

Federal Law No. (6) of 2010 on Credit Information

We Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates,

- After perusal of The Constitution;
- Federal Law No. 1 of 1972, concerning the Ministries Powers and the Ministers' Authorities, as amended;
- Federal Law No. 7 of 1976, concerning the Establishment of the State Audit Bureau, as amended;
- Federal Law No. 10 of 1980 concerning the Central Bank and the Monetary System and the Regulation of the Banking Profession, as amended;
- Federal Law No. 8 of 1984 concerning Commercial Companies, as amended;
- Civil Transactions Law Issued by the Federal Law No. 5 of 1985, as amended;
- Penal Code issued by Federal Law No. 3 of 1987, as amended;
- The Law of Evidence in the Civil and Commercial Transactions issued by Federal Law No. 10 of 1992, as amended;
- Commercial Transactions Law issued by Federal Law No. 18 of 1993;
- Federal Law No. 4 of 2000 concerning UAE Securities and Commodities Authority and Market, as amended;
- Federal Law No. 4 of 2002 concerning Money Laundering Criminalization;
- Federal Law No. 1 of 2006, concerning Electronic Transactions and Commerce;
- Federal Law No.2 of 2006, concerning Combating Information Technology Crimes;
- Federal Law No. 9 of 2006, concerning the Regulation of Population Record and ID Cards;
and
- Subject to the proposals and recommendations of the Ministry of Finance, Approval of the Cabinet of Ministers and the Federal National Council, and Ratification of the Supreme Council of the Federation;

We decree the following:

Article (1)

For the purposes of applying the provisions of this Law, the following words and phrases shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

- State:** : The United Arab Emirates.
- Central Bank** : The Central Bank of the United Arab Emirates.
- Credit Information** : The person's financial data, financial obligations, current and previous payments, financial rights including the revenue, movable and immovable assets thereof, any banking transactions and other significant data and information relating to the credit information and indicating the person's eligibility and creditworthiness submitted by the information provider and based on which the credit record is created.
- Company** : The Company established pursuant to the provisions hereof for the purpose of carrying out credit information-related activities and businesses.
- Information provider** : Any entity that provides the credit information to the Company and obtains the same through its usual business activities with any person in accordance with this law and the executive regulations hereof, including the Federal and local governmental bodies and institutions, commercial and investment banks, financial institutions, insurance companies and the companies established in the State or the free zones.
- Code of conduct** : A set of binding controls applicable to the information provider and the information report recipient and aim at controlling the process of credit information request, collection, preservation, analysis, categorization, use and circulation.
- Information report recipient** : The person entitled to receive a credit information report in accordance with the provisions of this law and its executive regulations.

- Credit record** : The record created by the Company and contains all the person's credit information which is collected from different sources and arranged in chronological order and based on which the credit information report is made.
- Information report** : A report issued by the Company at the request of the information report recipient and contains the information that indicates the person's eligibility and creditworthiness.
- Creditor Index** : A score-based index issued by the Company based on the credit record and determining the person's eligibility and potential in the different credit and financial sectors.
- Person** : Any natural or legal person on whom credit information may be provided.

Article (2)

Scope of law application

The provisions of this Law shall apply to:

1. The Company, Information Provider and Receiver of Information Report.
2. Any person that has a relation with the Credit Information as per the determination of the Executive Regulations of this Law.

Article (3)

Credit Information Exchange Rules

This Law shall regulate the activities of Credit Information request, collection, keeping, analysis, classification, use, circulation and protection and whatever relates to such Information.

Article (4)

The process of Credit Information request, collection, keeping, analysis, classification, use, circulation and protection; and preparation of Credit Records and Credit Information Reports

and the regulation of the same, shall be subject to the controls set up by the Central Bank, subject to the provisions of this Law and its Executive Regulations.

Article (5)

There shall be prohibited the collection and circulation of any information or data that relates directly or indirectly to the details or facts that relate to the private life of the natural person or his/her opinions, beliefs or health condition.

Article (6)

1. A credit information report recipient shall obtain the approval of the person about whom inquiry is made, prior to the issuance of the report. This approval may be either in writing or by any other legally acceptable means.
2. The Company may request to be provided with the credit information for the purpose of preparing and developing its credit information database, without having to obtain the approval of the person concerned.
3. Notwithstanding Clause (1) of this Article, the information report recipient may request the Company to issue a credit information report on any of the person indebted thereto in accordance with the controls set out by the Central Bank in this regard.
4. The credit index shall be requested and issued without requiring the approval of the person about whom the inquiry is made, in accordance with the controls set out by the Central Bank.

Article (7)

Credit Information and Credit Records and Credit Information Report being collected and kept shall be prohibited to be used and circulated for any purposes other than those for which the contracts have been concluded or for the purposes for which such information has been provided, as per the provisions of this Law and its Executive Regulations.

Article (8)

The Credit Information and Credit Record and Credit Information Report shall be confidential

by nature and shall be used for the Company business purposes only and among the parties stipulated in this Law and as per its provisions, and may be accessed or revealed directly or indirectly only with written consent of the respective person or his/her heirs or legal representative or the proxy duly authorized to do so, or subject to a request by the competent judicial authorities and to the extent required for the investigations and claims tried before such authorities.

