

Federal Decree-Law No. (15) of 2018
On the Collection of Revenues and Public Funds

We, Khalifa bin Zayed Al Nahyan, the President of the United Arab Emirates,

- Having reviewed the Constitution; and
- Federal Law No. (1) of 1972, Concerning the Competences of Ministries and the Powers of Ministers, as amended; and
- Federal Law No. (5) of 1985 Promulgating the UAE Civil Code, as amended; and
- Federal Law No. (11) of 1992 Promulgating the Civil Procedure Code, as amended; and
- Federal Law No. (1) of 2011 Concerning Public Revenues of the State; and
- Federal Law No. (8) of 2011 Concerning the Reorganization of the State Audit Institution; and
- Federal Decree-Law No. (9) of 2016 Concerning Bankruptcy; and
- Federal Law No. (7) of 2017 on Tax Procedures; and
- Based on the proposal of the Minister of Finance and the approval of the Cabinet,

Have enacted the following Decree-Law:

Part One

Definitions

Article (1)

In implementing the provisions of the present Decree-Law, the following terms and expressions shall have the meanings assigned thereto respectively, unless the context requires otherwise:

State	: The United Arab of Emirates.
Ministry	: The Ministry of Finance.
Minister	: The Minister of Finance.
Organizational Unit	The ministry's unit concerned with collection of revenues and public funds in the state pursuant to provisions of the present Decree-Law.
Entities	: Ministries, authorities, public institutions and any public legal entity pursuant to the statutes applicable in the State.

Creditor	: The entity to which the debtor owes public funds.
Debtor	: A person who becomes in debt or under financial obligation to a creditor a debt and is late in or in default on the payment thereof on the maturity date pursuant to the statutes applicable in the State.
Person	: Natural person or legal person.
Revenues	: Public revenues of the state, including taxes, fees and federal revenues, in addition to fees and charges collected by the state for services provided thereby, the state revenues from its properties, administrative fines and proceeds of the state investments.
Public Funds	: Properties, movables and all rights of creditors allocated to public benefit <i>ipso facto</i> or <i>ipso jure</i> .
Illicit Funds	: Public funds received by any person, whether directly or indirectly, unrightfully or as a result of committing an act which constitutes a crime punishable by the law.
Debt	: Revenues and public funds due by a debtor and payable to a creditor, including public funds due to a creditor under an agreement concluded thereby with a debtor.
Competent Court	: The Federal Court of First Instance.
Enforcement Judge	: The Enforcement Judge of the competent court.
Workday	: Official workdays of the state

Part Two

General Provisions

Purpose of the Decree-Law

Article (2)

The present Decree-Law aims at collecting revenues and public funds by expediting the procedures of claiming, enforcement, settlement and collection of the debt pursuant to provisions of the present Decree-Law.

Public Funds and Revenues Governed by the Provisions of this Decree-Law

Article (3)

1. The following debts shall be collected pursuant to the procedures stipulated in this Decree-Law:
 - a. Taxes, fees and royalties imposed, pursuant to a federal law, on issues within the legal and executive competences of the state.
 - b. Fees and charges collected by the state for services provided thereby.
 - c. Administrative fines and compensations decided based on provisions of federal laws.
 - d. Proceeds of the state investments and amounts due from the sale, lease, alienation or utilization of public funds and the proceeds of investment certificates issued by the State.
 - e. Loans due to the state or to the entity which granted these loans to its personnel, individuals or private or public entities.
 - f. Any other funds to be collected pursuant to the provisions hereof or funds for which a resolution shall be issued by the Cabinet.
2. The Creditor may, upon the Minister's proposal and the Cabinet's approval, entrust its collection to one of the licensed collection debt companies in accordance with the controls issued pursuant to a Cabinet resolution.
3. The assignment of debt collection to a company, in accordance with the provisions of clause (2) of this article, shall not prevent the Creditor from referring the debt file to the Organizational Unit – in the event the collection cannot be done – to exercise its competences stipulated in this Decree-Law.

