

Federal Law No. (11) of 2023
On Procurement in the Federal Government

We, Mohamed bin Zayed Al Nahyan

President of the United Arab Emirates,

Having reviewed the Constitution,

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

And Federal Law No. (5) of 1985 on the Issuance of the Civil Transactions Law, and its amendments,

And Federal Law No. (8) of 2011 on the Reorganisation of the State Audit Institution,

And Federal Law No. (2) of 2014 on Small and Medium Enterprises and Establishments,

And Federal Decree-Law No. (9) of 2016 on Bankruptcy, and its amendments,

And Federal Decree-Law No. (13) of 2016 on the Establishment of the Federal Tax Authority, and its amendments,

And Federal Decree-Law No. (7) of 2017 on Excise Tax, and its amendments,

And Federal Decree-Law No. (8) of 2017 on Value Added Tax, and its amendments,

And Federal Decree-Law No. (11) of 2017 on Authorising the Cabinet some Powers,

And Federal Decree-Law No. (9) of 2018 on Public Debt, and its amendments,

And Federal Decree-Law No. (15) of 2018 on the Collection of Public Revenues and Funds,

And Federal Decree-Law No. (16) of 2018 on Real Estate Properties of the Federal Government,

And Federal Decree-Law No. (26) of 2019 on Public Finance, and its amendments,

And Federal Decree-Law No. (31) of 2021 on the Issuance of the Crimes and Penalties Law,

And Decree-Law No. (32) of 2021 on Commercial Companies,

And Federal Decree-Law No. (38) of 2021 on Copyright and Neighbouring Rights,

And Federal Decree-Law No. (28) of 2022 on Tax Procedures,

And Federal Decree-Law No. (47) of 2022 on the Taxation of Corporations and Businesses,

And based on what was presented by the Minister of Finance, and the approval of the Cabinet, the Federal National Council, and the ratification of the Federal Supreme Council,

We have issued the following Law:

Definitions and Objectives of the Law

Article (1)

Definitions

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

The State : The United Arab Emirates.

The Government : The Federal Government of the State.

The Ministry : The Ministry of Finance.

The Minister : The Minister of Finance.

Matrix of Delegation of Powers : A document prepared by the Ministry, which defines the powers of employees authorised to approve financial and non-financial decisions related to government procurement and their associated financial limits in accordance with the procurement methods stated in this Law and its executive regulations, and it is issued by a decision of the Minister.

- Federal Entities** : The ministries established under Federal Law No. (1) of 1972 on the Competencies of Ministries and Powers of Ministers and its amendments, and the federal government bodies and authorities classified in Article (3) of this Law.
- Procurement** : Any product, service, or work required by Federal Entities.
- Procurement Process** : A set of procedures undertaken by the Federal Entity to secure its procurement in accordance with the provisions of this Law and its executive regulations.
- Annual Procurement Plan** : The plan prepared by the Federal Entity to determine its procurement requirements and needs to achieve the public interest for the subsequent fiscal year.
- Emergency Procurement** : Procurement in emergency situations to obtain necessary supplies, where following standard procurement procedures and methods would cause an unacceptable delay for the concerned Federal Entity in securing such supplies.
- Procurement System** : The electronic or digital system or any system used in the Federal Entity that regulates procurement processes, and allows suppliers and Federal Entities to communicate, interact, and conclude contracts securely, and enables Federal Entities to announce purchase requests and receive quotations from suppliers in accordance with the provisions of this Law and its executive regulations.
- Public Interest** : Any direct or indirect benefits accruing to the Federal Entity, the Government, and society as a result of the procurement process, contributing to the achievement of the Government's strategic visions and priorities.
- Public Value** : The best outcome that a Federal Entity can achieve for money by making optimal use of resources effectively and economically.
- Supplier** : Any natural or legal person who provides procurement in accordance with the provisions of this Law and its executive regulations.

