

Federal Decree-Law No. (15) of 2024
On the Collection of Debts of Federal Entities

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

- Having reviewed the Constitution; and
- Federal Law No. (1) of 1972, On the Competences of Ministries and the Powers of Ministers, as amended; and
- Federal Decree-Law No. (15) of 2018, On the Collection of Public Revenues and Funds, as amended; and
- Federal Decree-Law No. (26) of 2019, On the Public Finance, as amended; and
- Federal Decree-Law No. (42) of 2022, Promulgating the Civil Procedures Code; and
- Based on the proposal submitted by the Minister of Finance, and the Cabinet's approval thereof,

Hereby issue the following Decree-Law:

Article (1)

Definitions

Wherever mentioned in the provisions of the present Decree-Law, the following words and expressions shall have the meanings assigned thereto respectively, unless the context requires otherwise:

State/UAE	: The United Arab Emirates.
Ministry	: The Ministry of Finance.
Minister	: The Minister of Finance.
Federal Government	: The UAE Government.
Federal Entity	: The ministries and the federal public authorities and institutions.
Creditor	: The Federal Entity that is owed a debt by the Debtor.

Director of the Creditor	: The minister in-charge, the Creditor’s board chairman or director or the like, as the case may be.
Debt Collection Follow-up Unit	: An organizational unit at the Ministry in charge of monitoring and supervising the collection of Debts of the Federal Entities, pursuant to the provisions of this Decree-Law.
Debt	: Any of the Debts set forth in Article (3) hereunder.
Debtor	: A natural or legal person that owes a debt to the Creditor and delays or refuses to settle it on the due date.
Competent Court	: The federal court within the jurisdiction of which the Debtor's domicile, place of residence or headquarters is located, or the nearest federal court to this domicile or business headquarters.
Enforcement Judge	: An enforcement judge of the Competent Court.
Writ of Execution	: The collection decision as set out in Article (9) or Clause (4) of Article (16) hereunder.
Business Day	: A normal business day of the Federal Government.

Article (2)

Objectives of the Decree-Law

This Decree-Law is intended to:

1. Organize and govern the measures for collecting Debts of the Federal Entities on their due dates.
2. Enable the Federal Entities to carry out their competences and functions related to the collection of their Debts, in accordance with a clear and transparent work system and procedures.
3. Achieve sustainable development and growth for public services and facilities.

Article (3)

Debts Governed by the Provisions of this Decree-Law

Without prejudice to any particular provision set forth in any other federal legislation in force, the following Debts shall be collected pursuant to the provisions and procedures set forth in this Decree-Law:

1. Taxes, duties and royalties imposed under the federal legislation.
2. Administrative fines imposed under federal laws and Cabinet resolutions.
3. Fees owed to the Creditor in return for services provided.
4. Financial obligations arising from lease agreements entered into by the Creditors.
5. Any other funds that federal laws or Cabinet resolutions stipulate to be collected pursuant to the provisions of this Decree-Law.

Article (4)

Debt Repayment

1. The Debtor shall repay their Debts on the due dates without delay or the need for a claim by the Creditor.
2. Debts collected in the State shall be repaid in UAE Dirhams into the account designated by the Creditor, unless otherwise stipulated by another legislation or agreement between the Creditor and the Debtor.
3. Debts collected outside the State shall be repaid into the account designated by the Creditor, in coordination with the Ministry, in the currency of the state where the collection takes place, at the exchange rate set by the Central Bank of the United Arab Emirates.
4. The Debtor shall pay all expenses incurred by the Creditor for collecting their Debt, pursuant to the provisions of this Decree-Law or any other federal legislation in force in the State.
5. If the Debt is paid to the Competent Court, the latter shall notify the Creditor within (7) seven Business Days. Such Court shall deposit the amount within (7) seven

Business Days from the date on which the Creditor notifies the Competent Court of the details of the account to which such amounts are to be deposited.

Article (5)

Debt Due Dates

1. The Debt shall fall due and payable according to the dates set out in the legislation governing the Debt or in the lease agreements referred to in Clause (4) of Article (3) above.
2. If the relevant legislation governing the Debt does not set the Debt due date, the due date shall be determined by a Cabinet resolution, at a proposal by the Minister.

