



The Government	: The Federal Government of the United Arab Emirates.
The Ministry	: The Ministry of Finance.
The Minister	: The Minister of Finance.
The Central Bank	: The Central Bank of the United Arab Emirates.
The Board of Directors	: The Board of Directors of the Central Bank.
The Chairman	: The Chairman of the Board of Directors.
The Governor	: The Governor of the Central Bank.
The Public Sector	The Federal Government and the governments of the Emirates members of the Federation, and the public bodies, institutions, and companies fully owned by them that provide public services and do not primarily engage in any activities related to the money and financial markets.
Government-Related Entities	A legal person in which the Government or any of the member Emirates of the Federation or any of its subsidiaries own more than (50%) fifty percent of its capital.
Financial Free Zones	The zones subject to the provisions of Federal Law No. (8) of 2004 concerning Financial Free Zones, and its amending laws or any law that replaces it.
The Regulatory Authorities in the State	: The Central Bank and the Securities and Commodities Authority.
Licensed Financial Institutions	Banks, insurance companies, reinsurance companies, and other financial institutions licensed in accordance with the provisions of this Decree-Law and the regulations issued in implementation thereof to practice one or more licensed financial activities, including those that practice all or part of their business and activities in accordance with the principles and provisions of Islamic Shari'ah. Such institutions may be established within the State, or a branch or a subsidiary within the State of a financial institution established outside the State or in Financial Free Zones.
Banks	: Any legal person licensed in accordance with the provisions of this Decree-Law, and the regulations issued in implementation thereof, to mainly practice the activity of accepting deposits in addition to any of the licensed financial activities.
Other Financial Institutions	: Any person, other than banks, insurance companies, and reinsurance companies, licensed in accordance with the provisions of this Decree-Law, and the regulations issued in

	implementation thereof, to practice one or more licensed financial activities.
Islamic Financial Institutions	Banks, Takaful insurance companies, and other financial institutions licensed in accordance with the provisions of this Decree-Law, and the regulations issued in implementation thereof, to practice all or part of their activities and business in accordance with the provisions and principles of Islamic Shari'ah.
Higher Shari'ah Authority	: The authority referred to in Article (24) of this Decree-Law.
Licensed Financial Activities	Financial activities subject to the licensing and supervision of the Central Bank as specified in Article (61) of this Decree-Law, and the regulations issued in implementation thereof.
Shari'ah Compliant Activities and Business	Activities and business practiced by an Islamic financial institution or any entity subject to the authority of the Higher Shari'ah Authority, in accordance with the provisions and principles of Islamic Shari'ah.
Designated Infrastructure	Any financial market infrastructure designated by the Central Bank as being of systemic importance, in accordance with the provisions of this Decree-Law and the regulations issued in implementation thereof.
Financial Market Infrastructure	A multilateral financial infrastructure system among participating persons, including the system operator, used for the purposes of clearing, settling, or recording payments, securities, derivatives, or other financial transactions. This financial market infrastructure is established, operated, licensed, or supervised by any of the regulatory authorities in the State.  In relation to a Financial Market Infrastructure, the person who provides any of the following:
Settlement Institution	<ol style="list-style-type: none"> <li>1. Settlement accounts for participating persons and to any central counterparty in the financial markets in a clearing and settlement system to settle transfer orders through the infrastructure, and providing credit facilities for settlement purposes if necessary.</li> <li>2. Settlement services for any retail or wholesale payment system.</li> </ol>
Default Arrangements	In relation to a Financial Market Infrastructure, means the arrangements existing in this infrastructure to limit systemic risk and other types of risks in the event that a participating person in the infrastructure is unable, or is likely to become unable, to meet its obligations related to a transfer order. This includes any

arrangements by the infrastructure operator or by its settlement institution for any of the following:

1. Netting of obligations due to or from a participating person.
2. Closing out the open financial position of a participating person.
3. Enforcing on secured securities to secure the payment of obligations owed by a participating person.

In relation to a Financial Market Infrastructure, means any of the following instructions:

1. Instructions by a participating person to place funds at the disposal of another participating person to be transferred by book entry in the accounts of the settlement institution of a clearing and settlement system.
2. Placing funds in another way under the control of a participating person, in accordance with the rules and procedures of the Financial Market Infrastructure.
3. Instructions for the purpose of discharging a payment obligation for the purposes of the operating rules of a clearing and settlement system.
4. Instructions by a participating person either to settle an obligation to transfer book-entry securities, or to transfer such securities.
5. Instructions by a participating person that result in incurring liability or discharging an obligation to pay amounts for retail transactions.

Participating Person

In relation to a Financial Market Infrastructure, means any person who is a party to the arrangements for which this infrastructure was established.

Specified Functions

Functions of an Authorized Individual that he practices at or for a Licensed Financial Institution that are of an influential nature on the institution's activity.

Authorized Individual

Any natural person authorized in accordance with the provisions of this Decree-Law to practice any of the Specified Functions.

Recovery and Resolution

The restructuring or liquidation of any Licensed Financial Institution using the recovery and resolution powers referred to in Articles (142) and (143) of this Decree-Law, for the purpose of the continuity of the critical functions of the institution

	concerned, maintaining financial stability and minimizing costs to customers, policyholders, or beneficiaries, as the case may be.
Currency	<p>: The official national paper, metallic, and digital currency of the State, and its monetary unit shall be the "Dirham".</p> <p>Includes the following:</p> <ol style="list-style-type: none"> <li>1. Currency Issued.</li> <li>2. The total balances of current accounts and deposits of Licensed Financial Institutions with the Central Bank, including the Required Reserve in addition to any other funds deposited with the Central Bank for the purposes of clearing and settlement operations.</li> <li>3. The outstanding balance of securities and financial instruments issued by the Central Bank.</li> </ol>
Monetary Base	
Required Reserve	<p>: The percentage of eligible liabilities held by deposit-taking Licensed Financial Institutions, which the Central Bank may decide to be held with it, in accordance with the terms and conditions specified by the Central Bank.</p>
Foreign Reserves	<p>: Foreign assets held by the Central Bank denominated in any foreign reserve currency and employed to cover its liabilities.</p>
Virtual Assets	<p>: A digital representation of value or rights that can be transferred and stored electronically using distributed ledger technology, excluding currency issued in digital form.</p>
Clearing and Settlement System	<p>: Any system established for any of the following purposes:</p> <ol style="list-style-type: none"> <li>1. Clearing or settling payment obligations.</li> <li>2. Clearing or settling obligations to transfer certain book-entry securities, or transferring such securities.</li> </ol>
Netting	<p>: In relation to a Clearing and Settlement System, and for the purposes of this Decree-Law, the conversion of various obligations due to or from a participating person towards all other participating persons in the system into a single net obligation for or against the participating person.</p>
Retail Payment System	<p>: Any system for the transfer of funds and related instruments, mechanisms, and arrangements that processes large volumes of relatively low-value payments, in forms such as checks, credit transfers, direct debits, or card payment transactions.</p>
Insurance Company (Insurer)	<p>: Any legal person licensed, in accordance with the provisions of this Decree-Law and the regulations issued in implementation thereof, to practice insurance business and activities in the State.</p>

Reinsurance Company	Any legal person licensed, in accordance with the provisions of this Decree-Law and the regulations issued in implementation thereof, to practice reinsurance business and activities.
Takaful Insurance	A system aimed at achieving solidarity and cooperation among a group of participants to face specific risks, where each participant contributes to the Takaful insurance fund, based on the principle of "donation", and this fund bears the responsibility of paying compensations to the beneficiaries in the event of specified risks materializing.
Takaful Insurance Company	An insurance company that practices insurance business and activities in accordance with the provisions and principles of Islamic Shari'ah, this Decree-Law, and the regulations issued in implementation thereof.
Takaful Insurance Fund	A fund established by a Takaful insurance company, a Takaful reinsurance company, or an insurance company licensed to practice Takaful insurance business and activities in accordance with the provisions and principles of Islamic Shari'ah, this Decree-Law, and the regulations issued in implementation thereof.
Policyholder	The person who has concluded an insurance policy with an insurance company for his own benefit, or for the benefit of the insured, or for the benefit of the beneficiary.
Beneficiary	In relation to an insurance company, the person who initially acquired the rights of the insurance policy or to whom these rights were legally transferred.
Insurance Policy	A contract concluded between the insurer and the policyholder, which includes the specification of the insurance terms and the rights and obligations of the contracting parties or the rights of the beneficiary of the insurance. The appendices attached to this policy are considered part of it.
Premium	In relation to an insurance company, the financial consideration paid or payable by the policyholder under the insurance policy, which is called "Contribution" in Takaful insurance.
Insurance Broker	The legal person licensed in accordance with the provisions of this Decree-Law and the regulations issued in implementation thereof, who acts as an independent intermediary in insurance and reinsurance business and services between the applicant for insurance or reinsurance on one hand, and any insurance company or reinsurance company on the other, and receives for his services a commission from the company with which the insurance or reinsurance is placed.
Insurance Agent :	

	The person licensed or authorized in accordance with the provisions of this Decree-Law and the regulations issued in implementation thereof, and accredited by an insurance company to practice insurance business and services on its behalf.
Technical Provisions	In relation to an insurance company, the provisions that the insurance company is obliged to deduct and maintain to cover the financial liabilities due to the policyholder or beneficiaries under the provisions of this Decree-Law.
Insurance-Related Professions	The professions practiced by any person licensed in accordance with the provisions of this Decree-Law and the regulations issued in implementation thereof, such as an insurance agent, insurance broker, loss adjuster, insurance consultant, actuary, health insurance claims manager, or any other insurance-related profession as determined by the Central Bank.
Solvency Margin	In relation to an insurance company, the excess of the value of its actual assets over its liabilities, enabling it to meet all its obligations and pay the required insurance claims when they fall due, without this leading to the failure of its business or the weakening of its financial position.
Actuary	In relation to an insurance company, the person licensed or authorized in accordance with the provisions of this Decree-Law and the regulations issued in implementation thereof, to estimate the value and pricing of insurance policies, and to evaluate technical provisions, accounts, and all related matters.
Grievances and Appeals Committee	The committee referred to in Article (167) of this Decree-Law.
Person	A natural or legal person, as the case may be.
Year	The Gregorian year.

## **Article (2)**

### **Scope of Application of this Decree-Law**

The provisions of this Decree-Law shall apply to the Central Bank, financial institutions, insurance business, financial activities, and the persons subject to it. It shall not apply to the financial free zones in the State and the financial institutions subject to the supervision of the authorities of these zones.

### **Part One**

#### **The Central Bank**

##### **Chapter One**

## **Organization, Scope, and Objectives of the Central Bank**

### **Article (3)**

#### **Independence of the Central Bank**

1. The Central Bank is a federal public institution with a legal personality, enjoying financial and administrative independence, and the legal capacity necessary to carry out all business and activities that ensure the achievement of its objectives, and it reports to the President of the State.
2. The provisions of laws related to public finance, tenders, auctions, public accounting, and federal human resources shall not apply to the Central Bank; its own regulations shall apply in this regard.
3. The mission of the UAE Accountability Authority is limited to the subsequent audit of the Central Bank's operations, and it shall not interfere in the conduct of its business or its policies.

### **Article (4)**

#### **Headquarters of the Central Bank**

The head office of the Central Bank shall be in the capital of the State, where its official address shall be. With the approval of the Board of Directors, it may establish subsidiary bodies and open branches, offices, and agencies inside and outside the State, and appoint agents and correspondents for it inside and outside the State.

### **Article (5)**

#### **Objectives and Main Functions of the Central Bank**

1. The Central Bank aims to achieve the following:
  1. Maintain the stability of the national currency within the monetary system.
  2. Contribute to promoting and protecting the stability of the financial system in the State.
  3. Ensure the sound management of the Central Bank's foreign reserves.
2. To achieve its objectives, the Central Bank shall undertake the following functions and powers:
  1. Formulate and implement monetary policy.
  2. Regulate Licensed Financial Activities, and develop and promote sound standards for business conduct and prudent practices among Licensed Financial Institutions in accordance with the provisions of this Decree-Law and international standards.
  3. Issue regulations, standards, circulars, and guidelines to ensure that Licensed Financial Activities are conducted with integrity, prudence, and an appropriate level of professional competence, and in ways that do not harm the interests of customers, the insured, and beneficiaries.

4. Maintain sufficient foreign reserves to cover the monetary base in accordance with the provisions of this Decree-Law.
5. Promote sustainable finance in the State and integrate environmental, social, and governance principles into the Central Bank's activities and operations.
6. Monitor and analyze systemic risks in the financial system.
7. Regulate, develop, and oversee the infrastructure of the financial markets and maintain its safety and efficiency.

## **Chapter Two**

### **Capital, Reserves, and Accounts of the Central Bank**

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

##### **Capital and Reserves**

1. The paid-up capital of the Central Bank is (20,000,000,000) twenty billion Dirhams.
2. The Central Bank shall maintain a "General Reserve Account" for the purpose of accumulating capital reserves from the net profits it achieves annually. The formation, amount, and regulation of this reserve shall be issued by a decision of the Board of Directors.
3. The capital of the Central Bank may be increased from time to time, and the increase shall be from the General Reserve Account by a decision issued by the Board of Directors after coordination with the Minister.
4. The capital of the Central Bank may be increased and this increase may be financed by the Government, by virtue of a Federal Decree issued upon the proposal of the Board of Directors, after agreement with the Minister, and the presentation of the Chairman of the Presidential Court.
5. The capital of the Central Bank may not be reduced except by law.

#### **Article (7)**

##### **Profits and Losses of the Central Bank**

1. At the end of each fiscal year, the Board of Directors shall determine the amount of the net annual profits of the Central Bank, after deducting administrative and operational expenses and allocating the necessary funds for the depreciation of assets and reserves to cover bad or doubtful debts, end-of-service benefits for the Central Bank's employees, contingencies, and other purposes that may be determined by the Board of Directors, and generally, the various financial charges that banks typically deduct from their net profits.
2. The President of the State shall issue a decision on the amount to be deducted each year from the net profits and transferred to the Government, based on the recommendation of the Board of Directors after agreement with the Minister.

3. If the reserves of the Central Bank at the end of the fiscal year are insufficient to cover its losses and meet its obligations, the Government shall cover the deficit, in accordance with the conditions agreed upon between the Central Bank and the Government.

### **Article (8)**

#### **Fiscal Year and Regulation of Operations and Accounts**

1. The fiscal year of the Central Bank shall begin on the first day of January and end on the thirty-first day of December of each year.
2. The operations of the Central Bank and its balance sheet and accounts shall be conducted and organized in accordance with international standards and banking rules and customs, and its operations with third parties shall be considered commercial.

### **Article (9)**

#### **Auditing of Accounts**

The accounts of the Central Bank shall be audited by one or more auditors selected periodically by the Board of Directors, which shall also determine their annual remuneration.

### **Article (10)**

#### **Required Financial Statements and Reports**

1. Within (3) three months from the end of the fiscal year, the Board of Directors shall submit an annual report to the Chairman of the Presidential Court for presentation to the President of the State on the following:
  1. The final accounts of the Central Bank, ensuring the disclosure of its true financial position, and a report on its performance, which includes the balance sheet for the ended fiscal year, certified by the auditors. The financial position shall be published in the Official Gazette.
  2. The activities and operations of the Central Bank during the fiscal year.
  3. An overview of the monetary, banking, and financial developments in the State.
2. The Central Bank shall provide the Ministry, upon its request, with any of the following:
  1. A copy of the annual report referred to in clause (1) of this Article.
  2. Information that the Minister may request about monetary, banking, and financial developments in the State, along with semi-annual reports covering all aspects related to these developments.
  3. A quarterly statement of the assets and liabilities of the Central Bank, which shall be published in the Official Gazette.

## **Chapter Three**

## **Management of the Central Bank**

### **Section One**

#### **The Board of Directors**

##### **Article (11)**

###### **Members of the Board of Directors**

The Central Bank shall be managed by a Board of Directors composed of (7) seven members, including the Chairman and the Governor.

##### **Article (12)**

###### **Appointment of Members**

1. The members of the Board of Directors shall be appointed by a Federal Decree based on the recommendation of the Council of Ministers for a term of (4) four years, renewable for other similar terms. The decree shall name from among the members of the Board of Directors one or more Deputy Chairmen.
2. Both the Chairman and the Governor shall hold the rank of a minister.
3. The Chairman shall issue a decision on the powers of his deputies.
4. Notwithstanding what is stated in clause (3) of this Article, the Deputy Chairman shall replace the Chairman in his absence or if his position becomes vacant. The Governor shall replace the Chairman and his deputies in case of their collective absence or if their positions become vacant simultaneously.

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

###### **Membership Conditions**

A member of the Board of Directors must meet the following conditions:

1. Must be a UAE national.
2. Must have experience in economic, financial, or banking affairs.
3. Must not have been declared bankrupt or have defaulted on his debts.
4. Must not have been previously convicted of a felony or a misdemeanor affecting honor or integrity, unless he has been rehabilitated.
5. Must not be a serving minister, with the exception of the Chairman.
6. Must not be a member of the Federal National Council.
7. Must not hold any position, office, or membership on the board of directors of any institution licensed by any of the regulatory authorities in the State or any of the regulatory authorities in the Financial Free Zones.
8. Must not be an auditor of a Licensed Financial Institution, or an owner, agent, or partner in any accounting firm.

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

## **Resignation or Vacancy of Office**

1. A member of the Board of Directors appointed in accordance with Article (12) of this Decree-Law may request approval for resignation by a written request submitted to the Chairman. The acceptance of the resignation shall be issued by a Federal Decree based on the recommendation of the Chairman.
2. In the event of the acceptance of the resignation of a member of the Board of Directors or if his position becomes vacant for any reason before the end of his term of membership, a successor shall be appointed for the remainder of the term of the Board of Directors in accordance with the membership conditions referred to in Article (13) of this Decree-Law.

## **Article (15)**

### **Termination of Membership**

1. Membership in the Board of Directors shall terminate at the end of its term without renewal, by death, or by resignation. Membership in the Board of Directors may also be terminated by a Federal Decree based on the approval of the Council of Ministers in any of the following cases:
  1. If the member commits a serious violation in the performance of his duties, or seriously breaches his obligations.
  2. If the member is absent from (3) three consecutive meetings without the approval of the Board of Directors, unless the absence is for an official mission, annual or sick leave, or for an acceptable excuse.
  3. If the member loses any of the membership conditions specified in Article (13) of this Decree-Law.
  4. If the member becomes unable to perform his duties for any reason.
2. Members of the Board of Directors shall continue to perform their duties if their term of membership ends without extension, until new members are appointed to replace them, and the decisions issued by the Board during this period shall be valid and effective.

## **Article (16)**

### **Powers and Functions of the Board of Directors**

Within the limits of the provisions of this Decree-Law, the Board of Directors shall have full powers to achieve the objectives of the Central Bank. The Board of Directors shall, in particular, exercise the following:

1. Adopt regulations, standards, instructions, and work controls to implement its functions and competencies and take all necessary measures and procedures to implement the provisions of this Decree-Law.
2. Adopt the monetary operations framework of the Central Bank in accordance with the prevailing monetary system.

3. Adopt policies for the investment and management of the foreign reserves and other assets of the Central Bank and supervise their implementation.
4. Adopt the necessary policies and regulations to mitigate and limit systemic risks in the financial system as a whole.
5. Adopt regulations, standards, guidelines, and policies related to the regulation of Licensed Financial Institutions and the practice of Licensed Financial Activities and decide on matters related thereto, including regulations and procedures for their supervision and oversight, at both individual and consolidated levels.
6. Determine the conditions and rules related to granting licenses to practice Licensed Financial Activities and permits to assume specified functions.
7. Adopt regulations, controls, and procedures for anti-money laundering and combating the financing of terrorism.
8. Decide on matters related to the issuance and withdrawal of currency from circulation.
9. Take necessary measures and procedures and impose administrative sanctions against any person who violates the provisions of this Decree-Law and the regulations issued in implementation thereof.
10. Adopt regulations and rules for maintaining the safety and efficiency of the financial markets infrastructure that is licensed, established, developed, or operated by the Central Bank.
11. Adopt the policies of the Central Bank, including the organizational structure, administrative regulations, human resources, financial, risk, compliance, and technical systems, and determine powers and competencies.
12. Adopt the rules of the Central Bank's strategies and corporate governance, which include a set of rules and regulations aimed at achieving quality and excellence in performance.
13. Approve settlements and reconciliations related to the work of the Central Bank.
14. Approve the draft annual budget of the Central Bank and adopt any amendments that may occur to it during the year.
15. Adopt the annual final accounts of the Central Bank and the amount of net annual profits.
16. Consider all other matters that fall within its powers and achieve the objectives of the Central Bank and implement its functions in accordance with the provisions of this Decree-Law.
17. Any other competencies assigned to it by the President of the State.

#### **Article (17)**

## **Formation of Committees and Delegation of Powers**

1. The Board of Directors may form such committees as it deems appropriate to assist it in performing its functions and competencies in accordance with the provisions of this Decree-Law.
2. The committees referred to in clause (1) of this Article may be committees of the Board of Directors or from outside the Board of Directors. The Board of Directors may also form advisory councils and committees that include in their membership persons from outside the Central Bank and determine the allowances for the members of these committees and councils.
3. The Board of Directors may delegate some of its powers to any of its committees, the Chairman, the Governor, the Executive Management, or any employee of the Central Bank it deems appropriate.
4. The Board of Directors may annually review the competencies and performance of the committees and advisory councils formed in accordance with the provisions of this Article and may take appropriate measures to comply with professional and international standards and work and governance controls.

## **Article (18)**

### **Meetings of the Board of Directors**

1. The Board of Directors shall hold an ordinary meeting at the invitation of the Chairman at least once every (60) sixty days.
2. The Chairman may call the Board of Directors to a meeting whenever the need arises.
3. The Chairman must call the Board of Directors to a meeting if requested to do so by at least (3) three members of the Board of Directors.

## **Article (19)**

### **Quorum of the Meeting**

1. A meeting of the Board of Directors shall not be valid unless attended by at least (5) five members, including the Chairman, one of his deputies, or the Governor.
2. Decisions of the Board of Directors shall be issued by a majority of the votes of those present, and in the event of a tie, the side of the chairman of the meeting shall prevail.

