

Law No. (1) of 2016
Concerning the
Financial Regulations of the Government of Dubai¹

We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai,

After perusal of:

Law No. (5) of 1995 Establishing the Department of Finance;

Law No. (7) of 1995 Concerning the Financial Regulations of Government Departments in the Emirate of Dubai and its Implementing Bylaw;

Law No. (6) of 1997 Concerning Contracts of Government Departments in the Emirate of Dubai and its amendments;

Law No. (3) of 2003 Establishing the Executive Council of the Emirate of Dubai;

Law No. (11) of 2006 Establishing the Investment Corporation of Dubai and its amendments;

Law No. (7) of 2008 Concerning Public Debt Procedure;

Law No. (31) of 2009 Establishing the Dubai Government Human Resources Department;

Law No. (14) of 2009 Concerning the Pricing of Government Services in the Emirate of Dubai and its amendments;

Law No. (35) of 2009 Concerning Management of the Public Funds of the Government of Dubai and its amendments;

Law No. (8) of 2010 Concerning the Financial Audit Department and its amendments;

Decree No. (24) of 2007 Forming the Supreme Fiscal Committee in the Emirate of Dubai and its amendments; and

Decree No. (21) of 2011 Authorising Government Entities in the Emirate of Dubai to Open Bank Accounts,

Do hereby issue this Law.

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¹Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict the Arabic text will prevail.

Chapter One
Definitions, Scope of Application, and Objectives of the Law

Definitions
Article (1)

The following words and expressions, wherever mentioned in this Law, will have the meaning indicated opposite each of them unless the context implies otherwise:

Emirate:	The Emirate of Dubai.
Ruler:	His Highness the Ruler of Dubai.
Government:	The Government of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
SFC:	The Supreme Fiscal Committee formed pursuant to the above-mentioned Decree No. (24) of 2007.
DOF:	The Department of Finance.
ICD:	The Investment Corporation of Dubai.
Government Entity:	Any of the Government departments, public agencies or corporations, Government authorities or councils, or similar entities.
Director General:	The director general of the DOF.
Government Company:	A commercial establishment or company wholly or partly owned by the Government or by a Government Entity.
Head of Government Entity:	A director general, executive director/ chief executive officer, or secretary general of a Government Department or a person holding a similar position.
Financial Year:	A Gregorian calendar year starting on 1 January and ending on 31 December of the same year.
General Budget:	The Government budget, for a Financial Year, which is approved pursuant to a law and which contains the total estimated Public Revenue and estimated Public Expenditure of the Government and Government Entities whose budgets are included in the General Budget.
Independent Budget:	A budget which is separate from the General Budget and contains the estimated Public Revenue and Public Expenditure of a Government Entity having legal personality, Financial Autonomy, and administrative autonomy

pursuant to its establishing legislation, and whose annual budget is not included in the General Budget.

Supplementary Budget: A budget of an entity receiving annual support from the Government, which is separate from the General Budget.

Final Accounts: The actual financial statements for the Financial Year then ended, prepared by a Government Entity in accordance with the standards and principles of the DOF and in compliance with the accrual basis of accounting adopted for the public sector.

Consolidated Final Accounts: Actual consolidated financial statements of Government Entities for the Financial Year then ended, prepared by the DOF in accordance with its standards and principles and in compliance with the accrual basis of accounting adopted for the public sector.

Public Revenue: Financial proceeds generated from the services provided and the activities conducted by Government Entities. This includes, without limitation, taxes, fees, prices, tariffs, fines, sale proceeds, rent, proceeds from franchises, profits, encashing guarantees, and similar revenue.

Public Expenditure: Financial allocations included in the General Budget to meet the needs of Government Entities and enable them to perform their duties and achieve public interest. This includes ordinary expenditure and Contingent Expenditure.

Contingent Expenditure: Estimated amounts required to meet unforeseen emergency needs which may not be deferred as they affect public interest, and to which no funds are allocated under Public Expenditure in the General Budget.

Public Treasury Account: An account in which the following are deposited:

- all Public Revenue collected from Government Entities whose budgets are included in the General Budget;
- amounts received from such entities as deposits and amounts held in trust;
- surpluses and profits of Government Entities having Independent Budgets; and
- profits earned by Government Companies.

From this account, amounts are disbursed to meet Public Expenditure in implementation of the General Budget, and it includes all amounts, from whatever source, managed by the DOF.

Public Debt: The total financial liabilities of the Government expressed in UAE Dirhams, including internal and external debt incurred by the Government and Government Entities.

Debt Instrument: Any debt document issued by the Government or to which the Government is a party, and which involves an obligation by the Government to settle a specific amount.

Public Funds: All tangible and intangible assets owned by the Government and Government Entities, including Public Revenue and damages; capital invested in Government Companies; embezzled, stolen, or unlawfully paid Government funds; debts owed by third parties to the Government; funds provided to the Government or Government Entities as loans, financial aid, gifts, or cash or in-kind donations; proceeds from Public Treasury bills and investment certificates issued by the Government; financial support provided by the Government to entities and individuals; and any other funds deemed as Public Funds by the legislation in force.

Scope of Application

Article (2)

This Law applies to the following entities:

1. Government Entities whose budgets are included in the General Budget;
2. to the extent allowed by this Law, Government Entities having Independent Budgets; and
3. to the extent allowed by this Law, entities receiving financial support from the Government.

