

**Federal Decree by Law No. (4) of 2007**  
**Regarding the Establishment of the Emirates Investment Authority**

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

- Having reviewed the Constitution,
- Federal Law No. (1) of 1972 Regarding the Competences of Ministries and Powers of Ministers, as amended,
- Federal Law No. (23) of 2005 Regarding the Rules for the Preparation of the General Budget and the Final Account,
- Federal Law No. (7) of 1976 Regarding the Establishment of the Supreme Audit Institution, as amended,
- Federal Law No. (7) of 1999 Promulgating the Pensions and Social Security Law, as amended,
- Federal Law No. (21) of 2001 Regarding Civil Service in the Federal Government, as amended,
- Federal Law No. (10) of 1980 Regarding the Central Bank, the Monetary System, and Organization of Banking, as amended,
- The Law of Evidence in Civil and Commercial Transactions promulgated by Federal Law No. (10) of 1992,
- Federal Law No. (1) of 2006 Regarding Electronic Transactions and Commerce, and
- Upon the proposal of the Minister of State for Cabinet Affairs, and the approval of the Cabinet,

**Hereby promulgate the following Decree by Law:**

**Chapter One**

**Definitions**

**Article (1)**

For the purposes of implementing the provisions of this Decree by Law, the following terms and expressions shall have the meanings assigned to each of them, unless the context requires

otherwise:

- State** : The United Arab Emirates.
- Federal Government** : The government of the State and all other federal authorities, institutions, and legal persons.
- Cabinet** : The Cabinet of the Federal Government.
- Authority** : The Emirates Investment Authority established pursuant to the provisions of this Decree by Law.
- Board of Directors** : The Board of Directors of the Authority.
- Chairman of the Board of Directors** : The Chairman of the Authority's Board of Directors.
- Vice-Chairman of the Board of Directors** : The Vice-Chairman of the Authority's Board of Directors.
- Chief Executive Officer** : The Chief Executive Officer of the Authority.
- Funds Allocated for Investment** : The aggregate funds owned by the Federal Government entrusted to the Authority for receipt and management for investment purposes, the returns on their investment, and the reinvestment of such funds in accordance with the provisions of this Decree by Law.

## **Chapter Two**

### **Establishment of the Authority**

#### **Article (2)**

An entity named the "Emirates Investment Authority" shall be established as a public authority reporting directly to the Cabinet, and it shall have an independent legal personality and the legal capacity necessary to exercise its competences as stipulated in this Decree by Law.

#### **Article (3)**

The main headquarters of the Authority shall be in the city of Abu Dhabi. By a decision of the

Board of Directors, branches or offices for the Authority may be established, whether inside or outside the State.

### **Chapter Three**

#### **Objectives of the Authority**

##### **Article (4)**

The Authority shall be the sole entity responsible for the investment and reinvestment of the Funds Allocated for Investment, which are designated for this purpose by the Cabinet. It shall, on behalf of the Federal Government, invest and reinvest these funds in an efficient manner that achieves profitable investment returns to contribute to the provision of the financial revenues necessary to support the budget of the Federal Government. For the purpose of achieving the foregoing, the Authority may undertake the following:

1. Contribute to the formulation and coordination of the reserve fund investment policy for the Federal Government in a manner that ensures the achievement of profitable investment returns;
2. Hold, on behalf of the Federal Government, the Funds Allocated for Investment, manage and invest them, collect the returns generated therefrom, and reinvest them in accordance with the provisions stipulated in this Decree by Law;
3. Represent the Federal Government in investment projects and funds established between the State and foreign public or private legal persons, pursuant to a resolution of the Cabinet;
4. Provide technical and administrative support to the Federal Government authorities responsible for negotiating with the governments of foreign countries for the purpose of concluding international agreements to avoid double taxation, free trade, or for the promotion and protection of investment, or other agreements related to investment activities between the State and other countries;
5. Contribute, with the competent authorities in the State, to the development of economic development strategies and programs;
6. Support educational and training activities, and development research related to the Authority's activities, including the establishment and setting up of institutes specialized

in investment operations, the sponsorship of educational missions for undergraduate, postgraduate, or specialized studies related to the purposes and activities of the Authority, as well as the follow-up of their training and employment within the Authority or within other financial and investment institutions in the State, in coordination with other competent entities;

