

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

Federal Decree-Law No. (31) of 2020

On Etihad Water and Electricity Company

Having reviewed the Constitution,

And Federal Law No. (1) of 1972 on the Competencies of Ministries and Powers of Ministers, and its amendments,

And Federal Law No. (8) of 1980 on the Regulation of Labour Relations, and its amendments,

And Federal Law No. (7) of 1999 promulgating the Pensions and Social Security Law, and its amendments,

And Federal Law No. (31) of 1999 on the Establishment of the Federal Electricity and Water Authority, and its amendments,

And Federal Decree-Law No. (4) of 2007 establishing the Emirates Investment Authority, and its amendments,

And Federal Law No. (8) of 2011 on the Reorganization of the State Audit Institution,

And Federal Law No. (2) of 2015 on Commercial Companies, and its amendments,

And Federal Law No. (14) of 2016 on Violations and Administrative Penalties in the Federal Government,

And Federal Law No. (7) of 2017 on Tax Procedures,

And Federal Decree-Law No. (8) of 2017 on Value Added Tax,

And based on the submission of the Minister of Energy and Infrastructure, and the approval of the Cabinet,

We have issued the following Decree-Law:

Article (1)

Definitions

In the application of the provisions of this Decree-Law, the following words and phrases shall have the meanings assigned to each of them, unless the context otherwise requires:

The State	: The United Arab Emirates.
The Authority	: The Federal Electricity and Water Authority.
The Agency	: The Emirates Investment Authority.
Government Entity	: Federal and local ministries, authorities, public institutions, and government agencies.
The Company	: Etihad Water and Electricity Company.
The Articles of Association	: The Articles of Association of the Company.
The Board	: The Board of Directors of the Company.
The General Assembly	: The General Assembly of the Company.
The Public Network	: The facilities, stations, equipment, installations, systems, electricity and water lines, fiber optics, and assets owned, managed, or supervised by the Company.

Article (2)

Legal Form

1. The Authority is transformed into a public joint-stock company named "Etihad Water and Electricity Company", which shall be wholly owned by the Agency at the time of issuance of this Decree-Law. It shall have an independent legal personality and full legal capacity to conduct its activities and achieve its objectives, in accordance with the provisions of this Decree-Law and the Articles of Association, and shall be managed on commercial and investment principles.

2. The phrase "Federal Electricity and Water Authority" shall be replaced by the phrase "Etihad Water and Electricity Company" wherever it appears in the legislation in force in the State.

Article (3)

Devolution of Rights

1. The Company shall replace the Authority in all legislation and competencies related to it, including the provision of electricity and water services in the areas where it operates, including free zones. All rights, assets, funds, tangible and intangible assets, privileges, liabilities, guarantees, and undertakings of the Authority within or outside the State shall devolve to it from the date of entry into force of this Decree-Law.

2. The ownership and registration of all assets, rights, and liabilities that have devolved or will devolve to the Company or any company owned by it shall be transferred in accordance with the legislation in force in the State, and government entities shall take the necessary action in accordance with their established procedures when the Company does so.

Article (4)

Head Office

The head office of the Company shall be in the Emirate of Dubai, and branches or offices of the Company may be established inside or outside the State, as specified in the Articles of Association.

Article (5)

Activities and Purposes of the Company

The Company is authorized to carry out the following activities and purposes:

1. Establishing projects for power generation, water production, and capacity enhancement.
2. Establishing power and water transmission and distribution lines.

3. Establishing projects related to water drainage, sewage, and sanitation services, and the necessary infrastructure thereof in the State, and all related activities, and managing them directly or indirectly, in coordination with the concerned government entity.
4. Investing and employing its funds in any commercial, financial, service, or industrial fields related to its activities, after coordination with the Agency.
5. Contracting with the private sector to establish power generation and water production plants in the areas under its jurisdiction where it operates, in accordance with the legislation in force in the State.
6. Establishing wholly-owned companies or participating in companies related to its activities inside or outside the State.
7. Any other activities and purposes related to its aforementioned activities or specified in the Articles of Association.

Article (6)

Issuance of the Articles of Association

1. The Cabinet shall issue the Articles of Association based on a proposal by the Chairman of the Board of the Agency, which shall include the provisions regulating the Company, in particular the following:
 - a. Ownership of the Company.
 - b. Capital of the Company.
 - c. Obtaining financing from banking or financial institutions.
 - d. Revenues of the Company.
 - e. Budget of the Company.
 - f. Duration of the Company and its renewal.
 - g. Increasing or decreasing the Company's capital.
 - h. Activities and purposes of the Company.
 - i. Branches of the Company inside or outside the State.
 - j. Formation of the Board, its competencies, its rules of procedure, and the remuneration of its members.

- k. Disposal of the Company's assets, and management of its funds and returns.
 - l. Issuance of shares, their types, rules of ownership, their trading, and the rights associated with them.
 - m. Issuance and trading of bonds and sukuk.
 - n. Appointment of the Company's auditors, their competencies, and their obligations.
 - o. Dissolution and liquidation of the Company.
2. The Cabinet shall have the authority to amend the Articles of Association if the Agency wholly owns the Company.