Objectives of the Law

Article (3)

This Law aims to achieve transparency, accountability, and good governance of Public Funds by regulating:

1. management of the General Budget;
2. audit of the Public Revenue, Public Expenditure, Government assets, and various accounts of all the entities to which this Law applies;
3. preparation and approval of Final Accounts, and establishing the fundamental rules governing financial records;
4. preparation and approval of the fiscal and accounting policies and procedures that must be followed by Government Entities;
5. approval of the institutional performance governance rules and standards based on relevant best practices; and
6. improvement of financial risk management and aversion systems.

Chapter Two
Functions and Obligations

Functions of the SFC
Article (4)

For purposes of this Law, the SFC will have the duties and powers to:

1. discuss and approve the general fiscal policy of the Government, and submit it to the Executive Council for final approval;
2. discuss and approve the General Budget and Supplementary Budget, refer these to the Chairman of the Executive Council or his authorised representative for approval, and submit them to the Ruler for final approval;
3. approve Independent Budgets upon the recommendations of the DOF;
4. approve Public Debt management rules, and approve Debt Instruments submitted to it by the DOF;
5. upon the recommendations of the DOF, approve methods of funding the General Budget deficit;
6. determine the Public Expenditure ceiling upon the recommendations of the DOF; and
7. perform any other duties that are required for the achievement of the objectives of this Law.

Functions of the DOF
Article (5)

For purposes of this Law, the DOF will have the duties and powers to:

1. prepare the general fiscal policy of the Government based on the approved strategic objectives of the Emirate;
2. in cooperation and coordination with Government Entities and the entities receiving financial support from the Government, prepare the General Budget, Supplementary Budget, and medium term fiscal plan in compliance with the policies and standards approved by the SFC;
3. follow up the implementation of the approved General Budget and the Supplementary Budget, and develop the plans required to secure financial liquidity, and transfer approved financial allocations to concerned entities;
4. review Independent Budgets and submit the relevant recommendations to the SFC;
5. develop the rules governing the collection of Public Revenue, the disbursement of Public Expenditure, and the bank accounts of Government Entities;
6. manage all Government reserves set aside by deduction from Public Revenue as per the rates prescribed by the SFC;

7. manage Public Debt and propose methods for funding the General Budget deficit in accordance with the relevant legislation in force;
8. develop policies and procedures for the management of the tangible and intangible assets of Government Entities such as intellectual property rights, machinery, vehicles, equipment, supplies, tools, and similar assets;
9. prepare the Consolidated Final Accounts at the end of each Financial Year, and submit the same to the Ruler for approval;
10. establish the accounting standards and prepare the chart of accounts adopted for the financial regulations of the Government;
11. prepare studies and reports on the general financial affairs of the Government;
12. raise awareness of the objectives of the fiscal policy and of the General Budget implementation indicators, and disseminate the same in any manner it deems appropriate;
13. in accordance with the procedure adopted by the DOF in coordination with concerned Government Entities, review draft local and federal financial and tax legislation, and any other legislation or Contract that may result in the Public Treasury incurring financial burdens, and provide comments on the same;
14. supervise the implementation of this Law and the resolutions, circulars, instructions, and manuals issued in pursuance hereof, and submit any non-compliance reports to the Chairman of the Executive Council or his authorised representative; and
15. perform any other duties related to the management of Public Funds as assigned to the DOF by the SFC.

Obligations of Government Entities

Article (6)

A Government Entity must comply with this Law and the resolutions, circulars, instructions, and manuals issued in pursuance hereof, and must in particular:

1. manage Government financial resources in an efficient, effective, and economical manner through financial management, performance, and internal audit systems that comply with the rules and regulations issued by the DOF with regard to matters related to the implementation of this Law;
2. implement the regulations, procedures, and instructions related to the planning and analysis of primary and secondary programmes and capital projects in accordance with the relevant rules issued by the DOF;
3. comply with the programmes and projects approved under the General Budget. Where, pursuant to a resolution, such programmes and projects are extended or unbudgeted programmes are introduced, these programmes and projects must be submitted to the DOF for consideration, and

the DOF will submit the relevant recommendations to the SFC for approval in preparation for submission to the Executive Council for final approval; and

4. refer all recommendations related to imposition, amendment, or cancellation of sources of Public Revenue to the DOF for consideration and approval in accordance with the legislation in force in the Emirate.

Chapter Three **General Provisions of the General Budget**

Importance of the General Budget **Article (7)**

The General Budget is an important tool that enables the Government to plan and implement its general policy. It is an efficient tool to enable the Government to achieve its objective of good governance of Public Funds, and to achieve economic stability and sustainable development in the Emirate through efficient allocation and effective utilisation of resources.

Rules for Preparing the Draft General Budget **Article (8)**

When preparing the draft General Budget, the following fundamental rules must be followed:

1. **Comprehensiveness**

The General Budget must include all estimated Public Revenue and all estimated Public Expenditure of Government Entities for the relevant Financial Year.

2. **Universality**

The whole Public Revenue estimated for a Financial Year must be used to cover the whole estimated Public Expenditure for that Financial Year. No particular Public Revenue may be allocated to cover a particular Public Expenditure. No set-off may be allowed between Public Expenditure and collected Public Revenue. Particular Public Revenue items may be allocated to cover particular Public Expenditure items only in cases determined by the DOF subject to the approval of the SFC and the exigencies of public interest.

