



Overcoming Challenges in Company Legal Documents: Business POA, Board Resolutions and MOA in the UAE – Common Mistakes and Solutions

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Brief About Myself

Corporate Lawyer

From Kyrgyzstan

Moved to Dubai in 2010

Worked in Legal and Corporate Services Fields for Last 15 Years

Founded Two Companies in UAE: CorpLex and POA.ae

Manage the Team of 30 People

Excited to Be Part of UAE's Growth

BRIEF ABOUT COMPANIES

FOUNDED 2014



**CORPORATE, LEGAL, TAX &
ACCOUNTING SERVICES**

FOUNDED 2017



**E-NOTARIZATION, ATTESTATION
& LEGALIZATION SERVICES**

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01

MAINLAND



03

OFFSHORE



02

FREEZONES

Introduction to UAE Companies:

Key Legal Documents for Establishing a UAE Company

Power of Attorney from Shareholders

Board / Shareholder Resolution from Corporate Shareholders

Memorandum and Articles of Association (MOA)

Most of the authorities provide template MOA.

Common Mistakes in Preparing These Documents

**Using
standard
templates**

**Lack of
necessary
powers**

**Not covering
all possible
scenarios**

**Not following
UAE
requirements
and laws**



In UAE practice, generic wordings in legal documents often lead to rejection by the authorities.

Powers like "act on behalf of me in all matters" is considered too vague and not valid for many matters. Certain powers need to be specifically mentioned to be valid. E.g., banks require the power to "open, operate and close bank accounts" or Land Department requires the power "to buy or sell properties"

Intro to Business POA



A Company Power of Attorney gives designated persons the legal authority to act on the company's behalf in business transactions.



Who can issue POA on behalf of a company in UAE?

Who Can Give POA on Behalf of a Company in UAE?



Shareholders



**Directors and/or Managers,
subject to MOA**

Common Misconception



The Directors and/or Managers can issue a POA on behalf of the company for **any matter**.

Delegation Authority



The Director and/or Manager can only delegate powers that have been explicitly granted to them in the MOA, or Shareholders Resolution or POA from the Shareholders.

01

▷ Most of the time the Directors or Managers attempt to issue a POA, and they get rejected at the notary due to lack of powers.

02

▷ In the absence of clear powers in the MOA, the Director and/or Manager can give POA only for administrative tasks.

03

▷ For significant matters, such as buying or selling assets, signing contracts, or opening bank account, the MOA must specify the powers.

04

▷ If the POA required for significant matters and they are not listed in the MOA, the last resort is to get a POA from the shareholders.

Challenges In Issuing Business POA

Reason? Pitfalls in MOAs

Using the MOA template without customization

Free Zones and Offshore company authorities provide their own template MOA. Most businesses use a standard MOA template without any customization, but such templates often have limited flexibility and lead to significant challenges later.

Directors' powers are not specified or too generic in the MOA

Generic powers like "manage all affairs of the company" or "act on in all matters" is considered too vague and often not valid. Certain powers need to be specifically mentioned to be valid. E.g., banks require the power to "open, operate and close bank accounts" or Land Department requires the power "to buy or sell properties".

Lack of delegation authority

There is no sub-delegation authority of Directors and/or Managers in the MOA

Not understanding the role of the notary

Many assume that the role of the notary is to verify the identity and witness the signature. However, the UAE notaries exercise broader powers and look deeper into the content of the document and ensure that the person has a power and authority to sign.

Tips to Overcome Such Challenges

Clearly define the powers of the Directors and/or Managers in the MOA, POA or Resolutions from shareholders

Customize the MOA to list the powers and to suit to all possible scenarios

For legal structures where there is no MOA (e.g. Sole Proprietorship, Branch), issue a Shareholders Resolution or POA from the shareholder defining the powers of the Managers clearly.

Any Questions?

Scan to download the free,
in-depth Business POA Guide.



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