Notifications

Article (4)

The debtor shall be deemed notified of any notice or warning, or of any of the procedures or decisions prescribed herein if the notification is made by any of the following means:

1. Delivering the notice, warning, any procedure or documents required to be served to the debtor in person or to any of his family members who reached the age of majority, to any

person residing therewith, to any person working therefor or to any legal representative thereof.

2. Serving the debtor at his addresses documented by the creditor or at the addresses that become known after inquiring at the competent authorities. The notification may be made by fax, e-mail, express mail, registered mail or any other means approved under a resolution by the Cabinet. Any notification made by such means shall entail its legal effects with respect to all the procedures that follow.
3. If any person mentioned in clause (1) of the present Article refuses to receive the notification, the person delivering the notification shall write a report in two copies signed thereby; one copy shall be posted in a prominent place at the place where the notification is made.
4. If it is difficult to notify the person required to be notified as stated in clauses (1), (2) and (3) of the present article, the creditor or the organizational unit may decide to notify the debtor by publication in two daily local newspapers, provided that one of them shall be in Arabic language. In such case, the publication date shall be deemed the notification date.

Payment of Debts

Article (5)

1. All debts to be collected pursuant to the provisions of the present Decree-Law shall be paid by the debtor directly or by his legal representative, within the state, in Emirati dirham.
2. All debts to be collected outside the state shall be paid by a deposit in the account to be determined by a resolution from the minister in the currency of collection pursuant to the exchange rate set by the Central Bank of the UAE.
3. The debtor shall incur any expenses or charges of any procedures prescribed herein upon the request of the creditor or the organizational unit, as the case may be.
4. If the debt is paid to the competent court, the competent court shall deposit the amount within (10) ten workdays from the date of payment thereof in the account to be determined by a resolution from the minister.

Debt Maturity and Payment Dates

Article (6)

1. Debts shall become due and payable on the dates set under the statutes applicable in the state or under the agreements which created such debts. If the debt maturity date is not determined pursuant to the applicable statutes or an agreement, the maturity date shall be determined by a resolution from the minister after coordination with the creditor. The Cabinet may, upon a recommendation from the minister, issue resolutions to determine the maturity dates of some debts for which no special provision exists in any other law.
2. The debtor shall pay his debt on the maturity date thereof without any delay.

Part Three

The Organizational Unit

Determining the Organization Unit

Article (7)

The ministry's organizational unit to collect debts pursuant to the provisions hereof shall be determined by a Ministerial Resolution. The resolution shall determine the administrative and financial issues related to such unit and the procedures to be followed thereby.

Competences of the Organizational Unit

Article (8)

The organizational unit shall:

1. Collect the debt from the debtor pursuant to the provisions prescribed herein.
2. Legally subrogate the creditor in claiming, enforcing, settling and collecting debts before all government, federal and local authorities.
3. Decide on grievances filed by the debtor.
4. Have any other competences assigned to the ministry by the Cabinet in relation to claiming, executing, settling and collecting debts.

Part Four
Debt Collection
Chapter One
Collection of Debts by the Creditor
Notifying the Debtor
Article (9)

1. If the debtor does not pay the debt on the maturity date thereof, the creditor shall, within (10) ten workdays from the maturity date thereof, notify the debtor that the debt has become payable.
2. The debtor shall pay the creditor, within (15) fifteen workdays as of the date of the notification made thereto, unless another period is determined under an applicable legislation or agreement.

Debt Settlement Offer
Article (10)

1. The debtor may, within the dates determined in article (9) hereof, request to settle the debt by submitting a debt settlement offer.
2. The creditor shall refer the settlement request to the organizational unit, within ten (10) workdays from the date on which the settlement offer was submitted. The request shall be accompanied by the creditor's opinion in this regard.
3. The organizational unit shall decide the acceptance or refusal of the debt settlement request within ten (10) workdays from the date on which the settlement offer and the debt file were submitted pursuant to Article (11) hereof.

