

Federal Decree-Law No. (26) of 2019 Regarding Public Finance

We Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates,

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972 on the Competences of Ministries and Powers of Ministers, as amended;
- Civil Transactions Law promulgated by Federal Law No. (5) of 1985, as amended;
- Civil Procedures Law promulgated by Federal Law No. (11) of 1992, as amended;
- Federal Decree Law No. (4) of 2007 on the Establishment of Emirates Investment Authority, as amended;
- Federal Law No. (7) of 2008 on the National Archives, as amended;
- Federal Decree Law by No. (11) of 2008 regarding the Human Resources in Federal Government, as amended;
- Federal Law No. (1) of 2011 concerning Public Revenues of the State;
- Federal Law No. (8) of 2011 on the Reorganization of State Audit Institution;
- Federal Law by Decree No. 8 of 2011 concerning the rules for preparation of the General Budget and Final Accounts;
- Federal Law No. (14) of 2016 concerning the Administrative Violations and Penalties in the Federal Government;
- Federal Decree Law No. (5) of 2017 on adjustments of the General Reserve Account;
- Federal Law No. (7) of 2017 On Tax Procedures;
- Federal Decree Law No. (7) of 2017 on Excise Tax;
- Federal Decree Law No. (8) of 2017 concerning Value Added Tax;
- Federal Decree Law No. (11) of 2017 on empowering certain powers for the Cabinet;
- Federal Decree Law No. (9) of 2018 on Public Debt;

- Federal Decree Law No. (14) of 2018 concerning the Central Bank & Regulation of Financial Institutions and Activities;
- Federal Decree Law No. (15) of 2018 regarding the collection of revenues and public funds;
- Federal Decree Law No. (16) of 2018 on real estate property of the Federal Government;
- Based on the proposal of the Minister of Finance, and the approval of the Cabinet;

We do hereby promulgate the following Decree Law:

Chapter One

Definitions

Article (1)

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

State	: United Arab Emirates (UAE).
Government	: The Federal Government of the State.
Ministry	: The Ministry of Finance.
Minister	: The Minister of Finance.
Bank	: The Central Bank of the United Arab Emirates.
Federal Entities	: The Ministries established by virtue of Federal Law No. (1) of 1972 Concerning the Competences of Ministries and the Powers of Ministers, and the Federal Government bodies and authorities as classified in Article (3) of the present Decree-Law.
Chairman of the Federal Entity	: The concerned Minister, the Chairman of the Board of Directors, the chairman of the entity or the persons of similar status.
Independent Federal Entities	: The Independent Federal Entities established according to the applicable legislation in the State, as indicated in Article (3) of the present Decree-Law.
Governmental	: Establishments and companies owned wholly or partially (affiliated

Companies	:	companies) by the Federal Government or Federal Entities.
Fiscal Year	:	Twelve Gregorian months, starting as of the first of January and ending on the 31st of December of each year.
General State Budget Law	:	The federal law issued in each Fiscal Year adopting the relevant general budget.
General Budget	:	The Government budget adopted by a federal law, which includes the estimated general revenues and public expenditures of the various Federal Entities during a specific fiscal year.
Supplementary Budget	:	The additional financial appropriations issued by a federal law to cover any new policies that are not listed in the general budget, and to determine the source of necessary financing resources.
General Financial Management	:	A set of rules, systems and operations applicable to the Federal Entities by virtue of this Decree-Law, Cabinet resolutions, ministerial decisions and circulars relating to the provision and determination of the resources and their sources, allocation of the public fund, and specification of its disbursement aspects, the relevant controls, the accounting controls, and the preparation of the relevant financial reports.
Consolidated Chart of Accounts	:	A consolidated classification adopted by the Cabinet for the accounts used in the Federal Entities for the classification and registration of financial transactions.
Financial Strategy (Financial Framework)	:	Financial Strategy.
Medium-Term	:	The financial plan approved by the Cabinet, including the general economic prospects, the resources policies, and expenditure priorities, and the anticipated financial risks for not less than five (5) years.
Medium-Term	:	A study containing the medium-term projections of total revenues

Budget Framework	and expenditures, the difference between them, and the financing mechanism required to cover the deficit, and the basic expenditure ceilings as specified by the Cabinet, not exceeding the Medium-Term Financial Strategy (Financial Framework).
Medium-Term Expenditure Framework	A report prepared on the basis of administrative, economic and programmatic classifications, as specified by the Cabinet, to estimate the expenditures of the Federal Entities.
Programmes	A combination of activities and services offered and specified by the Federal Entities and which aim to achieve the associated strategic objectives.
Capital Projects	The projects aiming for the establishment, possession, or renewal of any assets owned by the Federal Entities.
New Capital Projects	The Capital Projects for which no amounts have been allocated in the General Budget, and which are created during the fiscal year.
Unified Treasury Account	The Government central account that is opened by the Minister and into which all Federal Entities financial revenues are deposited.
Trust money	Third-party funds deposited in the Government bank accounts or the Federal Entities bank accounts, that are maintained until the fulfilment of the purpose intended.
Financial Appropriations	The binding maximum ceilings of the categories of expenditure, approved within the General State Budget Law.
Mid-Year	A half-year report prepared by the Ministry and Federal Entities, describing and analysing the reached revenues, expenditures, and the total performance related to the General Budget during the first half of the fiscal year, including a review of the economic assumptions of the General Budget.
Budget Review	Budget and the updated projections regarding the budget of the relevant fiscal year.
Federal Entity	The annual report prepared by every Federal Entity according to the

