



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

FEDERAL DECREE LAW NO. (48) OF 2023

REGULATING INSURANCE ACTIVITIES





مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

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Legislative Journey of Insurance Law

Legislation	Issuance date	Official Gazette	Effective date
1 Federal Law No. (6) of 2007 on the Organization of Insurance Operations	15 February 2007	Issue No. (462) published in the Official Gazette on 28 February 2007	Four months from the publication date
2 Federal Law No. (5) of 2012 amending some provisions of the Federal Law No. (6) of 2007 concerning the Establishment of the Insurance Authority and Organization of its Operations	10 October 2012	Issue No. (542) published in the Official Gazette on 23 October 2012	The date following the publication date
3 Amending some provisions of the Federal Law No. (6) of 2007 concerning the Establishment of the Insurance Authority and Organization of its Operations	25 April 2018	Issue No. (629) published in the Official Gazette on 30 April 2018	The date following the publication date
4 Federal Law No. (3) of 2018 on the Amendment of certain Provisions of Federal Law No. (6) of 2007 Concerning the Establishment of the Insurance Authority and Organization of its Operations	27 September 2020	Issue No. (687) published in the Official Gazette on 30 September 2020	From 2 January 2021
5 Decretal Federal Law No. (24) of 2020 on the Amendment of Certain Provisions of the Federal Law No. (6) of 2007 on Establishment of the Insurance Authority and Organization of Insurance Operations	2 October 2023	Issue No. (762) published in the Official Gazette on 31 October 2023	30 days from its publication date

FEDERAL DECREE-LAW NO. (48) OF 2023 REGULATING INSURANCE ACTIVITIES

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

Having perused:

- The Constitution;
- Federal Law No. (1) of 1972, regarding the jurisdictions of Ministries and Powers of Ministers, and amendments thereto;
- Federal Law No. (6) of 2007, Regulating Insurance Business, and amendments thereto;
- Federal Decree-Law No. (14) of 2018, regarding the Central Bank and organization of Financial Institutions and Activities, and amendments thereto;
- Federal Decree-Law No. (32) of 2021, on Commercial Companies; and
- Based on the Proposal submitted by the State's Vice-President, the Deputy Prime Minister and the Minister of Presidential Court, and the Cabinet approval thereof,

Promulgated the following Decree-Law:

CHAPTER ONE: PRELIMINARY PROVISIONS

Article (1): Definitions

In implementation of the provisions of this Decree-Law, and unless the context requires otherwise the following words and expressions shall bear the meanings assigned thereto respectively,:

The State: The United Arab Emirates.

The CBUAE: The Central Bank of UAE.

Board: The CBUAE's Board of Directors.

Chairman: The Chairman of the Board.

Governor: The Governor of the Central Bank.

Financial Free Zone: Any financial free zone established in the State under the provisions of Federal Law No. (8) of 2004, on Financial Free Zones, or any other repealing law.

Insurance Company (Insurer): An insurance company established in the State as well as a foreign insurance company licensed to carry out insurance business in the State, either through a branch or through an Insurance Agent.

Reinsurance Company: A reinsurance company licensed to engage in reinsurance business, either in the State or abroad.

Companies: Insurance and Reinsurance Companies.

The Insured: A Person that enters into an insurance policy with the Insurance Company for their benefit or the benefit of the named Insured or the Beneficiary.

Beneficiary: A Person who initially acquired the Insurance Policy rights or to whom such rights are legally transferred.

Insurance Policy: A contract between the Insurer and the Insured setting out the insurance terms, rights and obligations of both parties or the rights of the insurance Beneficiary, and the annexes attached to the policy constitute an integral part thereof.

Insurance Agent: A Person licensed or authorized by the CBUAE, and is approved by the Insurance Company and authorized to carry out insurance activities on its own behalf or on behalf of a branch thereof.

Insurance Broker: A legal person licensed by the CBUAE and acts as independent intermediary in insurance and reinsurance operations between an insurance or re-insurance applicant on the one side and any Company on the other side, and receives, in consideration of its efforts, a commission from the Company with which insurance or reinsurance is concluded.

Surveyor and Loss Adjuster: A Person licensed or authorized by the CBUAE to inspect and assess the damage incurred in the subject of insurance.

Insurance Consultant: A Person licensed or authorized by the CBUAE to examine insurance requirements for their clients and give advice in respect of the suitable insurance coverage, assistance in preparing insurance requirements and receives their remuneration from their clients.

Actuary: A Person licensed or authorized by the CBUAE to determine the value and price of Insurance Policies, and to assess the technical provisions, accounts and all matters related thereto.

