

**Federal Law No. (7) of 2022**  
**Amending Certain Provisions of Federal Decree-Law No. (26) of**  
**2019**  
**Concerning Public Finance**

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

Having reviewed the Constitution,

And Federal Law No. (1) of 1972 concerning the Competencies of Ministries and the Powers of Ministers, and its amendments,

And Federal Decree-Law No. (26) of 2019 concerning Public Finance,

And based on the proposal of the Minister of Finance, the approval of the Cabinet and the Federal National Council, and the ratification of the Federal Supreme Council,

We have issued the following Law:

**Article One**

The texts of Articles (1), (3), (5), (6), (11), (28), (29), (41), (43), (44), (46), (50), (54), (56), (63), (65), (68), (69), (70), (74), (75), (76), (78) of the aforementioned Federal Decree-Law No. (26) of 2019, shall be replaced by the following texts:

**Article (1): Definitions**

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

The State : The United Arab Emirates.

The Government : The Federal Government of the State.

The Ministry : The Ministry of Finance.

The Minister : The Minister of Finance.

The Bank : The Central Bank of the United Arab Emirates.

Federal Entities

	: Ministries established under Federal Law No. (1) of 1972 concerning the Competencies of Ministries and the Powers of Ministers, and the federal government agencies and bodies classified in Article (3) of this Decree-Law.
Head of the Federal Entity	: The concerned minister, chairman of the board, head of the entity, or their equivalent.
Independent Federal Entities	: Independent federal entities established in accordance with the legislation in force in the State and specified in Article (3) of this Decree-Law.
Government Companies	: Institutions and companies wholly or partially owned (subsidiaries) by the Federal Government or federal entities.
Fiscal Year	: Twelve calendar months, beginning on the first of January and ending on the 31st of December of each year.
Budget Law	: The federal law issued in each fiscal year approving the General Budget for that year.
General Budget	: The government's budget approved by a federal law, which includes the estimated public resources to be collected and the estimated public expenditures to be spent by various federal entities during a specific fiscal year.
Budget of the Independent Federal Entity	: A separate detailed statement for the independent federal entity, including an estimate of its public resources, sources, expenditures, and expected uses during a specific fiscal year.
Supplementary Budget	: Additional financial appropriations issued by a federal law to cover any new policies not included in the General Budget and to identify the sources of resources needed to finance them.
Public Financial Management	: The set of rules, regulations, and processes applied to federal entities under this Law, Cabinet decisions, ministerial decisions, and circulars related to the provision and identification of resources and their sources, the allocation of public funds and the

determination of their uses, related controls, and accounting and financial reporting controls.

Unified Chart of Accounts	: A unified classification of accounts approved by the Cabinet, used by federal entities to classify and record financial transactions.
Financial Strategy (Medium-Term Fiscal Framework)	: The financial plan approved by the Cabinet, which includes general economic forecasts, resource policies, expenditure priorities, and expected financial risks for a period of not less than (5) five years.
Medium-Term Budget Framework	: A study containing medium-term forecasts for total resources and expenditures, the difference between them, the financing mechanism required to cover the deficit, and the basic expenditure ceilings set by the Cabinet, which do not exceed the Medium-Term Financial Strategy (Fiscal Framework).
Medium-Term Expenditure Framework	: A report prepared based on administrative, economic, and programmatic classifications as determined by the Cabinet, to estimate the expenditures of federal entities.
Programs	: A set of interrelated activities and services provided and defined by federal entities, aimed at achieving their associated strategic objectives.
Capital Projects	: Projects aimed at creating, acquiring, or renewing any assets owned by federal entities.
New Capital Projects	: Capital projects for which funds have not been allocated in the General Budget and are introduced during the fiscal year.
Unified Treasury Account	: The central government account opened by a decision of the Minister, into which the financial resources of all federal entities are deposited.
Trust Funds	: Third-party funds deposited in the government's bank accounts or the bank accounts of federal entities, held until the purpose for which they were held is fulfilled.
Financial Appropriations	: The binding upper limits for expenditure categories approved within the General Budget Law.
Mid-Year Budget Review	: A semi-annual report prepared by the Ministry and federal entities that describes and analyzes the status

of resources, expenditures, and overall performance related to the General Budget during the first half of the fiscal year, including a review of the economic assumptions of the General Budget and updated forecasts for the current fiscal year's budget.

