
Federal Law no. 3 of 2013 on the

Issued on 3/04/2013 AD

Corresponding to 22 Jumada Al-Awwal 1434 AH

ON

THE ESTABLISHMENT OF EMIRATES POST GROUP

Abrogating

Federal Law no. 14/2007 dated 2007 AD

We, Khalifa bin Zayed bin Sultan Al Nahyan President of the United Arab Emirates

After Perusal of the Constitution,

Federal Law no. 1 of 1972 on the Competencies of the Ministries and Powers of the Ministers, and its amending Laws;

Federal Law no. 8 of 1980 on the Regulation of Labour Relations, and its amending Laws;

Federal Law no. 10 of 1980 on the Central Bank and the Monetary System and the Organization of the Banking Profession, and its amending Laws;

Federal Law no. 15 of 1980 on Publications and Publishing,

Federal Law no. 8 of 1984 on Commercial Companies, and its amending Laws;

Federal Law no. 3 of 1987 on the Promulgation of the Penal Code, and its amending Laws;

Federal Law no. 37 of 1992 on the Trademarks, and its amending Laws;

Federal Law no. 22 of 1995 on the Regulation of the Auditing Profession, and its amending Laws;

Pensions and Social Securities Law promulgated by Federal Law no. 7 of 1999, and its amending Laws;

Federal Law no. 17 of 2002 on the Regulation and Protection of Industrial Property Rights for Patents and Industrial Designs and Models, and its amending Laws;

Federal Law no. 6 of 2007 on the Establishment of the Insurance Authority and Regulation of its Operations, and its amending Laws;

Federal Law no. 14 of 2007 on the Establishment of Emirates Post Holding Group;

Federal Decree-Law no. 11 of 2008 on the Human Resources in the Federal Government, and its amending Laws;

Federal Law no. 8 of 2011 on the Re-organization of the State Audit Institution;

Federal Decree-Law no. 8 of 2011 on the Rules for the Preparation of the General Budget and Final Accounts; and

Based on the proposal of the Minister of State for Financial Affairs, the approval of the Cabinet and the Federal National Council, and the ratification of the Federal Supreme Council;

We have promulgated the following Law:

Article 1 – Definitions

In the application of the provisions of this Law, the following words and expressions shall have the meanings assigned against each, unless the context stipulates otherwise:

State: The United Arab Emirates.

Government: The government of the United Arab Emirates.

Group: Emirates Post Group.

Board: The Group's Board of Directors.

Chairman: The Chairman of the Board.

CEO: The Group's Chief Executive Officer.

Subordinate unit: Any institution or company owned by the group or in which said Group have more than 50% of the capital shares or that is controlled thereby.

Operational unit: any unit that is owned by the Group and merged therein without having an independent legal personality.

Emirates Post: An operative unit of the Group and the official operator of the postal services and related services in the State.

Empost: An operative unit of the Group specialized in express delivery services and relevant services.

Postal Items: Any written or non-written messages, or payment orders, or information envelopes, parcels, packages, boxes or covers.

Hybrid mail: The electronic mail converted into physical letter items.

Chapter 1

The Group and Objectives Thereof

Article 2

A public institution shall be established under the name of “Emirates Post Group”, having a full independent juristic personality and the full capacity to carry out the legal acts necessary for the achievement of its objectives. It shall have an independent budget and shall replace Emirates Post Holding Group.

Article 3

Each of the Emirates post institution under the name “Emirates Post” and the Emirates commercial postal services institution “Empost” shall be merged in the Group as two operative units.

It is allowed to merge any of the subordinate units with a Cabinet Decision based on the recommendation of the Board of Directors.

Furthermore, the Group or any of its subordinate units may be converted into a Public Joint-Stock Company by virtue of said Decision in accordance with the Law, provided that the government owns more than half of the capital.

Article 4

The headquarters of the Group shall be in Dubai and it is allowed to establish branches and offices thereof inside and outside the State based on the decision of the Board.

Article 5

The Subordinate unit shall be an institution and it shall be in the form of Joint-Stock Companies or Limited Liability Companies, provided that the Group owns more than half of its capital and exercises a direct control over such company.

The subordinate unit may maintain its legal capacity as the case may be without prejudice to the provisions of the Commercial Companies Law.

Article 6

The Group shall be in charge of the activities commensurate with its nature, including the following:

1- Supervise, manage and/or operate the subordinate units as well as provide them with the necessary support, as the case may be.

2- Evaluate and control the performance of the subordinate units.

