

Federal Decree-Law No. (26) of 2019

On Public Finance

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

Having reviewed the Constitution,

- And Federal Law No. (1) of 1972 concerning the competencies of ministries and the powers of ministers, and its amendments,
- And the Civil Transactions Law issued by Federal Law No. (5) of 1985, and its amendments,
- And the Civil Procedures Law issued by Federal Law No. (11) of 1992, and its amendments,
- And Federal Decree-Law No. (4) of 2007 on the establishment of the Emirates Investment Authority, and its amendments,
- And Federal Law No. (7) of 2008 on the National Archives, and its amendments,
- And Federal Decree-Law No. (11) of 2008 on Human Resources in the Federal Government, and its amendments,
- And Federal Law No. (1) of 2011 on the Public Revenues of the State,
- And Federal Law No. (8) of 2011 on the reorganisation of the State Audit Institution,
- And Federal Decree-Law No. (8) of 2011 on the rules for preparing the General Budget and the Final Account,
- And Federal Law No. (14) of 2016 on Violations and Administrative Sanctions in the Federal Government,
- And Federal Decree-Law No. (5) of 2017 on the General Reserve Account Settlements,
- And Federal Law No. (7) of 2017 on Tax Procedures,
- And Federal Decree-Law No. (7) of 2017 on Excise Tax,
- And Federal Decree-Law No. (8) of 2017 on Value Added Tax,

- And Federal Decree-Law No. (11) of 2017 on authorizing the Council of Ministers with certain powers,
- And Federal Decree-Law No. (9) of 2018 on Public Debt,
- And Federal Decree-Law No. (14) of 2018 on the Central Bank and the Regulation of Financial Institutions and Activities,
- And Federal Decree-Law No. (15) of 2018 on the collection of public revenues and funds,
- And Federal Decree-Law No. (16) of 2018 on the real estate properties of the Federal Government,
- And based on the proposal of the Minister of Finance and the approval of the Council of Ministers,

We have issued the following Decree-Law:

Chapter One

Definitions

Article (1)

Definitions

For the purposes of this Decree-Law, the following words and phrases shall have the meanings assigned to each of them, unless the context otherwise requires:

The State	The United Arab Emirates.
The Government	The Federal Government of the State.
The Ministry	The Ministry of Finance.
The Minister	The Minister of Finance.
The Bank	The Central Bank of the United Arab Emirates.
Federal Entities	Ministries established under Federal Law No. (1) of 1972 on the competencies of ministries and powers of ministers, and the federal government agencies and bodies classified in Article (3) of this Decree-Law.
Head of the Federal Entity	The concerned Minister, Chairman of the Board, Head of the Entity, or their equivalent.

Independent Federal Entities	Independent federal entities established in accordance with the legislation in force in the State and specified in Article (3) of this Decree-Law.
Fiscal Year	Twelve calendar months, beginning on the first of January and ending on the 31st of December of each year.
General Budget	The federal law issued each fiscal year approving the general budget for that year.
Linkage Law	
General Budget	The Government's budget approved by a federal law, which includes the estimated public revenues to be collected and the estimated public expenditures to be spent by various federal entities during a specific fiscal year.
Budget of the Independent Federal Entity	A separate detailed statement for the independent federal entity containing an estimate of its public resources and their sources, and the expected expenditures and their allocations during a specific fiscal year.
Supplementary Budget	Additional financial appropriations issued by a federal law to cover any new policies not included in the General Budget and to identify the resources needed to finance them.
Public Financial Management	The set of rules, regulations, and processes applied to federal entities under this Decree-Law, Council of Ministers' resolutions, ministerial decisions, and circulars related to the provision and identification of resources and their sources, the allocation of public funds and determination of their expenditure, related controls, and the controls for accounting and preparing financial reports thereon.
Unified Chart of Accounts	A unified classification approved by the Council of Ministers for the accounts used in federal entities to classify and record financial transactions.
Medium-Term Financial Strategy	A set of studies and financial reports approved by the Council of Ministers, including general economic forecasts, resource policies, expenditure priorities,

(Financial Framework)	and expected financial risks for a period of not less than (5) five years.
Medium-Term Budget Framework	A study containing medium-term forecasts for total resources and expenditures, the difference between them, the required financing mechanism to cover the deficit, and the basic expenditure ceilings set by the Council of Ministers, which do not exceed the medium-term financial strategy (financial framework).
Medium-Term Expenditure Framework	A report prepared based on administrative, economic, and programmatic classifications as determined by the Council of Ministers, to estimate the expenditures of federal entities.
Programmes	An interconnected set of activities and services provided and defined by federal entities aimed at achieving their associated strategic objectives.
Capital Projects	Projects aimed at creating, acquiring, or renewing any assets owned by federal entities.
New Capital Projects	Capital projects for which no funds have been allocated in the General Budget and are initiated during the fiscal year.
Unified Treasury Account	The central account of the Government, opened by a decision of the Minister, where the financial resources of all federal entities are deposited.
Trust Funds	Third-party funds deposited in the Government's bank accounts or the bank accounts of federal entities, held until the purpose for which they were kept is fulfilled.
Financial Appropriations	The binding upper ceilings for expenditure categories approved within the General Budget Linkage Law.
Mid-Year Budget Review	A semi-annual report prepared by the Ministry and federal entities that describes and analyses the status of resources, expenditures, and overall performance related to the General Budget during the first half of the fiscal year, including a review of

