

**Federal Decree by Law No. (31) of 2023
On Concerning Trust**

We Mohammed Bin Zayed Al Nahyan President of the United Arab Emirates,

- Having perused the Constitution; and
- Federal Law No. (1) of 1972, Concerning the Competences of Ministries and Powers of Ministers, as amended; and
- Federal Decree by Law No. (19) of 2020 Concerning Trust; and
- based on the presentation of the Minister of Finance, and the approval of the Cabinet;

Have promulgated the following Federal Decree by Law:

Chapter One

General Provisions

Article (1)

Definitions

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.
- Minister** : Minister of Finance.
- Competent Authority** : The local authority in the concerned Emirate competent with verifying the validity of the Trust Instrument created in that Emirate and registering it, in accordance with the provisions of Articles (42) and (44) of this Law by Decree, respectively.
- Person** : Natural or legal person.
- Trust** : The legal person established by virtue of the Trust Instrument in accordance with the provisions of this Law by Decree to achieve the purpose of the Trust.
- Settlor** : A natural or legal person who creates the Trust and transfers its

property thereto in accordance with the provisions of this Law by Decree.

- Trustee** : A natural person, including the Professional Trustee, or a profession legal person, appointed in accordance with the Trust Instrument, to whom the authorities and powers identified in the Trust Instrument and the provisions of this Law by Decree are transferred to achieve the purpose of the Trust.
- Professional Trustee** : A natural person licensed to carry out the duties of the Trustee according to the provisions of this Law by Decree or the legalisation in force in the State.
- Professional legal person** : A legal person licensed in the State, including in any of the financial free zones, which is allowed by the licence to carry out the authorities and powers of the professional trustee.
- Trust Instrument** : A written document prepared by the Settlor to determine the terms and conditions relating to the Trust, including any amendments to those terms and conditions.
- Terms of the Trust Instrument** : Terms stipulated in the Trust Instrument that express the will of the Settlor and how to enforce and manage the Trust.
- Trust Property** : Any movable or immovable property owned by the Trust, including any interests related thereto or deemed a part thereof and any existing or possible right, inside or outside State. The Trust Property includes Dividends of the Trust in accordance with what is specified by the Trust Instrument.
- Dividends of the Trust** : All returns, interest, revenue and any profit resulting from an investment or use or disposal of any of elements of the Trust Property.
- Beneficiary** : The person entitled to a personal right by virtue of the Trust Instrument, including the person entitled to or may be entitled to, in accordance with the Trust Instrument obtaining dividends or

property of the Trust; and any person to whom the trustee has the power to grant the dividends of the trust, including granting the security right in his favour on the property of the Trust.

- Record** : A database maintained by the Competent Authority for registering and documenting the Trust Instrument and any amendments thereto.
- Purpose of the Trust** : The purpose for which the trust is created in accordance with the provisions of Clause (1) of Article (6) of the Law by Decree.
- Trust Protector** : A person appointed by the Settlor to protect the Trust, or appointed in accordance with the mechanism determined by the Trust Instrument.
- Interested Party** : The Settlor, Trustee, Beneficiary, the legal representative of the Beneficiary, or the Trust Protector.
- Competent Court** : A court having the competence according to the Civil Procedures Law.
- Trust's Validity Certificate** : A certificate issued by the Competent Authority in accordance with the provisions of Clause (2) of Article (42) of this Law by Decree.
- Registration Certificate** : An official certificate issued by the Competent Authority in accordance with the provisions of Clause (4) of Article (44) of this Law by Decree.
- Financial Free Zones** : Free zones specified by virtue of the provisions of Federal Law No. (8) of 2004 Concerning the Financial Free Zones.
- Initial Registration** : The first procedure of registering the relevant Trust Instrument in the Record and issuing a registration certificate, excluding any subsequent registration of any amendment to the Trust Instrument in the Record.

Article (2)

Scope of Application of the Law by Decree

1. The provisions of this Law by Decree shall apply to every trust created in accordance with its provisions, except for the Financial Free Zones that have legislation to regulate the Trust created therein.
2. The Trust shall be subject to the provisions of the Trust Instrument, the provisions of this Law by Decree, its preamble, and the resolutions issued pursuant thereto, and not to any other legislation.

Article (3)

Legal Personality of Trust and Ownership of Trust Property

1. The Trust shall acquire the legal personality as of the initial registration date and shall have financial and administrative independence and the right to litigation, and shall be represented by the Trustee.
2. Neither the Settlor nor the Trustee, nor their heirs or successors, are considered owners of the Trust Property and its Dividends, and the Trust, its Property or Dividends do not enter the estate of any of them in the event of death or in bankruptcy or liquidation procedures taken against any of them.
3. The ownership of the Trust Property shall be transferred to the Trust once they are transferred to the Trust in accordance with the rules.

Chapter Two

Creation of the Trust

Article (4)

Trust Property Requirements

1. The property transferred to the Trust must meet the following conditions:
 - a. The property must be owned by the Settlor, who has the right to dispose thereof personally or through his legal representative, in accordance with the provisions of this Law by Decree and any other legislation in force in the State.

- b. The property that will be transferred to the Trust must be disposable and free of any established right of a third party. If the property is associated with an established right of a third party, the ownership of such property shall be transferred to the Trust associated with this right.
 - c. The property must be specific or specifiable, and include property that will be realized in the future.
2. The transfer of the Settlor's property to the Trust is not a condition for its creation.
3. The Trust Property shall not subject to any financial disclosure by the Trustee unless such disclosure is made by the Trustee in his capacity or in implementation of an order from a Competent Court or in accordance with the legislation in force in the State.

Article (5)

Trust Instrument

1. The Trust Instrument shall fulfil the following conditions:
 - a. It must be approved by the Competent Authority in accordance with Article (42) of this Law by Decree.
 - b. It must be executed in a written form, and signed by the Settlor or each Settlor if they are multiple, in accordance with the procedures approved by the Competent Authority. If the person appointed as Trustee, or one of the Trustees if they are multiple, accepts his appointment in the manner specified in Clause (1/A) of Article (15) of this Law by Decree, the Trust Instrument may also be signed by that person.
 - c. It must be registered in the Record according to Article (44) of this Law by Decree.
2. The Trust Instrument must include the following data:
 - a. Declaration of the Settlor's will to create the Trust.
 - b. Determination of the beneficiary of the Trust, or the mechanism of determining him.
 - c. Determination of the Trust Property or a statement of its description in a manner that enables it to be identified.
 - d. Determination of the Trust period and, in the event the period is not determined, the Trust shall be deemed for life unless otherwise is established from the circumstances as assessed by the Competent Court.

