



هيئة المناطق الحرة - قطر
Qatar Free Zones Authority



هيئة المناطق الحرة - دولة قطر

FREE ZONES AUTHORITY-STATE OF QATAR

Mandate and Powers Regulations

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Free Zones Authority Mandate and Powers Regulations

PART 1 – Preliminary Rules

Article 1 - Citation

These Regulations will be cited as the Free Zones Authority Mandate and Powers Regulations.

Article 2 - Definitions

The following words and phrases will have the meanings shown against each of them, unless the text indicates otherwise:

Additional Zone: any additional land, building or facilities outside the Free Zone, or any part thereof, designated from time to time as a Free Zone or part of a Free Zone.

Authority: will have the meaning given to it in the Free Zones Law.

Board: will have the meaning given to it in the Free Zones Law.

Court: the competent court in accordance with the Free Zones Legislation.

Free Zone: will have the meaning given to it by the Free Zones Law.

Free Zone Entity: an entity that has been incorporated or registered in a Free Zone.

Free Zones Law: Law Number (34) of 2005 as referred thereto.

Free Zones Legislation: the Free Zones Law, these Regulations and any other regulations issued pursuant to the Free Zones Law, rules, decrees, resolutions, decisions, policies, or orders issued from time to time in connection with the Free Zone.

Free Zones Regulations: these Regulations and any other regulations, rules, decrees, resolutions, decisions, policies or orders issued from time to time pursuant to the Free Zones Law.

Licence: a permission to carry out one or more permitted activities issued by the Authority to a Free Zone Entity pursuant to the Licensing Regulations.

Licensing Regulations: the regulations relating to the licensing of a Free Zone Entity in accordance with the Free Zones Legislation.

Regulations: the Free Zones Authority Mandate and Powers Regulations including any rules, decrees, resolutions, decisions, policies or orders issued under or in connection with these Regulations.

Relevant Authority: any governmental or quasi-governmental authority in the State.

State: the State of Qatar.

Article 3 - Interpretation

- (1) In these Regulations, a reference to:
 - (a) a law includes all amending or supplementary legislative instruments, or secondary or subordinate executive regulations, including decrees, regulations, resolutions, decisions, policies or orders issued by the Authority, or any other competent State authority having jurisdiction over the Free Zone, made from time to time under that law as amended, restated or re-enacted from time to time;
 - (b) a provision of any law or regulations includes a reference to that provision as amended, restated or re-enacted from time to time;
 - (c) the singular includes the plural and vice versa;
 - (d) a year, month or day means a year, month or day of the Gregorian calendar;
 - (e) the masculine gender includes the feminine gender or a legal body;
 - (f) a document or deed in "prescribed form" is a reference to that document or deed in the form prescribed by the Authority from time to time;
 - (g) "written" or "in writing" includes any form of representing or reproducing words in a legible form; and
 - (h) a person includes any natural or legal person, including a branch, company, partnership, unincorporated association, government, or state, including any governmental department, body, or authority.
- (2) The headings in these Regulations do not affect their interpretation.
- (3) Any reference to an article, a sub-article, a paragraph or a sub-paragraph in these Regulations without further identification is a reference to an article, a sub-article, a paragraph or a sub-paragraph of an article in these Regulations.
- (4) Any reference in these Regulations to "include", "including", "in particular", "for example", "such as" or any similar expressions will be considered as being by way of illustration or emphasis only and is not to be construed so as to limit the generality of any words preceding them.
- (5) Any reference to the "Authority" includes any person who has been delegated or granted powers by the Authority to regulate, develop, operate, or manage any Free Zone in accordance with the Free Zones Legislation.

Article 4 - Application

- (1) These Regulations are issued by the Board pursuant to powers granted to it under the Free Zones Law and set out the governance and operations of the Authority.
- (2) The Authority, established by the Free Zones Law, is committed to promoting integrity and high standards of ethical conduct in all its activities.

PART 2 – Operational Framework and Regulatory Principles

Article 5 - Management and Structure

The Authority must comply with the requirements regarding its management and structure as set out in the Free Zones Law.

Article 6 – Principles of Good Regulation

In exercising its functions and powers under the Free Zones Legislation, the Authority will have regard to:

- (a) the need to use its resources in the most efficient and economic way;
- (b) the desirability of facilitating innovation and fostering international competitiveness of the Free Zones;
- (c) the desirability of fostering competition between those who are subject to regulation by the Authority;
- (d) the need to comply with such generally accepted principles of good governance as it considers applicable to it;
- (e) the need to balance the burdens and restrictions on persons licensed by it with the benefit of regulation; and
- (f) the need to act in accordance with the Free Zones Legislation.

Article 7 - Delegation

- (1) The Authority will be free to delegate whatever function or power to carry out its functions or tasks in accordance with the Free Zones Law.
- (2) Where the Authority delegates a function or power, the delegatee to whom such function or power is delegated will comply with any restriction or duty in respect of the exercise of that power to which the Authority is subject in respect of that function or power.
- (3) Notwithstanding any provision of the Free Zones Legislation to the contrary, the Authority in exercising its powers under the Free Zones Legislation, or any delegatee will have the power to issue notices, directions, determinations, decisions, and

sanctions to obtain documents and information, to appoint investigators, to discipline, and to otherwise enforce such Free Zones Legislation.