3- Invest the funds of the Group in specialized subordinate units for the following:

a- Ordinary postal services.

b- Express delivery services including receipt and delivery from and to the residence of the sender and recipient.

c- Financial postal services, according to what is set forth in Paragraph (d) of Clause (1) of Article (22) of this Law.

d- Financial and monetary intermediation transactions and money transport to the extent that does not contradict the Law on the establishment of the Central Bank and other relevant Laws, and provided that such operations are subject to the Central Bank’s control.

e- Transport, storage and logistics services.

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- f- Hybrid mail services.
 - g- Marketing and promotion services.
 - h- Insurance services on behalf of third parties.

4- Acquire preferential rights as well as the property rights of trademarks involved in the operation of the Group, industrial designs and models and patents among other intellectual property rights, use and lease of the same to third parties or to subordinate units should the share of the Group therein be less than 100%.

5- Own the necessary lands and buildings to exercise its activities as well as commercially use and exploit said lands and buildings directly or through its subordinate units.

6- Any other services or tasks entrusted thereto by the Cabinet in accordance with the nature of its activities.

Article 7

The Group shall be in charge of granting licenses to the private sector institutions and companies to forward documents, papers, items and packages of domestic and international nature and the exercise of the philatelic stamps sale and purchase activities. Such group shall be also responsible for organizing and supervising said institutions and companies inter alia ceasing and cancelling licenses, and that, according to the conditions determined by the Board.

Article 8

The Group shall represent the government before the regional and international organizations engaged in the operations and activities of the Group and its subordinate units, as the case may be, and look after the interests of the State's post in other postal markets, in coordination and collaboration with the Ministry of Foreign Affairs and other competent authorities.

Chapter 2 Management of the Group

Article 9

The Group shall be managed by a Board of Directors formed by virtue of a Cabinet decision whereby the Chairman and the members thereof are appointed. The membership in the Council shall be for a period of three years.

The Board shall, during the first session, elect the Deputy Chairman who shall replace the Chairman during his absence or in case of an impediment preventing his presence.

Article 10

Taking into account the provisions and controls related to the management of any of the subordinate units according to their Statute and the Commercial Companies Law, as the case may be, the Board shall handle the powers and authorities needed for achieving the objectives of the Group and may in particular carry out the following:

1- Draw the policy to be adopted by the Group for the achievement of its objectives and determine the programs needed for this purpose as well as supervise their implementation.

2- Set up and issue the organizational structure of the Group as well as the human resources system and the regulations needed for regulating the work operation within the Group including the regulations related to the financial, administrative and technical affairs and the financial and administrative powers schedule.

3- Ratify the budget and the unified balance sheet of the Group after reviewing the report of the auditors in this regard. Such budget and balance sheet shall be submitted to the Cabinet for adoption, enclosed with the report of the Board and the auditors' report, within maximum four months as of the end of the fiscal year.

4- Set up the conditions and controls needed for granting the licenses according to the provisions of this Law.

5- Appoint the representatives of the Group in the Boards of Directors of the subordinate units.

6- Guide the policies of the Boards of Directors of the subordinate units by adopting the policies related to each including the organizational structures and the regulations of the personnel and all the financial, administrative and technical affairs governing the operation therein, in compliance with the provisions of the Commercial Companies Law and Labour Law and any relevant provisions set forth in the Memoranda or Articles of Association of said subordinate units.

7- Approve the draft contracts and agreements to which the Group is a party, according to the terms and conditions set by the regulations governing this matter.

8- Conclude loan contracts with the government or financial institutions in the State in order to achieve its objectives according to a predefined plan following the approval of the Cabinet.

9- Approve the loans, guarantees and financing provided to the subordinate units provided that the contribution limit in any loan, guarantee or financing does not exceed 50% of the Group's share or its contribution in the subordinate unit.

10- Approve the investment the Group's funds in the areas of investment related to its activity, provided that such investment does not exceed twenty percent (20%) of the reserve and serve the objectives of the Group in conformity with the provisions of Article 6 of this Law.

11- Approve the acquisition of properties for the establishment of the headquarters of the Group or subordinate units in the State.

12- Approve the Group's or its subordinate units' utilization of their premises for commercial purposes.

13- Appoint the auditors of the Group and fix their remuneration.

14- Approve the strategic and operational plans of the Group and its subordinate units owned totally thereby.

Article 11

The Board may constitute from among its members a sub-committee or more entrusted with some of the tasks falling within its competency. The sub-committees shall submit their recommendations to the Board so that the latter decides what it deems appropriate. The Board shall issue the decisions necessary for the organization of the workflow in such committees as well as their limits of powers.