## **Article (20)**

### **Allowances and Entitlements**

The Board of Directors shall establish a system regarding the salary of the Governor and his other entitlements, as well as the bonuses and allowances of the Chairman and members of the Board of Directors, and a Federal Decree shall be issued in this regard.

## **Section Two**

### **The Governor of the Central Bank, his Deputies, and Assistants**

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

##### **Powers and Competencies of the Governor**

1. Without prejudice to the powers vested in the Board of Directors or the Chairman under this Decree-Law, the Governor shall be the legal representative of the Central Bank.
2. Without prejudice to any competencies vested in the Board of Directors or the Chairman, the Governor shall be responsible for:
  1. Managing the Central Bank and conducting its business in general, including managing its daily operations, and implementing the internal regulations, directives, rules, and policies adopted by the Board of Directors.
  2. Signing on behalf of the Central Bank all instruments, contracts, and documents related to its work.
  3. Applying this Decree-Law, the regulations of the Central Bank, and the decisions of the Board of Directors.
3. The Governor may delegate any of his deputies, assistants, or any of the Central Bank's employees to exercise some of his powers and competencies.
4. It is prohibited for any person in the State, including in financial and non-financial free zones, to use the title "Governor" or its equivalent in any language, when it is likely to mislead or deceive others into believing that he holds the position of the Governor of the Central Bank.

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

##### **Appointment of Deputy and Assistant Governors**

The Governor shall have deputies and assistants with the rank of an undersecretary, whose appointment shall be issued by a Federal Decree upon the proposal of the Chairman. They shall assist him in exercising his competencies, and the Governor may entrust them with some of his competencies or assign them any other tasks or competencies.

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

##### **Full-time Dedication to Service**

1. The Governor, his deputies, and his assistants must devote themselves full-time to their work at the Central Bank. None of them may hold any other position or job, whether paid or unpaid, nor may any of them be a member of the board of directors of any Licensed Financial Institution, nor may they contribute directly or indirectly to contracts concluded by the public sector.
2. The prohibitions referred to in clause (1) of this Article do not include carrying out any tasks entrusted by the Government or any of the governments of the

member Emirates of the Federation to any of them in the public sector, including representation in international conferences or representation of the public sector in various committees, after the approval of the Board of Directors.

3. The prohibitions referred to in Clause (1) of this Article shall not apply to the entities and companies that are established, participated in, controlled, supervised, or managed by the Central Bank to achieve its objectives and perform its functions, after obtaining the approval of the Board of Directors.

### Section Three

#### Higher Shari'ah Authority

##### Article (24)

###### **Establishment and Competencies of the Higher Shari'ah Authority**

1. A Shari'ah authority named the "Higher Shari'ah Authority" shall be established, attached to the Central Bank, with its members numbering not less than (5) five and not more than (7) seven, who are experts and specialists in the jurisprudence of Islamic financial transactions.

2. The Board of Directors shall approve the charter of work, competencies, powers, and duties of the Higher Shari'ah Authority, as well as its funding mechanism.

3. The Central Bank shall issue a decision appointing the members of the Higher Shari'ah Authority in accordance with its charter of work, and the term of membership shall be (3) three years, renewable for similar terms.

4. Islamic Financial Institutions shall bear all expenses of the Higher Shari'ah Authority, including the allowances, remunerations, and expenses of its members, in accordance with the charter of the Higher Shari'ah Authority approved by the Central Bank.

5. The Higher Shari'ah Authority shall set the general Shari'ah rules, controls, standards, and principles related to activities and business compliant with Islamic Shari'ah, and the Shari'ah governance requirements applicable to them. The Higher Shari'ah Authority shall also undertake the supervision and oversight of the Internal Shari'ah Supervision Committees of the Islamic Financial Institutions referred to in Article (75) of this Decree-Law.

6. The Higher Shari'ah Authority shall undertake the following:

a. Expressing an opinion on the specific regulatory rules and instructions related to the operations and activities of Islamic Financial Institutions.

b. Expressing an opinion on the activities of the Central Bank's subsidiary companies related to their operations and activities that are compliant with the provisions and principles of Islamic Shari'ah.

- c. Expressing an opinion on the issuances of sovereign Sukuk and other Islamic Shari'ah-compliant instruments developed and issued by the Government and the governments of the member Emirates of the Federation, upon their request.
- d. Approving Shari'ah-compliant monetary and financial instruments developed and issued by the Central Bank and its subsidiary companies, directly or indirectly, to manage monetary policy operations and develop Islamic money and financial markets in the State.
- e. Exercising its powers and duties stipulated in the laws and regulations in force in the State.

7. The Higher Shari'ah Authority may issue resolutions and fatwas, at the request and expense of government-affiliated entities, concerning their issuance programs of Sukuk or other Islamic financial structures, if it deems that this would help develop the Islamic money and financial markets in the State.

8. The resolutions and fatwas of the Higher Shari'ah Authority shall be binding on the Internal Shari'ah Supervision Committees, referred to in Article (75) of this Decree-Law, and on Islamic Financial Institutions, and other entities that request the opinion, resolutions, and fatwas of the Authority.

9. The Higher Shari'ah Authority may request a special inspection or seek the assistance of a specialized entity, if it deems it necessary, to conduct a Shari'ah audit of the Shari'ah-compliant activities and business of any Islamic Financial Institution, or any other entity that requests the Authority's opinion, resolutions, and fatwas, or in relation to any instrument approved by the Higher Shari'ah Authority. The Higher Shari'ah Authority shall determine the scope of work and procedures for this specialized entity. The Islamic Financial Institution or the entity requesting the opinion shall bear the expenses of this procedure in accordance with the terms and conditions issued by a decision from the Central Bank.

10. With the exception of the provision of paragraph (c) of Clause (6) of this Article, no other provisions contained in this Article shall apply to the Government or the governments of the member Emirates of the Federation.

#### Section Four

##### Institutional Guarantees and Cooperation Frameworks

##### Article (25)

##### **Exemption from Liability**

1. The Central Bank, members of the Board of Directors, members of committees formed by the Board of Directors, whether emanating from the Board or from outside the Board, members of advisory councils, employees of the Central Bank, and its legally authorized representatives shall be exempted from civil liability towards third parties, unless bad faith with the intent to harm others is proven, in relation to:

- a. The exercise or abstention from exercising the duties, powers, authorities, and actions of the Central Bank or their duties, powers, authorities, and all related practices.
- b. The instructions, guidelines, declarations, statements, affidavits, and opinions issued by them, which relate to the exercise of the duties, powers, authorities, and actions of the Central Bank or to their duties, powers, authorities, and actions.

2. The Central Bank shall bear all fees, expenses, costs, and legal fees for the defense of the persons mentioned in Clause (1) of this Article in lawsuits related to the performance of their duties at the Central Bank. The Central Bank may have recourse against any of the persons mentioned in this Article if their bad faith and intent to harm others are proven.

#### Article (26)

##### **Prohibited Information for Publication**

1. It is prohibited for any member of the Board of Directors, any member of the committees and advisory councils formed by the Board of Directors, any employee or representative of the Central Bank, and experts, technicians, or academics with whom the Central Bank deals, to disclose any information prohibited for publication, unless such disclosure is in compliance with the provisions of Clause (3) of this Article. This prohibition shall remain in effect even after the termination of membership, service, or assignment.
2. All information obtained by any of the persons referred to in Clause (1) of this Article by virtue of their positions or in the context of performing their duties shall be considered prohibited for publication, as long as it is not available to the public through official or legal means.
3. Information prohibited for publication may be disclosed whenever the disclosure is legally or judicially permitted or required, or when the disclosure is directed to entities and authorities inside or outside the State or in a financial free zone, taking into account the provisions of Article (28) of this Decree-Law.

#### Article (27)

##### **Disclosure of Conflict of Interest**

1. Upon appointment, a member of the Board of Directors must disclose his interests that may conflict with his membership on the Board. If any member of the Board of Directors has a personal interest in any transaction or contract to which the Central Bank is a party, he must disclose this interest before starting the discussion of the matter, withdraw from the meeting when discussing this transaction or contract, and not participate in the voting thereon, in accordance with the code of conduct and governance controls issued by the Board of Directors.
2. Every employee or representative of the Central Bank must disclose to his director or direct supervisor any interest that may conflict with the performance of his duties,

and he may not participate in expressing an opinion, making decisions, or taking actions in this regard.

3. Every member of the committees and advisory councils formed by the Board of Directors, and the experts, technicians, or academics with whom the Central Bank deals, must disclose any interest that may conflict with the performance of their duties, and none of them may participate in expressing an opinion, making decisions, or taking actions in this regard, if applicable.

4. The Board of Directors shall establish a code of conduct for the employees and representatives of the Central Bank, and procedures for disclosure, compliance, and governance.

#### Article (28)

### **Cooperation with Local and International Authorities**

1. The Central Bank may cooperate with supervisory authorities in the State, relevant supervisory authorities outside the State or in financial free zones, and international organizations and institutions by providing assistance and exchanging information within the scope of its jurisdiction in accordance with the applicable law, subject to the following conditions:

- a. The request must not contravene the laws and regulations in force in the State.
- b. The request must be based on the principle of reciprocity.
- c. The request must not conflict with the requirements of public interest and public order.

2. The Central Bank may, in coordination and cooperation with the relevant supervisory authorities and within the limits of the applicable laws, exercise its powers over the branches or subsidiaries of licensed financial institutions operating outside the State or in financial free zones.

#### Article (29)

### **Seeking Assistance from Experts, Technicians, and Academics**

The Central Bank may seek the assistance of experts, technicians, academics, or any other party it deems appropriate, and determine their remunerations and allowances. The Board of Directors may invite to its meetings for consultation those whose opinions it wishes to hear on specific matters or topics, without them having a counted vote in the deliberations.

#### Article (30)

### **Expressing Opinions on Draft Regulations and Rules**

1. The Central Bank may request the public or specialists in the financial sector, within a specified period, to express their opinions on draft regulations and rules related to the organization of the business of licensed financial institutions and licensed financial activities.

2. For the purposes of transparency and public interest, the Central Bank may publish the comments and opinions referred to in Clause (1) of this Article.

## Chapter Four

### Monetary Policy and Financial Stability

#### Article (31)

##### **Monetary Policy**

The Central Bank shall undertake the following:

1. Determine the framework for its monetary operations, related instruments, and the operational system for implementing its monetary policy objectives, including policies related to the management of the Dirham exchange rate and the money markets in the State.
2. Determine the exchange rate system for the Dirham, after the approval of the Council of Ministers.
3. Take the necessary measures to manage and control the official exchange rate of the Dirham in accordance with the guidelines set by the Board of Directors, to ensure the functioning of the money and financial markets in the State.

#### Article (32)

##### **Mandatory Reserve**

1. The Central Bank may, for the purposes of liquidity management and macro-prudential regulation, impose a minimum mandatory reserve on the eligible liabilities of licensed financial institutions that accept deposits.
2. The Central Bank shall determine all operational arrangements related to the requirements for maintaining the mandatory reserve referred to in this Article, including the level and method of calculating the mandatory reserve ratios, as it deems appropriate.

#### Article (33)

##### **Macro-prudential Policy**

The Central Bank shall determine the framework for its macro-prudential policy, under which it shall establish the necessary tools to contribute to enhancing and protecting financial stability in the State. Macro-prudential policy tools are defined as the measures taken within the scope of the Central Bank's authority that aim to limit risks in the financial system of the State and mitigate the effects of threats to it.

#### Article (34)

##### **Coordination between Monetary and Fiscal Policy**

The Central Bank and the Ministry shall establish a mechanism for coordinating between monetary policy and fiscal policy for the purpose of achieving balanced and

sustainable growth of the national economy. Coordination shall take place before the beginning of each fiscal year or whenever necessary, regarding the volume of public sector expenditures, its debts, the debts of government-affiliated entities, and their plans related to the issuance of debt in Dirham and foreign currencies.

#### Article (35)

##### **Designation of Systemically Important Licensed Financial Institutions**

The Central Bank shall have the sole authority to designate any licensed financial institution as a systemically important institution and, for this purpose, may require the designated licensed financial institution to take necessary measures and procedures.

#### Article (36)

##### **Domestic Market and External Sector Statistics**

1. The public sector and government-affiliated entities shall provide the Central Bank with all the information and statistics it needs to achieve its objectives and perform its functions under the provisions of this Decree-Law. This information and statistics shall include all monetary and economic statistics, in addition to external sector and consumer price statistics. The Central Bank may publish the statistics it deems appropriate, in whole or in part, based on coordination with the concerned authorities.
2. The Central Bank may, as it deems necessary for the purpose of preparing domestic market and external sector statistics, request data, independently or on an ongoing basis, on business activities from any legal person in the State, including issuers or processors of payment instruments, clearing and settlement of financial instruments and transactions, pension funds, and investment and holding companies; based on coordination with the concerned authorities. Any such request shall have a binding effect.
3. The Central Bank shall maintain the confidentiality of the data it collects from the institutions and entities referred to in Clauses (1) and (2) of this Article. For publication purposes, this data shall be aggregated or published to the competent authorities in the State and to international organizations and bodies, in the form of statistics.
4. The Central Bank shall issue guidelines to the institutions and entities referred to in Clauses (1) and (2) of this Article regarding the type of data that must be provided to the Central Bank.

#### Article (37)

##### **Research and Periodical Reports**

The Central Bank may undertake any of the following:

1. Conduct studies, research, surveys, working papers, and analyses in areas including macroeconomics, monetary policy and financial stability, the banking sector, insurance, and financial technology, which are considered of strategic importance to the State's economy. For this purpose, the Central Bank shall collect the necessary information and statistical data from the concerned authorities.
2. Publish periodical reports, policy briefs, studies, research, surveys, and working papers that include relevant analyses, to support policy decisions.

## Chapter Five

### Central Bank Operations

#### Section One

##### Operations with the Public Sector and Government-Affiliated Entities

###### Article (38)

###### **Advisor and Financial Agent to the Government**

The Central Bank shall undertake the following:

1. Provide advice to the Government on matters that fall within its jurisdiction, and express its opinion on monetary, banking, and financial affairs upon the Government's request.
2. Participate in negotiations concerning international monetary and financial agreements related to the Government, and may be entrusted with implementing the provisions of these agreements.

###### Article (39)

###### **Banker to the Public Sector and Government-Affiliated Entities**

1. The Central Bank shall buy or sell foreign currencies against the Dirham to the relevant counterparty at prevailing exchange rates, to achieve its monetary policy objectives and to meet the needs of the public sector and government-affiliated entities for Dirham and foreign currencies.
2. The Central Bank shall conduct banking operations and services for the public sector and government-affiliated entities, whether inside or outside the State or in a financial free zone, for a fee.
3. The public sector and government-affiliated entities may open accounts in Dirham and foreign currencies with the Central Bank and make transfers through them. The Central Bank shall pay or charge interest on them in light of the prevailing rates.
4. The Central Bank may grant the Government advances or other credit facilities with interest determined according to the terms and conditions of the agreement signed between the Central Bank and the Ministry in this regard, provided that these advances or credit facilities are to cover an unexpected and temporary deficit in the Government's revenues compared to its expenditures. The Government may not re-

lend or grant these advances to any other entity. At no time may the granted advances exceed (10%) ten percent of the average realized government budget revenues over the last three (3) fiscal years. The Government must repay these advances within a period not exceeding one year from the date they were granted. In the event of non-payment of the advance within the period specified in this item, interest shall be calculated on the outstanding balance as specified in the agreement signed between the Central Bank and the Ministry.

#### **Article (40)**

##### **Investment and Employment of Government Funds**

With the exception of funds deposited with the Central Bank in accordance with the provisions of Article (39) of this Decree-Law, the Central Bank may not intervene in the investment or employment of the funds of the Government or the governments of the Emirates members of the Union, unless entrusted to do so in accordance with the agreement reached between the relevant government and the Central Bank.

#### **Section Two**

##### **Operations with Financial Institutions, Monetary Authorities and Other Central Banks**

#### **Article (41)**

##### **Opening Accounts and Maintaining Financial Balances**

The Central Bank may do the following:

1. Open accounts in Dirham or foreign currencies for Licensed Financial Institutions, securities markets, central counterparties, central securities depositories operating in the State, other monetary authorities and central banks, non-resident financial institutions, international financial and monetary institutions, as well as Arab and international monetary funds. The Central Bank may pay or charge agreed-upon interest on any financial balances held in these accounts.
2. Maintain the financial balances referred to in Clause (1) of this Article in digital forms, in accordance with the applicable rules and guidelines.

#### **Article (42)**

##### **Money and Capital Market Operations**

The Central Bank may conduct the following money and capital market operations:

1. Purchase, repurchase, sell, accept and deposit gold bullion and precious metals.
2. Maintain interest-bearing or non-interest-bearing accounts for banks, other monetary authorities and central banks, and financial institutions, and accept cash deposits and hold assets.
3. Open accounts or place cash deposits with banks, other monetary authorities and central banks, and other financial institutions inside and outside the State.

4. Issue bills payable on demand and other types of payment transfers payable at its head office, branches, agents or correspondents.
5. Conduct foreign exchange operations and external transfers with the public sector, government-related entities, other monetary authorities and central banks, and Arab and international financial institutions and funds.
6. Issue securities in the name of the Central Bank, and sell, repurchase, pledge, encumber, or redeem them for the purpose of managing its open market operations.
7. Enter into securities lending and borrowing arrangements, and purchase, repurchase, sell, pledge, or encumber securities and other financial instruments in accordance with the applicable terms and conditions.
8. Purchase, repurchase and sell commodities, securities and other financial products compliant with the provisions of Islamic Shari'ah, for the purpose of developing Islamic liquidity management instruments.
9. Grant Licensed Financial Institutions loans, advances or other credit facilities and financing facilities compliant with the provisions of Islamic Shari'ah, secured by collateral for the purposes of managing open market operations, in accordance with the terms and conditions the Central Bank deems appropriate, and as it may determine from time to time.
10. Grant secured loans and advances to other monetary authorities and central banks, foreign banks, and international financial institutions, and obtain loans and advances from them, provided that such operations are consistent with the functions and powers of the Central Bank. Interest or commissions may be paid or received for this purpose.
11. Borrow funds, create credit, and provide guarantees, in any currency within or outside the State or in a financial free zone, in accordance with the terms and conditions the Central Bank deems appropriate for the purpose of conducting its business.
12. Act as a correspondent bank or agent for other monetary authorities and central banks, financial institutions, and international or regional monetary funds.
13. Carry out all other operations that the Central Bank deems appropriate for achieving its objectives and performing its functions.

### **Article (43)**

#### **Monetary and Financial Stability Measures**

The Central Bank may do the following:

1. Take all necessary measures to ensure the proper functioning of Licensed Financial Institutions, within the frameworks and controls it deems appropriate, and for this purpose, it has the authority to do the following:

- a. Request the convening of a general assembly meeting of a Licensed Financial Institution to discuss any matter the Central Bank deems important.
- b. Request the removal or inclusion of any item it deems necessary on the agenda of the general assembly meeting of a Licensed Financial Institution.
- c. Suspend the implementation of any resolution issued by the general assembly of a Licensed Financial Institution if it violates applicable laws or regulations.
- d. Invalidate voting processes or any resolution resulting from the general assembly if such voting was conducted in violation of the provisions of this Decree-Law or any regulations issued by the Central Bank, or if it resulted in resolutions that conflict with the Central Bank's regulatory requirements.

2. The Central Bank may, if it deems necessary to maintain the stability of the monetary and financial system in the State, provide special loans or advances to Licensed Financial Institutions under the terms and conditions it deems appropriate, in cases of necessity during exceptional economic circumstances or when the relevant counterparty is under liquidity pressure or subject to settlement and resolution procedures by the Central Bank.

3. Act as a "market maker" of last resort through open market operations if it deems it necessary to maintain the stability of the money and capital markets in the State, adopting a broader range of monetary and financial instruments, including direct purchases and sales of non-tradable and illiquid securities or accepting such securities as collateral in repurchase agreements, and in secured loans or advances. The Central Bank shall conduct these open market operations within the applicable limits of its monetary operations framework.

## **Article (44)**

### **Management of Securities Programs and Appointment of Primary Dealers**

1. The Central Bank shall issue rules and guidelines for the management of the securities programs it establishes. These rules shall include the terms and conditions of issuance, rules for the auction process, safekeeping, settlement, and trading of these securities.
2. The Central Bank may appoint primary dealers and grant them the right to participate in auctions for the purchase and sale of securities it issues. It shall establish a system applicable to their appointment, functions, duties, and obligations in this regard.
3. The Central Bank may act as a registrar, auction agent, issuing agent, and paying and calculation agent for securities programs issued by the public sector and government-related entities. The Central Bank shall conclude agency agreements and operational arrangements with the relevant issuers to define the roles and responsibilities of each party regarding their respective issuance programs. Government-related entities and the public sector shall consult and coordinate with

the Central Bank on the appointment of primary dealers for their issuance programs, taking into account the rules, conditions, and restrictions the Central Bank deems appropriate.

4. For the purpose of listing securities issued by the public sector or government-related entities in the State's financial markets, the Central Bank shall only appoint primary dealers who comply with the requirements of the relevant supervisory authority.

5. The provisions of this Article shall not apply to government-owned entities that take the form of an investment fund or a public joint-stock company, except after obtaining approval from the relevant supervisory authority, nor shall they apply to securities programs offered to the public.

### **Section Three**

#### **Investment of the Central Bank's Own Funds and Cover for the Monetary Base**

##### **Article (45)**

###### **Investment of Funds**

The Central Bank may do the following:

1. Invest its funds in accordance with the investment policy and guidelines established by the Board of Directors, in all or any of the following:

- a. Gold bullion and other precious metals.
- b. Paper, coin, and digital currencies, funds on demand, and deposits in foreign countries.
- c. Securities issued or guaranteed by foreign governments and their related bodies, or by international monetary and financial institutions.
- d. Securities issued or guaranteed by the public sector and government-related entities, or shares in any entity in which the Government or the governments of the Emirates members of the Union hold shares, or in which a concession is granted in the State.
- e. Shares and bonds of companies, securities, real estate, derivatives, and other financial instruments.
- f. Projects, investment funds, and financial and non-financial institutions inside and outside the State.
- g. Any other financial assets that the Central Bank deems suitable for investment, subject to the approval of the Board of Directors.

