

Cabinet Resolution No. (15) of 2025
Regarding the Rules and Conditions for Approving the Federal Entities’
Debts Installment

The Cabinet:

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972 Concerning the Competencies of Ministries and the Powers of Ministers, as amended;
- Federal Decree-Law No. (26) of 2019 Regarding Public Finance;
- Federal Decree-Law No. (15) of 2024 On the Collection of Debts of Federal Entities;
- And based on the proposal submitted by Minister of Finance, and approved by the Cabinet,

Hereby resolves as follows:

Article (1)

Definitions

The same definitions used in the above-referenced Federal Decree-Law No. (15) of 2024 shall apply to this Resolution. In addition, the following words and expressions shall bear the meanings assigned thereto respectively, unless the context otherwise requires:

- Application for Debt Installment** : An application submitted by the debtor to the creditor seeking approval to repay the debt in installments over a fixed period of time, without any waiver, relinquishment, or reduction of the debt amount, in accordance with the rules and conditions set forth in this Resolution.
- Repayment Plan** : A financial plan submitted by the debtor alongside the application for debt installment, detailing the proposed mechanism and timeline for repaying the debt, in accordance with the rules and conditions set forth in this Resolution.

Article (2)

Debt Installment Application and Decision Thereon

1. The debtor or his legal representative may submit an application for debt installment or for the installment of any portion of the debt to the creditor in accordance with the procedures and channels specified by the creditor. A repayment plan shall be enclosed with the said application.
2. The application for debt installment may be submitted at any stage of the debt collection process, using the template designated by the Ministry for this purpose.
3. The creditor shall decide on the application not later than ten (10) working days from the date of receipt, provided that the application meets all conditions set forth in this Resolution, or not later than ten (10) working days after receiving a response from the Debt Collection Follow-up Unit, in accordance with clause (D) paragraph (1) of Article (3) of this Resolution, as applicable.

Article (3)

Rules for Approving an Application for Debt Installment

1. The creditor may approve the application for debt installment whenever the following conditions are met:
 - a. Where the debtor provides documents, records, or financial statements - approved by the creditor- demonstrating that, at the time of submitting the application for repayment, he is not financially solvent enough to repay the debt in full at once.
 - b. The debt, for which the application for installment repayment is submitted, must not be subject to any dispute before a court, arbitration tribunal, or any other dispute resolution body.
 - c. The debtor must neither have been declared insolvent or bankrupt, nor have undergone insolvency, bankruptcy, preventive composition, or restructuring proceedings under laws in force in this regard.
 - d. If the value of the debt sought to be repaid in installments exceeds one million dirhams (AED 1,000,000), the Debt Collection Follow-up Unit's approval shall be obtained.

When the application for debt installment is transferred to the Debt Collection Follow-up Unit, the creditor shall provide a reasoned report outlining its opinion on the Application. The Debt Collection Follow-up Unit shall approve or reject the application, and may require additional documents, within ten (10) working days from the date on which the application for debt installment is transferred thereto.

- e. The period of installment repayment of the debt must not exceed forty-eight (48) months, with effect from the repayment plan's commencement date. The repayment plan's implementation shall commence not later than thirty (30) days from the date of approval of the application for debt installment.
 - f. The debtor must provide guarantees approved by the creditor, in light of the findings of assessment of the debtor's financial position and the repayment plan outlined in Clause (2) of this Article. These guarantees shall cover the full debt amount, associated costs, and any compensation for late payment. Moreover, the said guarantees shall remain valid throughout the period of installment repayment of the debt until full repayment is made.
 - g. The debtor shall provide with the application for debt installment a valid cheque drawn on an account with a bank operating in the UAE, covering the first installment specified in the repayment plan.
2. Upon reviewing the application for debt installment and the repayment plan, the creditor shall conduct an assessment of the debtor's financial position, including monthly revenue and financial obligations, in order to ensure that the same is proportional to the proposed installments specified in the debt repayment plan. The debtor shall also submit any additional supporting documents or data as required by the creditor for such purpose.
 3. The creditor shall not approve a new application for installment repayment of the same debt for which the debtor has previously submitted an application for installment repayment, except for the purpose of providing required data or information that was lacking in the former application.

