

Federal Decree-Law No. (31) of 2023

Concerning the Trust

We, Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates,
Having reviewed the Constitution,

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

And Federal Decree-Law No. (19) of 2020 Concerning the Trust,

And based on the proposal of the Minister of Finance and the approval of
the Cabinet,

Have issued the following Decree-Law:

Chapter One

General Provisions

Article (1)

Definitions

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

The State : United Arab Emirates.

The Minister : Minister of Finance.

The Competent Authority : The local authority in the concerned Emirate responsible for verifying the validity and registering the Trust Instrument created in that Emirate, in accordance with the provisions of Articles (42) and (44) of this Decree-Law, respectively.

Person : A natural or legal person.

The Trust : The legal person established under the Trust Instrument in accordance with the provisions of this Decree-Law to achieve the purpose of the trust.

The Settlor : A natural or legal person who creates the Trust and transfers his property to it in accordance with the provisions of this Decree-Law.

The Trustee : A natural person, including a Professional Trustee, or a professional legal person appointed under the Trust Instrument to whom the powers and authorities specified in the Trust Instrument and the provisions of this Decree-Law are transferred to achieve the purpose of the Trust.

Professional Trustee : A natural person licensed to perform the duties of a Trustee in accordance with the provisions of this Decree-Law or the legislation in force in the State.

Professional Corporate Body : A legal person licensed in the State, including any of the Financial Free Zones, whose license permits it to exercise the powers and authorities of a Trustee.

Trust Instrument : A written document executed by the Settlor to specify the terms and conditions relating to the Trust, including any amendments to those terms and conditions.

Terms of the Trust Instrument : The terms stipulated in the Trust Instrument which express the will of the Settlor and how the Trust is to be executed and administered.

Trust Property : Any movable or immovable property owned by the Trust, including any benefits associated with it or forming part of it, and any existing or future right, inside or outside the State, and the Trust Property includes the Trust Benefits as specified by the Trust Instrument.

Trust Benefits : All returns, benefits, revenues, and any profit resulting from the investment, exploitation, or disposal of any of the elements of the Trust Property.

The Beneficiary : The person who has a personal right under the Trust Instrument, as well as the person who is or may be entitled under the Trust Instrument to receive the Trust Benefits or property, and any person to whom the Trustee has the authority to grant Trust Benefits in a manner not inconsistent with the provisions of the Trust Instrument, including the arrangement of a security right in favour of this person over the Trust Property.

The Register : A database maintained by the Competent Authority for the purpose of registering and documenting the Trust Instrument and any amendments thereto.

The Purpose of the Trust : The purpose for which the Trust was created in accordance with the provisions of Clause (1) of Article (6) of this Decree-Law.

The Protector of the Trust : A person appointed by the Settlor to protect the Trust or appointed in accordance with the mechanism specified by the Trust Instrument.

Interested Party : The Settlor, the Trustee, the Beneficiary, the legal representative of the Beneficiary, or the Protector of the Trust.

The Competent Court : A court that has jurisdiction in accordance with the Civil Procedures Law.

Certificate of Trust Validity : A certificate issued by the Competent Authority in accordance with the provisions of Clause (2) of Article (42) of this Decree-Law.

Certificate of Registration : An official certificate issued by the Competent Authority in accordance with the provisions of Clause (4) of Article (44) of this Decree-Law.

Financial Free Zones : The free zones specified under the provisions of Federal Law No. (8) of 2004 Concerning Financial Free Zones.

Initial Registration : The first registration procedure for the relevant Trust Instrument in the Register and the issuance of a registration certificate, excluding any subsequent registration in the Register of any amendment to the Trust Instrument.

Article (2)

Scope of Application of the Decree-Law

1. The provisions of this Decree-Law shall apply to any Trust created in accordance with its provisions, excluding Financial Free Zones that have their own legislation regulating Trusts created therein.

2. The Trust shall be subject to the provisions contained in the Trust Instrument and to the provisions of this Decree-Law, its preamble, and the decisions issued thereunder, to the exclusion of other legislation.

Article (3)

Legal Personality of the Trust and Ownership of Trust Property

1. The Trust acquires legal personality from the date of the Initial Registration and shall have financial and administrative independence and the right to litigate in this capacity, and shall be represented by the Trustee.

2. Neither the Settlor, the Trustee, nor their heirs or successors shall be considered owners of the Trust Property and its benefits, and the Trust, its property, or its benefits shall not be included in the estate of any of them upon death or in bankruptcy or liquidation proceedings taken against any of them.

3. Ownership of the Trust Property shall be vested in the Trust once it is duly transferred to the Trust's assets.

Chapter Two

Establishment of the Trust

Article (4)

Requirements for Trust Property

1. The property transferred to the Trust must meet the following conditions:

a. The property must be owned by the Settlor who has the right to dispose of it himself or through his legal representative, in accordance with the provisions of this Decree-Law and any other legislation in force in the State.

b. The property to be transferred to the Trust must be disposable and free from any vested rights of third parties. If the property is encumbered by a

vested right of a third party, the ownership of that property shall be transferred to the Trust subject to that right.

c. The property must be specified or specifiable, and includes property that materializes in the future.

2. The transfer of the Settlor's property to the Trust is not a condition for its establishment.

3. The Trust Property shall not be subject to any financial disclosure by the Trustee unless such disclosure is made by the Trustee in that capacity, in execution of a court order from a competent court, or under the legislation in force in the State.

Article (5)

The Trust Instrument

1. The Trust Instrument is subject to the following conditions:

a. It must be approved by the Competent Authority in accordance with Article (42) of this Decree-Law.

b. It must be executed in written form and signed by the Settlor or by each of the Settlers if there are multiple, in accordance with the procedures approved by the Competent Authority. If the person appointed as Trustee or one of the Trustees, if there are multiple, accepts their appointment in the manner specified in Clause (1/a) of Article (15) of this Decree-Law, the Trust Instrument may also be signed by that person.

c. It must be registered in the Register in accordance with Article (44) of this Decree-Law.

2. The Trust Instrument must include the following data:

a. A declaration of the Settlor's intention to create the Trust.

b. Identification of the Beneficiary of the Trust or the mechanism for their identification.

c. Identification of the nature of the Trust Property, or a description thereof in a way that allows its nature to be determined.

d. Specification of the duration of the Trust. If the duration is not specified, the Trust shall be considered perpetual unless circumstances indicate otherwise, as determined by the Competent Court.

e. Specification of the name by which the Trust is known.

f. The naming of the Trustee, or the mechanism for their naming to act in this capacity.

g. Specification of the powers and authorities of the Trustee.

3. If any of the data referred to in Clause (2) of this Article are not available, with the exception of paragraph (d) of Clause (2), the Trust Instrument shall be void.