- Participating Supplier** : Any natural or legal person who submits a bid for a tender or a new bidding opportunity related to a request to provide procurement to a Federal Entity.
- Confidential Information** : Confidential information specified by this Law and its implementing guidelines.
- Commercially Sensitive Information** : Information that may affect the commercial interests of the supplier if disclosed, including profit margins and new innovations, as specified by this Law and its implementing guidelines.
- Tender Announcement** : A statement published on the Procurement System to announce a new procurement opportunity in accordance with the provisions specified by this Law and its executive regulations.
- Public Tender** : An invitation or request for procurement announced by a Federal Entity to the general public through the Procurement System, which provides equal opportunities to all interested suppliers to submit their offers for the required procurement.
- Executive Regulations** : The regulations and policies issued by the Cabinet or its delegate to implement this Law.
- Guidelines** : The guidelines and procedures for procurement issued by the Minister to implement the provisions of this Law and its executive regulations.

Article (2)

Objectives of the Law

1. This Law regulates the general framework for procurement in the Government.
2. This Law aims to achieve the following: -
 - a. Define the principles, controls, and standards for procurement processes in the Government.
 - b. Enhance and direct procurement processes in Federal Entities in line with the Government's digital agenda.
 - c. Activate digital procurement systems and implement the best leading global policies and practices in all stages of the procurement process.

- d. Ensure equality, fair treatment, and non-discrimination among all participating suppliers.
- e. Involve all relevant stakeholders and participants in the procurement process at Federal Entities and ensure they carry out operations efficiently and effectively to guarantee quality and achieve spending efficiency.
- f. Promote integrity, trust, transparency, and competition in all procurement procedures while providing public value and public interest that considers standards of quality, metrics, sustainable development, and support for small and medium enterprises and the national economy.
- g. Provide flexibility, improve the performance of procurement and contracting processes, and enhance the efficiency of planning and procurement management at the federal level.

Chapter Two

Scope of Application and Exceptions

Article (3)

Scope of Application of the Law

The provisions of this Law shall apply to all procurement and contracting activities and procedures of the following Federal Entities:

1. Ministries and Central Agencies: Ministries established under Federal Law No. (1) of 1972 on the Competencies of Ministries and Powers of Ministers and its amendments, and councils, agencies, and the like that exercise federal executive, legislative, and judicial competencies.
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 independent legal personality, the capacity to act, and to prepare, organise, and implement their own budget by their establishing law or decision.
 - b. Have their own administrative and organisational structure.
 - c. Are non-profit.

Article (4)

Exceptions from the Scope of Application of the Law

1. The provisions of this Law shall not apply to: -
 - a. The Ministry of Defence and the Armed Forces.
 - b. State security agencies.
 - c. Federal entities bound by international agreements or obligations or with international organisations related to procurement undertaken by these entities.
 - d. Construction projects and contracts.
 - e. Procurement of a military or security nature undertaken by the Ministry of Interior or any federal entity of a security or military nature, which is approved by the Minister or the head of the concerned federal entity.
 - f. Procurement for the State's representative missions abroad.
 - g. Procurement executed outside the State for use abroad.
 - h. Procurement related to the establishment, furnishing, and equipping of Government offices outside the State.
 - i. Procurement related to medicines and medical supplies.
 - j. Partnership contracts between Federal Entities and the private sector that are classified as "partnership projects" and are subject to the special provisions of partnership projects in accordance with the regulations governing them.
 - k. The purchase and lease of land and existing buildings, and the sale, destruction, and disposal of assets and inventory, which are subject to their own regulatory legislation, provisions, and policies.
 - l. Investment operations undertaken by authorised Federal Entities in accordance with the regulations and legislation governing them, which aim to achieve a commercial return or financial profit for the entity and are not for the purpose of securing its needs and operations, and include the purchase and sale of shares, bonds, currencies, and the like.
 - m. Financing operations and the provision of guarantees by authorised Federal Entities in accordance with the regulations and legislation governing them.
 - n. Federal entities and procurement that are exempted by a Cabinet decision after consulting the Ministry.