Article 12

The Board shall determine through a decision issued thereby the rules related to the exercise of the activities of forwarding documents, items and packages and express delivery services, in particular the limits of weights and charges, the philatelic stamps sale and purchase and relevant fees and charges.

Article 13

The Board may, by virtue of a Cabinet decision, establish specialized subordinate institutions or companies or decide that the Group contributes to their capital inside and outside the State, within the framework of the Group's business activity. The subordinate units of the Group existent at the time of enforcement of the provisions hereof shall be considered as if established by virtue of its provisions taking into account the provisions of Articles 2 and 3 hereof.

Article 14

The Group shall have a CEO designated by a Cabinet decision based on the nomination made by the Board, provided that this CEO is not a member therein. The CEO shall take charge of the following competencies:

1- Prepare the agenda of the Board in consultation with the Chairman.

2- Implement the decisions and general policies set by the Board.

3- Manage the Group, develop and follow up the work systems therein.

4- Represent the Group in its relationships and dealing with others as well as before the Courts.

5- Prepare the draft estimated budget as well as the draft balance sheet of the Group and submit both drafts to the Board for ratification.

6- Sign on behalf of the Group to the extent set in this Law, the regulations of the Group and the decisions of the Board.

7- Prepare the periodic reports on the performance of the Group and submit the recommendations thereon to the Board.

8- Prepare the strategic plan and submit it to the Board for ratification.

9- Prepare the operational plan and submit it to the Board for ratification.

10- Follow up the implementation of the strategic and operational plans of the Group and subordinate units.

11- Follow up the implementation of the observations of the internal audit department and the auditors of the Group and subordinate units.

12- Any other competencies entrusted thereto by the Board.

Chapter 3

Financial Conditions

Article 15

The capital of the group amounts to four hundred million AED fully paid by the government and it may be increased by a Cabinet decision upon the request of the Board.

Article 16

The Group shall exercise its activity on commercial basis and its financial resources shall consist of the following:

1- The revenues of the Group.

2- The profits that are gained by the subordinate units and which the Boards of Directors of said subordinate units decide to distribute.

3- The contributions, subsidies, grants and bequests which are not in contradiction with the objectives of the Group and approved by the Board.

Article 17

The net profits of the Group's revenues shall be determined for each fiscal year, and that after deducting all current expenditures, costs and allocations according to the rules determined in the financial and accounting regulation for the Group and the decisions of the Board. Ten percent (10%) shall be deducted annually from the Group's net profits to form the legal reserve. This deduction shall continue until said reserve reach 50% of the capital. The deduction shall be repeated whenever the legal reserve becomes below this percentage.

Article 18

The net profits of the group shall devolve to the general budget of the State after deducting the reserve set forth in Article 17 hereof. The Board may, following the approval of the Council of Ministers, dispose of the net profits in accordance with the objectives of the Group.

Article 19

The fiscal year of the Group and each of its subordinate units shall begin on the first of January and end on the thirty first of December of each year. Some subordinate units may have their independent final accounts and a unified balance sheet and a unified profit and loss statement of the Group shall be prepared for the Group and its subordinate units according to the generally accepted accounting principles.

Excluded from the provisions of the previous paragraph, the first fiscal year of any subordinate unit established after the enforcement of this Law shall begin from the date of its establishment and shall end on the thirty first of December in the following year.

Article 20

The funds of the Group and its subordinate units totally owned thereby shall be considered as public funds.

Article 21

The accounts of the Group and its subordinate units shall be examined by an auditor or more according to the generally accepted accounting principles. The auditors shall submit to the Council their report concerning the auditing of the Group within maximum two months from the date of the end of the fiscal year.

The auditor may not be a Board member at the same time with his work or any other work in the Group or its subordinate units. He may not also be a partner with any of the Board members.

