

Federal Decree-Law No. (18) of 2024

Amending certain provisions of Federal Decree-Law No. (9) of 2018 on Public Debt

We, Mohamed bin Zayed Al Nahyan

President of the United Arab Emirates,

- Having reviewed the Constitution,
- And Federal Law No. (1) of 1972 on the Competencies of Ministries and the Powers of Ministers, and its amendments,
- And Federal Decree-Law No. (9) of 2018 on Public Debt, and its amendments,
- And Federal Decree-Law No. (26) of 2019 on Public Finance, and its amendments,
- And based on the proposal of the Minister of Finance and the approval of the Cabinet,

We have issued the following Decree-Law:

Article One

The texts of Articles (1), (2), (3), (4), (6), (7), (10), (11), (14), and (15) of Federal Decree-Law No. (9) of 2018 on Public Debt shall be replaced by the following texts:

Article (1)

Definitions

In the application of the provisions of this Decree-Law, the following words and phrases shall have the meanings assigned to them below, unless the context requires otherwise:

The State : The United Arab Emirates.

The Government : The government of the United Arab Emirates.

The Local Government	: The government of any of the member Emirates of the State.
The Minister	: The Minister of Finance.
The Ministry	: The Ministry of Finance.
The Central Bank	: The Central Bank of the United Arab Emirates.
The Governor	: The Governor of the Central Bank.
The Office	: The Public Debt Management Office.
Public Debt	: The direct and indirect, outstanding obligations denominated in UAE Dirham or any foreign currency, incurred by the Government.
Local Public Debt	: The direct and indirect, outstanding obligations denominated in UAE Dirham or any foreign currency, incurred by one or more local governments in accordance with the provisions of this Decree-Law.
Public Debt Instrument	: Any debt security issued by the Government or to which it is a party in accordance with this Decree-Law, which includes an obligation on its part to repay a specific amount of money, including, Islamic financial instruments, treasury bonds, promissory notes, treasury bills, debt rescheduling notes, government bonds, public or commercial loans, credit facilities, or payment guarantees.
Local Public Debt Instrument	: Any debt security issued by the local government of any Emirate or to which it is a party, which includes an obligation on its part to repay a specific amount of money, including, for example, the financial instruments mentioned in the definition of the Public Debt Instrument.
Outstanding Public Debt	: The total current and remaining balance of public debt that has not been repaid.
Public Debt Surplus	: The remainder of the value of public debt instrument issuances that has not been utilized in accordance with the provisions of this Decree-Law.
The Government's Stable Own-	: The financial revenues resulting from the provision of services and the conduct of various activities by the Government and governmental entities whose

Source Revenues	revenues are part of the Government's stable own-source revenues, including recurring annual revenues where achieving a fixed and binding amount is not a condition for the revenue to be considered stable. The revenue may fluctuate within certain percentages, upwards or downwards, not exceeding (10%) ten percent of the arithmetic average of the last (3) three years.
Governmental Entities	: Public authorities, public institutions, and companies wholly or partially owned by the Government or by a subsidiary entity wholly owned by the Government.
The Electronic Register	: The electronic register established at the Ministry to record the ownership of public debt instruments.

Article (2)

Purposes of the Decree-Law

1. This Decree-Law shall regulate the general rules governing the issuance and management of public debt in accordance with a sound and safe policy to manage its risks and minimize its cost to the lowest possible extent.
2. The Government may issue or be a party to one or a group of public debt instruments to achieve any of the following:
 - a. Supporting and developing a highly efficient financial market in the State.
 - b. Financing infrastructure projects and governmental development projects approved by the Cabinet.
 - c. The contribution of public debt instruments to the development and diversification of the primary and secondary financial markets in the State.
 - d. Supporting the implementation of the Central Bank's monetary policy.
 - e. Refinancing or replacing an existing public debt.
 - f. Covering any financial guarantee issued by the Government in accordance with the provisions of this Decree-Law.

- g. Settling any other contingent governmental financial obligations determined by the Cabinet upon the proposal of the Minister.
- h. Any other objectives consistent with the purposes of this Decree-Law as decided by the Cabinet.
- i. Any other objectives determined under a special law.