7. Contribute to proposing legislation related to any of the aforementioned purposes;
8. Invest and reinvest in any properties, rights, or assets, whether tangible, intangible, or mixed, including but not limited to, all types of shares, bonds, securities, financial and commercial instruments, foreign currencies, precious metals, merchandise, goods, futures contracts, mineral materials, and all other materials, goods, and documents capable of being invested;
9. Grant loans to companies owned by the Authority or in which it contributes to its capital, or for the purpose of acquiring stakes or shares in the borrowing companies;
10. Sell or exchange any properties for cash or on credit, and grant others the option to purchase or exchange them;
11. Reorganize, merge, consolidate, combine, or liquidate any investments, authorities, funds, or properties affiliated with the Authority, and undertake all legal actions necessary for that purpose;
12. Convert or exchange any documents related to any investment operation of any part of the Funds Allocated for Investment;
13. Extend the repayment period of any obligation held by the Funds Allocated for Investment;
14. Enter into agreements or similar arrangements for forward investments;
15. Retain any uninvested funds from the Funds Allocated for Investment until they are invested or disposed of in accordance with the provisions of this Decree by Law;
16. Exercise all voting rights related to any of its aforementioned activities, and grant general or limited powers of attorney to vote on behalf of the Authority;
17. Subject to providing sufficient guarantees, register and retain any investment in the name of one or more of the Authority's nominees, or in the name of one or more nominees of any central securities or commercial instruments depository system, or other investable

securities and materials.

18. Collect and receive any funds or rights, in-kind or personal, associated with the Funds Allocated for Investment, and issue the relevant clearance certificates;
19. Settle any claims, debts, rights, or compensations, conclude settlements in respect thereof, refer them to arbitration, or file lawsuits in respect thereof before the competent courts and defend against them, and take legal measures to protect any interest of the Authority;
20. Own or establish with others, companies, authorities, institutions, and other projects in accordance with applicable laws to achieve any of the Authority's purposes, including retaining rights in any properties considered part of the Funds Allocated for Investment, and dissolving, liquidating, merging, combining, consolidating, or restructuring them;
21. Acquire by any legal means, such as purchase, exchange, transfer, assignment, or succession, any rights, including intellectual property rights, elements of a commercial establishment, trade names, or any other rights, whether tangible or intangible;
22. Manage, operate, develop, maintain, mortgage, or invest in any funds, rights, or fixed or movable assets, whether independently or in partnership with others. The Authority may amend, extend, renew, assign, or otherwise regulate the terms of any of these actions, and it may also establish conditions for the depreciation of funds and properties;
23. Contribute to all types of productive, commercial, financial, and other projects that generate an economic return;
24. Generally, undertake any other actions that the Board of Directors deems necessary or appropriate to achieve the objectives of the Authority;
25. Undertake any other works or tasks assigned to the Authority pursuant to a resolution of the Cabinet, in a manner consistent with the Authority's objectives as specified in this Decree by Law.

## **Chapter Four**

### **The Board of Directors**

#### **Article (5)**

1. The Authority shall have a Board of Directors consisting of no fewer than seven members possessing academic qualifications or practical experience in various fields of investment management of funds and assets. A resolution shall be issued by the Cabinet to form the Board of Directors for a term of three years, renewable for other terms.
2. The Cabinet shall determine the remuneration prescribed for the Chairman and members of the Board of Directors.
3. The Board of Directors shall continue to perform its duties after the expiry of its term until a resolution is issued by the Cabinet forming the Board of Directors.

#### **Article (6)**

The Board of Directors shall be the supreme authority responsible for supervising the management of the Authority's affairs and overseeing the implementation of the approved programs and policies necessary to achieve its objectives. It may exercise all the powers and authorities necessary for that, and in particular, it shall have the following:

1. Establish the regulatory standards and controls that ensure the integrity of the Authority's financial position and the proper performance of its investment programs, with which the Authority shall comply.
2. Establish and adopt policies, strategies, and standards for the investment and reinvestment of the Funds Allocated for Investment.
3. Manage the investment risks of the Funds Allocated for Investment and issue instructions necessary to mitigate these risks.
4. Approve the plans and programs proposed by the Chief Executive Officer for the investment and reinvestment of the Funds Allocated for Investment and the allocation of investments across various investment sectors and activities.
5. Coordinate between the Authority and the activities of other public and private authorities and departments related to the work and activities of the Authority.
6. Approve the profit and loss account and the annual budget of the Authority and present

them to the Cabinet for consideration and approval.