2. The exceptions mentioned in this Article do not exempt the concerned Federal Entity from being guided by the provisions of this Law and from observing its objectives and striving to achieve the best public value for its procurement.

Chapter Three

Governance and Competencies

Article (5)

Governance of the Procurement Process

This Law and its executive regulations shall regulate the provisions related to the governance of the procurement process, including the role and responsibilities of the concerned Federal Entities, councils, committees, and organisational units.

Article (6)

Matrix of Delegation of Powers

1. Decisions related to the procurement process shall be issued in accordance with the Matrix of Delegation of Powers.
2. Each Federal Entity shall, by a decision of its head or equivalent, designate the employees authorised with the powers stated in the Matrix of Powers issued by the Ministry.
3. Federal Entities may review their own Matrix of Delegation of Powers and request the Ministry to amend it according to their needs without prejudice to the general framework of the Matrix of Delegation of Powers issued by the Ministry.
4. Independent Federal Entities may adopt their own Matrix of Delegation of Powers, guided by the Matrix of Delegation of Powers issued by the Ministry.

Article (7)

Obligations of Federal Entities

Federal Entities shall adhere to the following: -

1. To plan in advance and identify their procurement needs, including preparing the Annual Procurement Plan and striving to achieve the public interest.

2. To develop and implement mechanisms and plans to support the provision of procurement at the highest levels of quality and ensure the delivery of the best public value.
3. To select the appropriate procurement method in light of the needs, risks, complexities, and supply strategy related to the targeted procurement.
4. To work on reducing the costs incurred when implementing the Annual Procurement Plan, while considering the achievement of the best public value.
5. To manage the comprehensive procurement operations, from identifying requirements to award procedures and signing contracts, involving the necessary organisational units.
6. To ensure compliance and align procurement processes with the principle of transparency at all stages, including full transparency in disclosing bid evaluation criteria.
7. To work on attracting the best suppliers and ensure fairness and non-discrimination in treatment among participating suppliers and encourage competition.
8. To create opportunities to attract and encourage small and medium enterprises, national procurement, and local suppliers, and to support the policy of Emiratisation and green companies or sustainable business activities or products that reduce carbon emissions and environmental damage.
9. To act as a supervisory body for all contracts, purchase requests and orders, change requests, and other relevant procurement documents.
10. To manage post-contract activities such as disputes, amendments, monitoring supplier performance, assessing risks, and appointing appropriate persons to manage them.
11. Any other obligations determined by the executive regulations of this Law.

Chapter Four

Procurement System and Principles of Procurement

Article (8)

Procurement System

1. Procurement shall be tendered through the Procurement System unless the Law or its executive regulations provide otherwise.
2. Independent Federal Entities may tender their procurement through the electronic or digital Procurement System or any system used in the Federal Entity.
3. The executive regulations of this Law shall specify the procedures for using the Procurement System, including correspondence and communication.
4. on the electronic system, the signing of contracts, and other related matters that have the necessary legal effect.
5. The Procurement System must provide the highest levels of privacy, confidentiality, security, transparency of information, and ease of use, while ensuring the integrity of procedures.
6. The Procurement System must allow suppliers to access information and data related to bids as specified by the Law and its executive regulations.

Article (9)

Transparency and Competition

1. All procedures of the procurement process are subject to the principles of transparency, free competition, and equal opportunities at all stages and must be implemented in accordance with the rules and procedures stipulated in this Law and its executive regulations.
2. To achieve the principle of transparency and equal opportunities, the concerned Federal Entity is obligated to inform participating suppliers of all key information and decisions related to the bid or affecting fair competition among them.

