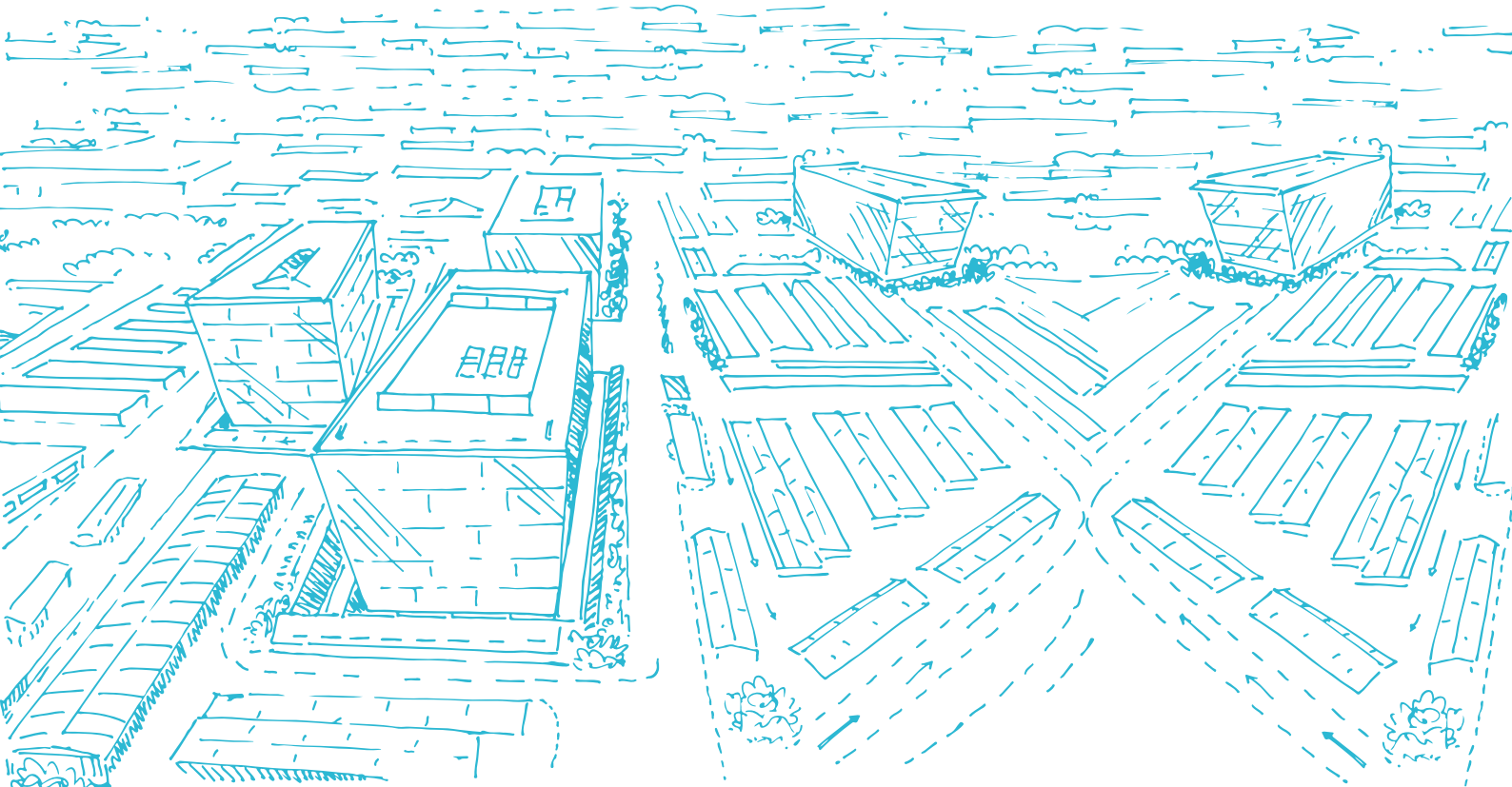


# **The Jebel Ali Free Zone Rules 2017**

## **Inspection Section Part**

### **As per the Seventh Edition**



## 12. INSPECTION OF CUSTOMER'S PREMISES

### 12.1 General

- 12.1.1 Jafza may at any time inspect or enter into the Premises of Customers without prior notice. However, consideration may be given, as appropriate and according to urgency, to any resulting disruption of the Customer's ongoing operations. Jafza's inspection or entering the Premises may be for any reason including but not limited to:
- a) Ensure compliance with these Free Zone Rules and other regulations and requirements of Jafza. Inspect any work to which, in the opinion of Jafza, the provisions of Free Zone Rules apply;
  - b) Examine any process causing the discharge of any noxious or offensive substance;
  - c) Apply tests, take samples, conduct experiments and generally make enquiries as deemed necessary or proper for confirming compliance with EHS/Free Zone Rules;
  - d) Confirm that employment rules are being complied with; and
  - e) Confirm that activities comply with the Lease and License terms and conditions.
- 12.1.2 A Customer should note that inspections shall only be carried out by local and federal authorities, Jafza or any other authorities specifically authorised to inspect by Jafza. Inspection by any other person or organisation is strictly prohibited, unless prior approval of Jafza is obtained. A Customer being approached by any other party for inspection or information should notify Jafza immediately.
- 12.1.3 A Customer, or the agent, shall render to the authorised representatives of Jafza, necessary facilities for entry, inspection, examination and testing in pursuit of the representative's duties under these Free Zone Rules.
- 12.1.4 A Customer shall not in any way restrict or hinder the entrance or inspection by a State, local or federal authority, by Jafza or by any other representative specifically authorised to inspect by Jafza, failing which the Customer shall be liable to a fine.

## 12.2 Types of Free Zone inspection

Jafza may directly or through an authorized person or body carry out inspection and such inspection may include but is not limited to the following objectives:

- a) determining cleanliness and maintenance of facilities;
- b) ensuring compliance with safety measures;
- c) enforcing restriction on cooking in accommodations or inside any Premises not intended for that purpose, such as working stations of offices, warehouses or showrooms, etc;
- d) preventing illegal stay of Employee or extra person in accommodation;
- e) ensuring appropriate dumping and waste disposal;
- f) ensuring issuance of ID Cards;
- g) ensuring appropriate Lease /sub-Lease of Premises;
- h) enforcing restriction on illegal parking;
- i) enforcing restriction on spitting; and
- j) enforcing restriction on trading in fake and illegal goods.