- e. Determination of the name by which the Trust shall be known.
 - f. Naming the Trustee or the mechanism of naming him to work in such capacity.
 - g. Determination of the authorities and powers of the Trustee.
3. In the event of the absence of either of the data mentioned in the Clause (2) of this Article, except Paragraph (D) of Clause (2), the Trust Instrument shall be void.
4. The Trust Instrument may include:
- a. Detailed data on determining the Beneficiary and the portion allocated for each Beneficiary, if they are multiple.
 - b. Whether the Beneficiary's share is a portion of the Dividends of the Trust Property or a portion of the Trust Property itself.
 - c. The power of the Trustee to accommodate the interest of Beneficiaries when distributing the Trust Property to them without violation of the terms of the Trust Instrument.
 - d. Determination of the conditions related to the management of the Trust Property.
 - e. Method of appointment, dismissal and replacement of the Trustee and any resulting effects.
 - f. Effects resulting from the termination of the Trust.
 - g. Any other matters with regard to implementation of duties of Trustee or regulation of the relationship between him and the Settlor, the Beneficiary or the Trust Protector.
 - h. Method of appointment of the Trust Protector and his powers.
 - i. A description of the purpose of the Trust.
 - j. Any other matters that may be included in the Trust Instrument according to the provisions of this Law by Decree.
5. The registration of the Trust Instrument after reviewing the structure, terms, conditions, and clauses of the Trust Instrument and the issuance by the Competent Authority of a Trust validity and enforceability certificate, is considered an argument on all party of the validity and enforceability of the Trust unless its invalidity is proven in accordance with the provisions of Article (39) of this Law by Decree.
6. The Trust Instrument and any document related thereto shall be written in Arabic or in any other language, provided it is accompanied by a certified translation into Arabic; and

in the event of a dispute, the original language in which the Trust Instrument is written shall prevail.

Article (6)

Purpose of the Trust

The purpose of the Trust stated in the Trust Instrument must be clearly defined, legitimate and achievable.

Article (7)

Increasing Trust Property

1. The Settlor may add additional property to the Trust, unless the Trust Instrument stipulates otherwise.
2. The Trust Dividends shall be attached to the Trust Property.

Article (8)

Trust Period

1. Subject to Clause (2/D) of Article (5) of this Law by Decree, the end of the Trust period may be linked to an incident or a legitimate, specified and feasible reason, provided this is expressly stated in the Trust Instrument.
2. If a period is set for the Trust and the Trust Instrument does not stipulate the mechanism for distributing the Trust Property at the end of such period, the Competent Court may, upon the request of any Interested Party, and subject to the provisions of Article (41) of this Law by Decree, or issue a decision to distribute it.

Chapter Three

Settlor

Article (9)

Conditions of Settlor

1. If the Settlor is a natural person, he must meet the performance eligibility conditions in

accordance with the provisions of the Federal Civil Transactions Law.

2. If the Settlor is a legal person, a decision shall be issued from the Competent Authority to dispose of its property according to the incorporation documents of that person, and the legislation applicable in the State.

Article (10)

Multiple Settlers

1. If there are multiple Settlers:
 - a. They shall take all decisions unanimously, without consideration to the contribution of each Settlor to the Instrument Property, unless the Trust Instrument stipulates otherwise.
 - b. Each Settlor shall carry out his powers in accordance with the terms of the Trust Instrument.
2. Each Settlor may delegate any of his powers granted thereto according to the provisions of this law by Decree to another person, unless the Trust Instrument stipulates otherwise.

Article (11)

Obligations of the Settlor

The Settlor shall be committed to:

1. Transferring the property to the Trust and transfer the authorities and powers to the Trustee within a period not exceeding six (6) months as of the date of Initial Registration, unless the Trust Instrument stipulates otherwise.
2. Delivering all documents, instruments and data related to the Trust Property to the Trustee within the period stipulated in Clause (1) of this Article, unless the Trust Instrument stipulates otherwise.

Article (12)

Powers of the Settlor

1. The Settlor may keep for himself the following powers related to the Trust if the Trust Instrument expressly allows it:
 - a. Termination of the Trust or revoking it in whole or in part.
 - b. Amendment or change of the Trust purpose. In this case, it is permissible to specify in the Trust Instrument a certain period within which no amendment or change is allowed, and the Settlor may make amendments or changes after this period ends, provided this takes place during his life if he is a natural person.
 - c. Amendment of either of terms of the Trust Instrument in whole or in part, including the cases stipulated in this Law by Decree.
 - d. The addition of a new Beneficiary or the exclusion of any Beneficiary from the Trust, the amendment of the rights of any Beneficiary, or the development of terms related to determining Beneficiaries or their entitlement to the Trust Dividends, permanently or temporary. It is permissible to specify in the Trust Instrument the party with the right to carry out the power stipulated in this Article and any other related terms.
 - e. The appointment or dismissal of the Trustee, Trust Protector or any other person appointed or given authorities or powers by virtue of the provisions of this Law by Decree.
 - f. Change of the Trustee's obligations as stipulated by the Trust Instrument and the restriction of the Trustee carrying out any of his authorities or powers and the registration thereof by written consent from the Settlor or any other person determined in the Trust Instrument.
 - g. Issuance of instructions to the Trustee with regard to the management, disposal, method of use, exploitation or investment of the Trust Property, or the appointment or delegation of any person to do so, and any registration relating to any amendment to the Trust Instrument.
2. The Settlor's exercise of any of the authorities and powers stipulated in Clause (1) of this Article shall not be effective against the Trustee except as of the date on which the Settlor or his representative notifies him thereof in writing, and any actions carried out

by the Trustee in good faith before receiving this notification shall be considered valid.

Chapter Four

Trustee

Article (13)

Condition for Appointing the Trustee

1. The Trustee who is a natural person must meet the following conditions:
 - a. To have the eligibility of performance according to the legislation applicable in the State.
 - b. To be of good character and conduct and to have never been convicted of a crime or misdemeanour against honour or integrity, unless he has been rehabilitated; and this shall be proven by virtue of a criminal case investigation certificate or something similar issued by the competent authorities in the State.
2. If the Trustee is a legal person, it must be a Professional Legal Trustee.
3. Professional Legal Persons and Professional Trustees shall be licensed by each Emirate in accordance with the licensing requirements and procedures determined by a Cabinet Resolution upon on the Minister's proposal and in coordination with the competent authorities.
4. The Settlor may be both a Trustee and a Beneficiary.

Article (14)

Multiple Trustees

1. The Trust may have one Trustee or more as stipulated by the Trust Instrument.
2. If the Trust Instrument does not specify the number of Trustees, the Trust shall have one Trustee, and the Settlor shall reserve the right to add one or more Trustees if the Trust Instrument stipulates that, and he also has the right to grant this power to the Trustee Protector.
3. If there are multiple Trustees, the Trust Instrument must stipulate the following:
 - a. Distribution of authorities and powers related to the Trust between more than one

Trustee.

- b. The responsibility of each Trustee for his actions and dispositions within the limits of his authorities and powers specified in the Trust Instrument.

The Settlor may appoint one of the Trustees, in the event of multiple Trustees, as the main Trustee to carry out the authorities and powers stipulated in the Trust Instrument or in this Law by Decree.

1. In the event of multiple Trustees, if the Trust Instrument does not stipulate the method of managing the Trust between them and making decisions related to the Trust, they must work together, and their decisions shall be taken in writing by an ordinary majority, except in cases where an urgent action is required to achieve the purpose of the Trust, or where the required action does not require an exchange of opinions, such as the receipt or repayment of a debt, so that any Trustee may take the appropriate decision.
2. Subject to the provisions of the Trust Instrument, in the event of multiple Trustees, any opposing Trustee shall have the right to object to the decision issued by the majority of Trustees, and his objection shall be recorded in writing in the decision itself.
3. In the event of multiple Trustees, if the Trust Instrument does not specify the duties of each of them, they will be jointly responsible for the damage incurred by the Trust if it results from a joint fault.
4. In the event that one of the Trustees ceases to be eligible to assume his duties, the remaining Trustees shall carry out their usual duties until a new Trustee is appointed.
5. In the event of multiple trusts, Trustees shall not be jointly liable for what one of them does if he exceeds his authorities and powers stipulated in the Trust Instrument or is arbitrary in its implementation.