3. **Annuality**

A General Budget must be prepared for each Financial Year, and a law approving such budget will be issued on a yearly basis. The financial appropriations allocated in the General Budget and their purposes, and the breakdown of the General Budget must be adhered to.

4. **Unity**

A draft General Budget must be prepared and submitted as an integrated unit comprising all Public Revenue and Public Expenditure.

Financial Year
Article (9)

Unless otherwise decided by the Ruler or the SFC, the Financial Year of the Government will commence on 1 January and will end on 31 December of each year, and the Financial Year of each Government Entity must coincide with the Financial Year of the Government.

Accounting Basis
Article (10)

Government Entities whose budgets are included in the General Budget and any other entities determined by the DOF must:

1. create accounting entries, record accounting transactions, and issue Final Accounts in accordance with the principles and standards issued by the DOF in compliance with the accrual basis of accounting adopted for the public sector; and
2. submit their annual budgets and their reports on the implementation of the annual budgets which include estimated and actual Public Expenditure and Public Revenue.

Arabic as Authoritative Language
Article (11)

- a. Financial and accounting statements, reports, and data; agreements; Contracts; and correspondence concerning all Government financial transactions must be prepared in Arabic. These documents may be translated into English where required, in which case the original Arabic version will prevail in any case of conflict between the Arabic text and the English text.
- b. Notwithstanding the provisions of paragraph (a) of this Article, an agreement or a Contract drafted in English may, where necessary and subject to approval of the Head of a Government Entity, be concluded where the nature of the Contract or the technical terms contained therein so require.

Use of Smart Systems
Article (12)

Smart systems and applications must be used in all financial transactions in accordance with the provisions and procedures stipulated in the implementing bylaw of this Law.

Budgeted Posts
Article (13)

Unless pursuant to a resolution of the Director General issued upon the recommendation of the Dubai Government Human Resources Department, budgeted posts approved in the General Budget may not be increased and their grades may not be changed, new posts may not be introduced, and new

employees may not be appointed in excess of the financial allocations approved by the General Budget law or contrary to the relevant policies approved by the Government.

Functions of DOF prior to Financial Year Commencement

Article (14)

Prior to commencement of the Financial Year, the DOF will:

1. prepare the financial framework of the General Budget and the fiscal policy of the Government in line with the approved strategic objectives of the Emirate, and in accordance with the relevant policies approved by the SFC;
2. determine the basis on which General Budget estimates are prepared;
3. propose the Government Public Expenditure ceiling for the upcoming Financial Years; and
4. determine the standards and basis for determining the financial allocations of Government Entities.

Chapter Four

Preparation and Approval of the Draft General Budget

General Budget Preparation Circular

Article (15)

Before the end of May of each Financial Year, the SFC will issue a circular to all Government Entities. This circular will determine the Government Public Expenditure ceiling, and the rules, instructions, procedures, and deadlines that Government Entities must abide by when preparing their annual budgets.

Annual Budget Preparation Committee

Article (16)

Each Government Entity will form a committee responsible for preparing its draft annual budget. When preparing this draft budget, the committee must:

1. comply with the rules of preparing the General Budget stipulated in this Law and the resolutions, circulars, instructions, and manuals issued in pursuance hereof;
2. give priority to the strategic programmes and initiatives that are in line with the approved strategic plan of the Emirate;
3. abide by the Public Expenditure ceiling adopted by the Government;
4. take into account the actual outcomes of the implementation of previous budgets;
5. ensure accuracy of Public Revenue and Public Expenditure estimates and avoid overestimation;

6. ensure that Public Funds are used efficiently and effectively by adopting indicators for measuring the outcomes of planned programmes;
7. take into account the conditions and variables that may affect the estimation by a Government Entity of its Public Revenue and Public Expenditure;
8. ensure that Public Revenue and Public Expenditure estimates are in line with the functions of the Government Entity;
9. ensure that Public Revenue and Public Expenditure estimates are consistent with the approved plans, programmes, and initiatives of the Government Entity for the relevant Financial Year;
10. take into account the stock available in the stores, including machinery, equipment, tools, and similar items; and
11. comply with any other rules and standards determined by the SFC or the DOF.

Delay of Submission of a Government Entity Draft Annual Budget
Article (17)

Where a Government Entity delays in submitting its draft annual budget beyond the deadlines prescribed by the SFC, the DOF will estimate Public Revenue and Public Expenditure for that Government Entity. This estimation must take into account the outcomes of the outgoing annual budget for that entity, and any other considerations the DOF deems appropriate.

Cost of Projects
Article (18)

A Government Entity must include in its draft annual budget the cost of the projects it intends to implement over a period that extends beyond one (1) Financial Year. This draft annual budget must include:

1. the total cost of each new project to be commenced in the upcoming Financial Year, and the financial allocations for the portion of the project expected to be completed during that Financial Year; and
2. the total cost of each project which is commenced in previous Financial Years and whose implementation is to continue in the upcoming Financial Year, the actual Public Expenditure for the portion of the project completed by the end of the previous Financial Year, and the estimated total cost to be paid during the Financial Year of the draft General Budget.

Financial Obligations
Article (19)

- a. A Government Entity may not enter into Contracts or financial obligations with any other entity to implement any project which is not listed in the General Budget law without first obtaining the written approval of the DOF.