- k) Enforcing restriction on illegal open storage.

## 12.3 Areas of Free Zone inspection

All Environment, Health and Safety and Fire Department requirements shall be complied with during the construction stage of a project with adequate EHS safeguards and fire detection measures. All measures shall be taken by the Customers to conduct their operations in an environmentally clean, safe manner to avoid nuisance to other Customers and prevent EHS impacts. Jafza may directly or through an authorized person or body carry out inspection in any area of the Free Zone. The rules governing the same are as included in (but not limited to) the following:

- a) Building and General Civil Work construction regulations;
- b) Environmental Control rules and requirements.
- c) Environmental guidelines;
- d) Health & Safety regulation and standards;
- e) Food Establishment guidelines;
- f) Jafza Rules
- g) Premises of the Customer;
- h) warehouses/LIUs/Plots/Ready Built;
- i) food court, shops and restaurants;
- j) on site Accommodation;
- k) roads; and
- l) general landscape.

## **12.4 Operations/materials/equipments inspection**

The material and equipment of a Customer shall be used, maintained and stored in a responsible and safe manner considering safety of Employees, Premises and other personnel in Jafza as well as visual appeal and aesthetics. A Customer shall be particularly mindful of stored materials or waste materials being in common or public areas or behind warehouse Premises, in corridors between offices and other Premises, in open areas or unused land. To ensure compliance, Premises will be thoroughly checked by inspectors in different categories as mentioned below, and a breach by the Customer may result in a warning, financial penalty, termination of License or any other penalty determined by Jafza. Such breaches specifically include but are not limited to the following:

- a) minor waste or any kind of goods kept outside/inside the restaurants/shops for more than a day;
- b) bulk waste at a Customer's Premises;
- c) waste of pallets, waste, wood cuttings, plastics, boxes, or any kind of goods;
- d) unrepaired damages to walls by the vehicles or containers during loading/off-loading , or any damages to a warehouse, interior or exterior of a Premises;
- e) discovery of merchandise by an inspector not mentioned on the License or evidence of activities other than those appearing on the License without the approval of Jafza;
- f) a person found working at Customer's Premises who is not meant to be working on the Customer's Premises, whether due to being sponsored for another Customer, not being sponsored, or for any other reason (illegal employment);
- g) sub-Lease of the Premises to third parties without prior approval from Jafza; and
- h) A Customer barring Jafza's inspectors from entering the Premises or hindering their tasks.