PART 3 – Powers of the Authority

Article 8 - Powers to Issue Free Zones Regulations

- (1) The Authority may make any Free Zones Regulations as it deems necessary or appropriate to facilitate the pursuit, achievement, and furtherance of its objectives and realisation of its functions and powers under the Free Zones Law. It may also publish any draft legislation for public consultation subject to the conditions specified under sub-article (5) of this Article.
- (2) The Authority may, in particular and without prejudice to the Free Zones Law and the generality of sub-article (1) of this Article, issue Free Zones Regulations in respect of:
 - (a) the procedures and requirements for persons to become licensed to carry on permitted activities in or from the Free Zone;
 - (b) the standards of conduct applicable to relevant persons in the Free Zone;
 - (c) the infrastructure, systems, controls, and processes to be implemented and maintained by relevant persons in the Free Zone;
 - (d) the fees payable by relevant persons to the Authority;
 - (e) the sanctions payable by relevant persons to the Authority in the case of a contravention of any Free Zones Regulations; and
 - (f) the procedures, requirements, and standards applicable to relevant persons when dealing with the Authority.
- (3) The Authority may, on the application of any person, or on its own initiative, by means of a written notice, provide that one or more provisions of any of the Free Zones Regulations either:
 - (a) will apply to such person with such amendments as may be specified in the written notice; or
 - (b) will not apply in relation to such person.
- (4) The conditions and procedures governing the Authority's power to amend or exempt the application of provisions of the Free Zones Regulations, as provided under sub-article (3), are set out in Schedule 1 of these Regulations.
- (5) Before issuing any Free Zones Regulations or amendments thereto pursuant to sub-article (2) of this Article, the Authority may publish the draft Free Zones Regulations on its official website and invite interested parties to provide their comments with respect to the draft. The publication must contain the following information:

- (a) the policy objective and scope of the draft Free Zones Regulations;
 - (b) the text of the draft Free Zones Regulations;
 - (c) the date on which the Free Zones Regulations will come into force; and
 - (d) the date by which comments must be received, ensuring that there is adequate time for the stakeholders to submit their responses and for the Authority to analyse the responses that it has received.
- (6) Once the formal consultation is initiated the Authority will encourage broad participation of stakeholders.
 - (7) The Authority may undertake other forms of consultation and discussion as it deems appropriate.
 - (8) The Authority may issue the comments or other consultative documents of any type or form, including the discussion minutes.

Article 9 - Power to Obtain Information and Documentation

- (1) The Authority may exercise all powers granted to it pursuant to any of the Free Zones Legislation, including requiring a person, by written notice, to do the following:
 - (a) provide to the Authority, in the manner and in the form prescribed in the Authority's notice, any information or document which the Authority may require for the exercise of its duties or powers under the Free Zones Legislation; and
 - (b) permit an officer or agent of the Authority to enter any part of the Free Zone occupied by such person for the purpose of obtaining or verifying any information or documentation required by the Authority.
- (2) The Authority's powers referred to in sub-article (1) of this Article include the right to make copies of any documents produced to the Authority and require such person to certify the accuracy of the copies.
- (3) The Court may, upon application by the Authority, order that the Authority may make a requirement under sub-paragraph 1(a) of this Article in respect of a person outside the Free Zone (whether in the State or otherwise).
- (4) Any person licensed to carry out permitted activities must co-operate in a timely manner, fully with, and respond to any requests from, the Authority or any of its representatives, investigators, advisors, or consultants for information or documents.

Article 10 – Power to Inspect

- (1) Inspectors appointed and assigned by the Authority will monitor the application of the Free Zones Legislation and secure compliance with the Free Zones Legislation.

- (2) The inspectors may enter the premises of any Free Zone Entity twenty-four hours a day, seven days a week, without prior notice, to inspect the registers, books, files, or any other documents related to the Free Zone Entity, to ensure compliance with the Free Zones Legislation and to prove the contraventions thereto.
- (3) The inspectors may take or remove from any premises for the purposes of analysis, samples of materials or substances used, handled or traded in the Free Zone Entity; examine the various machinery or appliances; take measurements, readings, recordings, photographs or copies of any documents, while notifying the Free Zone Entity of any samples or materials taken or used for such purpose and all other actions it took.
- (4) The inspectors may question the representative of the Free Zone Entity or any person working there in private or in the presence of witnesses, on any matter concerning the application of the Free Zones Legislation.
- (5) The inspectors may take any of the following actions:
 - (a) providing advice and guidance to the Free Zone Entity or its representatives or employees on how to remedy the contravention;
 - (b) issuing a warning to the Free Zone Entity to remedy the contravention, specifying the type of contravention and the period within which it must be remedied;
 - (c) preparing a record of the contravention and submitting it to the Authority for appropriate action; or
 - (d) in the presence of serious occupational safety and health risks or workplace related accidents, requiring the Free Zone Entity to take immediate precautionary measures until the cause of the danger is eliminated and submitting the matter to the Authority.