2. Appoint external parties to manage a portion of its funds in accordance with the terms and conditions it determines.

##### **Article (46)**

## **Cover for the Monetary Base**

1. The market value of the foreign reserves held by the Central Bank shall not, under any circumstances, be less than (70) seventy percent of the value of the monetary base. These foreign reserves shall consist of one or more of the following elements:
  - a. Gold bullion and other precious metals.
  - b. Cash, deposits, and other monetary and payment instruments, denominated in any foreign currency and freely convertible in international financial markets, including digital currencies issued by other central banks and monetary authorities.
  - c. Shares and securities, denominated in any foreign currency, and issued or guaranteed by foreign governments and their affiliated companies, entities, institutions, and bodies, or by international monetary and financial institutions, and which are tradable in international financial markets.
  - d. Shares and other securities denominated in any foreign currency in accordance with the guidelines specified in the Central Bank's investment policy.
2. The Board of Directors may reduce the monetary base cover ratio referred to in Clause (1) of this Article for a period not exceeding (12) twelve months.

## **Chapter Six**

### **Institutional Provisions and Privileges**

#### **Article (47)**

#### **Establishment and Governance of Companies**

In order to achieve its objectives and perform its functions as stipulated in this Decree-Law, the Central Bank may establish or participate in the establishment of commercial, financial, or special purpose companies or institutions inside or outside the State or in a financial free zone, and may engage in any commercial activity or own movable or immovable assets, in accordance with the governance controls and guidelines issued by the Board of Directors.

#### **Article (48)**

#### **Lien, Priority, Guarantee of Special Rights, and Settlement of Liabilities**

1. The Central Bank's debts shall have the same priority as government debts over the assets of its debtors, and the Central Bank's debts shall be collected in the same manner and by the same means prescribed for the collection of government debts and funds.
2. The Central Bank may settle all its debts, claims, and dues with Licensed Financial Institutions by direct debit from their cash balances and deposits with the Central Bank, or it may execute against the assets that serve as collateral for such debts, claims, and dues upon their maturity.

3. The Central Bank may purchase by mutual consent or by compulsory sale, or acquire real estate and movable properties in satisfaction of its debts, claims, and dues in accordance with the laws in force in the State, provided that it sells these assets as soon as practically possible, unless it uses them for the conduct of its business in accordance with the provisions of this Decree-Law.
4. The Central Bank must obtain sufficient collateral to satisfy its rights, including mortgage, pledge, or assignment.
5. In the event of non-payment of secured rights or fines upon maturity, the Central Bank may, after (10) ten working days from the date of notifying the debtor, proceed to sell any mortgaged or pledged assets or properties, without prejudice to the Central Bank's right to take any other legal action against the debtor until its secured rights are fully satisfied.
6. The sale of mortgaged or pledged properties in accordance with the provisions of Clause (5) of this Article shall be carried out by the competent court at the request of the Central Bank.
7. The Central Bank shall recover its dues from the proceeds of the sale conducted in accordance with the provisions of Clause (6) of this Article. If the proceeds exceed the Central Bank's dues, the surplus shall be deposited with the Central Bank for the benefit of the debtor without payment of any interest.
8. The Central Bank shall not be responsible for the payment of any obligations due from the Government or any of the governments of the Emirates members of the Union, or their bodies, companies, or branches.

#### **Article (49)**

##### **Financial Exemptions**

1. The Central Bank shall be exempt from taxes, fees, and charges related to the following:
  - a. Its capital, reserves, currency issuance, or income.
  - b. Its contribution, shares, or profits in any company or institution in which it holds a share in its capital.
2. The Central Bank and the companies and institutions in which it holds a majority of shares shall be exempt from guarantee bonds and judicial fees imposed by law.

#### **Article (50)**

##### **Security of Buildings and Safety of Transporting Funds and Valuables**

1. The Government shall provide, free of charge, the guarding and protection of the Central Bank's buildings, as well as the necessary security for the safe transport of funds and valuables.

2. The Central Bank may establish the necessary controls, guidelines, and operational requirements to ensure the safety of transporting funds and valuables by the providers of such services.

### **Article (51)**

#### **Dissolution of the Central Bank**

The Central Bank may only be dissolved by a law that specifies the rules and timing of its liquidation.

### **Part Two**

#### **Currency**

##### **Chapter One**

###### **Unit of Currency and its Issuance**

### **Article (52)**

#### **Unit of Currency**

The official unit of currency of the State is referred to as the "Dirham", or abbreviated as (DH) in Arabic and (AED) in Latin, or by the symbol (.). The Dirham is divided into one hundred (100) fils.

### **Article (53)**

#### **Issuance of Currency**

1. The issuance of currency is a privilege exclusively of the State, exercised solely by the Central Bank.
2. It is prohibited for any person to issue or put into circulation currency or any note, instrument, or to use any tool as a means of payment or exchange or a token payable to the bearer on demand, which has the appearance of currency or is confusingly similar to it as a legal tender that can be circulated in the State or in any other country.

### **Article (54)**

#### **Legal Tender of Currency**

1. Paper and digital currency (currency issued in digital form) issued by the Central Bank are considered legal tender with absolute discharging power for the payment of any amount therein at its full nominal value.
2. Coins issued by the Central Bank are legal tender in the State with absolute discharging power for the payment of any amount within the State at their full nominal value, up to a maximum of (50) fifty Dirhams. However, if these coins are presented to the Central Bank, it must accept them without any limit on the amount.

### **Article (55)**

#### **Specifications, Characteristics, and Denominations of Currency**

1. The Central Bank shall issue banknotes in the denominations, forms, specifications, and other features decided by the Board of Directors. The Chairman shall sign the banknotes.
2. The Board of Directors shall determine the weights of coins, their composition elements, mixing ratios, the permissible tolerance, and all their other specifications, as well as the quantities to be minted for each denomination.
3. The Central Bank shall take the necessary measures to print the paper currency referred to in Clause (1) of this Article, and to mint the coins referred to in Clause (2) of this Article, as well as everything related to their printing and minting and securing the preservation of such currencies and the related plates and dies.
4. The Central Bank shall issue the forms, designs, and specifications of digital currency, the conditions and controls for its possession, and all other features decided by the Board of Directors.
5. The Central Bank must publish the decision to issue coins and paper currency with their specifications, characteristics, and all other features in the Official Gazette.

#### **Article (56)**

##### **Commemorative Currencies**

1. The Board of Directors shall determine the terms and conditions for the sale and purchase of precious metal coins and commemorative banknotes at the Central Bank.
2. The Central Bank may issue commemorative currencies for any party that wishes to do so, in accordance with the rules and conditions set by the Board of Directors.
3. The Board of Directors shall determine the specifications, fineness, weight, measurements, permissible tolerance, and all other specifications for precious metal coins, and the quantities to be minted for each denomination.
4. The Central Bank shall take the necessary measures for the minting and printing referred to in this Article, as well as everything related to their minting or printing, and securing the preservation of such commemorative currencies and the related plates and dies.

#### **Chapter Two**

##### **Circulation and Withdrawal of Currency**

#### **Article (57)**

##### **Paper and Metallic Currencies**

1. New paper and metallic currency shall be put into circulation by a decision of the Board of Directors, which shall specify its denominations and amount. The decision shall be published in the Official Gazette and announced to the public through appropriate media channels.

2. The Central Bank may, after the approval of the Board of Directors, withdraw from circulation any denomination of paper or metallic currency in exchange for payment of its nominal value. This decision shall be published in the Official Gazette and announced to the public through appropriate media channels.

3. The withdrawal decision referred to in Clause (2) of this Article shall specify an exchange period of not less than (3) three months from the date of publication of this decision in the Official Gazette. In case of necessity, the period may be shortened to (15) fifteen days.

4. Paper and metallic currency that is not presented for exchange before the end of the period referred to in Clause (3) of this Article shall lose its power as legal tender, and dealing with it shall be prohibited. However, its holder has the right to receive its nominal value from the Central Bank within (10) ten years from the effective date of the withdrawal decision. If the ten years elapse without the paper and cash currency being presented for exchange, it must be taken out of circulation and its value shall revert to the Central Bank's account.

5. The Central Bank shall undertake the destruction of paper and metallic currency withdrawn from circulation in application of the provision of Clause (4) of this Article, in accordance with the instructions issued by the Central Bank in this regard.

6. The Central Bank is not obligated to pay the value of lost or stolen paper currency, nor to accept counterfeit paper or metallic currency or pay its value.

7. The Central Bank shall pay to any licensed financial institution the value of torn, mutilated, or incomplete paper and metallic currency that meets the conditions stipulated in the instructions it issues in this regard. As for paper and metallic currency that does not meet these conditions, it shall be withdrawn from circulation without any compensation to its holder.

## **Article (58)**

### **Currency in its Digital Form**

1. The Board of Directors shall issue a decision regarding the regulation of digital currency, its introduction into circulation, and its withdrawal from circulation in exchange for payment of its full nominal value. This decision may specify the method of legal conversion of currency in its digital form. The decision shall be published in the Official Gazette and announced to the public through appropriate means.

2. The Central Bank is not obligated to refund the value of any lost, seized, or tampered with digital currency, or to accept any counterfeit currency or pay for it.

## **Article (59)**

### **Mutilation, Destruction, or Tearing of Currency**

It is prohibited for any person to mutilate, destroy, or tear currency in any way. The Board of Directors shall issue a regulation regarding the replacement of mutilated, damaged, or torn currency.

## **Part Three**

### **Regulation of Licensed Financial Institutions and Activities**

#### **Chapter One**

##### **General Provisions**

###### **Article (60)**

###### **Prohibition of Practicing or Promoting Financial Activities without a License**

1. No person may practice any of the licensed financial activities without obtaining a license in accordance with the provisions of this Decree-Law.
2. No licensed financial activity shall be practiced in the State or from within the State by licensed persons except in accordance with the provisions of this Decree-Law and the regulations and decisions issued in its implementation.
3. It is not permissible to promote any of the licensed financial activities and financial products in the State or from within the State except in accordance with the provisions of this Decree-Law and the regulations and decisions issued in its implementation. The promotion referred to in this clause means communication by any means aimed at inviting or offering to enter into any transaction, or offering to conclude any agreement related to any of the licensed financial activities.
4. The Board of Directors may issue regulations, rules, standards, and instructions related to the prohibition of practicing licensed financial activities without a prior license and the prohibition of promoting licensed financial activities and financial products, and it may take all necessary measures and procedures in this regard.
5. The Board of Directors may exempt any activities or practices, or exempt any person, generally or specifically, from the prohibition of practicing or promoting licensed financial activities.
6. The licensed financial institution shall conduct its business within the limits of the license granted to it.
7. No person may present themselves as a licensed financial institution unless they are so.

#### **Chapter Two**

##### **Licensing**

###### **Section One**

###### **Practicing Licensed Financial Activities**

###### **Article (61)**

###### **Licensed Financial Activities**

1. The following activities are considered financial activities subject to licensing by the Central Bank in accordance with the provisions of this Decree-Law:

- a. Accepting deposits of all kinds, including deposits compliant with the provisions of Islamic Sharia.
- b. Providing credit facilities of all kinds.
- c. Providing financing facilities of all kinds, including financing facilities compliant with the provisions of Islamic Sharia.
- d. Providing open finance services.
- e. Providing currency exchange and money transfer services, including instant money transfer services.
- f. Providing payment services using virtual assets.
- g. Providing stored value, retail payment, and digital cash services.
- h. Arranging, marketing, or promoting licensed financial activities.
- i. Acting as a principal in financial products that affect the financial position of the licensed financial institution, including but not limited to foreign exchange, financial derivatives, bonds and sukuk, ownership of rights, commodities, and any other financial products approved by the Central Bank.
- j. Providing insurance and reinsurance business and services and insurance-related professions, including Takaful insurance and reinsurance business and services.

2. The Board of Directors may do the following:

- a. Classify and define licensed financial activities and their related practices.
- b. Add activities or practices to, delete from, or amend the list of licensed financial activities referred to in Clause (1) of this Article, after consultation with the Financial Stability Council in the State.
- 3. If any licensed financial institution wishes to practice financial activities licensed by regulatory authorities in the State or abroad or in a financial free zone, other than the activities referred to in Clause (1) of this Article, it must obtain the approval of the Central Bank before obtaining the license from the relevant regulatory authority.

## **Article (62)**

### **Practicing Licensed Financial Activities through Emerging Technologies**

Without prejudice to the licensed financial activities referred to in Clause (1) of Article (61) of this Decree-Law, any person who practices, offers, issues, or facilitates, directly or indirectly, any licensed financial activity—regardless of the means, technology, or form used—is subject to the licensing, regulation, and supervision authority of the Central Bank. This includes the following:

- 1. Virtual asset payment tokens, decentralized finance, or other emerging technologies or digital or physical instruments used in connection with licensed financial activities.

2. Launching or operating decentralized platforms or applications, protocols, or technological infrastructure that facilitates, provides, or enables the provision of financial services such as payments, credit, deposits, exchange, money transfers, or investment services.

## **Section Two**

### **Licensing of Financial Institutions**

#### **Article (63)**

##### **License Application**

1. Any person may, in accordance with the regulations set by the Board of Directors, submit an application to the Central Bank to obtain a license to practice one or more licensed financial activities or to add one or more licensed financial activities to a previously issued license.
2. The Board of Directors shall issue regulations, rules, and standards, and set the conditions related to the license for practicing licensed financial activities, including:
  - a. Fit and proper criteria.
  - b. Minimum capital requirements.
  - c. Resources necessary for practicing the financial activity.
  - d. Control and monitoring systems.
3. The Central Bank may add any requirements or conditions to the license applicant at its own discretion and as it deems to be in the public interest.

#### **Article (64)**

##### **Deciding on a License Application or its Scope Extension**

1. A decision on the application for a license or its scope extension shall be made within a period not exceeding (60) sixty working days from the date of fulfillment of the licensing requirements and conditions. The lapse of the period without a response is considered an implicit rejection of the application.
2. The Central Bank may request the applicant to fulfill the licensing requirements and conditions within a period it specifies.
3. The Central Bank may reject the license application or the request to add any licensed financial activity at its own discretion and according to the capacity of the financial sector in the State and the requirements of the local market. Its decision issued in this regard shall be final and not subject to appeal before the Grievances & Appeals Committee.
4. The applicant shall be notified of the decision by an official notice within a period not exceeding (20) twenty working days from the date of its issuance.

#### **Article (65)**

## **Imposing Conditions and Restrictions on the License**

1. The Central Bank may impose conditions or restrictions on the license issued to any licensed financial institution, or change or cancel the conditions or restrictions imposed on the license.
2. The Central Bank may, before issuing the decision referred to in Clause (1) of this Article, request the concerned licensed financial institution to provide its comments on the draft decision within the period it specifies.
3. The licensed financial institution shall be notified of the reasoned decision by an official notice within a period not exceeding (20) twenty working days from the date of its issuance. The notice shall include the following information:
  - a. The content of the decision.
  - b. The reasons for the decision.
  - c. The effective date of the decision.
  - d. Informing the concerned financial institution of its right to appeal the decision by submitting a request to the Grievances & Appeals Committee in accordance with the provisions of this Decree-Law.

## **Article (66)**

### **Suspension, Revocation, or Cancellation of the License**

1. The Central Bank may suspend, revoke, or cancel a license granted to a licensed financial institution in any of the following cases:
  - a. If the licensed financial institution has lost or violated one or more of the conditions or restrictions imposed on its license.
  - b. If the licensed financial institution violates any of the laws and regulations in force in the State, or the rules, standards, instructions, or guidelines issued by the Central Bank, including the resolutions, fatwas, and guidelines issued by the Higher Sharia Authority.
  - c. If the licensed financial institution fails to take any measures or procedures specified or established by the Central Bank.
  - d. If the licensed financial institution has not practiced one or more of the licensed financial activities for a period exceeding one year.
  - e. If it is unable to meet its financial obligations.
  - f. If it refuses to execute a final judicial ruling related to a licensed financial activity.
  - g. If its business or operations have been suspended for a period exceeding one year.
  - h. If the Central Bank deems, at its own discretion, that the full or partial revocation, cancellation, or suspension of the license is necessary to achieve its objectives and perform its duties.

- i. If the concerned licensed financial institution applies for the full or partial suspension or revocation of the license.
- j. If the liquidity or solvency of the licensed financial institution is endangered.
- k. If the capital of the licensed financial institution falls below the minimum required limit according to the provisions of this Decree-Law, or the regulations, rules, or standards issued by the Central Bank, or other applicable regulations.
- l. If the licensed financial institution is merged with another financial institution.
- m. If the licensed financial institution is declared bankrupt.
- n. If the officials, employees, or representatives of the licensed financial institution refuse to cooperate with the officials, representatives, or inspectors of the Central Bank or refuse to provide the required information, data, documents, or records.
- o. If the license of the foreign licensed financial institution is canceled or it is liquidated in its home country, or the business of its branch, subsidiaries, or representative offices in the State is terminated.

2. If a licensed financial institution decides to apply for the revocation of a specific license, this application must be submitted in accordance with the guidelines set by the Central Bank.

3. The licensed financial institution shall be notified of the reasoned decision of revocation, cancellation, or suspension by an official notice within a period not exceeding (20) twenty working days from the date of its issuance, provided that the notice includes the following:

- a. The content of the decision.
- b. The reasons for the decision.
- c. The effective date of the resolution.
- d. Informing the concerned Licensed Financial Institution of its right to appeal the resolution by submitting an appeal request to the Grievances & Appeals Committee, in accordance with the provisions of this Decree-Law.

4. The resolution issued by the Central Bank shall be published in two local daily newspapers, one in Arabic and the other in English, and on the official website of the Central Bank, after the settlement of the grievance, if any, before the Grievances & Appeals Committee or the expiry of the period specified in Clause (3) of this Article. It may be announced by any other means if necessary.

## **Article (67)**

### **Use of the terms "Masraf" or "Bank"**

1. No entity other than Banks licensed in accordance with the provisions of this Decree-Law may use in its trade name or advertisements the terms "Masraf" or

"Bank" or any other derivative or similar expression in any language in a manner that could mislead the public about the nature of its business.

2. The following entities are excluded from Clause (1) of this Article:
  - a. Foreign monetary authorities and central banks.
  - b. Any union or association for the protection of the interests of banks.
  - c. Any other institution exempted by the Central Bank.

### **Article (68)**

#### **Registration in the Register and License Fees**

1. The Central Bank shall establish an electronic register called the "Register of Licensed Financial Institutions" in which Licensed Financial Institutions licensed by the Central Bank, their related data, and any amendments thereto shall be recorded. The Board of Directors shall issue a resolution on the rules and conditions for registration in the Register. The resolution licensing these institutions and any amendments thereto shall be published in the Official Gazette, and this Register shall be published on the official website of the Central Bank.
2. No Licensed Financial Institution may commence any licensed financial activity until after its registration in the Register.
3. The proceeds of the fees related to the registration in the Register referred to in Clause (1) of this Article, and the license fees shall be deposited in a special account with the Central Bank. The Board of Directors shall issue a resolution regulating the operation of this account and the rules for disbursement therefrom.

### **Article (69)**

#### **Legal Form**

1. Banks, insurance, and reinsurance companies must take the form of public joint-stock companies, and they shall be authorized to do so by the law or decree establishing them. Excluded from this are branches of foreign banks, specialized banks, and branches of foreign insurance and reinsurance companies operating in the State, in accordance with the conditions and rules set by the Board of Directors.
2. Other financial institutions may take the form of joint-stock companies or limited liability companies, in accordance with the conditions and rules issued by the Board of Directors.

### **Article (70)**

#### **Minimum Capital**

The Board of Directors shall establish a special regulation for the minimum capital of Licensed Financial Institutions, the conditions and cases for increasing and decreasing capital, determining its requirements on a risk basis, the necessary

procedures in case of capital deficiency, and the measures to be taken by the Central Bank in this regard.

### **Article (71)**

#### **Contribution and Ownership Ratios in Licensed Financial Institutions**

- Without prejudice to the financial and commercial activities restricted to nationals as provided for in any other law, the Board of Directors shall determine the conditions and controls for contribution to and ownership of the capital of banks established in the State, provided that the national contribution shall not be less than (60%) sixty percent in all cases.
- The Board of Directors shall determine the conditions and controls for contribution to and ownership of the capital of insurance and reinsurance companies and other financial institutions established in the State by nationals and foreigners.

### **Article (72)**

#### **Representative Offices**

- No financial institution established outside the State or in a financial free zone may conduct the business of a representative office within the State without a license from the Central Bank.
- The Central Bank shall determine the conditions for granting a license for a representative office and the rules for its operation.

### **Article (73)**

#### **Amendment of Memorandum and Articles of Association**

- Licensed Financial Institutions must request prior approval from the Central Bank for any amendments they intend to make to their memorandum of association or articles of association.
- The Central Bank shall decide on the request referred to in Clause (1) of this Article within a period of (15) fifteen working days from the date of its submission. If it decides to reject the request and the applicant objects, the matter shall be referred to the Board of Directors, which shall take a final decision thereon.

## **Section Three**

### **Special Provisions for Islamic Financial Institutions**

#### **Article (74)**

#### **Scope of Activity of Islamic Financial Institutions**

- Islamic Financial Institutions may engage in the licensed financial activities referred to in Article (61) of this Decree-Law in accordance with the provisions and principles of Islamic Shari'ah, whether for their own account, for the account of others, or in partnership with others.