4. The Trust Instrument may include the following:

a. Detailed information regarding the identification of the Beneficiary and the specific share for each Beneficiary in case of multiple Beneficiaries.

b. Whether the Beneficiary's share is a portion of the benefits of the Trust Property or a portion of the Trust Property itself.

c. The Trustee's authority to consider the interests of the Beneficiaries when distributing the Trust Property to them, provided it does not violate the provisions of the Trust Instrument.

d. Specification of the conditions related to the management of the Trust Property.

e. The method of appointing, dismissing, and replacing the Trustee and any consequences thereof.

f. The consequences resulting from the termination of the Trust.

g. Any other matters related to the performance of the Trustee's duties or the regulation of the relationship between the Trustee and the Settlor, the Beneficiary, or the Protector of the Trust.

h. The method of appointing the Protector of the Trust and their powers.

i. A description of the purpose of the Trust.

j. Any other matters that may be included in accordance with the provisions of this Decree-Law.

5. The registration of the Trust Instrument, after reviewing the structure, terms, conditions, and clauses of the Trust Instrument and the issuance by

the Competent Authority of a certificate of the Trust's validity and enforceability, shall be evidence against all parties of the validity and enforceability of the Trust unless its invalidity is proven in accordance with the provisions of Article (39) of this Decree-Law.

6. The Trust Instrument and any related document shall be drawn up in Arabic or any other language, provided it is accompanied by a certified legal translation into Arabic. In case of a dispute, the original language in which the Trust Instrument was drawn up shall prevail.

Article (6)

Purpose of the Trust

The purpose of the Trust as stipulated in the Trust Instrument must be clearly defined, lawful, and achievable.

Article (7)

Increasing the Trust Property

1. The Settlor may transfer additional property to the Trust, unless the Trust Instrument provides otherwise.
2. The benefits of the Trust shall be added to the Trust Property.

Article (8)

Duration of the Trust

1. Subject to Clause (2/d) of Article (5) of this Decree-Law, the end of the Trust's duration may be linked to a specific, lawful, and achievable event or cause, provided this is explicitly stated in the Trust Instrument.
2. If the duration of the Trust is specified and the Trust Instrument does not provide for a mechanism for distributing the Trust Property at the end of that duration, the Competent Court may, upon the request of any interested party, and subject to the provisions of Article (41) of this Decree-Law, issue a decision for its distribution.

Chapter Three

The Settlor

Article (9)

Conditions for the Settlor

1. If the Settlor is a natural person, they must meet the conditions of legal capacity in accordance with the provisions of the Federal Civil Transactions Law.
2. If the Settlor is a legal person, a decision must be issued by the competent authority to dispose of its assets in accordance with the founding documents of that person and the legislation in force in the State.

Article (10)

Multiple Settlers

1. If there are multiple Settlers of the Trust:
 - a. All decisions among them shall be taken unanimously, without regard to the contribution of each Settlor to the Trust Property, unless the Trust Instrument provides otherwise.
 - b. Each Settlor shall exercise their powers in accordance with the provisions of the Trust Instrument.
2. Each Settlor may delegate any of their powers in accordance with the provisions of this Decree-Law to another person, unless the Trust Instrument provides otherwise.

Article (11)

Obligations of the Settlor

The Settlor is obligated to:

1. Transfer the property to the Trust and transfer the powers and authorities to the Trustee within a period not exceeding (6) six months from the date of the Initial Registration, unless the Trust Instrument provides otherwise.
2. Deliver all documents, records, and data related to the Trust Property to the Trustee within the period stipulated in Clause (1) of this Article, unless the Trust Instrument provides otherwise.

Article (12)

Powers of the Settlor

1. The Settlor may reserve for themselves the following powers related to the Trust if the Trust Instrument explicitly permits it:
 - a. To terminate or revoke the Trust in whole or in part.
 - b. To modify or change the purpose of the Trust. In this case, the Trust Instrument may stipulate a specific period during which no modification or change may be made, and the Settlor may make modifications or changes after the expiration of that period, provided it is done during their lifetime if they are a natural person.
 - c. To amend any term of the Trust Instrument in whole or in part, including the cases stipulated in this Decree-Law.
 - d. To add a new Beneficiary or exclude any Beneficiary, or to modify the rights of any Beneficiary, or to set conditions related to the determination of Beneficiaries or their entitlement to the Trust Benefits, either permanently or temporarily. The Trust Instrument may specify who has the right to exercise the power stipulated in this paragraph and any other related conditions.
 - e. To appoint or dismiss the Trustee, the Protector of the Trust, or any other person appointed or granted powers or authorities under the provisions of this Decree-Law.
 - f. To change the obligations of the Trustee as stipulated in the Trust Instrument, and to restrict the exercise by the Trustee of any of their powers or authorities and to record any amendment thereof with the

written consent of the Settlor or any other person specified in the Trust Instrument.

g. To issue instructions to the Trustee regarding the management of the Trust Property, its disposal, its use, its exploitation, its investment, or the appointment or delegation of any person to do so, and any registration related to any amendment of the Trust Instrument.

2. The exercise by the Settlor of any of the powers and authorities stipulated in Clause (1) of this Article shall not be effective against the Trustee until the date the Settlor or their representative notifies them in writing. Any acts performed by the Trustee in good faith before receiving this notification shall be valid.

Chapter Four

The Trustee

Article (13)

Conditions for Appointing a Trustee

1. A Trustee who is a natural person must meet the following conditions:

a. To have legal capacity according to the legislation in force in the State.

b. To be of good conduct and reputation and not have been convicted of a felony or a misdemeanour affecting honor or integrity, unless they have been rehabilitated, which is to be proven by a certificate of criminal status or its equivalent issued by the competent authorities in the State.

2. If the Trustee is a legal person, it must be a professional legal person.

3. Professional corporate bodies and professional trustees shall be licensed by each Emirate according to the licensing requirements and procedures issued by a Cabinet decision based on the Minister's proposal and in coordination with the competent authorities.

4. The Settlor may be a Trustee and one of the Beneficiaries.

Article (14)

Multiple Trustees

1. The Trust may have one or more Trustees as provided in the Trust Instrument.
2. If the Trust Instrument does not specify the number of Trustees, the Trust shall have one Trustee. The Settlor may reserve the right to add one or more Trustees if the Trust Instrument so provides, and may also grant this power to the Protector of the Trust.
3. If there are multiple Trustees, the Trust Instrument must provide for the following:
 - a. The distribution of powers and authorities related to the Trust among more than one Trustee.
 - b. The responsibility of each Trustee for their actions and conduct within the limits of their powers and authorities specified in the Trust Instrument. The Settlor may appoint one of the Trustees, in the case of multiple Trustees, as a principal Trustee to exercise the powers and authorities stipulated in the Trust Instrument or in this Decree-Law.
4. If there are multiple Trustees and the Trust Instrument does not specify the method of managing the Trust among them and making decisions related to the Trust, they must act jointly, and their decisions shall be made in writing by a simple majority, except in cases where an emergency action is required to achieve the purpose of the Trust, or the required action does not require an exchange of views, such as collecting or paying a debt, in which case any Trustee may make the appropriate decision.
5. Subject to the provisions of the Trust Instrument, in the case of multiple Trustees, any dissenting Trustee has the right to object to the decision issued by the majority of Trustees, and their objection shall be recorded in writing in the decision itself.
6. If there are multiple Trustees and the Trust Instrument does not specify the duties of each, they shall be jointly and severally liable for the damage caused to the Trust if it results from a common mistake among them.