- b. A Government Entity must notify the DOF of all its financial obligations payable during the Financial Year covered by the General Budget or subsequent Financial Years.

Attachments to Draft Annual Budgets
Article (20)

A Government Entity must attach to its draft annual budget a detailed and accurate study describing the basis and grounds on which the draft annual budget estimates are made. The Government Entity must also attach a comparative study in which the financial allocations of the outgoing Financial Year, including the actual revenue, expenditure, and actual estimates up to the end of that Financial Year, are compared to the actual Public Revenue and Public Expenditure for the previous Financial Year. All data and documents requested by the DOF must also be attached.

General Budget Classification
Article (21)

- a. The General Budget items will be classified as follows:

1. **Administrative Classification**

Public Expenditure and Public Revenue for each Government Entity are stated separately.

2. **Economic Classification**

Public Expenditure and Public Revenue are classified according to the type of revenue and type of expenditure, so that each type of revenue or expenditure is stated in a separate chapter that is divided into specific subcategories and items.

3. **Functional Classification**

Public Expenditure and Public Revenue are classified according to the main Government objectives to be implemented through certain programmes.

- b. The annual budget of a Government Entity will be classified according to the economic classification referred to in paragraph (a)(2) of this Article.

Special Reserve
Article (22)

Upon approval of the SFC, the DOF must allocate in the General Budget an estimated amount as a “**Special Reserve**” to be used to meet unforeseen or contingent needs, or the needs of strategic initiatives not included in the General Budget. Disbursement from the Special Reserve account will be made in accordance with the relevant rules and powers determined by the SFC.

Preparation of the Draft General Budget

Article (23)

- a. The DOF will prepare the draft General Budget for every Financial Year after reviewing and discussing the draft annual budgets submitted to it by Government Entities.
- b. When preparing the draft General Budget, consideration must be given to the actual expenditure of Government Entities during past years, the changes to the future plans of these entities, number of their employees, projects that they will implement over the upcoming Financial Years, the economic indicators of the Emirate, and any other relevant factors determined by the Ruler, the Executive Council, or the SFC.
- c. The DOF must, within the deadline prescribed in the circular referred to in Article (15) of this Law, submit the draft General Budget to the SFC for opinion and approval.

Submission of the Draft General Budget

Article (24)

Once it approves the draft General Budget, the SFC must submit it to the Chairman of the Executive Council or his authorised representative for approval.

Approval of the Draft General Budget and

Announcement of the General Budget

Article (25)

- a. The draft General Budget will be approved before the end of December of each year pursuant to a law.
- b. Upon issuance of the General Budget law, the DOF will:
 1. announce the General Budget and explain the main features of the fiscal policy of the Government which are reflected by this budget;
 2. notify Government Entities of their respective allocations in the General Budget for implementation purposes; and
 3. issue the circulars, instructions, and approvals with which Government Entities must comply, as required for the implementation of the General Budget.

Delay of General Budget Approval

Article (26)

Where the General Budget law is not issued before commencement of the Financial Year, the DOF must issue a circular to Government Entities requesting them to abide by the financial allocations included in the General Budget for the previous Financial Year at the rate of one twelfth (1/12) of these allocations per month and in accordance with the relevant rules determined by the SFC, until

the General Budget law of the current Financial Year is issued. Public Revenue collected and Public Expenditure covered during this period must be accounted for in the relevant accounts of the new General Budget upon its approval.

Chapter Five Implementation of the General Budget

Funding the General Budget Article (27)

The General Budget will be funded from the Public Revenue. In case of General Budget deficit, the DOF will propose the appropriate solutions to fund this deficit, and will submit these to the SFC for approval.

Securing Financial Liquidity Article (28)

The DOF will, in accordance with a timeline covering the whole Financial Year, provide financial liquidity to a Government Entity within the expenditure limits determined for that entity in the General Budget to enable it to perform its duties and implement its plans and programmes.

Public Expenditure Article (29)

No Public Expenditure may be incurred unless this is warranted by the legislation in force, and unless it is covered by financial allocations in the approved annual budget of the relevant Government Entity.

Collection and Deposit of Public Revenue Article (30)

Public Revenue will be collected in accordance with the legislation in force, and will be deposited in the Public Treasury Account pursuant to the rules and procedures prescribed by the implementing bylaw of this Law.

Payment of Public Revenue Article (31)

All the Public Revenue collected by the Government Entities whose budgets are included in the General Budget will be paid into the Public Treasury Account. These entities may not retain any portion of their revenue, spend it to fund their activities or investments, use it in any other way, or make any set-off between their revenues and their expenditures.

Financial Approval Authorities

Article (32)

The implementing bylaw of this Law will determine the competent authority responsible for implementing the annual budgets of Government Entities; the table of financial approval authorities of Heads of Government Entities; and the rules of delegating these authorities.

Internal Financial Audit Units

Article (33)

An internal financial audit unit will be established within each Government Entity, and will directly report to the Head of the Government Entity, or to its board of directors, as the case may be. This unit will be responsible for ensuring the proper and correct implementation of the approved annual budget of the Government Entity; auditing its financial transactions; and ensuring proper management and protection of Public Funds, in accordance with the legislation in force, and with the relevant financial and accounting rules approved by the DOF. It will also be responsible for preparing the required reports and submitting the same to the authority to which it reports.