2. The Board of Directors shall issue regulations that specify the required license or approval, activities, conditions, rules, and operating standards for these institutions in a manner consistent with the nature of the license granted to them.
3. The provisions of this Decree-Law and the regulations, standards, notices, and resolutions issued thereunder shall apply to Islamic Financial Institutions, in a manner that does not conflict with the nature of their activities and business compliant with the provisions and principles of Islamic Shari'ah. They may not engage in any activity or business that violates the provisions and principles of Islamic Shari'ah, as determined by the Higher Shari'ah Authority.
4. Islamic Financial Institutions shall be deemed compliant with the provisions and principles of Islamic Shari'ah if they adhere to the resolutions, regulations, and standards issued by the Higher Shari'ah Authority.
5. Islamic Financial Institutions, with respect to their business and activities conducted as part of financing activities for their clients and not for their own account, shall be exempted from the following:
  - a. The provisions of Clauses (1) and (2) of Article (118) of this Decree-Law, in a manner that does not conflict with the provisions of the legislation in force in the concerned member Emirate of the Union.
  - b. Any registration requirements, fees, or similar costs for any asset purchased or sold in whole or in part, whether leased, rented, manufactured, or otherwise, as long as such business and activities are part of the financing activities or Sukuk issuance of any Islamic financial institution.
6. Excluded from the exemption referred to in paragraph (b) of Clause (5) of this Article are any assets purchased, sold, leased, manufactured, or otherwise acquired for the account of the Islamic Financial Institution itself.

## **Article (75)**

### **Internal Shari'ah Supervision**

1. An independent internal Shari'ah supervision committee, called the "Internal Shari'ah Supervision Committee," shall be formed in each Islamic Financial Institution, composed of individuals with expertise and specialization in issuing fatwas in the jurisprudence of Islamic financial transactions, including Islamic banking or Takaful insurance, as the case may be.
2. The Committee shall undertake the Shari'ah supervision of all business, activities, products, services, contracts, documents, codes of conduct, and business ethics of the concerned institution, and approve them and set the necessary Shari'ah controls for them within the framework of the rules, principles, and standards set by the Higher Shari'ah Authority, to ensure their compliance with the provisions and principles of Islamic Shari'ah. The fatwas and decisions issued by the Committee shall be binding, provided they are consistent and do not contradict the resolutions and

fatwas of the Higher Shari'ah Authority as stated in Clause (8) of Article (24) of this Decree-Law.

3. The Central Bank, after consulting with the Higher Shari'ah Authority, may exempt any Islamic Financial Institution from establishing and appointing an Internal Shari'ah Supervision Committee according to its size and nature of business that may not require the establishment of such a committee, after ensuring the existence of similar procedures that guarantee the institution's compliance with the provisions and principles of Islamic Shari'ah, provided that the concerned institution is not a bank, a finance company, or a Takaful insurance company, and its capital does not exceed the limits approved by the Central Bank from time to time.

4. The Internal Shari'ah Supervision Committee shall be appointed and dismissed from its work by the General Assembly of the Islamic Financial Institution, in accordance with the controls and standards issued by the Higher Shari'ah Authority. The names of the committee members shall be presented to the Higher Shari'ah Authority for its approval before being presented to the General Assembly and the issuance of their appointment or dismissal resolution. The dissolution of the committee shall also be presented to the Higher Shari'ah Authority before being presented to the General Assembly.

5. Members of the Internal Shari'ah Supervision Committee are prohibited from holding any executive position in the institution referred to in Clause (1) of this Article, providing it with work outside the scope of the Internal Shari'ah Supervision Committee's work, being shareholders in it, or having any interests related to it for themselves or their relatives up to the second degree.

6. In the event of a dispute over a Shari'ah opinion among the members of the Internal Shari'ah Supervision Committee or a dispute regarding the legitimacy of a matter between the Internal Shari'ah Supervision Committee and the Board of Directors of the concerned institution, the matter shall be referred to the Higher Shari'ah Authority, and the Authority's opinion shall be binding and final in this regard.

7. Each Islamic Financial Institution shall establish two independent departments or sections for "Internal Shari'ah Control" and "Internal Shari'ah Audit," whose size is commensurate with the nature of its business and activities, to monitor and audit the concerned institution's compliance with the provisions and principles of Islamic Shari'ah; each department or section shall be headed by a competent person who is appointed, dismissed, or whose resignation is accepted by the Board of Directors of the concerned institution after the approval of the Internal Shari'ah Supervision Committee and the Higher Shari'ah Authority.

## **Article (76)**

### **Report of the Internal Shari'ah Supervision Committee**

1. The Internal Shari'ah Supervision Committee shall prepare an annual Shari'ah report to be submitted to the General Assembly of the Islamic Financial Institution. The report shall be prepared according to the format determined by the Higher Shari'ah Authority, and shall state the extent of the concerned institution's management's compliance with the application of the provisions and principles of Islamic Shari'ah in all business and activities it conducts, the products it offers, the contracts it concludes, the documents it uses, and in all systems, policies, procedures, accounting standards, technical systems, electronic and digital applications, work charters, and codes of professional conduct it applies.

2. The report referred to in Clause (1) of this Article must include the following:

- a. A statement on the extent of the independence of the Internal Shari'ah Supervision Committee in performing its tasks.
- b. A statement on the extent of the concerned institution's compliance with the provisions and principles of Islamic Shari'ah during the ended financial year with respect to policies, systems, accounting standards, financial products and services, operations and activities in general, and the memorandum of association, articles of association, and financial statements of the concerned institution.
- c. The extent of compatibility of the distribution of profits and the allocation of losses, expenses, and expenditures between shareholders and investment account holders with the provisions and principles of Islamic Shari'ah.
- d. A statement of violations of the provisions and principles of Islamic Shari'ah, and confirmation that the concerned institution has taken corrective actions, if any.
- e. A statement on the extent of the concerned institution's commitment to the resolutions and fatwas of the Higher Shari'ah Authority and the Internal Shari'ah Supervision Committee.

3. The report of the Internal Shari'ah Supervision Committee shall be submitted to the Higher Shari'ah Authority for approval before being presented to the General Assembly of the concerned institution.

#### **Article (77)**

##### **Violation of the Provisions of Islamic Shari'ah**

If it is proven that an Islamic Financial Institution has engaged in business that violates the provisions and principles of Islamic Shari'ah in accordance with the provisions, resolutions, and standards of the Higher Shari'ah Authority, the concerned institution shall be subject to the measures and penalties prescribed by the Central Bank after consulting with the Higher Shari'ah Authority.

#### **Section Four**

##### **Special Provisions for Insurance Companies and Insurance-Related Professions**

#### **Article (78)**

## **Types of Insurance**

1. Insurance business and activities are divided into the following two types:
  - a. Persons insurance and fund accumulation operations.
  - b. Property and liability insurance.
2. The resolutions, regulations, and instructions issued by the Board of Directors shall specify the insurance business and activities that fall under each type of insurance.
3. The purpose of insurance companies' operations is to conduct insurance business, and they may not engage in any commercial activity other than insurance business without the approval of the Central Bank.
4. The provisions of this section shall apply to reinsurance companies to the extent consistent with their nature, as determined by the Central Bank.

## **Article (79)**

### **Compulsory Insurance**

The Board of Directors may impose compulsory insurance against certain risks by means of a regulation that specifies the controls and conditions of this insurance and other related provisions.

## **Article (80)**

### **Prohibition of Combining Insurance Operations**

1. Insurance companies are prohibited from combining persons insurance and fund accumulation operations with property and liability insurance operations.
2. Insurance companies licensed to practice both types of insurance referred to in Clause (1) of this Article before the issuance of this Decree-Law shall continue to conduct their business.
3. The companies referred to in Clause (2) of this Article must comply with the following controls:
  - a. Complete separation between persons insurance and fund accumulation operations and property and liability insurance operations in terms of technical, financial, technological, administrative, and legal procedures, and related systems and technical, administrative, and financial cadres, with the exception of the CEO or General Manager of the concerned company.
  - b. Preparation of all reports and financial statements required by this Decree-Law, instructions, and resolutions of the Board of Directors on a unified basis, and on the basis of separating persons insurance and fund accumulation operations from property and liability insurance operations.
4. Notwithstanding the provision of Clause (2) of this Article, the Board of Directors may issue a resolution obliging insurance companies to regularize their status in accordance with the provision of Clause (1) of this Article, or may issue a resolution

for these companies to continue practicing both types of insurance while prohibiting them from issuing new insurance policies that combine property and liability insurance operations with persons insurance and fund accumulation operations, in accordance with the controls and requirements set by the Central Bank in this regard.

### **Article (81)**

#### **Prohibitions on Authorized Persons**

1. The chairman and members of the board of directors of an insurance company, authorized persons, or any person acting on their behalf are prohibited from doing the following:
  - a. Participating in the management of another competing insurance company or any company that practices similar insurance business.
  - b. Competing with the business of the insurance company or engaging in any work or activity that results in a conflict with the interest of this company.
  - c. Practicing the business of an insurance agent or broker.
  - d. Receiving a commission for any insurance work.
2. Any person who manages an insurance company or any employee therein is prohibited from being a representative of any shareholder in that company.

### **Article (82)**

#### **Insurance with a Company outside the State or in a Financial Free Zone**

1. It is not permissible to insure or broker insurance for property located in the State or liabilities arising therefrom except through insurance companies licensed in accordance with the provisions of this Decree-Law.
2. An insurance company may reinsure with another reinsurance company inside or outside the State or in a financial free zone.
3. No person may conclude an insurance policy with an insurance company outside the State or in a financial free zone to cover any funds or property within the State or the liabilities arising therein, nor may any legal person in the State insure its employees in the State with insurance companies outside the State or in a financial free zone.
4. Notwithstanding the provisions of Clause (3) of this Article, insurance may be obtained from an insurance company outside the State or in a financial free zone if the required insurance coverage is not available in the State, or if insurance companies in the State refuse or are unable to provide it.

this coverage, or for any other reasons determined by the Central Bank, and the Board of Directors may issue regulations specifying the controls and conditions in this regard.

### **Article (83)**

## **Insurance Policy**

1. Insurance companies shall provide the Central Bank with sample insurance policies and related addenda, which include the general and special terms and conditions, the technical bases for these policies, and their attached premium rates. They shall also provide the Central Bank with tables of surrender values for life insurance policies and capital formation operations and their attached premium rates.
2. If the public interest requires it or in the event of a defect affecting the interests of the insured and beneficiaries, the Central Bank may request insurance companies to amend the sample insurance policies and related addenda, within the period it specifies for this purpose.
3. Insurance companies must provide the insured and beneficiaries with copies of the insurance policies and their addenda after any amendment, within the period specified by the Central Bank.
4. The insurance company shall pay the compensation specified in the insurance policy to the insured or beneficiaries, as the case may be, upon the occurrence of the incident or the materialization of the insured risk. The insurance company shall then be subrogated to the rights of the insured for the amount it has paid as compensation for damages in any claims the insured may have against the party that caused the damage for which the insurance company is liable.

## **Article (84)**

### **Resignation and Vacancy of Authorized Individuals**

1. If the chairman and members of the board of directors of an insurance company resign, or if the vacant positions reach one-quarter (1/4) of the number of members of the company's board of directors, the Governor shall do the following:
  - a. Form a temporary committee of experts and specialists and appoint a chairman and a vice-chairman from among its members to manage the concerned company.
  - b. Call the General Assembly to a meeting within a period not exceeding three (3) months from the date of forming the committee referred to in paragraph (a) of this clause, renewable for a similar period once, to elect a new board of directors for the concerned company. The company shall bear the remuneration of the committee as determined by the Governor.
2. The insurance company must inform the Central Bank in the event of a vacancy in the position of any of its board members or other authorized individuals. The insurance company or its board of directors, as the case may be, must fill the vacant position within a period not exceeding thirty (30) days from the date of the vacancy, after obtaining the approval of the Central Bank.

## **Article (85)**

### **Publication of the Invitation to the General Assembly Meeting**

1. An insurance company shall not publish an invitation to a General Assembly meeting in daily newspapers without the approval of the Central Bank. The concerned company may not add any additional items to the agenda of the General Assembly without the approval of the Central Bank.
2. Subject to the provisions of clause (1) of this Article, an insurance company listed on financial markets may not publish an invitation to a General Assembly meeting in daily newspapers without the approval of the regulatory authorities in the State.
3. The boards of directors of insurance companies must invite the Central Bank to attend their General Assembly meeting at least fifteen (15) days before the date of the meeting. The Central Bank may delegate one of its employees to represent it for this purpose.

### **Article (86)**

#### **Technical Provisions and Solvency Margin Requirements**

Insurance companies must comply with the technical provisions, solvency margin requirements, and any reserves specified by the Central Bank to be maintained in the State, in accordance with the instructions issued by the Board of Directors in this regard.

### **Article (87)**

#### **Appointment of an Actuary**

An insurance company must appoint or approve an actuary within one month from the date of issuance of the license and inform the Central Bank thereof within one month from the date of the actuary's appointment or approval.

### **Article (88)**

#### **Insurance Pool**

Insurance companies may establish among themselves one or more insurance pools, which include collective arrangements between several insurance or reinsurance companies for the purpose of underwriting specific risks by contributing premiums to a common fund that can be used to cover losses incurred by any insured party, to provide insurance coverage for any branch of insurance or any specific operation for the benefit of the pool, in accordance with the articles of association of each pool and after obtaining the approval of the Central Bank.

### **Article (89)**

#### **Vehicle Insurance**

An insurance company must issue an insurance policy for all licensed vehicles in the State when requested by the concerned parties. The Board of Directors may determine the insurance tariff rates in proportion to the severity of the risks.

### **Article (90)**

### **Provision of Data and Information**

1. Insurance companies and insurance-related professions must provide any data or information requested by the Central Bank about them or about any company with which they have an ownership, subsidiary, or any other form of relationship, within the period specified by the Central Bank.
2. The Central Bank may assign one or more of its employees to verify or audit the transactions, records, or documents of an insurance company or insurance-related professions during official working hours. The concerned party must make any of the foregoing available to the assigned employee and cooperate with them to enable them to perform their duties fully.
3. Based on the audit results, the Central Bank may assign experts, consultants, actuaries, or auditors to audit the business of insurance companies or insurance-related professions, evaluate their conditions, and submit a report thereon. Insurance companies must cooperate with them to enable them to fully carry out their assigned tasks. The concerned insurance companies or insurance-related professions shall bear their fees as determined by the Central Bank.
4. The expert, consultant, actuary, or auditor is prohibited from disclosing to any party any data or information obtained pursuant to the provision of clause (3) of this Article without the approval of the Central Bank, except for disclosure based on a court order.

### **Article (91)**

#### **Disclosure and Transparency**

Insurance companies and insurance-related professions shall adhere to the principles of disclosure and transparency in their dealings with the insured and beneficiaries, and in all documents, records, publications, advertisements, promotions, articles, and scientific materials they issue, the regulation of which shall be determined by a decision of the Board of Directors.

### **Article (92)**

#### **Guarantee Deposits with the Central Bank**

1. Insurance and reinsurance companies must deposit cash deposits with the Central Bank as a guarantee for the fulfillment of their obligations referred to in this Decree-Law. The value of the cash deposit shall be determined in accordance with the controls and requirements specified by the Board of Directors in this regard, from time to time.
2. The guarantee deposits referred to in clause (1) of this Article may not be disposed of except to settle debts arising from the insurance business conducted by insurance and reinsurance companies, provided that written permission is obtained from the Governor or his authorized representative.

3. The Central Bank may dispose of the guarantee deposits referred to in clause (1) of this Article to satisfy its dues without the need for a notice or a court judgment.

4. If the value of the guarantee deposits referred to in clause (1) of this Article falls below the prescribed limit in the event of their disposal, the insurance or reinsurance company, as the case may be, shall be obliged to supplement the deposit amount within a period not exceeding thirty (30) days from the date of the Central Bank's request to supplement the deposit amount.

### **Article (93)**

#### **Mathematical Reserve**

An insurance company that engages in life insurance and capital formation operations must maintain, within the State, funds equivalent in value to at least the full amount of the mathematical reserve for contracts concluded or executed within the State. The Board of Directors may, from time to time, amend the percentage of this reserve that the insurance company must maintain.

These funds must be kept completely separate from funds related to other insurance operations. When calculating the said reserve, the guarantee deposit referred to in clause (1) of Article (92) of this Decree-Law shall be taken into account, such that the greater of the two values shall be considered.

### **Article (94)**

#### **Reinsurance Controls**

Insurance companies may not reinsure with another insurance company unless the other company is licensed to practice the type of insurance it is being entrusted to reinsure, in accordance with the regulations issued by the Board of Directors.

### **Article (95)**

#### **Bank Guarantee for Branches of Foreign Insurance Companies**

1. Branches of foreign insurance companies are obligated to provide an unconditional and irrevocable bank guarantee in favor of the Central Bank for an amount determined by the Board of Directors, from time to time, when practicing insurance or reinsurance business and services.

2. The Central Bank may take into account the bank guarantee referred to in clause (1) of this Article as part of the acceptable assets for the purpose of calculating solvency requirements.

### **Article (96)**

#### **Prohibition of Discrimination in Insurance Policies**

Insurance companies that engage in life insurance and capital formation operations may not discriminate between policies of the same type with regard to insurance rates, the amount of profits distributed to the insured, or other conditions, unless

such discrimination is a result of differences in life expectancies for policies where life expectancy is a factor. The following are exceptions to this:

1. Reinsurance policies.
2. Insurance policies for amounts that are eligible for certain discounts according to the price schedules reported to the Central Bank.
3. Insurance policies that include special conditions for the lives of members of a single family or a group of individuals linked by a single profession, job, or any other social connection.

## **Article (97)**

### **Valuation of Liabilities**

1. Insurance companies that engage in life insurance and capital formation operations must examine the financial position of this type of insurance and value their existing liabilities on a quarterly basis by an actuary, starting from the date they commence their business.
2. This valuation shall include all insurance operations concluded by the insurance company inside and outside the State, each separately. If the activity is practiced by a branch of a foreign insurance company, the valuation shall be limited to operations for which contracts were concluded or are executed within the State.
3. The valuation referred to in clause (1) of this Article must be conducted whenever the insurance company wishes to examine its financial position to determine the profit ratios to be distributed to shareholders or the insured, or whenever it wishes to announce this financial position.

## **Article (98)**

### **Actuary's Report**

1. The regulations issued by the Board of Directors pursuant to this Decree-Law shall specify the data that must be included in the "Actuary's Report" on the results of the valuation and examination referred to in Article (97) of this Decree-Law.
2. The insurance company must send to the Central Bank a copy of the actuary's report on the results of the examination and valuation referred to in Article (97) of this Decree-Law, within three (3) months from the date of completion of the examination, accompanied by the following:
  - a. A statement of the in-force insurance policies concluded by the concerned company inside or outside the State on the date of the examination. If the activity is practiced by a branch of a foreign insurance company, the statement shall be limited to insurance policies concluded or executed within the State.
  - b. A declaration by the persons responsible for managing the concerned company that all data and information necessary to produce an accurate report have been made available to the actuary.

3. After the expiry of the three (3) month period referred to in clause (2) of this Article, an additional grace period may be granted to the concerned company to submit the actuary's report, provided that this period does not exceed forty-five (45) days.

4. If it becomes apparent to the Central Bank that the actuary's report does not reflect the true financial position of the insurance company, the Central Bank may request a re-examination at the expense of the insurance company by an actuary selected by the Central Bank for this purpose.

### **Article (99)**

#### **Distributable Funds and Profits**

1. Insurance companies that engage in life insurance and capital formation operations may not, directly or indirectly, deduct any part of their funds corresponding to their liabilities arising from insurance policies for distribution as profits to shareholders or the insured, or to pay any amount exceeding their obligations under the insurance policies they have issued. The distribution of profits is limited to the amount of surplus funds determined by the actuary in his report, after conducting the examination referred to in Article (98) of this Decree-Law, and approved by the Central Bank.

2. For the application of the provisions of this Article, the funds of insurance companies inside and outside the State may be considered a single unit, without prejudice to the provisions of Article (86) of this Decree-Law.

### **Article (100)**

#### **Valuation of the Insurance Policy**

In the event of the bankruptcy or liquidation of an insurance company that engages in life insurance or capital formation operations, the amounts due to each insured person holding a policy that has not expired shall be valued at the equivalent of its mathematical reserve on the day the bankruptcy judgment or liquidation decision is issued, calculated according to the technical rules of the premium tariff at the time the policy was concluded.

### **Article (101)**

#### **Transfer of Insurance Policies to Another Insurance Company**

An insurance company may transfer the insurance policies it has concluded in the State, including the rights and obligations related to any type of insurance it practices, to another insurance company or companies that practice the same type of insurance.

### **Article (102)**

#### **Request for Transfer of Insurance Policies**

1. A request for the transfer of insurance policies shall be submitted to the Central Bank, accompanied by the documents related to the transfer agreement. An

announcement of the transfer request shall be published in two local daily newspapers, one of which is in Arabic, at the expense of the applicant, or according to the mechanism specified by the Central Bank. This announcement must indicate the right of the insured, beneficiaries, or any interested party to submit any objection to the Central Bank regarding this transfer within ten (10) working days from the date of the announcement, specifying the subject of their objection and the reasons on which it is based.

2. The Central Bank shall issue its approval for the transfer of the insurance policy if no interested party objects within the period stipulated in clause (1) of this Article, and if it becomes apparent to the Central Bank that this transfer will not negatively affect the financial position of both the transferor and the transferee, and that the interests of the insured of both the transferor and the transferee will be protected. The decision shall be published in the Official Gazette within one month from the date of its issuance, and it may be invoked against the insured, beneficiaries, and creditors of the insurance company. The funds shall be transferred to the insurance company to which the policies were transferred, taking into account the provisions related to the transfer of ownership and assignment of funds, provided that the transferred funds are exempted from registration fees under the provisions of transfer of ownership and assignment of funds.

3. If an objection is submitted within the period referred to in clause (1) of this Article, the transfer request shall not be decided upon until an agreement is reached between the concerned parties or a final judgment is issued regarding that objection. However, the Central Bank may issue a decision approving the transfer, provided that the insurance company provides the Central Bank with a guarantee equivalent to its obligations towards the objector, including any expenses that may be incurred to preserve any of the insurance company's assets.

### **Article (103)**

#### **Release of Funds in Case of Cessation of Insurance Business**

Without prejudice to the provision of Article (126) of this Decree-Law, if an insurance company wishes to release its funds required to be held in the State for one or more types of insurance, it must provide proof of fulfillment of its obligations for all policies concluded or executed within the State, with respect to this type or types of insurance for which it has decided to cease its business.

