

Cabinet Resolution No. (47) of 2021

Regarding the Determination of the Debt Amount Requiring the Debtor to File an Application to Initiate Insolvency and Liquidation Proceedings and the Amendment of Certain Timeframes Set Forth in Federal Decree by Law No. (19) of 2019 Regarding Insolvency

The Cabinet:

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972, Regarding the Competences of Ministries and the Powers of Ministers, as amended;
- Federal Decree by Law No. (19) of 2019, Regarding Insolvency; and
- Upon the Proposal of the Minister of Finance and the approval of the Cabinet,

Hereby resolves as follows:

Article (1)

The Debt Amount Requiring the Debtor to File an Application to Initiate Insolvency and Liquidation Proceedings

The debt amount requiring a debtor to file an application to initiate insolvency and liquidation proceedings, pursuant to Article (28) of Decree by Law No. (19) of 2019 Insolvency, shall be (AED 250,000) two hundred and fifty thousand dirhams.

Article (2)

The Amount a Creditor or Group of Creditors to File an Application to Initiate Insolvency and Property Liquidation Proceedings Against Debtor

The amount set out for a creditor or group of creditors in Clause (1) of Article (29) of the abovementioned Decree by Law, which entitles them to file an application to a court to initiate insolvency and liquidation proceedings against a debtor, shall be amended to (AED 1,000,000) one million dirhams instead of (AED 200,000) two hundred thousand dirhams.

Article (3)

Amendment of Certain Timeframes

The timeframes set forth in Articles (28) and (29) of Federal Decree by Law No. (19) of 2019, referred to herein, shall be amended to (65) sixty-five working days instead of (50) fifty working days.

Article (4)

Publication and Entry into Force

This Resolution shall be published in the Official Gazette and shall enter into force from the day following the date of its publication.

Mohamed bin Rashid Al Maktoum

Prime Minister

Issued by Us:

Dated: 16 Ramadan 1442 A.H.

Corresponding to: 28 April 2021 A.D.