Final Account	instructions specified in the annual financial circular issued by the Minister, including the financial statements and accompanying notes for the concluded fiscal year, subject to the accounting standards approved by the Federal Government. An annual report including the consolidated annual financial statements of the Federal Entities to be prepared by the Ministry
Consolidated Final Account	: based on the financial statements submitted by the Federal Entities according to the instructions specified in the annual financial circular issued by the Minister.
Consolidated Final Account Approval Law	: The federal law approving the consolidated annual financial statements of the Federal Entities for the concluded fiscal year.
Approved Accounting Standards	: The accounting principles and standards applied in the Federal Government and developed based on the "International Public Sector Accounting Standards" and the "International Financial Reporting Standards".
Contingent Expenses	: Estimated financial amounts to confront a case which is not included in the appropriations of the General Budget of the relevant fiscal year, and which may not be deferred to the budget of the next fiscal year, due to relevance to the public interest requirements. The resources of the Federal Government resulting from its public and private property, the fees and taxes collected by the competent Federal Entities, and the investment revenues in the various
General Revenues	: economic activities, in addition to the transfers, contributions and other financial resources, either sent or transferred to the Unified Treasury Account, and which are allocated to meet the general expenditures in the General Budget of the Federation.
Government Guarantee	: An undertaking, in writing, to a third party, under which the Government commits to settle the liabilities of any Federal Entity on whose behalf the Government wishes to grant the guarantee.

Cash Reserve	:	An account financed by the actual cash surplus available, after deducting all the liabilities and guarantees expected to be settled during the subsequent fiscal year.
Special Reserve	:	A financial appropriation estimated annually to finance the contingent expenses.

Chapter Two

Objectives and scope of application hereof

Article (2)

The objectives

This Decree Law aims at achieving the following:

1. Determining the rules for preparing the general budget, final accounts of the federal entities and the Consolidated Final Account, and lay down the rules governing financial resources of the federal entities.
2. Establishing an integrated regulatory framework for general financial resources and policies of federal entities by defining the following:
 - a. Principles of management and financial resources policies of federal entities.
 - b. General rules governing collection, management and disbursement of the financial resources of federal entities.
 - c. Powers, competencies, authorities and responsibility for managing the financial resources of the federal entities.
 - d. Minimum reports on the management of financial resources for federal entities.
 - e. Principles of governance, control and risk management related to the management of financial resources for federal entities.

Article (3)

Decree-Law Application Scope

The provisions of the present Decree-Law shall apply to the Federal Entities classified for its purposes as follows:

1. Ministries and central bodies: The ministries established under Federal Law No. (1) of 1972 Concerning the Competences of Ministries and the Powers of Ministers, councils, bodies and the like engaged in the executive, legislative and judicial federal activities.
2. Independent Federal Entities: The Federal Entities that are either established or will be established according to the legislation in effect in the State, to perform specific public tasks or services, and that operate under the supervision of the Government, and:
 - a. Have the independent juristic personality and the legal capacity to act, prepare, organise and implement its special budget, as granted either by law or by the incorporation decision;
 - b. Have a special administrative and organisational structure; and
 - c. Not intended for profit.
3. Governmental Companies, subject to the relevant provisions contained herein.

Chapter Three

Financial and Administrative Powers

Article (4)

Powers of the Cabinet

1. The Cabinet shall have the following powers:
 - a. Approval or amendment of the medium-term Financial Strategy (Financial Framework) and budget framework.
 - b. Approval of Financing New Capital Projects.
 - c. Approving the draft law for linking the general budget and the attached schedules for each fiscal year of the medium-term budget and any amendments thereto.
 - d. Approval of supplementary budget projects.
 - e. Approval of the draft law on adoption of the consolidated final account and the final accounts not covered thereby and the accompanying schedules.
 - f. Issuing policies and decisions related to the general budget and public financial management.
 - g. Excluding some federal entities from the obligation to apply all or some of the provisions hereof.

2. The Cabinet, upon proposal of the Minister, shall issue a decision specifying the terms and conditions governing the issuance of the government guarantee.

Article (5)

Minister Powers

Upon the approval of the Cabinet, the Minister shall specify the State funds and resources management rules and the General Financial Management system, and shall coordinate the State financial policies, at the federal level, and issue the relevant procedures and circulars.

The Minister may:

1. Propose the State general financial plans and policies, within the scope of the Ministry, and refer them to the Cabinet for approval;
2. Propose the draft laws relating to the State general financial policy, in coordination with the relevant authorities;
3. Issue procedures guidelines, circulars and decisions relating to the State General Budget and general financial policy, and the rules for the preparation of the Final Account, to the extent that is not inconsistent with the applicable legislation in the State;
4. Propose the consolidated financial policies, the consolidated chart of accounts and the general rules for the regulation of the accounting operations and records according to the accounting standards approved by the Federal Government, and refer them to the Cabinet for approval;
5. Ensure general supervision on the preparation of the draft laws on the General Budget and the consolidated final account;
6. Propose the reduction of appropriations determined in the General Budget, in case there is an exceptional decline of the financial resources of the Federal Entities, and refer the same to the Cabinet for approval;
7. Oversee all aspects of the implementation of the General Budget, including the mechanism for the collection of the financial resources of the Federal Entities, the controls on expenditures, and the Treasury operations applicable to the Federal Entities;
8. Develop the rules for opening and closing the bank accounts of the Federal Entities;
9. Issue a decision regulating the transfer of the amounts necessary to cover the expenses

of the Government from the Unified Treasury Account to another bank account or more;
and

10. Submit the following proposals to the Cabinet for approval:
 - a. Medium-Term Financial Strategy (Financial Framework).
 - b. Medium-Term Budget Framework proposal.
 - c. The draft general budget law.
 - d. The draft Supplementary Budget laws.
 - e. The Consolidated Final Account draft law.