Health Insurance Claims Management Company: A legal Person licensed by the CBUAE to carry out health insurance claims management business.

Insurance-Related Professionals: Any Person licensed or authorized by the CBUAE to operate as an Insurance Agent, Insurance Broker, Surveyor and Loss Adjuster, Insurance Consultant, Actuary or Health Insurance Claims Manager, or any other profession related to insurance as determined and regulated by a resolution of the Board.

Branch: A branch of the Company that carries out insurance activities in the name of the Company.

Premium: An amount of money paid or payable by the Insured under the Insurance Policy and is called “Contribution” in Takaful insurance.

Authorized Manager: A natural Person appointed by a foreign insurance Company to manage its branch in the State.

Senior Employee: Any Person who occupies an executive position equivalent to the duties of a Director-General, Authorized Manager or the deputy or assistant of either one, or any department director, internal audit director or branch manager.

Technical Provisions: Provisions which the Insurer must deduct and retain to cover the Insured’s accrued financial obligations vis-a-vis the Insured, pursuant to the provisions of this Decree-Law.

Solvency Margin: A surplus in the value of the Company’s existing assets over its liabilities to such an extent that enables it to fulfil all its obligations and pay the required insurance claims once they become due without impeding the Company’s business or weakening its financial position.

Minimum Guarantee Fund: An amount equal to one third of the required Solvency Margin or the amount determined by the Board, whichever is greater.

Auditor: A Person authorized to carry out accounting and audit business in the State.

Takaful Insurance: A collective contractual scheme intended to achieve solidarity and cooperation among a group of contributors to address certain risks, where each one pays an amount of money called “contribution” to be deposited in a Takaful insurance fund, through which compensation is to be paid to eligible persons when a risk is sustained.

Higher Sharia’ah Authority (HAS): The authority established under Federal Decree-Law No. (14) of 2018, referred to hereinabove.

Person: A natural and legal Person.

Commercial Register: The Register established with the competent authority under Federal Decree-Law No. (37) of 2021, on the Commercial Register, or any other superseding law.

Article (2): Scope of Application

- 1) The provisions of this Decree-Law shall apply to the following categories:
 - a. Companies and Insurance-Related Professions; and
 - b. Holding companies that control or acquire (15%) of the volume of insurance business in the State, or whose insurance activity and related services represent more than (50%) of their revenues. The Board shall issue the controls governing the operation of such Companies in the insurance activity.
- 2) The provisions of this Decree-Law shall not apply to Companies operating in the financial Free Zones, save as specifically provided for in this Decree-Law.

Article (3): Insurance Concept

An insurance is a contract whereby the Insurer undertakes to pay the Insured or the eligible Beneficiary an amount of money, an arranged revenue or any other monetary compensation in case the insured incident or risk has occurred, in return for Premiums or any other regular payments to be paid by the Insured to the Insurer.

CHAPTER TWO: INSURANCE BUSINESS

Article (4): Insurance Types

The insurance business shall be divided into the following two types:

- 1) Insurance of Persons and fund accumulation operations; and
- 2) Property and liability insurance.

The resolutions, regulations and instructions issued by the Board shall determine the insurance activities that fall under each insurance type.

Article (5): Compulsory Insurance

The Board may impose compulsory insurance against some risks under regulations whereby the controls and conditions of insurance and other provisions related thereto are identified.

Article (6): Insurance Services Fees

- 1) The CBUAE shall charge fees for supervision and control, in addition to any other fees for the services provided by the CBUAE under the provisions of this Decree- Law, including the services of issuing licenses and permits.
- 2) The Board shall issue a resolution determining the fees referred to in Clause (1) above, and shall publish the same in the Official Gazette.

Article (7): Establishment of Funds

The CBUAE may establish funds with an independent legal personality for the purpose of protecting policyholders, Beneficiaries and aggrieved persons. A resolution shall be issued by the Board specifying the method of forming such funds and their objectives, mechanism of finance, risks covered by them and benefits they provide when such risks occur, methods of their termination and the provisions of their liquidation.