Following up Implementation of the General Budget

Article (34)

The DOF will follow up the implementation of the General Budget to ensure consistency with the strategic plan of the Emirate; with the financial policy of the Government; with the applicable legislation; and with the main objectives of Government Entities. For this purpose, it may have access to the original instruments, records, and supporting documents of financial transactions, and may require any data, information, or reports whose review is deemed important by the DOF. Subject to liability, the employees and Heads of Government Entities must take all necessary actions to meet the requirements of the DOF and must cooperate with DOF employees to enable them to perform the duties assigned to them under this Law and the resolutions, circulars, instructions, and manuals issued in pursuance hereof.

Contingent Expenditure and Supplementary Appropriations

Article (35)

- a. The Director General may, upon the approval of the SFC, directly withdraw from the special reserve referred to in Article (22) of this Law to cover Contingent Expenditure. The Director General must submit to the SFC periodic reports detailing the actual Contingent Expenditure spent. The implementing bylaw of this Law will prescribe the rules and procedures for spending Contingent Expenditure.
- b. A Government Entity may not request additional or new appropriations unless this is mandated by compelling reasons. This entity must account to the DOF for such reasons to consider them; determine their validity; and present its relevant recommendations to the SFC for approval before submission of the same to the Ruler for final approval.

- c. A Government Entity may not, in the course of implementing the General Budget, use any additional appropriations authorised by the competent authority for other than the purpose for which they are allocated.
- d. Additional appropriations will be included in the General Budget pursuant to a law supplementing the General Budget law.

**Returning Budget Savings and
Cancelling Unused Financial Appropriations
Article (36)**

- a. Financial appropriations within a Government Entity's annual budget will be cancelled if not used within their respective Financial Year.
- b. All budget savings realised in any Financial Year by a Government Entity as a result of implementing its annual budget will be returned to the Public Treasury Account.
- c. A Government Entity may not use, or cause to be used, any cancelled financial appropriations or any budget savings realised in any Financial Year.

**Settlement of Financial Transactions among Government Entities
Article (37)**

Financial transactions among Government Entities will be settled in accordance with the requirements, rules, and procedures prescribed by the implementing bylaw of this Law.

**Financial Reallocations
Article (38)**

- a. Financial appropriations may, upon the recommendation of the Director General, be reallocated from a Government Entity to another pursuant to a resolution of the Chairman of the Executive Council or his authorised representative.
- b. Financial appropriations may be reallocated from one chapter to another within the approved annual budget of a Government Entity pursuant to a resolution of the Director General.
- c. Financial appropriations may be reallocated from one item to another within the same chapter within the approved annual budget of a Government Entity pursuant to a resolution of the Head of this Government Entity.

**Reduction in the Collected Public Revenue
Article (39)**

If, in the course of implementing the General Budget for any Financial Year, it becomes evident that there is a reduction in the collected Public Revenue compared to the estimated Public Revenue for the same year, the Director General may propose the measures and actions required to address this

reduction. These measures and actions must be approved by the SFC and the Chairman of the Executive Council or his authorised representative.

**Dealing with Budget Surplus or Deficit
Article (40)**

General Budget surplus or deficit will be dealt with in accordance with the rules and procedures prescribed by the implementing bylaw of this Law.

**Chapter Six
Accounts and Reports**

**Types and Forms of Accounting Records, Documents,
Templates, and Manuals
Article (41)**

The DOF will, pursuant to the relevant resolutions issued by the Director General, prescribe the types and forms of the records, documents, template, and manuals required for financial transactions, and will also prescribe the disbursement and collection requirements, and conditions and other accounting procedures that must be adopted.

**Preparing Disbursement and Collection Documents
Article (42)**

When preparing and organising disbursement and collection documents, Government Entities must comply with the procedures and deadlines prescribed by the implementing bylaw of this Law.

**Periodic Reports
Article (43)**

- a. Government Entities must submit to the DOF monthly financial reports on Public Revenue and Public Expenditure no later than the end of the month following the reporting month, and must also submit quarterly financial reports according to the same classification adopted in the General Budget. These reports must be approved by the respective Head of Government Entity or his authorised representative; by the head of internal audit; and by the head of accounting or similar officials.
- b. The DOF will prepare, and submit to the SFC and to the Executive Council, quarterly reports on the performance and implementation of the General Budget; on the financial performance of the Government; and on any other matters that the Director General deems relevant.

Preparing Final Accounts

Article (44)

- a. The Director General will, before the end of every Financial Year, issue a circular concerning closing the Final Accounts. The circular will specify the rules, procedures, and deadlines that Government Entities must abide by in respect of closing their accounts prior to preparing the draft Consolidated Final Accounts and the final sub-accounts of Government Entities.
- b. A Government Entity will prepare its draft Final Accounts for the Financial Year then ended and submit the same to the DOF, accompanied by the reports prescribed by the implementing bylaw of this Law. The Government Entity must comply with the rules, procedures, and deadlines prescribed by the circular mentioned in paragraph (a) of this Article.