## **12.5 Accommodation inspection**

### **12.5.1**

A Customer housing more than the permissible number of persons advised for each class of room, in the accommodation complex for Employees or such other persons as permitted by Jafza in the Free Zone ("Accommodation"), shall be fined per additional person per day till the breach persists. Jafza shall have the right to terminate the License in case of the violation is repeated.

- 12.5.2 A Customer shall accommodate only Employees or such other persons as permitted by Jafza in the Accommodation complex of the Free Zone. No other person is entitled to stay in the Accommodation. Jafza may impose a penalty on the person at whose Accommodation such unauthorised person is found.
- 12.5.3 Accommodation sub-leased to a third party without Jafza's permission will result in fines on the Customer and eviction of the occupant.
- 12.5.4 Jafza shall carry out regular inspections to ensure that no food is cooked in the Accommodation, offices, warehouses, showrooms; Jafza may impose a fine where such activity is found.
- 12.5.5 Pan spitting or throwing waste in the corridors of the Accommodation is prohibited and shall be subject to a fine.
- 12.5.6 If an occupant of an Accommodation is found to be in violation of these Free Zone Rules with respect to the use of the Accommodation, such as storing goods, storing alcohol or conducting unauthorized activities, such occupant will be subject to fine on each occasion and may suffer potential legal action.

## **12.6 Office building inspection**

Jafza may inspect the offices and the office building of the Customer to ensure compliance with the following restrictions:

- 12.6.1 a Customer carrying out activities other than those appearing on its License without the approval of Jafza;
- 12.6.2 a Customer barring a Jafza's inspector from entering the Customer's office or the office building, or hindering the inspector's tasks;
- 12.6.3 smoking in corridors in office building;
- 12.6.4 pan spitting in corridors in office building is prohibited;
- 12.6.5 offices that are Leased for rent to Customers and are used for a purpose other than an office (meaning used as a store room, for other miscellaneous purposes, or illegal use);  
and
- 12.6.6 unauthorised persons found working in a Customer's Premises (illegal employment).

## **12.7 Certain restrictions**

Certain non-exhaustive restrictions on Customers are listed below:

- 12.7.1 unauthorised (illegal) parking of heavy vehicles and/or leaving remnants/stocks or other similar objects in the Free Zone or at a Customer's Premises is strictly prohibited. Violators found parking on such areas will be penalized on each occasion. Repeat violators may find their Premises locked by the security. If the lock is damaged then further penalty may be imposed on the violator;
- 12.7.2 selling of banned substances is prohibited. Those found selling banned substances will be penalized and the stock of the same will be taken away;  
smoking in corridors in office building;
- 12.7.3 selling of pirated media, such as compact discs, videos, and data is prohibited. Those found selling pirated media will be penalized and the stock of the same will be confiscated;
- 12.7.4 food court or other such facilities not complying with the drawings produced will be fined;
- 12.7.5 containers/trailers/goods parked, without loading or offloading the goods, by a Customer's Premises shall be subject to a fine. If the same is repeated an additional fine per day will be issued; and
- 12.7.6 if a Customer is found trading in fake goods, it shall be subject to a fine and the Customer's License may be terminated or suspended.

## **14. VIOLATIONS OF FREE ZONE RULES**

### **14.1 General**

- 14.1.1 Ignorance of the Free Zone Rules shall not be a defence for lack of compliance thereof.
- 14.1.2 A Customer in violation of the Free Zone Rules shall be in breach. If such breach is not remedied to the satisfaction of Jafza, Jafza may render the Customer liable to sanctions as given in this Rule 14, or such other sanctions Jafza may consider necessary. The sanctions prescribed for violation of these Free Zone Rules are the minimum sanctions. Jafza reserves the right to impose additional sanctions that it may deem fit, and reserves its right to refer any violation to the Court of law.
- 14.1.3 Jafza reserves the right to ban the entry or exit of the staff and/or goods of Customers who fail to remedy violations of Free Zone Rules.
- 14.1.4 The intention to impose a ban will be notified to the Customer in writing and a period to remedy the breach may be allowed. Once imposed, the ban will not be lifted until the violation has been rectified.

- 14.1.5 in the event of failing to remedy the violation, following any additional warnings, the Free Zone reserves the right to re-possess the Premises, or take any action it deems necessary
- 14.1.6 Jafza reserves the right to disconnect electricity supply to the Premises in the event that any accounts payable to Jafza or to Dubai Electricity and Water Authority are not paid within the prescribed period. A re-connection charge will be payable before the supply is restored.