### **Article (104)**

#### **Takaful Insurance Business**

Takaful insurance companies, Takaful reinsurance companies, and insurance companies that conduct Takaful insurance business shall conduct Takaful insurance business in a manner that does not contradict the provisions and principles of Islamic Sharia'a, and in accordance with the business models determined by the Higher

Sharia'a Authority, provided that this is reflected in their memoranda and articles of association.

### **Article (105)**

#### **Takaful Insurance Fund**

1. A Takaful insurance company, an insurance company, or a reinsurance company that conducts Takaful insurance business shall establish a fund that enjoys a legal personality and a financial liability independent from it. This fund, referred to as the "Takaful Insurance Fund," shall be registered with the Central Bank and subject to its supervision.
2. Contributions (premiums) based on the concept of "donation" in accordance with the standards of the Higher Sharia'a Authority shall be deposited in the Takaful Insurance Fund, which shall bear any compensations or benefits under the provisions of Takaful insurance policies.
3. The companies referred to in clause (1) of this Article shall establish articles of association for the Takaful Insurance Fund, in accordance with the standards of the Central Bank and the Higher Sharia'a Authority, and these articles shall be separate from the articles of association of the concerned insurance company.
4. The Takaful Insurance Fund shall have an independent financial position that is disclosed in the financial statements of the concerned company.
5. The Board of Directors shall issue the controls and procedures related to the establishment and operations of the Takaful Insurance Fund.

### **Article (106)**

#### **Emirates Insurance Association**

1. A professional association named the "Emirates Insurance Association" shall be established under the provisions of this Decree-Law, enjoying a legal personality and the legal capacity necessary to carry out all actions and transactions that ensure the achievement of its objectives. The Association's articles of association shall be approved by the Central Bank, which shall determine its functions, responsibilities, and its relationship with the Central Bank.
2. All insurance companies, reinsurance companies, and insurance-related professions shall join the membership of the Emirates Insurance Association, in accordance with the controls and procedures issued by a decision of the Board of Directors. The Association shall establish committees for the various insurance businesses and services practiced by its members.

### **Section Five**

#### **Provisions Relating to Undertaking Specific Functions that Require a Permit from the Central Bank**

### **Article (107)**

## **Specific Functions**

1. The Board of Directors may issue regulations, rules, standards, conditions, and instructions that specify the specific functions subject to a permit from the Central Bank and the individuals who must obtain the permit to practice them, including the conditions of fitness and propriety, and provisions for exemption from some of those standards or conditions.
2. Subject to the provisions of clause (1) of this Article, the specific functions subject to a permit from the Central Bank include those performed by members of the boards of directors of Licensed Financial Institutions, their chief executives, and other authorized individuals.
3. No individual may undertake any specific functions at Licensed Financial Institutions unless they have obtained prior permission from the Central Bank.
4. Licensed Financial Institutions must take all necessary measures and procedures to ensure that no official, employee, or any other individual representing them practices any of the specific functions without obtaining prior permission from the Central Bank.
5. Every individual permitted in accordance with the provisions of this Article must adhere to the limits of the powers granted to them in the permit.
6. No individual may represent themselves as a permitted individual unless they are permitted by the Central Bank.

## **Article (108)**

### **Application for a Permit to Undertake Specific Functions**

1. The Licensed Financial Institution must submit an application to the Central Bank for any individual to undertake specific functions or to undertake additional specific functions.
2. The Central Bank may request the applicant to provide it with all information necessary to enable it to decide on the application.
3. The concerned Licensed Financial Institution must inform the Central Bank of any material change related to the conditions for granting the permit to undertake specific functions.

## **Article (109)**

### **Deciding on the Application for a Permit to Undertake Specific Functions or Add Other Specific Functions**

1. The application for a permit or its extension shall be decided upon within a period not exceeding (20) twenty working days from the date of fulfilling the permit's conditions and requirements. The lapse of this period without a decision on the application shall be considered an implicit rejection of the application.

2. The Central Bank may reject an application for a permit or a request to add other specific functions for a permitted individual if it deems that the public interest so requires.

3. The applicant shall be notified of the rejection decision by an official notice within a period not exceeding (20) twenty working days from the date of its issuance, and the notice shall include the following:

- a. The content of the decision.
- b. The reasons for the decision.
- c. Notifying the applicant of their right to appeal the rejection decision by submitting a request to the Grievances and Appeals Committee, in accordance with the provisions of this Decree-Law.

#### **Article (110)**

#### **Imposing Conditions and Restrictions on the Permit to Undertake Specific Functions**

1. The Central Bank may decide to add conditions or restrictions to the permit to undertake specific functions.

2. Before issuing the decision referred to in clause (1) of this Article, the Central Bank may request the concerned Licensed Financial Institution to submit its observations on the reasons for the decision within the period it specifies.

3. The concerned Licensed Financial Institution shall be notified of the decision by an official notice within a period not exceeding (20) twenty working days from the date of its issuance, and the notice shall include the following information:

- a. The content of the decision.
- b. The reasons for the decision.
- c. The effective date of the decision.
- d. Notifying the concerned Licensed Financial Institution of its right to appeal the decision by submitting a request to the Grievances and Appeals Committee in accordance with the provisions of this Decree-Law.

#### **Article (111)**

#### **Suspension, Withdrawal, or Revocation of the Permit to Undertake Specific Functions**

1. The Central Bank may suspend, withdraw, or revoke the permit issued to a permitted individual to undertake specific functions by an official notice in the following cases:

- a. If the permitted individual loses or violates one or more of the conditions of fitness and propriety and other conditions, or the restrictions imposed on the permit to undertake specific functions.

- b. If the permitted individual violates any of the laws and regulations in force in the State and the regulations, rules, standards, or guidelines issued by the Central Bank, including the decisions and guidelines issued by the Higher Sharia'a Authority.
- c. If the permitted individual fails to take any measures or procedures established by the Central Bank.
- d. If the Central Bank deems that the withdrawal, revocation, or suspension of the permit, in whole or in part, is necessary to achieve its objectives and perform its functions.
- e. If the permitted individual is declared bankrupt.
- f. If the permitted individual refuses to cooperate with the officials, representatives, or inspectors of the Central Bank or refrains from providing the required information or records.

2. In all cases, the permit shall be revoked if a revocation request is submitted by the Licensed Financial Institution where the permitted individual works, or if their relationship with the Licensed Financial Institution where they work ends.

3. The Licensed Financial Institution where the permitted individual works shall be notified of the decision to withdraw, revoke, or suspend the permit within a period not exceeding (20) twenty working days from the date of its issuance, and the notice shall include the following:

- a. The content of the decision.
- b. The reasons for the decision.
- c. The effective date of the decision.
- d. Notifying the concerned Licensed Financial Institution of its right and the right of the permitted individual to appeal the decision by submitting a request to the Grievances and Appeals Committee in accordance with the provisions of this Decree-Law.

## **Article (112)**

### **Prohibition of Undertaking Specific Functions at Licensed Financial Institutions**

- 1. The Central Bank may prohibit any individual from working or undertaking specific functions related to licensed financial activities if it deems that the concerned individual does not possess the fitness and propriety to work or to undertake these specific functions.
- 2. The concerned Licensed Financial Institution shall be notified of the decision to prohibit the concerned individual from working or undertaking specific functions with it by an official notice within a period not exceeding (20) twenty working days from the date of its issuance, and the notice shall include the following information:
  - a. The content of the decision.

- b. The reasons for the decision.
- c. The effective date of the decision.
- d. Notifying the Licensed Financial Institution of its right and the right of the concerned individual to appeal the decision by submitting a request to the Grievances and Appeals Committee, in accordance with the provisions of this Decree-Law.

### **Chapter Three**

#### **Responsibilities of Licensed Financial Institutions**

##### **Article (113)**

###### **Guarantee Deposits for Other Financial Institutions with the Central Bank**

All other financial institutions shall be obligated to maintain guarantees, in the form of cash deposits, with the Central Bank to ensure the fulfillment of their obligations referred to in this Decree-Law, in accordance with the nature of their business and activities and as determined by the Board of Directors from time to time.

##### **Article (114)**

###### **Compliance with Central Bank Instructions**

- 1. Licensed Financial Institutions must comply with all regulations, rules, standards, circulars, directives, and instructions issued by the Central Bank, whether regarding lending or other matters it deems necessary to achieve its objectives.
- 2. The Central Bank may take all necessary measures and procedures and use means that would ensure the proper conduct of business in Licensed Financial Institutions. These instructions, directives, measures, procedures, or means may be general for all Licensed Financial Institutions, or specific to certain Licensed Financial Institutions.

##### **Article (115)**

###### **Risk Bureau at the Central Bank**

The "Risk Bureau" at the Central Bank shall undertake the tasks of collecting, exchanging, and processing credit information obtained from Licensed Financial Institutions or any party the Central Bank deems necessary in the State. The said Bureau shall operate within the limits of the conditions and controls decided by the Board of Directors.

##### **Article (116)**

###### **Transactions with Related Parties**

- 1. Every Licensed Financial Institution that receives deposits must prepare a quarterly statement in the form specified by the Central Bank, showing all credit facilities and financing facilities granted by this institution to:
  - a. Any member of the board of directors of the concerned institution.

- b. Any establishment or company in which the concerned institution is a partner, director, agent, guarantor, or surety.
- c. Any company in which any member of the board of directors of the concerned institution is a director or agent of that company.
- d. Any company in which any of the employees of the concerned institution, or other experts or representatives of the concerned institution, is a director, executive officer, agent, guarantor, or surety of the company.
- e. Any person who owns a controlling interest in the capital of the concerned institution or in a company related to the concerned institution, in accordance with the provisions of Article (120) of this Decree-Law.
- f. Any subsidiary company of the group owning the concerned institution.
- g. Any company related to the concerned institution, in accordance with the controls set by the Board of Directors.
- h. Any person related to any member of the board of directors of the concerned institution, directly or indirectly, in accordance with the controls set by the Board of Directors.
- i. Any other person specified by the Board of Directors, in accordance with the controls it sets in this regard.

2. A copy of the statement referred to in clause (1) of this Article shall be provided to the Central Bank within (10) ten working days from the end of each quarter of the financial year or from the date of the Central Bank's request.

3. If it becomes clear to the Central Bank, through reviewing the statement referred to in clause (1) of this Article, that any credit facilities or financing facilities granted by the Licensed Financial Institution or any exposure to a person may result in harm to the interests of the depositors in the concerned institution, it may take one or more of the following measures:

- a. Requesting the concerned institution to make provisions against these facilities or reduce the degree of exposure to a specific person within the period and by the mechanism it specifies.
- b. Prohibiting the concerned institution from providing any other credit facilities to the concerned person or imposing certain restrictions on the facilities granted to this person, as it deems appropriate.

## **Chapter Four**

### **Prohibitions**

#### **Article (117)**

##### **Prohibition of Certain Operations**

1. The Central Bank may prohibit Licensed Financial Institutions from carrying out all or some of the following:
  - a. Dealing in certain assets, investments, or monetary and financial instruments.
  - b. Concluding certain deals or carrying out certain operations or commercial activities.
  - c. Dealing with certain persons.
2. The Board of Directors may issue regulations, rules, and standards for the operations referred to in clause (1) of this Article and take the measures and procedures it deems appropriate.
3. The concerned Licensed Financial Institution shall be notified by an official notice of the Central Bank's decision within a period not exceeding (20) twenty working days from the date of its issuance, and the notice shall include the following information:
  - a. The content of the decision.
  - b. The reasons for the decision.
  - c. The effective date of the decision.
  - d. A statement notifying the Licensed Financial Institution of the possibility of appealing the decision by submitting a request to the Grievances and Appeals Committee, in accordance with the provisions of this Decree-Law.

### **Article (118)**

#### **Prohibition of Activities for Licensed Financial Institutions that Receive Deposits**

Licensed Financial Institutions that receive deposits are prohibited from practicing any of the following activities:

1. Engaging in trade or industry, or owning or possessing goods and trading in them for its own account, unless their ownership is in settlement of a debt owed to it by others, in which case it must liquidate them within the period specified by the Central Bank.
2. Purchasing real estate for its own account, with the exception of the following cases:
  - a. Real estate whose value does not exceed the percentage specified by the Central Bank of its total capital and reserves.
  - b. Real estate that it acquires as a direct settlement of debts and which exceeds the percentage mentioned in paragraph (a) of this clause, in which case it must sell this real estate within (3) three years. This period may be extended with the approval of the Central Bank based on the guidelines specified by the Board of Directors.

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3. Purchasing, owning, or dealing in the shares of the concerned establishment beyond the percentages specified by the Board of Directors, unless the increase resulted from the settlement of a due debt. In such a case, the concerned establishment must sell the shares exceeding the mentioned percentage within (2) two years from the date of their acquisition.

4. Purchasing shares of commercial companies, except within the percentage specified by the Board of Directors from the concerned establishment's own funds, unless they were acquired in settlement of a due debt. In such a case, the concerned establishment must sell the excess shares within (2) two years from the date of their acquisition.

### **Article (119)**

#### **Restrictions on Granting Credit Facilities**

1. Licensed financial institutions may grant credit facilities to members of their boards of directors, their employees, or relatives of such persons as determined by the Board of Directors.
2. The Board of Directors shall determine the terms and conditions for credit facilities that may be granted to the categories stipulated in Clause (1) of this Article.
3. A licensed financial institution may not grant credit facilities to its clients against the guarantee of its own shares.
4. The Board of Directors shall issue regulations for licensed financial institutions regarding the limits of credit facilities granted for real estate purposes, including the construction of properties for residential or commercial purposes.

## **Chapter Five**

### **Supervision and Oversight of Licensed Financial Institutions**

#### **Section One**

##### **Special Provisions for Supervision and Oversight**

### **Article (120)**

#### **Provisions Related to Controlling Shareholders**

1. No person, whether alone or in conjunction with related parties, may own a controlling stake or increase a controlling stake in any licensed financial institution, or exercise powers that would lead to them being considered a controlling shareholder at the discretion of the Board of Directors, without obtaining prior approval from the Central Bank.
2. No licensed financial institution may permit any person to own a controlling stake in it without also obtaining prior approval from the Central Bank.
3. If any person is found to be in violation of the provisions of Clauses (1) or (2) of this Article, the Central Bank may take one or more of the following measures:

- a. Send a notification of the violation and grant the violating party a period to regularize its status, or else order the sale of the controlling stake or the portion exceeding the controlling stake, and transfer the proceeds to the concerned violating party in accordance with the mechanism determined by the Central Bank.
- b. Deprive the violating party of profits or benefits, to the extent of the violation.
- c. Prohibit the violating party from voting in the general assembly of the concerned establishment, or from being nominated for membership of its board of directors until its status is regularized, or the measure determined by the Central Bank is implemented.
- d. Suspend or revoke the membership of the violating party on the board of directors of the concerned establishment, if any.
- e. Prohibit the violating party from disposing of the percentage exceeding the controlling stake without obtaining prior written approval from the Central Bank.
- f. Any other measures the Board of Directors deems appropriate.

4. The Board of Directors shall issue regulations and instructions related to defining the criteria for controlling stakes, identifying related parties for the purposes of controlling stakes in licensed financial institutions, and the restrictions related to stakes and control situations.

### **Article (121)**

#### **Opening Branches and Subsidiaries Inside or Outside the State or in a Financial Free Zone**

No licensed financial institution may open any branch or subsidiary inside or outside the State or in a financial free zone, or change the location of a branch or close a branch, except after obtaining prior approval from the Central Bank.

### **Article (122)**

#### **Providing the Central Bank with Information and Reports**

1. Licensed financial institutions must do the following:
  - a. Provide the Central Bank with reports, information, data, statements, and other documents that the Central Bank specifies and deems necessary to achieve its objectives and perform its duties.
  - b. Appoint qualified employees assigned to prepare the reports requested by the Central Bank.
  - c. Take appropriate measures to ensure and facilitate the access of the person assigned in accordance with paragraph (b) of this Clause to the information necessary for preparing the reports.
2. Licensed financial institutions are prohibited from issuing instructions or directives to, or agreeing with, any director, official, employee, agent, representative, or auditor

thereof to refrain from providing the Central Bank with the requirements mentioned in Clause (1) of this Article.

3. The Central Bank must establish rules and guidelines for collecting information from licensed financial institutions on a periodic basis.
4. The Central Bank shall determine the nature, forms, and frequency of the information to be submitted, and licensed financial institutions must provide this information to the Central Bank in accordance with the instructions it issues in this regard.
5. The provisions of this Article shall apply to the branches of foreign licensed financial institutions operating in the State.
6. The Central Bank may issue regulations, rules, standards, and instructions related to providing it with the requirements mentioned in this Article, and it may take all measures and procedures it deems appropriate against the concerned establishment or any of its employees referred to in paragraph (b) of Clause (1) of this Article.

### **Article (123)**

#### **Reporting Violations**

1. Licensed financial institutions, their legal representatives, compliance officers, and auditors are responsible for immediately reporting the following to the Central Bank:
  - a. The occurrence of any material and substantial developments that may affect their activities, structure, entity, or general status.
  - b. The occurrence of any matter that violates the provisions of this Decree-Law or any other laws in force in the State related to the Central Bank's jurisdiction, or the decisions, regulations, or instructions issued in implementation thereof.
2. The persons mentioned in Clause (1) of this Article shall not be considered in violation of any of their obligations merely for sending a notice in accordance with the provisions of this Article or for providing information or an opinion to the Central Bank, if they are acting in good faith. A licensed financial institution may not dismiss the persons mentioned in Clause (1) of this Article or take any disciplinary action against them except after obtaining the approval of the Central Bank.
3. The Central Bank shall establish a mechanism for receiving reports regarding the violations referred to in Clause (1) of this Article.

### **Article (124)**

#### **Data to be Submitted to the Central Bank on Financial Position**

1. Every licensed financial institution must provide the Central Bank with data and reports on its financial position, in addition to providing it, no later than (3) three months after the end of the financial year or within the period specified by the Central Bank, with a copy of the following:

- a. The audited balance sheet showing the use of assets and liabilities arising from the operations of the concerned establishment.
- b. The audited profit and loss account, with any relevant notes.
- c. The report of the concerned establishment's auditor.
- d. The report of the concerned establishment's Board of Directors.

2. The Central Bank may request the licensed financial institution to submit the following:
  - a. A copy of the interim profit and loss account on a semi-annual basis or for other periods determined by the Central Bank.
  - b. Any other additional information, reports, or data it deems necessary.
3. No licensed financial institution may present the data and reports related to its financial position referred to in Clause (1) of this Article to its general assembly before obtaining the approval of the Central Bank.
4. Authorized individuals must immediately notify the Central Bank if the concerned licensed financial institution is exposed to serious financial or administrative conditions that would prejudice the rights of clients, including policyholders and beneficiaries, as the case may be.

## **Article (125)**

### **Merger and Acquisition**

1. No licensed financial institution may merge with or acquire any other establishment, regardless of its activity, or transfer any part of its liabilities to another person, except after obtaining the prior approval of the Central Bank.
2. Taking into account the legislation in force in the State regarding mergers and acquisitions, the Board of Directors may issue all regulations, rules, standards, conditions, instructions, and directives related to mergers and acquisitions.
3. The concerned licensed financial institution shall be notified of a decision to reject a merger or acquisition by an official notice within a period not exceeding (20) twenty working days from the date of the decision's issuance. The notice must include the following information:
  - a. The content of the decision.
  - b. The reasons for the decision.
  - c. The effective date of the decision.
  - d. Informing the concerned licensed financial institution of its right to appeal the decision by submitting a request to the Grievances & Appeals Committee, in accordance with the provisions of this Decree-Law.

## **Article (126)**

## **Cessation of Business**

No licensed financial institution may completely or partially cease its operations or stop practicing all or some of its licensed financial activities except after obtaining the approval of the Central Bank.

## **Article (127)**

### **Consolidated Supervision**

The Central Bank may exercise consolidated supervision over licensed financial institutions in accordance with rules established by the Board of Directors for this purpose, which shall include the level and scope of application of consolidated supervision, the types of holding companies, the criteria for identifying them, and the controls governing their operations.

## **Article (128)**

### **Authority to Issue Prudential Instructions and Directives**

1. For the purposes of prudential supervision, the Board of Directors shall issue necessary instructions and directives to a specific licensed financial institution or to a number of licensed financial institutions within a specific category, including:
  - a. Compliance with the Central Bank's instructions and directives related to prudential ratios set by the Board of Directors regarding capital adequacy, liquidity, or any other purposes.
  - b. Adherence to provisions or the treatment of specific assets.
  - c. Adherence to credit concentration limits.
  - d. Adherence to exposure limits to related parties.
  - e. Fulfilling any additional reporting requirements.
2. The Board of Directors may take any additional measures to those stated in Clause (1) of this Article.
3. The Central Bank may direct any subsidiary of a licensed financial institution to take certain actions or to refrain from practicing certain activities, in any of the following cases:
  - a. If the Central Bank is the consolidated supervisory authority for the institutions referred to in this Clause.
  - b. If the Central Bank deems such a directive necessary for its effective and consolidated prudential supervision of the institutions referred to in this Clause.
4. The directives referred to in Clause (3) of this Article may include the following:
  - a. Requiring the subsidiary of the concerned licensed financial institution to cease providing certain services or to refrain from engaging in certain businesses or activities, including closing any of its offices or branches outside the State, if such

services, businesses, or activities would expose the concerned licensed financial institution to additional risks or to risks that cannot be managed effectively and appropriately.

b. Requiring the subsidiary of the concerned licensed financial institution to take all necessary measures to remove any obstacles that may prevent the effective achievement of consolidated supervision.

5. The Central Bank may notify any parent company of a licensed financial institution to take certain actions or to refrain from practicing certain activities, in any of the following cases:

- a. If the Central Bank is the consolidated supervisory authority for the institutions referred to in this Clause.
- b. If the Central Bank deems such a notification necessary for its effective and consolidated prudential supervision of the institutions referred to in this Clause.