**Final Account of the Federal Entity** : The annual report prepared by each federal entity in accordance with the instructions specified in the annual financial circular issued by the Minister, which includes the financial statements and their accompanying notes for the ended fiscal year, prepared in accordance with the approved accounting standards in the Federal Government.

**Consolidated Final Account** : An annual report that includes the consolidated annual financial statements of the Federal Government, prepared by the Ministry based on the financial data provided by federal entities in accordance with the instructions specified in the annual financial circular issued by the Minister.

**Law on the Approval of the Consolidated Final Account** : The federal law that approves the consolidated annual financial statements of federal entities for the ended fiscal year.

**Approved Accounting Standards** : The accounting principles and standards applied in the Federal Government, formulated based on the "International Public Sector Accounting Standards" (IPSAS) and the "International Financial Reporting Standards" (IFRS).

**Contingency Expenditures** : Estimated financial amounts to address a situation not included in the General Budget appropriations for the current fiscal year, which cannot be postponed to the next fiscal year's budget due to its relation to public interest requirements.

**Public Resources** : The resources of the Federal Government resulting from its public and private properties, fees and taxes collected by the competent federal entities, and returns from investments in various economic activities, in addition to transfers, contributions, and other financial

	resources that are supplied or transferred to the Unified Treasury Account and allocated to cover public expenditures in the Federal General Budget.
Government Guarantee	: A written undertaking to a third party by which the Government commits to fulfilling the obligations of any federal entity on whose behalf the Government wishes to grant the guarantee.
Cash Reserve	: An account funded by the actual cash surplus available after deducting all obligations and guarantees expected to be paid during the following fiscal year.
Special Reserve	: A financial appropriation estimated annually to finance contingency expenditures.

### **Article (3): Scope of Application of this Decree-Law**

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

(1) Ministries and Central Agencies: Ministries established under Federal Law No. (1) of 1972 concerning the Competencies of Ministries and the Powers of Ministers, and councils, agencies, and the like that carry out federal executive, legislative, and judicial activities.

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

- a. Are granted by their establishing law or decision an independent legal personality and the capacity to act and to prepare, organize, and execute their own budget.
- b. Have their own administrative and organizational structure.
- c. Are non-profit.

(3) Government Companies: Within the limits of the specific provisions related to them in this Law.

## **Article (5): Powers of the Minister**

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

- (1) Propose general financial plans and policies for the State within the scope of the Ministry's work and submit them to the Cabinet for approval.
- (2) Propose draft laws related to the general financial policy of the State in coordination with the concerned authorities.
- (3) Issue procedure manuals, circulars, and decisions related to the General Budget, accounts, the State's general financial policy, and the rules for preparing the Final Account, in a manner that does not conflict with the legislation in force in the State.
- (4) Propose unified financial policies, a unified chart of accounts, and general rules for organizing accounting operations and records in accordance with the approved accounting standards in the Federal Government, and submit them to the Cabinet for approval.
- (5) General supervision over the preparation of the draft General Budget Law and the draft Consolidated Final Account Law.
- (6) Propose the reduction of appropriations allocated in the General Budget in the event of an exceptional decline in the financial resources of federal entities and submit it to the Cabinet for approval.
- (7) Supervise all aspects of the implementation of the General Budget, including the mechanism for collecting the financial resources of federal entities, controls on expenditures, and treasury operations applicable to federal entities.
- (8) Set the rules for opening and closing bank accounts for federal entities.
- (9) Issue a decision regulating the transfer of amounts necessary to cover government expenditures from the Unified Treasury Account to one or more bank accounts.
- (10) Submit the following projects to the Cabinet for its approval:
  - a. The draft Financial Strategy (Medium-Term Fiscal Framework).

- b. The draft Medium-Term Budget Framework.
- c. The draft General Budget Law.
- d. Draft supplementary budget laws.
- e. The draft Consolidated Final Account Law.

