Company. Subscription will be made in accordance with the legislation in force in the Emirate.
- b. Where the shares of the Company are offered for subscription, the Government must retain the ownership of at least fifty-one percent (51%) of the share capital of the Company.

Board of Directors and CEO

Article (10)

- a. The Company will have a Board of Directors comprised of a chairman, a vice chairman, and a number of members. The first Board of Directors will be formed pursuant to a decree of the Ruler. Membership of the Board of Directors will be for a term of three (3) years. The Articles of Association will determine the method of formation and reconstitution, and the term of membership, of subsequent Boards of Directors. The formation of Boards of Directors must reflect ownership rights in the Company.

- b. The Company will have a CEO appointed pursuant to a resolution of the Board of Directors. The CEO will undertake direct supervision of the Company; perform his functions under this Law, the Articles of Association, and the legislation in force in the Emirate; and exercise the duties and powers assigned or delegated to him by the Board of Directors.
- c. The Board of Directors may assign any of its members as a managing director to undertake direct supervision of the management of the Company, and to perform the duties of the CEO. In this case, the managing director will be appointed pursuant to a decree of the Ruler.

Functions of the Board of Directors

Article (11)

- a. The Board of Directors will undertake general supervision of the Company, manage its affairs, and perform its functions under this Law, the Articles of Association, and the legislation in force in the Emirate. In particular, the Board of Directors will:
 - 1. approve, and follow up the implementation of, the strategic plans and policies of the Company;
 - 2. supervise the achievement by the Company of its objectives;
 - 3. issue the financial, administrative, technical, and procurement bylaws of the Company; and manage its assets;
 - 4. approve the organisational structure of the Company;
 - 5. divide, assign, transfer, amalgamate, merge, sell, and mortgage or pledge any of the property or assets of the Company or the property or assets of any the companies it owns; or assign or dispose of the same in any legal manner;
 - 6. authorise the Company, and the companies owned by it, to perform any investment, borrowing, or lending transactions; to provide guarantees and security; or to issue bonds,

- sukuk or any other debt instruments, in accordance with the legislation in force in the Emirate;
7. acquire or merge companies and establishments and determine the acquisition value; and
 8. exercise any other functions determined by the Articles of Association.
- b. Except for the powers vested in it under sub-paragraphs (a)(5), (a)(6), and (a)(7) of this Article, the Board of Directors may delegate any of its powers under paragraph (a) of this Article or under the Articles of Association to its chairman, to any of its members, to any committees it forms, or to the CEO, provided that such delegation is specific and in writing.

Human Resources of the Company

Article (12)

- a. As of the effective date of this Law, all DEWA employees will be transferred to the Company without prejudice to their existing rights. These employees will be governed by the relevant bylaws in force at DEWA until the regulations referred to in paragraph (c) of this Article are issued.
- b. The period of service of the UAE-national DEWA employees preceding the effective date of this Law will be deemed uninterrupted and will form part of their service with the Company upon their transfer. The Company will be deemed as a government sector employer for the purpose of calculating the retirement pension benefits or end-of-service gratuity of these employees in accordance with the above-mentioned Federal Law No. (7) of 1999.
- c. Subject to the legislation in force in the Emirate, the employees of the Company will be governed by the human resource regulations adopted by the Board of Directors.

Financial Resources of the Company

Article (13)

The financial resources of the Company will consist of:

1. proceeds from the sale of electricity and water;
2. fees and charges collected in return for the services it provides;
3. returns on the investment of its property; its profits; and the profits of the companies owned by it, affiliated to it, or in which it holds shares; and
4. any other financial resources approved by the Board of Directors.

Approval of Tariffs, Fees, and Security Deposits

Article (14)

The following will be determined pursuant to a resolution of the Chairman of the Executive Council issued upon the recommendation of the Board of Directors:

1. the tariffs for consumption of the electricity and water to be sold by the Company; and
2. the fees and security deposits to be collected by the Company in return for the services it provides.

Protection of the Public Network

Article (15)

The provisions of the above-mentioned Law No. (6) of 2015 and the resolutions issued in pursuance thereof will apply to all matters related to protection of the Public Network.

Law Enforcement

Article (16)

- a. The employees of the Company nominated pursuant to a resolution of the CEO will have the capacity of Law Enforcement Officers to record the acts committed in breach of the provisions of the legislation that the Company is assigned to enforce. In this capacity, they may issue the necessary violation reports; and, where necessary, seek the assistance of police personnel.
- b. The law enforcement capacity referred to in paragraph (a) of this Article will be granted in accordance with the above-mentioned Law No. (8) of 2016 and its Implementing Bylaw.

Cooperation with the Company

Article (17)

All Government Entities must, upon request, fully cooperate with the Company to enable it to achieve its objectives and exercise its functions under this Law, the Articles of Association, and the legislation in force in the Emirate.

Consideration of Pending Claims

Article (18)

Without the need for any further action as a result of the change of DEWA legal form pursuant to this Law, courts of all types and levels will continue to consider the claims and appeals to which DEWA is a party until these claims or appeals are determined by final definitive judgements.

Repeals

Article (19)

- a. The above-mentioned Decree No. (1) of 1992 is hereby repealed. Any provision in any other legislation is also hereby repealed to the extent that it contradicts the provisions of this Law.

- b. The legislation applicable to DEWA by the effective date of this Law will remain in force to the extent that it does not contradict the provisions of this Law, until new superseding legislation is issued.

Publication and Commencement

Article (20)

This Law will be published in the Official Gazette and will come into force on the day on which it is published.

Mohammed bin Rashid Al Maktoum

Ruler of Dubai

Issued in Dubai on 29 December 2021

Corresponding to 25 Jumada al-Ula 1443 A.H.