	<p>the economic assumptions of the General Budget and updated forecasts for the current fiscal year's budget.</p>
Final Account of the Federal Entity	<p>The annual report prepared by each federal entity in accordance with the instructions specified in the annual financial circular issued by the Minister and in the form and content required by the Ministry. It includes an analysis of the financial statements and the explanatory note for the final account.</p>
Consolidated Final Account	<p>An annual report issued by approving the consolidated annual financial statements of federal entities, prepared by the Ministry based on the final account reports submitted by the federal entities. It includes the consolidated financial statements and the explanatory note in accordance with the instructions specified in the annual financial circular issued by the Minister.</p>
Consolidated Final Account Approval Law	<p>The federal law that approves the actual expenditures and resources of each federal entity for the past fiscal year, showing the variances compared to the General Budget Linkage Law and its amendments.</p>
Contingency Expenditures	<p>Estimated financial amounts to address a situation not included in the General Budget appropriations for the current fiscal year that cannot be postponed to the next fiscal year's budget due to its relevance to public interest requirements.</p>
Public Resources	<p>The resources of the Federal Government resulting from its public and private properties, fees and taxes collected by the competent federal entities, returns from investment in various economic activities, in addition to transfers, contributions, and other financial resources that are supplied or transferred to the Unified Treasury Account and allocated to cover public expenditures in the general budget of the Union.</p>

Government Guarantee	A written undertaking towards a third party under which the Government commits to fulfilling the obligations of any federal entity on whose behalf the Government wishes to grant the guarantee.
Cash Reserve	An account funded by the actual cash liquidity surplus available after deducting all obligations and guarantees expected to be paid during the subsequent fiscal year.
Special Reserve	A financial appropriation estimated annually to finance contingency expenditures.

Chapter Two

Aims and Scope of Application of this Decree-Law

Article (2)

Aims of this Decree-Law

This Decree-Law aims to achieve the following:

- (1) To define the rules for preparing the General Budget, the Final Account for federal entities, and the Consolidated Final Account, and to establish the rules governing the financial resources of federal entities.
- (2) To establish an integrated regulatory framework for the public resources and financial policies of federal entities by defining the following:
 - a. Principles of management and policies for the financial resources of federal entities.
 - b. General rules governing the collection, management, and disbursement of the financial resources of federal entities.
 - c. Authorities, competencies, powers, and responsibility for managing the financial resources of federal entities.
 - d. The minimum reporting requirements related to the management of financial resources of federal entities.
 - e. Principles of governance, control, and risk management related to the management of financial resources of federal entities.

Article (3)

Scope of Application of this Decree-Law

The provisions of this Decree-Law shall apply to the federal entities classified for its purposes as follows:

(1) Ministries and Central Agencies: Ministries established under Federal Law No. (1) of 1972 on the competencies of ministries and the powers of ministers, and the councils, agencies, and their equivalents that carry out federal executive, legislative, and judicial activities.

(2) Independent Federal Entities: Federal entities established and to be established in accordance with the legislation in force in the State for the purpose of carrying out specific government tasks or services and operating under the supervision of the Government, which:

f. Are granted by their establishing law or resolution an independent legal personality and the capacity to act and prepare, regulate, and implement their own budget.

g. Have their own administrative and organisational structure.

h. Are non-profit.

(3) Government Companies. Within the limits of the provisions pertaining to them contained in this Law.

Chapter Three

Financial and Administrative Powers

Article (4)

Powers of the Council of Ministers

(1) The Council of Ministers shall have the following powers:

a. To approve or amend the medium-term financial strategy (financial framework) and the medium-term budget framework.

b. To approve the financing of new capital projects.

- c. To approve the draft General Budget Linkage Law and its attached schedules for each fiscal year of the medium-term budget and any amendments thereto.
- d. To approve supplementary budget projects.
- e. To approve the draft law for the approval of the Consolidated Final Account and the final accounts not included therein, and their accompanying schedules.
- f. To issue policies and decisions related to the General Budget and public financial management.
- g. To exempt certain federal entities from the obligation to apply all or some of the provisions of this Decree-Law.

(2) The Council of Ministers, upon the proposal of the Minister, shall issue a resolution determining the terms and conditions governing the issuance of government guarantees.

Article (5)

Powers of the Minister

After the approval of the Council of Ministers, the Minister shall determine the rules for managing the state's funds and resources, the public financial management system, coordinate financial policies in the State at the federal level, and issue related procedures and circulars. The Minister may do the following:

- (1) Propose public financial plans and policies for the State within the scope of the Ministry's work and submit them to the Council of Ministers for approval.
- (2) Propose draft laws related to the public financial policy of the State in coordination with the concerned authorities.
- (3) Issue procedure manuals, circulars, and decisions related to the General Budget, accounts, public financial policy of the State, and rules for preparing the final account, in a manner that does not conflict with the legislation in force in the State.
- (4) Propose unified financial policies, a unified chart of accounts, and general rules for regulating accounting operations and records in

accordance with the accounting standards adopted in the Federal Government, and submit them to the Council of Ministers for approval.

(5) Supervise the preparation of the draft laws for the General Budget and the Consolidated Final Account.

(6) Propose the reduction of appropriations in the General Budget in the event of an exceptional decline in the financial resources of federal entities and submit it to the Council of Ministers for approval.

(7) Supervise all aspects of the implementation of the General Budget, including the mechanism for collecting the financial resources of federal entities, controls on expenditures, and treasury operations that apply to federal entities.

(8) Establish rules for opening and closing bank accounts for federal entities.

(9) Issue a decision regulating the transfer of amounts necessary to cover government expenditures from the Unified Treasury Account to one or more bank accounts.

(10) Submit the following projects to the Council of Ministers for approval:

a. The draft medium-term financial strategy (financial framework).

b. The draft medium-term budget framework.

c. The draft General Budget Linkage Law.

d. Draft laws for supplementary budget linkages.

e. The draft law for the Consolidated Final Account.

Article (6)

Competencies of the Ministry

The Ministry shall have the following competencies:

(1) Preparing the financial policy of the Federal Government.