Article (3)

Public Debt Management Office

- 1. An office for public debt management shall be established in the Ministry, named the "Public Debt Management Office," which shall report directly to the Minister and shall be competent to do the following:
 - a. Proposing public debt management strategies and policies in coordination with the Central Bank and submitting them to the Minister for approval by the Cabinet.
 - b. Implementing the strategies and policies approved by the Cabinet in coordination with the Central Bank.
 - c. Advising the Minister on the preparation of proposals related to the issuance of public debt instruments to be submitted to the Cabinet, in coordination with the Central Bank.
 - d. Monitoring financial and other risks associated with the issuance and trading of any public debt instrument and proposing solutions to manage and control these risks.
 - e. Advising the Minister on ways to invest any public debt surplus through safe and highly liquid investment means, in coordination with the Central Bank and the Emirates Investment Authority.
 - f. Advising the Minister on determining the levels of risk that can be accepted when borrowing or issuing any guarantees for the purpose of implementing any governmental development projects.
 - g. Coordinating with the Central Bank on the management of the issuance and sale of government bonds, treasury bills, and any other government securities.
 - h. Managing the issuance and sale operations of any other public debt instruments in coordination with the Central Bank.

- i. Coordinating with the local government in each Emirate to support and develop a highly efficient primary and secondary financial market through the issuance of public debt instruments in the State.
- j. Advising the Minister on the policies and procedures to be followed to reduce the costs of public debt portfolios and maintain their associated risk levels at acceptable levels.
- k. Preparing the annual public debt issuance plan.
- l. Setting clear short-term and long-term objectives for public debt management in the State.
- m. Providing the necessary reports on the proper management of public debt implementation in the State.
- n. Monitoring the borrowing or financing arrangements undertaken by the Government or any governmental entity whose establishing law grants it the authority to borrow. The Office may request the necessary information about these arrangements, and upon receiving this information, it shall prepare the necessary reports and present them to the Minister.
- o. Providing support and advice to the Government or any governmental entity whose establishing law grants it the authority to borrow, to determine the policies and procedures that should be considered for managing its borrowing or financing.
- p. Any other tasks assigned to it by the Minister within the framework of the purposes of this Decree-Law.

2. The Minister shall issue a decision on the organizational structure of the Office and the regulations governing its work.

Article (4)

Issuance of Public Debt Instruments

1. Public debt shall be contracted by a law, and the law shall specify the following:
 - a. The purposes for issuing the instrument or instruments.
 - b. The ceiling for the total amount of the instrument or instruments to be issued.

- c. The duration of the issuance and offering of the instrument or instruments and their maturity dates.

2. The Cabinet may, upon the proposal of the Minister, issue decisions regarding the following:

- a. The type of public debt instrument or instruments.
- b. The method of offering or presenting the public debt instrument or instruments.
- c. Reissuing existing public debt within the duration and ceiling specified in the issuance law.

It may delegate the Minister to take the necessary measures to implement the provisions of this Decree-Law related to the management of the public debt instrument or instruments and the Cabinet's decisions in this regard.

Article (6)

Maximum Limit for the Total Amount of Outstanding Public Debt

The total amount of outstanding public debt at any time shall not exceed the amount specified by a decision of the Cabinet, with a maximum limit of (250%) two hundred and fifty percent of the Government's stable own-source revenues. For the purposes of this Article, the public debt surplus, its investment returns, the interest accrued thereon, and its servicing costs shall not be calculated as part of the total outstanding public debt. Also, for the purposes of this Article, government guarantees granted in respect thereof shall not be calculated as part of the total public debt unless the obligation under the government guarantee becomes an outstanding public debt or a decision to the contrary is issued by the Cabinet.

Article (7)

The Government may allocate a maximum of (15%) fifteen percent of the total outstanding public debt at any time to be spent on or to finance infrastructure projects.