Article (6)

Ministry Competences

The Ministry shall:

1. Prepare the financial policy of the Federal Government;
2. Prepare the Medium-Term Expenditure Framework of the Federal Entities;
3. Study the draft Medium-Term Plan Budget of the Federal Entities to be taken into consideration and make the relevant proposals, when necessary;
4. Prepare the draft General State Budget Law;
5. Follow up the implementation of the General Budget;
6. Develop the rules for incurring expenditures and collecting the financial resources of the Federal Entities, and for the management of bank accounts, assets and liabilities accounts, and investment projects;
7. Oversee and follow up the implementation of the General Budget performance, including the mechanism for the collection of the financial resources of the Federal Entities, the expenditures controls, and the management of the Treasury operations in the Federal Entities, and submit reports in this regard to the Cabinet;
8. Manage the Public Treasury and organise the bank accounts of the Federal Entities, including opening and closing bank accounts, according to the provisions hereof;
9. Open zero-balance accounts for the Federal Entities at the commercial bank (s) operating in the State, through which the relevant annual budgetary appropriations are paid;

10. Review, examine and audit the financial and administrative transactions and records having a financial impact on the Federal Entities, based on the public interest requirements and the instructions issued by the Minister;
11. Oversee and manage the general Cash Reserve account of the Government, according to the rules, legislation, policies and procedures in effect;
12. Develop and issue the consolidated financial policies and manuals, the Consolidated Chart of Accounts, and the general rules on the accounting closing periods, and prepare the reports in the light of the approved accounting standards;
13. Develop and amend the financial and accounting policies of the Federal Entities and refer them to the Cabinet for approval;
14. Prepare the consolidated Final Account;
15. Provide the necessary orientation, support, and training to the employees of the Federal Entities with respect to the implementation of the present Decree-law, and the relevant regulations, decisions and circulars;
16. Request any information or data relating to the bank accounts of the Government or any Federal Entity from the banks operating in the State;
17. List the amounts necessary to settle the public debt dues and its service in the General State Budget, on annual basis;
18. Gather and prepare the governmental financial reports, in coordination with the local Emirates; and
19. Coordinate with the Central Bank of the United Arab Emirates to ensure that the Bank monetary policy and the Federal Government financial policy are compatible during the next fiscal year.

Article (7)

Management of public funds

The management of public funds exercised by the Minister in accordance with the provisions hereof and its Executive Regulations aims at cash hedging which can be achieved by limiting the level of current cash balances held in the Treasury Single Account through using tools that allow the Government to safely invest surplus balances in short-term investment instruments.

Article (8)

Government Banking Procedures

The Minister or his authorized representative shall open government bank accounts, subject to the following rules:

1. The basic bank account of the government shall be opened in the bank.
2. All resources of the federal entities covered by the Budget Appropriation Act shall be deposited in the Treasury Single Account and all payments shall be made thereto.
3. No account may be opened with any commercial bank without the prior written approval of the Ministry.
4. The Minister may open, suspend or close the bank accounts at local and foreign commercial banks to facilitate the collection of resources or making the payment. The balances of these bank accounts shall remain within the limits approved by the Minister, and the surplus shall be transferred to the treasury single account in accordance with the instructions issued by the Ministry.
5. The Minister may enter into agreements with the Bank and other local and foreign commercial banks qualified for the effective management of balances in temporary bank accounts in accordance with the regulations issued by the Ministry regarding the procedures for opening, closing and managing such accounts.
6. The funds available, in one of the government bank accounts or of any Federal Entity accounts, shall be transferred to another government bank account or a bank account of another Federal Entity at the request of the Minister and upon approval of the Cabinet with the notification of all relevant authorities.
7. The Minister may link the funds available in the government bank accounts as short-term deposits.

Article (9)

Presenting the draft financial legislation to the Ministry

All draft laws and bylaws that result in creating financial obligations or implications on the general budget shall be referred to the Ministry for opinion before submitting the same to the Cabinet.

Chapter Four

Responsibilities and obligations of the federal entities and their employees

Article (10)

Responsibilities and obligations of the federal entities and their employees

1. The decentralization and powers of the federal entities shall not prejudice their responsibility to apply the financial and accounting procedures and instructions in place to preserve and dispose of their public funds.
2. Decentralization shall not prejudice the legal liability of the staff responsible for financial and accounting functions in the event that they violate the provisions hereof or its executive regulations, laws, bylaws and decisions relating thereto.
3. The federal entities are responsible for planning, preparing and implementing their budget and for the preparation of periodic financial reports and the final account.

Article (11)

Federal Entities Obligations

1. In coordination with the Ministry, the Federal Entities shall:
 - a. Meet the objectives specified in the Medium-Term Financial Strategy (Financial Framework) as approved by the Cabinet, and obtain the Cabinet prior approval upon amending any objective, to the extent not exceeding, in any case, the total financial appropriations allocated for the said objectives at the amendment time;
 - b. Comply with the rules issued by the Ministry on the application of the planning and analysis systems of the approved strategic objectives, programmes and capital projects;
 - c. Manage the financial resources efficiently and effectively; and
 - d. Implement the strategic objectives within the limits of the financial appropriations allocated to the Federal Entities.
2. The Federal Entities may not borrow, lend or provide debt guarantees unless they do so in coordination with the Ministry of Finance and in line with the relevant legislation.
3. The Federal Entities may not conclude sponsorship contracts to fund events and

activities, unless listed within its approved annual budget. The Federal Entities may conclude the sponsorship contracts financed by the private sector according to the regulatory rules of the Ministry.

4. The Federal Entities shall provide any data or information requested by the Ministry during the period specified in the request.