Article (7)

Subscription and Ownership of Shares

1. Natural or legal founding persons shall own the shares in the Company if the Company offers its shares for subscription. A shareholder in the Company shall only be liable to the extent of their share in the capital.
2. The ownership of the Agency shall not be less than (51%) of the Company's capital.
3. The Agency may, after obtaining the approval of the Cabinet, offer a portion of the Company's shares for public or private offering in accordance with the legislation in force in the State.

Article (8)

Management of the Company

1. Subject to the provisions of this Decree-Law and the Articles of Association, the Board shall exercise all powers and competencies related to the management of the Company.
2. Subject to the provisions of Clause (2) of Article (6) of this Decree-Law, the General Assembly of the Company shall be competent to amend the Articles of Association upon the entry of other shareholders into the Company.

Article (9)

Employees

1. The employees working at the Authority at the time of entry into force of this Decree-Law, who are specified by a decision of the Board, shall be transferred to the Company with their same salaries, without prejudice to the rights they were entitled to before its entry into force.
2. Subject to the provisions of the aforementioned Federal Law No. (7) of 1999, the previous period of service spent by employees who are citizens of the State in the Authority before the entry into force of this Decree-Law shall be considered continuous and complementary to their period of service in the Company, for the purposes of calculating the pension or end-of-service gratuity.
3. The provisions of the aforementioned Federal Law No. (7) of 1999 shall apply to the Company's employees who are citizens of the State.
4. The provisions of the aforementioned Federal Law No. (8) of 1980 shall apply to all employees working in the Company, in matters for which no special provision is made in this Decree-Law or the resolutions issued in implementation thereof.

Article (10)

Budget of the Company

In order to achieve its objectives and carry out its activities, the Company's budget shall consist of revenues collected from the sale of electricity and water services, other services it provides, the proceeds of its investments in other companies and projects, and the sale of its own assets.

Article (11)

Protection of the Company's Public Network

1. It is prohibited for any person other than the Company's employees or those assigned by it to interfere with the Public Network, its assets, or service lines in the areas under its jurisdiction where it operates, except with prior approval from the Company.

2. The Board may issue resolutions and take necessary measures to protect the Public Network and incidents of damage related to it.

3. Without prejudice to civil or criminal liability, the Company may repair any damages resulting from any act in violation of the provisions of this Decree-Law and its implementing resolutions at the expense of the violator.

Article (12)

Administrative Penalties

The Cabinet shall, upon the recommendation of the Board, issue a resolution containing a schedule of violations related to damages caused to the Public Network or service lines of the Company, the administrative fines to be collected from natural or legal persons for such damages, the deduction of fines, and cases of exemption.

Article (13)

Penalties

Without prejudice to any more severe penalty stipulated by any other law, anyone who damages the Public Network or the Company's property or exploits it unlawfully shall be punished by imprisonment and a fine of not less than fifty thousand dirhams and not more than one million dirhams, or by one of these two penalties.

Article (14)

Judicial Officers

The Company's employees, who are designated by a decision of the Minister of Justice in agreement with the Chairman of the Board, shall have the capacity of judicial officers in proving violations of the provisions of this Decree-Law and the resolutions issued in implementation thereof that fall within their scope of competence.

Article (15)

Transitional Provisions

1. The regulations and resolutions in force at the Authority before the entry into force of this Decree-Law shall continue to be applied, provided they do not conflict with its provisions, until the necessary regulations and resolutions for the implementation of this Decree-Law are issued.
2. Subject to the provisions of this Decree-Law and the Articles of Association, the Agency shall exercise all powers and competencies assigned to the General Assembly, until new shareholders are admitted in accordance with the provisions of Article (8) of this Decree-Law.
3. The Board of Directors shall issue the necessary regulations and resolutions for the implementation of this Decree-Law within one year from its effective date, in particular the following:
 - a. Financial Regulations.
 - b. Human Resources Regulations and the Salary and Compensation Schedule.
 - c. Regulations for the Purchase of Materials and Works Contracts.
 - d. Revenue and Credit Regulations.
 - e. Warehouse Regulations.
 - f. Manual for the Delegation of Financial and Administrative Powers.

Article (16)

Application of the Provisions of the Companies Law

The provisions of the aforementioned Federal Law No. (2) of 2015 shall apply to the Company, in matters for which no special provision is made in this Decree-Law or the Articles of Association.

Article (17)

Prices of Services, Fees, and Deposits

The Cabinet shall, by a resolution issued upon the recommendation of the Board, determine the following:

1. The prices for electricity and water consumption services provided by the Company.
2. The fees and deposits for the services provided by the Company, and cases of exemption therefrom.

Article (18)

Repeals

Federal Law No. (31) of 1999 on the Establishment of the Federal Electricity and Water Authority is hereby repealed, as is any provision that contradicts or conflicts with the provisions of this Decree-Law.

Article (19)

Publication and Entry into Force of the Decree-Law

This Decree-Law shall be published in the Official Gazette and shall enter into force (90) ninety days after the date of its publication.

Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi:

Date: 10 / Safar / 1442 H

Corresponding to: 27 / September / 2020 AD