Article (6)

Notification of Repayment to the Debtor

1. If the Debtor fails to repay the Debt on the due date, the Creditor shall notify the Debtor of the repayment within (10) ten Business Days from the due date.
2. The Creditor shall specify in the notification the nature and amount of the Debt payable by the Debtor, and that it is payable within (20) twenty Business Days from the date of being so notified. If the Debtor fails to repay the debt within such time limit, the Creditor shall issue a decision against them to collect the Debt pursuant to the provisions of Article (9) hereunder.
3. Unless otherwise provided by any applicable legislation or agreement between the Creditor and the Debtor, as the case may be, for another time limit, the Debtor shall repay the Debt within (20) twenty Business Days from the date of notification.

Article (7)

Procedures for Repayment Notice to Debtor

1. Without prejudice to any other means stipulated by any other federal legislation in force in the State, the notification set forth in Article (6) above shall be established if served by any of the following means:
 - a. Delivering the notice by hand to the Debtor at their habitual place of residence or at their workplace.
 - b. Delivering the notice by hand to any adult family member of the Debtor, individuals residing with them or servants or legal representatives of the Debtor.
 - c. Serving the notice by registered mail, email, fax, text message or any other technological means to the Debtor's address registered with the Creditor. If there is no registered address for the Debtor with the Creditor, the notification may be served to any address of the Debtor registered with any competent authority in the State, unless otherwise agreed by the Creditor and the Debtor.
2. If one of the persons mentioned in Paragraphs (a) and (b) of Clause (1) above refuses to receive the notice, the notifying party shall draw up a report in two copies and sign both copies and post one of them in a visible location at the place where the notification is made. The purpose of the notification shall be fulfilled, and the notification shall be legally effective under this action.
3. If it is not possible to serve a notice upon the Debtor pursuant to the provisions of Clause (1) or (2) above, the notification shall be legally effective when the Creditor publishes it in two daily local printed or electronic newspapers, provided that at least one of them is published in Arabic. In this case, the date of publication shall serve as the date of notification. The Creditor shall publish the notification on its website and shall send it to the Debtor via email if it has the Debtor's email address and details.

Article (8)

Creditor's Debt Collection Unit

The Federal Entity that is a Creditor shall designate an organizational unit of its departments to carry out the procedures for collecting its Debt, pursuant to the provisions of this Decree-Law, and to exercise the following:

1. Managing the system of notifications as set out in this Decree-Law.
2. Monitoring the repayment of the Debt or the outstanding portion thereof on the due dates.
3. Verifying the fulfillment of the conditions for Debt repayment under an installment plan.
4. Following up on the enforcement proceedings and the summary and precautionary measures set forth in this Decree-Law.
5. Coordinating with the Debt Collection Follow-up Unit to enable it to exercise its functions pursuant to the provisions of this Decree-Law and the resolutions issued in pursuance thereof.

Article (9)

Collection Decision

Without prejudice to the provisions of issuance of the Writ of Execution, as set forth in any other federal legislation in force in the State, if the Debtor fails to repay the Debt within the time limits set out in Articles (6) and (19) of this Decree-Law, the Director of the Creditor or his delegate shall issue a decision collecting the Debt. This decision shall serve as a Writ of Execution, and the Creditor shall submit this decision to the Enforcement Judge to proceed with its enforcement proceedings by force, in accordance with the procedures set forth in the Code of Civil Procedure.

Article (10)

Functions of the Enforcement Judge

1. The Enforcement Judge of the Competent Court shall refer any matter requiring the intervention and assistance of judicial authorities in a UAE Emirate to the Enforcement Judge in any of the courts where the required action is to be taken within its jurisdiction.
2. If the enforcement pertains to an interim measure or service of process and the place of such measure or service of process is located within the jurisdiction of another court, the Enforcement Judge of the Competent Court shall delegate the Enforcement Judge in his jurisdiction the measure is required to carry out the same.

Article (11)

Exemption from Fees and Guarantees

1. The Creditor shall be exempt from paying any fees to any Federal Government Authority when they are related in any way to the collection of the Debt, pursuant to the provisions of this Decree-Law, including all legal fees and expenses, auction fees and any fee required to obtain information related to the Debtor or their assets.
2. The Creditor shall not be bound to provide any guarantees or safeguards when initiating any summary or precautionary measures or the Writ of Execution measures under the provisions of this Decree-Law.

Article (12)

Summary and Precautionary Measures

1. When the Deb falls due or while the execution procedures are being carried out against the Debtor, the Creditor may request the Competent Court to impose a precautionary attachment at any of the Debtor's assets, whether such assets are in the Debtor's possession or in the possession of third parties, ban the Debtor from travel or take any other precautionary measure.