7. In the event that one of the Trustees ceases to hold office, the remaining Trustees shall continue to perform their usual duties until a new Trustee is appointed.

8. Trustees shall not be jointly and severally liable in the case of multiple Trustees for what one of them has done if they exceeded their powers and authorities as set out in the Trust Instrument or was arbitrary in their execution.

Article (15)

Acceptance or Rejection of Trustee Appointment

1. The person named as a Trustee may accept or reject their appointment in this capacity. Acceptance is deemed to have occurred if any of the following happens within a period specified by the Settlor in the Trust Instrument, or within (10) ten working days from the date of the Initial Registration if the Trust Instrument does not specify such a period:

- a. The named person expressly agrees to this appointment.
- b. The named person signs the Trust Instrument, if a natural person, or the legally authorized person signs on behalf of a legal person.
- c. The powers and authorities over the Trust Property are transferred to the named person, and they begin to perform their obligations as a Trustee.

2. Any person named as a Trustee is deemed to have rejected this appointment if any of the following situations occur within a period specified by the Settlor in the Trust Instrument, or within (10) ten working days from the date of the Initial Registration if the Trust Instrument does not specify such a period:

- a. If the named person expressly rejects their appointment.
- b. If the named person does not indicate their acceptance or rejection of the appointment.

3. The express acceptance or rejection of the appointment shall be sent by any written means to the Settlor. In the event of the Settlor's death, the expression of acceptance or rejection of the appointment shall be sent to any other appointed Trustee performing their duties on the same Trust, or

to any other person who has the power to appoint a Trustee as provided in the Trust Instrument.

4. The Trust Instrument may provide for the naming of a successor Trustee, or for a method of selecting a successor Trustee, in the event that the named Trustee refuses, or is deemed to have refused, to accept the appointment.

5. The transfer of the Settlor's property to the Trust is not complete until a person is named as a Trustee and accepts their appointment in this capacity in accordance with Clause (1) of this Article. In the case of multiple Trustees, at least one Trustee must accept their appointment in this capacity in accordance with Clause (1) of this Article.

Article (16)

Resignation, Removal, or Suspension of the Trustee

1. A Trustee may resign or request to be removed from their position as Trustee after accepting their duties.

2. Subject to the provisions of the Trust Instrument, the resignation or request for removal shall be submitted by any written means to the Settlor or the Protector of the Trust in the event of the death or incapacity of the Settlor at least (20) twenty working days before the effective date of the resignation or request for removal, unless the Trust Instrument specifies a shorter period or the remaining Trustees unanimously agree to a shorter period for the resignation or removal to take effect.

3. The person with the authority to appoint a Trustee must respond to the request for resignation or removal by any written means within (10) ten working days from the date of receiving the request. The request for resignation or removal is deemed accepted if no response is given within the specified period.

4. If the Trust Instrument does not regulate the terms and conditions for the resignation or removal of a Trustee, or if the resignation or removal is rejected, the Trustee may submit the relevant request to the Competent Court to issue a decision. If the Competent Court finds that the purpose of the resignation is to breach the execution of the Trust, it shall issue a

decision rejecting the resignation and hold them liable for the value of the resulting damages.

5. The Settlor, or the Protector of the Trust in the event of the Settlor's death or incapacity, may dismiss the Trustee for ceasing to perform their duties for a period exceeding (3) three months, even if the reasons for their absence are justified, unless the Trust Instrument provides otherwise. If the Settlor or the Protector of the Trust is unable to dismiss the Trustee in accordance with the provisions of this clause, any interested party may request the Competent Court to issue a decision to dismiss the Trustee for ceasing to perform their duties for a period exceeding (3) three months, even if the reasons for their absence are justified.

6. In the event that the concerned Trustee commits a willful misconduct or breaches their obligations stipulated in the Trust Instrument or this Decree-Law, the Settlor, or the Protector of the Trust in the event of the Settlor's death or incapacity, and upon the request of the remaining Trustees in the case of multiple Trustees, may order the suspension of the Trustee from exercising their powers and authorities or fulfilling their obligations for a period they specify, provided it does not harm the purpose of the Trust. In the case of multiple Trustees, the Trustee who has been suspended from work in accordance with the provisions of this clause has the right to object to the decision of the Settlor or the Protector of the Trust, as the case may be, and must submit a written notice of their objection to the remaining Trustees.

Article (17)

Dismissal of the Trustee

Any of the Trustees may be dismissed or a request may be made to replace any member of the board of directors of a Trustee if the Trustee is a legal person for any of the reasons specified in the Trust Instrument, according to the following:

1. The Settlor during their lifetime.
2. The Protector of the Trust in the event of the Settlor's death or incapacity.

3. The remaining Trustees in the case of multiple Trustees after the death of the Settlor if there is no Protector of the Trust.
4. The Competent Court upon the request of any interested party, if the Trustee cannot be dismissed in accordance with the provisions of Clauses (1), (2), and (3) of this Article.

Article (18)

Expiration of the Trustee's Powers

1. The powers of the Trustee shall expire in any of the following cases:
 - a. Upon their death or loss of capacity if the Trustee is a natural person.
 - b. Upon the liquidation of their business or declaration of bankruptcy if the Trustee is a legal person.
 - c. Upon the expiration of their term of appointment as specified in the Trust Instrument.
 - d. Upon the revocation of the Trustee's license if they are a professional Trustee or a professional corporate body.
2. Subject to the terms of the Trust Instrument, and in the event that the powers of the Trustee expire in accordance with Clause (1) of this Article and there is no appointed Trustee to assume the duties related to the Trust, the Competent Court shall assign the management of the Trust to one or more professional Trustees or professional corporate bodies on a temporary basis until a new Trustee is appointed in accordance with the Trust Instrument or the provisions of this Decree-Law if the Trust Instrument does not provide for the method of appointing a new Trustee. The Trust shall remain in effect under the management of the temporarily appointed professional Trustee or professional corporate body until the new Trustee assumes their duties.
3. In the event that the status of the Trustee ceases in accordance with Clause (1) of this Article and the Trust Instrument does not specify the conditions and mechanism for replacing the Trustee, the Competent Court may, upon the request of any interested party, appoint a new Trustee.
4. Any person appointed as a successor Trustee in accordance with Clause (3) of this Article shall have all the powers and authorities that the replaced

Trustee had, unless otherwise provided in the Trust Instrument or in the decision of the Competent Court that appointed the successor Trustee.

5. The Trustee whose status has ended, or their heirs or successors, must deliver all documents related to the Trust to the new Trustee in accordance with Clause (3) of this Article.

6. The replacement of a Trustee shall not prejudice any obligation imposed by any other applicable law regarding the recognition of transactions concluded by the former Trustee related to the Trust.

Article (19)

Effect of the Expiration of the Trustee's Powers

1. If the powers of the Trustee expire for any reason and another Trustee is not appointed, the Trust shall remain in effect until a new Trustee is appointed in accordance with the provisions of this Decree-Law, unless the Trust Instrument provides otherwise.