Referral of the Debt File to the Organizational Unit
Article (11)

1. If the debtor defaults on the payment of the debt within the dates determined pursuant to articles (6) and (9) hereof or if the debtor submits a debt settlement offer pursuant to Article

(10) hereof, the creditor shall refer the debt file and all the related documents to the organizational unit as per the form prepared for this purpose, within ten (10) workdays from the notice expiry date determined in articles (6) and (9) or from the delivery date of the settlement offer stated in Article (10) hereof.

2. Documents and data to be submitted by the creditor pursuant to clause (1) hereof shall include:
 - a. The debtor's name and surname.
 - b. A photocopy of the ID in case of a natural person, a photocopy of the passport in case of a non-citizen, a photocopy of the commercial or professional license and a photocopy of the lease contract in case of a legal person.
 - c. Details of the debtor's address, including his phone number, fax number, post office number or electronic mail.
 - d. The debt amount, type, maturity date and any documents related to the debt.
 - e. The guarantees submitted by the debtor or by any guarantor thereof as the case may be.
 - f. The procedures taken by the creditor to collect the debt from the debtor.
 - g. The creditor's opinion on the debtor's debt settlement requests pursuant to provisions of Article (10) hereof.
 - h. Any other data requested by the organizational unit.
3. The organizational unit shall subrogate the creditor pursuant to provisions of clause (2) of Article (8) hereof, upon receipt of the debt file.
4. The organizational unit responsible for collection may accept the file referred thereto and may subrogate the creditor if the file does not include any of the data mentioned in clause (2) of the present Article due to not being available to the creditor.
5. The debt file may be referred by the creditor to the organizational unit through any electronic means. The electronic system, controls and procedures followed in this regard shall be determined by a resolution from the minister.

Chapter Two
Debt Collection by the Organizational Unit
Collection Decision
Article (12)

1. If the debtor does not pay the debt until the date on which the organizational unit receives all the debt documents pursuant to article (11) hereof or if the debtor submits a debt settlement request to the creditor pursuant to the provisions of clause (1) of article (10) and the settlement request is refused by the organizational unit pursuant to provisions of clause (3) of Article (10) hereof, the organizational unit shall make a decision to collect the debt within five (5) workdays from expiry of the time limits set in this Article.
2. The decision referred to in clause (1) of the present Article shall be deemed an executory deed and shall be executed by the Enforcement Judge of the competent court.
3. The organizational unit shall notify the debtor of the resolution issued by the organizational unit's Director and of the necessity of paying the debt within fifteen (15) days from the notice date.

Enforcement Under an Executory Deed
Article (13)

Enforcement of the executory deeds made under the present Decree-Law shall be governed by the provisions prescribed in the third book (on enforcement) of the abovementioned Federal Law No. (11) of 1992, except for the provisions mentioned in the present part and any provisions contrary to the provisions prescribed in the present Decree-Law.

Submitting the Executory Deed to the Enforcement Judge
Article (14)

1. If the debtor defaults on the payment of the debt after being notified and after expiry of the time limit determined in clause (3) of Article (13) hereof, the organizational unit shall submit the executory deed to the Enforcement Judge in the competent court for enforcement.

2. Enforcement proceedings of executory deed shall, pursuant to the provisions hereof, be treated as the proceedings of expedited enforcement. Accordingly, enforcement may take place or summary Processes/precautionary measures may be followed.
3. The Enforcement Judge of the competent court shall refer any issue requiring the involvement or assistance of the judicial authorities to the Enforcement Judge of any court in whose jurisdiction the proceedings is required to be taken.
4. If the enforcement is contingent on a temporary procedure or a notice and the place where the procedure is to be taken falls in the jurisdiction of another court, the competent enforcement judge shall delegate the enforcement judge of the jurisdiction where the procedure is required to be taken to take such procedure.