Article 11 - Power to Investigate

- (1) The Authority may appoint one or more persons to investigate the affairs of any person licensed by it, to determine whether such person has contravened a provision of the Free Zones Legislation, or to investigate a matter following receipt of a complaint from a third party.
- (2) The Authority will notify such person of the appointment of any investigator(s) in writing.
- (3) The investigator(s) may, if considered necessary for the purposes of the investigation, look into the affairs of any other legal body that is an affiliate of or connected to a person licensed by the Authority, and the person licensed by the Authority will procure the full cooperation of any such other legal body.
- (4) The Authority may, on written notice, require any person licensed by it to allow the investigator(s) to enter the relevant part of the Free Zone occupied by such person, if considered necessary for the purpose of carrying out the investigation pursuant to

this Article or otherwise to verify compliance with any provision of the Free Zones Legislation.

- (5) The Authority may require, by written notice, a Free Zone Entity which is the subject of an investigation, including its current and previous shareholders, officers, employees, agents, and any other person connected or otherwise related by any means to the Free Zone Entity:
 - (a) to attend before the investigator at a specified time and place to answer such questions as the investigator deems necessary or appropriate for the purposes of the investigation;
 - (b) to produce at a specified time and place any specified document or documents of a specified description; and
 - (c) to provide such information or assistance as the investigator may require.
- (6) The Authority may apply to the Court for an order that all or any of the assets, books and records of the Free Zone Entity which is the subject of an investigation be preserved and not moved or otherwise impacted.
- (7) Without prejudice to the roles and responsibilities of the Authority under the Licensing Regulations and other Free Zones Legislation, the Authority may suspend or vary the terms of the Licence of a Free Zone Entity which is the subject of an investigation or any related proceedings for the duration of the investigation and related proceedings if there are reasonable grounds to do so.
- (8) The Authority may apply to the Court to assist in the enforcement of the Authority's powers in this Article.
- (9) The Court shall provide such assistance as it considers appropriate in the circumstances and in accordance with its powers, including the imposition of financial sanctions for contraventions of Free Zones Legislation and issue search orders and orders for obtaining documents and information.
- (10) The investigator must submit a report to the Authority as soon as practicable following completion of his investigation and the report must include the investigator's findings on whether the relevant person subject to investigation is in contravention of any part of the Free Zones Legislation.

PART 4 – General Provisions

Article 12 – Obstruction of the Authority

Any person who:

- (a) intentionally obstructs the exercise of any power conferred by Articles 9, 10 and 11;
or

- (b) fails without reasonable excuse to comply with any requirement under Articles 9, 10 and 11

will be guilty of an offence and liable to pay a fine set out in the schedule of sanctions as issued and updated from time to time by the Authority pursuant to the Free Zones Legislation.

Article 13 – Compliance and Enforcement

The Authority's compliance and enforcement functions are set out in Schedule 2 of these Regulations.

Article 14 – Liability and Indemnity

- (1) No personnel employed or engaged by the Authority will be subject to any civil liability that arises out of or in connection with their commission or omission of any act in good faith whilst carrying out the duties assigned to them in order to implement the Free Zones Legislation.
- (2) The Authority will not in any way be responsible to any third party for the actions, conduct, or activities of any person licensed or regulated by it.
- (3) Any person licensed or regulated by the Authority will be liable to fully indemnify the Authority for any losses, liabilities, costs, expenses, or damages, including all professional costs and other expenses, suffered by the Authority as a result of such person's conduct, actions or activities or their failure to comply with any Free Zones Legislation.

Article 15 – Additional Zone

The Authority may from time to time be tasked to regulate, develop, manage and operate any Additional Zone which is designated to it under the provisions of the law. Some or all of the Free Zones Regulations may, at the determination of the Authority, apply to and govern any such Additional Zone and persons operating from such Additional Zone.

Article 16 - Amendments of the Regulations

- (1) All persons licensed by the Authority or who intend to apply for a Licence from the Authority, their employees and any relevant third party are required to comply with these Regulations or any rules, decrees, resolutions, decisions, policies or orders supplementing these Regulations, or any other Free Zones Legislation, in each case as is currently in force and published on the Authority's website or by other means. No person will have a right to bring any claim or action against the Authority based upon any replacement, cancellation or amendment of these Regulations or any other Free Zones Legislation.
- (2) The Authority may, within the scope of its jurisdiction, authority, or powers, amend these Regulations from time to time, waive any requirements of these Regulations, or make such rules, decrees, resolutions, decisions, orders, policies and regulations to supplement these Regulations as it considers necessary or appropriate to

implement, carry out, or enforce the Free Zones Law or any of the Free Zones Legislation.

Article 17 - Revocation and Replacement

The Free Zones Authority Mandate and Powers Regulations 2020 is hereby revoked and replaced by these Regulations.