Procedures for Preparation and Approval of Consolidated Final Accounts

Article (45)

Consolidated Final Accounts will be prepared and approved within the deadlines prescribed by the DOF and in accordance with the following procedures:

1. the DOF will prepare the draft Consolidated Final Accounts based on the final sub-accounts submitted by Government Entities;
2. the DOF will send the draft Consolidated Final Accounts to the Financial Audit Department for review and providing comments in a report detailing the outcomes of this review;
3. the DOF will finalise the draft Consolidated Final Accounts after making the required settlements and adjustments based on the report of the Financial Audit Department, and will present to the SFC a detailed report on the draft Consolidated Final Accounts; and
4. the DOF will, upon approval by the SFC of the draft Consolidated Final Accounts, submit a report on the draft Consolidated Final Accounts to the Executive Council for comments prior to submitting it to the Ruler for final approval.

Chapter Seven

Entities not Covered by the General Budget

Entities Covered by the Supplementary Budget

Article (46)

- a. Financial support will be granted to any entity pursuant to a resolution of the SFC upon the recommendation of the DOF.
- b. The DOF will prepare an annual Supplementary Budget for the entities to be granted annual financial support, such as societies, sports clubs, and other entities. The Supplementary Budget

must include the names of these entities; the amount of support allocated for each of them; the activities funded by this support; and the term of support.

- c. The entities that receive financial support from the Government must:
 - 1. submit to the DOF financial reports in the form and within the deadlines prescribed by the implementing bylaw of this Law; and
 - 2. provide the DOF, within the deadlines prescribed by it, with the financial statements related to its estimated budget and final accounts, and any other data required by the DOF.

Financially Autonomous Government Entities

Article (47)

- a. A Government Entity is considered to have Financial Autonomy and an Independent Budget if this is mandated by its establishing legislation and nature of work. This entity must:
 - 1. prepare its Independent Budget annually in accordance with the relevant procedures it adopts, and submit the same to the SFC for discussion and approval. Before granting such approval, the SFC will present the Independent Budget to the DOF for opinion;
 - 2. prepare all data related to its approved budget and Final Accounts at the beginning and at the end of its Financial Year, and provide these to the DOF;
 - 3. comply with the provisions regulating Public Debt and borrowing; approval of fees and taxes; financial audit; and submission of financial statements and reports to concerned entities, and with any other applicable financial legislation;
 - 4. prepare the Final Accounts of the Financial Year then ended, or prepare, on commercial basis, a balance sheet if its activities so require, and submit the Final Accounts or the balance sheet to the DOF within the deadlines prescribed by the DOF; and
 - 5. transfer its Public Revenue surplus and its annual profits to the Public Treasury Account.
- b. No Government Entity having Financial Autonomy pursuant to paragraph (a) of this Article may be granted General Budget allocations or appropriations except as loans. This will not apply to the entities to which the SFC decides, upon the recommendation of the DOF, to grant such allocations or appropriations as Government financial support. Such financial support will be granted in accordance with the relevant rules, requirements, and time frames prescribed by the SFC.

Special Accounting Systems

Article (48)

- a. Government Entities that have Independent Budgets and entities which are covered by the Supplementary Budget will have their own accounting systems if so mandated by the nature of their activities.

- b. The accounting systems mentioned in paragraph (a) of this Article must include the accounting records and documents required for the financial transactions conducted by such entities and the requirements and conditions adopted for disbursement and collection.
- c. Where the establishing legislation, statutes, or financial bylaws of Government Entities are silent, the accounting systems approved under this Law and the resolutions issued in pursuance hereof will apply to the Government Entities that have Independent Budgets and to the entities which are covered by the Supplementary Budget.

**Approval of Final Accounts of Entities not Covered by the General Budget
Article (49)**

The Director General will present to the SFC the Final Accounts of the entities that are covered by the Supplementary Budget, and of the Government Entities that have Independent Budgets, accompanied by a report on the financial position of these entities for approval, prior to submitting the same to the Ruler for final approval.

**Chapter Eight
Government Companies**

**Projected Financial Statements
Article (50)**

The ICD or any other Government Entity determined by the SFC, must submit estimates of revenue, expenditure, and cash flow statements of companies wholly owned by the Government or by that entity, and statements of the financial position of the companies in which the Government or that entity holds shares. These statements will be attached by the DOF to the draft General Budget presented for approval. The statements must be submitted by the entities in accordance with the relevant standards and deadlines prescribed by the DOF and with the nature of the business of these companies.

**Quarterly Financial Reports
Article (51)**

The ICD and any other Government Entity determined by the SFC must submit quarterly reports on the financial statements of companies wholly owned by the Government in accordance with the standards prescribed by the DOF. These reports must include the following information:

1. the funds received by the ICD or the Government Entity from companies wholly owned by the Government;
2. the expenditure and revenue of companies wholly owned by the Government; and
3. the loans obtained by companies wholly owned by the Government, their financing sources, and the requirements and cost of these loans.

Net Profits of Government Companies

Article (52)

The net profits of Government Companies are deemed part of Public Revenue. The SFC may, upon the recommendation of the DOF, authorise the ICD or any Government Entity determined by the SFC to reinvest these profits before transferring them to the Public Treasury Account.

Chapter Nine

Public Debt

SFC Functions Related to Public Debt

Article (53)

- a. In respect of Public Debt, the SFC will have the duties and functions to:
 1. approve the ceiling of the domestic and external Public Debt;
 2. approve financing proposals by the local and foreign financing institutions;
 3. approve loans on behalf of the Government; and
 4. issue authorisations to allow Government Entities, and companies that are wholly owned by the Government or by Government Entities, to directly obtain loans.
- b. Loans that the SFC authorises Government Entities having Independent Budgets, and companies wholly owned by the Government or by Government Entities, to obtain will not be guaranteed by the Government.