(2) Preparing a medium-term expenditure framework for federal entities.

(3) Studying the draft medium-term plan budget for federal entities to take it into consideration and to provide any suggestions thereon when necessary.

- (4) Preparing the draft General Budget Linkage Law.
- (5) Following up on the implementation of the General Budget.
- (6) Establishing rules governing the disbursement of expenditures, the collection of financial resources for federal entities, and the management of bank accounts, asset and liability accounts, and investment projects.
- (7) Supervising the performance of the General Budget and following up on its implementation, including the mechanism for collecting the financial resources of federal entities, controls on expenditures, and managing treasury operations in federal entities, and submitting reports thereon to the Council of Ministers.
- (8) Managing the public treasury and regulating the bank accounts of federal entities, including opening and closing bank accounts in accordance with the provisions of this Decree-Law.
- (9) Opening zero-balance accounts for federal entities at the Bank or commercial banks operating in the State, through which their annual budget appropriations are paid.
- (10) Reviewing, examining, and auditing the financial and administrative operations and records with financial impact for federal entities as required by the public interest and based on instructions issued by the Minister.
- (11) Supervising and managing the Government's General Cash Reserve Account in accordance with the applicable regulations, legislation, policies, and procedures.
- (12) Preparing and issuing unified financial policies and manuals, the unified chart of accounts, and general rules for closing accounting periods and preparing reports in light of the approved accounting standards.
- (13) Preparing and amending the financial and accounting policies for federal entities and submitting them to the Council of Ministers for approval.
- (14) Preparing the Consolidated Final Account.
- (15) Providing the necessary guidance, support, and training to employees of federal entities regarding the implementation of this Decree-Law and the regulations, decisions, and circulars issued thereunder.

- (16) Requesting any information or data related to the bank account of the Government or any federal entity from public banks in the State.
- (17) Including the amounts necessary to meet public debt obligations and its service in the State's General Budget annually.
- (18) Collecting and preparing government financial reports in coordination with the local Emirates.
- (19) Coordinating with the Central Bank regarding the consistency of the Federal Government's fiscal policy and the Bank's monetary policy during a forthcoming fiscal year.

Article (7)

Public Fund Management

The public fund management practiced by the Minister in accordance with the provisions of this Decree-Law aims at cash hedging, which is achieved by limiting the level of current cash balances held in the Unified Treasury Account through the use of tools that allow the Government to safely invest surplus balances in short-term investment instruments.

Article (8)

Government Banking Procedures

The Minister or his delegate shall open government bank accounts, taking into account the following rules:

- (1) The primary bank account of the Government shall be opened at the Bank.
- (2) All resources of federal entities covered by the Budget Linkage Law must be deposited into the Unified Treasury Account, and all payments must be made from it.
- (3) No account may be opened with any commercial bank without obtaining prior written approval from the Ministry.
- (4) The Minister may open, suspend, or close bank accounts in local and foreign commercial banks to facilitate the collection of resources or the settlement of payments. The balances of these bank accounts shall remain within the limits approved by the Minister, and any amount exceeding this

limit shall be transferred to the Unified Treasury Account in accordance with the instructions issued by the Ministry.

(5) The Minister may enter into agreements with the Bank and other qualified local and foreign commercial banks to manage the balances in temporary bank accounts in an effective manner in accordance with the regulations issued by the Ministry regarding the procedures for opening, closing, and managing these accounts.

(6) Funds available in one of the bank accounts of the Government or any federal entity shall be transferred to another government bank account or the bank account of another federal entity upon the request of the Minister and after the approval of the Council of Ministers, with notification to all relevant parties.

(7) The Minister may place available funds in the Government's bank accounts as short-term deposits.

Article (9)

Submitting Financial Legislation Projects to the Ministry

All draft laws and regulatory decisions that create financial obligations or have financial implications on the General Budget shall be submitted to the Ministry for its opinion before being presented to the Council of Ministers.

Chapter Four

Responsibilities and Obligations of Federal Entities and their Employees

Article (10)

Responsibilities of Federal Entities and their Employees

(1) The decentralisation and powers enjoyed by federal entities shall not prejudice their responsibility for implementing the applicable financial and accounting procedures to preserve and dispose of their public funds.

(2) Decentralisation shall not prejudice the legal responsibility of employees assigned with financial and accounting duties and tasks in case

of their violation of the provisions of this Decree-Law or the laws, regulations, and decisions related thereto.

(3) Federal entities are responsible for planning, preparing, and implementing their budget, and for preparing periodic financial reports and the final account.

Article (11)

Obligations of Federal Entities

(1) Federal entities shall coordinate with the Ministry to achieve the following requirements:

- a. The objectives set in the medium-term financial strategy (financial framework) approved by the Council of Ministers and obtaining its prior approval when amending any of them, provided that the total financial appropriations allocated for these objectives are not exceeded upon amendment.
- b. The rules issued by the Ministry regarding the application of systems for planning and analysing approved strategic objectives, programmes, and capital projects.
- c. Managing their own financial resources efficiently and effectively.
- d. Implementing strategic objectives within the limits of the financial appropriations allocated to them.

(2) Not to borrow, lend, or provide debt guarantees except in coordination with the Ministry of Finance, and in accordance with the legislation in force in this regard.

(3) Not to conclude sponsorship contracts as a financier for events and activities unless they are included in their approved annual budget. Federal entities may conclude sponsorship contracts funded by the private sector in accordance with the rules organised for that by the Ministry.

(4) Federal entities shall provide any data or information requested by the Ministry within the period specified in the request.