Article (10)

Integrity

Each Federal Entity shall adopt mechanisms that enhance the integrity of its procurement activities and procedures, including at a minimum the following: -

1. That all procurement procedures are sound and consider the public interest.
2. The commitment of all employees involved in procurement processes to integrity, impartiality, and the provisions of the Law.
3. Prohibiting the participation of any employee of the Federal Entity in the procurement processes of the Federal Entity they belong to, whether directly or indirectly, or through companies or establishments they own, are partners in, or agents for.
4. Educating employees involved in the procurement process on how to detect, report, and deal with cases of conflict of interest or their potential occurrence, in accordance with what is determined by the regulations in this regard.

Article (11)

Equality

The Federal Entity shall, in its procurement procedures, observe non-discrimination among participating suppliers, unless it decides to restrict participation to certain categories in accordance with the provisions of the Law and its executive regulations.

Article (12)

Protection of Supplier Information

1. Federal Entities are obligated to protect suppliers' confidential information and commercially sensitive information.
2. This includes information that affects fair competition among participating suppliers.
3. The Federal Entity may not disclose confidential information or commercially sensitive information except in the following cases: -
 - a. With the written consent of the concerned participating supplier.
 - b. Disclosure required by the provisions of the law, an international agreement, a court order, or an order from a regulatory body.
 - c. In case of the need for limited disclosure that is announced in the tender announcement documents and implicitly approved by the participating suppliers through their participation in the tender.

d. Any other cases or provisions stipulated in the executive regulations of this Law.

Article (13)

Public Interest

1. Federal Entities shall consider the extent to which a public interest can be achieved when tendering any of their procurements.

2. Public interest includes benefits that help achieve the Government's strategic visions and priorities,

3. such as creating business opportunities for local companies and business activities, supporting small and medium enterprises, national products, local suppliers, green companies or sustainable business activities, or products that reduce

4. carbon emissions and environmental damage, and the executive regulations of this Law shall clarify the special provisions and preferential advantages regarding public interest in procurement processes.

Article (14)

Public Value of Procurement

1. Procurement decisions must be based on achieving the highest public value and securing the best possible outcomes.

2. against the cost of procurement throughout the procurement cycle and contract duration and in accordance with the provisions of this Law and its executive regulations.

3. Public value of procurement is achieved if: -

a. Its costs correspond to the overall benefits of the procurement.

b. It contributes to achieving the results that the Federal Entity seeks to achieve in terms of purpose, quality, and otherwise.

c. It achieves the public interest of the State, whether social, environmental, economic, cultural, or otherwise.

Article (15)

Procurement Planning

1. Each Federal Entity shall prepare an annual procurement plan in conjunction with the annual budget preparation process.
2. The plan includes developing a strategy to secure the Federal Entity's needs based on a study and analysis of market conditions, the proposed method for supplying the necessary procurement, and the associated risks. The plan includes an estimated budget.
3. for costs, expected timelines, evaluation criteria and scales, and the public interest that the Federal Entity seeks.
4. to achieve through procurement, and the Federal Entity may amend its procurement plan during the fiscal year.
5. according to its priorities and requirements.
6. Before tendering their procurement, Federal Entities must assess the public interest to be achieved and whether the procurement contributes to achieving any of the Government's priority strategic outcomes.
7. The Federal Entity may publish information about its procurement plan for the coming months or years, including key information about its works and procurements for that period. The Federal Entity may also publish a prior notice about any potential procurement.
8. The publication of any information about the concerned Federal Entity's procurement plan does not create any obligation on it to tender such procurement.

Chapter Five

Procurement Provisions and Methods

Article (16)

Procurement Methods

1. Federal Entities shall offer their procurements in a public tender announced through the Procurement System. They may use other procurement methods in accordance with the provisions specified by this Law and its executive regulations, provided that this does not limit competition.
2. Subject to the provisions of clause (1) of this Article, Federal Entities must choose the best procurement method that achieves the highest public value for their procurements.

3. The executive regulations of this Law shall specify all types of procurement methods and their related provisions and procedures.