2. If the powers of the Trustee expire for any reason other than death or incapacity, they must submit to the Settlor and the Protector of the Trust, or the Competent Court if appointed by it, a final audited account of the Trust, supported by all data, papers, and documents related to the work they performed for the benefit of the Trust. They shall be considered a custodian of the Trust Property until they have handed over all the supporting information and documents in their possession, and they must take the necessary measures to transfer the rights over the Trust Property to the new Trustee or the other Trustees, if any, as soon as possible.

3. If the powers of the Trustee expire due to death or incapacity, the Trustee's heirs or legal representative, as the case may be, must notify the Competent Court or any of the other Trustees, if any, of the death or incapacity of their predecessor within forty (40) working days from the date of death or incapacity or from the date they became aware of the Trust if they were not aware of it. The Competent Court shall notify the Settlor, the Protector of the Trust, and the Beneficiary of the Trustee's death or incapacity.

4. In the event of the Trustee's death or incapacity, their heirs or legal representative, as the case may be, are obligated to transfer the Trust

Property in their custody to a new Trustee in accordance with the provisions of the Trust Instrument or by a decision of the Competent Court.

5. If the Trustee is a legal person and its status ceases, the Competent Court may decide that the person appointed by that legal person shall continue as the Trustee.

6. If the heirs of the deceased Trustee do not have legal capacity, their legal representative must fulfill the obligations stipulated in Clause (3) and Clause (4) of this Article.

7. In the case of multiple Trustees, and the status of one or more Trustees ceases, the Trustee continuing in office shall have all powers and authorities over the Trust Property, and must fulfill all obligations until a new Trustee is appointed.

8. The cessation of the Trustee's status for any reason shall not affect the continuation of the Trust unless the Trust Instrument provides otherwise, provided that the new Trustee, after their appointment, shall exercise all the powers and authorities of the former Trustee by operation of law without the need for any procedure, notice, or notification.

9. The new Trustee must take the necessary measures to compel any former Trustee to return and deliver the Trust Property, unless the Trust Instrument provides otherwise. The new Trustee must claim compensation from the former Trustee for any damage resulting from any breach caused by them during their tenure, or in accordance with the provisions of this Decree-Law.

Article (20)

Trustee's Fees and Trust Administration Expenses

1. The Trustee is entitled to fees for carrying out the tasks specified in the Trust Instrument, in accordance with the provisions set forth in the Trust Instrument.

2. The Trust Instrument must specify the person who has the right to determine the Trustee's fees or to modify them by increase or decrease at any time after the establishment of the Trust. If the Trust Instrument does not provide for the determination of the Trustee's fees or a mechanism for

their determination, the fees may be determined or modified by the written consent of all Beneficiaries, or in the absence of such consent, by a decision issued by the Competent Court upon the request of any interested party.

3. The Trust Instrument may provide for the determination of the Trustee's fees on the basis of a percentage of the Trust Benefits realized during the year, after deducting all expenses and fees, or in accordance with any other mechanism specified by the Trust Instrument.

4. The Trust Instrument may provide for the right of the Trustee to be reimbursed for reasonable expenses incurred in the administration of the Trust directly from the Trust Property. If the Trust Instrument does not provide for this, the Trustee may apply to the Competent Court for a decision to dispose of the Trust Property to obtain reimbursement for such expenses.

Article (21)

Powers and Authorities of the Trustee

1. The Trustee has all powers and authorities over the Trust Property and may manage, use, and dispose of it in all manners, and may open bank accounts in the name of the Trust, unless this right is restricted by the Trust Instrument or the provisions of this Decree-Law.

2. If the Trust Instrument contains a provision restricting the Trustee from disposing of the Trust Property, the Competent Court, in the event of the death or incapacity of the Settlor and the Protector of the Trust, may, upon the request of the Trustee or the Beneficiary, grant the Trustee the authority to dispose of the Trust Property, provided that in this case it is linked to the extent that it achieves the purpose of the Trust.

3. The Trust Instrument may explicitly provide for granting the Trustee discretionary power regarding the determination of each Beneficiary's share of the benefits resulting from the Trust Property and the method and time of its distribution.

4. If the execution of any term of the Trust Instrument or any provision of this Decree-Law requires the modification of the powers and authorities of the Trustee, the Trustee may, in the event of the death or incapacity of the

Settlor and the Protector of the Trust, apply to the Competent Court for a decision, and the Competent Court may issue a decision that achieves the purpose of the Trust.

5. If a professional corporate body is appointed as a Trustee, decisions related to the administration of the Trust shall be made in accordance with the Trust Instrument. If the Trust Instrument does not specify who has the authority to make such decisions, they shall be made by the competent body for the management of the professional corporate body, such as the board of directors or its equivalent, as determined by its constitutional regulations or applicable laws.

Article (22)

Delegation of the Trustee's Powers and Authorities

1. A Trustee may not delegate another person to perform any of their duties, whether that person is also a Trustee or another party, except in any of the following cases:

- a. If the Trust Instrument so provides.
- b. If all Beneficiaries agree and the Trust Instrument permits them to do so.
- c. If the delegation is necessary to enable the Trustee to perform their duties.
- d. If the Competent Court approves the delegation.
- e. If one of the Trustees is temporarily unable to perform their duties due to an emergency, they may delegate one of the other Trustees to perform those duties.
- f. If the Trustee is a professional corporate body with a board of directors or equivalent, and it delegates any person to perform the duties of a Trustee, in which case the Trustee and its board of directors shall be jointly and severally liable for any breach of the Trust Instrument by the delegated person.

2. A Trustee may not delegate another person to perform any duties that exceed those entrusted to them under the Trust Instrument or the provisions of this Decree-Law.

3. The scope and conditions of the delegation must be determined in a manner consistent with achieving the interests, purposes, and conditions of the Trust. The person delegated by the Trustee must fulfill the specified and required obligations and exercise the powers and authorities of the Trustee in a way that achieves the purpose of the Trust.

4. If the Trust Instrument permits the Trustee to delegate any person on their behalf without specifying the delegate, the Trustee shall not be held personally liable except for their fault in the selection or for their fault in the instructions they issued to this delegate.

5. The provisions of this Decree-Law regarding the liability of the Trustee for their actions shall apply to the delegate under this Article.

6. If a Trustee delegates another person to perform some of their duties in violation of the terms of the Trust Instrument, they shall be liable for the actions of the delegate as if the actions were performed by them personally, and the Trustee and the delegate shall be jointly and severally liable for the duties of the Trustee.

Article (23)

Obligations of the Trustee

The Trustee must comply with the following:

1. To cooperate with the Settlor regarding the transfer of powers and authorities over the Trust Property to them, taking into account the period specified in Clause (1) of Article (11) of this Decree-Law.

2. To perform their obligations and exercise their powers and authorities in accordance with the terms of the Trust Instrument and the provisions of this Decree-Law.

3. To exercise the care of a diligent person in the performance of their powers, authorities, and duties, and to preserve the Trust Property and its value, and to dispose of it in accordance with the terms of the Trust Instrument and the provisions of this Decree-Law.

4. To perform their duties to achieve the purpose of the Trust, and to preserve and grow the Trust Property and dispose of it in a manner that benefits the purpose of the Trust.