Chapter 4

The Provisions related to the Operational Units

Article 22

1- The Emirates Post shall carry out the postal services and conduct the performance thereof set forth in this Law. It shall in particular exercise the following:

a- Forward post letters including: Letters, cards, printed material, prints for the visually impaired, small packets and addressed and unaddressed direct mail.

b- Transport all kinds of parcels according to the provisions of the international post convention.

c- Deliver private post boxes services.

d- Deliver financial postal services including: money orders, postal checks service, prepaid postal items, savings accounts, bills collection and payment orders, these transactions shall be subject to the control of the Central Bank.

e- Direct mail marketing services.

f- Grant licenses for the sale and use of postal franking machines to the federal and local government entities as well as to the private sector institutions and companies according to the conditions set by the Board.

g- Issue the State's postage stamps, both regular and commemorative, the philatelic stamps, the postal financial printed material and the postal forms. Stamps are issued in categories commensurate with the value of the postal services to which these stamps are allocated and in compliance with the provisions of the universal post and its protocols.

h- Provide letter boxes and private post boxes stations in places owned by the State or by any Emirate or attached to buildings owned by third parties, provided that these third parties give their approval thereon.

i- Deliver other services approved by the Board and commensurate with the business nature of the Group.

2- The Emirates Post may delegate third parties to deliver some postal services for its account by virtue of contracts concluded with them according to the terms and conditions determined by the Board.

Article 23

1- Empost shall handle and conduct express delivery services. It shall in particular exercise the following:

a- Express delivery of documents, papers and parcels inside and outside the State.

b- Express delivery, receipt and delivery of postal items and parcels from and to the residence of the sender and recipient (door to door)

c- Delegation service to clear documents at the governmental and non-governmental authorities.

d- Establishment and development of specialized agencies delivering services to the clients.

e- Direct mail marketing services.

f- Sale of items related to postal services like stationery, envelopes, wrapping and packaging materials and other necessary items related to Empost business.

g- Logistic services comprising the integrated storage and transport services.

h- Any express transport and delivery services or relevant services, of commercial nature, compatible with Empost business and entrusted thereto by the Board.

2- Empost may delegate third parties to carry out some of the delivery services for its account by virtue of contracts concluded with them according to the conditions and controls determined by the Board.

Article 24

Taking into account the provisions of the agreements and protocols of the Universal Postal Union and any other regional agreements, the Board shall determine for "Emirates Post" and "Empost" the regulations governing the level of the postal and express delivery services required, as well as the postal safety and confidentiality rules and the mail collection and distribution regulation, while making sure to adopt the most modern and advanced systems used in this regard, determine the conditions, charges and regulations of the postal services, determine the methods of franking postal items, the limits of liability and compensation for the delay or loss or damage of the transported postal item, in conformity with international postal agreements to which the State is a party.

Article 25

Should any of the federal and local authorities wish to deliver Emirates Post services, it shall provide the lands required for this purpose without any charge, provided that the location of these lands is appropriate for delivering said services, in coordination with the federal and local authorities.

Article 26

The subordinate units shall submit the following to the Board:

- 1- An annual report on their business outcomes and activities.
- 2- Their own strategic and operational plans.

Chapter 5 Penalties

Article 27

1- Shall be penalized by imprisonment for a period of minimum six months and maximum two years, and to a fine not less than ten thousand AED and not more than one hundred thousand AED , or by either of these two penalties , whoever :

a- Exercises any of the postal services which fall within the competencies of the Group or its operational units without obtainment of the necessary license. If this act contributed to the loss of postal charges by the Group or any of its operational units, the violator shall be penalized by a fine equivalent to threefold the loss and return the value of these charges to the Group, without prejudice to the right of the Group to receive the appropriate compensation, if necessary.

b- Uses letter boxes similar in form or purpose to the private post boxes or mail deposit boxes or mail box stations owned by Emirates Post institution. In this case, Emirates Post shall be entitled to remove the violation by administrative means at the expense of the violator.

c- Forwards or delivers letters, parcels or postal items inside the State or mediates in forwarding or delivering the same for profit without obtaining a license or prior authorization from the Group.

2- In all cases, a judgment of seizure of items, objects of the crime, shall be rendered.

Article 28

1- Shall be penalized by temporary imprisonment whoever commits any of the following:

a- Imitates or counterfeits, whether by himself or in participation with others, publications or forms, regardless of their manufacturing method, which are similar in appearance to regular or commemorative postal stamps, philatelic stamps, postal financial publications, forms, machines or tools used by the Group or operational unit.

b- Offers for sale, distributes or uses any of the items mentioned in Clause (a) of this Article with knowledge of its imitation or counterfeiting.

c- Uses the Group's logo or the logo of any operational unit or uses the term "Post" or "postal services" or any other terms in the same meaning.

d- Exercises laundering of regular or commemorative stamps which were previously used for franking or trade.

e- Re- uses regular or commemorative stamps that were previously used.

f- Whoever intentionally misuses franking seals and machines or counterfeits the imprints of franking machines or the imprints of the seals of "postage paid" or "business reply" or "sealing permits" service.