## **Article (6): Competencies of the Ministry**

The Ministry shall assume the following competencies:

- (1) Preparing the financial policy of the Federal Government.
- (2) Preparing a medium-term expenditure framework for federal entities.
- (3) Studying the draft medium-term plan budget for federal entities to take it into consideration and to make any suggestions about it when necessary.
- (4) Preparing the draft General Budget Law.
- (5) Following up on the implementation of the General Budget.
- (6) Establishing the rules regulating the disbursement of expenditures, the collection of financial resources for federal entities, and the management of bank accounts, asset and liability accounts, and investment projects.
- (7) Supervising the performance of the General Budget and following up on its implementation, including the mechanism for collecting the financial resources of federal entities, controls on expenditures, and managing treasury operations in federal entities, and submitting reports on this to the Cabinet.
- (8) Managing the public treasury and organizing the bank accounts of federal entities, including opening and closing bank accounts in accordance with the provisions of this Decree-Law.
- (9) Opening zero-balance accounts for federal entities with the Bank or commercial banks operating in the State, through which their annual budget appropriations are paid.
- (10) Reviewing, examining, and auditing the financial and administrative operations and records with financial impact for federal entities as required by the public interest and based on instructions issued by the Minister.

- (11) Supervising the government's General Cash Reserve account and managing it in accordance with the effective systems, legislation, policies, and procedures.
- (12) Preparing and issuing unified financial policies and manuals, a unified chart of accounts, and general rules for closing accounting periods and preparing reports in light of approved accounting standards.
- (13) Preparing and amending the financial and accounting policies for federal entities and submitting them to the Cabinet for approval.
- (14) Preparing the Consolidated Final Account.
- (15) Providing the necessary guidance, support, and training to employees of federal entities regarding the implementation of this Decree-Law and the regulations, decisions, and circulars issued thereunder.
- (16) Requesting any information or data related to the bank account of the Government or any federal entity from public banks in the State.
- (17) Including the necessary amounts to meet public debt and service obligations in the State's General Budget annually.
- (18) Collecting and preparing government financial reports in coordination with the local Emirates.
- (19) Coordinating with the Central Bank regarding the compatibility of the Federal Government's fiscal policy and the Bank's monetary policy during a forthcoming fiscal year.

### **Article (11): Obligations of Federal Entities**

- (1) Federal entities shall, in coordination with the Ministry, commit to achieving the following requirements:
  - a. The objectives specified in the Medium-Term Financial Strategy (Fiscal Framework) approved by the Cabinet, and obtaining its prior approval when amending any of them, provided that the total financial appropriations allocated to these objectives are not exceeded upon amendment.
  - b. The rules issued by the Ministry regarding the application of systems for planning and analyzing approved strategic objectives, programs, and capital projects.
  - c. Managing their financial resources efficiently and effectively.



d. Implementing strategic objectives within the limits of the financial appropriations allocated to them.

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

(3) Not to enter into sponsorship contracts as a funder for events and activities unless they are included in their approved annual budget. Federal entities may enter into sponsorship contracts funded by the private sector according to the rules organized for that by the Ministry.

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

### **Article (28): Estimation of Resources**

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

### **Article (29): Principle of a Balanced General Budget**

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

### **Article (41): Accounting System**

The Government shall apply the accounting system on an accrual basis in accordance with the accounting standards of the United Arab Emirates.

### **Article (43): Commitment to Financial Appropriations**

(1) In implementing their budgets, federal entities shall adhere to the limits of the financial appropriations allocated to them in the General Budget Law.

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

#### **Article (44): Concluding Contracts**

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

#### **Article (46): Allocation of Multi-Year Financial Appropriations**

The General Budget Law may provide for the allocation of multi-year financial appropriations to cover any existing contractual obligations, provided that the cash spending ceiling for the first fiscal year of the multi-year project is specified, and the full cost of the project during its expected implementation period is determined.