## **14.2 Activity violation**

- 14.2.1 A Customer carrying out activities other than those appearing on its Licence without the approval of Jafza shall be subject to a fine of AED 5,000 on the first occasion. If the violation is repeated, the fine will be at AED 20,000 per occasion.
- 14.2.2 Jafza reserves the right to take stringent measures, including termination of License, financial penalty and closure of the operations of a Customer, if the unauthorised activities are of a serious nature such as:
- a) violating Free Zone Rules and regulations; and
  - b) violating municipal, governmental or federal law, or criminal law, including the copyright law, the trademark law, the trade agency law, patent law and the intellectual property right law, etc.

## **14.3 Employment violation**

- 14.3.1 A Customer found to be illegally utilising the services of an Employee of another Customer shall be fined AED 10,000 per Employee if sponsored by Jafza but under different company and AED 10,000 as well if not sponsored by Jafza. The Employee and the Customer involved shall be warned.
- 14.3.2 Should a Customer repeat this violation, then a fine of AED 20,000 per employee if the same is sponsored by Jafza but under different company and AED 20,000 as well if not sponsored by Jafza per occurrence shall be jointly or severally imposed and the operations of the Customer shall be suspended for a period up to one month.
- 14.3.3 Failure of the Customer to transfer the Employee's salary through WPS by the 15th of the month will result in automatic withdrawal of operations and personnel services. In addition, fines will be imposed on the Customer in the sum of AED 2,500 per month. Jafza shall not make exceptions to this rule and shall have the right to take further action in this respect
- 14.3.4 An absconding Employee, as defined in Rule 11.11, shall be required to pay a fine of AED 1,500.
- 14.3.5 A Customer who fails to notify Jafza about an absconding Employee within seven days will face a fine of AED 5,000 per occasion.

14.3.6 A Customer failing to return the ID Card or pass of an Employee on cessation of employment, within seven days of departure of the Employee, will be fined up to AED 1,000 per occasion

14.3.7 A Customer who fails to cancel or transfer an Employee's residence permit within thirty days of the Employee's final day of employment will be subject to a fine determined by Jafza.

#### **14.4 Construction violation**

Contravention of Trakhees building regulations and design guidelines, or any construction, undertaken which is not included in the Building Permit for a project, or where after construction a Completion Certificate is not obtained, shall render the Customer liable to financial penalties and non-financial sanctions as set forth in the current regulations and schedule of Tariffs and penalties or fines.

#### **14.5 Operation fitness violation**

It shall be an offence if the Customer operates without a valid Fitness Inspection and Fitness Certificate. A Customer will be liable to appropriate financial penalty on per day basis so long as the offence continues. Jafza reserves the right to disconnect electricity and water supply in such cases and impose other measures as appropriate, described in this section. Instances of such violations include, but are not limited to the following (applicable EHS penalty code shall be referred for the following violations):

a) commencement of operations of a new Customer from a warehouse/factory unit without a Fitness Certificate;

b) commencement of operations of a new Customer from an undeveloped/semi-developed (during construction)/developed Plot, without a Fitness Certificate;

c) commencement of operations of an existing Customer from the new/expanded/ modified facility, without amendment of its existing Fitness Certificate;

d) commencement of operations of additional/amended activities of an existing Customer, without amendment of its existing Fitness Certificate;

e) commencement of operations from additionally installed machinery/ equipment of an existing Customer, without amendment of its Fitness Certificate;

f) a Customer operating without a valid renewed Fitness Certificate; and

g) a Customer who has sub-Leased Premises or obtained an additional Licence, operating without a valid Fitness Certificate.

Note: In case of serious EHS violations, the existing Fitness Certificates from a Customer who is in such violation shall be revoked until such time the violation is addressed to the satisfaction of the EHS.



## 14.6 Accident reporting

In the event of failing to immediately report an accident, including a minor one, to PCFC emergency control room on telephone 8833111, EHS-Trakhees shall levy a fine as per EHS penalty code.