4. When wishing to solicit offers, the Federal Entity may conduct a pre-qualification of participating suppliers to verify that they possess the necessary qualifications and capabilities, including their technical abilities, financial and administrative capacities, the extent of their commitments, and their ability to perform.

Article (17)

Announcement of Tender and Procurement

1. The Federal Entity must tender procurement bids publicly unless the conditions for other tendering methods specified by the executive regulations of this Law are met.

2. The following steps, at a minimum, shall be followed in the announcement: -

a. Publishing the announcement of the procurement opportunity or tender via the electronic or digital Procurement System or any other system used by the Federal Entity.

b. Providing participating suppliers with access to all relevant bid documents.

Article (18)

Content of the Tender Announcement

The tender announcement must contain all the information that participating suppliers need to prepare and submit their bids, including the following: -

1. The name of the concerned Federal Entity.

2. A clarification of the procurement method used.

3. A description of the required procurement, its technical specifications, plans, and drawings if any, and instructions and outputs.

4. A specification of the required or estimated quantities of the procurement.

5. The special terms and conditions of the contract and the contract duration.

6. The service and performance levels required to be achieved by the supplier.
7. The evaluation mechanism and criteria and the weight of each criterion.
8. The deadline for submitting bids and the procedures for submitting bids on the Procurement System.
9. Any other data that the Federal Entity deems necessary to include in the announcement.

Article (19)

Period of Offering and Response to the Announcement

1. Participating suppliers shall be given sufficient time to respond to the tender announcement, and the Federal Entity shall determine this time realistically, taking into account all relevant factors, including the nature and complexity of the procurement and the volume of information and details required to prepare the bids.
2. The offering period shall in no case be less than the periods specified by the executive regulations of this Law, and the Federal Entity may extend the period if it deems it necessary.
3. If the Federal Entity issues clarifications or amendments to the tender announcement, the deadline for submitting responses may be extended to allow participating suppliers to take them into account.

Article (20)

Inquiries and Requests from Participating Suppliers and Responding to Them

1. Participating suppliers may raise inquiries and request reasonable and necessary data to evaluate the bid during the period specified in the tender announcement.
2. The Federal Entity must respond to all reasonable inquiries and requests promptly. If it is unable to respond within a reasonable time that allows participating suppliers to submit their responses, it may decide to extend the deadline for submitting responses.
3. All competing participating suppliers must be informed of the inquiries the Federal Entity receives regarding the tender and its answers thereto. However, competitors may not be informed of the source of the inquiry or

request or of the confidential information of a participating supplier and commercially sensitive information.

4. A meeting may be held with participating suppliers before the final responses are submitted at the request of any of them to provide general information about the project and clarify inquiries (if any). The minutes of these meetings must be recorded and made available to all participating suppliers.

Article (21)

Cancellation or Amendment of the Tender Announcement

1. The Federal Entity may cancel or amend the tendering procedures or the tender announcement at any time before the deadline.

2. for submitting responses in accordance with the conditions and procedures specified by the executive regulations of this Law, and no submitted bids may be opened after the cancellation decision.

3. The Federal Entity must publish on the Procurement System and inform all participating suppliers in the bid at the same time of any cancellation or change to the tendering requirements or the tender announcement.

4. The Federal Entity must provide sufficient time for participating suppliers who have submitted bids to respond to the amendments, and if it deems necessary, extend the deadline for submitting bids to enable them to amend their responses.

Article (22)

Bid Evaluation Criteria

1. Bids for tenders shall be evaluated with full transparency and fairness using evaluation criteria relevant to the subject of the procurement, which may include the following: -

a. Financial cost.

b. Cost of operating and maintaining the procurement.

c. Delivery and completion time of the procurement.

d. Conformity of the procurement with the required characteristics and specifications (technical, environmental, operational, or otherwise).

e. Payment and guarantee provisions.