Article (15)

Accepting or Rejecting the Appointment of Trustee

1. The person who has been named Trustee may accept or reject his appointment in this capacity, and any of the following is considered acceptance by him if he fulfils any of the following within a period specified by the Settlor in the Trust Instrument, or within ten (10) working days as of the date of Initial Registration if the Trust Instrument does not

stipulate that period:

- a. If the nominated person expressly consents to this appointment.
 - b. The signature of the nominated person on the Trust Instrument, if he is a natural person, or the signature of the legally authorised person in the case of a legal person.
 - c. The transfer of authorities and powers over the Trust Property to the nominated person and the commencement of performing his obligations as Trustee.
2. Any person who has been named Trustee is considered as rejecting of this appointment in any of the following cases within a period specified by the Settlor in the Trust Instrument, or within ten (10) working days as of the date of Initial Registration if the Trust Instrument does not stipulate that period:
 - a. If the nominated person expressly rejects his appointment.
 - b. If the appointed person does not express his acceptance or rejection of the appointment.
 3. The express acceptance or rejection of the appointment shall be sent by any written means to the Settlor. In the event of the death of the Settlor, the acceptance or rejection of the appointment shall be sent to any other appointed Trustee exercising his duties over the same Trust or to any other person who has the power to appoint the Trustee in accordance with what stipulated in the Trust Instrument.
 4. The Trust Instrument may stipulate the appointment of an alternative Trustee or the method for selecting an alternative Trustee, in the event that the named Trustee rejects or is deemed to reject the appointment.
 5. The transfer of the property of the Settlor to the Trust shall not be completed except after naming a person as Trustee and after he accepts his appointment in this capacity in accordance with Clause (1) of this Article. In the event of multiple Trustees, at least one Trustee must accept his appointment in this capacity in accordance with Clause (1) of this Article.

Article (16)

Trustee's Resignation, Relief from Duty, or Suspension

1. The Trustee may resign or request to be relieved from his position as Trustee after

accepting his duties.

2. Subject to the provisions of the Trust Instrument, the resignation or request to be relieved shall be submitted by any written means to the Settlor or the Trust Protector in the event of the death or loss of capacity of the Settlor at least twenty (20) working days before the effective date of the resignation or request to be relieved from the duty, unless The Trust Instrument specifies a shorter period or the remaining Trustees unanimously agree to a shorter period for the resignation or relief from duty to take effect.
3. The person who has authority to appoint the Trustee must respond to a request for his resignation or relief by any written means within ten (10) working days as of the date of receipt of the request. The request for resignation or request for relief is deemed accepted if there is no response within the specified period.
4. If the Trust Instrument does not regulate the terms and conditions of the resignation or relief of the Trustee from his duties, or if the Trustee refuses to accept the resignation or relief from duties, the Trustee must submit the relevant request to the Competent Court to issue a decision thereon, and if the Competent Court finds out that the purpose of the resignation is to disrupt the implementation of the Trust, it shall issue a decision to reject the resignation, and obligate him to pay the damages resulting from that.
5. In the event of the death of the Settlor or his loss of legal capacity, the Settlor or the Trust Protector may dismiss the Trustee for ceasing the performance of his duties for a period exceeding three (3) months, even if the reasons for that are justified, unless the Trust Instrument stipulates otherwise, and if the Settlor or the Trust Protector is unable to dismiss the Trustee in accordance with the provisions of this Clause, any relevant party may request the Competent Court to issue a decision to dismiss the Trustee due to his cease to perform his duties for a period exceeding three (3) months, even if the reasons for that are justified.
6. If the concerned Trustee commits a deliberate error or breaches his obligations stipulated in the Trust Instrument or this Law by Decree, the Settlor or the Trust Protector, in the event of the death of the Settlor or loss of his legal capacity, and upon the request of the remaining Trustees, if multiple, may order to suspend the Trustee from

practising his authorities and powers or to fulfil his obligations for the period he determines so as not to harm the purpose of the Trust; and in the event of multiple Trustees, the Trustee who has been suspended from work in accordance with the provisions of this Clause shall have the right to object to the decision of the Settlor or the Trust Protector, as the case may be, and he must provide written notification of his objection to the remaining Trustees.

Article (17)

Dismissal of Trustee

Any of the Trustees shall be dismissed or a request to replace any of the members of the board of directors of the Trustee shall be made if the Trustee is a legal person for any of the reasons specified in the Trust Instrument, in accordance with the following:

1. The Settlor during his lifetime.
2. The Trust Protector in the event of the death or loss of legal capacity of the Settlor.
3. The remaining Trustees, if multiple, after the death of the Settlor, in the event that there is no Trust Protector.
4. The Competent Court upon the request of any interested party, in the event that the Trustee cannot be dismissed in accordance with the provisions of clauses (1), (2) and (3) of this Article.

Article (18)

Expiry of Trustee's Powers

1. The powers of the Trustee shall expire in any of the following cases:
 - a. Upon his death or loss of legal capacity if the Trustee is a natural person.
 - b. Upon liquidating his activity or declaring its bankruptcy if the Trustee is a legal person.
 - c. Upon the expiration of the term of his appointment as specified in the Trust Instrument.
 - d. Upon cancelling the Trustee's licence if he is a Professional Trustee or a Professional Legal Person.

2. Subject to the terms of the Trust Instrument, and in the event that the powers of the Trustee expire in accordance with Clause (1) of this Article and there is no appointed Trustee to assume the duties related to the Trust, the Competent Court shall assign the management of the Trust to a temporary Trustee or one or more Professional Legal Persons until a new Trustee is appointed in accordance with the Trust Instrument or in accordance with the provisions of this Law by Decree in the event that the Trust Instrument does not include the method for appointing a new Trustee; and the Trust shall remain under the management of the Professional Trustee or the Professional Legal Person appointed temporarily until the new Trustee assumes his duties.
3. In the event of the expiry of the Trustee's capacity in accordance with Clause (1) of this Article, and the terms and mechanism for replacing the Trustee are not specified in the Trust Instrument, the Competent Court shall be responsible, upon the request of any interested party, to appoint a new Trustee.
4. Any person appointed as replacement Trustee in accordance with Clause (3) of this Article shall enjoy all the authorities and powers that the replaced Trustee had, unless otherwise is stipulated in the Trust Instrument or in the decision of the Competent Court that has appointed the replacement Trustee.
5. The Trustee whose capacity has expired, or his heirs or successors, must hand over all documents related to the Trust to the new Trustee in accordance with Clause (3) of this Article.
6. The replacement of the Trustee shall not prejudice any obligation imposed by any other applicable law regarding the consideration of dispositions made by the former Trustee in relation to the Trust.

Article (19)

Effect of Expiry of Trustee's Powers

1. If the powers of the Trustee expire for any reason and no other Trustee is appointed, the Trust shall be effective until a new Trustee is appointed in accordance with the provisions of this Law by Decree, unless the Trust Instrument stipulates otherwise.
2. If the powers of the Trustee expire for any reason other than death or loss of legal

capacity, he must submit to both the Settlor and the Trust Protector or the Competent Court, if he was appointed by it, an audited final account of the Trust accompanied by all data, papers and documents related to the work he has undertaken in favour of the Trust. He shall be considered a custodian of the Trust Property until he completes the delivery of all supporting information and documents in his possession; and he must take the necessary measures to transfer the rights over the Trust Property to the new Trustee or the other Trustees, if multiple, as soon as possible.

