

RAKEZ VIOLATION CODES

| NO | DESCRIPTION | VIOLATION 1 | VIOLATION 2 | VIOLATION 3 | |
|-----------------------------------|-------------|---|---|---|---------------------|
| Technical Support Services & HS&E | 1 | Inspector is being blocked from accessing the site/premises | AED 2,000 | AED 5,000 | AED 10,000 |
| | 2 | Uncertified lifting equipment, pressure vessels is being used or operating lifting equipment with uncertified operator | Warning Letter (with a deadline up to 5 calendar days) | AED 5,000 (with a deadline up to 5 calendar days) | AED 20,000 |
| | 3 | Minor HS&E and operational findings: (e.g. unsafe storage, improper wiring, unclear passage way, poor housekeeping, smoking in unauthorized area, blocking/misusing the fire & life safety systems, misusing RAKEZ assets, labour working without appropriate personal protective equipment (PPE), etc.) | Warning Letter (with a deadline up to 5 calendar days) | AED 500 (with a deadline up to 10 calendar days) | AED 2,000 |
| | 4 | Unauthorized/ unsafe storage of restricted, banned or hazardous goods / chemicals | AED 2,000 (with a deadline up to 5 calendar days) | AED 10,000 (with a deadline up to 5 calendar days) | AED 25,000 |
| | 5 | Unauthorized/ unsafe storage of hazardous waste or committing any act (waste dumping, emission discharging, etc...) causing or having the potential to cause environmental contamination of soil/air/water or disturb the neighbourhood. | AED 25,000 and report the incident to EPDA | | |
| | 6 | Operating without valid Operation Fitness Certificate (OFC) (Once Implemented) | AED 2,000 (with a deadline up to 15 calendar days) | AED 5,000 (with a deadline up to 10 calendar days) | Activity Suspension |
| | 7 | Unauthorized operations / activity that can be causing or having the potential to cause fatal incident or serious injuries, severe fire hazards or have severe affection on the facility structure. | AED 5,000 (with a deadline up to 5 calendar days) | AED 10,000 (with a deadline up to 5 calendar days) | AED 20,000 |

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| Technical Support Services & HS&E | 8 | Failure to satisfactorily progress on an undertaking letter within the timeframe assigned by HS&E. | Warning Letter (with a deadline up to 5 calendar days) | AED 1,000 (with a deadline up to 5 calendar days) | AED 5,000 (with a deadline up to 5 calendar days) |
| | 9 | Breach of Building Regulations | Warning letter (with appropriate deadline. Max. 90 days) | AED 20,000 (If within 30 days of 1st violation deadline) | Suspension of services (If within 30 days of 2nd violation deadline) |
| | 10 | Breach of Building & Operation Controls under Rule 12 of the Operating Rules | Warning letter (with appropriate deadline. Max. 90 days) | AED 20,000 (If within 30 days of 1st violation deadline) | Suspension of services (If within 30 days of 2nd violation deadline) |
| | 11 | Breach of Insurance of Buildings under Rule 15 of the Operating Rules | Warning letter (with appropriate deadline. Max. 90 days) | AED 20,000 (If within 30 days of 1st violation deadline) | Suspension of services (If within 30 days of 2nd violation deadline) |
| | 12 | Unauthorized use of land/ facility. | AED 10,000 (with appropriate deadline. Max. 90 days) | AED 20,000 (If within 30 days of 1st violation deadline) | Suspension of services (If within 30 days of 2nd violation deadline) |