Article (9)

1. The Company shall be established to practice the activities related to the credit information and shall enjoy the legal personality and capacity required to practice its activities, and, in particular, it shall:
 - a. Organize the credit information's request, collection, preservation, analysis, categorization, use and circulation.
 - b. Prepare and process the credit record in due time, appropriately and in a secure manner in accordance with the provisions set out in this law and its executive regulations and the controls set out by the Central Bank.
 - c. Issue the credit information report and any other reports and products related to credit information.
 - d. Prepare and develop risk tools, standards and relevant matters.
 - e. Practice any activity related to the person's credit status in accordance with the information available to the company in the credit record.
2. The Cabinet shall issue a resolution determining the Company's Articles of Association and operation mechanism.

Article (10)

Any natural or legal person except for the Company shall be prohibited to exercise the activities of requesting, collecting, keeping, analyzing, classifying, using and circulating Credit Information and whatever relates to such Information.

Article (11)

Without prejudice to the controls to be issued by the Central Bank the Company shall:

1. Not disclose or reveal any information in its possession to any Third-Party, except in accordance with the provisions of this law and its executive regulations.
2. Establish advanced systems and a database that contains and keeps all that which concerns the credit information, credit record and credit information reports, and update the same periodically.
3. Maintain the security of the Company and protect the Company's credit information from loss, damage, illegal or insecure access, use or modification, including maintaining the means of data support and recovery in emergencies.
4. Be committed to use the credit information in accordance with the provisions of this law and the executive regulations hereof.

Article (12)

The information provider shall send to the Company the credit information in accordance with both the electronic system applicable at the Company and the controls set out by the Central Bank in this respect.

Article (13)

The Central Bank shall be linked to the Company's credit information database in accordance with the mechanism prescribed by the Central Bank.

Article (14)

The information provider shall provide the Company with the credit information required without imposing any financial burdens on the Company.

Article (15)

1. The Company shall conclude with the information report recipient an agreement regulating the credit information report use mechanism and the terms and conditions

relating to the credit information and form related to the protection and maintenance of confidentiality of credit information.

2. The Company may exchange reports and information related to non-citizens with the credit information companies and centers outside the State on the basis of reciprocity and in accordance with the provisions of this law and its executive regulations, the controls issued by the Central Bank and the agreements on the exchange of information approved by the competent bodies in the State.

Article (16)

The Central Bank Powers

The Central Bank, in its capacity as the controlling authority of the activities of the Company, shall, as per the provisions of this Law, have the following powers:

1. Controlling and overseeing the Company well performing of the tasks assigned to it.
2. Setting up the controls pursuant to which the Company exercises its activities, and the Code of Conduct and whatever relates to it.
3. Issuing any instructions or directions to the Company.

Article (17)

Penalties

There shall be sentenced to a minimum term of imprisonment of two years and/or a minimum fine of AED 50.000 (AED fifty thousand) each and every person who:

1. Reveals Credit Information or Credit Information Report or Credit Record in cases other than those authorized as per the provisions of this Law and its Executive Regulations.
2. Obtains Credit Information or Credit Information Report, or has access to Credit Record, without obtaining the approvals required as per the provisions of this Law and its Executive Regulations or by using fraudulent methods or incorrect information.
3. Violates the confidentiality established for the Credit Information and the Credit Record and the Credit Information Report.
4. Misrepresents in bad faith any data or submits any incorrect Credit Information to the Company.

Article (18)

Subject to the penalties stipulated in the previous Article, there shall be punished by imprisonment and/or a minimum fine of AED 10.000 (AED ten thousand) each and every person who violates any of the provisions of this Law and the orders issued in enforcement of the same.

Article (19)

There shall be considered an aggravating circumstance the commitment of any of the crimes stipulated by this Law by any public servant or any of the employees working at the Company.

Article (20)

Sentence to the penalties stipulated by this Law shall not prejudice any severer penalty stipulated by any other law, or the civil liability of the violator.

Article (21)

General Provisions

Employees who are determined by a resolution by the Minister of Justice in agreement with the Minister of Finance shall have the capacity of judicial officers in evidencing any actions committed in violation of the provisions of this Law and the orders issued in enforcement of the same, within the jurisdiction of each of them respectively.

Article (22)

The Executive Regulations of this Law shall determine:

1. The mechanism of filing the request for Credit Information and the details of such request.
2. Rights and obligations of all related parties.
3. The period for keeping the Credit Information and the period covered by the Credit

Information Record.

4. The authorities benefitting from the Credit Information and the payment that has to be made in return for obtaining such Information in light of the controls stipulated by the Central Bank in this respect.
5. The persons entitled to obtain the Credit Information Report.
6. The mechanism of submitting and examining complaints related to Credit Information.

Article (23)

The Ministry of Finance in coordination with the Central Bank shall develop this Law's Executive Regulations which shall be issued by a resolution by the Cabinet of Ministers.

Article (24)

The controls that the Central Bank is empowered to draw up as per the Articles 4, 11, 16, 23 and 24 of this Law shall be issued and published in the Official Gazette.

Article (25)

Any provision in contradiction with the provisions of this Law shall be cancelled.

Article (26)

This Law shall be published in the Official Gazette, and shall be operative as of the day following the date of issuing the same.

Khalifah Bin Zayed Al Nahyn

UAE President

Issued by us in the Presidency Palace in Abu Dhabi on:

October 7th, 2010 AD.

Corresponding to Shawal 28th, 1431 H.