3. If the powers of the Trustee expire due to death or loss of legal capacity, the heirs of the Trustee or the legal representative of the Trustee, as the case may be, must notify the Competent Court or any of the other Trustees, if multiple, of the death of their testator or loss of his legal capacity within forty (40) working business days as of the date of death or loss of legal capacity or as of the date of their knowledge of the Trust if they were not aware of it, and the Competent Court shall notify the Settlor, the Trust Protector and the Beneficiary of the death of the Trustee or the loss of his legal capacity.
4. In the event of the death of the Trustee or his loss of legal capacity, his heirs or his legal representative, as the case may be, are obligated to transfer the Trust Property in their custody to a new Trustee in accordance with the provisions of the Trust Instrument or pursuant to a decision from the Competent Court.
5. If the Trustee is a legal person and its capacity expires, the Competent Court may decide that the person appointed by that legal person shall continue as Trustee.
6. If the heirs of the deceased Trustee do not have legal capacity, their legal representative must implement the obligations stipulated in Clause (3) and Clause (4) of this Article.
7. In the event of multiple Trustees, and the expiry of the capacity of Trustee for one or more of the Trustees, the Trustee continuing in his position shall have all the authorities and powers over the Trust Property, and he must fulfil all obligations until a new Trustee is appointed.
8. The expiry of the capacity of Trustee for any reason shall not affect the continuation of the Trust unless the Trust Instrument stipulates otherwise, provided that the new Trustee, after his appointment, shall exercise all the authorities and powers of the former Trustee by force of law without the need for any action, excuse or notification.

9. The new Trustee must take the necessary measures to obligate any former trustee to return and deliver the Trust Property, unless the Trust Instrument stipulates otherwise. The new Trustee must demand compensation from the former Trustee for any damage resulting from any breach he caused during the period of his term, or in accordance with the provisions of this Law by Decree.

Article (20)

Trustee Fees and Trust Management Expenses

1. The Trustee is entitled to fees for carrying out the tasks specified in the Trust Instrument, in accordance with the provisions stipulated in the Trust Instrument.
2. The Trust Instrument must specify the person who has the right to determine the Trustee's fees or to modify them by increase or decrease at any time after the creation of the Trust. In the event that the Trust Instrument does not specify the Trustee's fees or a mechanism for determining them, the fees may be determined or modified with the written consent of all Beneficiaries, or in the absence of such consent, by virtue of a decision issued by the Competent Court at the request of any interested party.
3. It is permissible to stipulate in the Trust Instrument that the Trustee's fees are determined on the basis of a percentage of what the Trust benefits achieve during the year, after deducting all expenses and fees, or in accordance with any other mechanism specified in the Trust Instrument.
4. It is permissible to stipulate in the Trust Instrument that the Trustee has the right to recover the reasonable expenses he incurs due to the management of the Trust directly from the Trust Property. If the Trust Instrument does not stipulate that, the Trustee may submit a request to the Competent Court to issue a decision to dispose of the Trust Property to obtain compensation for those expenses.

Article (21)

Authorities and Powers of Trustee

1. The Trustee shall have all authorities and powers over the Trust Property, and he may manage, use and dispose of it in all types of dispositions, and he may open bank

accounts in the name of the Trust, unless this right is restricted by the Trust Instrument or the provisions of this Law by Decree.

2. If the Trust Instrument includes a provision restricting the Trustee from disposing of the Trust Property, the Competent Court may, in the event of the death of the Settlor and the Trust Protector or their loss of legal capacity, at the request of the Trustee or the Beneficiary, grant the Trustee the authority to dispose of the Trust Property, and in this case this is required to be linked to the extent that achieves the purpose of the Trust.
3. It is permissible to expressly stipulate in the Trust Instrument that the Trustee is granted discretionary authority regarding determining each Beneficiary's share of the dividends resulting from the Trust Property and the manner and time of its distribution.
4. If the implementation of any of the terms of the Trust Instrument or any of the provisions of this Law by Decree requires amending the authorities and powers of the Trustee, the Trustee may, in the event of the death or loss of legal capacity of the Settlor and Trust Protector, submit a request to the Competent Court to issue a decision, and the Competent Court may issue the decision that achieves the purpose of the Trust.
5. In the event that a legal person is appointed as Trustee, the decisions related to the management of the Trust shall be taken in accordance with the Trust Instrument. If the Trust Instrument does not specify who has the authority to make such decisions, such decisions shall be taken by the authority competent to manage the legal person, such as the board of directors or its equivalent, as determined by its articles of association or the applicable laws.

Article (22)

Delegation of Trustee's Authorities and Powers

1. The Trustee may not authorise another person to carry out any of his duties, whether that person is also a Trustee or another party, except in any of the following cases:
 - a. If the Trust Instrument stipulates that.
 - b. If all Beneficiaries consent to that and the Trust Instrument allows them the same.
 - c. If the authorisation is necessary to enable the Trustee to perform his duties.
 - d. If the Competent Court approves the authorisation.

- e. If one of the Trustees is temporarily unable to exercise his duties due to an emergency, he may authorise one of the other Trustees to carry out those duties.
 - f. If the Trustee is a Professional Legal Person and has a board of directors or something similar, and he authorises any person to carry out the duties of the Trustee; in which case, the Trustee and its board of directors shall be jointly responsible for any breach of the Trust Instrument by the authorised person.
2. The Trustee may not authorise another person to perform any tasks beyond those assigned thereto by virtue of the Trust Instrument or the provisions of this Law by Decree.
 3. The scope and conditions of the authorisation must be determined in accordance with achieving the interests, purposes and conditions of the Trust, and the person authorised by the Trustee must fulfil the specific and required obligations and exercise the authorities and powers of the Trustee in a manner that achieves the purpose of the Trust.
 4. If the Trust Instrument allows the Trustee to authorise any person on his behalf without specifying the authorised person, the Trustee shall only be liable personally for his error in choosing or his error in the instructions he issued to this authorised person.
 5. The provisions stipulated in this Law by Decree relating to the responsibility of the Trustee for his actions shall apply to the person authorised in accordance with this Article.
 6. If the Trustee authorises others to carry out some of his duties in violation of the terms of the Trust Instrument, he shall be responsible for the work of the authorised person as if this work had been issued by him personally; and in this case, the Trustee and the authorised person shall be jointly responsible for the duties of the Trustee.

Article (23)

Obligations of the Trustee

The Trustee shall:

1. Cooperate with the Settlor with regard to transferring authorities and powers over the Trust Property to him, taking into account the period specified in Clause (1) of Article (11) of this Law by Decree.