CHAPTER THREE: COMPETENCES OF THE BOARD AND THE GOVERNOR

Article (8): Competences of the Board

The Board shall adopt the policies, regulations and rules necessary for regulating insurance business, pursuant to this Decree-Law, including the following:

- 1) The Solvency Margin and the Minimum Guarantee Fund controls according to the adopted international standards in this regard;
- 2) Basis of calculating the Technical Provisions;
- 3) Reinsurance standards and controls;
- 4) Basis of investing the Company's assets;
- 5) Identifying the Company's assets that meet the accrued insuring obligations;
- 6) Accounting policies to be adopted by the Company and the required Forms to prepare and present financial statements;
- 7) Basis of developing accounting books and records of the Companies, Agents, and Brokers, along with determining the data to be recorded in such books and records;
- 8) Records which the Company commits itself to maintain and the description of such records, as well as data and documents that must be provided to the CBUAE;
- 9) Conditions, controls and ethics for carrying out the insurance and reinsurance activity and the Insurance-Related Professions;
- 10) Anti-money laundering and combating terrorism financing and the financing of illegal organizations in insurance activities, in cooperation with the relevant authorities;
- 11) Insurance policy rates it deems appropriate and the technical grounds thereof;
- 12) Controls and conditions for licensing the Companies and the Insurance-Related Professionals;
- 13) Minimum capital for the Companies and the Insurance-Related Professionals;

- 14) Rules and controls necessary to protect clients of the Companies and Insurance-Related Professionals and provide them the appropriate Insurance Coverage;
- 15) Conditions, rule and controls for approving Auditors of the Companies and the Insurance-Related Professionals and their obligations;
- 16) Setting out and determining the Emiratization targets in the insurance sector, monitoring compliance with such targets and imposing penalties and fines on the Companies and the Insurance-Related Professionals that do not comply with the same, and to that end, it may coordinate with the relevant authorities or may entrust them with any of such functions; provided that the Board shall set a mechanism for the retention and disposition of amounts of these fines, and the CBUAE shall submit an annual report to the Cabinet on the Emiratization targets and the actions that have been taken to achieve such targets;
- 17) Regulating Takaful Insurance business, including the provisions and procedures for appointing and approving the Sharia'ah Supervisory Committee and the conditions required to be fulfilled by its members;
- 18) The financial reporting system and the external audit of the Companies and the Insurance-Related Professionals;
- 19) Regulations, rules, standards, directives and instructions related to inspection operations and procedures of the Companies and the Insurance-Related Professionals; and
- 20) Regulations, rules and standards related to the competency of the Senior Employee.

Article (9): Competences of the Governor

- 1) The Governor shall issue the policies, regulations, directives and rules approved by the Board, and shall issue the resolutions and directives necessary for implementing the same.
- 2) The Governor shall be responsible for applying the provisions of this Decree-Law and the CBUAE's regulations and the Board's resolutions issued in pursuance thereof.
- 3) The Governor may delegate his competences set forth herein to any of his deputies, assistants or other Senior Employees of the CBUAE; provided such delegation be in writing and for a specific period.

CHAPTER FOUR: INSURANCE COMPANIES

Article (10): Carrying out Insurance Business

Any of the following Persons licensed by the CBUAE may carry out insurance business in the State:

- a. An Insurance Company incorporated as a public joint-stock company in the State; and
- b. A branch of a foreign Insurance Company.

Article (11): Prohibition of Combination of Insurance Operations

- 1) It is prohibited for Insurance Companies to combine persons and fund accumulation insurance operations and property and liability insurance operations.
- 2) Existing companies licensed to carry out the two types of insurance before the issuance of the Federal Decree-Law No. (6) of 2007, referred to hereinabove, shall remain operational.
- 3) The Companies referred to in Clause (2) above shall comply with the following controls:
 - a. Complete separation between persons and funds accumulation insurance operations and property and liability insurance operations in terms of technical, financial, technological, administrative and legal procedures and the relevant technical, administrative and financial systems and staff, except for the Company's Director General; and
 - b. Preparing all financial reports and statements required by virtue of this Decree- Law and the Board's instructions and resolutions on a consolidated aggregate basis, and on the basis of the separation between persons and funds accumulation insurance operations and property and liability insurance operations.
- 4) Notwithstanding the provisions of Clause (2) above, the Cabinet may, at the proposal of the Board, issue a resolution obligating Insurance Companies to adjust their situations pursuant to the provisions of Clause (1) above, or may issue a resolution that such Companies remain carrying out the two types of insurance while being prohibited from issuing new Insurance Policies combining the property and liability insurance and the persons and funds accumulation insurance

operations, in accordance with the controls and requirements set by the Cabinet in this regard.