### **Article (129)**

#### **Maximum Limits for Operations**

The Central Bank may determine the maximum limits for operations to be adhered to by licensed financial institutions, which include the following:

1. The maximum financing granted under operations related to securities, discounting operations, or loans and advances that a licensed financial institution is permitted to conduct, as of a specific date.
2. The maximum amount that may be lent to a single person.
3. The maximum limit for purchasing and trading securities issued by any foreign government or its related entities, or by companies registered outside the State or in a financial free zone.
4. Any other maximum limits determined by the Central Bank.

### **Article (130)**

#### **Governance of Licensed Financial Institutions**

1. The Central Bank shall establish the general framework for the governance of licensed financial institutions, and shall also establish regulations and rules for organizing the work of their boards of directors. It shall determine the conditions to be met by the members of their boards of directors and the conditions for appointing their authorized individuals. These institutions, if listed in the financial markets in the State, must comply with the minimum governance requirements issued by the relevant supervisory authority.

2. Licensed financial institutions must obtain the prior approval of the Central Bank for the nomination and appointment of any person to the membership of their boards of directors or the renewal of their membership, as well as for the

appointment or renewal of the employment contract of any authorized individuals for that institution.

3. The Board of Directors may, in what it deems to be in the public interest, refuse the appointment or nomination of any person to the membership of the board of directors of any licensed financial institution or the renewal of their membership, and it may also refuse the appointment or renewal of the employment contract of any authorized individuals for that institution.

### **Article (131)**

#### **Rulebook**

The Central Bank shall prepare an electronic guide that includes all regulations issued by it in accordance with the provisions of this Decree-Law, which shall be published and updated on its official website on a regular basis.

### **Article (132)**

#### **Retroactive Effect of Central Bank Regulations and Decisions**

The regulations, decisions, or circulars issued by the Central Bank in accordance with the provisions of this Decree-Law shall not have a retroactive effect, nor shall they prevent the implementation of agreements concluded between licensed financial institutions and their clients prior to their issuance. The Central Bank shall determine the necessary deadlines to enable them to regularize their status in accordance with the provisions of this Decree-Law.

### **Article (133)**

#### **Inspection**

1. The Central Bank may at any time dispatch any of its employees or any third party authorized to act on its behalf to licensed financial institutions and the companies they own or their subsidiaries, if it deems it appropriate or necessary to verify the soundness of their financial position and the extent of their compliance with the provisions of this Decree-Law and the regulations and decisions issued in its implementation, and other laws and regulations in force in the State.
2. If the institutions and companies referred to in Clause (1) of this Article are subject to the supervision and licensing of any of the supervisory authorities in the State, the Central Bank must coordinate with the concerned supervisory authority in this regard in accordance with the provisions of Article (28) of this Decree-Law.
3. The Central Bank, in coordination with the concerned authorities in the State, may inspect the business premises of any person suspected of practicing any of the licensed financial activities mentioned in Article (61) of this Decree-Law without a license. In this regard, it may compel the suspected person to provide all information, documents, and records related to the unlicensed financial activities and may seize them.

4. Licensed financial institutions, the companies they own, and their subsidiaries must provide to any employee or authorized third party referred to in Clause (1) of this Article all information, records, books, accounts, documents, papers, and data related to the subject of the inspection and must provide them with the required information requested from them within the specified deadlines.

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5. The Central Bank staff or any authorized third party referred to in Clause (1) of this Article may summon any person within the framework of the inspection process at the time and place specified by them to provide information, data, documents, or records related to the inspection process.

6. The Board of Directors may issue regulations, rules, standards, directives, and instructions related to the inspection operations and procedures for Licensed Financial Institutions.

7. The Central Bank may take all measures and procedures it deems appropriate to achieve its objectives and perform its functions in accordance with the provisions of this Decree-Law. In particular, if a violation of the provisions of this Decree-Law and the regulations and resolutions issued in implementation thereof is found, it may do the following:

- a. Impose restrictions on some of the operations or activities practiced by the concerned Licensed Financial Institution.
- b. Require the concerned Licensed Financial Institution to take the necessary measures and procedures to immediately rectify the situation.
- c. Appoint a specialized expert or a qualified Central Bank staff member to guide the concerned Licensed Financial Institution or supervise some of its operations, for a specific period determined by the Central Bank, provided that the concerned Licensed Financial Institution bears his remuneration if he is an expert from outside the Central Bank.
- d. Take any other measure or procedure or impose any penalties or fines it deems appropriate, in accordance with Article (168) of this Decree-Law.

8. Licensed Financial Institutions shall bear all expenses of the inspection and investigation process outsourced to a third party by the Central Bank, in the event that their violation of the provisions of this Decree-Law and the regulations and resolutions issued in implementation thereof is proven.

#### **Article (134)**

#### **Inspection of Entities of National Licensed Financial Institutions Operating Outside the State or in a Financial Free Zone**

The Central Bank may dispatch one or more inspectors or experts to inspect the entities of national Licensed Financial Institutions operating outside the State, in cooperation and coordination with the concerned supervisory authorities in those

jurisdictions. This includes entities of national Licensed Financial Institutions operating in the Financial Free Zones in the State, in cooperation and coordination with the concerned supervisory authority.

### **Article (135)**

#### **Expert Report**

The Central Bank may assign an expert or a qualified and specialized person in licensed financial activities to provide it with a report on any subject determined by the Central Bank related to the direct and indirect business and activities of a specific Licensed Financial Institution, in accordance with the conditions and procedures set by the Central Bank and at the expense of the entities referred to in this Article.

### **Article (136)**

#### **Judicial Enforcement Officer Capacity**

The Central Bank staff, who are designated by a decision from the Minister of Justice in coordination with the Governor, shall have the capacity of judicial enforcement officers in establishing acts committed in violation of the provisions of this Decree-Law.

### **Article (137)**

#### **Request for Intervention in Lawsuits and Judicial Proceedings and Notification of Investigations**

1. Without prejudice to the provisions of the Civil Procedure Law, the Central Bank may request to intervene in any lawsuit filed before the judicial authorities to which a Licensed Financial Institution is a party.
2. Law enforcement agencies and other concerned authorities must notify the Central Bank of any investigations or procedures taken against Licensed Financial Institutions, and the Central Bank may provide those authorities with any clarifications, data, or information it deems appropriate in this regard.

## **Section Two**

### **Financial Accounts**

#### **Article (138)**

#### **Fiscal Year for Licensed Financial Institutions**

The fiscal year of a Licensed Financial Institution shall begin on the first of January and end on the thirty-first of December of each year, with the exception of the first fiscal year, which shall begin from the date of registration of that institution in the register of Licensed Financial Institutions stipulated in Article (68) of this Decree-Law and shall end at the end of the following fiscal year.

### **Article (139)**

#### **Accounts of Branches of Foreign Licensed Financial Institutions**

1. Branches of foreign Licensed Financial Institutions must maintain separate accounts for all their operations in the State, including a balance sheet and a profit and loss account.
2. For accounting purposes, the branches and departments of Licensed Financial Institutions operating in the State shall be considered a single financial institution.

## **Article (140)**

### **Auditors of Licensed Financial Institutions**

1. Every Licensed Financial Institution must appoint one or more auditors from among the auditors approved by the Central Bank to audit its accounts. If the concerned Licensed Financial Institution fails to appoint an auditor, the Central Bank shall appoint one for it and determine its remuneration, to be borne by the concerned institution.

The auditors' task includes preparing a report for the shareholders on the balance sheet and the profit and loss account. The auditors must state in their report whether the annual balance sheet and the profit and loss account are correct and acceptable, and whether the Licensed Financial Institution has provided them with the information and clarifications requested from it to perform their task. The concerned Licensed Financial Institution shall send to the Central Bank, at least (20) twenty working days before the general assembly meeting, a copy of the auditors' report attached with a copy of the balance sheet and the profit and loss account.

2. The general assembly of the Licensed Financial Institution may not be held before receiving the Central Bank's comments on the report. The Central Bank may, within (10) ten working days from the date of receiving the report referred to in Clause (1) of this Article, issue a decision not to approve the profits proposed for distribution to the shareholders if it is found that there is a shortfall in provisions below the minimum limit set by the Central Bank, a decrease in the capital adequacy ratio below the minimum prescribed limit, or any reservation that may have been included in the auditors' report or from the Central Bank that affects the distributable profits.

3. The auditors' report, along with the report of the Board of Directors of the Licensed Financial Institution, shall be read at the annual meeting of the shareholders if the concerned institution was established in the State. This institution must, after the approval of the Central Bank, and within (20) twenty working days from the date of the general assembly meeting, publish each of these reports on its website. If the concerned Licensed Financial Institution is established outside the State or in a Financial Free Zone, a copy of the auditors' report shall be sent to its head office, and a copy thereof shall be submitted to the Central Bank within (20) twenty working days from the date of its issuance.

4. Auditors may not be members of the Board of Directors of the Licensed Financial Institution that appointed them to audit its accounts, nor may they be employees thereof, nor may they engage in advisory work for its benefit.

5. A Licensed Financial Institution may not grant credit facilities of any kind to its auditors, and no auditor approved by the Central Bank may carry out his duties at any Licensed Financial Institution unless he has settled any obligations he may have towards the concerned institution.

6. The auditors shall be responsible for the contents of their report regarding the financial statements of the concerned Licensed Financial Institution. If they are proven to have failed in carrying out the tasks entrusted to them, or have violated the provisions of this Decree-Law and the regulations and resolutions issued in implementation thereof, the Central Bank may take the necessary measures and procedures, in cooperation and coordination with the concerned authorities in the State, to strike them from the registers. The Central Bank may also take any other appropriate administrative or legal procedures or measures against the negligent or violating auditors at its own discretion.

7. The Central Bank may, as it deems necessary, request the auditors of the Licensed Financial Institution, its parent companies, and its subsidiaries to submit a report, at the expense of the concerned Licensed Financial Institution, proving its compliance with the provisions of this Decree-Law and the regulations and resolutions issued in implementation thereof.

8. The Board of Directors shall issue a regulation and a register for the auditors approved by it and authorized to audit the accounts of Licensed Financial Institutions.

### **Article (141)**

#### **Publication and Display of Information on Accounts**

1. Every Licensed Financial Institution must publish and display on its website and in each of its offices and branches in the State, the following information and data:

a. A copy of the audited balance sheet and profit and loss account, and a copy of the auditors' report. In the event the concerned Licensed Financial Institution is established outside the State or in a Financial Free Zone, such data may be displayed and published in a manner consistent with the applicable law in the relevant jurisdiction.

b. A list of the names of the members of the Board of Directors and all executive officers and other authorized individuals.

c. The names of all subsidiary or affiliated companies, whether wholly or partially owned, or related to the concerned Licensed Financial Institution.

2. The Central Bank may request any Licensed Financial Institution to publish or display any information or statements related to its accounts, in addition to the requirements referred to in Clause (1) of this Article, as it deems appropriate.

### **Section Three**

#### **Early Intervention, Resolution, and Liquidation of Financial Institutions**

## **Article (142)**

### **Early Intervention**

1. If a Licensed Financial Institution has breached or is likely to breach its capital or liquidity requirements, due to a rapid deterioration in its financial position, or if the concerned institution itself or one of its subsidiaries faces a deficit in its financial position, the Central Bank may take a series of measures in accordance with the regulations issued by it, including:
  - a. Require the concerned institution to implement one or more measures within its recovery plan.
  - b. Require the concerned institution to provide additional financial resources to support its paid-up capital.
  - c. Impose additional liquidity requirements on the concerned institution, commensurate with the risks associated with its activities.
  - d. Require the concerned institution to assess its situation, identify corrective measures to address risks and deficiencies, and establish the necessary arrangements to adopt those measures.
  - e. Require the concerned institution to make changes to its business strategy.
  - f. Require the concerned institution to make changes to its legal or operational structure.
  - g. Issue a decision and take the necessary measures to merge the concerned institution with another Licensed Financial Institution.
  - h. Allow any qualified financial institution to acquire the concerned institution.
  - i. Remove or replace one or more members of the Board of Directors or other authorized individuals who prove to be unfit to perform their duties.
  - j. Form a temporary committee to manage the concerned institution. The committee may take whatever measures it deems appropriate in accordance with the terms and conditions determined by the Board of Directors, including the possibility of deciding to stop or suspend all or some of the concerned institution's activities immediately, and the resulting procedures. The concerned institution shall be obligated to pay the committee's fees as determined by the Central Bank.
  - k. Directly manage the concerned institution for a period determined by the Board of Directors. In this case, the Central Bank shall replace the management of the concerned institution in all its powers, including financial and administrative powers, and the powers of the Board of Directors and the general assembly of the concerned institution shall be immediately frozen until the end of the temporary management period.
  - l. Appoint an independent observer member from outside the Central Bank to attend the meetings of the Board of Directors of the concerned institution and participate in

the discussions without having the right to vote. The Board of Directors shall determine the member's tasks and fees.

m. Request the competent authorities in the State to temporarily seize the concerned institution and take possession of its assets, properties, and the rights of its shareholders.

n. Issue a decision to liquidate the concerned institution, and develop a plan to liquidate or transfer its assets and liabilities and related settlements and clearances, as it deems appropriate, and implement the liquidation plan or supervise its implementation, or take a resolution and settlement decision, or submit a request for bankruptcy declaration to the competent court in accordance with the legislation in force in the State.

o. Any other procedures or measures decided by the Board of Directors.

2. If an insurance or reinsurance company fails to take certain actions or measures to correct its situation within the specified period, the Central Bank may, at its own discretion, in addition to the measures referred to in Clause (1) of this Article, take one or more of the following measures to correct its situation, including:

a. Suspend or prevent the concerned company from concluding any other insurance contracts or practicing any or all types of insurance.

b. Impose upper limits on the total insurance premiums received by the concerned company for issuing insurance policies.

c. Maintain assets in the State equivalent in value to the total net liabilities of the concerned company arising from its operations in the State, or a certain percentage of their value.

d. Restrict the participation of the concerned company in any of its investment activities related to the solvency margin or require it to liquidate its investments in any of these activities to serve this purpose, unless doing so would cause harm to this company as assessed by a specialized expert in this field.

e. Require the concerned company to refrain from distributing returns on its own funds instruments, or repaying or repurchasing any of its own funds components.

f. Suspend or cancel the concerned company's license.

g. Restructure the concerned company.

h. Liquidate the concerned company.

3. The provisions stipulated in Clauses (1) and (2) of this Article shall apply to insurance-related professions to the extent consistent with the nature of those professions.

4. When a decision is issued to merge or liquidate a financial institution established outside the State or in a Financial Free Zone that has a branch or subsidiary in the State, the same procedures applicable in the jurisdictions of establishment shall

apply, unless this results in a negative impact on financial stability, provides better protection for creditors in the State, and unless otherwise agreed with the concerned authority.

5. The Central Bank may coordinate with federal or local authorities or any other concerned entity before issuing any decision from the Board of Directors in accordance with the provisions of this Article, and it may request the competent judicial authorities to take precautionary, urgent, and any other measures that would protect the funds and interests of investors, depositors, the insured, and beneficiaries, or as required by the public interest.

6. The concerned institution shall be notified of the Central Bank's decision related to this Article by an official notice within a period not exceeding (20) twenty working days from the date of the decision's issuance, provided that the notice includes the following information:

- a. The content of the decision.
- b. The reasons for the decision.
- c. The effective date of the decision.
- d. Informing the concerned institution of its right to appeal the decision, within a period not exceeding (20) twenty working days from the date of the notice, by submitting a request to the Grievances & Appeals Committee, in accordance with the provisions of this Decree-Law.

## **Article (143)**

### **Resolution Powers**

1. The Central Bank is the "Resolution Authority" in the State, and it has the following powers in the case of restructuring or liquidating any Licensed Financial Institution it places under resolution:

- a. Remove and appoint senior management, directors, and other authorized individuals and recover funds from responsible persons, including the recovery of bonuses and incentives.
- b. Appoint one or more persons as a resolution trustee, to manage or control the concerned institution or parts of its business, with the aim of restoring its viability, and grant them the powers contained in paragraphs (c), (d), and (e) of this clause.
- c. Terminate, amend, or rescind contracts to which the concerned institution is a party, or fulfill the obligations arising therefrom, or assign them, or buy or sell assets.
- d. Write off or convert any instrument, bond, or liability.
- e. Ensure the continuity of services and operational functions that the Central Bank deems necessary, through any of the following:
  - (1) Requiring other entities within the same group to continue providing services or facilities to the concerned institution or any successor or acquiring entity.

(2) Ensuring the ability of the remaining entity in resolution to temporarily provide such services to a successor or acquiring entity.

(3) Obtaining the necessary services or facilities from unaffiliated third parties.

f. Cancel the rights of shareholders in the concerned institution, including canceling rights to acquire more shares and requirements for shareholder approval of certain transactions, in order to allow for a merger, acquisition, sale of business operations, recapitalization, or other measures to restructure and dispose of its business, liabilities, or assets.

g. Transfer or sell all or part of the rights, obligations, assets, liabilities, and shares of the Concerned Establishment to a financially sound third party, regardless of any requirements relating to consent to the assumption or renewal of an obligation that might otherwise apply.

h. Establish a temporary bridge institution to manage the resolution process and continue the operation of some of the critical functions and viable operations of the Concerned Establishment.

i. Establish a separate asset management vehicle and transfer to it non-performing loans or hard-to-value assets for management.

j. Implement a bail-in with the participation of a third party to ensure the continuity of critical functions, either by recapitalizing the entity that provided these functions or by capitalizing a newly established entity or a temporary bridge institution to which these functions have been transferred.

k. Temporarily suspend the exercise of early termination rights under any contracts or agreements that might otherwise be triggered upon the entry of the Concerned Establishment into resolution or in connection with the exercise of resolution powers.

l. Impose a temporary stay with a suspension of payments to unsecured creditors and customers - except for payments to central counterparties, payment, clearing, and settlement systems, and central banks - and a stay on creditor actions to attach assets or collect funds or property from the Concerned Establishment, while protecting the enforcement of netting agreements and collateral arrangements.

m. Implement an orderly closure and liquidation of all or part of the business of the Concerned Establishment.

n. Require the Concerned Establishment to provide immediate access to transaction accounts, return identifiable assets, and return segregated assets to customers.

o. Restrict secured creditors of the Concerned Establishment from enforcing security rights in relation to its assets, except for assets pledged, charged, or provided as margin or collateral to central counterparties, payment, clearing, and settlement systems, and central banks.

p. In respect of debt instruments and other liabilities issued by the Concerned Establishment, do any of the following:

- (1) Amend the maturity date.
- (2) Amend the amount of interest due.
- (3) Amend the date on which interest becomes payable, including by suspending payment for a temporary period.
- q. Require a person to suspend or delist financial instruments related to the Concerned Establishment from trading.
- r. Specify the circumstances that are to be disregarded in determining whether a default provision applies under a contract.

2. The Central Bank may exercise its resolution powers:

- a. Notwithstanding any restriction on or condition for obtaining consent (other than from the purchaser) to the transfer of the financial instruments, rights, assets or liabilities concerned that might otherwise apply.
- b. Without any requirement to obtain the approval or consent of any person, whether public or private, including the shareholders or creditors of the Concerned Establishment.
- c. Without any requirement to notify any person, including any requirement to publish any notice or prospectus or register any document with any other authority.

3. The exercise by the Central Bank of its powers referred to in Clause (2) of this Article shall take precedence over any procedural requirements under the applicable legislation in the State.

4. The Central Bank may exercise its resolution powers in relation to a holding company, subsidiary, or branch of the Concerned Establishment.

5. The Central Bank may recover the expenses it reasonably incurs in connection with the use of resolution powers in any of the following cases:

- a. By deduction from any consideration paid by a transferee related to the Concerned Establishment or, as the case may be, to the owners of the shares.
- b. From the Concerned Establishment, with the Central Bank acting as a preferential creditor, taking into account Article (144) of this Decree-Law.
- c. From any proceeds generated as a result of the termination of a temporary bridge institution or a separate asset management vehicle, with the Central Bank acting as a preferential creditor, taking into account Article (144) of this Decree-Law.

6. If the Central Bank determines that there are impediments to the resolution of the Concerned Establishment or an entity within its group, the Central Bank may require the Concerned Establishment to take such measures as the Central Bank deems reasonably necessary to remove or mitigate the effect of those impediments.

7. The Concerned Establishment, any entity within its group, any of its directors and employees, as well as any person appointed by the Central Bank, shall not be liable to

third parties for any act or omission done in good faith to comply with the requirements of the Central Bank in relation to the exercise of its resolution powers.

8. If any resolution authority outside the State or in a financial free zone notifies the Central Bank that it intends to take or has taken resolution action with respect to an entity within that jurisdiction and requests the Central Bank to recognize the resolution action, the Central Bank may decide to recognize such action in whole or in part, or to refuse recognition.

9. The Central Bank may issue regulations concerning the enhancement of the resolvability of Licensed Financial Institutions and the exercise of its resolution powers.

10. In relation to an Insurance Company and a Reinsurance Company, the Central Bank shall have the following powers, in addition to the powers referred to in this Article, to restructure or liquidate the concerned company that it places under resolution:

a. Allow the exercise of options under existing insurance contracts, including policy liquidation or withdrawal and payment of additional premiums stipulated in existing contracts.

b. Restructure, restrict, reduce, or convert any instrument or liability, including insurance, reinsurance, and other liabilities, and distribute losses to creditors, the insured, and beneficiaries in accordance with the legal priority of creditors without requiring prior individual notification or consent from creditors, including the insured and beneficiaries.

c. Transfer or sell all or part of the rights, obligations, assets, liabilities, and shares of the concerned company, including effecting a portfolio transfer of all or part of the insurance and reinsurance business associated with the transferred policies, to a solvent third party, regardless of any requirements relating to consent for the assumption or renewal of an obligation that might otherwise apply.

d. Establish a separate asset management vehicle to which non-performing or non-income generating portfolios or assets are transferred for management, disposal, and liquidation.

e. Refrain from issuing new insurance policies by the company under resolution while continuing to manage existing contractual insurance policy obligations.

f. Suspend any payment or delivery obligations under any contract to which the concerned company under resolution is a party - except for payment and delivery obligations to central counterparties, payment, clearing, and settlement systems, and central banks - and the suspension shall apply to both the concerned company and the relevant counterparties.