Chapter Five

General Provisions of the General Budget

Article (12)

General Budget

The general budget is the financial program of federal entities, which includes all their estimated financial resources collected and estimated public expenditures for a given fiscal year, to achieve economic and social development through the optimal distribution and efficient use of resources within the framework of the federal strategy for expenditures expected from federal entities during a future fiscal year provided that balancing income and expense shall be take into account, and developed in light of the medium-term financial strategy (financial framework).

Article (13)

Independent Budgets

The laws of the independent federal service entities, including independent federal entities whose budgets are subject to approval of their governing body, may expressly provide for a special independent budget in which their detailed resources and expenses shall be presented in a schedule to be attached to the law for linking general budget; moreover, these federal entities shall be committing to:

1. its governance and management principles;
2. the consolidated accounts structure and provision of data and reports according to the prescribed form, and within the time determined by the Ministry.

Article (14)

Submitting Independent Budgets

The independent federal entities are obliged to submit their budget to the Ministry for approval in the draft law for linking the general budget, on the date specified by the Minister in the annual financial circular provided for in Article (21) hereof.

Article (15)

Insertion into Draft Law for Linking the General Budget

1. The Ministry is obliged to register the budget appropriations of the independent federal entities, including its own estimated financial resources, in the draft law for linking the general budget.
2. No financial burdens shall be placed on the Government in the event that the independent Federal Entity does not achieve any self-estimated resources unless the public interest requires otherwise.

Article (16)

Medium-term Budget Draft Laws

Under a decision of the Cabinet, the federal entities may be authorized to prepare a draft budget for a medium-term plan, the number of years of which shall be determined in a decision of the Cabinet, including estimates of financial resources and expenditures for each Fiscal Year, and the decision of the appropriations for this budget shall be made by the Cabinet.

Article (17)

Medium-term Budget Amendments

In preparing the draft law for linking the general budget for each year of the medium-term plan, the following shall be considered:

1. Any amendments to this Plan's Budget that were approved by the Cabinet.
2. Medium-term Financial Strategy (Financial Framework).

3. Medium-term Budget Framework.

Article (18)

Medium-term Budget Framework

The Medium-term Budget Framework shall point out the basis upon which the total expenditures ceilings are determined in the annual budget and the estimates of the total expenditures of the current Fiscal Year are only indicative ones for the upcoming Fiscal Year.

Article (19)

Disclosure of In-Kind Support

Federal Entities authorized to obtain in-kind support shall disclose such support and the value thereof in accordance with the form prepared by the Ministry for such purpose. The relevant statement shall be submitted with the documents related to the draft Budget of such Federal Entity.

Article (20)

Accounts Structure

1. The Cabinet shall issue the Consolidated Accounts Structure upon the Ministry's proposal and the Federal Entities shall comply with the same.
2. The Federal Entities shall prepare the reports in accordance with the regulations and rules determined in the Consolidated Accounts Structure.
3. The Ministry shall issue the directives and instructions necessary to enable the Federal Entities of preparing their reports in accordance with the Consolidated Accounts Structure.

Chapter Six

Preparation of General Budget

Article (21)

Financial Circular on Regulations of Preparation of the Draft General Budget

The Minister shall issue a financial circular to the Federal Entities within the first week of the third month of every Fiscal Year provided that such circular shall determine the Budget ceiling and the date of submitting the draft General Budget to the Ministry.

Article (22)

Study and Analysis of Federal Entities' Initial Estimates

The Federal Entities included in the General Budget shall prepare the initial estimates of their financial resources based on the type thereof and state the sources thereof. Moreover, they shall prepare the initial estimates of their current and capital expenses, consistent with the strategic objectives and their approved activities of each program. Such initial estimates shall include the performance measures and the financial efficiency indicators.

The initial estimates shall be submitted to the Ministry on the date determined by the Minister's circular mentioned in Article (21) hereof.

Article (23)

Delay of the Federal Entities in Submitting the Draft General Budget

In case any Federal Entity delayed in submitting the draft Budget thereof to the Ministry on the date determined in the circular mentioned in Article (21) hereof, the Ministry shall, upon notifying such entity, prepare these estimates based on the current Fiscal Year Appropriations, bearing in mind the changes and amendments made during the current Fiscal Year, the other considerations, and its strategic programs and objectives.

Article (24)

New Capital Projects

Upon proposing New Capital Projects based on the long-term capital expenditure plans, the Federal Entities shall submit the following:

1. Approved title deed of the land allocated for the project or the decision issued by the entity responsible for allocating the project's land.
2. The project's feasibility study.

3. The project's design scheme.
4. The project's timeline and the amounts required throughout the execution years.
5. All annual costs required for operation upon completion of the project.
6. Any other requirements according to the circulars issued by the Ministry and competent entities in this regard.

Article (25)

Appropriations for Completion of the Capital Projects

The executing Federal Entity shall, in coordination with the Ministry, propose the Financial Appropriations required for completing the projects, which are included in the General Budget and the Independent Budgets, for the Fiscal Year for which the Budget was prepared.

Article (26)

Study and Assessment of the New Capital Projects

1. The Ministry responsible for developing the infrastructure shall study, assess and approve the New Capital Projects to be established, acquired or renewed before submitting the same to the Cabinet.
2. In case the total cost of any budgetary Capital Project is amended, the Federal Entity responsible for executing the project shall, in coordination with the Ministry, amend the project's total cost and point out the reasons therefor.

Article (27)

Special Reserve

The Ministry shall annually estimate and allocate an amount for the Special Reserve within the General Budget for meeting the unforeseen or non-budgeted expenditures.