Special Exclusions

Article (15)

1. Any provisions related to a guarantee shall not apply to the procedures set forth herein, unless it is expressly stated.
2. Stay of execution, objection, filing an action for recovery or maturity, or plea for abatement may only take place except in the cases explicitly set forth herein.
3. Pursuant to the provisions prescribed herein, the procedures related to debt collection shall be exempted from any federal fees, including any fees for obtaining documented information related to the debtor or his funds.

Submitting Debt Settlement Offer During Enforcement Proceedings

Article (16)

1. If the debtor offers the enforcement officer, upon notifying him pursuant to clause (3) of Article (13) hereof or at any other stage of the proceedings, to settle the debt and to pay the enforced amount or a part thereof, the enforcement officer shall document the same in the enforcement report and ask the debtor to deposit the offered amount in the court treasury in favor of the organizational unit. Deposit shall be made on the same day or maximum on the following day.

2. If the amount offered to be paid is a part of the debt, enforcement officer shall refer the offer to the Enforcement Judge to obtain an approval from the entity concerned with collection. If the offer is not approved, the enforcement proceedings shall continue with respect to the remaining part of the debt.
3. A resolution from the minister shall determine controls and conditions of approving the settlement offer in the organizational unit.

Chapter Three

Following Precautionary Measures Against the Debtor

Defining Funds and Dates

Article (17)

Provisions of articles (247), (248), (249), (250) and (251) of Civil Procedure Code shall apply when determining the funds that may be attached, the date of imposing attachments and the date of depositing money to remove the attachment from the attached funds. Depositing shall be made to fulfill an obligation toward the creditor and to limit the attachment to the amount of the claimed debt.

Summary Processes and Precautionary Measures

Article (18)

The creditor or the organizational unit, as the case may be, may take summary processes and precautionary measures at any stage if it has serious reasons leading it to believe that the debtor may intend to smuggle his funds abroad or to hide them before the payment of the debt.

Ordering the Attachment

Article (19)

1. The Enforcement Judge shall issue a writ of attachment at the request of the creditor or the organizational unit.
2. The executory deed shall be sufficient by itself for issuing a writ of attachment.

3. The summary processes and precautionary measures set forth herein shall not need filing a lawsuit before the competent court to prove the creditor's right and the validity of the attachment.

Validity of Attachment

Article (20)

1. Attachment shall apply to the debtor's movable properties, immovable properties and the returns thereon, without any need for any arrangement, within the due debt amount.
2. Any person who refuses to deliver the funds existing in his possession and belonging to the debtor after being notified to do so by the Enforcement Judge shall be deemed responsible for the payment of the debtor's debt from his own funds, within the amount proved to be in his possession. In such a case, the attachment proceedings shall be taken against the person who has the funds under his control pursuant to the provisions prescribed in Federal Law No. (11) of 1992 and the abovementioned amendments thereof.

Garnishment

Article (21)

1. The debtor's funds at third parties shall be garnished upon a request from the organizational unit and without any need for a prior notice, by virtue of an order from the Enforcement Judge. The third party shall be notified by the enforcement officer.
2. The debtor whose funds are garnished shall be notified after the garnishment takes place, pursuant to the legally determined means.

Chapter Four

Repayment of the Debt

Article (22)

1. The debtor may at any enforcement stage, after referral to the Enforcement Judge, pay the due debt to the court treasury in favor of the organizational unit.

2. If the garnishee passes away, loses his legal competence, loses his capacity or the capacity of his representative, the Enforcement Judge shall notify the heirs thereof or the person replacing him by a copy of the garnishment document and shall ask the same to submit a report on the debtor's funds in their possession within seven (7) workdays from the date of such request.
3. Enforcement by selling the debtor's properties shall not require the presence of a representative of the creditor or the organizational unit.

Recovering the Attached Funds

Article (23)

1. An action may be instituted before the competent court to recover the attached funds within fifteen (15) workdays from the date on which the court initiates the enforcement proceedings related to the attached funds.
2. The person submitting a recovery request shall submit a guarantee acceptable to the court.
3. The court shall decide on the action in an expedite manner within fifteen (15) workdays from the date on which the court considered the lawsuit. The court decision in this regard shall be final and unchallengeable by whatsoever means.