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| Park Operations | 13 | <ul style="list-style-type: none"> Violating accommodation rules 1- Cooking inside premises 2- Storing cooking items or food materials inside rooms 3- Extra tenants per rented room 4- Damaging assets 5- Keeping prohibited material inside premises: knives, hammers, Alcohol (storing, handling, drinking) | <ul style="list-style-type: none"> 1- Warning Letter (with deadline of 1 calendar day) 2- Warning Letter (with deadline of 1 calendar day) 3- Warning Letter (with deadline of 1 calendar day) 4- Actual fixing cost + Admin cost (AED 250) 5-Warning Letter (with deadline of 1 calendar day) | <ul style="list-style-type: none"> 1-AED 1,000 (with deadline of 1 calendar day) 2- AED 500 (with deadline of 1 calendar day) 3- AED 2,000 per person (with deadline of 1 calendar day) 4- Actual fixing cost + Admin cost (AED 1,000) 5- AED 3,000 (with deadline of 1 calendar day) | <ul style="list-style-type: none"> 1- AED 5,000 2- AED 1,500 3- AED 5,000 (per person) 4- Actual fixing cost + Admin cost (AED 5,000) 5-AED 5,000 Plus suspension of services until rectified and/or payed. |
| | 14 | <ul style="list-style-type: none"> Violating Housekeeping rules 1- Poor hygienic standard (indoor/outdoor) 2- Disposing wastes at Inappropriate places (indoor/outdoor) 3- Misusing municipality waste bins | <ul style="list-style-type: none"> 1- Warning Letter (with deadline of 5 calendar days) 2- Warning Letter (with deadline of 5 calendar days) 3-Warning Letter (with deadline of 5 calendar days) | <ul style="list-style-type: none"> 1- AED 1000 (with deadline of 5 calendar days) 2- AED 5,000 (with deadline of 5 calendar days) 3- AED 1,000 (with deadline of 5 calendar days) | <ul style="list-style-type: none"> 1- AED 5000 2- AED 25,000+ any remedial measures 3- AED 2,000 Plus suspension of services until rectified and/or payed. |
| | 15 | <ul style="list-style-type: none"> Violating building/premises rules 1- Wrong storage or over stocking of material 2- Sticking/distributing ads posters with no permission 3- Premises Signage Discrepancy 4- Misusing the premises or damaging assets | <ul style="list-style-type: none"> 1- Warning Letter (with deadline of 5 calendar days) 2- Warning Letter (with deadline of 3 calendar days) 3- Warning Letter (with deadline of 15 calendar days) 4- Actual fixing cost + Admin cost (AED 250). | <ul style="list-style-type: none"> 1- AED 2,000 (with deadline of 5 calendar days) 2- AED 1,000 (with deadline of 3 calendar days) 3- AED 1000 (with deadline of 15 calendar days) 4- Actual fixing cost + Admin cost (2,000 AED). | <ul style="list-style-type: none"> 1- AED5,000 2- AED 2,000 3- AED 3,000 4- Actual fixing cost + Admin cost (5,000 AED). Plus suspension of services until rectified and/or payed. |

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| 16 | <p>Violating Security Rules</p> <p>1- Entry pass violations</p> <p>2- Cutting fence, damaging security assets</p> <p>3- Installing Cameras, gate, hiring security guard without pre-approval</p> <p>4- Causing troubles, fights, misbehaviour and strike</p> <p>5- Disrespect/unfollow security rules as instructed by security guards</p> <p>6- Drinking, handling, selling, storing alcohol or any prohibited materials.</p> <p>7- High speed driving</p> <p>8- Wrong parking/long parking</p> <p>9- Wrong driving direction</p> <p>10-Changing keys with no permission</p> | <p>1- Warning Letter</p> <p>2- Actual fixing cost + Admin cost (AED 250)</p> <p>3- Warning Letter (with deadline of 5 calendar days)</p> <p>4- Warning letter</p> <p>5- Warning letter</p> <p>6- Warning letter</p> <p>7- Warning letter</p> <p>8- Warning letter</p> <p>9- Warning letter</p> <p>10-Actual fixing cost + Admin cost (AED 250)</p> | <p>1- AED 500</p> <p>2- Actual fixing cost + Admin cost (AED 5000)</p> <p>3- AED 1,000 (with deadline of 5 calendar days)</p> <p>4- AED 2,000</p> <p>5- AED 500</p> <p>6- AED 2,000</p> <p>7- AED 200</p> <p>8- AED 200</p> <p>9- AED 200</p> <p>10-Actual fixing cost + Admin cost (AED 2,000)</p> | <p>1- AED 1,000</p> <p>2-Actual fixing cost + Admin cost (AED 10,000)</p> <p>3- AED 3,000</p> <p>4- AED 5,000</p> <p>5- AED 1,000</p> <p>6- AED 5,000</p> <p>7- AED 400</p> <p>8- AED 400</p> <p>9- AED 400</p> <p>10-Actual fixing cost + Admin cost (5,000 AED). Plus suspension of services until rectified and/or payed.</p> | |
| Registration & Licensing | 17 | Activities violate UAE Anti Money Laundering Laws | Immediate termination | NA | NA |
| | 18 | Operating without getting necessary approvals or permissions from Federal or Local authorities. | Official Notice to comply and rectify within specific period, maximum duration is 10 days from the Notification Date. | Financial Fines applies, which is equal to AED 2,500/- each activity on monthly basis. | Suspending all Services & Official License Block. |
| | 19 | Intentionally submitting forged, false, or misleading documents, details or information to obtain a license | AED 25,000 | License Termination | NA |
| | 20 | Delay in completing the Registration or Licensing Procedure | Holding releasing the Registration & Licensing Set / Welcome Pack until complying with the all relevant procedure. | Right to decline the registration/ license submittal | NA |