Article (28)

Resources Estimation

The Federal Entities shall estimate their financial resources and indicate the basis upon which

the said estimation is based, along with the influencing factors during the relevant fiscal year. The Ministry shall study and approve the same within the annual budget strategy proposal and the draft General State Budget Law.

Article (29)

Balanced-Budget Principle

The Ministry shall endeavour to achieve a balanced-budget principle between the total financial resources of the Federal Entities on the one side, and the total general expenditures on the other side. If there is a discrepancy due to an increase in estimated expenditures over anticipated revenues, the Ministry shall propose alternative sources of funding to achieve the required balance.

Article (30)

Maximum Limit of Expenditures

If the total estimates of the initial expenditures exceed the estimates of the Federal Entities' initial financial resources, the Ministry shall propose a maximum limit for the expenditures that shall be complied with by the Federal Entities upon approval of the Cabinet.

Article (31)

Draft Law for Linking the General Budget

1. The Ministry shall prepare the draft Medium-term Budget Framework and submit the same to the Cabinet.
2. The Ministry shall prepare the draft Law for linking General Budget, attached with all explanatory reports and documents, and submit the same to the Cabinet.

Article (32)

Classification of Resources

When preparing the draft Law for linking General Budget, the Federal Entities' annual financial resources shall be classified in accordance with types of the resources mentioned in

Article (57) hereof.

Article (33)

Classification of Expenditures

When preparing the draft Law for linking General Budget, all annual expenditures shall be classified according to the following classifications:

1. Staff remuneration.
2. Goods and services.
3. Subsidies.
4. Grants, donations and endowments.
5. Social benefits.
6. Other federal expenditures.
7. Capital expenditures.

Article (34)

Registration of Grants

The estimates of the grants, donations, endowments among others that are accepted by the Federal Entities and consistent with the objectives and competencies thereof shall be registered in the total resources of the Medium-term Budget Framework and in the estimate of the resources of the draft Law for linking General Budget. In addition, the expenditures related to management of such grants shall be determined in the draft General Budget of the Federal Entity.

Chapter Seven

Approval for the General Budget

Article (35)

Draft Law for Linking the General Budget

The draft Law for linking the General Budget, the Budgets of the Independent Federal Entities and the relevant documents shall be submitted to the Federal National Council at least two

months before the beginning of the Fiscal Year for discussion and expressing opinions. Afterwards, the Federal National Council shall refer the draft law to the Federal Supreme Council, accompanied with the relevant remarks, for approval.

Article (36)

Notification of the Budget

The Ministry shall notify the Federal Entities of the Financial Appropriations allocated thereto for the prepared Fiscal Year upon issuing the Law for linking the General Budget.

Article (37)

Monthly Provisional Financial Appropriations

In case the Law for linking the General Budget was not issued before the beginning of the Fiscal Year, monthly provisional appropriations may, upon the Ministry's proposal, be approved under a federal decree based on one of twelve parts of the previous Fiscal Year Appropriations.

Chapter Eight

Amendment to the General Budget

Article (38)

Amendment to the General Budget

All off-budget expenditures, the expenditures exceeding the estimates mentioned in one category and the transfer of any amount from one category to any of the General Budget categories shall be governed by a law. However, such expenditure or transfer may be approved by a decree law in cases of urgent need.

Article (39)

Supplementary Budget

1. The Ministry shall refer a draft federal law on the Supplementary Budget to the Cabinet in any of the following cases:

- A. Approval for new policies that have non-budgeted financial impacts.
 - B. Provision of funding to the necessary Capital Projects outside the budget cycle.
 - C. Any other cases as determined by the Cabinet.
2. The Supplementary Budget shall be issued under a federal law.
 3. The Federal Entities shall only submit requests for supplementary appropriations during the Fiscal Year when strictly necessary. In such case, they shall point out the sources of the resources necessary to cover such requests.

Chapter Nine

Implementation of the General Budget

Article (40)

Implementation of the General Budget

The Federal Entities' financial resources and expenditures stemmed from transactions carried out during the Fiscal Year shall be registered in the Fiscal Year's accounts according to the accrual of right or debt and regardless of the date on which it shall be implemented.

Article (41)

Accounting System

The Government shall apply the accrual basis of accounting system in accordance with the UAE accounting standards.

Article (42)

Accounting Standards Board

1. Upon the Minister's decision, a government accounting standards board comprising employees from the Ministry and highly qualified and experienced officials may be formed and such decision shall determine the board's powers and responsibilities.
2. The Minister shall refer the recommendations of the accounting standards board concerning the amendment and development of the accounting standards in the Federal Government to the Cabinet for approval.

3. The Federal Entities shall keep complying with the accounting policies and standards currently approved by the Ministry until the Cabinet issues its decision.

Article (43)

Compliance with the Financial Appropriations

1. In implementing the budget, the Federal Entities shall comply with the limits of the financial appropriations allocated for them in the General State Budget Law.
2. The settlement of the general expenditures, their payment order, and the issuance of the means of payment by the Federal Entities, shall be made according to the applicable rules. The said expenditures shall not be disbursed unless they are determined and payable according to the legislation in effect.

Article (44)

Contracts Conclusion

The Federal Entities may not enter into contracts that may incur financial obligations exceeding the fiscal year to the coming fiscal year or years, unless according to the procedures and controls approved by the Federal Government.

Article (45)

Adherence to Total Cost of the Projects

Notwithstanding the provisions of Article (44) hereof, the total cost of the Capital Projects mentioned in the General Budget may be depended provided that when spending on the project during the Fiscal Year begins, the Financial Appropriations allocated thereto in the Budget for such year shall be complied with.

Article (46)

Multiannual Financial Appropriations Allocation

The allocation of multiannual Financial Appropriations may be provided for in the General State Budget Law to cover any future contractual obligations, provided that the ceiling on cash

expenditure for the first fiscal year of the multiannual project and the total cost of the project during the expected period of execution are determined.