5. To take all reasonable legal and physical measures and procedures to control investment operations and to preserve and protect the Trust Property and any special rights thereof. For this purpose, the Trustee may appoint such advisors, experts, technicians, lawyers, financial, economic, and legal consultants, and agents as they deem appropriate to assist them in performing their duties, and shall have the right to determine and pay their fees, and any other right provided for in the Trust Instrument in this regard.

6. To represent the interests of the Trust and any legal requirements related to the Trust before all authorities, including any competent authority for registering any transaction involving the Trust Property.

7. To perform their duties to achieve the purpose of the Trust, by preserving and growing the Trust Property and disposing of it in a manner that achieves the purpose of the Trust, taking into account what is provided for in the Trust Instrument.

8. To disclose their capacity as a Trustee and that the property subject to their actions is Trust Property when entering into any contract or transaction related to the Trust.

9. To keep a record of all Trust Property and to hold the Trust Property independently of their personal property and any other property they manage, enabling its identification among their property or any other property.

10. To keep, maintain, and disclose books and records in accordance with the provisions of this Decree-Law.

11. To promptly notify the Settlor or the Beneficiaries, in the event of the death or incapacity of the Settlor and the Protector of the Trust, if they become aware of any matter that would materially affect the value of the Trust Property or its investments.

12. To disclose in writing any direct or indirect personal interest that conflicts with the requirements of their duties as a Trustee. The disclosure shall be made immediately upon becoming aware of this interest to the Settlor, the Protector of the Trust, the other Trustees, and the Beneficiaries, and in the event of the death or incapacity of the Settlor and the Protector of the Trust, to the Competent Court. In this case, the Trustee must refrain from participating in any decision regarding any transaction that may lead

to a conflict of interest. If there is a sole Trustee, the Settlor or the Protector of the Trust, in the event of the death or incapacity of the Settlor, may appoint a professional Trustee to handle the transactions affected by the conflict of interest, taking into account the provisions of the Trust Instrument.

13. To respond to any inquiry addressed to them by the Settlor or the Protector of the Trust, in the event of the death or incapacity of the Settlor, or the other Trustees, if any, or any interested party, regarding the report issued by them in accordance with the provisions of Article (25) of this Decree-Law.

14. Any other obligations stipulated in this Decree-Law.

Article (24)

Restrictions on the Trustee

Without prejudice to the provisions of the Trust Instrument, the Trustee may not do any of the following:

1. Use the Trust Property for their own benefit and personal gain or make undue financial gains as a result of performing their obligations.
2. Cause or allow others to use or benefit from the Trust Property or to make financial gains from it, directly or indirectly, in violation of the Trust Instrument.
3. Exploit the powers of the Trustee to harm the interests of the Beneficiaries or the purpose of the Trust.
4. Charge the Trust with any expenses other than reasonable expenses necessary for the administration of the Trust.

Article (25)

Reporting

The Trust Instrument must stipulate the obligation of the Trustee to prepare a report specifying the data and information it must contain, and the persons to whom the report is submitted, provided that the report shows the market value of the Trust Property, any circumstances or events

that may affect this value by increase or decrease, any issues or events that may affect the rights of the Beneficiary or the conditions of managing or investing the Trust Property, as well as an appendix of the expenses and costs paid for the administration of the Trust or the preservation of its property.

Article (26)

Record Keeping and Disclosure

1. The Trustee must keep and maintain paper and electronic accounting books and records audited by an independent auditor for the Trust, including the following:

- a. All transfers of funds, debts, acquisitions, expenses, and other transactions related to the Trust and the Trust Property.
- b. Complete and accurate information on the status and value of the Trust Property.
- c. The financial position of the Trust periodically every (3) three months, or according to the duration of the Trust, whichever is less.

2. The Trustee must keep the accounts and records of the Trust separate from the accounts and records of any other business they conduct.

3. The Trustee is obligated to keep all accounting records by any possible means for a period of (3) three years. If the Trustee is a professional corporate body, this period shall be (10) ten years from the year in which the Trust expires or is terminated.

4. The Trust Instrument may provide for the obligation of the Trustee to appoint an external auditor for the Trust. If there is no such provision in the Trust Instrument, the Competent Court may appoint an external auditor for the Trust if it serves the purpose of the Trust, and the Competent Court may determine the necessary expenses for this.

5. The Trustee is obligated to keep a register containing the following information:

- a. The full name, address, and nationality of the Trustee, the Settlor, the Beneficiary, and the Protector of the Trust.

b. The date of appointment of the Trustee and the date they ceased to act, and any conditions or restrictions on the powers and authorities of the Trustee.

c. A copy of the Trust Instrument provided by the Settlor.

d. A copy of the Certificate of Trust Validity and the Certificate of Registration provided by the Settlor.

6. Unless the Trust Instrument provides otherwise, any interested party may request to inspect the accounts of the Trust, and the Trustee must provide them with an annual audited account of the Trust Property within (3) three months from the beginning of the financial year following the date of the establishment of the Trust, unless the Trust Instrument, a subsequent agreement, or the nature of dealing with the Trust Property requires otherwise.

7. Unless the Trust Instrument provides otherwise, the Trustee may not disclose the reason for any of their decisions made under their powers and authorities or the performance of a duty assigned to them or the manner of exercising those powers and authorities except to the Settlor, the Protector of the Trust, or the other Trustees, if any.

Article (27)

Independence of the Trustee

The Trustee shall exercise their powers and authorities specified in the Trust Instrument and the provisions of this Decree-Law without interference or direction from the Settlor, unless the Trust Instrument provides otherwise.

Article (28)

Liability of the Trustee

1. The Trustee shall be liable for any loss or destruction of the value of the Trust Property resulting from their breach of the terms of the Trust Instrument, or due to their willful misconduct, or as a result of their gross negligence in the administration of the Trust. If more than one Trustee

participates in the breach of the Trust, they shall be jointly and severally liable.

2. If the Trustee disposes of the Trust Property in a manner contrary to the requirements of good faith and the transferee was aware of this, the disposition shall be void, and both parties must restore the situation to what it was before the disposition was made, if possible.

3. If the Trust Instrument requires the sale of any part of the Trust Property within a specific period, and the Trustee extends that period for a reason they deem to be in the interest of the Beneficiary, the burden of proof that extending the period was in the interest of the Beneficiary falls on the Trustee, otherwise they must compensate for the decrease in the sale value or the damage suffered by the Beneficiary.

4. The Trustee shall be liable for any damage to the Trust caused by fraud, bad faith, or gross negligence.

5. If the Trust Property suffers damages for any of the reasons stipulated in Clause (1) of this Article, the Trustee shall be obliged to compensate.

6. The Competent Court may compensate the Trustee from the Trust Property for any damages they suffered as a result of their work as a Trustee.

7. The professional corporate body, if appointed as a Trustee, or any person, council, director, or board of directors representing it, shall bear full responsibility and obligations under this Decree-Law for the appointed professional Trustee.

8. Lawsuits by or against the Trust shall be filed in the name of the Trust and the Trustee in their capacity as Trustee.