Article (10)

Repayment of Public Debt Instruments

1. A public debt instrument shall be considered an absolute and unconditional obligation of the Government and shall be repaid from its resources, having a preferential right of repayment over all other debts.
2. The amounts necessary to meet the maturities and servicing of the public debt shall be included annually in the State's general budget.
3. The Minister may authorize the Central Bank to automatically withdraw from the Government's accounts with it to settle the maturities of any public debt instrument. The Cabinet may also - notwithstanding the provisions of any other law - upon the proposal of the Minister and in coordination with the Central Bank, authorize the Central Bank to repay any public debt instrument by means of overdraft facilities, in emergency cases resulting from a delay in the availability of the necessary funds allocated by the Government to meet the maturities of these instruments for an unforeseen reason. The Minister may directly exercise the powers vested in the Cabinet in this clause in urgent cases, with notification to the Cabinet thereof.
4. If the due date for the payment of any amount due from the public debt falls on an official holiday for the Government or banks operating in the State, the first business day thereafter shall be the day on which payment is due, unless the loan agreement concluded by the Government provides otherwise.

Article (11)

Government Financial Guarantees

1. Without prejudice to the provisions of Article (6) of this Decree-Law, the Government may provide one or more government financial guarantees or issue similar guarantees or financial arrangements upon the recommendation of the Minister and the approval of the Cabinet on behalf of:
 - a. Any of the Governmental Entities.
 - b. Any other entity specified by a federal law or in accordance with the provisions of a federal law.

2. The Cabinet shall, upon the proposal of the Minister, issue a decision specifying the terms and conditions governing the process of issuing a government financial guarantee.
3. The Minister is authorized by this Decree-Law to issue the required government financial guarantee in implementation of the Cabinet's decision stipulated in Clause (1) of this Article.
4. The Minister shall notify the Federal National Council of the guarantees provided by the Government in implementation of the provisions of this Article within a maximum of (30) thirty days from the date they are provided.

Article (14)

Auditing

1. The Office shall have one or more external auditors selected from licensed audit firms in the State. The Minister shall issue a decision for their appointment for a renewable term of one year, and this decision shall specify their prescribed fees.
2. The external auditor shall undertake the auditing of the Office's accounts and shall prepare a report every (6) six months on the extent of the Office's application of the provisions of this Decree-Law and its implementing decisions with regard to these accounts, and shall submit it to the Minister.
3. The external auditor may at any time review the Office's records, accounts, and all other documents, request clarifications deemed necessary for the performance of their duties, and review the existing rights and obligations related to the Office's activities in accordance with the provisions of this Decree-Law and its implementing decisions.

Article (15)

Offering, Listing, and Registration

1. Public debt instruments shall be issued in electronic form and their ownership shall be recorded in an electronic register maintained by the Ministry. They may also be in the form of paper certificates.

2. Public debt instruments may be offered in a public or private subscription, in accordance with the rules and procedures for offering and trading specified by a decision of the Cabinet.
3. Subject to the provisions of Clause (2) of this Article, public debt instruments offered for public subscription shall be listed in one or more financial markets operating in the State in accordance with the provisions of Federal Law No. (4) of 2000 concerning the Emirates Securities and Commodities Authority and Market, and its amendments. Notwithstanding the provisions stipulated in the aforementioned law and the decisions issued thereunder, the Cabinet may, by a decision, approve the offering or listing of public debt instruments in one or more international financial markets.
4. The data and entries recorded in the register of public debt instruments maintained in accordance with the provisions of Clause (1) of this Article, including entries related to the trading of a public debt instrument, shall have the same legal force granted by law to official documents.
5. Notwithstanding the rules and provisions of evidence prescribed in any other law, evidence in lawsuits related to public debt instruments may be established by all legally recognized methods of proof, including electronic data, telephone recordings, facsimile (fax) correspondence, and e-mail, provided that either of these two types of correspondence is supported by evidence that reinforces the recipient's receipt of the message in question.

Article Two

1. Articles (17), (19), and (20) of Federal Decree-Law No. (9) of 2018 on Public Debt are hereby repealed.
2. Any provision that contradicts or is inconsistent with the provisions of this Decree-Law is hereby repealed.

Article Three

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

Issued by us at the Presidential
Palace – Abu Dhabi:

Date: 27 / Rabi' al-Awwal / 1446 H

Corresponding to: 30 / September /
2024 AD

Mohamed bin Zayed Al Nahyan

**President of the United Arab
Emirates**