7. Issue the resolutions, directives, and guidelines to ensure that the Chief Executive Officer implements the investment policies, strategies, standards, plans, and programs established or approved by the Board of Directors.
8. Review the periodic data, reports, and information prepared by the Chief Executive Officer to state the Authority's activities and evaluate its performance and financial position. It shall issue the appropriate instructions to avoid or reduce investment risks in a specific field and determine the acceptable risk levels.
9. Conduct a regular evaluation of the performance of the Authority's investment portfolios and issue the necessary instructions and guidelines to achieve the policies and objectives stipulated in this Law.
10. Establish the governance system for the Authority to regulate its administrative and financial performance.
11. Appoint one or more external auditor(s) for the Authority's accounts and determine their fees and remuneration;
12. Form one or more advisory committees of international experts in the field of investment to support the performance of the Board of Directors and the Chief Executive Officer.
13. Issue the administrative and financial regulations and bylaws of the Authority, including the employee affairs regulations and other internal regulations necessary for the management and organization of the Authority's work and activities.
14. Appoint the Chief Executive Officer, determine their salary and remuneration, and other conditions for their appointment.
15. Form permanent and temporary committees, whether from among its members and others to consider the matters assigned thereto.
16. Issue the annual report on the Authority's achievements at the end of each fiscal year therefor.
17. Adopt the training programs necessary to ensure the availability of sufficient number of qualified national cadres.
18. Assign one or more members of the Board of Directors to carry out a specific task and define their powers.

19. Consider all matters referred to the Authority by the competent authorities in the State, or which it deems necessary to consider in matters related to its activity.
20. Open branches and offices for the Authority and appoint agents or representatives on its behalf within the State and abroad.
21. Exercise the other competences stipulated in this Decree by Law or in the regulations or resolutions issued pursuant thereto.

### **Article (7)**

At the end of each fiscal year of the Authority, the Board of Directors shall submit a report to the Cabinet that includes the following:

1. The investment performance of the Authority and the evaluation thereof, particularly its ability to achieve profitable investment returns.
2. The extent of the Authority's compliance with the regulatory standards and controls stipulated in Article (6/1) of this Decree by Law.
3. The findings reached by the Board as a result of its investigation into any of the matters that fall within its competences and the decisions it issues or will issue in this regard.

### **Article (8)**

A member of the Board of Directors is prohibited from voting on any matter brought for a vote before the Board of Directors in which they have a direct or indirect interest, and they shall, where such interest exists, disclose the same in writing to the Board of Directors at the earliest possible time. It is also prohibited for any member of the Board of Directors to receive any income from, or to have any material interest in, any of the contracts or agreements that the Authority concludes with a third party, or to receive any fees, allowances, or remuneration from any foreign public or private entity dealing with the Authority.

### **Article (9)**

1. Subject to the provisions of Article (5) of this Decree by Law, the Cabinet may issue a resolution to relieve any member of the Board of Directors from their position and to appoint a replacement to complete the term of their predecessor.

2. Any member of the Board of Directors may resign from their position by submitting a written notice to the Chairman of the Board of Directors, who shall refer it to the Cabinet. The resignation shall not be deemed accepted unless thirty days have lapsed from the date of its submission or upon its acceptance by the Cabinet.

### **Article (10)**

1. The Board of Directors shall hold its meetings periodically at least once every three months. The Chairman of the Board of Directors or their deputy shall have the right to convene the Board of Directors for additional meetings whenever necessary.
2. In cases of necessity, at least four members may request the convening of the Board of Directors.
3. The meetings of the Board of Directors shall be quorate if attended by a majority of its members, provided that the Chairman or their deputy is among them.
4. The resolutions of the Board of Directors shall be passed by an absolute majority of the votes of the members present. In the event of a tie, the Chairman of the meeting shall have the casting vote.
5. The Board of Directors may form, from among its members or from third parties, one or more subcommittees to which it may delegate certain matters falling within its competence. Such subcommittees shall submit their recommendations on the matters entrusted thereto to the Board of Directors for such decision as it deems appropriate. The internal regulations governing the work of the subcommittees shall be issued by a decision of the Chairman of the Board of Directors.
6. The Board of Directors may, in the exercise of its competences, seek the assistance of such experts and specialists as it deems appropriate by inviting them to attend its meetings or the meetings of its subcommittees to provide their opinion on a matter under consideration.