#### **Article (144)**

##### **Order of Satisfaction of Debts and Other Liabilities**

Subject to the powers and procedures exercised by the Central Bank under Articles (142) and (143) of this Decree-Law, any amounts due and payable by any Licensed Financial Institution placed under resolution by the Central Bank shall be paid in the following order of priority:

1. Holders of debts secured by movable or immovable property, up to the value of their collateral from the mortgaged property.
2. Accrued wages, salaries, and other work remunerations due and unpaid during the six (6) months immediately preceding the commencement of the resolution.
3. Reasonable expenses incurred by the Central Bank or any appointed trustee to manage the resolution, including fees and costs associated with managing the resolution process, and any loans or advances granted by the Central Bank to ensure the continuity of the operations or critical functions of the Concerned Establishment.
4. Rights of customers of Licensed Financial Institutions, the insured, and beneficiaries. The Central Bank shall allocate specific assets or proceeds from the transferred assets of the Concerned Establishment to satisfy these liabilities. For an Insurance Company or Reinsurance Company, these assets and proceeds shall include technical provisions and any amount recovered by the Concerned Establishment under reinsurance agreements relevant to the payment of these liabilities.
5. Rights of other creditors, according to their order of priority under the provisions of applicable legislation in this regard.
6. Rights of the shareholders of the Concerned Establishment.

## **Article (145)**

### **Publication of Resolution or Liquidation Announcement**

1. In the event of the resolution or liquidation of a Licensed Financial Institution, an announcement thereof must be published in the Official Gazette and in two local daily newspapers, one in Arabic and the other in English, for a period of not less than three (3) business days from the date of the decision, and the announcement shall include the following:
  - a. A period of not less than three (3) months to allow the customers of the Concerned Establishment to take the necessary measures to protect their rights.
  - b. The name and contact details of the entity in charge of the resolution and its functions, or the appointed liquidator and their functions.
2. If the resolution or liquidation is a result of the de-registration of the Licensed Financial Institution from the register of Licensed Financial Institutions, the Chairperson, or their delegate, may specify in the de-registration decision the closing date of the Concerned Establishment and the entity in charge of resolving or liquidating any pending operations on that date.

## **Article (146)**

### **Supervision of Financial Institutions Under Resolution or Liquidation**

The Central Bank shall continue to supervise any financial institution under resolution or liquidation until its offices are permanently closed.

## **Chapter Six**

### **Customer Protection**

## **Article (147)**

### **Confidentiality of Data and Information**

1. All data and information related to customers, the business of Licensed Financial Institutions, and their related transactions are deemed confidential by nature. They may not be accessed or disclosed, directly or indirectly, to any party except with the consent of the customer, their legal representative, or authorized agent, in accordance with the regulations issued by the Central Bank.
2. This prohibition shall remain in effect even after the relationship between the customer and the Licensed Financial Institution has ended for any reason.
3. Chairpersons and members of the boards of directors of Licensed Financial Institutions, and authorized individuals, employees, or those dealing with them to perform tasks, including experts, consultants, and technicians, are prohibited from giving or disclosing any information or data about their customers, their accounts, deposits, or related transactions, or enabling others to access them, except in cases legally authorized.
4. This prohibition applies to all entities and persons and everyone who, by virtue of their profession, position, or the nature of their work, has direct or indirect access to the aforementioned data and information.
5. The Central Bank, as the competent supervisory authority in the State in this regard, shall establish the rules and conditions governing the exchange of customer data.
6. The provisions of Clauses (1) and (2) of this Article shall not prejudice the following:
  - a. The powers legally vested in the security and judicial authorities, the Central Bank, and its employees.
  - b. The duties to be performed by the auditors of the Concerned Establishments.
  - c. The obligation of the Concerned Establishment to issue a certificate stating the reasons for refusing to cash a cheque, upon the request of the beneficiary.
  - d. The obligation of the Concerned Establishment to issue a certificate of partial payment of the value of a cheque, in accordance with the provisions of the Commercial Transactions Law.

- e. The right of the Concerned Establishment to disclose all or some of the data related to a customer's transactions necessary to prove its right in a legal dispute that has arisen between it and its customer concerning these transactions.
- f. The right of the Concerned Establishment to transfer all or part of the data related to customers to prove its right in transferring its business to another financial institution, merging with it, or being acquired by it, after the approval of the Central Bank.
- g. What is stipulated in the laws and international agreements in force in the State, in addition to the provisions related to anti-money laundering and combating the financing of terrorism.

## **Article (148)**

### **Protection of Customers of Licensed Financial Institutions**

- 1. The Board of Directors shall issue regulations for the protection of customers of Licensed Financial Institutions, commensurate with the nature of the activities practiced by those institutions and the financial services and products they offer.
- 2. The Central Bank shall establish an independent unit with a legal personality to receive, consider, and decide on customer complaints against banks and insurance companies, and to issue binding decisions thereon. The Board of Directors shall issue a decision establishing this unit, defining its tasks, work system, powers, and the human resources and financial affairs regulations applicable to it.
- 3. Banks and insurance companies must handle any complaint or claim received from customers in accordance with their contractual terms and conditions and the applicable legislation. The Concerned Establishments shall issue a decision on any complaint or claim. In the event of a total or partial rejection of any complaint or claim, the banks and insurance companies must state the reasons for this decision in writing.
- 4. If a dispute arises between a customer and a bank or insurance company, the customer may file a complaint with the unit referred to in Clause (2) of this Article, in accordance with the established procedures.
- 5. One or more committees shall be established within the unit referred to in Clause (2) of this Article to settle disputes arising from the licensed financial activities of banks and insurance companies. The Board of Directors shall issue the necessary decisions to determine the jurisdictions, powers, and work system of these committees, the remuneration of their members, and the fees they charge, in addition to related decisions. Each committee shall be chaired by a judge, with another judge and one or more experts selected by the Central Bank as members.
- 6. The committee's decisions shall be final and enforceable against the concerned banks and insurance companies. These institutions may not appeal the decisions

referred to in this Article in disputes where the value does not exceed one hundred thousand (100,000) Dirhams.

7. The decisions of the committee referred to in this Article shall not be final and enforceable upon issuance if the value of the dispute exceeds one hundred thousand (100,000) Dirhams. The Concerned Establishment and the interested party may appeal the decisions before the competent Court of Appeal in accordance with the jurisdiction rules contained in the Civil Procedure Law within thirty (30) days from the date of their issuance or of being notified thereof, otherwise the appeal will be inadmissible.

8. Lawsuits arising from disputes related to insurance contracts, business, and services shall not be accepted if such disputes have not been submitted to the committees formed in accordance with the provisions of this Article.

9. The Central Bank may expand the scope of the unit's jurisdiction referred to in Clause (2) of this Article to include complaints and claims arising against Licensed Financial Institutions other than banks, insurance companies, and reinsurance companies, if necessary. In such cases, the provisions contained in Clauses (2) to (7) of this Article shall apply.

10. The Central Bank and Licensed Financial Institutions shall work together to raise public awareness about the types of banking services, insurance services, financial products, and their inherent risks, through all available communication channels and media, in accordance with the controls set by the Central Bank.

11. Licensed Financial Institutions may not charge interest on accrued interest (compound interest) in relation to facilities provided to customers. In this regard, the controls and rules set by the Central Bank in the prudential regulations issued by it shall be followed.

## **Article (149)**

### **Fraud Prevention**

1. Licensed Financial Institutions must implement effective mechanisms to prevent and detect fraud, to protect customers from unauthorized transactions, social engineering, identity theft, and other fraudulent activities.

2. The Central Bank may issue regulations specifying the minimum security standards for digital and traditional banking services, including but not limited to, authentication protocols, transaction monitoring, and reporting obligations for suspected fraud cases.

3. Licensed Financial Institutions must promptly notify affected customers of any security breaches or fraudulent incidents and take immediate corrective action to mitigate the damage.

4. The Central Bank may require Licensed Financial Institutions to provide relevant data, reports, or other information, including transaction records, fraud patterns, and

mitigation measures, to monitor risks, prevent systemic fraud, and issue sector-wide directives.

5. Licensed Financial Institutions must cooperate fully with the Central Bank's investigations into fraud incidents and implement the prescribed preventive measures within the deadlines set by the Central Bank.
6. Subject to the provisions of Article (147) of this Decree-Law, if reasonable concerns arise that suspicious or fraudulent transactions have been or are being committed by a specific customer, the Licensed Financial Institution may disclose documents or information related to the concerned customer to any other Licensed Financial Institution authorized to receive such documents or information, to the extent necessary for verification.
7. Licensed Financial Institutions must provide clear, transparent, and easily accessible information about the fees, terms, and risks associated with their products and services, ensuring that customers can make informed decisions.

## **Article (150)**

### **Guarantees for Credit Facilities**

1. Licensed Financial Institutions must obtain and maintain sufficient guarantees for all types of facilities provided to customers who are natural persons and private sole proprietorships, in line with the customer's income, or the guarantee if any, and the size of the required facilities, as determined by the Central Bank from time to time.
2. No request, lawsuit, or defense shall be accepted before the competent judicial authorities or arbitration bodies if it is submitted or filed by a Licensed Financial Institution regarding a credit facility provided to a natural person or a private sole proprietorship in the absence of obtaining or maintaining the guarantees referred to in Clause (1) of this Article.
3. The Central Bank may impose administrative and financial penalties it deems appropriate on those Licensed Financial Institutions that violate the provisions of Clause (1) of this Article, in accordance with Article (168) of this Decree-Law.

## **Article (151)**

### **Establishment of Specialized Funds**

1. The Central Bank may establish specialized funds with independent legal personality for the purposes of protecting depositors, the insured, and beneficiaries, and achieving stability for Licensed Financial Institutions that are under severe stress that could lead to them being placed under resolution or bankruptcy, or adversely affect the financial stability in the State.
2. The Central Bank may impose fees or additional charges on the institutions referred to in Clause (1) of this Article, with the aim of providing the necessary resources for these specialized funds to achieve their objectives.

3. The Board of Directors shall issue regulations governing matters related to the establishment and operation of the specialized funds referred to in this Article, including their objectives, organization, funding mechanism, scope of coverage, the risks they cover, the benefits they provide when those risks materialize, and the methods of their termination and liquidation provisions, as the case may be.

#### Article (152)

##### **Financial Inclusion**

1. The Board of Directors shall establish the necessary regulations and mechanisms that guarantee every person the right to obtain from licensed financial institutions all or some of the banking and financial services or products suitable for them.
2. The Central Bank shall, in cooperation with licensed financial institutions, design and implement national financial awareness and education programs to enhance the public's understanding of reasonable and responsible borrowing, saving, investment risks, and digital financial services.
3. The Central Bank may organize periodic awareness campaigns through media, educational institutions, and community outreach to promote the objectives of customer protection and financial inclusion.

#### **Part Four**

##### **Financial Markets Infrastructure**

###### **Chapter One**

###### **Funds Transfer, Securities Settlement, and Trade Repositories**

#### Article (153)

##### **Establishment and Operation of Financial Markets Infrastructure**

1. The Central Bank shall have the following powers:
  - a. Establish, develop, or operate one or more clearing and settlement systems for funds transfer, settlement of securities issued by the Central Bank, the public sector, or government-affiliated entities, and any other obligations among the participants in these systems. It may do so on its own, through any of its direct or indirect subsidiaries, in partnership with any other party, or by outsourcing to other parties.
  - b. Establish or operate a central securities depository for securities issued by the Central Bank, the public sector, or government-affiliated entities, and trade repository systems for cash and financial transactions in the State. It may do so on its own, through a direct or indirect subsidiary, in partnership with any other entity, or by outsourcing to other parties.
  - c. Link the systems referred to in paragraphs (a) and (b) of this clause with similar systems inside and outside the State.

2. The Central Bank shall coordinate with other regulatory authorities in the State and relevant entities regarding the establishment of trade repository systems for cash and financial transactions referred to in Clause (1) of this Article.

3. The Central Bank shall issue guidelines and instructions for the systems referred to in Clauses (1) and (2) of this Article, the rules for participation therein, and the rules for executing related operations.

Article (154)

**Application for Licensing or Expanding the Scope of a License for Financial Markets Infrastructure**

1. Any legal person, in accordance with the regulations set by the Board of Directors, may submit an application to the Central Bank to obtain a license for a financial markets infrastructure or to expand the scope of a previously issued license.

2. The Board of Directors shall issue regulations, rules, standards, and conditions related to the licensing of financial markets infrastructure, including the following:

- a. Fit and proper criteria.
- b. Necessary resources for the system.
- c. Control and monitoring systems.

3. The Central Bank may, at its sole discretion and as it deems to be in the public interest, add any requirements or conditions for the license applicant.

Article (155)

**Decision on the Application for Licensing or Expanding the Scope of a License for Financial Markets Infrastructure**

1. A decision on an application for licensing or expanding the scope of a license for a financial markets infrastructure shall be made within a period not exceeding (60) sixty working days from the date of fulfillment of the licensing requirements and conditions. The lapse of this period without a response shall be considered a rejection of the application.

2. The Central Bank may request the applicant to fulfill the licensing requirements and conditions within a period it specifies.

3. The Central Bank may reject an application for a license or for the expansion of a license for a financial markets infrastructure at its sole discretion, according to the capacity of the financial sector in the State and the requirements of the local market. Its decision in this regard shall be final and not subject to appeal before the Grievances and Appeals Committee.

4. The applicant shall be notified of the reasoned rejection decision by an official notice within a period not exceeding (20) twenty working days from the date of its issuance.

## Article (156)

### **Retail and Wholesale Payment Operations and Related Digital Services**

The Central Bank alone shall have the following powers:

1. The authority to establish regulations, rules, and procedures for digital banking operations, digital currency, payment tokenization, stored value facilities, and to regulate retail and wholesale payment systems, including cross-border payment systems, and related digital banking and financial services.
2. To take all measures and procedures it deems appropriate to mitigate risks that may affect the financial and economic system of the State related to the operations and systems referred to in Clause (1) of this Article.

## **Chapter Two**

### **Powers and Functions of the Central Bank Related to Financial Markets Infrastructure**

#### Article (157)

##### **Designation of Financial Markets Infrastructure**

1. The Central Bank may designate any financial markets infrastructure as systemically important if it deems, at its sole discretion, that any operational failure or inefficiency in its performance would adversely affect the daily transaction processing of financial institutions operating in the State or the stability of the financial system in the State.
2. For the purpose of designating a financial markets infrastructure, one of the following conditions must be met:
  - a. The relevant infrastructure is operated within the State.
  - b. The relevant infrastructure is capable of accepting the clearing and settlement of financial transfer orders denominated in the national currency, without prejudice to the provisions of Article (28) of this Decree-Law.
  - c. The relevant infrastructure is capable of providing transfers, clearing, or settlement of financial transfer orders for retail and wholesale payment activities, denominated in any currency.
3. If the Central Bank intends to designate any of the financial markets infrastructures licensed by it as systemically important, it must do the following:
  - a. Notify the infrastructure operator or its settlement facility by an official notice, explaining the basis for such designation, in addition to any terms and conditions attached to the designation decision.
  - b. Grant a period in the notice referred to in paragraph (a) of this clause, of not less than (10) ten working days from the date of the notice, during which the

infrastructure operator or its settlement facility may clarify their point of view or state the reasons why this infrastructure should not be designated.

- c. Issue its decision on granting the status of a designated infrastructure in accordance with the provisions of this Article within a period not exceeding (20) twenty working days from the date of receiving a response from the concerned parties, or the expiry of the period specified in the notice without a response.
4. The operator of the designated infrastructure or the settlement facility of the relevant infrastructure may appeal the designation decision referred to in Clause (3) of this Article by submitting an application to the Grievances and Appeals Committee in accordance with the provisions of this Decree-Law.
5. Unless the Central Bank specifies otherwise, any financial markets infrastructure established, developed, or operated in accordance with the provisions of Article (153) of this Decree-Law shall be considered a designated infrastructure.
6. If the Central Bank intends to designate any financial markets infrastructure licensed by any other regulatory authority in the State, abroad, or in a financial free zone as systemically important, it must present its view on this matter to the concerned regulatory authority. If the concerned regulatory authority does not object to this designation, it shall do the following:
  - a. Notify the operator of the relevant infrastructure or its settlement facility by an official notice, explaining the basis for such designation, in addition to any terms and conditions attached to the designation decision.
  - b. Grant a period in the notice referred to in paragraph (a) of this clause of not less than (10) ten working days from the date of the notice, during which the infrastructure operator or its settlement facility may clarify their point of view or state the reasons why this infrastructure should not be designated.
  - c. Issue its final decision and inform the Central Bank of the decision regarding the approval or disapproval of the Central Bank's request to grant the status of "designated infrastructure" to the relevant infrastructure in accordance with the provisions of this Article, within a period not exceeding (20) twenty working days from the date of receiving a response from the concerned parties, or the expiry of the period specified in the notice without a response.
7. The Central Bank may revoke the "designated infrastructure" status of any financial markets infrastructure licensed by it or request the same from the concerned regulatory authority if it deems, at its sole discretion, that such infrastructure is no longer systemically important. The concerned regulatory authority, the infrastructure operator, or its settlement facility shall be officially notified of this decision, as the case may be.

Article (158)

**Supervision of Financial Markets Infrastructure**

1. The Central Bank shall have the sole authority to supervise financial markets infrastructure and ensure its safety in accordance with relevant international standards. To this end, it may require the operators of such infrastructure or their settlement facilities to take necessary measures and procedures.
2. The Central Bank shall be responsible for monitoring the application of additional supervisory measures on designated infrastructure licensed by any regulatory authority outside the State or in a financial free zone, in cooperation and coordination with the concerned regulatory authority. To this end, it may request the following from the concerned regulatory authority:
  - a. Oblige the operators of the designated infrastructure or their settlement facilities to comply with the instructions issued by the Central Bank in this regard, and any relevant international standards.
  - b. Verify that the designated infrastructure is operating in a sound and orderly manner.
  - c. Verify the financial soundness of the operators of the designated infrastructure and their settlement facilities, when necessary.
  - d. Request the operators of the designated infrastructure or their settlement facilities to provide it with information it deems appropriate for achieving its objectives and performing its functions.
3. The Central Bank may appoint experts and consultants specializing in financial markets infrastructure as it deems appropriate to assist it in carrying out its tasks and functions in accordance with the provisions of Part Four of this Decree-Law, in order to keep pace with the best international standards and practices in this field.

#### Article (159)

##### **Suspension or Revocation of License**

1. The Central Bank may suspend or revoke the license granted by it to a financial markets infrastructure, in accordance with the provisions of Articles (154) and (155) of this Decree-Law, by an official notice to the relevant infrastructure operator or its settlement facility, and take necessary measures in this regard as the case may be, if it deems that such infrastructure is no longer able to carry out its operations. A period of not less than (20) twenty working days from the date of the notice shall be granted in the notice referred to in this clause, during which the relevant infrastructure operator or its settlement facility may object to the Central Bank's decision to suspend or revoke the license and present their justifications for the objection before the Appeals and Grievances Committee in accordance with the provisions of this Decree-Law.
2. If the Central Bank deems that any designated infrastructure licensed by any regulatory authority in the State, abroad, or in a financial free zone is no longer able to carry out its operations, it may, by an official notice, request the concerned

regulatory authority to suspend or revoke the license of this infrastructure and take necessary measures in this regard as the case may be. The concerned regulatory authority shall have the right to approve or reject the Central Bank's request. In case of approval, the procedures and controls applicable to it shall be followed.

3. In all cases, the decision to suspend or revoke the license granted to a designated infrastructure, in accordance with the provisions of this Article, shall not affect any transaction that has been cleared or settled through the relevant infrastructure before the suspension or revocation takes effect.

#### Article (160)

### **Authority to Issue Regulations and Instructions**

1. The Board of Directors shall issue the regulations, rules, instructions, directives, and operational controls it deems appropriate for the implementation of the provisions of Part Four of this Decree-Law and for achieving the objectives and carrying out the functions of the Central Bank. To this end, it may issue the following:

- a. Regulations, conditions, and rules related to licenses granted by the Central Bank in accordance with the provisions of Articles (154) and (155) of this Decree-Law to operators of financial markets infrastructure, their settlement facilities, or their participants.
- b. Regulations, rules, and standards related to the designation and supervision of financial markets infrastructure, in accordance with the provisions of Articles (157) and (158) of this Decree-Law, and to monitoring the operational processes of these systems and establishing compliance rules for their participants.

2. The Central Bank may exempt operators of financial markets infrastructure licensed by it, their settlement facilities, or their participants, either generally or specifically, from all or some of the provisions of the regulations, instructions, rules, directives, and operational controls issued by it.

#### Article (161)

### **Determination of Violations**

1. The Board of Directors shall issue a regulation defining the types of violations related to licensed financial markets infrastructure and infrastructure designated by the Central Bank, and the penalties prescribed for such violations. Any of the following cases shall be considered a violation of the related terms and conditions:

- a. Violation of the operational requirements of the infrastructure and the relevant rules and settlement procedures.
- b. Failure of an infrastructure operator or its settlement facility to comply with a request from the Central Bank to provide required information or documents.

- c. Non-compliance with the decisions and instructions of the Central Bank, and failure to take a specific action deemed necessary by the Central Bank to bring the infrastructure into compliance with the standards set by it.
- d. Failure of an infrastructure operator or its settlement facility to report any action taken under the default arrangements of that infrastructure with respect to a participant.
- e. Failure of a participant to notify the infrastructure operator, its settlement facility, and the Central Bank of a judgment declaring their bankruptcy or placing them under liquidation.
- f. Operating an infrastructure without obtaining a license in accordance with the provisions of Articles (154) and (155) of this Decree-Law.
- g. Failure of an infrastructure operator or its settlement facility to comply with a request from the Central Bank or any other government entity related to a payment default within a specified time frame.
- h. Failure of an infrastructure operator to notify the Central Bank of a judgment declaring the bankruptcy or liquidation of a participant.
- i. Providing the Central Bank with incorrect or misleading information.
- j. Making an incorrect entry in any register or related document concerning a specific infrastructure, or causing such an entry to be altered, removed, or destroyed.
- k. Any other act related to clearing and settlement operations or retail and wholesale payment operations that the Central Bank considers a violation.