Chapter Five

General Provisions of the General Budget

Article (12)

The General Budget

The General Budget is the financial programme for federal entities, which includes all their estimated financial resources to be collected and public expenditures to be spent for a specific fiscal year, in order to achieve economic and social development through the optimal allocation and efficient use of resources within the framework of the federal strategy related to the expenditures expected to be spent by federal entities during a forthcoming fiscal year, taking into account its balance in terms of revenue and expenditure, and its development in light of the medium-term financial strategy (financial framework).

Article (13)

Independent Budgets

It may be explicitly stated in the laws of independent federal service entities, including independent federal entities whose budgets are subject to the approval of their board of directors, that they have their own independent budget in which their detailed resources and expenditures are presented in an annex attached to the General Budget Linkage Law. Such federal entities shall adhere to the following:

- (1) Their own governance and management principles.
- (2) The unified chart of accounts and providing data and reports according to the template and within the deadline specified by the Ministry.

Article (14)

Submission of Independent Budgets

Independent federal entities shall submit their budget to the Ministry for inclusion in the draft General Budget Linkage Law by the date specified by

the Minister in the annual financial circular stipulated in Article (21) of this Decree-Law.

Article (15)

Inclusion in the Draft General Budget Linkage Law

(1) The Ministry shall include the budget appropriations of independent federal entities, including their estimated self-generated financial resources, in the draft General Budget Linkage Law.

(2) No financial burdens shall be imposed on the Government if an independent federal entity fails to achieve any estimated self-generated resources, unless the public interest requires otherwise.

Article (16)

Medium-Term Budget Projects

By a decision of the Council of Ministers, federal entities may be tasked with preparing a draft medium-term plan budget, the number of years of which shall be determined by a decision of the Council of Ministers, provided that it includes estimates of financial resources and expenditures for each fiscal year separately. The decision approving the appropriations for this budget shall be issued by the Council of Ministers.

Article (17)

Medium-Term Budget Amendments

When preparing the draft General Budget Linkage Law for each year of the medium-term plan, the following shall be taken into account:

- (1) Any amendments to the budget of this plan approved by the Council of Ministers.
- (2) The medium-term financial strategy (financial framework).
- (3) The medium-term budget framework.

Article (18)

Medium-Term Budget Framework

The medium-term budget framework shall show the bases that determine the total expenditure ceilings in the annual budget. The total expenditure estimates for the current fiscal year shall only be indicative for the following fiscal year.

Article (19)

Disclosure of In-Kind Support

Federal entities authorised to receive in-kind support shall disclose such support, stating its financial value according to the form prepared by the Ministry for this purpose. This statement must be submitted with the draft budget documents of that federal entity.

Article (20)

Chart of Accounts

- (1) The Council of Ministers, upon the proposal of the Minister, shall issue a unified chart of accounts, which federal entities shall adhere to.
- (2) Reports shall be prepared by federal entities in accordance with the controls and rules specified in the unified chart of accounts.
- (3) The Ministry may issue the necessary directives and instructions to enable federal entities to prepare their reports in accordance with the unified chart of accounts.

Chapter Six

Preparation of the General Budget

Article (21)

Financial Circular on the Controls for Preparing the Draft General Budget

The Minister shall issue a financial circular to the federal entities specifying the necessary rules and controls for preparing their draft budget for the following year during the first week of the third month of each fiscal year, provided that it includes the budget ceiling and the deadline for submitting the draft General Budget to the Ministry.

Article (22)

Study and Analysis of the Preliminary Estimates of Federal Entities

The federal entities covered by the General Budget shall prepare preliminary estimates of their financial resources based on their type, indicating their sources, and preliminary estimates of their current and capital expenditures, in line with their strategic objectives and approved activities for each programme, ensuring they include performance measures and financial efficiency indicators.

The preliminary estimates must be submitted to the Ministry by the date specified in the Minister's circular referred to in Article (21) of this Decree-Law.

Article (23)

Delay by Federal Entities in Submitting the Draft General Budget

If any federal entity is late in submitting its draft budget to the Ministry by the deadline specified in the circular mentioned in Article (21) of this Decree-Law, the Ministry, after notifying the delayed entity, shall prepare these estimates based on the appropriations of the current fiscal year for

that entity, taking into account the changes and amendments made to it during the current fiscal year and other considerations related to it, in a manner consistent with its programmes and strategic objectives.

Article (24)

New Capital Projects

When proposing new capital projects based on long-term capital expenditure plans, federal entities shall submit the following:

- (1) An approved title deed for the land allocated for the project or the decision issued by the competent authority to allocate the necessary plot of land for the project.
- (2) A feasibility study for the project.
- (3) The proposed design plan for the project.
- (4) The timeline for the implementation of the project and the amounts required for the implementation years.
- (5) All annual financial costs necessary for operation after the completion of the project.
- (6) Any other requirements according to the circulars issued in this regard by the Ministry and the concerned authorities.

Article (25)

Appropriations for the Completion of Capital Projects

The implementing federal entity shall propose the required financial appropriations for completion projects included in the General Budget and independent budgets for the fiscal year for which the budget is prepared, in coordination with the Ministry.

Article (26)

Study and Evaluation of New Capital Projects

- (1) The Ministry concerned with infrastructure development is responsible for studying and evaluating new capital projects to be constructed,

acquired, or renewed, and for providing prior approval before submitting them to the Council of Ministers.

(2) If the total cost of any of the capital projects included in the budget is amended, the federal entity implementing the project shall, in coordination with the Ministry, amend the total cost of the project, stating the reasons that required the amendment.

Article (27)

Special Reserve

The Ministry shall annually estimate and include an amount for the special reserve within the General Budget to cover unexpected and unforeseen expenditures not included in other budget items.

Article (28)

Estimation of Resources

Federal entities shall estimate their financial resources and state the bases on which this estimate was built and the factors that influenced it during the current fiscal year. The Ministry shall study and approve them within the draft financial strategy and the General Budget Linkage Law.