Schedule 1- Waiver and Modification

Article 1 - Definitions

In addition to the definitions provided in these Regulations, the following words and phrases, as used in this Schedule, shall have the meanings assigned to them below:

Applicant: a Free Zone Entity; or a natural or legal person who submits an application to the Authority for a Licence in accordance with the Licensing Regulations.

Application: the application in the prescribed form(s) submitted to the Authority in accordance with Article 3 of this Schedule.

Modification: a modification to a specific Requirement which is applicable to the Applicant as modified to support the Applicant's specific circumstances.

Register: the register of Free Zone Entities created and maintained by the Authority in accordance with Free Zones Legislation.

Requirement: any rule set out in the Free Zones Regulations that an Applicant must comply with, including fees pertaining to those legislation that could be issued separately.

Waiver: an exemption from compliance with a specific Requirement to support the Applicant's specific circumstances.

Article 2 – Scope

- (1) This Schedule is applicable to all Free Zones Regulations, unless Waiver and Modification provisions are regulated specifically in any of those regulations.
- (2) This Schedule applies to an Applicant in respect of a relevant Requirement.

Article 3 – Application for Waiver or Modification

- (1) An Applicant requesting a Waiver or Modification must submit an Application to the Authority.
- (2) The Applicant must ensure that all relevant information and explanation are included in the Application. Failure to do so may result in rejection of the Application.
- (3) The Applicant must provide further information and documents as the Authority may require regarding the Application.
- (4) Granting of a Waiver or Modification, which may include conditions, is at the full discretion of the Authority and will only be given when there is an appropriate and justifiable reason for doing so.
- (5) There are no deadlines for assessing Applications and the time taken to conclude an Application will depend on the issues it raises. However, the Applicant may state in the Application if it needs a decision within a specific time.

- (6) Applicant must not act on the request in its Application unless and until the Authority has granted a Waiver or Modification.
- (7) Application for Waiver or Modification does not suspend the time limitation of the Requirement.

Article 4 - Conditions for granting a Waiver or Modification

- (1) When considering an Application, the Authority must be satisfied that:
 - (a) compliance by an Applicant with the Requirements, or with the Requirements as unmodified, would be unduly burdensome or would not achieve the purpose for which the Requirements were set;
 - (b) the Waiver or Modification would not result in an undue risk or burden to persons whose interests the Requirements are intended to protect or support; and
 - (c) the Waiver or Modification would not adversely affect the pursuit, achievement, or furtherance of the Authority's objectives under the Free Zones Law.
- (2) Even if the conditions in sub-article (1) of this Article are satisfied, the Authority may consider other relevant factors before granting a Waiver or Modification.

Article 5 – Fee Waiver or Modification

- (1) Fees issued and updated from time to time pursuant to Free Zones Regulations, or non-refundable status of a certain fee may be waived or modified by the Authority.
- (2) Article 4 and Article 11 of this Schedule do not apply to fee Waivers or Modifications.
- (3) Circumstances for fee Waivers or Modification may include, but are not limited to the following:
 - (a) event of force majeure;
 - (b) the Authority service breakdown;
 - (c) financial hardship;
 - (d) government agencies or government companies;
 - (e) applicants investing in economic sectors or projects that are considered strategic;
 - (f) commercial partners of the Authority and its affiliates; and
 - (g) de-registering entities.

Article 6 - Approving or Rejecting Waiver or Modification

- (1) The Authority will either:

- (a) approve the Application; or
 - (b) reject the Application.
- (2) With the written consent of the Applicant, the Authority may also make a Modification in the Requirement in question or impose conditions on a Waiver or Modification.

Article 7 – Written Notice

- (1) The Authority will notify the Applicant of its decision in writing.
- (2) If the Authority does not approve the Application, it may, in its sole discretion, provide reasons for its decision.
- (3) The Applicant may withdraw its Application at any time until the giving of the written notice.

Article 8 - Expiry and Extension of Waiver or Modification

- (1) A Waiver or Modification will not apply retrospectively and may be granted for a specified duration only, after which time it will cease to apply.
- (2) An Applicant may request an extension to the Waiver or Modification by submitting another Application.
- (3) The Authority will consider an Application for extension of Waiver or Modification in the same manner as the original Application and will not necessarily grant extensions as a matter of course.

Article 9 - Waivers or Modifications by Consent

- (1) The Authority may decide to grant a Waiver or Modification on its own initiative to a group of persons without requiring submission of an Application.
- (2) Where the Authority considers that a Waiver or Modification should apply to a group of persons, it will inform the concerned persons that the Waiver or Modification is available in the manner it will deem appropriate.
- (3) For the Waiver or Modification to apply to the persons of that particular matter, the concerned persons will have to give their written consent for the Waiver or Modification to also apply to them.
- (4) The Authority will then issue a written notice to the concerned persons who provided their written consent that the Waiver or Modification has been granted.

Article 10 - Registration of Waivers and Modifications

- (1) The Waiver or Modification, the imposed conditions, variations, and revocations if any must be registered in the Register, and they will be effective as of the date the Authority updates the Register.

