

Federal Decree-Law No. (15) of 2024

On the Collection of Debts of Federal Entities

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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 Decree-Law No. (15) of 2018 on the Collection of Public Revenues and Funds, and its amendments,
- And Federal Decree-Law No. (26) of 2019 on Public Finance, and its amendments,
- And Federal Decree-Law No. (42) of 2022 promulgating the Civil Procedure Law,
- And based on the proposal of the Minister of Finance, and the approval of the Cabinet,

Have issued the following Decree-Law:

Article (1)

Definitions

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

State	: The United Arab Emirates.
Ministry	: The Ministry of Finance.
Minister	: The Minister of Finance.
Federal Government	: The government of the United Arab Emirates.
Federal Entity	: Federal ministries, authorities, and public institutions.
Creditor Entity	

	: The Federal Entity to which a debt is owed by the debtor.
Head of the Creditor Entity	: The concerned minister, chairman of the board, head of the entity, or their equivalent, as the case may be.
Debt Collection Follow-up Unit	: An organizational unit within the Ministry responsible for following up and supervising the collection of debts of Federal Entities in accordance with the provisions of this Decree-Law.
Debt	: Any of the debts stipulated in Article (3) of this Decree-Law.
Debtor	: The natural or private legal person who owes a debt to a Creditor Entity and delays or refrains from paying it on its due date.
Competent Court	: The federal court within whose jurisdiction the debtor's domicile, place of residence, or place of business is located, or the nearest federal court to such domicile or place of business.
Enforcement Judge	: The enforcement judge at the Competent Court.
Enforcement Deed	: The collection decision specified in Article (9) of this Decree-Law or clause (4) of Article (16) thereof.
Business Day	: An official working day in the Federal Government.

Article (2)

Objectives of the Decree-Law

This Decree-Law aims to achieve the following:

1. Regulate and govern the procedures for collecting the debts of Federal Entities on their due dates.
2. Enable Federal Entities to exercise their competencies and tasks related to the collection of their debts according to a clear and transparent work system and procedures.

3. Achieve the development and sustainable growth of public services and facilities.

Article (3)

Debts Subject to the Provisions of this Decree-Law

Without prejudice to any special provision in any effective federal legislation, the following debts shall be collected in accordance with the provisions and collection procedures stipulated in this Decree-Law:

1. Taxes, fees, and revenues imposed under federal legislation.
2. Administrative fines imposed under federal laws and Cabinet resolutions.
3. Fees due to the Creditor Entity in exchange for the services it provides.
4. Financial obligations arising from lease contracts concluded by Creditor Entities.
5. Any other funds that federal laws or Cabinet resolutions stipulate shall be collected in accordance with the provisions of this Decree-Law.

Article (4)

Payment of Debt

1. The Debtor must pay their due debts on their maturity dates without delay or the need for a demand from the Creditor Entity.
2. A debt collected within the State shall be paid in UAE Dirhams into the account specified by the Creditor Entity, unless another legislation or an agreement between the Creditor Entity and the Debtor provides otherwise.
3. A debt collected outside the State shall be paid into the account specified by the Creditor Entity in coordination with the Ministry, in the currency of the state where the collection takes place, according to the exchange rate determined by the Central Bank of the United Arab Emirates.
4. The Debtor shall bear all expenses incurred by the Creditor Entity to collect its debt in accordance with the provisions of this Decree-Law or any other effective federal legislation in the State.

5. If the debt is paid to the Competent Court, the Competent Court shall notify the Creditor Entity thereof within (7) seven business days, and it shall transfer the amount within (7) seven business days from the date the Creditor Entity notifies it of the details of the account into which these amounts are to be deposited.

Article (5)

Debt Due Dates

1. The debt shall become due and payable according to the dates specified in the legislation regulating the debt or in the lease contracts referred to in clause (4) of Article (3) of this Decree-Law.
2. If the relevant legislation regulating the debt does not specify the due date, the due date shall be determined by a Cabinet resolution based on a proposal from the Minister.

Article (6)

Notifying the Debtor of Payment

1. If the Debtor fails to pay the debt on its due date, the Creditor Entity shall, within (10) ten business days from the due date, notify the Debtor of the obligation to pay.
2. In the notification, the Creditor Entity shall specify the nature and value of the debt owed by the Debtor and the obligation to pay it within (20) twenty business days from the date of notification. If the Debtor fails to pay the debt within this period, the Creditor Entity will issue a decision against them to collect the debt in accordance with the provisions of Article (9) of this Decree-Law.
3. Unless any other applicable legislation or an agreement between the Creditor Entity and the Debtor provides for another period, as the case may be, the Debtor must pay the debt within (20) twenty business days from the date of notification.

