



- A company based in Dubai Multi Commodities Center (DMCC Company) wanted to open its subsidiary company in Jordan.
- A law firm in Jordan has requested the DMCC Company to grant a Power of Attorney so that the law firm can represent the DMCC Company to register the subsidiary.

Issues Faced

The Manager of the DMCC Company went to the Dubai Courts Notary Public to sign the Power of Attorney. However, the Notary Public refused to notarize the POA, because, the Manager could not present a document to prove his authority to sign a POA on behalf of the DMCC Company.

The DMCC Company approached POA.ae to provide a solution so that the Manager can sign the POA on behalf of the DMCC Company in front of the Notary Public.

QUICK FACTS

Company Registered: DMCC (Free Zone)

Principal: Company Manager

Attorney: Law Firm in Jordan

Objective: Open subsidiary company in Jordan

Issues faced: Cannot prove the authorization of the manager, the Notary Public refused to notarize the POA

Why: The DMCC company is a subsidiary of foreign company registered in British Virgin Islands (BVI Company)

Solution: The BVI Company board resolution that needs to give authorities to the Manager to represent its subsidiary in DMCC.



Analysis

After reviewing the corporate documents of the DMCC Company, we understood that the company was owned by a foreign company registered in British Virgin Islands (BVI Company). In other words, the DMCC Company was a wholly owned subsidiary of the BVI Company. There was no Board Resolution or a POA from the BVI Company authorizing the Manager to represent the DMCC Company.

Also, the Memorandum and Articles of Association of the DMCC Company did not specify the authorities of the Manager. This is normal, because usually the sample MOA of DMCC companies do not list Manager's powers.

Therefore, in this situation, the Notary Public refused to notarize the POA as it was not satisfied with the powers of the Manager to sign the POA on the DMCC Company's behalf.

Solution of the POA.ae

As this DMCC company was a subsidiary of the BVI Company, it is the BVI Company that needs to give authorities to the Manager to represent its subsidiary in DMCC. Such authority can be granted by way of a Board Resolution. To give you a better idea, the opening part of the Board Resolution that we prepared was as follows:

The Board of Directors of [BVI COMPANY'S NAME], duly formed under the laws of the British Virgin Islands, pursuant to BVI Business Companies Act 2004, with BVI Company Number [] (the "Company"), and having established [DMCC COMPANY'S NAME], a wholly owned subsidiary of the Company, registered and existing under the laws of Dubai Multi Commodities Center (DMCC), Dubai, UAE, with License No. [] (the "Subsidiary"), by written consent, passed the following resolutions on the date set forth below:

RESOLVE and confirm that Mr. [General Manager's Name], citizen of _____, holder of Passport No. _____, is appointed as a General Manager and a true and lawful attorney of the Subsidiary (the "Manager"), with full powers of authority to do and undertake all acts on behalf of the Subsidiary, including all or any of the following.



Most importantly, we included a clause in the BR that the Manager can sub-delegate his



The Manager has the right to sub-delegate all or part of his powers to any person or persons or entity or entities as he deems fit, to appoint such persons or entities to exercise any or all of the foregoing powers, or to revoke any powers granted to such persons or entities.

All documents issued outside the UAE need to be duly legalized to use them in the UAE.

Once the Board Resolution was signed by the directors of the BVI Company, it was attested and legalized at following authorities:

IN UK	IN UAE
<ol style="list-style-type: none"> 1. Notarization or certification by the Registrar of Companies in BVI 2. Addition of a British Virgin Islands (BVI) Apostille 3. Attestation at the UK Foreign and Commonwealth Office (FCO), and 4. Attestation at the UAE Embassy in London 	<ol style="list-style-type: none"> 1. Attestation at the UAE Ministry of Foreign Affairs (MOFA) in UAE, and 2. Translation into Arabic 3. Attestation at the Ministry of Justice (MOJ)

After completion of the above process, the Manager of the DMCC Company was able to sign the POA in front of the Dubai Courts Notary Public on behalf of the DMCC Company. The issue was resolved.

In fact, the above issue can arise not only for DMCC companies, but also for branches or subsidiaries of foreign companies in the mainland and across all free zones in UAE.

For further information, details or any business related POA requirement please contact us:



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