- (2) The Waiver or Modification granted to the natural or legal person who has submitted an application to the Authority for a Licence in accordance with the Licensing Regulations, and the imposed conditions, if any, will be entered into the Register after the entity has been incorporated or registered in the Free Zone.

Article 11 - Publication of a Waiver or Modification

Unless the Authority decides that it is inappropriate or unnecessary to do so, it must publish its decision to grant a Waiver or Modification in such a way it considers appropriate to bring the decision to the attention of:

- (a) those likely to be affected by it; and
- (b) others with similar circumstances who may wish to request a similar Waiver or Modification.

Article 12 - Breaches of Waivers and Modifications

- (1) When an Applicant is granted a Waiver or Modification, the relevant Requirement applies to the Applicant as modified or no longer applies if waived.
- (2) However:
 - (a) if a notification directs that a Requirement is applicable to an Applicant with Modifications, then failure to comply with the modified Requirement constitutes a breach of the original Requirement under the Free Zones Regulations; and
 - (b) if a Waiver or Modification is granted subject to a condition, then failure to comply with the conditions constitutes a breach of the original Requirement under the Free Zones Regulations.

Article 13 - Variation and Revocation of a Waiver or Modification

- (1) With prior written notice, the Authority may at any time:
 - (a) on its own initiative, or on the Application of the Applicant revoke; or
 - (b) on the Application of, or with the consent of the Applicant vary a Waiver or a Modification.
- (2) Waivers or Modifications may be reviewed annually within the context of Licence renewal of the Free Zone Entity.
- (3) In deciding whether to revoke or vary a Waiver or Modification, the Authority will consider whether the conditions are no longer satisfied and whether the Waiver or Modification is otherwise no longer appropriate or relevant.
- (4) An Applicant which has applied for or has been granted a Waiver or Modification must notify the Authority immediately if it becomes aware of any matter which could affect the continuing relevance or appropriateness of the Application or the Waiver or Modification.

Schedule 2- Compliance and Enforcement

Article 1 - Objectives

- (1) This Schedule describes the Authority's approach for ensuring compliance with the Free Zones Legislation and responding to contraventions of the legislation to deter and discipline offenders.
- (2) This Schedule describes how the Authority undertakes its compliance and enforcement functions, however, it does not in any way restrain or limit the discretion of the Authority.
- (3) Compliance provides valuable information to encourage continual improvement and expedite the pursuit, achievement, and furtherance of Authority's objectives under the Free Zones Law.
- (4) Data collected from compliance monitoring may be used to improve regulatory tools, drive decisions on new or amended Free Zones Regulations.

Article 2 – Scope

- (1) This Schedule is applicable to all Free Zones Legislation, unless compliance and enforcement provisions are regulated specifically in those legislation.
- (2) The Authority has no criminal jurisdiction and criminal laws and penalties applicable in the State will apply in the Free Zones according to Article 39 of the Free Zones Law.
- (3) When the Authority becomes aware of a crime during administering its mandate, that conduct will be immediately reported to the public prosecution or any judicial officer in accordance with Article 33 of Law No. (23) of 2004 (the Criminal Procedure Code).
- (4) Whilst the Authority has no criminal jurisdiction and will refer appropriate matters to the Relevant Authorities, it does have jurisdiction to take regulatory actions against Free Zone Entities and other persons falling within the Authority's jurisdiction, in respect of contraventions of relevant requirements set out in the Free Zones Legislation and in the other laws which give the Authority statutory powers to supervise, follow up, monitor, ensure compliance and impose sanctions pursuant to those laws.

Article 3 – Context

- (1) Compliance with the legislation is not a matter of choice but a requirement, and the Authority has a variety of regulatory tools to promote, monitor and enforce compliance.
- (2) Contraventions of legislation have consequences, and the Authority will actively seek to identify contraventions, correct non-compliance and take appropriate enforcement action against those who breach the legislation.

Article 4 - Compliance Monitoring

- (1) Compliance indicates fulfilling legislative and regulatory requirements.
- (2) The Authority aims to encourage compliance and discourage excessive risk taking through appropriate and effective monitoring.

- (3) The Authority establishes compliance in the most efficient and economical way by using a risk-based approach that involves:
 - (a) ongoing assessment of information collected by appropriate monitoring tools and methods by the Authority, including desk-based reviews of information provided by the Free Zone Entities through periodic returns, published financial information or specially requested information, auditor reports, on-site visits, inspections, investigations, and other external sources;
 - (b) utilizing the ongoing risk assessment not only to manage risks by forming risk-based classification of Free Zone Entities, but also to identify any potential contraventions;
 - (c) where applicable, developing a strong relationship with a Free Zone Entity and its management;
 - (d) where applicable, considering any lead or investigation which a Free Zone Entity or the group of companies where the Free Zone Entity is a part of such group of companies may be subject to in other jurisdictions.