## 14.7 Accommodation

- 14.7.1 A Customer who houses more than the permissible number of persons prescribed for each class of room, in the Accommodation, shall be fined AED 5,000 (same tenants, sponsored by Jafza) and AED 10,000 (same tenant, not sponsored by Jafza) per additional person. The fine will be at AED 20,000 if the violation is repeated.
- 14.7.2 In the event that a Customer fails to rectify the breach in Rule 14.7.1 within seven days, Jafza may take such action as necessary, including termination of License.
- 14.7.3 A Customer failing to maintain the standards of external Accommodation (as defined by EHS), shall be issued with a warning letter giving 45 days to remedy the situation. A fine of AED 500 per day shall be applied after expiry of the time allowed until the Customer rectifies the situation and obtains approval from EHS.
- 14.7.4 If the condition of the Accommodation is extremely poor and poses an immediate danger to the health of the occupants, Jafza reserves the right to impose other nonfinancial sanctions, including repatriation of some or all the staff occupying the Accommodation.
- 14.7.5 Jafza shall carry out regular inspections to ensure that no food is cooked in rooms in the Accommodation (other than senior rooms). A violator of this rule shall be warned through the Customer on the first occasion and subject to a fine of AED 5,000. In the event that this violation is repeated, Jafza shall impose a fine on the Customer and the violator of AED 10,000. On further violation Jafza may take such action as necessary, including termination of License.

## 14.8 Environment, Health and Safety

- 14.8.1 A Customer shall comply with EHS regulations. EHS or Jafza may take necessary action in the event of non-compliance including the actions in the scenarios below:

a) Immediate danger to environment, health and safety:

In such situations, EHS will issue a "Prohibition Notice", which requires an immediate cessation of operations until such time as the required remedial action has been implemented to the satisfaction of EHS.

b) Potential danger to health and safety and environment:

For such situations EHS will issue a "Correction Notice", specifying the necessary corrective action and the required completion date. This will however be discussed with the concerned Customer and EHS will approve the completion date. EHS will then monitor implementation to ensure a positive response.

c) Minor violations:

For these situations EHS will notify the Customer of the violation. However, if there is a persistent failure to remedy these, then EHS will issue a "Warning Notice", defining the necessary corrective action and appropriate completion date.

- 14.8.2 Failure to comply with a Prohibition Notice, Correction Notice or Warning Notice may result in a penalty and fine. Where the Customer does not act in accordance with the Prohibition Notice, Correction Notice or Warning Notice, it may face further penalties and fines.
- 14.8.3 Unauthorised dumping within the Free Zone is an offence and Jafza may impose appropriate financial penalties and non-financial sanctions on the offenders as per the current EHS regulations and schedule of Tariffs and penalties or fines. In all cases the dumped material must be cleared, either by the offending Customer or by Jafza who will charge the Customer accordingly.
- 14.8.4 Jafza/EHS-Trakhees may impose a maximum financial penalty and non-financial sanctions as per the current EHS regulations and schedule of Tariffs and penalties or fines for serious violations of EHS requirements.

Some examples of serious violations are:

- a) negligence leading to death or serious injury;
- b) discharge of untreated, industrial waste or hazardous materials without EHS approvals;
- c) mishandling, abandonment or unsafe storage of dangerous goods or materials;
- d) construction site violations with EHS potential risk; and
- e) operating equipment or machinery, or conducting activity without EHS approvals.

Jafza may investigate the circumstances leading to a violation and the Customer shall cooperate with Jafza for such investigation.

- 14.8.5 If the Customer abandons goods on the Premises or in the Free Zone then in addition to financial penalties Jafza may take such measures as necessary to remove the abandoned goods, including disposing or auctioning the abandoned goods. The Customer shall lose claim of ownership over the goods once they are abandoned.
- 14.8.6 Unauthorised use of containers or portacabins on a Customer's Premises will result in a fine of AED 1,000/- per day following the grace period to remove the same.
- 14.8.7 A Customer barring Jafza's inspectors from entering the Premises or hindering their tasks in any way is, in addition to any penalty or action, liable for a fine of AED 5,000/- on the first occasion. The fine will be AED 10,000/- on any subsequent occasion.

## **14.9 Unauthorised entry**

In the event of an individual entering the Free Zone without the appropriate authorisation (pass, company employment card, etc), and where such entry is as a result of a Customer aiding and abetting such an entry, then the Customer shall be warned in the first instance and the individual will be handed over to Dubai Police. Subsequent violations shall result in a fine of AED 1,000/- per unauthorised person entry and Jafza shall take action as deemed necessary.