#### **Article (50): Transfers**

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

#### **Article (54): Periodic Reports**

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

#### **Article (56): Reports of Federal Entities**

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

### **Article (63): Grants, Donations, Gifts, and the like**

(1) Federal entities may accept grants, donations, gifts, and the like that are consistent with the objectives and competencies of those entities, and a special budget shall be prepared for them.

(2) Any grants, donations, gifts, and the like shall be recognized in the accounting records and recorded in the accounting records of the concerned federal entity and classified according to their nature based on the Unified Chart of Accounts, and shall be included in the financial statements for the year in which they are received.

(3) The amounts of recurring and confirmed grants, donations, gifts, and the like shall be included in the annual budget of the federal entity.

### **Article (65): Private Sector Participation**

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

### **Article (68): Draft Final Account of the Federal Entity**

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

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

### **Article (69): Draft Consolidated Final Account**

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

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

### **Article (70): Draft Law on the Approval of the Consolidated Final Account**

(1) The Minister shall submit the draft law on the approval of the Consolidated Final Account in its final form no later than the end of April of the fiscal year following the fiscal year to which the final account pertains, accompanied by the draft Consolidated Final Account and the report of the State Audit Institution thereon and the Ministry's response thereto, to the Cabinet for approval in the form it deems appropriate. It shall then refer it to the Federal National Council to provide its comments thereon before submitting it to the Federal Supreme Council for its approval in preparation for its issuance.

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

### **Article (74): Preservation of Documents**

(1) All documents, records, and financial and administrative documents in their various forms with financial impact related to each fiscal year shall be kept for a period of not less than (10) ten years from the date of issuance of the law approving the Consolidated Final Account. Documents, records, and documents that deserve permanent preservation shall be transferred to the National Archives and Library. These documents, records, and documents may be destroyed after the expiration of this period if the concerned entity finds that it no longer needs them, in accordance with the legislation in force in the State.

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

## **Article (75): Transfer of Financial Appropriations and Allocations**

(1) In the event of the restructuring, merger, or dissolution of any federal entity, or the transfer, cancellation, or merger of any existing programs or activities among federal entities, the Ministry is authorized to transfer the financial appropriations and allocations for those entities, programs, or activities.

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

## **Article (76): Trust Funds**

(1) The federal entity must recognize the trust funds received as a liability in its accounting books until the purpose for which they were held is fulfilled or they are paid to the rightful beneficiary.

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

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

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

## **Article (78): Statute of Limitations for Third-Party Debts**

(1) No claim against any federal government entity for any debts or entitlements shall be heard if their owners or beneficiaries do not request their payment before the end of the fifth year following the fiscal year in which those debts or entitlements became due.

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

(3) The federal entity shall announce the time-barred debts that will be written off at the Federal Government level in the manner it deems appropriate.

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

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

## **Article Two**

The texts of Articles (56) bis, (68) bis, (74) bis, and (79) bis shall be added to the texts of the Decree-Law.

### **Article (56) bis: Reports of Government Companies**

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

### **Article (68) bis: Auditing of the Final Accounts of Independent Entities**

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

(2) The independent federal entity shall send a copy of the approved external auditor's report to the Ministry of Finance within a period not exceeding two weeks from the date of the report's approval.

### **Article (74) bis: Restrictions on Disclosure Requirements**

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

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

### **Article (79) bis: Follow-up and Review of Amounts Due to the State**

(1) The Ministry shall undertake the review of amounts due to the State and, in achieving this, may examine financial records and follow up on operations related to revenues at federal entities and verify their recognition, collection, and transfer to the Unified Treasury Account in accordance with the approved procedures in the Federal Government.

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

## **Article Three**

1. Article (84) of Federal Decree-Law No. (26) of 2019 concerning Public Finance shall be repealed, and the phrase (Executive Regulations) shall be repealed wherever it appears in the Decree-Law.

2. Any provision that violates or conflicts with the provisions of this Law shall be repealed.

## **Article Four**

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

**Mohamed bin Zayed Al Nahyan**  
**President of the United Arab Emirates**

Issued by us at the Presidential Palace – Abu Dhabi:

On: 20 / Jumada al-Awwal / 1444H

Corresponding to: 14 / December / 2022G