9. The Trustee shall represent the Trust before the judiciary, government authorities, and third parties. If a professional corporate body is appointed as a Trustee and this body has a board of directors or equivalent, the board or whomever the board delegates shall represent the Trust before the judiciary, government authorities, or third parties.

Article (29)

Cases of Non-Liability of the Trustee

1. Any clause of the Trust that exempts the Trustee, in whole or in part, from their personal liability arising from fraud, bad faith, gross negligence, or willful misconduct shall be void.

2. Without prejudice to any of the provisions of this Decree-Law, the Trustee shall not be liable for any breach of their duties towards the Trust in any of the following cases:

a. If the breach was committed by any other person before the Trustee was appointed as Trustee of the Trust.

b. If the breach was caused by another Trustee in the case of multiple Trustees, unless the primary Trustee concerned contributed to the breach, or was aware of the breach by the other Trustee and did not take legal action to stop the breach within a reasonable time.

c. If they acted in good faith, honestly, and reasonably in accordance with the Trust Deed and the provisions of this Decree-Law.

d. If the Trust Deed provides for the exemption of the Trustee from liability or compensation as a result of a breach of trust; however, the aforementioned exemption clause shall not be valid if the breach attributed to the Trustee involves forgery, bad faith, gross negligence, or willful misconduct.

e. Any other cases stipulated in the Trust Deed or any of the legislation in force in the State.

Chapter Five

The Beneficiary

Article (30)

Identifying the Beneficiary

1. The Beneficiary of the Trust must be identified, whether by name, description, by reference to a current or future relationship with the

Settlor, or by stipulating a mechanism in the Trust Deed for identifying the Beneficiary of the Trust.

2. If the Beneficiary is a natural person, they must be identified by name, by affiliation to a group, a legal person, a class, a degree of kinship, or other, or by their association with a specific person whether that person is alive at the time of the Trust's creation or not, or by their association with a class with certain characteristics that can be identified in the future.

3. The Trust Deed may provide for the determination of different shares for the beneficiaries from the Trust's benefits.

4. The Trust Deed may provide for specific conditions for the entitlement or exclusion of the Beneficiary from receiving the Trust's benefits, whether temporarily or permanently.

5. The Beneficiary may not claim from the Trustee any right to Trust Property that has not been added to the Trust Property.

6. If the Trust Deed does not specify the Beneficiary or a mechanism for identifying the Beneficiary, the Trust shall be void.

7. The Settlor or the Trustee may be one of the Beneficiaries.

Article (31)

The Beneficiary's Right to Trust Benefits

1. The Beneficiary has the right to receive the Trust's benefits and may demand that the Trustee fulfill the obligations stipulated in the Trust Deed and the provisions of this Decree-Law and protect the Beneficiary's rights related to the Trust Property with any person, whether that person is aware or should have been aware of the Trust.

2. If the Trust Deed specifies rights for the Beneficiaries without determining the share of each, the Trust's benefits shall be divided equally among them, subject to any restrictions contained in the Trust Deed and the provisions of this Decree-Law.

3. The Beneficiary's share of the Trust's benefits, after it becomes due and is paid to them, shall be considered part of their financial estate, subject to any restrictions contained in the Trust Deed and the provisions of this Decree-Law.

4. If there are multiple or successive Beneficiaries and one of them has the right to use or exploit any part of the Trust Property, according to the terms of the Trust Deed, their use or exploitation of it must not result in the destruction of the Trust Property or cause permanent damage to it. If the Trustee finds that the Beneficiary is not complying with this, they must take the necessary measures to prevent or stop its occurrence.

5. The Trust Deed may provide for depriving the Beneficiary of their share of the Trust's benefits or suspending it for a limited period, or until a certain event occurs, if the Beneficiary becomes insolvent or bankrupt or if their assets are seized for the benefit of their creditors, subject to any restrictions contained in the Trust Deed and the provisions of this Decree-Law.

6. The Trust Deed may provide for the possibility of collecting the Beneficiary's share of the Trust's benefits and delivering it to them after a certain period has passed or a specific event has occurred. If the Trust Deed does not so provide, the Trustee may request the Competent Court to permit the collection of the Beneficiary's share if it achieves the purpose of the Trust.

7. The right to benefit from and collect the Trust's benefits may be linked to a legitimate, specific, and achievable event or reason stipulated in the Trust Deed.

Article (32)

Disclaimer of the Beneficiary's Right to Trust Benefits

1. A Beneficiary who has reached the age of majority, or the legal representative of a Beneficiary who lacks capacity, may refuse or disclaim, for the benefit of the Trust, all or part of their rights arising under the Trust Deed or the provisions of this Decree-Law, even if they have already received some of them. The disclaimer may be for a specific period or a final disclaimer of the right, and it may not be revoked if the Beneficiary has finally disclaimed their right.

2. If the Trust Deed provides for a specific period for the Beneficiary's acceptance of the Trust made for their benefit and that period expires without acceptance, it is considered a refusal of the Trust by the Beneficiary who has reached the age of majority.

3. If the Beneficiary refuses the benefits realized for them from the Trust, the funds derived from the Trust's benefits shall revert to the estate of the Settlor, unless the Trust Deed provides otherwise.

4. The disclaimer by the Beneficiary of their right to the Trust's benefits must be in writing and submitted to the Settlor or the Trustee according to the terms of the Trust Deed, and the Competent Authority must be notified. The representative of a Beneficiary who lacks capacity may also apply to the Competent Court for approval of this Beneficiary's disclaimer of their right to the Trust's benefits.

Article (33)

Rights of the Beneficiary's Creditors in the Trust Property

Subject to the applicable legislation and the provisions of the Trust Deed, the rights of third-party creditors of the Beneficiary are limited to the Beneficiary's share of the Trust's benefits as stipulated in the Trust Deed, and do not extend to any other part of the Trust Property or any right against the Settlor, the Protector of the Trust, or the Trustee.

Chapter Six

The Protector of the Trust

Article (34)

Appointment of the Protector of the Trust

1. The Settlor may appoint a Protector of the Trust or provide in the Trust Deed for the method of their appointment, specify their powers, and grant them the right to review the Trustee's performance, demand that they perform their duties, and sue them if the Trustee fails to comply with their duties and perform their obligations. The Trust Deed may also grant the Protector of the Trust the power to appoint a Trustee or add another Trustee, remove the appointed Trustee and appoint a new Trustee in their place, determine the Trustee's fees, or other powers of the Protector of the Trust.

2. It may be stipulated in the Trust Deed that the Trustee must obtain the approval of the Protector of the Trust when exercising any of their powers

and authorities. If the Trust Deed so provides, the Trustee shall not be liable for any losses resulting from their exercise of those powers or authorities.

3. The Settlor may be appointed as the Protector of the Trust, but the Trustee may not be its Protector.
4. The Protector of the Trust is not considered a Trustee merely by exercising the powers provided for in the Trust Deed or this Decree-Law.
5. The Protector of the Trust shall be granted fees for providing their services and be compensated for any related expenses incurred while exercising their powers in accordance with the provisions of the Trust Deed. If the Trust Deed does not specify the amount of these fees or compensation, the Protector of the Trust may request the Competent Court to determine a fair amount for the fees and expenses they incur.