- f. The experience, reputation, competence, and professionalism of the participating supplier in providing the required type of procurement.
- g. Any other evaluation criteria stipulated in the executive regulations of this Law.
2. A margin of preference may be granted to participating suppliers who achieve the best public interest or national added value, or in favour of locally produced procurement, or to incentivise local small and medium enterprises, as specified by the executive regulations of this Law.
3. Non-price evaluation criteria must be objective, appropriate to the nature of the procurement to be tendered, and quantifiable as much as possible.
4. The tender announcement must clearly and in detail state the evaluation criteria and mechanism used and the weight of each criterion.
5. Bids shall be evaluated based on the evaluation criteria, mechanism, and weight previously announced in the tender announcement, and no criteria or procedures not announced in accordance with the provisions of this Article may be used.

Chapter Six

Award Provisions and Controls

Article (23)

Negotiation

1. The Federal Entity may negotiate with participating suppliers to reach a technical or financial agreement in cases specified by the executive regulations of this Law.
2. Negotiation with participating suppliers shall be a mandatory step in the supply process if the total contract value is higher than the value specified by the executive regulations of this Law.

Article (24)

Exclusion of Suppliers and Cancellation of the Award Decision

1. The Federal Entity may exclude participating suppliers from the bid for one of the following reasons: -

- a. The bid submitted by the participating supplier does not meet the minimum basic requirements specified in the tender announcement.
 - b. The participating supplier has breached the implementation of a previous procurement tendered by a Federal Entity or any of the cases for suspending dealings with the supplier as specified by the executive regulations of this Law have occurred.
 - c. The participating supplier has not fulfilled its financial obligations to the Government, such as taxes, fees, and others.
 - d. The participating supplier does not adhere to the timelines stated in the request for proposal.
 - e. Any other reason specified by the executive regulations of this Law.
2. The Federal Entity may cancel the award decision if the winning supplier commits a serious error that affects transparency, integrity, or competition, such as the occurrence of any of the following: -
- a. The supplier engages in unethical practices or provides incorrect data.
 - b. The bid is proven to violate any of the legislation in force in the State.
 - c. If the award has a negative impact on national security or the confidentiality of sensitive government information.
 - d. Offering a bribe, illicit commissions, bid-rigging, fraud, or abuse of power with the aim of unlawfully influencing the procurement process procedures, without prejudice to the provisions of any other relevant law or legislation.
3. The Federal Entity shall inform the excluded participating supplier of the exclusion decision and the reasons on which its decision was based.
4. The executive regulations of this Law shall specify the competent authority in the Federal Entity to issue the exclusion decision.

Article (25)

Exclusion of a Bid Due to Abnormally Low Price

1. No bid may be excluded due to an abnormally low price unless the Federal Entity is convinced that the bid price is significantly low compared to the estimated cost and prevailing market prices, which may affect the participating supplier's ability to fulfil its contractual obligations to the Federal Entity. The concerned Federal Entity shall, after reviewing the

estimated prices, discuss with the participating supplier with the abnormally low bid, and request them to provide details of the components of their bid and explain the reasons for its low price. If the entity is not convinced of their ability to fulfil their contractual obligations, it may exclude the bid.

2. The Federal Entity shall inform the excluded supplier of the exclusion decision and the reasons on which its decision was based.

Article (26)

Award

The bid shall be awarded in accordance with the procedures specified by the executive regulations of this Law and based on the evaluation criteria stated in the tender announcement. The award shall be made to the participating supplier whose bid meets the following elements: -

1. Fulfilment of the contract requirements and conditions and proof of the necessary capacity and capabilities to execute the contract in accordance with the required provisions.
2. Achievement of the public interest and the best public value throughout the entire contract duration.