2. Perform his obligations and exercise his authorities and powers in accordance with the terms of the Trust Instrument and the provisions of this Law by Decree.
3. Exercise due diligence in exercising his authorities, powers and duties, preserve the Trust Property and their value, and dispose thereof in accordance with the terms of the Trust Instrument and the provisions of this Law by Decree.
4. Exercise his duties to achieve the purpose of the Trust, and he must preserve, develop and dispose of the Trust Property in a way that benefits the purpose of the Trust.
5. Carry out all procedures and take all reasonable legal and physical measures to control investment operations, preserve and protect the Trust Property, and protect any rights related thereto. For this purpose, the Trustee may appoint any advisors, experts, technicians, lawyers, financial, economic, and legal advisors and agents as he deems appropriate to help him in performing his duties; and he may determine and pay the fees of each of them, and shall have any other right stipulated in the Trust Instrument in this regard.
6. Represent the interests of the Trust and any legal requirements related to the Trust before all authorities, including any authority competent to record any transaction involving the Trust Property.
7. Exercise his duties to achieve the purpose of the Trust through preserving, developing and disposing of the Trust Property in a way that achieves the purpose of the Trust, subject to what the Trust Instrument.
8. Disclose his capacity as a Trustee, and that the funds that are the subject of his actions are Trust funds when he carries out any contract or transaction related to the Trust.
9. Keep a record of all the Trust Property, and keep the Trust Property independently from his personal property and any other property that he manages, enabling him to identify it from his property or any other property.
10. Keep, maintain and disclose books and records in accordance with the provisions of this Law by Decree.
11. Notify the Settlor or Beneficiaries in the event of the death or loss of legal capacity of the Settlor and the Trust Protector if he becomes aware of the existence of any matter that would materially affect the value of the Trust Property or its investments.

12. Disclose in writing any direct or indirect personal interest that conflicts with the requirements of his exercise of the duties of the Trustee. Disclosure shall be made immediately upon his knowledge of such interest to the Settlor, the Trust Protector, the remaining Trustees and the Beneficiaries, and in the event of the death of the creator and Trust Protector or their loss of legal capacity, to the Competent Court; and in this case, the Trustee must refrain from participating in any decision regarding any action that might lead to a conflict of interest. In the event of a single Trustee, the Settlor or the Trust Protector may, in the event of the death of the Settlor or loss of capacity, appoint a Profession Trustee to carry out transactions affected by conflict of interest, subject to the provisions stipulated in the Trust Instrument.
13. Answer any inquiry directed thereto by the Settlor or the Trust Protector in the event of the death or loss of legal capacity of the Settlor, or the remaining Trustees, if multiple, or any interested party, regarding the report issued thereby in accordance with the provisions of Article (25) of this Law by Decree.
14. Perform any other obligations stipulated in this Law by Decree.

Article (24)

Restrictions on Trustee

Without prejudice to the provisions of the Trust Instrument, the Trustee may not:

1. Use the Trust Property for his benefit and personal benefit, or unlawfully achieve financial gains as a result of carrying out his obligations.
2. Cause or allow others to use, benefit from, or make financial gains from the Trust Property, directly or indirectly, in violation of the Trust Instrument.
3. Exploit the powers of the Trustee to harm the interests of the Beneficiaries or the purpose of the Trust.
4. Charge the Trust with any expenses other than the reasonable expenses necessary to manage the Trust.

Article (25)

Reporting

The Trust Instrument must stipulate the Trustee's obligation to prepare a report specifying the data and information that must be included, and the persons to whom the report shall be submitted, provided that the report indicates the market value of the Trust Property, any circumstances or facts that would affect this value by increase or decrease, and any matters or facts that may affect the rights of the Beneficiary or the terms of management or investment of the Trust Property, as well as an appendix of the costs and expenses paid for the management of the Trust or the preservation of its property.

Article (26)

Record Keeping and Disclosure

1. The Trustee must keep and maintain paper and electronic accounting books and records audited by an independent auditor of the Trust, including the following:
 - a. All transfers of property, debts, acquisitions, disbursements and other transactions relating to the Trust and Trust Property.
 - b. Complete and accurate information about the condition and value of Trust Property.
 - c. The financial status of the Trust periodically, every three (3) months, or according to the duration of the Trust, whichever is less.
2. The Trustee must maintain the Trust accounts and records separately from the accounts and records of any other work he carries out.
3. The Trustee is obligated to maintain all accounting records by any means possible for a period of three (3) years, and if the Trustee is a legal person, this period shall be ten (10) years starting as of the year in which the Trust expires or is terminated.
4. It is permissible to stipulate in the Trust Instrument that the Trustee is obligated to appoint an external auditor for the Trust. In the absence of such a provision in the Trust Instrument, the Competent Court may appoint an external auditor for the Trust if that achieves the purpose of the Trust, and the Competent Court may determine the necessary expenses for that.
5. The Trustee is obligated to keep a record that includes the following information:

- a. The full name, address, and nationality of the Trustee, Settlor, Beneficiary, and Trust Protector.
 - b. The date on which the Trustee is appointed, the date he stops working, and any conditions or restrictions on the authorities and powers of the Trustee.
 - c. A copy of the Trust Instrument provided by the Settlor.
 - d. A copy of the Trust Validity Certificate and registration certificate provided by the Settlor.
6. Unless the Trust Instrument stipulates otherwise, any interested party may request access to the Trust accounts, and the Trustee must provide them with an annual audited account of the Trust Property within three (3) months as of the beginning of the fiscal year following the date of the creation of the Trust, unless the Trust Instrument or subsequent agreement stipulates or the nature of dealing in Trust Property requires otherwise.
 7. Unless the Trust Instrument stipulates otherwise, the Trustee may not disclose the reason for making any of his decisions under his authorities and powers, or the implementation of a duty assigned thereto, or the method of exercising those authorities and powers except to the Settlor, the Trust Protector, or to the remaining of the Trustees, if multiple.

Article (27)

Independence of Trustee

The Trustee shall exercise his authorities and powers specified in the Trust Instrument and the provisions of this Law by Decree without interference or direction from the Settlor, unless the Trust Instrument stipulates otherwise.

Article (28)

Responsibility of Trustee

1. The Trustee shall bear responsibility for any loss or destruction of the value of the Trust Property as a result of his breach of the terms of the Trust Instrument, or due to his intentional error, or as a result of his gross negligence in managing the Trust. If more

than one Trustee participates in breaching the Trust, the responsibility shall be joint among them.

2. If the Trustee disposes of the Trust Property in a manner that conflicts with the requirements of good faith and the dispositive is aware of that, the disposition shall be null, and the two parties must restore the situation to what it was before the disposition was made if that is possible.
3. If the Trust Instrument stipulates the sale of any part of the Trust Property within a certain period, and the Trustee extends that period for a reason he deems in the interest of the Beneficiary, the burden of the Trustee falls on the Trustee to prove that extending the term was in the interest of the Beneficiary; otherwise, he must compensate to the extent of the decrease in the value of the sale or damage incurred by the Beneficiary.
4. The Trustee shall be liable for any damage to the Trust caused thereby as a result of fraud, bad faith or grave negligence.
5. If the Trust Property are damaged for any of the reasons stipulated in Clause (1) of this Article, the Trustee is obligated to compensate.
6. The Competent Court may compensate the Trustee from the Trust Property for any damages incurred thereby as a result of his work as Trustee.
7. The Professional Legal Person, if it is appointed as a Trustee or any person, board, director, or board of directors representing it, shall bear the full responsibility and obligations of the appointed Professional Trustee by virtue of this Law by Decree.
8. Lawsuits shall be filed by or against the Trust in the name of the Trust and the Trustee in its capacity as Trustee.
9. The Trustee shall represent the Trust before the courts, government agencies, and third parties. In the event that a Professional Legal Person is appointed as Trustee, and this person has a board of directors or something similar, the board or someone authorised by the board shall represent the Trust before courts, government agencies, or third parties.