Article (29)

Principle of a Balanced General Budget

The Ministry shall observe the principle of balance in the General Budget between the total financial resources of federal entities on one hand, and the total public expenditures on the other. In the event of a difference resulting from estimated expenditures exceeding expected revenues, the Ministry shall propose financing alternatives to achieve the required balance.

Article (30)

Maximum Expenditure Limit

If the total preliminary expenditure estimates exceed the preliminary financial resource estimates of the federal entities, the Ministry may propose a maximum expenditure limit to which the federal entities shall adhere after its approval by the Council of Ministers.

Article (31)

Draft General Budget Linkage Law

- (1) The Ministry shall prepare the draft medium-term budget framework and submit it to the Council of Ministers.
- (2) The Ministry shall prepare the draft General Budget Linkage Law, accompanied by all explanatory reports and documents, and submit it to the Council of Ministers.

Article (32)

Classification of Resources

When preparing the draft General Budget Linkage Law, the classification of the annual financial resources of federal entities shall be in accordance with the types of resources stipulated in Article (57) of this Decree-Law.

Article (33)

Classification of Expenditures

When preparing the draft General Budget Linkage Law, all annual expenditures shall be classified based on the following groups:

- (1) Employee Compensation
- (2) Goods and Services.
- (3) Subsidies.
- (4) Grants, Donations, and Gifts.
- (5) Social Benefits.

(6) Other Federal Expenditures.

(7) Capital Expenditures.

Article (34)

Inclusion of Grants

Estimates of grants, donations, gifts, and the like accepted by federal entities, which are consistent with the objectives and competencies of these entities, must be included in the total resources of the medium-term budget framework and in the resource estimate of the draft General Budget Linkage Law. The expenditures associated with managing these grants must also be specified in the draft General Budget of the federal entity.

Chapter Seven

Approval of the General Budget

Article (35)

Draft General Budget Linkage Law

The draft General Budget Linkage Law, including all budgets of independent federal entities with their documents, shall be presented at least two months before the beginning of the fiscal year to the Federal National Council for discussion and to provide its observations. The Federal National Council shall submit it to the Supreme Council of the Union, accompanied by the observations, for its approval.

Article (36)

Notification of the Budget

The Ministry shall notify the federal entities immediately upon the issuance of the General Budget Linkage Law of the financial appropriations allocated to them for the prepared fiscal year.

Article (37)

Temporary Monthly Financial Appropriations

In all cases where the General Budget Linkage Law is not issued before the beginning of the fiscal year, temporary monthly appropriations may be approved by a federal decree on the basis of one-twelfth of the appropriations of the previous fiscal year, based on the proposal of the Minister.

Chapter Eight

Amendment of the General Budget

Article (38)

Amending the General Budget

Any expenditure not included in the General Budget or exceeding the estimates in a single chapter, and any transfer of any amount from one chapter to another of the General Budget must be by law. However, in case of urgent necessity, this expenditure or transfer may be decided by a decree-law.

Article (39)

Supplementary Budget

(1) The Ministry shall submit a draft federal law for a supplementary budget to the Council of Ministers in any of the following cases:

- a. Adoption of new policies that have a financial impact not included in the approved budget.
- b. Provision of funding for necessary capital projects outside the budget cycle.
- c. Any other cases decided by the Council of Ministers.

(2) The supplementary budget shall be issued by a federal law.

(3) Federal entities shall not submit requests for supplementary appropriations during the fiscal year except in emergency cases or cases of

extreme necessity, with the need to state the sources of funds required to cover those requests.

Chapter Nine

Implementation of the General Budget

Article (40)

Implementing the General Budget

All financial resources of the federal entities and the expenditures resulting from actions taken during the fiscal year shall be recorded in the accounts of the fiscal year based on the date of the emergence of the right or debt, regardless of the date on which they are executed.

Article (41)

Accounting System

The Government shall apply the accrual-based accounting system in accordance with the accounting standards of the United Arab Emirates.

Article (42)

Accounting Standards Board

(1) A Government Accounting Standards Board may be formed by a decision of the Minister, composed of employees from the Ministry and other experts and specialists. The decision shall specify the powers and responsibilities of the Board.

(2) The Minister shall submit the recommendations of the Accounting Standards Board regarding the amendment and development of accounting standards in the Federal Government to the Council of Ministers for approval.

(3) Federal entities shall continue to apply the accounting policies and standards currently approved by the Ministry until a decision is issued by the Council of Ministers.

Article (43)

Adherence to Financial Appropriations

(1) Federal entities shall, in implementing their budget, adhere to the limits of the financial appropriations allocated to them in the General Budget Linkage Law.

(2) Public expenditures shall be settled, authorised for payment, and a payment instrument issued by the federal entities in accordance with the applicable rules. These expenditures shall not be disbursed unless they are specified and due for payment in accordance with the legislation in force.

Article (44)

Concluding Contracts

Federal entities may not conclude contracts that result in financial obligations extending beyond the fiscal year to a future fiscal year or years except in accordance with the procedures and controls approved by the Federal Government.

Article (45)

Adherence to the Total Cost of Projects

Notwithstanding the provision of Article (44) of this Decree-Law, commitments may be made for the total cost of capital projects stipulated in the General Budget, provided that disbursement on the project during the fiscal year adheres to the financial appropriations allocated to it in the budget for that year.

Article (46)

Allocation of Multi-Year Financial Appropriations

The General Budget Linkage Law may provide for the allocation of multi-year financial appropriations to cover any existing contractual obligations, provided that the cash spending ceiling for the first fiscal year of the multi-

year project is specified and the full cost of the project during its expected implementation period is determined.