2- The violator shall be penalized by a fine equal to the postal charges lost by the Group or the operational unit in addition to an amount of threefold the charge because of committing the crimes set forth in the present Article. Furthermore, the value of these lost charges shall be returned to the Group and a judgment of seizure of the items, object of the crime, set forth in this Article shall be rendered.

Article 29

1- Shall be penalized by temporary imprisonment:

a- Any employee or worker in the Group assigned to transport, deliver, or retain postal items but did unseal them, mess with their content, destroy them or who intentionally refrained from delivering them to the concerned person.

b- Any employee or worker in the Group who discloses any secrets concerning the postal items or uses the same for his personal benefit or for the benefit of third parties or helps any person to obtain information belonging to others and included in these postal items, except for the instances permitted by law. The provision of this section shall be applicable even if the crime is committed after the end of service of the employee or worker.

2- The provisions of this Article shall apply to any person entrusted by the Group to exercise or transport some of the postal services for its account even if he is not among the employees or workers of the Group.

Article 30

Shall be penalized by a fine that does not exceed one thousand AED, whoever violates any other provision of this Law.

Article 31

The crimes mentioned in this Law shall be subject to the penalties stipulated herein without prejudice to any greater penalty stipulated in any other law.

Article 32

The postal letters and parcels shall not include any substances whose acquisition, trade and transport is prohibited by law. Should the Group find or the conditions imply that the letters or parcels include any of said substances, a report shall be established on this incident to be submitted along with the relevant letter or parcel to the competent authorities to conduct the necessary investigation.

Article 33

The Group shall have the right to express a reservation about a postal material and take the appropriate measures in its regard according to the provisions of the laws, regulations and decisions, in any of the following instances:

1- Should it fail to meet the franking conditions or if the concerned person refrains from paying the due charges thereof.

2- Should the period of keeping it with the operational unit expire and said unit could not be inferred to the sender or recipient.

3- Should it fail to meet the terms and conditions set in this Law or its implementing regulations or reservation was requested by the external postal administrations.

4- Should its content affect the reputation of the State, the security or public morals thereof or should such content be contrary to the principles of the Islamic religion.

5- Should the concerned authorities request to have reservation about the postal material for reasons of public interest.

Chapter 6

General and Transitional Provisions

Article 34

Each of the Emirates post institution known as “Emirates Post” and Emirates institution for the commercial postal services “Empost”, shall continue to deliver their services as two operational units within the Group under their said names.

Article 35

Starting the enforcement date of this Law, the employees and workers of the operational units shall be transferred to the Group and their conditions shall be adjusted according to the regulation of the Group’s personnel, without prejudice to their salaries and benefits. The regulations and rules applicable at the time of the enforcement of this Law shall remain valid until the issuance of the regulation of the Group’s personnel.

Article 36

For all that is not specifically provided for in the regulation of the Group’s personnel, the federal human resources laws and regulations shall apply.

Article 37

The Group shall replace Emirates Post in the international agreements related to postal matters.

Also, the Group shall replace Emirates Post and Empost in all the contracts and agreements signed thereby before the enforcement of this Law.

Article 38

The Group shall replace Emirates Post and Empost in all the investments, properties and shares thereof in the commercial companies existing at the time of issuance of this Law. The Group shall under this Law adjust its conditions and investments according to the provisions hereof within a period of maximum six months as of its enforcement date.

Article 39

The employees of the Group, appointed by a decision from the Minister of Justice based upon the nomination of the Board, shall have the capacity of judicial officers in establishing all the violations to the provisions of this Law and the regulations and decisions issued in implementation thereof.

Article 40

The Board shall issue the regulations and decisions needed for the implementation of the provisions of this Law within 6 months as of its issuance date.

Article 41

- 1- Federal Law no. 14 of 2007 on the Establishment of Emirates Post Holding Group shall be abrogated.
- 2- Any provision in contradiction or conflict with the provisions of this Law shall be abrogated.
- 3- The decisions, regulations and rules in implementation of said Federal Law no. 14 of 2007 shall remain valid until the issuance of the regulations, rules and decisions which will replace them.

Article 42

This Law shall be published in the Official Gazette and shall enter into force three months following its publication date.

Issued by us in Abu Dhabi Presidential Palace:

On: 22 Jumada Al-Awwal 1434 AH

Corresponding to: 3 April 2013 AD

Khalifa bin Zayed bin Sultan Al Nahyan
President of the United Arab Emirates

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