Article 5 - Risk-Based Classification

- (1) Risk-based classification allows the Authority to identify the Free Zone Entities and activities which pose a higher risk to its objectives.
- (2) Based on risk-based classification, the Authority may conduct intensified assessments with respect to certain Free Zone Entities or may choose to conduct thematic reviews that target certain products, services, or activity groups across a set of Free Zone Entities.

Article 6 - Risk Mitigation

The Authority may inform a Free Zone Entity of the steps it needs to take in relation to specific risks and require it to demonstrate that it has taken appropriate steps to mitigate or remove the risks thereof.

Article 7 – The Authority’s Relationship with Free Zone Entities

- (1) The Authority requires an open, transparent, and cooperative relationship with each Free Zone Entity.
- (2) The Authority may establish an intensified dialogue with a specific Free Zone Entity’s management in order to have an in-depth understanding of the Free Zone Entity’s business, systems, and controls in order to identify the areas of risk to the Authority’s objectives.
- (3) Free Zone Entities are required to keep the Authority informed of significant events, facts or changes related to their entities of which the Authority must be notified as required by any Free Zones Legislation or would reasonably expect to be notified.
- (4) The nature and intensity of the Authority’s relationship with a Free Zone Entity will depend on the extent of risk a Free Zone Entity poses.

Article 8 - Cooperation with Other Relevant Authorities

- (1) The Authority's cooperation with other Relevant Authorities is an important component of its supervisory activities.
- (2) Effective cooperation with other Relevant Authorities provides for prompt exchange of information in relation to compliance monitoring, investigation and enforcement matters and enhances the Authority's understanding of the operations of the group of companies where the Free Zone Entity is a part of such group of companies and the effect of those operations on the Free Zone Entity.

Article 9 - Assessment

- (1) Any alleged contravention of Free Zones Legislation that may be identified during compliance monitoring or from sources like whistleblowing, external sources and other Relevant Authorities will be assessed to determine the most suitable action to be taken.
- (2) The Authority will receive, record, and acknowledge all information, regardless of source, and assess the alleged contravention.
- (3) The Authority may also use its powers including to request information and documentation available to it under Free Zones Legislation for seeking additional information.
- (4) During the assessment, all relevant facts and circumstances of each case, Free Zones Legislation, and the objectives of the Authority will be considered.
- (5) The Authority will consider following factors for determining the most appropriate action and the level of discretion on the case:
 - (a) seriousness and consequences of the contravention; location, severity, quantity, extent and duration of the impact, or potential impact, of the alleged contravention; the potential of the contravention to have a wider impact on proper operation of the Free Zones; costs avoided, or profits realised by the alleged contravention; the degree of culpability of the alleged offender; issues of public concern, including the need for specific and general deterrence;
 - (b) behavior of the offender regarding the contravention, cooperation with the Authority and willingness to commit to appropriate remedial actions; whether the contravention was intentional or reckless; any voluntary action by the offender to mitigate harm, and any mechanisms implemented to prevent any recurrence;
 - (c) previous history of alleged offender with regard to compliance with legislation and frequency and seriousness of any past contraventions;
 - (d) moral repugnance associated with the contravention; and
 - (e) aggravating, mitigating or other relevant factors.

- (6) The list of factors for the assessment set out in the previous sub-article is not exhaustive and not all the factors will apply in every case, and the weighting the Authority gives to each will depend on the particular circumstances and situation.
- (7) The Authority is not obliged to accept, review or investigate any referral howsoever brought to its attention and may, acting on its discretion, stop or suspend any such investigation or dealing if:
 - (a) the referral made by a person is anonymous;
 - (b) the Free Zones Legislation does not apply to the referral;
 - (c) the referral is frivolous, trivial or is not made in good faith;
 - (d) there is not enough evidence to prove the referral;
 - (e) the Authority or the Court have previously made a decision or an order relating to the subject matter of the referral.
- (8) Based on the assessment, the Authority may,
 - (a) take no further action;
 - (b) immediately take an enforcement action;
 - (c) take any other action that is available or appropriate to the circumstances of the matter; or
 - (d) commence an investigation.
- (9) All referrals filed with the Authority are held in confidence. However, in order to assess a referral properly, the Authority may need to speak to third parties including any person who is the subject of the referral.

Article 10 - Investigation

- (1) The Authority may conduct an investigation as it considers expedient to ensure compliance with the Free Zones Legislation, and terms of Licences, regardless of whether or not it has received a referral.
- (2) The purpose of opening an investigation is to gather relevant facts, using the Authority's investigative and other powers vested in it by the Free Zones Legislation.
- (3) Before starting an investigation, the Authority must be satisfied that an investigation is a correct response in the circumstances.
- (4) The Authority may appoint one or more persons to investigate the affairs of a Free Zone Entity and the start of the investigation is indicated by the appointment of investigators.