Article (47)

Projects Not Included in the General Budget

Federal entities may, after the approval of the Council of Ministers, establish capital projects, enter into commitments, or issue tenders for any projects not included in the General Budget, provided that the provisions related to the supplementary budget contained in this Decree-Law are applied to those projects.

Article (48)

Non-Completion of Capital Projects

If a capital project is not completed during the fiscal year, the financial appropriation or the remainder thereof shall be included in the budget of the following fiscal year for the implementation plan of this project.

Article (49)

Controls for Expenditure Disbursement

Federal entities shall adhere to the legal and regulatory controls prescribed in accordance with the provisions of this Decree-Law for spending on projects included in the General Budget.

Article (50)

Transfers

Without prejudice to the provisions of Article (38) of this Decree-Law, financial transfers shall be made in accordance with the controls and rules contained in the transfer policy issued by the Ministry and approved by the Minister.

Article (51)

Use of the Special Reserve

The special reserve stipulated in Article (27) of this Decree-Law shall be used, in accordance with the provisions of a decision issued by the Council of Ministers, in cases that require financing of some unexpected needs or situations that arise during the current fiscal year, specifying the beneficiary federal entity, the strategic objective, and the intended programme.

The concerned federal entity shall, after implementation, prepare a special schedule for the use, which shall be included in the explanatory note attached to the entity's final account and the Consolidated Final Account.

Article (52)

Unexecuted Financial Appropriation

Without prejudice to the provisions of Articles (48) and (49) of this Decree-Law, any financial appropriation included in the General Budget that has not been fully executed during the fiscal year shall become void.

Article (53)

Retention of Records and Reports

Federal entities shall maintain comprehensive electronic records, and their supporting documents, on the implementation of their budget, as well as performance reports and indicators in accordance with the systems and schedules determined by the Ministry.

Article (54)

Periodic Reports

The Ministry shall submit a semi-annual report to the Council of Ministers on the financial data of the Federal Government.

Chapter Ten

Follow-up on the Implementation of the General Budget

Article (55)

Internal Control and Audit

- (1) The competent administrative units in the federal entities shall be responsible for controlling and auditing the implementation of the General Budget with regard to the collection of its resources, the payment of its expenditures, monitoring performance, and ensuring its compliance with the legislation in force in the State.
- (2) The internal audit office in the federal entity shall conduct an independent audit of the administrative body's implementation of the General Budget in accordance with the work mechanisms, policies, procedures, regulations, and risk management applied in that entity.

Article (56)

Reports of Federal Entities

Federal entities shall provide the Ministry with the required monthly and semi-annual financial reports and data in accordance with the specified deadlines.

Article (56) bis

Reports of Government Companies

Government companies specified by the Council of Ministers - upon the proposal of the Minister - shall provide the Ministry with the required financial reports and data in the form, content, and at the times specified by the Ministry.

Chapter Eleven

Financial Resources of Federal Entities

Article (57)

Types of Resources

The financial resources of federal entities estimated to be collected for the purposes of preparing the General Budget shall consist of the following:

- (1) Taxes, fees, and revenues imposed under a federal law.
- (2) Fees and charges collected by the Government in return for the services it provides.
- (3) The share contributed by each emirate of the State to the General Budget.
- (4) Government resources from its private properties.
- (5) Military pension contributions.
- (6) Fines and amounts awarded by courts.
- (7) Returns from the investment and reinvestment of Government funds.
- (8) Grants, donations, gifts, and the like.
- (9) Administrative fines.
- (10) Any other resources determined by the Council of Ministers.

Article (58)

Imposition of Fees

The Council of Ministers shall impose or exempt from federal fees or revenues of all kinds - except for taxes - by its decision based on the proposal of the Minister, in accordance with the provisions of the legislation in force in the State.

Article (59)

Collection of Resources

Taking into account the terms and conditions for accepting grants, donations, gifts, and the like allocated for a specific purpose, the concerned federal entity is responsible for collecting and settling its resources in accordance with the legislation in force and the instructions issued by the Minister.

Article (60)

Local Fees

Federal entities may not add or collect fees for any local authority in any emirate except after coordination with the Ministry.

Article (61)

Deduction from Resources

Federal entities may not deduct amounts from their resources under any name or for any reason in accordance with the legislation in force.

Article (62)

Supplying Resources

Without prejudice to the provisions of Article (8) of this Decree-Law, federal entities shall supply the collected resources to the Unified Treasury Account in accordance with the rules and instructions specified by the Ministry. A specific revenue may not be allocated to a specific expenditure except with the approval of the Council of Ministers, with the exception of grants, donations, gifts, and the like.

Article (63)

Grants, Donations, Gifts, and the like

- (1) Federal entities may accept grants, donations, gifts, and the like that are consistent with the objectives and competencies of those entities, and a special budget shall be prepared for them.
- (2) Any grants, donations, gifts, and the like shall be recognised in the accounting records and recorded in the accounting records of the concerned federal entity and classified according to their nature based on the unified chart of accounts, and shall be included in the financial statements of the year they are received.
- (3) Recurring and confirmed grants, donations, gifts, and the like shall be included in the annual budget of the federal entity.

Article (64)

Concluding Revenue-Sharing Contracts

No federal entity may enter into contracts with private institutions and companies and the concerned authorities in the governments of the Emirates to provide services to the public on the basis of revenue sharing except after the approval of the Ministry and the endorsement of the Council of Ministers. Contracts concluded before the implementation of this Decree-Law may not be renewed after their expiry except with the approval of the Ministry.

Article (65)

Private Sector Participation

No federal entity may contract with any private legal person for the purpose of participating in the management, operation, or running of any public facility except in accordance with the applicable regulations in the Federal Government.