Article (7)

Procedures for Notifying the Debtor of Payment

1. Without prejudice to any other means prescribed by any other effective federal legislation in the State, the notification stipulated in Article (6) of this Decree-Law shall be effected by any of the following means:
 - a. Hand-delivery of the notification to the Debtor at their usual place of residence or place of work.
 - b. Hand-delivery of the notification to a member of the Debtor's family who has reached the age of majority, resides with them, works in their service, or legally represents them.
 - c. Sending the notification by registered mail, email, fax, text message, or any other technological means to the Debtor's address registered with the Creditor Entity. If there is no registered address with the Creditor Entity, it may send the notification to any address of the Debtor registered with any competent authority in the State, unless the Creditor Entity and the Debtor agree on another method.
2. If any of the persons mentioned in paragraphs (a) and (b) of clause (1) of this Article refuses to receive the notification, the person serving the notification shall draw up a report in two copies, sign them, and affix one copy in a visible place at the location where the notification was served. The purpose of the notification is thereby achieved, and its legal effects arise from that procedure.
3. If it is not possible to notify the Debtor in accordance with the provisions of clauses (1) or (2) of this Article, the notification shall produce its legal effects once the Creditor Entity publishes it in two local daily newspapers, whether in print or electronic form, provided that at least one of them is issued in the Arabic language. The date of publication shall be considered the date of notification in this case. The Creditor Entity must also post the notification on its website and send it to the Debtor by email if it has their email address and details.

Article (8)

Debt Collection Unit at the Creditor Entity

The Creditor Federal Entity shall designate an organizational unit from its departments or sections to undertake the procedures for collecting its debt in accordance with the provisions of this Decree-Law, and to exercise the following:

1. Manage the notification system stipulated in this Decree-Law.
2. Follow up on the payment of the debt or the due portion thereof on its due dates.
3. Verify the fulfillment of the conditions for debt installment.
4. Follow up on the enforcement procedures and the urgent and precautionary measures stipulated in this Decree-Law.
5. Coordinate with the Debt Collection Follow-up Unit to enable it to exercise its competencies in accordance with the provisions of this Decree-Law and the resolutions issued in its implementation.

Article (9)

Collection Decision

Without prejudice to the provisions for issuing an Enforcement Deed contained in any other effective federal legislation in the State, if the Debtor fails to pay the debt within the periods specified in Articles (6) and (19) of this Decree-Law, the Head of the Creditor Entity or their delegate shall issue a decision to collect the debt. This decision shall be considered an Enforcement Deed, and the Creditor Entity must submit it to the Enforcement Judge to initiate its compulsory enforcement in accordance with the procedures stipulated in the Civil Procedure Law.

Article (10)

Tasks of the Enforcement Judge

1. The Enforcement Judge at the Competent Court shall refer any matter requiring the intervention and assistance of judicial authorities in any emirate of the State to the Enforcement Judge in any of the courts within whose jurisdiction the action is to be taken.

2. If the enforcement relates to an interim measure or a notification, and the place of execution of the measure or notification is located within the jurisdiction of another court, the Enforcement Judge at the Competent Court shall delegate the Enforcement Judge in whose jurisdiction the action is to be taken to carry it out.

Article (11)

Exemption from Fees and Guarantees

1. The Creditor Entity shall be exempt from paying any fees to any federal government entity whenever such fees are in any way related to the collection of the debt in accordance with the provisions of this Decree-Law. This includes all judicial fees and expenses, public auction fees, and the fee prescribed for obtaining information related to the Debtor or their assets.
2. The Creditor Entity shall not be obliged to provide any guarantees or sureties when initiating any urgent or precautionary measures or procedures for executing the Enforcement Deed in accordance with the provisions of this Decree-Law.

Article (12)

Urgent and Precautionary Measures

1. The Creditor Entity may, upon the due date of the debt or during the enforcement proceedings against the Debtor, request the Competent Court to impose a precautionary attachment on any of the Debtor's assets, whether such assets are in their possession or with a third party, or to impose a travel ban or any other precautionary measure.
2. Notwithstanding what is stated in clause (1) of this Article, the Creditor Entity may, before the due date of the debt, request the Competent Court to impose a precautionary attachment on any of the Debtor's assets, whether such assets are in their possession or with a third party, or to impose a travel ban or any other precautionary measure, if the Creditor Entity has strong evidence or indications that its rights are at risk of being lost or that the Debtor has begun to smuggle or hide their assets. In this case, the Competent Court shall issue its decision on the request after setting a hearing and notifying the Debtor to appear

before it within (24) twenty-four hours, provided that the notification is made in accordance with the provisions of clause (1/a) of Article (7), to verify the validity of the Creditor Entity's claims and to enable the Debtor to present their defense or provide sufficient guarantees to settle the debt on the due date.