- (5) The Authority will serve written notice on the person that is subject to investigation following the decision to carry out an investigation. Such notice must specify the purpose of the investigation and identify the appointed investigators.
- (6) The Authority may if deemed appropriate hold scoping meetings to explain the investigative process, outline the nature of the Authority's concerns, introduce members of the investigating team and their respective roles, and discuss the Authority's information requirements.
- (7) An Authority investigation is a confidential matter, and the subject of the investigation must treat it as such.
- (8) A person is entitled to seek professional advice and have legal representation during the course of an investigation at his own cost.
- (9) During the investigation, the Authority may arrange for translation services to be provided if it takes the view that a party to the investigation requires this.
- (10) The factors set out in the Article 9 continue to act as a reference point during the progress of an investigation.

Article 11 - Powers of the Authority

- (1) Once appointed, the investigator has different kinds of evidence gathering powers under the Free Zones Legislation which include powers to compel entrance to the premises, to compel the production of documents, and to compel the provision of information.
- (2) The Authority may require any person:
 - (a) to allow an investigator, an officer, or an agent of the Authority or any other competent authority of the State to enter the relevant part of the Free Zone occupied by such person (such as the designated land and the registered office of or any business premises occupied by a Free Zone Entity) if an investigator considers such action necessary for the purpose of carrying out the investigation, or for the purpose of obtaining or verifying any information or documentation required by the Authority;
 - (b) to provide to the Authority, in the manner and in the form prescribed in the Authority's notice, any information or document which the Authority may require for the exercise of its duties or powers under the Free Zones Legislation; and
 - (c) to appear before an officer, inspector, investigator, or representative of the Authority at a specified time and place to answer questions in private.
- (3) The Authority does not need to appoint investigators to require a person to provide information or documents.
- (4) The Authority's powers to obtain information and documentation include the right to make copies of any documents produced to the Authority and require such person to certify the accuracy of the copies.

- (5) Whilst the Authority or an investigator exercises the power under this Article, it gives the person written notice which specifies what is required of the person and sets out a reasonable period in which the person is required to give the information or produce the documents required, and the date and time period for entrance to the premises (if applicable).

Article 12 - Cooperation

- (1) A person must cooperate in a timely manner, fully with and facilitate the task of the Authority, and respond to any requests from the Authority or any of its representatives, investigators, inspectors, advisors, or consultants for information or documents.
- (2) A person must not engage in conduct, including without limitation, the:
 - (a) destruction of documents;
 - (b) failure to give or produce information or documents specified by the Authority;
 - (c) failure to appear before the Authority at a specified time and place to answer questions;
 - (d) giving of information that is false or misleading; and
 - (e) failure to give assistance in relation to an investigation in a timely manner which the person is able to give, that will prevent the Authority from exercising its powers under the Free Zones Legislation.
- (3) The Authority takes into account the cooperation offered by a person when deciding what enforcement action is appropriate in a particular issue.
- (4) The assessment of the level of cooperation offered by a person depends on the particular circumstances of the matter and the Authority expects a person to cooperate voluntarily from an early stage of the compliance and enforcement process.

Article 13 - Investigation Report

- (1) At the conclusion of an investigation, the investigator(s) will consider all the evidence gathered and submit a report to the Authority as soon as practicable.
- (2) An investigation report provides the facts relevant to the issues under investigation and the findings of the investigation including contraventions of any part of the legislation, if any.
- (3) The investigation report will also provide the Authority with recommendations, which include:
 - (a) taking no further action;
 - (b) imposing an enforcement action against the subject;
 - (c) taking any other action that is available or appropriate to the circumstances of the matter;
 - (d) referring the misconduct to another Relevant Authority; or

- (e) carrying out additional investigations.
- (4) If an investigation identifies contraventions and proposes to impose an enforcement action, the Authority may send the person subject to investigation a copy of the preliminary investigation report which stipulates the preliminary findings of the investigation and provide the person with the opportunity to comment in a reasonable time on preliminary findings and correct any inaccuracies.
- (5) It is entirely at the discretion of the Authority to decide whether it is appropriate to send the preliminary investigation report.
- (6) The Authority produces an investigation report after consideration of any reply to a preliminary investigation report, if appropriate.

Article 14 - Enforcement

- (1) Enforcement is a response to identified contraventions of the legislation and involves a range of different actions to deter and punish offenders, support compliance, reduce the risk of existing or ongoing impacts and rehabilitate damage to the operation of the Free Zones.
- (2) The Authority will undertake enforcement actions, in accordance with the following principles:
 - (a) Enforcement action will be in proportion to the scale or seriousness of the alleged offence and/or the effect to the proper operation of the Free Zones, considering the conduct of the persons and implications for the administration of the legislation;
 - (b) Decisions regarding enforcement action will be made in a timely manner;
 - (c) Enforcement action will be taken where regulatory objectives require enforcement action and when the legislative and regulatory prerequisites for that action are satisfied; and
 - (d) Enforcement action will be applied consistently across the Free Zones and will be undertaken fairly, openly, accountably, and proportionally by the Authority while exercising of its enforcement powers.