## **Chapter Five**

### **Article (11)**

#### **The Chief Executive Officer**

The Authority shall be managed by a Chief Executive Officer who shall not be a member of the Board of Directors, appointed pursuant to a decision issued by the Board of Directors, which shall also determine their financial remuneration.

### **Article (12)**

The Chief Executive Officer shall be responsible for the management of the Authority and for all investment and reinvestment operations of the Funds Allocated for Investment. They shall have the authority to undertake all necessary acts and dispositions to achieve this objective in accordance with the provisions of this Decree by Law and the regulations and resolutions issued by the Cabinet and the Board of Directors. In particular, they shall:

1. Propose policies, strategies, and criteria for the investment and reinvestment of the Funds Allocated for Investment, and present the same to the Board of Directors for consideration.
2. Propose plans and programs for the investment and reinvestment of the Funds Allocated for Investment and the allocation of investments across various investment sectors and activities, and present the same to the Board of Directors for consideration.
3. Implement the policies, strategies, plans, and programs approved by the Board of Directors for the investment, reinvestment, development, and allocation of the Funds Allocated for Investment across various investment sectors and activities, and issue the necessary investment decisions, including:
  - a. Appointing portfolio managers, investment managers, and investment advisors, and determining their powers regarding the funds to be invested.
  - b. Allocating investments across various sectors and activities in accordance with the principles, foundations, plans, and programs approved by the Board of Directors.
  - c. Selling, liquidating, or arranging any rights over any of the portfolios, investments, assets, or funds forming part of the Funds Allocated for Investment, in furtherance of the Authority's purposes and in accordance with the principles, foundations, plans, and programs approved by the Board of Directors.

- d. Signing all contracts and agreements and granting the necessary powers of attorney to carry out the acts and dispositions that fall within the competence of the Chief Executive Officer pursuant to the provisions of this Decree by Law.
  - e. Overseeing the management of investment funds and portfolios established by the Authority.
  - f. Appointing banks and other financial or investment institutions entrusted with the implementation of any of the investment programs relating to the Funds Allocated for Investment.
  - g. Adopting appropriate decisions regarding investment offers after examining and analyzing them, within the limits of the policies, strategies, and criteria established or approved by the Board of Directors.
  - h. Monitoring the activities, operations, and performance of banks, financial and investment institutions, and investment managers and portfolio managers entrusted by the Chief Executive Officer with the implementation of certain investment programs.
  - i. Providing the Board of Directors with periodic data, information, and reports on the Authority's activities, including evaluation of its performance and analysis of its financial position.
  - j. Preparing an annual general report on the Authority's work and activities and presenting the same to the Board of Directors.
  - k. Representing the Authority before all public and private legal persons, whether within or outside the State, including its representation before all types and levels of courts and arbitral tribunals, whether within or outside the State, and appointing the necessary lawyers, consultants, and experts to defend the interests of the Authority or any of its subsidiaries, investments, funds, or assets.
  - l. Undertaking all other legal acts and dispositions not falling within the competence of the Board of Directors or those delegated thereby, as necessary to enable the Authority to achieve its purposes in accordance with the provisions of this Decree by Law.
4. Disburse within the limits of the appropriations allocated in the Authority's budget and sign contracts that impose financial obligations on the Authority in accordance with the

provisions of the regulations and systems proposed by the Chief Executive Officer in this regard and submitted to the Board of Directors for approval.

5. Prepare the draft profit and loss account and the annual budget for the Authority and submit the same to the Board of Directors.
6. Propose the administrative and financial regulations, systems, and internal resolutions necessary for the management and organization of the Authority's work and activities, and present the same to the Board of Directors.
7. Appoint and terminate the services of the Authority's employees, and determine their grades, salaries, remuneration, and other entitlements in accordance with the applicable regulations at the Authority.
8. Implement all regulations, systems, resolutions, and directives issued by the Board of Directors.
9. Any other competences assigned by the Board of Directors or in accordance with the resolutions issued thereby.

## **Chapter Six**

### **The Financial System of the Authority**

#### **Article (13)**

All funds and assets entrusted to the Authority for custody, management, or investment shall be deemed public funds owned by the State. The Authority shall be exempt from the payment of any fees or taxes imposed or to be imposed in the State.