2. Notwithstanding the provisions of Clause (1) above, the Creditor may, before the Debt falls due, request the Competent Court to impose a precautionary attachment at any of the Debtor's assets, whether such assets are in the Debtor's possession or in the possession of third parties, ban from travel or to take any other precautionary measure if the Creditor has evidence or strong presumptions indicating that its rights are at risk of loss or that the Debtor has begun to smuggle or conceal their assets. In such a case, the Competent Court shall decide on the request after scheduling a hearing and notifying the Debtor to appear before it within (24) twenty four hours; provided that the notification is served pursuant to the provisions of Clause (1-a) of Article (7) above, in order to verify the validity of the Creditor's claims and allow the Debtor to initiate their defense or provide sufficient guarantees for the repayment of the Debt on the due date.
3. Decisions issued by the Competent Court, pursuant to the provisions of Clauses (1 and 2), shall be appealable before the Court of Appeal located within the jurisdiction of the Competent Court at any time.
4. Subject to the provisions set forth in Clauses (1), (2) and (3), if a substantive claim is instituted before the Competent Court and is ruled in favor of the Debtor, the summary and precautionary measures taken against the Debtor under the provisions of this Article shall cease.
5. If the garnishee dies or lacks legal capacity or their representative lacks of legal capacity before reporting assets in their possession, the Competent Court shall notify heirs of the garnishee or their legal representative with a copy of the attachment imposition order, and order them to submit a report on the assets in their possession within (10) ten business days from the date of this order.
6. The procedures and provisions on summary and precautionary measures set forth in the Code of Civil Procedure shall apply to matters where no particular provision is provided in this Article.

Article (13)

Repayment of Debt After Submitting the Writ of Execution

If the Debtor repays the Debt after the Writ of Execution is submitted to the Enforcement Judge, the Debtor shall deposit the outstanding Debt in the treasury of the Competent Court for the benefit of the Creditor.

Article (14)

Particular Provision for Sale at Auction

1. The sale of movable or real property at auction shall comply with the provisions and procedures set forth in the Code of Civil Procedure, save the provision set forth in Clause (2) of Article (298) of that Code; i.e. an auction may not be canceled if there are reasons related to the Creditor's failure to pursue it, and there shall be no re-auction accordingly.
2. The enforcement by means of selling the Debtor's movable or immovable property shall not require the presence of a representative of the Creditor.

Article (15)

Expenses for Sale of Attached Property

In all cases where the Debtor's assets are sold at auction under the provisions of this Decree-Law, the Debtor shall incur all fees and expenses resulting from the attachment at, and the sale of such assets, as well as any fines and compensation, which shall be deducted from the final sale price before repaying the Debt to the Creditor, and any remaining proceeds from the sale, if any, shall be returned to the Debtor.

Article (16)

Grievance

1. Without prejudice to the procedures for reconsideration, grievance and objection governed by any other federal legislation, pertaining to the collection of a certain Debt,

the Debtor may file a grievance against a collection decision or decision refusing the installment of the Debt or revoking the installment decision before the committee set forth in Clause (2) hereunder, within twenty (20) Business Days from the date of notification of the decision; provided that the grievance is reasoned and accompanied by all supporting documents.

2. By virtue of a resolution of its director, one or more committee shall be formed in each federal government authority to consider grievances filed against decisions on the collection of Debts, issued in pursuance of the provisions of this Decree-Law, chaired by at least an undersecretary or the equivalent grade. The decision forming the committee shall set out the Committee's working mechanism and rules of procedure.
3. The Committee set out in Clause (2) above shall decide on a grievance within (10) Business Days from the date of submission of the grievance application, and it shall notify the applicant of its decision to accept or reject the grievance within (5) five Business Days from the date of issuance. The decision issued on the grievance shall be final. Failure to respond within the aforementioned time limit shall be considered a rejection of the grievance.
4. If the grievance is found valid, the Creditor shall issue a decision to amend or revoke the aggrieved decision, as the case may be. The new decision issued based on the Committee's decision to amend the debt collection decision shall serve as a Writ of Execution and the Debtor shall be notified thereof by one of the notification methods set forth in Article (7) above.
5. Filing a grievance shall suspend the execution procedures until a decision is made on it.

Article (17)

Outsourcing of Creditor's Debts

1. The Creditor may, based on a proposal from the Minister and the approval of the Cabinet, outsource the collection of any of its Debts to a licensed debt collection firm, in accordance with the controls and provisions issued by a Cabinet resolution.
2. If the collection of the Creditor's debts is outsourced to one of the firms under the provisions of Clause (1) above, the procedures carried out by such firm for debt collection under this Decree-Law shall be considered as if they were carried out by the Creditor.
3. Without prejudice to the liability of the firm and its employees, the Creditor may not be held accountable for errors committed by the firm or its employees as a result of their execution of debt collection procedures under the provisions of this Article.