Article (27)

Notifying Suppliers of the Bid Award Decision

1. After evaluating the bids and making the decision to award the bid, all participating suppliers shall be informed of the decision to award the bid to the winning supplier.
2. If the winning supplier is delayed in submitting the required documents or signing the contract without an acceptable excuse within the period specified by the executive regulations of this Law, the Federal Entity may, after notifying them, cancel the award, and it may award to the second-best participating supplier or decide to re-tender.

Article (28)

Publication of the Award Decision

Details of the award decision may be published on the Procurement System within (30) thirty days of the completion of the award and the

signing of the contract. The publication must include all key data of the bid as specified by the executive regulations of this Law.

Article (29)

Justifications for the Award Decision

Without prejudice to the participating supplier's right to file a grievance with the concerned Federal Entity within the deadlines stipulated in Article (38) of this Law, any unsuccessful participating supplier in the award process may request the Federal Entity to clarify the reasons for their non-selection, including the strengths and weaknesses of their bid. If the participating supplier requests clarification, a response must be provided within the period stipulated in the executive regulations of this Law.

Chapter Seven

Contracting Provisions and Controls

Article (30)

Procurement Contract

The procurement contract shall regulate the terms of the contract and the obligations and rights of its parties and shall be prepared in a manner that does not violate this Law and its executive regulations. In the event of any disputes or disagreements between the Federal Entity and the supplier, the procurement contract shall be referred to as the legal document governing the contractual relationship between them.

Article (31)

Preparation of Procurement Contracts

1. The executive regulations of this Law shall specify the types and standard templates of procurement contracts.
2. Federal Entities may draft special contracts for their procurement if necessary, according to the nature and complexity of the procurement.

Article (32)

Signing the Contract

The procurement contract shall be signed between the Federal Entity and the winning supplier after notifying them of the award decision and providing a performance guarantee bond if required, in accordance with

the procedures and templates specified by the executive regulations of this Law.

Article (33)

Contract Amendment

1. When it is necessary to amend the contract or make any changes to the tender (such as amending the project scope, timeline, cost, or terms and conditions of the contract), the provisions, procedures, and maximum limits stipulated in the executive regulations of this Law must be observed, and the required approvals must be obtained in accordance with the Matrix of Delegation of Powers.
2. Any request to amend a procurement contract must be based on acceptable reasons and justifications, and the availability of the necessary financial appropriations for any amendment, regardless of its value, must be verified.

Article (34)

Assignment of the Contract and Subcontracting

1. The contracting supplier may not assign the contract or any part of it to another supplier or subcontract without obtaining prior written approval from the Federal Entity. The executive regulations of this Law shall specify the conditions and controls in this regard.
2. The Federal Entity may make payments directly to the subcontractor. The executive regulations of this Law shall specify the conditions and controls in this regard.
3. The contracting supplier shall in all cases be jointly and severally liable with the subcontractor for the execution of the contract.

Article (35)

Payment to Suppliers

1. Federal Entities are obligated to make payments to suppliers in accordance with the provisions and deadlines stipulated therein.
2. In the case of subcontracting, the contracting supplier is obligated to pay the subcontractors as soon as their payments are due as agreed, provided that the payment terms for subcontractors are consistent with

the payment terms agreed between the main supplier and the concerned Federal Entity.

Article (36)

Intellectual Property

If the procurement involves the creation of new intellectual property rights that are expected to benefit the Federal Entities, the tender announcement must explicitly state the purpose of these rights and whether the Federal Entity intends to own them, obtain a license to use them, or intends to exploit them for its future activities.

Article (37)

Applicable Law and Dispute Resolution

1. The laws in force in the State shall apply to the procurement contract. Based on the approval of the Minister or the head of the concerned Federal Entity, as the case may be, it may be agreed to apply a foreign law to contracts executed outside the State.
2. The parties must perform their obligations in the contract in accordance with its provisions and conditions without prejudice to this Law and its executive regulations. If either party fails to perform its obligations, the other party may resort to the competent courts in the State.
3. The executive regulations of this Law shall specify other means for settling disputes arising from the execution of a procurement contract concluded in accordance with the provisions of this Law and the procedures and conditions for resorting to them.