Chapter Twelve

Final Account of Federal Entities

Article (66)

Financial Circular

The Minister shall issue a financial circular to the federal entities specifying the rules, controls, procedures, and accounting treatments for the transactions and adjustments necessary for preparing the draft Final Account of the federal entity and the Consolidated Final Account for the current fiscal year during the second week of the tenth month of each fiscal year.

Article (67)

Rules and Dates for Closing Accounts and Preparing the Final Account

- (1) Accounting periods shall be closed by a maximum of the eighth day of the following month.
- (2) The Minister shall specify in the financial circular referred to in Article (66) of this Decree-Law the date for closing the accounts at the end of the fiscal year.

Article (68)

Draft Final Account of the Federal Entity

- (1) Notwithstanding the provisions contained in the laws establishing independent federal entities, each federal entity shall prepare its draft final account for the ended fiscal year in accordance with the basic rules stipulated in this Decree-Law and the financial circular issued by the Minister in that regard, and shall submit it to the State Audit Institution and a copy thereof to the Ministry with its report on the extent of achievement of performance objectives, by the dates specified in the circular.

(2) Federal entities and their competent administrative units shall be responsible for controlling and verifying the accuracy of their final account data and the performance achievement report.

Article (68) bis

Auditing the Final Accounts of Independent Entities

(1) Independent federal entities may appoint an external auditor if their establishing law so provides, taking into account the issuance of the audited financial statements approved by the Board of Directors before the date specified in the financial circular for the State Audit Institution to issue its preliminary report on the final account of that entity.

(2) The independent federal entity shall send a copy of the approved external auditor's report to the Ministry of Finance within a maximum of two weeks from the date of the report's approval.

Chapter Thirteen

Consolidated Final Account of the Federal Government

Article (69)

Draft Consolidated Final Account

(1) The Ministry shall, in accordance with the provisions of this Decree-Law and the accounting standards approved in the Federal Government, prepare the draft Consolidated Final Account.

(2) The Ministry shall prepare a draft federal law regarding the approval of the Consolidated Final Account for the ended fiscal year and refer it to the State Audit Institution.

Article (70)

Draft Law Approving the Consolidated Final Account

(1) The Minister shall submit the draft law approving the Consolidated Final Account in its final form no later than the end of April of the fiscal year following the fiscal year to which the final account pertains, accompanied

by the draft Consolidated Final Account and the report of the State Audit Institution thereon and the Ministry's response to it, to the Council of Ministers for its approval in the form it deems appropriate. It will then be referred to the Federal National Council to provide its observations before being submitted to the Supreme Council of the Union for its approval in preparation for its issuance.

(2) Independent federal entities not included in the General Budget Linkage Law shall submit their draft financial statement approvals to the Council of Ministers according to the instructions issued by the Ministry.

Article (71)

Building the Cash Reserve

(1) The Ministry shall annually prepare a report clarifying the mechanism for calculating the amount of the cash reserve allocated for the purpose of supporting the annual budget and shall submit this report to the Cabinet to issue its decision determining the percentage of the total general budget to be included for this purpose. This account shall be funded and disbursed from in accordance with the provisions of that decision.

(2) The Government shall form another cash reserve with a minimum of (15) fifteen billion dirhams for the purpose of supporting the Government's financial position. The minimum cash reserve may be increased by a decision of the Cabinet, and the Ministry shall manage it in accordance with the rules and regulations issued by a decision of the Cabinet upon the Minister's proposal.

(3) Subject to clauses (1) and (2) of this Article, the Ministry shall, after the Cabinet's approval of the draft final account law for the concluded fiscal year, transfer no more than (70%) seventy percent of the cash amounts surplus to its needs to the Emirates Investment Authority.

Article (72)

Investment of Government Funds

Subject to the provisions of Federal Decree-Law No. (4) of 2007 and its amendments, the Minister shall issue a decision regulating the investment

of surplus funds from the Public Treasury in fixed-term deposits, each not exceeding one year, renewable, provided that these funds are deposited in banks within the State.

Article (73)

Transfer of Cash Surpluses

- (1) All Federal Entities must transfer any surplus resulting from the implementation of their annual budget, as approved in the General Budget Linkage Law and its amendments, to the Unified Treasury Account within (30) thirty days from the date the Ministry receives the State Audit Institution's report on the preliminary draft final account for that entity.
- (2) The Cabinet may, upon the Minister's proposal, issue a decision obligating any Federal Entity with a surplus cash balance to transfer this balance to the Unified Treasury Account within the period specified in the decision, or to deduct the value of this surplus from its annual budget financing installments.

Chapter Fourteen

Concluding Provisions

Article (74)

Preservation of Documents

- (1) All financial and administrative documents, records, and papers in their various forms with financial implications related to each fiscal year shall be preserved for a period of not less than (10) ten years from the date of issuance of the law approving the unified final account. Documents, records, and papers that require permanent preservation shall be transferred to the National Archives and the National Library. These documents, records, and papers may be destroyed after the expiry of this period if the concerned entity determines it no longer needs them, in accordance with the legislation in force in the State.

(2) Documents, records, and papers may not be destroyed under any circumstances, even after the expiry of the period, if they are the subject of an administrative or judicial investigation or dispute.

Article (74) bis

Restrictions on Disclosure Requirements

The publication or distribution of information, data, or reports is prohibited if it would lead to:

- a. Harming the economic interests of the State.
- b. Prejudicing security or international relations.
- c. Causing material losses to the State.

Article (75)

Transfer of Financial Appropriations and Allocations

(1) In the event of restructuring, merging, or dissolving any Federal Entity, or transferring, canceling, or merging any existing programs or activities between Federal Entities, the Ministry is authorized to transfer the financial appropriations and allocations for those entities, programs, or activities.