Sale of Property the Property by Public Auction

Article (24)

1. The Enforcement Judge or a representative thereof shall hold an auction on the date set for selling the property by public auction. If one or more buyer(s) offer bids in the first session of sale, the Enforcement Judge shall, at the end of the period determined for auction, approve the highest bid, provided that it shall not be below the basic price determined by the appraiser plus the expenses. If the bid price is below such price, the Enforcement Judge shall postpone the sale for the following day at the same place and within the same period determined for auction.
2. If no buyer offers his bid at the basic price in the second session, the judge shall postpone the sale for the following day and shall decrease the basic price by (5%), then for a following session and so on, each time the price shall be decreased by (5%).

3. If the total decrease reaches (25%), sale procedures shall be repeated, and the sale shall be postponed for fifteen (15) workdays from the date of re-announcement. In such case, the property shall be sold to the highest bid regardless of the value.
4. Notwithstanding the provisions of Article (305) of the abovementioned Federal Law No. (11) of 1992, the auction shall not be cancelled for reasons of failure to pursue by creditor, and this shall not entail re-holding the auction.

Recovering the Debtor's Properties After Debt Payment

Article (25)

The debtor may recover his attached funds and properties if he pays the amount that he owes in full, plus any expenses or charges in one payment, unless the sale of such properties are irrevocable and final.

Precautionary Measures

Article (26)

The Enforcement Judge may, at the request of the organizational unit, issue travel ban order against the debtor pursuant to the cases prescribed in the Civil Procedure Code.

Chapter Five

Expenses of Selling the Attached Funds

Article (27)

In all cases where movable and immovable properties of the debtor are sold pursuant to the provisions hereof, the debtor shall bear all the expenses of attaching and selling the attached properties as well as the related fines and compensations. The same shall be deducted from the final sale price before paying the related debt. The minister or the organizational unit may determine the said expenses in lump sum or as a percentage of the debt, subject of collection, in case the sale price of the sold property exceeded the amounts required to be paid.

Part Five
Reconsideration, Objections and Penalties
Chapter One
Reconsideration
Article (28)

1. If the debt amount is over 100,000 (one hundred thousand Dirhams), the debtor may submit a justified request to the organizational unit concerned to reconsider the decision of the debt maturity or the decision made regarding the debt settlement, within five (5) workdays from the date on which the debtor was notified of the organizational unit's decision.
2. The organizational unit shall decide on the request within five (5) workdays from receipt thereof and shall notify the applicant of its acceptance or refusal within five (5) days from the date on which the decision was taken.
3. In case of accepting the request, the organizational unit shall determine the amount of the due debt and the date of payment and shall make the necessary settlement with the debtor.

Chapter Two
Debt Collection for the Public Treasury
Article (29)

The taken procedures may be ceased or postponed pursuant to provisions of the present Decree-Law if the debtor or a representative thereof offers, at any stage, the settlement of the debt and such settlement was acceptable to the organizational unit or if the same offers settlement with guarantees sufficient enough to cover the debt.

Part Six
Final Provisions
Article (30)

1. All entities shall provide the required assistance to the organizational unit's employees to enable them to do their works hereunder.

2. All entities having funds, dues and salaries belonging to the debtor shall implement the decisions taken by the organizational unit and the competent court.

Reporting the Collection of Revenues and Public Funds

Article (31)

The Minister shall submit periodic reports on public funds collected under the provisions of the present Decree-Law to the Cabinet every six (6) months.

Article (32)

The Minister shall issue the necessary resolutions to implement the provisions hereof.

Article (33)

Any provision in conflict with or contrary to the provisions hereof shall be null and void.

Article (34)

The present Decree-Law shall be published in the official gazette and shall come into force three months following the publication date thereof.

Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi:

On: 13 Muharram 1440 AH

Corresponding: 23 September 2018 AD