2. The Central Bank may take such measures, penalties, and fines as it deems appropriate to rectify any of the violations referred to in Clause (1) of this Article and the method for determining the settlement and implementing the applicable sanctions, in accordance with Article (168) of this Decree-Law.

## **Chapter Three**

### **Finality of Transactions and Procedures**

#### **Article (162)**

##### **Finality of Payment and Settlement**

1. All transactions processed through a financial markets infrastructure that meets one of the designation conditions referred to in Clause (2) of Article (157) of this Decree-Law shall be considered final and not subject to reversal or cancellation in any of the following cases:

- a. Transfer of funds from or to a participant's account.
- b. Settlement of a payment obligation.
- c. Settlement of an obligation to transfer or the actual transfer of book-entry securities.

2. No transfer or settlement related to the transactions referred to in Clause (1) of this Article may be cancelled, set aside, repaid, reversed, corrected, or stayed, whether by a court judgment or decision, or by law.

#### Article (163)

### **Priority of Application of Financial Markets Infrastructure Rules and Procedures over General Insolvency and Bankruptcy Rules and Procedures**

1. Upon the commencement of enforcement proceedings against the assets of a person under resolution, liquidation, insolvency, financial restructuring, or bankruptcy, the operations or procedures conducted through a financial markets infrastructure that meets one of the designation conditions referred to in Clause (2) of Article (157) of this Decree-Law shall not be affected with respect to the following:

- a. A transfer order.
- b. Any disposition of property pursuant to a transfer order.
- c. The default arrangements for this infrastructure.
- d. The rules and procedures of this infrastructure for settling transfer orders that have not been processed under the default arrangements of this infrastructure.
- e. Any action taken to enforce against securities deposited as collateral related to participating parties in this infrastructure, contrary to its default arrangements.

2. The resolution trustee, bankruptcy officer or trustee, or any other person appointed to manage bankruptcy in cases of insolvency or liquidation may not take actions or measures contrary to the provisions of this Decree-Law or that may prevent or affect the default arrangements of the infrastructure referred to in Clause (1) of this Article.

3. In cases of resolution, insolvency, or liquidation, no obligation arising from a transfer order under the default arrangements of the infrastructure referred to in Clause (1) of this Article may be proven until the transfer or payment order is completed, pending the completion of the action taken under the default arrangements.

4. Any debt or other obligation in accordance with the provisions of Clause (3) of this Article, if unproven, may not be used for the purposes of settling debts or obligations by clearing, compensation, or on a net basis, until the procedures taken within the default arrangements of that infrastructure are completed.

#### Article (164)

### **Netting of Obligations of Insolvent or Bankrupt Participating Parties**

1. A financial market infrastructure operator that meets any of the designation conditions referred to in Clause (2) of Article (157) of this Decree-Law may net all credit or debit obligations of a person participating in this infrastructure, which arose before the moment the Central Bank decides to place the relevant participating

person under resolution in accordance with the provisions of Articles (142) and (143) of this Decree-Law, or the competent court decides to declare the bankruptcy or liquidation of the relevant participating person.

2. In the case of carrying out any netting process as specified in Clause (1) of this Article:

- a. Obligations that have been fully netted shall be excluded from the rules and procedures of bankruptcy or liquidation.
- b. The outstanding net obligations due to or from a participating person in the infrastructure, which have not yet been settled, become payable to the participating person, may be recovered for the benefit of their creditors, and shall be provable in bankruptcy or liquidation, as the case may be.

3. During the resolution, bankruptcy, or liquidation process, netting operations processed by the relevant infrastructure operator as specified in Clause (1) of this Article shall not be canceled, nor shall any financial transfers whose value has been paid in accordance with paragraph (a) of Clause (2) of this Article be canceled.

## **Article (165)**

### **Preservation of Rights Related to Transactions**

1. Unless otherwise provided in this Decree-Law, this Decree-Law shall not limit, restrict, or affect:

- a. Any right, title, interest, privilege, obligation, or liability of a person arising from any transaction related to a transfer order entered into a financial market infrastructure that meets one of the designation conditions referred to in Clause (2) of Article (157).
- b. Any resolution actions or measures taken by the Central Bank in accordance with the provisions of Articles (142) and (143) of this Decree-Law, or investigations, judicial proceedings, or compensations concerning any right, title, interest, privilege, obligation, or liability.

2. Nothing in Clause (1) of this Article shall be construed or deemed to require:

- a. The cancellation of any netting operation executed by the relevant infrastructure operator, whether under the default arrangements or otherwise.
- b. The cancellation of any transfer order issued by a participating person that has been entered into the relevant infrastructure.
- c. The reversal of a payment or settlement entry made under the operational systems of the relevant infrastructure.

## **Article (166)**

### **Obligation of a Participating Person to Notify in Case of Bankruptcy or Liquidation**

1. A person participating in a financial market infrastructure who meets one of the designation conditions referred to in Clause (2) of Article (157) is obliged to notify the infrastructure operator or the settlement facility of the relevant infrastructure, the relevant supervisory authority, and the Central Bank, as soon as practicable, if it becomes aware of any of the following situations, whether inside or outside the State or in a financial free zone:

- a. Being placed under resolution.
- b. The filing of an application for its bankruptcy or liquidation.
- c. The issuance of a judgment declaring its bankruptcy or liquidation.
- d. The initiation of a request for its bankruptcy or liquidation at the request of the owners, shareholders, or management of the participating person.

2. A participating person in the system shall not be deemed to have failed to notify of the occurrence of any of the cases mentioned in Clause (1) of this Article within the specified timeframe if:

- a. It had taken reasonable steps to comply with the provisions of Clause (1) of this Article.
- b. Or the entities referred to in Clause (1) of this Article were already aware of the relevant situation at the time the participating person became obligated to notify the infrastructure operator or the infrastructure settlement facility, in accordance with the provisions of this Article.

## **Part Five**

### **Resolution of Grievances and Appeals**

#### **Article (167)**

##### **Grievances and Appeals Committee**

1. An independent committee named the "Grievances and Appeals Committee" shall be established under the provisions of this Decree-Law. The Cabinet, upon the proposal of the Board of Directors, shall issue a resolution regarding its formation, duration, work system, and all procedures and rules related to resolving grievances and appeals, including the fees due for their consideration.
2. The formation of the Committee shall take into account the presence of one or more judges and two experts with specialization in matters related to the Committee's work.
3. It is stipulated that the Committee members nominated by the Board of Directors shall not be members of the Board of Directors nor hold any position at the Central Bank or any of the Licensed Financial Institutions.
4. The Chairman of the Committee or any of its members must not have an interest with any party to the dispute; otherwise, they must disclose it. In such a case, another

member must be nominated for temporary membership of the Committee to consider the presented dispute.

5. With the exception of regulations, directives, instructions, policies, and regulatory and supervisory decisions of a general nature, the Committee shall have the sole and exclusive jurisdiction to decide on grievances and appeals against any of the decisions, procedures, and measures issued by the Central Bank, in accordance with the provisions of this Decree-Law. In exercising its competencies, it may take all or some of the following actions:

- a. Summoning any person to appear before it to present any evidence, testimonies, information, or data and to consider them.
- b. Hearing such witnesses as it deems appropriate after they have taken the legal oath.
- c. Appointing such experts as it deems appropriate to provide an opinion on any matter related to the dispute.
- d. Taking any actions and issuing any instructions it deems appropriate for the performance of its duties.

6. The decision issued by the Committee on the grievance or appeal shall be final. The decision of the Committee may only be appealed before the Federal Supreme Court within (20) twenty working days from the date of notification of the decision. The Federal Supreme Court may, upon the appellant's request, suspend the execution of the Committee's decision pending a final judgment on the matter if it finds that the appeal is based on serious grounds and that continuing the execution of the decision would result in consequences that are difficult to remedy.

7. An appeal against decisions that fall within the Committee's jurisdiction according to the provisions of this Article shall not be accepted before a grievance or appeal has been filed with the Committee and a decision has been made on the grievance, as the case may be.

8. If the Committee decides to reject or not accept the grievance or appeal, it may fine the applicant an amount not exceeding (100,000) one hundred thousand Dirhams.

9. The Committee may suspend the execution of the decision being grieved or appealed if it deems it necessary, pending the resolution of the dispute.

10. No grievance or appeal against any decision shall be accepted before the Committee after the lapse of (20) twenty working days from the date the concerned party was notified of it, or from the date it is proven that the party had certain knowledge of it.

## **Part Six**

### **Administrative and Financial Sanctions and Fines**

#### **Chapter One**

## **Administrative and Financial Sanctions**

### **Article (168)**

1. Without prejudice to any other sanctions or measures stipulated in this Decree-Law or any other laws in the State, in the event that any Licensed Financial Institution, authorized individual, or person practicing any of the Licensed Financial Activities without a license violates any provision of this Decree-Law, or the regulations, resolutions, rules, standards, guidelines, or instructions issued by the Central Bank in implementation thereof, including resolutions and standards issued by the Higher Shari'ah Authority or any measures taken by the Central Bank, including sanctions or procedures for countering money laundering and combating terrorism financing, the Central Bank may, at its sole discretion, impose one or more of the following sanctions or take any of the following measures:
  - a. Warning the violator by any means.
  - b. Obliging the violating Licensed Financial Institution to take the measures and procedures that the Central Bank deems appropriate to rectify the violation.
  - c. Prohibiting the violating Licensed Financial Institution from carrying out certain operations or practicing certain Licensed Financial Activities, or imposing any other restrictions, conditions, or limits on the practice of all or some of the operations and activities.
  - d. Reducing or suspending the ability of the violating Licensed Financial Institution to participate in the Central Bank's open market operations or to benefit from available credit facilities and liquidity provision facilities.
  - e. Dismissing any of the authorized individuals in the concerned institution.
  - f. Prohibiting the conclusion of new insurance contracts or the practice of one or more types of insurance for an insurance company or reinsurance company.
  - g. Setting maximum limits for an insurance company or reinsurance company on the total premium amounts received by the concerned insurance company from the insurance policies it issues.
  - h. Restricting the practice of an insurance company or reinsurance company in any of the investment activities related to the solvency margin, or obliging the concerned institution to liquidate its investments in any of these activities for related purposes, unless it would cause harm to the concerned company, as assessed by a specialized expert.
  - i. Obliging the violating Licensed Financial Institution to deposit funds with the Central Bank without return for the period the Central Bank deems appropriate, in addition to the credit balance stipulated in Articles (32), (92), and (113) of this Decree-Law, as the case may be.

- j. Imposing a financial fine of (400) four hundred basis points above the prevailing Central Bank Base Rate on the deficient amount referred to in Articles (32), (92), and (113) of this Decree-Law, as the case may be.
- k. Obliging the violating party to return the funds obtained from customers as a result of its violation of the provisions of this Decree-Law, and any excess funds, including income and profits, shall devolve to the Central Bank.
- l. Imposing a financial fine on the violating party not exceeding ten times the amount of the funds subject to the violation or the illicit enrichment, as determined by the Central Bank.
- m. Imposing a financial fine on the violating Licensed Financial Institution not exceeding (1,000,000,000) one billion Dirhams.
- n. Disconnecting the violating Licensed Financial Institution from any financial market infrastructure or any other services provided by the Central Bank to this institution.
- o. Revoking the license of the violating Licensed Financial Institution and striking it off the register.
- p. Imposing conditions or restrictions on the license of the violating Licensed Financial Institution, or the authorization of the violating authorized individual.
- q. Imposing a financial fine on the violating authorized individual of not less than (100,000) one hundred thousand Dirhams and not exceeding (5,000,000) five million Dirhams.
- r. Prohibiting the violating authorized individual from holding any position at the Licensed Financial Institution where they work or any other Licensed Financial Institution.
- s. Imposing a financial fine of not less than (1,000,000) one million Dirhams on any person who practices or promotes financial activities without a license, or performs a specific task without authorization.
- t. Imposing a financial fine of not less than (1,000,000) one million Dirhams and not exceeding (20,000,000) twenty million Dirhams on any person who operates a financial infrastructure without a license or violates the license limits, or any type of violation related to the licensed financial market infrastructure and the infrastructure designated by the Central Bank in accordance with the provisions of this Decree-Law.
- u. Any other financial or administrative measures or sanctions for which a resolution is issued by the Board of Directors, and the resolution shall specify the authority entrusted with imposing those sanctions or measures.

2. The imposition of the sanctions stipulated in Clause (1) of this Article shall be by a decision of the Governor, except for the sanction stipulated in paragraph (o), which shall be by a decision of the Board of Directors.

3. In all cases, the violating party shall be notified of the reasoned decision by an official notice within a period not exceeding (15) fifteen working days from the date of its issuance, and the notice shall include the following information:

- a. The content of the decision.
- b. The reasons for the decision.
- c. The effective date of the decision.
- d. Informing the violator of their right to grieve the decision by submitting a request to the Grievances and Appeals Committee, in accordance with the provisions of this Decree-Law.

4. The Central Bank has the authority for immediate execution of any administrative and financial sanctions and fines it issues in accordance with the provisions of this Decree-Law. The Central Bank shall collect any fine imposed in accordance with the provisions of Clause (1) of this Article, and these imposed fines shall be automatically deducted from the accounts and guarantees of the violating person with the Central Bank or with any Licensed Financial Institution.

5. The administrative fines collected by the Central Bank under this Decree-Law shall be part of the Central Bank's resources, and under no circumstances may any authority or entity in the State confiscate, recover, or reallocate these funds.

6. The Central Bank may, at its sole discretion, reach a settlement with the violating person regarding any fines imposed on them, in implementation of the provisions of this Decree-Law, in accordance with the procedures and controls governing settlement issued by the Central Bank.

7. The Central Bank may publish the decisions related to any violating person, or the decisions taken regarding licensing, authorization, merger, acquisition, restructuring, liquidation, or resolution of any of the Licensed Financial Institutions or Licensed Financial Activities or the designation of authorized individuals on the official website of the Central Bank, including the name of the violating person, in accordance with the controls approved by the Board of Directors.

## **Chapter Two**

### **Penalties**

#### **Article (169)**

Without prejudice to any more severe penalty stipulated in any other law, the crimes set out in the following Articles shall be punishable by the penalties indicated therein.

#### **Article (170)**

Whoever practices any of the Licensed Financial Activities referred to in Clause (1) of Article (61) of this Decree-Law without a license or authorization shall be punished by imprisonment and a fine of not less than (50,000) fifty thousand Dirhams and not

exceeding (500,000,000) five hundred million Dirhams, or by one of these two penalties.

#### **Article (171)**

Shall be punished by imprisonment and a fine of not less than (100,000) one hundred thousand Dirhams and not exceeding (500,000) five hundred thousand Dirhams, or by one of these two penalties:

1. Any employee or representative of the Central Bank, any member of the committees and advisory councils formed at the Central Bank, or any member of the Board of Directors who discloses any confidential information in violation of the provisions of Article (26) of this Decree-Law.
2. Anyone who intentionally discloses the confidentiality of the data and information referred to in Article (147) of this Decree-Law.

#### **Article (172)**

Whoever issues currency in violation of the provisions of this Decree-Law shall be punished by imprisonment for a term not exceeding (20) twenty years and a fine not exceeding (100,000,000) one hundred million Dirhams, or by one of these two penalties.

#### **Article (173)**

Whoever intentionally deforms, damages, or tears currency, when done publicly, shall be punished by imprisonment and a fine of not less than (10,000) ten thousand Dirhams, or by one of these two penalties.

#### **Article (174)**

1. Whoever violates the provisions of Clause (6) of Article (60) of this Decree-Law shall be punished by imprisonment and a fine of not less than (200,000) two hundred thousand Dirhams and not exceeding (10,000,000) ten million Dirhams, or by one of these two penalties.
2. Whoever violates the provisions of Clause (7) of Article (60) of this Decree-Law shall be punished by imprisonment for a period not exceeding (6) six months and a fine of not less than (100,000) one hundred thousand dirhams, or by one of these two penalties.

#### **Article (175)**

Whoever violates the conditions and restrictions imposed on the license to practice licensed financial activities shall be punished by imprisonment and a fine of not less than (200,000) two hundred thousand dirhams and not exceeding (100,000,000) one hundred million dirhams, or by one of these two penalties.

#### **Article (176)**

Whoever violates any of the Central Bank's instructions regarding early intervention, settlement, and resolution referred to in Articles (142) and (143) of this Decree-Law

shall be punished by imprisonment and a fine of not less than (100,000) one hundred thousand dirhams and not exceeding (10,000,000) ten million dirhams, or by one of these two penalties.

#### **Article (177)**

Whoever violates any of the provisions of Articles (67) or (121) of this Decree-Law shall be punished by imprisonment and a fine of not less than (500,000) five hundred thousand dirhams and not exceeding (10,000,000) ten million dirhams, or by one of these two penalties.

#### **Article (178)**

1. Whoever violates any provision of Article (107) of this Decree-Law shall be punished by imprisonment for a period of not less than one year and a fine of not less than (500,000) five hundred thousand dirhams, or by one of these two penalties.
2. An additional fine of (50,000) fifty thousand dirhams shall be imposed for each day the violation continues, provided that the total fine does not exceed (10,000,000) ten million dirhams.

#### **Article (179)**

Whoever commits any of the following shall be punished by imprisonment and a fine of not less than (500,000) five hundred thousand dirhams, or by one of these two penalties:

1. Submitting incorrect or incomplete facts, information, or data in any statements or documents provided to the Central Bank.
2. Concealing any facts from statements, information, minutes, papers, or other documents submitted to the Central Bank or to any of its representatives, employees, inspectors, or auditors.
3. Destroying, settling, or altering any document related to a matter under inspection or investigation by the Central Bank, or removing or causing such a document to be removed from the State.
4. Obstructing, resisting, or causing a delay in the progress of an inspection or investigation conducted by the Central Bank or in providing information to the Central Bank.
5. Colluding with another person to commit any of the acts referred to in Clauses (1) to (4) of this Article.

#### **Article (180)**

Whoever commits any of the violations related to financial market infrastructure referred to in Clause (1) of Article (161) of this Decree-Law shall be punished by imprisonment and a fine of not less than (100,000) one hundred thousand dirhams and not exceeding (10,000,000) ten million dirhams, or by one of these two penalties.

#### **Article (181)**

1. In cases where the violation is committed by a legal person, the person responsible for the actual management of the violating legal person shall be subject to the same penalties prescribed for the acts committed in violation of the provisions of this Decree-Law, whenever their knowledge thereof is proven or if the violation occurred due to their negligence or breach of their job duties.
2. The legal person shall be jointly liable with the person responsible for its actual management for the payment of any financial penalties and compensation awarded, if the violation was committed by one of its employees in its name and on its behalf.

## **Chapter Seven**

### **General Provisions**

#### **Article (182)**

##### **Fees and Expenses**

The Central Bank may impose fees and expenses for providing any service, including but not limited to, issuing licenses and permits, conducting supervision and oversight, safekeeping, payment, and settlement, as it deems appropriate, and in a manner consistent with the nature and scope of the tasks, activities, and controls it deems suitable. A decision thereon shall be issued by the Board of Directors and published in the Official Gazette and on the Central Bank's website.

#### **Article (183)**

##### **Enforceability of Current Regulations**

1. The regulations, resolutions, standards, guidelines, and circulars issued in accordance with the provisions of Federal Decree-Law No. (14) of 2018 regarding the Central Bank and Organization of Financial Institutions and Activities and its amendments, and Federal Decree-Law No. (48) of 2023 regarding the Regulation of Insurance Business, shall remain in force until the issuance of regulations, resolutions, and circulars that replace them.
2. The definitions and technical terms contained in the regulations, resolutions, standards, guidelines, and circulars issued in accordance with the provisions of the laws referred to in Clause (1) of this Article shall retain the same meaning and interpretation until such regulations, resolutions, and circulars are issued to replace them.

#### **Article (184)**

##### **Reconciliation of Status**

All entities and persons to whom the provisions of this Decree-Law apply must reconcile their status in accordance with its provisions within a period of one year from the date this Decree-Law comes into force. The Board of Directors may extend this period as it deems appropriate.

#### **Article (185)**

## **Repeal of Conflicting Provisions**

Any provision of the laws in force in the State that violates or contradicts the provisions of this Decree-Law shall be repealed. Federal Decree-Law No. (14) of 2018 regarding the Central Bank and Organization of Financial Institutions and Activities and its amendments, and Federal Decree-Law No. (48) of 2023 regarding the Regulation of Insurance Business, shall also be repealed.

## **Article (186)**

### **Applicability of Judgments of Foreign Judicial Authorities**

The judgments and decisions issued by foreign judicial authorities shall apply to national Licensed Financial Institutions and branches of foreign Licensed Financial Institutions operating in the State after following the legal procedures in accordance with the laws in force in the State.

## **Article (187)**

### **Interpretation of Special Terms Referred to in this Decree-Law**

1. If any legislation in force in the State refers to "Dirham," "UAE Dirham," "currency," "cash," "monetary funds," "money," or any similar term, it shall include the currency in its digital form in accordance with the provisions of this Decree-Law, unless the context of the text requires otherwise.
2. Virtual assets mentioned in the legislation in force in the State are not considered cash according to the provisions of this Decree-Law. With respect to virtual assets and digital currencies, if used as a means or tool of payment or for exchanging a virtual asset for a currency, the regulations, standards, rules, and guidelines issued by the Board of Directors in this regard shall be followed.
3. Virtual assets shall not be covered by the provisions of this Decree-Law if they are for investment purposes, exchanging one virtual asset for another, or exchange operations for trading purposes; the legislation in force in the State shall apply to them.
4. The Central Bank may issue a list interpreting all technical terms contained in this Decree-Law, and this list shall be published on its official website and in the Official Gazette.

## **Article (188)**

### **Publication and Entry into Force of this Decree-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.

Mohammed bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi:

Date: 16 / Rabi' al-Awwal / 1447 H

Corresponding to: 08 / September / 2025 AD