

You can sponsor your son for one year after he graduates



LEGAL VIEW
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Q: I am 22 years old and graduated on August 5, 2018. Currently, my UAE residence visa is sponsored by my father which will expire on July 11, 2019. As I am unable to find a permanent job in the UAE, I wish to know if there is any new rule that allows graduates to stay in the UAE in search of employment. What other options are open to me so I can stay in the country?

A: Pursuant to your query, starting from October 2018, a parent may sponsor his son in the UAE for one year if he graduates from a university or secondary school or if his son completes 18 years of age and such residence visa is renewable for another year from the day his son graduated or on attaining 18 years of age. Since your age is 22, you should contact General Directorate of Residency and Foreigners Affairs (the 'GDRFA') to check if you are eligible for the extension of your current visa by one year.

To avail the aforementioned visa status for his son, a parent should pay the relevant costs for the visa to the GDRFA. Hence, your father needs to submit your duly attested and legalised graduation certificates from universities/schools, whether inside the country or abroad to the GDRFA and pay respective visa cost for each year.

However, all females can reside in the UAE under their parent's visa until they are married. Further, an adult male who has completed 18 years of age may obtain employment and reside in the UAE under his employer's visa or may enroll himself at an educational institution for a course in the UAE and get a student visa from the institution where he undergoes such educational course. For further information you may contact the GDRFA office in the emirate where you reside.

**Want to transfer shares of company?
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Q: My uncle, along with his business partner, had registered a company in the UAE. Due to issues with his business partner, he does not wish to continue as a shareholder in the company and wants to remove his name from the trade licence. However, his partner is neither willing to close the company nor is he willing to pay for the shares owned by my



Know the law

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uncle. How do we handle the situation?

A: You have not specified the type of company which is co-owned by your uncle. We assume it is a limited liability company located in the mainland of UAE. The mainland companies in the UAE are governed by the provisions of Federal Law 2 of 2015 and its amendments (the 'Commercial Companies Law').

In the event this company is a limited liability company, there must be a Memorandum of Association and the contents of the same shall be in accordance with Article 42, 43 and Article 73 of the Commercial Companies Law. The Memorandum of Association of a limited liability company stipulates the provisions relating to transfer of shares and liquidation of a company. Further, Article 79 of the Commercial Companies Law allows a partner to transfer his shares to other existing partner or any other third party. It states:

1: "A partner may assign or pledge his share in the company to another party or to a third party. Such assignment or pledge shall be made in accordance with the terms of the Memorandum of Association of the company under an official document, in accordance with the

Know the law



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provisions of this law. Such assignment or pledge shall not be valid against third parties until the date of its entry in the commercial register with the competent authority.

2. The company shall not reject the entry of such assignment or pledge in the register unless the transfer or pledge violates the provisions of the Memorandum of Association or this law."

Article 80 of the Commercial Companies Law states procedures related to assignment of

shares in a limited liability company. It states:

1. If a partner wishes to assign his share to a person who is not a partner, with or without consideration, he shall notify the other partners through the manager of the company of the assignee or the purchaser and the terms of the assignment of sale.

2. Every partner may demand to pre-empt the share as set forth in Clause 1 of this Article within 30 days from the date of notifying the manager of the agreed price. In the event of dispute on the price, such share shall be assessed by one or more experts with technical and financial experience in the subject matter of the share, as nominated by the competent authority on demand by the applicant for pre-emption and at his expenses.

3. If the right of pre-emption is used by more than one partner, the share(s) offered for sale shall be divided among such partners pro rata to their respective shareholdings, subject to the provisions of Article 76 of this law.

4. If the period as set forth in Clause 2 of this Article has lapsed without use of the pre-emption right by a partner, the relevant partner shall be free to dispose of his share."

Based on the aforementioned provisions of law, if your uncle's partner is not willing to buy the shares owned by him, he may sell the shares in the company to any third party.

Further, the company may be liquidated as per the provisions mentioned in the Memorandum of Association of the company. This is in accordance with Article 306 of the Commercial Companies Law, which states, "Unless the Memorandum of Association or Articles of Association of the company provides for the method of liquidation or the partners agree otherwise upon the dissolution of the company, the provisions of this law shall apply to the liquidation of the company."

The firm may also be liquidated based on a court order, in accordance with Article 308 (2) of the Commercial Companies Law.

We further advise you to approach Economic Department in the emirate concerned and the Amicable Settlement Centre of the competent court which has jurisdiction to hear this matter for more clarifications.

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