Article (29)

Cases of Non-Responsibility of Trustee

1. Any provision of the Trust that exempts the Trustee in whole or in part from personal responsibility resulting from fraud, bad faith, grave negligence, or wilful error shall be void.
2. Without prejudice to any of the provisions of this Law by Decree, the Trustee shall not be held responsible for any breach of his duties towards the Trust in any of the following cases:
 - a. If the breach has occurred by any other person before the Trustee was appointed as Trustee.
 - b. If the breach is caused by another Trustee in the event of multiple Trustees, unless the primary Trustee concerned has contributed to the breach, or has known of the occurrence of the breach by the other Trustee and has not taken legal measures to stop the breach in a timely manner.
 - c. If he acts in good faith, honestly, and reasonably in accordance with the Trust Instrument and the provisions of this Law by Decree.
 - d. If the Trust Instrument stipulates that the Trustee is exempted from liability or compensation as a result of breach of the Trust; however, the previous exemption condition shall not be taken into account if the breach attributed to the Trustee involves fraud, bad faith, grave, or wilful error.
 - e. Any other cases stipulated in the Trust Instrument or any of the legislation in force in the State.

Chapter Five

Beneficiary

Article (30)

Determining the Beneficiary

1. The Beneficiary of the Trust must be identified either through his name or capacity, or by reference to his current or future kinship with the Settlor, or by stipulating in the Trust

Instrument the mechanism for identifying the Beneficiary of the Trust.

2. If the Beneficiary is a natural person, he must be identified by name, or by affiliation to a group or legal person, the class, degree of kinship, or by his connection to a specific person, whether that person was alive when the Trust was created or not, or by his connection to a class with certain characteristics that may be determined in the future.
3. It is permissible to stipulate in the Trust Instrument a specification of different shares for the Beneficiaries of the Trust benefits.
4. It is permissible to stipulate in the Trust Instrument specific conditions to the Beneficiary's entitlement to or exclusion thereof from obtaining the Trust Dividends, whether temporarily or permanently.
5. The Beneficiary may not claim the Trustee for any of his rights to the Trust Property that have not been added to the Trust Property.
6. If the Trust Instrument does not determine the Beneficiary or the mechanism for determining the Beneficiary, the Trust shall be void.
7. The Settlor or Trustee may be a Beneficiary.

Article (31)

The Beneficiary's Right to Trust Dividends

1. The Beneficiary shall have the right to receive the Trust Dividends, and he has the right to demand that the Trustee fulfil the obligations stipulated in the Trust Instrument and the provisions of this Law by Decree and to preserve the rights of the Beneficiary related to the Trust Property with any person, whether that person knows or is supposed to know about the Trust.
2. If the Trust Instrument specifies the rights of the Beneficiaries without specifying the share of each of them, the Dividends of the Trust will be divided equally among them, taking into account any restrictions contained therein in the Trust Instrument and the provisions of this Law by Decree.
3. The Beneficiary's share of the Dividends of the Trust after he has been entitled thereto and after it has been paid it thereto is considered part of his financial liability, taking into account any restrictions in this regard in the Trust Instrument and the provisions of this

Law by Decree.

4. If there are multiple or successive Beneficiaries and one of them has the right to use or exploit any part of the Trust Property in accordance with the terms of the Trust Instrument, his use or exploitation thereof must be in a way that does not result in the destruction of the Trust Property or causing a permanent defect thereto, and if it becomes clear to the Trustee that the Beneficiary does not comply with that, he must take the necessary measures to prevent this from occurring or from continuing to occur.
5. It is permissible to stipulate in the Trust Instrument to deprive the Beneficiary of his share of the Dividends of the Trust or to suspend it for a limited period, or until a certain event occurs, if the Beneficiary becomes insolvent or bankrupt or his property is subject to precautionary attachment for the benefit of his creditors, taking into account any restrictions in this regard in the Trust Instrument and the provisions of this Law by Decree.
6. It is permissible to stipulate in the Trust Instrument that Beneficiary's share of the Dividends of the Trust may be collected and delivered to him after a certain period or after a certain event occurs. If the Trust Instrument does not stipulate the foregoing, the Trustee may request the Competent Court to allow the collection of the Beneficiary's share if that achieves the purpose of the Trust.
7. The right to benefit from and collect the Dividends of the Trust may be related to a legitimate, specific and realisable event or cause stipulated in the Trust Instrument.

Article (32)

The Beneficiary Assignment of His Right to the Dividends of the Trust

1. The Beneficiary who has reached the age of puberty or the legal representative of the incapacitated Beneficiary may refuse or give up, for the benefit of the Trust, all or part of his rights arising by virtue of the Trust Instrument or the provisions of this Law by Decree, even if he has previously received some of them, and the assignment of the right may be for a specific period or a permanent, and it is not permissible to retract it if the Beneficiary completely assigns his right.
2. If the Trust Instrument stipulates a specific period for the Beneficiary to accept the Trust

made for his benefit and that period passes without accepting it, this is considered a rejection of the Trust by the Beneficiary who has reached the age of puberty.

3. If the Beneficiary rejects the Dividends accruing to his benefit from the Trust, the property received from the Dividends of the Trust shall return to the Settlor, unless the Trust Instrument stipulates otherwise.
4. The Beneficiary's assignment of his right to the Dividends of the Trust must be in writing and submitted to the Settlor or the Trustee in accordance with the terms of the Trust Instrument, and the Competent Authority must be notified. The representative of the incapacitated Beneficiary may also submit a request to the Competent Court to approve this Beneficiary's assignment of his right to the Dividends of the Trust.

Article (33)

The Beneficiary's Creditors Rights to Trust Property

Subject to the applicable legislation and the provisions of the Trust Instrument, the rights of third party creditors of the Beneficiary are limited to the Beneficiary's share of the Trust Dividends in accordance with what is stipulated in the Trust Instrument and do not extend to any other part of the Trust Property or any right against the Settlor, the Trust Protector, or the Trustee.

Chapter Six

Trust Protector

Article (34)

Appointment of Trust Protector

1. The Settlor may appoint a Trust Protector or stipulate in the Trust Instrument the method of appointing him, specify his powers, and grant him the right to review the performance of the Trustee and demand that he carries out his duties and prosecute him if the Trustee does not commit to his duties and perform his duties. It is also permissible to stipulate in the Trust Instrument that the Trust Protector is granted the power to appoint a Trustee or add another Trustee, and dismiss the appointed Trustee and appoint a new Trustee to

- replace him, and determine the Trustee's fees or other powers of the Trust Protector.
2. It is permissible to stipulate in the Trust Instrument that the Trustee obtains the approval of the Trust Protector when exercising any of his authorities and powers. If the Trust Instrument stipulates this, the Trustee will not be responsible for any losses resulting from his exercise of those authorities or powers.
 3. The Settlor may be appointed as the Trust Protector, but the Trustee may not be its Protector.
 4. The Trust Protector shall not be considered a Trustee merely by exercising the powers stipulated in the Trust Instrument or this Law by Decree.
 5. The Trust Protector shall be granted fees for providing his services and shall be compensated for any related expenses incurred while exercising his powers in accordance with the provisions of the Trust Instrument. If the Trust Instrument does not specify the value of these fees or compensation, the Trust Protector may request the Competent Court to determine a fair amount for the fees and expenses incurred thereby.