DOF Functions Related to Public Debt
Article (54)

In respect of Public Debt management, the DOF will have the duties and functions to:

1. set the general framework for Public Debt policies and strategies;
2. determine the long-term and short-term objectives of Public Debt management;
3. issue circulars related to rationalising borrowing policies and to the optimal Government debt ceiling;
4. present recommendations to the SFC on the Government projects to be financed by loans and on the financing proposals submitted by local and foreign financial institutions;
5. consider, assess, and determine the appropriate financing instruments and options;
6. consider and propose the borrowing mechanisms and the process for providing necessary guarantees; and consider and propose the repayment mechanisms and future borrowing plans;
7. ensure consistency of Public Debt policies of the Emirate with the United Arab Emirates monetary policy;
8. coordinate with all internal and external entities concerned with financing and credit; and
9. create a transparent and reliable Public Debt database that must include, without limitation:
 - a. resolutions issuing all Debt Instruments;
 - b. loan agreements;
 - c. debt rescheduling agreements; and
 - d. early repayment of debts resolutions.

Purposes and Guarantees of Government Borrowing
Article (55)

- a. Government borrowing will be exclusively for:
 1. funding the General Budget deficit;
 2. financing the projects included in the General Budget;
 3. restructuring domestic and external debts; and
 4. any other purposes approved by the Ruler.

- b. The Government will be liable to provide guarantees only for the loans whose purposes are set out in paragraph (a) of this Article.

Government Borrowing Mechanisms **Article (56)**

Debt securities may be listed for trading in domestic and foreign markets. A Government Entity that requests borrowing must:

1. submit a borrowing request to the DOF supported by all the statements on its existing and planned debts. The DOF will consider this request and submit the relevant recommendations to the SFC to make the decision it deems appropriate in respect of authorising the Government Entity to obtain a loan, and of the guarantees that may be provided to secure the loan; and
2. give access to any person authorised by the SFC to review the financial and accounting records and any other documents related to the loan and its purposes.

Chapter Ten **Public Funds Collection**

Entities in Charge of Collecting Public Funds **Article (57)**

Without prejudice to any case-specific provisions stipulated by the legislation in force in the Emirate, Public Funds are deemed due and immediately payable first-lien debts that have priority over other debts with the exception of judicial fees, and will be collected by the DOF; the Government Entities responsible for collecting these funds; and the entities authorised to collect them in accordance with the procedures and rules prescribed by the implementing bylaw of this Law and the resolutions issued by the DOF in this respect.

Public Funds Settlement Obligation **Article (58)**

Obligors and debtors liable for settlement of Public Funds must, either in person or through their legal representatives, settle all amounts owed by them on their due dates, adopting the methods, following the procedures, and using the payment options approved in this respect by the entities responsible for Public Funds collection. Being a creditor to the Government or to a Government Entity may not

exempt an obligor or debtor from settlement of the Public Funds owed by him on their due dates without delay.

Deduction from Dues
Article (59)

The entities responsible for Public Fund collection may directly deduct any amounts from an obligor's or debtor's property in their possession, to the extent required to settle the Public Funds owed by that obligor or debtor.

Refraining from Settlement
Article (60)

- a. Where an obligor or debtor refrains from settlement of the Public Funds legally due from him, an entity responsible for Public Funds collection must take the following procedures against him in this order:
1. sending a notice requesting settlement within thirty (30) days;
 2. upon expiry of the notice period, confiscating the obligor's or debtor's property in its possession; and, subject to obtaining a relevant summary court judgment, selling such property at a public auction;
 3. applying to the competent court to impose precautionary attachment on the legally attachable property of the obligor or debtor, where there are substantial grounds for attachment or to prevent the obligor or debtor from smuggling or concealing his property including through assignment of the same to third parties; and
 4. taking recourse to court to compel the obligor or debtor to settle the Public Funds he owes.
- b. Public Funds collection proceedings will be stayed in any of the following cases:
1. where the debtor's insolvency is established by a definitive court judgment, and it becomes evident that proceeding with the execution on the debtor's property will cause the debtor to sustain substantial harm;
 2. where it is established to the entity responsible for Public Fund collection that there is a general or personal force majeure event which affects the obligor or debtor and prevents proceeding with the execution on his property to collect the debt in full. The debt owed by the obligor or debtor may be paid in instalments, pursuant to the provisions of the

implementing bylaw of this Law, over the current year or within a period not exceeding five (5) years, subject to providing the relevant appropriate guarantees; or

3. where a resolution on exemption from settlement of Public Funds is issued by the Ruler or the SFC.

Third Party Liability

Article (61)

A person who refuses to surrender the property in his possession of an obligor or debtor who owes Public Funds will, upon receiving a property surrender notice from the competent judicial authority, be deemed personally liable for payment out of his own property. This person's liability will be limited to the obligor's or debtor's property proved to be in his possession, and the confiscation procedures will be taken against him in accordance with the legally established principles.

Prescription and Time Bar

Article (62)

- a. No ownership rights to Public Funds may be acquired by way of prescription, occupancy, or any form of possession.
- b. Judicial claims involving Public Funds, owed to the Government or Government Entities by obligors or debtors, may not be time-barred.