Article (47)

Non-budgeted Projects

Upon obtaining the Cabinet's approval, the Federal Entities may establish Capital Projects, enter into association or launch tenders regarding the non-budgeted projects provided that the provisions related to the Supplementary Budget mentioned herein shall be applied to such projects.

Article (48)

Non-Completion of the Capital Projects

In case any of the Capital Projects was not completed during the Fiscal Year, the Financial Appropriation or the rest thereof shall be deposited in the subsequent Fiscal Year's Budget related to the execution plan of such project.

Article (49)

Controls of Disbursement of Expenditures

The Federal Entities shall spend on the projects included in the General Budget in accordance with the regulatory and legal controls determined under the provisions hereof.

Article (50)

Transfers

Subject to the provisions of Article (38) hereof, financial transfers shall be made in accordance with the controls and rules contained in the transfer policy issued by the Ministry and approved by the Minister.

Article (51)

Use of the Special Reserve

The Special Reserve mentioned in Article (27) hereof may, in accordance with the provisions of a decision issued by the Cabinet, be used to fund some of the emergent or unforeseen requirements that may occur during the current Fiscal Year provided that the beneficiary, strategic objective and targeted program shall be determined.

Upon completing the execution, the competent Federal Entity shall prepare a table concerning the usage and point out the Entity Final Account and the Consolidated Final Account in the attached explanatory memorandum.

Article (52)

Non-executed Financial Appropriation

Without prejudice to the provisions of Articles (48) and (49) hereof, any budgetary Financial Appropriation that was not fully executed during the Fiscal Year shall be invalid.

Article (53)

Maintaining Records and Reports

The Federal Entity shall maintain comprehensive electronic records and supporting documents regarding implementation of its Budget as well as the performance indicators and reports in accordance with the regulations and dates determined by the Ministry.

Article (54)

Periodic Reports

The Ministry shall provide the Cabinet with a biannual report on the Federal Government financial statements.

Chapter Ten

Follow-up of Implementation of the General Budget

Article (55)

Control and Internal Auditing

1. The competent administrative departments in the Federal Entities shall control implementation of the General Budget in terms of collection of its resources, payment of its expenditures, follow-up of performance and compliance with the legislations in force in the State.
2. The Internal Auditing Office in the Federal Entity shall independently make investigations to ensure that the administrative department implements the General Budget in accordance with the working mechanisms, policies, procedures, regulations and risk management rules in force in such entity.

Article (56)

Federal Entities Reports

The Federal Entities shall provide the Ministry with the required monthly and biannual financial reports and statements within the specified dates.

Article (56) (bis)

Governmental Companies Reports

The governmental companies determined by the Cabinet, based on the Minister proposal, shall provide the Ministry with the required reports and financial statements in the form, content, and by the deadlines specified by the Ministry.

Chapter Eleven

Financial Resources of Federal Entities

Article (57)

Types of Resources

The financial resources of Federal Entities to be collected for purposes of budget preparation

consist of the following:

1. Taxes, fees and returns that are imposed under a federal law.
2. Fees and Charges collected by the Government for its provided services.
3. The share of the General Budget borne by borne by each emirate in the State.
4. The Government's private property resources.
5. Contributions paid by retired military personnel.
6. Fines and amounts awarded by a court judgement.
7. Investment returns and re-investing Government funds.
8. Grants, donations, endowments and the like.
9. Administrative fines.
10. Any other resources set by the Cabinet.

Article (58)

Taxation

The Cabinet shall impose or exempt the federal fees or returns of different types, except taxes, under the decision of the Cabinet upon the proposal of the Minister, in accordance with legislative provisions in force in the State.

Article (59)

Collection of Resources

Subject to the terms and conditions for the acceptance of earmarked grants, donations, endowments and the like. The relevant Federal Entity shall collect and adjust its resources according to the legislations in force and the instructions of the Minister.

Article (60)

Local Fees

The Federal Entities shall not add or collect any fees for and local authority in any emirate unless the Federal Entities coordinate this matter with the Ministry.

Article (61)

Deductions from Resources

The Federal Entities shall not deduct any amounts of their resources under any circumstances or for any reasons in accordance with the legislations in force.

Article (62)

Deposition of Resources

In accordance with Article (8) hereof, the Federal Entities shall deposit the collected resources to the Treasury Single Account in accordance with the rules and instructions set by the Ministry. No certain revenue shall be allocated for certain expenditures unless the Cabinet approve of such, excluding the grants, donations, endowments and the like.

Article (63)

Grants, Contributions, Donations and the Like

1. The Federal Entities may accept grants, contributions, donations and the like that are consistent with the objectives and competencies of the said entities. A special budget shall be prepared for this purpose.
2. Any grants, contributions, donations, and the like shall be entered into the accounting records of the concerned Federal Entity, and classified according to their nature, based on the Consolidated Chart of Accounts. They shall also be included in the financial statements of the year during which they are received.
3. The amounts of repeated and definitive grants, contributions, donations and the like shall be listed within the annual budget of the Federal Entity.

Article (64)

Conclusion of Revenue-Sharing Contracts

No Federal Entity shall conclude any contracts with the private institutions, companies and relevant entities in the UAE governments to provide services to the people on the basis of sharing the revenues unless it was approved by the Ministry and the Cabinet. The concluded

contracts shall not be renewed before the Decree Law comes into force or after the expiration thereof without the approval of the Ministry.

Article (65)

Private Sector Participation

No Federal Entity may enter into a contract with a private juristic person with the purpose of participation in the management, functioning or operation of any public facility, unless according to the regulating legislation in force in the Federal Government.