Article (35)

Restrictions on the Protector of the Trust

Subject to the provisions of this Decree-Law and the Trust Deed, the Protector of the Trust is prohibited from doing any of the following:

1. Placing themselves in any position that conflicts with the requirements of their duties.
2. Unjustly benefiting or making financial gains, directly or indirectly, due to their appointment as Protector of the Trust.
3. Allowing or causing any other person to be enriched, directly or indirectly, from the Trust, contrary to the Trust Deed.
4. Entering into transactions with the Trustee for their own account, or any transactions related to the Trust Property that lead to their benefit or the benefit of the Trustee, directly or indirectly.

Article (36)

Termination of the Powers of the Protector of the Trust

1. The Protector of the Trust may resign from their position by means of a written notice submitted to the Settlor or to the person who has the right

to appoint them as specified in the Trust Deed. The resignation is effective from the date of its submission, unless the Trust Deed provides otherwise.

2. If the Trust Deed does not specify the person who has the right to accept the resignation of the Protector of the Trust and appoint a replacement, the resignation request shall be submitted to the Competent Court with a copy to the Trustee. The Competent Court may accept or reject the resignation according to the circumstances and interest of the Trust and appoint a new Protector of the Trust.

3. Subject to the provisions of the Trust Deed, the Protector of the Trust shall lose their status as Protector of the Trust in the event of any of the following:

a. If they are removed from their position in accordance with the provisions of the Trust Deed. If the Trust Deed does not provide for the conditions for the removal of the Protector of the Trust, their removal shall be by a decision issued by the Competent Court upon the request of an interested party.

b. In case their resignation is accepted.

c. In case a condition in the Trust is met that causes their removal from their position or loss of their powers.

d. If they accept their appointment as a Trustee.

Chapter Seven

The Competent Court

Article (37)

Powers of the Competent Court

1. The Competent Court shall have jurisdiction in matters related to the Trust as set out in this Decree-Law.

2. The Competent Court, upon the request of any interested party, may decide on matters related to the Trust that are not explicitly provided for in this Decree-Law or in the Trust Deed.

Chapter Eight

Revocation, Amendment, Annulment, and Termination of the Trust

Article (38)

Revocation of the Trust and Amendment of the Trust Deed

1. Subject to the provisions of Clause (2) of this Article, the Settlor or their delegate may, during their lifetime, revoke the Trust in whole or in part or amend the Trust Deed by notifying both the Competent Authority and the Trustee of such amendment or revocation, provided that the right of the Settlor to revoke or amend is explicitly stated in the Trust Deed. Any amendment to the terms of the Trust Deed or its revocation shall not affect any lawful act performed by the Trustee concerning the Trust before receiving the notification of the amendment of the Trust Deed or the revocation of the Trust.
2. The Trust or any part of it may not be revoked if the Trust was used to secure rights that have accrued to third parties.

Article (39)

Annulment of the Trust

1. The Competent Court, upon the request of any interested party or the enforcement authorities of the Decree-Law, as the case may be, may annul the Trust in any of the following cases:
 - a. If the Court determines that the creation of the Trust was the result of forgery, was done under duress or mistake, or was done by way of fraud or deceit, or based on incorrect data contrary to the Trust Deed and the provisions of this Decree-Law. Duress, mistake, fraud, or deceit shall be negated if the Trust Deed is registered in the Register with the Competent Authority after the issuance of the Certificate of Trust Validity, unless evidence to the contrary is presented to the Court.
 - b. If it is proven that the purpose of the Trust is to evade the payment of debts, taxes, or any other financial obligations due by the Settlor.

c. If it is proven that the purpose of the Trust is inconsistent with the provisions stipulated in the Trust Deed, and the Settlor, with the knowledge of the Trustee, misleads the Competent Authority or any other party that the ownership of the Trust Property has been transferred to the Trust, whereas in reality the Settlor retains ownership of this property.

2. In the event of a judgment annulling the Trust by the Competent Court, the Trust Property shall revert to the Settlor or to their heirs in the event of their death, without prejudice to the rights of bona fide third parties.

Article (40)

Termination of the Trust

1. The Trust terminates in any of the following cases:

a. Revocation of the Trust or part of it by the Settlor or the person delegated this authority during their lifetime, if the Trust Deed provides for this possibility.

b. Expiration of the term of the Trust.

c. Achievement of the purpose of the Trust, where applicable.

d. Upon a written request submitted to the Trustee by all current Beneficiaries, if permitted in the Trust Deed, and provided that the Beneficiaries have legal capacity and have full rights to the Trust Property.

e. If the Settlor or the Trustee and the Protector of the Trust (if any) decide that the continuation of the Trust is no longer possible to achieve the purpose of the Trust and would be financially burdensome to the Trust Property.

2. The Trust may be terminated by a decision of the Competent Court, upon the request of any interested party, in any of the following cases:

a. If the Trust Property is insufficient to cover the costs necessary for the continuation of the Trust.

b. In the absence of a Beneficiary or any person who is considered a Beneficiary of the Trust according to the terms of the Trust Deed.

Article (41)

Effects of Trust Termination

1. Upon termination, the Trust Property shall be disposed of in accordance with the method of disposal stipulated in the Trust Deed. If the Trust Deed does not specify the method of disposal, the Trust Property shall be returned to the Settlor if alive, or to their heirs if it terminates after their death.
2. The Trustee must request the Competent Court to issue an order terminating the Trust in any of the following cases:
 - a. If the Trust Deed does not specify the method of distributing the Trust Property.
 - b. If the Trustee is unable to distribute the Trust Property according to the terms of the Trust Deed due to the absence of a Beneficiary, the impossibility of identifying a Beneficiary, or when the purpose of the Trust has been achieved.
3. The Trustee must pay all financial obligations of the Trust before distributing the Trust Property, and may retain some of the Trust Property for sale, or obtain appropriate guarantees, to cover any expenses they have incurred or may incur in the future related to the administration of the Trust, or to secure any liabilities, whether current, future, contingent, or non-contingent, that may arise for the Trust.
4. If the right of one of the Beneficiaries to the Trust's benefits terminates, the effects of the termination shall apply to that Beneficiary, without prejudice to the rights of the remaining Beneficiaries.

Chapter Nine

Accreditation and Registration of the Trust

Article (42)

Accreditation of the Trust

1. The Trust Deed shall be accredited and registered by the Competent Authority in the relevant Emirate in accordance with the mechanism issued

by the Council of Ministers upon the proposal of the Minister, for the accreditation and registration of the Trust Deed.

2. The Competent Authority shall do the following:

a. Review the structure, terms, and clauses of the Trust Deed presented to it by the Settlor, before completing the creation process, for the purpose of giving an opinion on its compliance with the provisions of this Decree-Law and its non-contradiction with the Public Order in the State.

b. Issue a Certificate of Trust Validity after verifying the compliance of the Trust Deed with the provisions of this Decree-Law, in preparation for registering the Trust Deed and any subsequent amendments thereto in accordance with Article (44) of this Decree-Law.

3. The Trust is considered to have been validly created in accordance with the provisions of this Decree-Law upon the accreditation of the Trust Deed and the completion of the initial registration procedures.