Chapter Eleven

Bank Accounts

Authority to Open Bank Accounts

Article (63)

The Chairman of the Executive Council and First Deputy Chairman of the Executive Council will have the power to authorise Government Entities, upon the recommendation of the DOF, to open bank accounts with the financial institutions operating in the Emirate.

Restrictions on Opening Bank Accounts

Article (64)

Government Entities may not open any bank accounts with financial institutions within or outside of the Emirate without first obtaining the authorisation mentioned in Article (63) of this Law.

Chapter Twelve
Final Provisions

Approval of Fees and Fines
Article (65)

Fees and fines will be approved, upon request by a Government Entity and the recommendation of the DOF, pursuant to a resolution issued by the Chairman of the Executive Council.

Delegation of Powers
Article (66)

Heads of Government Entities may delegate to employees any of their powers under this Law and the resolutions issued in pursuance hereof. For a delegation of powers to be valid:

1. the delegated powers must be within the powers of the delegating person;
2. the delegation must be in writing;
3. the delegation must be granted to the person in his official rather than personal capacity;
4. the delegation must be time-limited;
5. the delegation must not grant all the powers vested in the delegating person;
6. the delegation must not adversely affect control on Public Funds or compromise the internal control rules. For example, delegation must not authorise an employee to perform two roles in the same financial transaction; one is falling within his original job duties, and the other is granted by delegation; and
7. a copy of the delegation decision must be served on the DOF, the Financial Audit Department, and the concerned entities.

Keeping Documents and Records
Article (67)

- a. For any Financial Year, Government Entities must keep, for at least ten (10) years from the date of approving the Final Accounts of that Financial Year, all the financial documents and records prescribed by the implementing bylaw of this Law.
- b. After the lapse of the period prescribed in paragraph (a) of this Article, the financial documents and records will be destroyed in accordance with the rules and procedures prescribed by a

resolution of the Director General. Copies of these documents must be kept by the respective Government Entities in their approved archiving systems.

Debts or Dues Owed by Government Entities to Third Parties
Article (68)

Without prejudice to any legislation prescribing a shorter time limit, a claim filed against a Government Entity to recover any dues or debts owed to third parties may not be heard after the lapse of five (5) years from the end of the Financial Year in which these debts or dues become mature. This limitation period will be interrupted where a claim to recover the debts or dues is filed, within this period, with a judicial authority by an interested party. The limitation period will commence again after the grounds for interruption cease to exist.

Refundable Security Amounts and Deposits
Article (69)

- a. Government Entities whose budgets are included by the General Budget must transfer to the DOF all the amounts paid to them by their clients as refundable security amounts or other deposits. These amounts will be transferred in accordance with the relevant instructions issued by the DOF.
- b. A Government Entity will maintain the necessary detailed records of the amounts received in trust by it and transferred to the DOF. The records will detail the security or deposit amount; the name of the person making it; the reasons for depositing the amount; and the date and requirements of refunding the same.
- c. On the due date of refund of the amount of the deposit or security, the Government Entity will request the DOF, by a letter other than the letter stating the Government Entity's periodic needs from the General Budget, to refund the amount.
- d. The DOF will set the instructions and prescribe the templates required for the accounting and administrative processes related to refundable security amounts and deposits, and Government Entities must comply with these instructions and templates.

Grants, Financial Aid, Contributions, and Donations
Article (70)

- a. Government support will be granted to any entity by a resolution of the Ruler or his authorised representative.
- b. Government Entities may provide grants, subsidies, contributions, donations, or gifts to any other entity only within the amounts allocated for this purpose in its annual budget. This may not include sponsoring any activities that fall within the jurisdiction of any other Government Entity.
- c. Neither Government Entities, nor any Heads of Government Entities, nor their employees may accept any donations or aid of any value without first obtaining the approval of the competent

authority. These donations and support will be disposed of in accordance with the rules prescribed by the implementing bylaw of this Law.

**Transparency
Article (71)**

The DOF will uphold the principles of transparency in implementing this Law and the resolutions issued in pursuance hereof; managing Public Funds; and implementing the fiscal policy of the Government. This will be achieved by:

1. announcing the objective of the Government fiscal policy;
2. publishing the key indicators of the approved General Budget; and
3. disclosing changes in the recognised accounting standards and policies.

**Issuing the Implementing Bylaw
Article (72)**

The Chairman of the Executive Council will issue the implementing bylaw of this Law.

**Survival of Bylaws
Article (73)**

The financial bylaws, resolutions, and circulars that are in force on the effective date of this Law will continue in force to the extent that they do not contradict the provisions of this Law, until new superseding bylaws, resolutions, and circulars are issued.

**Repeals
Article (74)**

- a. The following legislation is hereby repealed:
 1. Law No. (7) of 1995 Concerning the Financial Regulations of Government Departments in the Emirate of Dubai;
 2. Law No. (35) of 2009 Concerning Management of the Public Funds of the Government of Dubai and its amendments; and
 3. Decree No. (21) of 2011 Authorising Government Entities in the Emirate of Dubai to Open Bank Accounts.
- b. Any provision in any other legislation will also be repealed to the extent that it contradicts the provisions of this Law.

Publication and Commencement
Article (75)

This Law will be published in the Official Gazette and will come into force on the first day of the month following its publication.

Mohammed bin Rashid Al Maktoum

Ruler of Dubai

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Corresponding to 27 Jumada al-Ula 1437 A.H.