## **14.10 Customer violations**

In the case of a default by a Customer or its shareholder under the Free Zone Rules and other relevant rules and regulations, including implementing regulations, or in case of breach of terms and conditions of the Customer's Licence, Jafza may impose a fine up to AED 10,000/- per day during the period of such non-compliance, in addition to any other action that Jafza may deem appropriate.

## **17. STAFF ACCOMMODATION**

### **17.1 General**

- 17.1.1 Accommodation is available in the Accommodation complexes in the Free Zone.
- 17.1.2 A Customer is not permitted to either share or transfer the Accommodation to another Customer without prior approval by Jafza.
- 17.1.3 A Customer who has leased Accommodation is required to comply with terms and conditions of the tenancy contract, Free Zone Rules and regulations. Non compliance will result in the tenancy contract being terminated.
- 17.1.4 Where a Customer requires its Employee to be transferred from one Accommodation to another it shall submit a letter to such effect to Jafza.

### **17.2 Occupancy of rooms**

The maximum number of individuals to be accommodated in the various types of rooms available shall be as published by Jafza.

### **17.3. Cooking in rooms**

Cooking in the rooms of the Accommodation (other than the senior blocks, where kitchens are provided), is prohibited on the grounds of health and safety.

### **17.4 Accommodation outside the Free Zone**

- 17.4.1 A Customer wishing to accommodate its Employees in accommodation complexes or houses outside the Free Zone should inform Jafza in writing. In addition, the following information should be submitted to Jafza:
  - a) detailed address and location of the premises which is to be used for accommodation;
  - b) a layout plan of the premises showing the number of rooms with sizes in square meters, the number of ablution facilities with sizes, the size of corridors and the size of open yards;
  - c) general condition of the building with details of major structural damages;

- d) the condition of sanitation and hygiene in the building;
- e) the number of people who will be occupying each room;
- f) arrangement for eating or gathering;
- g) details of amendments or renovations the Customer wishes to incorporate into the building;  
and
- (h) copy of the tenancy contract.

17.4.2 The criteria for the minimum standard for accommodation can be obtained from EHS.

17.4.3 Jafza shall carry out regular inspections in order to ensure that these standards are maintained.

## Jafza Inspection List of violation codes

SR#	Violations	Amount (AED)
1	Cooking in rooms (per room per violation). Fine will be AED 10,000 if the violation is repeated.	5,000
2	Dumped materials at Premises or anywhere else in the Free Zone (per company per violation)	5,000
3	Waste at restaurants (first time)	500
4	Waste at restaurants (repeat)	1,000
5	Sublease – Premises. Fine will be AED 200,000 if the violation is repeated.	100,000
6	Sublease - rooms (per room)	10,000
7	Illegal employment (per person, if under Jafza companies sponsorship). Fine to be doubled if the violation is repeated.	10,000
8	Illegal employment (not on Jafza companies sponsorship) per person. Fine to be doubled if the violation is repeated.	10,000
9	Illegal stay at accommodation (per person)	10,000
10	Illegal stay at accommodation (per person) - repeated	20,000
11	Illegal trailer parking at plots/side roads	200
12	Illegal trailer parking at plots/side roads (repeat)	500
13	Illegal pan spitting/throwing of waste (per person)	500
14	Storing goods in facilities (offices)	5,000
15	Illegal sale of banned substances	5,000
16	Illegal sale of pirated Cds or other counterfeit goods	5,000
17	Food court for not complying to drawings	5,000
18	Smoking at corridors/accommodation areas	5,00
19	Illegal company activities *(activity violation). Fine will be AED 20,000 if the violation is repeated.	5,000
20	Trading in fake goods	100,000
21	Unauthorized extra persons stay at accommodation (same tenants). Fine will be AED 20,000 if the violation is repeated.	5,000
22	Sponsored Employees involved in other jobs	500
23	Stopping inspectors from inspection. Fine will be AED 10,000 if the violation is repeated.	5,000
24	Illegal use of offices (storage)	5,000
25	Container/goods/trailers parked more than a week by warehouses (first time)	2,500
26	Container/goods/trailers parked more than a week by warehouses (parking continued per day)	500
27	Trailer lock damages charges	200
28	Accommodation room violations (illegal goods/unauthorized activities etc.)	10,000
29	A Customer aiding or abetting entry by an individual into the Free Zone without appropriate authorization (per entry after warning in the first instance).	1,000
30	A Customer or its shareholder(s) default under the Free Zone Rules or any relevant rules or regulations, including the implementing regulation or the terms & conditions of the license (per day during the period of non-compliance).	10,000