Article (35)

Trust Protector Restrictions

Subject to the provisions of this Law by Decree and the Trust Instrument, the Trust Protector is prohibited from doing any of the following:

1. Putting himself in any position that conflicts with the requirements of his duties.
2. Unlawfully benefiting or making financial gains, directly or indirectly, because of his appointment as Trust Protector.
3. Allowing or causing any other person to be directly or indirectly enriched by the Trust, in violation of the Trust Instrument.
4. Concluding deals with the Trustee for his own account, or any transactions related to the Trust Property that lead to his benefit or the Trustee's benefit, directly or indirectly.

Article (36)

Expiry of Trust Protector's Powers

1. The Trust Protector may resign from his position, pursuant to a written notice submitted

to the Settlor or to the person who has the right to appoint him in accordance with what the Trust Instrument specifies. The resignation shall be effective as of the date of its submission, unless the Trust Instrument stipulates otherwise.

2. If the Trust Instrument does not specify the person who has the right to accept the resignation of the Trust Protector and appoint a replacement, the resignation request shall be submitted to the Competent Court with a copy to the Trustee, and the Competent Court may accept or reject the resignation according to the circumstances and interest of the Trust and appoint a new Trust Protector.
3. Subject to the provisions of the Trust Instrument, the Trust Protector loses his capacity as a Trust Protector if any of the following occurs:
 - a. If he is dismissed from his position in accordance with the provisions of the Trust Instrument, and if the Trust Instrument does not stipulate the conditions for the dismissal of the Trust Protector, then his dismissal shall be pursuant to a decision issued by the Competent Court at the request of an interested party.
 - b. If his resignation is accepted.
 - c. If a condition in the contract that causes him to be dismissed from his position or lose his powers is fulfilled.
 - d. If he accepts his appointment as Trustee.

Chapter Seven

Competent Court

Article (37)

Authorities of Competent court

1. The Competent Court shall have jurisdiction over matters related to the Trust, as stipulated in this Law by Decree.
2. The Competent Court may, upon the request of any interested party, decide on matters related to the Trust that are not expressly stipulated in this Law by Decree or in the Trust Instrument.

Chapter Eight

Withdrawal from, Amendment, Nullification and Termination of the Trust

Article (38)

Withdrawal from the Trust and Amendment of the Trust Instrument

1. Subject to the provisions of Clause (2) of this Article, the Settlor or his authorised representative during his lifetime may withdraw from the Trust in whole or in part, or amend the Trust Instrument by notifying both the Competent Authority and the Trustee of such amendment or withdrawal, provided that the right of the Settlor to withdrawal or amendment is explicitly stated in the Trust Instrument, and any amendment to the terms of the Trust Instrument or withdrawal from the Trust does not affect any legitimate act carried out by the Trustee relating to the Trust before he receives the notification to amend the Trust Instrument or withdraw from the Trust.
2. It is not permissible to withdraw from the Trust or any part thereof if the Trust is used to guarantee rights entitled to others.

Article (39)

Nullification of Trust

1. The Competent Court may, at the request of any interested party or the Law by Decree enforcement authorities, as the case may be, may nullify the Trust in any of the following cases:
 - a. If the Court decides that the creation of the Trust was the result of forgery or was carried out under the influence of coercion or fault or was carried out by means of fraud or deception, or based on incorrect data in violation of the Trust Instrument and the provisions of this Law by Decree. Coercion, fault, fraud or deception is refuted if the Trust Instrument is registered in the Record with the Competent Authority after the issuance of The Trust Validity Certificate, unless evidence is presented to the court proving otherwise.
 - b. If it is proven that the purpose of the Trust is the evasion of the Settlor from paying debts, taxes, or any other financial obligations that must be paid.

- c. If it is proven that the purpose of the Trust does not comply with the provisions stipulated in the Trust Instrument, and the Settlor, with the knowledge of the Trustee, falsely tells the Competent Authority or any other party that the ownership of the Trust Property has been transferred to the Trust, while in fact the Settlor retains ownership of this property.
2. In the event that a ruling is issued to nullify the Trust by the Competent Court, the Trust Property shall be transferred to the Settlor or to his heirs in the event of his death, without prejudice to the rights of bona fide third parties.

Article (40)

End of Trust

1. The Trust shall end in any of the following cases:
 - a. Withdrawal from the Trust or part thereof by the Settlor or whomever he delegates this authority thereto during his lifetime if the Trust Instrument stipulates that this is permissible.
 - b. Expiry of Trust Period.
 - c. Achieving the purpose of the Trust when necessary.
 - d. Based on a written request submitted to the Trustee from all current Beneficiaries if permitted in the Trust Instrument, and provided that the Beneficiaries have the eligibility of performance and have full right to the Trust Property.
 - e. If the Settlor or Trustee and Trust Protector (if any) decide that continuation of the Trust is no longer feasible to achieve the purpose of the Trust and would be financially burdensome on the Trust Property.
2. The Trust may be terminated by a decision of the Competent Court, at the request of any interested party, in any of the following cases:
 - a. If the Trust Property is insufficient to cover the costs necessary for the continuation of the Trust.
 - b. If there is no Beneficiary or any person deemed to be a Beneficiary of the Trust according to the terms of the Trust Instrument.

Article (41)

Consequences of End of the Trust

1. When it ends, the Property of the Trust shall be disposed of according to the method of disposal stipulated in the Trust Instrument. If the Trust Instrument does not specify the method of disposal, the Trust Property shall be returned to the Settlor if he is alive, or to his heirs if it ends after his death.
2. The Trustee must request the Competent Court to issue a decision to terminate the Trust in any of the following cases:
 - a. If the Trust Instrument does not stipulate the method of distributing the Trust Property.
 - b. If the Trustee is unable to distribute the Trust Property according to the terms of the Trust Instrument due to the absence of a Beneficiary, or if it is not possible to identify a Beneficiary, or when the purpose of the Trust is achieved.
3. The Trustee must pay all the financial obligations of the Trust before distributing the Trust Property, and he may keep part of the Trust Property in order to sell it, or obtain appropriate guarantees, to cover any expenses he bears or may bear in the future related to the management of the Trust, or to guarantee any present, future, conditional or unconditional liabilities that may arise from the Trust.
4. If the right of one of the Beneficiaries to the Dividends of the Trust expires, the effects of the termination apply to that Beneficiary without prejudice to the rights of the remaining Beneficiaries.

Chapter Nine

Approval and Registration of Trust

Article (42)

Approval of Trust

1. The Trust Instrument shall be approved and registered by the Competent Authority in the relevant Emirate in accordance with the mechanism issued by the Cabinet, based on the Minister's proposal, to approve and register the Trust Instrument.

2. The Competent Authority shall:
 - a. Review the structure, terms and conditions of the Trust Instrument presented to it by the Settlor, before completing the creation process, with the intention of expressing an opinion on the extent to which it is compatible with the provisions of this Law by Decree and does not conflict with the public order in the State.
 - b. Issue the Trust Validity Certificate after verifying that the Trust Instrument is compatible with the provisions of this Law by Decree, in preparation for registering the Trust Instrument and any subsequent amendments thereto in accordance with Article (44) of this Law by Decree.
3. The Trust shall be deemed to have been properly created in accordance with the provisions of this Law by Decree upon the adoption of the Trust Instrument and the completion of the Initial Registration procedures.