Chapter Eight

Consideration of Complaints

Article (38)

Grievance against Decisions of the Federal Entity

1. Every participating supplier has the right to file a grievance with the Federal Entity against any decision it has taken before the award decision, within (5) five working days from the date of being notified of the decision. They also have the right to file a grievance with the Federal Entity against

the award decision, within (5) five working days from the date of issuance of the award decision.

2. The Federal Entity must decide on the grievance impartially within the period stipulated in the executive regulations of this Law. If that period passes without a response to the grievance, it shall be considered a rejection of the grievance.

3. The executive regulations of this Law shall specify the mechanisms and controls for grievances and responding to them, the relevant timeframes, its procedures, and the competent authority to decide on it.

Chapter Nine

General Provisions

Article (39)

Language of Procurement Contracts and Tender Documents

1. Contracts, tender documents, their annexes, and related correspondence shall be drafted in the Arabic language. The English language may be used instead if the Federal Entity deems it necessary.

2. The procurement contract must include a clarification of the language adopted for interpretation and execution and for defining its specifications, plans, and related correspondence when two languages are used in drafting the contract or document.

Article (40)

Contracting between Federal Entities

Federal Entities and companies wholly owned by the Government, whether at the local or federal level, may contract with each other by direct agreement without being subject to the substantive or procedural provisions of this Law, provided that they themselves undertake the execution of the works or the procurement. They may also act on behalf of each other in conducting contracting procedures.

Article (41)

Exception from the Provisions of the Law

The Cabinet may grant an exception from any provision of this Law if the need arises and upon the request of the concerned Federal Entity, specifying the subject of the exception and its justifications.

Article (42)

Executive Regulations of this Law

1. The Cabinet shall issue the executive regulations of this Law, which shall include the following: -

- a. Detailed provisions, procedures, and conditions for the procurement process on the Procurement System.
- b. The roles of the organisational units concerned with procurement in Federal Entities.
- c. Defining the tasks and roles of procurement committees in Federal Entities.
- d. Defining the methods, categories, and levels of procurement and their related provisions.
- e. Provisions related to the Matrix of Delegation of Procurement Powers.
- f. Defining procurement operations and their detailed related provisions.
- g. Defining the types and templates of contracts.
- h. Cases of non-conformity.
- i. Forms used in procurement.
- j. Any provisions, procedures, or work guidelines that would regulate procurement operations in Federal Entities and identify the authorities responsible for issuing them.

2. The Minister shall issue the necessary guidelines and procedures for the implementation of the provisions of this Law and its executive regulations.

3. Independent Federal Entities may adopt their own procurement regulations or policies in accordance with the provisions of this Law, provided that they are guided in their preparation by the executive regulations of this Law.

Article (43)

Repeals

1. Any provision that contradicts or conflicts with the provisions of this Law is hereby repealed.

2. Cabinet Decision No. (1/1W) of 2022 on the Adoption of the Digital Procurement Policy for the Federal Government, and Cabinet Decision No. (4) of 2019 on the Procurement and Warehouse Management Regulation in the Federal Government shall continue to be in force to the extent that they do not conflict with the provisions of this Law until the executive regulations and guidelines of this Law, and any other relevant policies, are issued.

Article (44)

Contracts Concluded Before the Date of this Law

The application of the provisions of this Law is excluded from the procurement of Federal Entities concluded before its entry into force. The provisions of their own contracts and the legislation applicable to them before the issuance of this Law shall apply to them, and they may not be amended, renewed, or extended except in accordance with the provisions of this Law.

Article (45)

Publication and Enforcement of the Law

This Law shall be published in the Official Gazette and shall come into force from 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:-

Date: 13 / Jumada al-Awwal / 1445 H

Corresponding to: 27 / November / 2023 AD