(2) The accounts of a Federal Entity that is merged or dissolved shall be closed in accordance with the procedures issued by the Minister.

Article (76)

Trust Funds

(1) The Federal Entity must recognize received trust funds as a liability in its accounting records until the purpose for which they were held is fulfilled or they are paid to the true beneficiary.

(2) Federal Entities shall deposit trust funds in separate accounts, which shall be managed by the Ministry in accordance with the procedures approved in the Federal Government.

(3) No claim for any trust funds shall be heard after the lapse of (5) five years from the date the right to their recovery arose. After this period, they shall become public funds transferred to the State Treasury.

(4) Notwithstanding the provision of clause (3) of this Article, the Cabinet may, upon the Minister's submission, issue a decision to return any trust funds that have become public funds after the period stipulated in clause (3) of this Article to their rightful owners if the claimant's right to recover these funds is proven.

Article (77)

Government Guarantees

(1) The Cabinet may, upon the recommendation of the Ministry, issue a decision approving the granting of guarantees or payment undertakings on behalf of any Federal Entity.

(2) The decision issued by the Cabinet shall specify the conditions for granting this guarantee or the procedures to be taken to recover any funds paid by the Government as a result of this guarantee from the Federal Entity.

(3) Any funds paid by the Government as a result of a government guarantee shall be considered debts due to the Government, and the Minister shall determine the conditions for recovering these amounts.

(4) The entities benefiting from such guarantees shall submit monthly or periodic reports to the Ministry on the performance of the debts associated with those guarantees.

Article (78)

Statute of Limitations on Third-Party Debts

(1) No claim shall be heard against any Federal Government Entity for any debts or dues whose owners or beneficiaries do not request payment before the end of the fifth year following the fiscal year in which such debts or dues became due.

(2) Federal Entities shall prepare a detailed statement of the debts to be written off during the fiscal year within the first three months of that year and provide the Ministry with a copy thereof.

(3) The Federal Entity shall announce the time-barred debts to be written off at the Federal Government level through methods it deems appropriate.

(4) Notwithstanding the provision of clause (1) of this Article, the Minister may approve the refund of any amount due to its owner after the expiry of the prescribed period for claiming it, not exceeding (300,000) three hundred thousand dirhams, if the right to claim the recovery of these funds is proven. Claims exceeding (300,000) three hundred thousand dirhams shall be referred to the Cabinet for approval.

(5) Notwithstanding the provision of clause (1) of this Article, the statute of limitations shall not apply to trust funds for which the purpose of their holding has not been fulfilled.

Article (79)

Non-Subjection of Federal Entity Debts to Statute of Limitations

No statute of limitations shall apply to any debts or claims of any Federal Entity against third parties. The concerned Federal Entity must take all available administrative and legal measures to claim the value of the debt as soon as it becomes aware that it is due.

Article (79) bis

Follow-up and Review of Dues Owed to the State

(1) The Ministry shall undertake the review of dues owed to the State and, to achieve this, may examine financial records, monitor revenue-related operations at Federal Entities, and verify their recognition, collection, and transfer to the Unified Treasury Account in accordance with the procedures approved in the Federal Government.

(2) The Ministry shall submit semi-annual reports to the Cabinet on uncollected revenues at Federal Entities.

Article (80)

Interruption of the Statute of Limitations

The statute of limitations period stipulated in Articles (76/3) and (78) of this Decree-Law shall be interrupted by a claim, whether administrative or judicial. The interruption shall result in the commencement of a new period.

Article (81)

Exemption from and Write-off of Debts

(1) The Cabinet may exempt Federal Entities or persons from all or part of the debts and dues owed to Federal Entities upon a request from the Minister, accompanied by the Ministry's opinion, based on a request from the concerned Federal Entity through a written memorandum submitted to the Minister with the reasons and justifications for the exemption.

(2) The Cabinet may set special conditions based on which any exemption is granted in accordance with the preceding clause.

Article (82)

Inventory Committees

(1) A permanent inventory committee shall be formed in each Federal Entity by a decision of the competent Minister, their deputy, or the Director-General of the independent Federal Entity, which shall specify the committee's tasks. The Ministry and the State Audit Institution shall be notified of this decision.

(2) The competent department at the Federal Entities has the right to conduct an inventory of financial custodianships whenever it deems necessary.

Article (83)

Penalties

Without prejudice to any penalty stipulated in any other law, any employee who violates the provisions of this Decree-Law shall be punished with the penalties stipulated in the Human Resources Law in the Federal Government.

Article (84)

Repealed by Federal Law No. (7) of 2022 amending certain provisions of Federal Decree-Law No. (26) of 2019 on Public Finance.

Article (85)

Repeal of Legislations

(1) Federal Law No. (1) of 2011 and its amendments, Federal Decree-Law No. (8) of 2011 and its amendments, and Decree-Law No. (5) of 2017 are hereby repealed, as is any provision that contravenes or conflicts with the provisions of this Decree-Law.

(2) The regulations, decisions, and circulars implementing the aforementioned Federal Law No. (1) of 2011 and Federal Decree-Law No. (8) of 2011 shall remain in force, insofar as they do not conflict with the provisions of this Decree-Law, until the issuance of regulations, decisions, and circulars that replace them.

(3) Federal Entities previously exempted by the Cabinet from the application of the provisions of the aforementioned Federal Law No. (1) of 2011 and Federal Decree-Law No. (8) of 2011 are exempted from the application of this Decree-Law until decisions are issued by the Cabinet to repeal them.

Article (86)

Publication and Entry into Force of the Law

This Decree-Law shall be published in the Official Gazette and shall come into force on the day following the date of its publication.

Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi:

Dated: 5 / Muharram / 1441 H

Corresponding to: 4 / September / 2019 AD