3. Decisions issued by the Competent Court in accordance with the provisions of clauses (1 and 2) of this Article may be appealed at any time before the Court of Appeal within whose jurisdiction the Competent Court is located.
4. Subject to the provisions of clauses (1), (2), and (3) of this Article, if a substantive lawsuit is filed before the Competent Court and judgment is rendered in favor of the Debtor, the urgent and precautionary measures taken against the Debtor under the provisions of this Article shall be terminated.
5. If the garnishee dies, loses legal capacity, or their capacity or that of their legal representative ceases to exist before declaring what they owe, the Competent Court shall notify the heirs of the garnishee or their legal representative of a copy of the attachment order and shall require them to submit a declaration of what is owed within (10) ten business days from the date of this requirement.
6. The procedures and provisions stipulated in the Civil Procedure Law regarding urgent and precautionary measures shall apply to matters for which no special provision is made in this Article.

Article (13)

Payment of Debt After Submission of the Enforcement Deed

In the event of payment of the debt after the Enforcement Deed has been submitted to the Enforcement Judge, the Debtor must deposit the due debt into the treasury of the Competent Court for the benefit of the Creditor Entity.

Article (14)

Special Provision Regarding Sale by Public Auction

1. The provisions and procedures stipulated in the Civil Procedure Law shall be followed for the sale of movable or immovable property by

public auction, with the exception of the provision contained in the text of clause (2) of Article (298) of that law. The auction shall not be canceled for reasons of the Creditor Entity's failure to follow up, and this shall not result in a re-auction.

2. Enforcement by selling the Debtor's movable or immovable assets does not require the presence of a representative of the Creditor Entity.

Article (15)

Expenses of Selling Attached Assets

In all cases where the Debtor's assets are sold by public auction in accordance with the provisions of this Decree-Law, the Debtor shall bear all fees and expenses arising from the attachment and sale of these assets, as well as any subsequent fines and compensations. These shall be deducted from the final sale value before paying the debt amount to the Creditor Entity. Any remaining proceeds from the sale, if any, shall be returned to the Debtor.

Article (16)

Grievance

1. Without prejudice to the procedures for review, grievance, and objection regulated by any other federal legislation concerning the collection of a specific debt, the Debtor may file a grievance against the collection decision, the decision to refuse debt installment, or the cancellation of the installment decision before the committee stipulated in clause (2) of this Article. This must be done within (20) twenty business days from the date of being notified of the decision. The grievance must be reasoned and accompanied by all supporting documents and records.
2. A committee or committees shall be formed in each federal government entity by a decision of its head to consider grievances submitted against debt collection decisions issued in implementation of the provisions of this Decree-Law, chaired by at least an undersecretary or equivalent rank. The formation decision shall specify the committee's working mechanism and system.
3. The committee stipulated in clause (2) of this Article must decide on the grievance within (10) ten business days from the date of its submission

and shall notify the grievant of its decision of acceptance or rejection within (5) five business days from the date of its issuance. The decision on the grievance shall be final, and failure to respond within the mentioned period shall be considered a rejection of the grievance.

4. If the grievance is found to be valid, the Creditor Entity shall issue a decision to amend or cancel the grieved decision, as the case may be. The new decision issued based on the committee's decision to amend the debt collection decision shall be considered an Enforcement Deed. The Debtor shall be notified of it through one of the notification methods stipulated in Article (7) of this Decree-Law.
5. Submitting a grievance shall result in the suspension of enforcement proceedings until it is decided upon.

Article (17)

Outsourcing the Creditor Entity's Debts

1. The Creditor Entity may, based on a proposal by the Minister and the approval of the Cabinet, outsource the collection of any of its debts to a company licensed for debt collection, in accordance with the regulations and provisions issued by a Cabinet resolution.
2. If the collection of the Creditor Entity's debts is outsourced to a company in accordance with the provisions of clause (1) of this Article, the procedures undertaken by the company to collect the debts under this Decree-Law shall be considered as if they were carried out by the Creditor Entity.
3. Without prejudice to the liability of the company and its employees, the Creditor Entity shall not be held responsible for errors committed by the company or its employees as a result of their undertaking of debt collection procedures in accordance with the provisions of this Article.