Article (18)

Collection Procedures by Proxy

1. Notwithstanding the provisions of any other federal legislation in force in the State, the Creditor may appoint a private lawyer to act on its behalf in carrying out any procedure related to the Debt collection.
2. For the purposes of the provisions of this Article, the power of attorney must be in writing and approved by the Director of the Creditor or his delegate.
3. The provisions set forth in this Decree-Law shall not prejudice the powers assigned to the Department of Public Prosecutions in representing federal government authorities. Cases in which law firms or individual lawyers may be engaged, as well as rules and procedures for coordination between federal government authorities and the Department of Public Prosecutions, shall be governed by a Cabinet resolution, in order to engage a law firm or lawyer to carry out one or more debt collection procedures.

Article (19)

Repayment of Debts in Installments

1. The Creditor may, at any stage of the Debt collection and at the request of the Debtor or their legal representative, agree on the repayment of Debt or part thereof in installments to allow the Debtor who is unable to repay the debt in full to pay it in installments, in accordance with the controls and conditions determined by a Cabinet resolution, at the proposal of the Minister.
2. The agreement on the Debt installment request shall suspend the execution procedures.
3. If the Debtor fails to repay any installment on its due date, the Creditor shall issue a decision revoking the installment plan and resume the enforcement proceedings against the Debtor to collect the Debt or the outstanding portion thereof, with no need for any further notice or action.
4. The Creditor shall revoke the installment plan if it finds that that their rights are at the risk of loss. In such a case, the Debtor shall be notified of the revocation of the installment plan, and the Creditor shall resume the Debt collection procedures, unless the Debtor provides new guarantees acceptable to the Creditor to continue the installment plan.

Article (20)

Debt Collection Follow-up Unit

The Debt Collection Follow-up Unit shall:

1. Monitor the implementation of Debt collection procedures by the Federal Entities under this Decree-Law by reviewing reports submitted thereto by the Federal Entities under Article (21) hereunder.
2. Submit regular reports to the Minister on the volume of Debts owed to the Federal Entities and Debts unable to be collected.

3. Draw up studies and submit proposals to enhance the effectiveness of the Debt collection system of the Federal Entities and submit them to the Minister.
4. Review applications for debt installment plans referred thereto by the Federal Entities in cases where a Cabinet resolution is required.
5. Request any information or documents from the Federal Entities, as it deems necessary to perform its duties.
6. Carry out any other functions assigned by the Minister thereto.

Article (21)

Reports on Debts

The Creditor shall submit a quarterly report to the Debt Collection Follow-up Unit, as per the designated form, detailing its Debts as of the date of submission, actions taken for collection and any other information or documents supporting the information contained in the report or requested by the Debt Collection Follow-up Unit.

Article (22)

Debts Due Before the Effective Date of this Decree-Law

The Creditors may collect their Debts falling due prior to the entry into force of this Decree-Law according to the procedures outlined therein, without being bound by the notification time limit set out in Article (6) above if the notification is duly served under the provisions of the previous Law. However, if the notification is not served or unduly served under the provisions of the previous law, the Creditor shall so notify the Debtor pursuant to the provisions of this Decree-Law.

Article (23)

Final Provisions

The Federal Entities shall provide the necessary assistance to enable the Creditor to collect its Debts pursuant to the provisions of this Decree-Law, each within its respective area of competence and pursuant to the legislation in force.

Article (24)

Applicability of the Code of Civil Procedure

The Code of Civil Procedure shall apply to matters where no particular provision is stipulated in this Decree-Law.

Article (25)

The Implementing Resolutions

The Minister shall issue the resolutions necessary for applying the provisions of this Decree-Law.

Article (26)

Repeals

Federal Decree-Law No. (15) of 2018, on the Collection of Revenues and Public Funds, and any provisions repugnant to, or in conflict with the provisions of this Decree-Law, shall hereby be repealed.

Article (27)

Publication and Entry into Force

This Decree-Law shall be published in the Official Gazette and shall enter into force after (3) months from the publication date.

Mohammed bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by Us at the Presidential Palace in Abu Dhabi,

Dated: 27th Rabi' Al-Awwal 1446 A.H.

Corresponding to: 30th September 2024 AD