Chapter Twelve

Federal Entities Final Account

Article (66)

Financial Circular

The Minister shall issue a financial circular to all Federal Entities setting the rules, regulations, accounting treatments and settlements that are necessary for carrying out the draft Federal Entity Final Account and the Consolidated Final Account for the current Fiscal Year within the second week of the tenth month of each Fiscal Year.

Article (67)

Rules and Dates of Account Closure and Preparing the Final Account

1. Accounting periods shall be closed up to a maximum of the eighth day of the following month.
2. The Minister shall set the date of account closure in the end of the Fiscal Year in the financial circular mentioned under Article (66) hereof.

Article (68)

Federal Entity Draft Final Account

1. Notwithstanding the provisions mentioned in the laws of establishing the Independent Federal Entities, every Federal Entity shall prepare its draft final account for the

concluded fiscal year, according to the basic rules set out in the present Decree-Law and the financial circular issued by the Minister in this regard. The Federal Entity shall submit the same to the State Audit Institution and a copy thereof shall be delivered to the Ministry with its report on the extent of achievement of the performance goals, within the time limits specified in the circular.

2. The Federal Entities and the competent administrative units shall be responsible for the control and verification of the validity of its final account statements and for the determination of the achievement of such goals.

Article (68) (bis)

Independent Federal Entities Final Accounts Auditing

1. An independent federal entity may appoint a third-party auditor if provided for in the relevant establishment law. The audited financial statements approved by the Board of Directors shall be released prior to the date specified in the financial circular for the State Audit Institution to issue its initial report on the final account of that entity.
2. The independent federal entity shall send a copy of the approved third-party auditor report to the Ministry of Finance no later than two weeks following the report approval date.

Chapter Thirteen

Federal Government Consolidated Final Account

Article (69)

Draft Consolidated Final Account

1. The Ministry shall prepare the consolidated final account, according to the provisions of the present Decree-Law and the accounting standards approved by the Federal Government.
2. The Ministry shall prepare a federal draft law on the approval of the consolidated final account for the concluded fiscal year and refer the same to the State Audit Institution.

Article (70)

Consolidated Final Accounts Draft Law

1. The Minister shall refer the Consolidated Final Accounts Draft Law in its final version no later than the end of April of the second fiscal year of the relevant fiscal year to which the final account pertains, supported by the consolidated draft final account, the relevant report of the State Audit Institution, and the reply of the Ministry, to the Cabinet for approval in the version as it may deem appropriate, which in turn shall refer the same to the Federal National Council to give its remarks prior to filing it to the Federal Supreme Council to be approved as a preliminary step for issuance.
2. The Independent Federal Entities for which no clause was singled out in the General State Budget Law shall refer their financial statements approval drafts to the Cabinet, pursuant to the instructions issued by the Ministry.

Article (71)

Building up the Cash Reserve

1. The Ministry shall prepare a report illustrating the mechanism by which the Cash Reserve, specified for the purposes of supporting the budget, is calculated. This report shall be submitted to the Cabinet in order to issue its decision on determining the percentage of the total General Budget that shall be registered for this purpose. This account shall be funded and withdraw amounts therefrom in accordance with the provisions of this decision.
2. The Government shall build up another Cash Reserve with a minimum of fifteen (15) billion AED in order to support the government's financial situation. The minimum of the Cash Reserve may be increased by decision of the Cabinet, provided that the Ministry shall manage it in accordance with the rules and regulations issued by decision of the Cabinet upon the proposal of Minister.
3. Subject to Clauses (1) and (2) of this Article, the Ministry, after the Minister's approval on the draft law final account of the ended Fiscal Year, shall transfer no more than seventy (70%) percent of the Cash Reserves in excess of its needs to Emirates Investment Authority.

Article (72)

Investing the Government Funds

Subject to the provisions of Federal Decree Law No. (4) of 2007 and the amendments thereof, the Minister shall issue a decision on organizing the investment of the excess funds of the public treasury in term deposits, each of them shall be renewable for only one year, provided that these funds shall be deposited in State banks.

Article (73)

Deposition of Excess Funds

1. All Federal Entities shall deposit any excess funds resulted from the annual budget approved thereto in the law for linking the general budget and the amendments thereof in the Treasury Single Account within thirty (30) days from the date of receipt of the report of the State Audit Institution on the preliminary draft final account for this entity by the Ministry.
2. Upon the Minister's proposal, the Cabinet may issue a decision to oblige any Federal Entity that has excess cash balance by the deposition of this balance in the Treasury Single Account within the term specified in the decision or deducting the amount of this excess cash from the instalments of funding its annual budget.

Chapter Fourteen

Final Provisions

Article (74)

Documents Retention

1. All financial and administrative documents, registers and instruments of different types that have a financial impact and are related to any fiscal year shall be retained for at least ten years from the date of issuance of the Consolidated Final Account Law, provided that the documents, registers and instruments requiring permanent preservation are transferred to the national archives and national library. The said documents, registers and instruments may be destroyed after the elapse of the stated period if it is established

to the relevant entity that they are deemed not necessary, according to the legislation in force in the State.

2. The documents, registers and instruments may not be destroyed even after the elapse of the stated period if they are the subject-matter of an investigation or administrative or judicial dispute.

Article (74) (bis)

Disclosure Requirements Restrictions

No information, data, or reports may be released or circulated if doing so would:

- a. harm the State economic interests;
- b. affect security or international relations; or
- c. cause financial losses to the State.