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| 21 | Delay in completing the De-registration Procedure | Absconding the company/owners/partners on the 30 day from License Expiration Date. Penalty Value 1,500/- Per Month for maximum of 6 Months | Striking Off the Company (Registration Records and all issued Licenses) after completing 6 months from license expiration date. | NA |
| 22 | Failure to renew license within maximum 6 months from License Expirations Date | Absconding the company/owners/partners on the 30 day from License Expiration Date. Penalty Value 1,500/- Per Month for maximum of 6 Months | Striking Off the Company (Registration Records and all issued Licenses) after completing 6 month from license expiration date . | NA |
| 23 | A company carrying out activities other than those appearing on its Licence without Official Approval | AED 5,000 | AED 10,000 | Suspending all Services. |
| 24 | Change of shareholders without notifying the Authority | AED 2,500/- | Suspending all Services. | License Termination |
| 25 | Change of manager/ board members without notifying the Authority | AED 2,500/- | Suspending all Services. | License Termination |
| 26 | Change of business activity without notifying the Authority | AED 2,500/- | Suspending all Services. | License Termination |
| 27 | Failure to submit the audited financial statements/reports | AED 2500/- with a deadline of 3 months | Suspending all Services | NA |
| 28 | Failure to comply with Ultimate Beneficial Owner (UBO) regulations. | AED 5,000/- | AED 10,000/- | AED 20,000/- |
| 29 | Deliver or cause to be delivered a statement that is misleading, false or deceptive in a material particular relating to identification of Ultimate Beneficial Owner (UBO) | AED 50,000/- | License Termination | NA |

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| 30 | Not responding to RAKEZ Official Notifications or Failure to respond on Free Zone Authority Requests related to any types of licence amendments within 30 days from Notice/Request Date. | AED 2,500/- with a deadline of 30 days | Suspending all Services for maximum of 30 days | License Termination | |
| Leasing | 31 | Sub leasing the premises without authorization | Warning Notification to be rectified within 5 working days | AED 10,000 & Suspending all Services | Termination of lease and license |
| | 32 | Usage of facility without valid lease agreement and license | Warning Legal Notification to renew within 15 working days block company account | 2nd Warning Legal Notification to renew within 15 working days and Suspend / block of facility | AED 10,000 and immediate renewal |
| | 33 | Illegal use of office space | Warning Notification to be rectified in 5 working days | AED 10,000 | Termination of lease and license |
| | 34 | Late in lease payments | 50 AED/day for maximum of 6 months | strike off the Company | NA |
| Employment | 35 | Illegal employment of persons who are employees of another Licensee without approval from RAKEZ Authority | AED 5,000 per Employee | Suspension for all services for 1 month + AED 10,000 per Employee | NA |
| | 36 | Illegal employment of persons not sponsored by the Authority under Rule 14.1 of the Operating Rules | AED 5,000 per Employee | Suspension for all services for 1 month + AED 10,000 per Employee | NA |
| | 37 | Illegal employment of persons not approved by the Authority under Rule 14.4 of the Operating Rules | AED 7,500 per Employee | Suspension for all services for 1 month + AED 10,000 per Employee | NA |
| | 38 | Allowing sponsored employee to work for another Company without approval from RAKEZ Authority | AED 7,500 per Employee | Suspension for all services for 1 month + AED 10,000 per Employee | NA |

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| 39 | Licensee who fails to notify RAKEZ Authority about absconding (missing) employees within 14 days | Warning | AED 10,000 per Employee | NA |
| 40 | Cancellation of absconding application | AED 500 per application | N/A | NA |
| 41 | Labour working continuously without break or prohibited hours during summer or Ramadan | Activity Block for 5 days | AED 1,500/ day per employee | NA |
| 42 | Any misuse of employment visa other than the actual purpose of the visa | AED 10,000 per Employee | Visa cancellation | NA |
| 43 | Failure to submit visa stamping request after 60 days but less than 90 days from the date of utilized entry permit or status change. | AED 250 per Employee + any penalties imposed by immigration | Visa cancellation | NA |
| 44 | Failure to submit visa stamping request after 90 days from the date of utilized entry permit or status change. | AED 1,500 per Employee + any penalties imposed by immigration | Visa cancellation | NA |
| 45 | If employment visa holder exceed their stay without renewing the resident visa over 60 days | AED 1,500 per Employee + any penalties imposed by immigration | Visa cancellation | NA |
| 46 | If cancelled employment visa holder exceed their stay for a period over 15 days from the expiry of grace period | AED 1,500 per Employee + any | Absconding | NA |
| 47 | If visit visa holders exceed their stay in the UAE for a period over 15 days of visa expiry date | AED 1,500 per Employee + any penalties imposed by immigration | Absconding | NA |
| 48 | Payment of salaries failure | Suspension for all services till issue is resolved | N/A | NA |

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| 49 | Labour Strike | Suspension for all services till issue is resolved | AED 10,000 | NA | |
| Accounts | 50 | Licensee issues a bounced cheque to Authority | <ul style="list-style-type: none"> • AED: 500/Cheque + Notifying client of the bounced cheque • Block of Customer ID in system • Suspension of all services • Right to revoke license & lease | Forward case to legal department for actions if no settlement agreement reached | NA |
| | 51 | Non Payment of Outstanding balance | Block of Customer ID in system | Suspension of all services | NA |

The imposition on any Licensee of any penalty under these Violation Codes shall be without prejudice to any other liability which such Licensee may incur, or may have incurred, under UAE laws for the time being in force.