Article (18)

Authorization to Undertake Collection Procedures

1. Notwithstanding what is stated in any other effective federal legislation in the State, the Creditor Entity may authorize any private person from among lawyers to undertake any of the debt collection procedures on its behalf.

2. For the purposes of this Article, the authorization must be in writing and approved by the Head of the Creditor Entity or their delegate.
3. The provisions of this Decree-Law shall not prejudice the powers vested in the State Cases Department to represent federal government entities. A Cabinet resolution, based on a proposal by the Minister of Justice, shall regulate the cases in which law firms or a lawyer may be engaged, and the rules and procedures for coordination between federal government entities and the State Cases Department to engage a firm or a lawyer to undertake one or more of the collection procedures.

Article (19)

Debt Installment

1. The Creditor Entity may, at any stage of debt collection and upon the request of the Debtor or their legal representative, grant an installment plan for the debt or part of it for a Debtor who is unable to pay it in a single payment, in accordance with the regulations and conditions to be determined by a Cabinet resolution based on a proposal by the Minister.
2. Approval of the debt installment request shall result in the suspension of enforcement proceedings.
3. In the event the Debtor fails to pay any of the installments on their specified due dates, the Creditor Entity shall issue a decision to cancel the installment plan and proceed with enforcement measures against the Debtor to collect the debt or the remainder thereof, without the need for any further notification or procedure.
4. The Creditor Entity must cancel the installment decision if it becomes apparent that its rights are at risk of being lost. In this case, the Debtor shall be notified of the cancellation of the installment decision, and the Creditor Entity shall resume debt collection procedures, unless the Debtor provides new guarantees acceptable to the Creditor Entity for the continuation of the installment decision.

Article (20)

Debt Collection Follow-up Unit

The Debt Collection Follow-up Unit shall be responsible for the following:

1. Following up on the implementation of the debt collection procedures stipulated in this Decree-Law by Federal Entities, by reviewing the reports submitted to it by the Federal Entities in accordance with Article (21) of this Decree-Law.
2. Submitting periodic reports to the Minister on the volume of debts of Federal Entities, the amounts that are uncollectible, and the reasons therefor.
3. Preparing studies and submitting proposals aimed at enhancing the effectiveness of the debt collection system for Federal Entities and submitting them to the Minister.
4. Considering debt installment requests referred to it by Federal Entities in cases where a Cabinet resolution is required.
5. Requesting any information or documents from Federal Entities that it deems necessary for the exercise of its competencies.
6. Any other tasks assigned to it by the Minister.

Article (21)

Reporting on Debts

The Creditor Entity must submit a quarterly report to the Debt Collection Follow-up Unit, according to the designated form. The report shall include a detailed statement of its debts as of the date of submission, the measures taken for collection, and any other information or documents that support the information contained in the report or are requested by the Debt Collection Follow-up Unit.

Article (22)

Debt Due Before the Effective Date of this Decree-Law

Creditor Entities may collect their debts that became due before the effective date of this Decree-Law in accordance with the procedures stipulated herein and without being bound by the notification period

mentioned in Article (6) of this Decree-Law, provided that the notification was correctly made according to the provisions of the previous law. If the notification was not made or was made incorrectly according to the provisions of the previous law, the Creditor Entity must notify the Debtor in accordance with the provisions of this Decree-Law.

Article (23)

Final Provisions

Federal Entities shall provide the necessary assistance to enable the Creditor Entity to recover its debt in accordance with the provisions of this Decree-Law, each within its jurisdiction and according to the laws in force in the State.

Article (24)

Applicability of the Civil Procedure Law

The Civil Procedure Law shall apply to matters for which no special provision is made in this Decree-Law.

Article (25)

Executive Resolutions

The Minister shall issue the necessary resolutions to implement the provisions of this Decree-Law.

Article (26)

Repeals

Federal Decree-Law No. (15) of 2018 on the Collection of Public Revenues and Funds is hereby repealed, as is any provision that contradicts or is inconsistent with the provisions of this Decree-Law.

Article (27)

Publication and Entry into Force of the Decree-Law

This Decree-Law shall be published in the Official Gazette and shall come into force (3) three months after the date of its publication.

Mohamed bin Zayed Al Nahyan
President of the United Arab Emirates

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