Article (4)

Debt Installment Decision

1. The creditor's debt collection unit shall review the application for debt installment and verify its fulfillment of all the conditions stipulated in Article (3) of this Resolution. The unit shall then submit a report on the same to the director of the creditor.
2. The creditor's debt collection unit may require the debtor to amend the repayment plan submitted alongside the application for debt installment to better serve the interests of the creditor.
3. If the creditor approves the application for debt installment, the director of the creditor shall issue a decision approving the installment repayment of the debt. Accordingly, the debtor shall be notified of the same.
4. The debtor or his legal representative shall, within five (5) working days from the date of being notified of the decision approving the installment repayment of the debt, provide the guarantees specified by the creditor and which are equivalent to the total amounts due. Such guarantees shall remain valid throughout the period of installment repayment of the debt until full repayment is made. Otherwise, the decision approving the installment repayment shall be deemed null and void, with no need for further notice or action.
5. If the application for debt installment is rejected, the creditor's debt collection unit shall notify the debtor of the same in writing.

Article (5)

Postponing the Payment of Installments

1. The director of the creditor may, for justified reasons provided by the debtor and based on the recommendation of the creditor's debt collection unit, approve the debtor's application for postponement of one or more installments that are payable under the repayment plan, provided that the postponement period does not exceed twelve (12) months from the date of issuance of the decision approving the postponement.

2. The debtor shall submit the application for postponement at least thirty (30) days prior to the due date of the installment sought to be postponed.
3. In order for the application for postponement to be approved, the debtor shall have paid at least twenty-five percent (25%) of the installments specified in the repayment plan.
4. The creditor shall not approve the application for postponement if the debtor has violated any terms of the repayment plan, including failure to make timely payment of any installments payable under the repayment plan.

Article (6)

Adoption of an Alternative Repayment Plan

1. Subject to Clause (2) of this Article, the director of the creditor may, for justified reasons furnished by the debtor and based on the recommendation of the creditor's debt collection unit, approve the debtor's application for adoption of an alternative repayment plan in lieu of the original plan for which the decision approving the installment repayment of the debt was issued. The director of the creditor shall issue a decision approving the installment of debt in accordance with the alternative repayment plan.
2. The creditor shall not approve an application for an alternative repayment plan in either of the following cases:
 - a. If the debt for which the installment repayment was approved becomes a matter of dispute before any court, arbitration tribunal, or other dispute resolution body.
 - b. If, after the approval for installment repayment of the debts is granted, the debtor becomes insolvent or bankrupt or undergoes insolvency, bankruptcy, preventive composition, or restructuring proceedings under laws in force in this regard.

Article (7)

Revoking the Decision Approving the Debt Installment

1. The creditor shall revoke the decision approving the debt installment in any of the following cases:

- a. If the creditor has good reason to believe that the debtor is financially solvent enough to repay the debt or the remaining balance thereof in a single payment.
 - b. If the debt or the remaining balance thereof becomes a matter of dispute before the competent courts, arbitration tribunals, or any other dispute resolution bodies.
 - c. If the debtor becomes insolvent or bankrupt or undergoes insolvency, bankruptcy, preventive composition, or restructuring proceedings under laws in force in this regard.
2. The creditor may revoke the decision approving the debt installment in any of the following cases:
- a. If the creditor has good reason to believe that the debtor has ceased, or will certainly cease, to pay his debts to third parties, or is likely to undergo any of the proceedings referred to in Paragraph (C) of Clause (1) of this Article.
 - b. If new incidents or events occur and which would adversely affect any of the guarantees provided by the debtor, unless the debtor takes remedial actions against such incidents or events or provides alternative guarantees within the notice period specified by the creditor.

Article (8)

Annual Report

The creditor shall submit a semi-annual report to the Ministry, setting out the details of the applications for debt installment or the debt repayment plans approved by it, along with a description of the mechanisms and measures taken by it to monitor the payment of due installments.

Article (9)

The Executive Resolutions

Subject to the powers vested in the creditor entities, the Minister shall issue the necessary resolutions to implement the provisions of this Resolution.

Article (10)

Publishing and Entry into Force

This Resolution shall be published in the Official Gazette, and shall enter into force thirty (30) days from the day following its publication date.

Mohammed bin Rashid Al Maktoum

The Prime Minister

Issued by Us:

On: Sha'ban 11th, 1446 H

Corresponding to: February 10th, 2025 AD