Article 15 - Enforcement Actions

- (1) Without prejudice to a more severe penalty stipulated in any other law, rules or regulations applying in the Free Zone, the Authority, if satisfied that a provision of the Free Zones Legislation has been contravened, may take a decision to that effect, and whilst not an exhaustive list, impose one or more of the following enforcement actions:
 - (a) sending written warnings;
 - (b) ordering compliance with specific instructions;
 - (c) ordering regular reports on the corrective measures taken;
 - (d) imposing a financial sanction;

- (e) suspending services or restricting the movement of goods, products, and persons from entering and exiting the Free Zone;
 - (f) imposing any condition, restriction, or requirement on the Licence;
 - (g) requiring a person specified in the condition, restriction, or requirement on the Licence, to take or refrain from taking any action;
 - (h) suspending the Licence;
 - (i) revoking the Licence; or
 - (j) imposing measures pursuant to the powers it is given by the Free Zones Legislation and other laws.
- (2) The Authority will consider factors stipulated in Article 9 whether to take any enforcement action and if so, in selecting the most appropriate enforcement action and determine the appropriate level of that action.

Article 16 - Notifying others of decision

- (1) When the Authority makes a decision to impose an enforcement action on a person pursuant to previous Article, it will issue a preliminary notice, setting out:
 - (a) the proposed decision;
 - (b) the reasons for that proposed decision, including any proposed findings of fact;
 - (c) a copy of the relevant materials which were considered in making the proposed decision;
 - (d) that the person may make written representations to the Authority concerning the proposed decision; and
 - (e) that the time for making representations will be within a period of 15 days from the date on which this notice is given.
- (2) The recipient of the preliminary notice may request an extension of time allowed for making representations. The Authority will decide whether it is fair to allow an extension, and if so, how much additional time is to be allowed for making representations.
- (3) If the Authority receives no response or representations within the period specified in the preliminary notice, or after considering the representations decides to make the same or a different decision, the Authority will, as soon as practicable, issue a decision notice to the person in relation to whom the power is exercised specifying:
 - (a) the decision;
 - (b) the reasons for the decision, including its findings of fact;
 - (c) the date on which the decision is to take effect;

- (d) if applicable, the date by which any relevant action must be taken by the person; and
- (e) the person's right to file a grievance against the decision by the Authority.
- (4) If the Authority decides that the Authority will not give a decision notice, the Authority will notify the relevant parties of the decision in writing.

Article 17 - Grievances

- (1) A grievance against the decisions of the Authority will be submitted by the concerned person to the Authority, within fifteen (15) days from the date of decision notice.
- (2) The grievance will contain the following information:
 - (a) The grievant's name, surname, capacity and address;
 - (b) The grieved-against decision, the date of its issuance and the date of its notification to the grievant;
 - (c) The grounds on which the grievance is based, and the supporting documents, and explanatory memorandums;
 - (d) The specific requests of the grievant;
 - (e) The preferred means for the grievant to receive the notices related to the review of the grievance, whether by email or telephone or other means.
- (3) The Authority will review and decide upon the grievance within thirty (30) days from its filing date and at the end of the review may rescind the order or may issue a new decision notice. The expiry of this period without a decision on the grievance will be considered and implicit rejection thereof.
- (4) The decision notice will comprise a summary of the subject-matter of the grievance and the grounds upon which it is based. The grievant will be notified, in writing, of a copy of the decision within seven (7) days from the date of its issuance, by the notification means as specified in his grievance.
- (5) The decision on the grievance or the implicit rejection, will be final.

Article 18 - Prejudice to the Interests of Free Zone Entities or the Authority

- (1) If the Authority concludes that any delay likely to arise as a result of complying with the procedures in Article 16 would be prejudicial to the interests of other Free Zone Entities or otherwise prejudicial to the interests of the Authority:
 - (a) preliminary notice and representation procedures do not apply; and

- (b) instead, the Authority must provide the person with an opportunity to make representations to the Authority in writing within a period of 15 days, or such further period as may be decided, from the date on which the decision notice is given.
- (2) If the Authority does not receive any representations within the period specified in the notice, it must inform the person in writing that the decision is to stand (subject to appeal).
- (3) If the Authority receives representations within the period specified in the notice, after considering the representations the Authority may decide to confirm, withdraw or vary the decision and it must as soon as practicable notify the person of the decision in writing.

Article 19 - Obligation to keep information confidential

Every person acting under the authority of this Schedule will keep confidential all information and records obtained or provided under this Schedule, except so far as the person's public duty requires or the law permit the person to disclose them or to take official action on them.

Article 20 - Appeal of the Authority's decisions

- (1) A person directly affected by a final decision of the Authority may appeal the matter to the Court.
- (2) Unless otherwise stated in the Free Zones Legislation, the appeal will be filed within sixty (60) days of receipt of the decision appealed in accordance with the requirements prescribed in the regulations and rules of the Court.
- (3) The Court may grant a stay of the decision appealed until the disposition of the appeal and may impose conditions on the stay including requiring a party to provide a security deposit for all or part of a monetary order.
- (4) The Authority will provide the Court with the record that was before the Authority at the time the decision was made, including any witness statement and documents considered by the Authority.