Article (43)

The Register

1. Subject to the provisions of Clause (2) of this Article, a register shall be established by a decision of the Competent Authority in each Emirate, to be kept by the Competent Authority in that Emirate.

2. The Council of Ministers shall, upon the proposal of the Minister, issue a decision regarding the Register that specifies the following:

a. The framework for registration procedures.

b. The data to be included in the Register.

c. The documents to be issued upon completion of the registration procedures.

d. Any other matters related to the establishment and administration of the Register.

Article (44)

Registration of the Trust Deed

1. After the issuance of the Certificate of Trust Validity in accordance with Clause (2) of Article (42) of this Decree-Law, the Settlor must apply to the Competent Authority to register the Trust Deed in the Register, and provide all necessary information for this registration that is requested by the Competent Authority.
2. The effects of the Trust Deed shall arise in accordance with the provisions of this Decree-Law upon the completion of the initial registration. Likewise, any amendment to the Trust Deed shall have its effects in accordance with the provisions of this Decree-Law upon the completion of the registration procedures for that amendment in the Register.
3. The Competent Authority shall complete the initial registration after receiving and reviewing the following:
 - a. The Certificate of Trust Validity previously issued by the Competent Authority in accordance with Article (42) of this Decree-Law.
 - b. The signing of the Trust Deed by the Settlor before the Competent Authority.
4. The Competent Authority shall issue a registration certificate stating the entry of the Trust Deed in the Register. This registration certificate and the registered Trust Deed shall be considered an official document in accordance with the provisions of the local and federal legislation in force in the State and shall be conclusive proof, unless either of them is proven to be forged by the legally prescribed methods.
5. The provisions of Clause (3) of this Article shall apply to amendments made to the Trust Deed.

Article (45)

Registration of Trust Property

1. Any transactions affecting the Trust Property shall be registered in the name of the Trust in the official records specific to this property in accordance with the federal or local legislation in force in the State.

2. Subject to the provisions of the Trust Deed, the Trustee shall have all powers and authorities over the Trust Property, including but not limited to the following:

- a. Any power to transfer ownership of the Trust Property in accordance with the Trust Deed.
- b. The authority to sign documents related to the Trust Property, without the need for approval from the Settlor or the Beneficiary.

Article (46)

Accessing the Register and Obtaining a Certified Certificate from It

1. Subject to the relevant provisions of the Trust Deed, the Settlor, the Trustee, and the Protector of the Trust, as the case may be, shall have the right to access the Register related to the Trust, and to obtain from the Competent Authority a certified certificate of the data or information recorded in the Register.

2. No data or information recorded in the Register may be disclosed, in cases other than those provided for in Clause (1) of this Article, unless it is in execution of an order issued by the Competent Court and in a manner that does not conflict with the provisions of the Trust Deed.

Article (47)

Confidentiality

1. The Trustee is prohibited from disclosing to any person any data, information, or documents related to the Trust or its accounts except in any of the following cases:

- a. If the disclosure is within the limits provided for by the Trust Deed or this Decree-Law.
- b. If the nature of the transactions related to the Trust requires disclosure.
- c. Based on an order issued by the Competent Court.

2. The Trust Deed may provide for conditions and controls that define the scope of access by the Beneficiaries or the Protector of the Trust to specific

details in the Trust Deed, including details related to the method of distributing the Trust's benefits to the Beneficiaries, and the controls for the Trustee's decision-making.

Article (48)

Recognition of the Trust

1. The Trust is considered established under the Trust Deed upon the completion of the initial registration.
2. A Trust established in one of the Emirates of the State shall be recognized by all other Emirates, regardless of the location of the Trust Property.

Chapter Ten

Penalties

Article (49)

Application of the Stricter Penalty

The penalties provided for in this Decree-Law shall not prejudice any stricter penalty stipulated in any other law.

Article (50)

Penalty for Harming the Trust or the Settlor and Violating Certain Provisions of this Decree-Law

Without prejudice to civil liability, anyone who causes damage to the Trust, the Settlor, or any Beneficiary as a result of intentionally violating the provisions of Clauses (2) and (4) of Article (19), or Clause (1) of Article (22), or Clauses (1) and (12) of Article (23), or Article (24), or Clauses (1), (2), (3), and (6) of Article (26), or Article (35), or Clause (1) of Article (47) of this Decree-Law shall be punished by imprisonment and a fine not exceeding (1,000,000) one million dirhams, or by one of these two penalties.

Article (51)

Penalty for Impersonating a Trustee

Without prejudice to civil liability, anyone who acts without capacity or presents themselves as a Trustee and exercises their powers in that capacity shall be punished by imprisonment for a term not exceeding one year and a fine not exceeding (500,000) five hundred thousand dirhams, or by one of these two penalties, and shall be liable for the actions they performed while impersonating a Trustee.

Chapter Eleven

Supplementary and Final Provisions

Article (52)

Limitation of Actions

1. A lawsuit filed by any interested party against the Trustee for a breach of the Trustee's obligations towards that Beneficiary shall not be heard after the lapse of (3) three years from the date of their receipt of the report of the external auditor of the Trust or from the date they became aware of the breach of trust, whichever is earlier.
2. In cases where the Beneficiary is a minor, the period mentioned in Clause (1) of this Article shall begin to be calculated from the date the minor reaches the age of majority.
3. A lawsuit by a Trustee against another Trustee in the case of multiple Trustees, or any former Trustee, for a breach of trust shall not be heard after the lapse of (3) three years from the date of the termination of their appointment as a Trustee in accordance with the provisions of this Decree-Law.
4. No other lawsuit against the Trustee for any breach of trust shall be heard after the lapse of (15) fifteen years from the date of the breach of trust.
5. Notwithstanding the provisions of the clauses contained in this Article, the expiration of the periods specified in this Article shall not prevent the Competent Court from:

a. Hearing a lawsuit of fraud or deceit against the Trustee, if the fraudulent acts were committed by them or by a third party and the Trustee was aware of them when the action was taken or must have necessarily been aware of them.

b. Hearing a lawsuit for the recovery of Trust Property that they transferred to themselves or to a third party in violation of the terms of the Trust Deed or the provisions of this Decree-Law.

Article (53)

Decisions Necessary for the Implementation of the Provisions of this Decree-Law

The Council of Ministers, upon the presentation of the Minister, shall issue the decisions necessary for the implementation of the provisions of this Decree-Law.

Article (54)

Repeals

1. Federal Decree-Law No. (19) of 2020 on Trusts is hereby repealed, and the decisions issued in its implementation shall continue to be in force to the extent that they do not conflict with the provisions of this Decree-Law, until the decisions that replace them are issued in accordance with the provisions of this Decree-Law.

2. Any provision that violates or conflicts with the provisions of this Decree-Law is hereby repealed.

Article (55)

Publication and Entry into Force of the Decree-Law

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

Mohamed bin Zayed Al Nahyan

President of the United Arab Emirates

Issued by us at the Presidential Palace in Abu Dhabi:

Dated: 10 / Rabi' Al-Awwal / 1445 H

Corresponding to: 25 / September / 2023 G