#### **Article (14)**

Without prejudice to the provisions of Article (13) of this Decree by Law, the Authority may dispose of a portion of the funds and revenues it retains in accordance with the provisions of this Decree by Law, to the extent necessary to carry out its activities and achieve its purposes, including disbursing therefrom to cover all expenses arising therefrom. The financial resources necessary to cover these expenses shall be approved in the annual budget approved by the Cabinet for this purpose.

### **Article (15)**

The fiscal year of the Authority shall commence with the fiscal year of the State and end at its conclusion, provided that its first fiscal year shall commence from the date this Decree by Law enters into force and shall end on the thirty-first of December of the following fiscal year.

### **Article (16)**

The Board of Directors shall issue a decision on the annual accounting systems and procedures for the Authority in accordance with internationally recognized accounting standards and practices.

### **Article (17)**

The Authority shall have one or more external auditors from among the accredited legal audit and accounting firms in the State, to be appointed by the Board of Directors for a term of one year, renewable, and whose remuneration shall be determined by the Board.

### **Article (18)**

The external auditor shall review and audit the Authority's accounts, and verify compliance with the provisions of this Decree by Law and the resolutions issued pursuant thereto or in implementation thereof. The auditor shall submit a report on the results of such audit to the Board of Directors, which shall in return submit such report to the Cabinet.

### **Article (19)**

The auditor shall have the right, at all times, to access the Authority's books, records, and other documents, and may request the clarifications they deem necessary for the performance of their duties. They may also verify the rights and obligations arising from the Authority's activities and achievement of its purposes. The Chairman of the Board of Directors shall enable the auditor to do so.

### **Article (20)**

The Authority may open, operate, and manage any bank accounts in its name, whether within or outside the State, for the purposes of carrying out its activities and achieving its objectives in accordance with the provisions of this Decree by Law.

## **Chapter Seven**

### **Employees of the Authority**

#### **Article (21)**

All employees of the Authority shall be public officials, and the provisions of the civil service laws applicable in the State shall apply thereto insofar as no special provision is stipulated in this Decree by Law, or in the financial and administrative regulations, the employee affairs regulations applicable in the Authority, or in their employment contracts.

## **Chapter Eight**

### **Evidentiary Value of Electronic Documents and Data Issued by the Authority**

#### **Article (22)**

Subject to the provisions of Federal Law No. (1) of 2006 Regarding Electronic Transactions and Commerce, the electronic documents and signatures issued by the Authority and relating to its transactions and activities in accordance with the provisions of this Decree by Law shall have the evidentiary value of the original document in proving the data contained therein.

#### **Article (23)**

Subject to the provisions of Federal Law No. (1) of 2006 Regarding Electronic Transactions and Commerce, the Authority may retain, for a period of five years, electronic copies of its documents on electronic disks or other electronic document storage media in lieu of the original ledgers, records, statements, documents, correspondence, telegrams, notices, and other original documents issued by the Authority and relating to its activities. Such copies shall have the evidentiary value as the original.

## **Chapter Nine**

### **Guarantees**

#### **Article (24)**

For the purposes of achieving the objectives set forth in this Decree by Law, the Authority may provide such guarantees as may be necessary to secure the performance of any of its contractual or financial obligations arising from agreements it concludes with any other person or entity pursuant to the provisions of this Decree by Law.

#### **Article (25)**

The Authority may, to the extent necessary to enable it to achieve its purposes and subject to such requirements as the Board of Directors may deem appropriate, approve the issuance of guarantees for the purpose of financing any development project implemented by the State.

## **Chapter Ten**

### **Final Provisions**

#### **Article (26)**

The Cabinet may issue a resolution establishing a Board of Trustees to exercise any of the competences exercised thereby in accordance with the provisions of this Decree by Law, or any other competences as may be specified in such resolution.

#### **Article (27)**

The Authority shall not be dissolved or liquidated except by a law, which shall specify the manner of disposition of the Funds Allocated for Investment retained by the Authority.

#### **Article (28)**

Any provision that contradicts or conflicts with the provisions of this Decree by Law is hereby repealed.

## **Article (29)**

This Decree by Law shall enter into force from the date of its issuance and shall be published in the Official Gazette.

**Khalifa bin Zayed Al Nahyan**

**President of the United Arab Emirates**

Issued by us at the Presidential Palace in Abu Dhabi:

On: 3 Dhu al-Qi'dah 1428 A.H.

Corresponding to: 13 November 2007 A.D.