Article (43)

Record

1. Subject to the provisions of Clause (2) of this Article, a record shall be established by a decision of the Competent Authority in each Emirate and maintained by the Competent Authority in that Emirate.
2. The Cabinet shall issue, based on the Minister's proposal, a decision relating to the Record specifying the following:
 - a. Framework of the registration procedures.
 - b. Data to be included in the Record.
 - c. Documents that must be issued upon completion of registration procedures.
 - d. Any other matters related to the establishment and management of the Record.

Article (44)

Registration of Trust Instrument

1. After issuing the Trust Validity Certificate in accordance with Clause (2) of Article (42) of this Law by Decree, the Settlor must submit a request to the Competent Authority to register the Trust Instrument in the Record, and provide all the information necessary for

this registration and requested by the Competent Authority.

2. The effects of the Trust Instrument shall take effect in accordance with the provisions of this Law by Decree as soon as the Initial Registration is completed, and any amendment to the Trust Instrument shall have its effects in accordance with the provisions of this Law by Decree once the procedures for registering that amendment in the Record are completed.
3. The Competent Authority shall complete the Initial Registration after receiving and reviewing the following:
 - a. The Trust Validity Certificate issued by the Competent Authority in accordance with Article (42) of this Law by Decree.
 - b. The Settlor signing the Trust Instrument before the Competent Authority.
4. The Competent Authority shall issue a registration certificate stating that the Trust Instrument has been registered in the Record. This registration certificate and the registered Trust Instrument shall be considered an official document in accordance with the provisions of the local and federal legislation in force in the State and shall be evidence of proof unless it is proven that either of them has been forged by the legally prescribed methods.
5. The provisions of Clause (3) of this Article apply to amendments to the Trust Instrument.

Article (45)

Registration of Trust Property

1. Any transactions occurring on Trust Property in the name of the Trust shall be entered in the official records of this property in accordance with the federal or local legislation in force in the State.
2. Subject to the terms of the Trust Instrument, the Trustee shall have all authorities and powers over the Trust Property, including, but not limited to, the following:
 - a. Any power to transfer ownership of Trust Property according to the Trust Instrument.
 - b. The authority to sign documents relating to Trust Property, without the need for the consent of the Settlor or Beneficiary.

Article (46)

Accessing the Record and Obtaining a Certified Certificate thereof

1. Subject to the relevant provisions of the Trust Instrument, the Settlor, the Trustee, and the Trust Protector, as the case may be, have the right to view the Record related to the Trust and obtain from the Competent Authority a certified certificate of the data or information recorded in the Record.
2. It is not permissible to disclose any data or information entered in the Record in cases other than those stipulated in Clause (1) of this Article, unless this is in implementation of an order issued by the Competent Court and in a manner that does not conflict with the provisions of the Trust Instrument.

Article (47)

Confidentiality

1. The Trustee is prohibited from disclosing to any person any data, information or documents related to the Trust or its accounts except in any of the following cases:
 - a. If the disclosure is within the limits stipulated in the Trust Instrument or this Law by Decree.
 - b. If the nature of the transactions related to the Trust requires disclosure.
 - c. Based on an order issued by the Competent Court.
2. The Trust Instrument may stipulate conditions and controls that specify the scope of the Beneficiaries or the Trust holder's access to specific details in the Trust Instrument, including details related to the method of distributing the benefits of the Trust to the Beneficiaries, and the controls for the Trustee to make his decisions.

Article (48)

Respect of the Trust

1. The Trust is deemed to have been created pursuant to the Trust Instrument immediately upon completion of the Initial Registration.
2. A Trust created in one of the Emirates of the State shall be respected by all other

emirates, regardless of where the Trust Property are located.

Chapter Ten

Penalties

Article (49)

Applying the severer penalty

The penalties stipulated in this Law by Decree shall not prejudice any severer penalty stipulated by any other law.

Article (50)

Penalty for Harming the Trust or Settlor and Violating Certain Provisions of this Law by Decree

Without prejudice to civil liability, a penalty of imprisonment and/or a fine not exceeding one million (1,000,000) AED shall be imposed on anyone who causes damage to the Trust, the Settlor, or any Beneficiary as a result of wilfully violating the provisions of clauses (2) and (4) of Article (19), Clause (1) of Article (22), Clauses (1) and (12) of Article (23), Article (24), Clauses (1), (2), (3), and (6) of Article (26), Article (35), or Clause (1) of Article (47), of this Law by Decree.

Article (51)

Penalty for Impersonating the Trustee

Without prejudice to civil liability, a penalty of imprisonment and/or a fine not exceeding five thousand (500,000) AED shall be imposed on anyone who acts without a capacity or presents himself as a Trustee and exercises his powers in this capacity, and he shall be liable for the acts he committed while impersonating the Trustee.

Chapter Eleven
Supplementary and Final Provisions

Article (52)

Non-Hearing of the Lawsuit

1. The lawsuit filed by any interested party against the Trustee regarding the Trustee's breach of his obligations against that Beneficiary shall not be heard after three (3) years have passed as of the date of his receipt of the Trust's external auditor's report or as of the date on which he learned of the breach of the Trust, whichever is earlier.
2. In cases where the Beneficiary is a minor, the calculation of the period referred to in Clause (1) of this Article starts as of the date on which the minor reaches the age of puberty.
3. The lawsuit of the Trustee against another Trustee, in the event of multiple Trustees, or against any former Trustee, for breach of the Trust shall not be heard after three (3) years have passed as of the date of expiration of his appointment as Trustee in accordance with the provisions of this Law by Decree.
4. No other lawsuit against the Trustee for any breach of the Trust shall be heard after fifteen (15) years have passed as of the date of breach of the Trust.
5. As an exception to the provisions of the Clauses of this Article, the expiry of the periods specified in this Article shall not prevent the Competent Court from:
 - a. Hearing the lawsuit case of fraud or deception against the Trustee, if the fraud is committed by him or by a third party and the Trustee is aware of it when the disposition has been made or if he must have inevitably known about it.
 - b. Hearing the lawsuit to recover the Trust Property that he transferred to himself or to others in violation of the terms of the Trust Instrument or the provisions of this Law by Decree.

Article (53)

Resolutions Necessary to Implement the Provisions of this Resolution.

The Cabinet shall, upon the presentation of the Minister, issue the Resolutions necessary to

implement the provisions of this Resolution.

Article (54)

Repeals

1. Federal Decree by Law No. (19) of 2020 Concerning Trust shall be repealed, and the resolutions issued in implementation thereof shall continue to be in force to the extent that they do not conflict with the provisions of this Law by Decree, until resolutions that replace them are issued in accordance with the provisions of this Law by Decree.
2. Any provision that violates or contradicts the provisions of this Law by Decree shall be repealed.

Article (55)

Publication and Entry Into Force of Law by Decree

This Law by Decree shall be published in the Official Gazette and shall enter into force as of the day following the date of its publication.

Mohammed Bin Zayed Al Nahyan

President of the United Arab Emirates

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

25 September 2023 AD.

Corresponding to: 10 Rabi' I 1445 A.H.