Article (75)

Transfer of Financial Appropriations and Allocations

1. In case a Federal Entity has undergone restructuring, merger or dissolution, or in case any programmes or activities existing between the Federal Entities have been transferred, cancelled or merged, the Ministry shall be authorised to transfer the financial appropriations and allocations relating to the said entities, programmes or activities.
2. The accounts of the Federal Entities that have been merged or dissolved shall be closed according to the procedures issued by the Minister.

Article (76)

Trust Money

1. The Federal Entity shall enter and list the received trust money as a liability in its accounting books until they are used for its intended purpose or is paid to the intended beneficiary.
2. The Federal Entities shall deposit the trust money in independent accounts and they

shall be managed by the Ministry, according to the procedures approved by the Federal Government.

3. The action to claim any trust money shall not be heard after five (5) years from the date on which the right of recovery has arisen. After the elapse of the stated period, the trust money shall become public funds to be sent to the State Treasury.
4. Notwithstanding the provision of Clause (3) of this Article, and at the proposal of the Minister, the Cabinet may issue a decision to refund any trust money that has become public funds after the elapse of the period set out in Clause (3) of this Article, if the right of the claimant to recover the said funds is established.

Article (77)

Government Guarantees

1. The Cabinet, on the recommendation of the Ministry, may grant guarantees and pledges for payment on behalf of any Federal Entity.
2. The decision of the Cabinet shall specify the requirements of granting this guarantee or the procedures to be taken in order to reimburse any money paid by the Government resulting from the guarantee of the Federal Entity.
3. Any money paid by the Government resulting from a government guarantee shall be deemed owed debts to the Government. The Minister, in this case, may specify the requirements for reimbursement of such amounts.
4. The beneficiaries of such guarantees shall be committed to submit monthly and periodic reports concerning the payment of the debts related to these guarantees to the Ministry.

Article (78)

Limitation of Third-Party Debts

1. Any claim for debts or entitlements owed by the Federal Government entities that have not been sought to be addressed by their owners before the end of the fifth year following the fiscal year in which they first became due shall not be heard.
2. The Federal Entities shall prepare a detailed statement of the debts that will be erased during the fiscal year within the first three months of the said year. The Federal Entities

shall provide the Ministry with a copy of the same.

3. The Federal Entity shall publish the extinguished debts that will be erased at the Federal Government level, in the methods it may deem appropriate.
4. Notwithstanding the provision of Clause (1) of this Article, the Minister may approve the recovery of any due sum to its owner after the period for claiming it has passed, up to a maximum of AED 300,000, if it is established that the owner has the right to claim the recovery of these funds. Claims that total more than AED 300,000 "three hundred thousand UAE Dirhams" shall be approved by the Cabinet.
5. Notwithstanding the provision of Clause (1) of this Article, trust money whose intended purpose has not yet passed shall not be subject to the statute of limitations.

Article (79)

Non-enforceability of Federal Entities' Debts to Limitation Periods

No limitation periods shall be applied to the Federal Entities' debts or claims filed against third parties. The relevant Federal Entity shall take all the administrative and legal procedures available thereto in order to file a claim requesting to pay the debt once it is aware that this debt is due.

Article (79) (bis)

Follow-up and Review of the State Dues

1. The Ministry shall review the State dues. To accomplish this, the Ministry has the power to review the financial records, follow up on revenue operations of the federal entities, and verify that revenues are recorded, collected, and transferred to the Unified Treasury Account in accordance with the procedures approved by the Federal Government.
2. The Ministry shall provide the Cabinet with biannual reports on uncollected revenues in the federal entities.

Article (80)

Interruption of the Limitation Period

The limitation period provided in Article (76/3) and (78) hereof shall be interrupted in case of filing a claim, whether administrative or judicial, resulting the commencement of a new period.

Article (81)

Debt Relief and Write-off

1. The Cabinet may relieve the Federal Entities or individuals from the debts and entitlements, in whole or in part, due to the Federal Entities upon request from the Minister, attached thereto the Ministry's vision, based on the request submitted by the relevant Federal Entity under a written brief submitted to the Minister attached thereto the reasons and justifications of such relief.
2. The Cabinet may specify special conditions to grant any relief according to the previous Clause.

Article (82)

Inventory Committees

1. A permanent inventory committee shall be established in each Federal Entity by a decision of the competent ministry, the person acting as such or the director general of the Independent Federal Entity that outlines the committee's missions and the Ministry and the State Audit Institution shall be notified of such decision.
2. The competent department of the Federal Entities is entitled to conduct an inventory for in-custody cash whenever it deems it necessary.

Article (83)

Disciplinary Penalties

Without prejudice to any penalty mentioned in any other law, every employee breaching the provisions hereof shall be penalized in accordance with the disciplinary penalties stated in the

Human Resources Law in the Federal Government.

Article (84)

Replaced by Federal Law No. 7 of 2022.

Article (85)

Abolition of Legislations

1. Federal Law No. (1) of 2011 and amendments thereto, Federal Decree Law No. (8) of 2011 and amendments thereto and Decree Law No. (5) of 2017 shall be abolished. In addition, any provision that comes in contrary to the provisions hereof shall be abolished.
2. The regulations, decisions and circulars related to the above-mentioned Federal Law (1) of 2011 and Federal Decree Law No. (8) of 2011 shall be applied, without prejudice to the provisions hereof, until the alternative regulations, decisions and circulars that are going to replace them are issued.
3. The Federal Entities that are excluded from application of the provisions of the above-mentioned Federal Law (1) of 2011 and Federal Decree Law No. (8) of 2011 by the Cabinet shall be excluded from application of the provisions hereof until the Cabinet issues decisions to abolish them.

Article (86)

Publication and Enforcement of the Law

This Decree Law shall be published in the Official Gazette and shall come into force as of the day following 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:

On: 5 Muharram 1441 H

Corresponding to: 4 September 2019 AD