Article (12): Insurance with a Company Abroad

- 1) Insurance brokerage for funds or properties existing in the State or for the liabilities arising therefrom may only be carried out by an Insurance Company licensed under the provisions of this Decree-Law.
- 2) The Company may reinsure inside and outside the State.
- 3) No Person may conclude an Insurance Policy with an Insurance Company outside the State to cover any money or property within the State or liabilities arising therein. No legal person in the State may insure its personnel in the State with an Insurance Company outside the State.
- 4) Notwithstanding the provisions of Clause (3) above, insurance may be made with an Insurance Company outside the State in case the required Insurance Coverage is not available in the State, or Insurance Companies abstain from, or unable to provide such coverage, or for any other reasons decided by the CBUAE, in accordance with the controls and conditions determined by the Board in this regard.

Article (13): Insurance Policy Language

- 1) The Insurance Policy shall be concluded in the State in Arabic, and an accurate translation into any other language may be attached therewith. In case of discrepancy in the interpretation of the policy, the Arabic text shall prevail.
- 2) The policy's clauses exempting the Insurance Company from liability shall be written in bold with a different colour, and must be endorsed by the Insured.
- 3) Insurance Policies may be electronically issued, in accordance with the terms and conditions established by virtue of a resolution by the Board.
- 4) Notwithstanding the provision of clause (1) above, the Governor may exclude certain Insurance Policies from the condition of being concluded in Arabic, provided that a translated copy in Arabic be submitted if so requested by the CBUAE.

CHAPTER FIVE: GOVERNANCE OF COMPANIES

Article (14): General Framework of Governance

The CBUAE shall set the general framework for governance of the Companies, as well as the regulations and rules for organizing the work of their boards of directors. the CBUAE shall also set the conditions that must be fulfilled by board candidates and the conditions for appointing their Senior Employees; provided that the Companies whose securities are listed on financial markets of the State shall comply with the governance requirements issued by the Securities and Commodities Authority (SCA).

Article (15): Conditions of Appointment of Board Member, Director General or Authorized Manager of the Company

A Person to be appointed as a Board Member, Director General or Authorized Manager of the Company must:

- 1) Have never been convicted of a felony or misdemeanor involving moral turpitude and breach of trust or of insolvency, unless rehabilitated; and
- 2) Have never been punished with any administrative sanction determined by a decision of the Board, on the grounds of committing a violation of any of the provisions of this Decree-Law or Federal Decree Law No. (32) of 2021, referred to hereinabove, in his capacity as a Director General or Board Member of a Company or beneficial owner thereof or controlling over its capital, including liability for causing loss, bankruptcy or liquidation of the Company.

Article (16): Prohibitions

- 1) It is prohibited for the Company's chairman, Board Members, Director General and Authorized Manager or who acts on their behalf to:
 - a. Engage in managing other competing Insurance Company or any company that carries out the same or similar Insurance activity;
 - b. Compete the Company's business or carrying out any action or activity that conflicts with the Company's interest;
 - c. Practice as an Insurance Agent or Broker; or
 - d. Receive a commission for any insurance operation.

- 2) It is prohibited for any Person who assumes the management of the Company or any employee thereof to be a representative of any shareholder of the Company.

Article (17): Conditions for Appointment of Senior Employee

- 1) In order for a Senior Employee to be appointed, such senior employee must fulfil the same conditions set forth in Article (15) above, in addition to the fulfillment of the qualifications, efficiency and expertise requirements necessary for carrying out insurance operations. The Company shall provide the CBUAE with a detailed statement containing the academic qualifications, practical experience and documents supporting the above.
- 2) The Board shall issue a resolution defining the academic qualifications, the practical experience and the documents referred to in Clause (1) above.

Article (18): Vacant Position

The Company shall notify the CBUAE in case the position of any of the Company's Board Members, Director General, Senior Employee or Authorized Manager becomes vacant. The Company's board of directors or the Company, as the case may be, shall fill the vacant position within a period not exceeding (30) days from the date of being vacant, after obtaining the approval of the CBUAE.

Article (19): Providing the CBUAE with Meeting Minutes

The Company's board of directors shall provide the CBUAE with copies of the board's minutes of meetings and decisions related to the election of the Company's chairman, vice-chairman and members authorized to sign on behalf of the Company and their specimen signatures, within (7) seven business days from the date such decisions are issued.

Article (20): Resignation of Board Members

Should the Chairman and Board Members submit their resignations or should the vacant positions reach one quarter of the Company's board members, the Governor shall:

- 1) Form an interim committee comprising experienced and specialized individuals and appoint a chairman and vice-chairman among its Members to assume the management of the Company;

- 2) Call for a general assembly meeting within a period not exceeding (3) three months following date of forming the committee, renewable for a similar period only once, in order to elect a new board of directors of the Company. The Company shall bear the committee's remunerations, as decided by the Governor.

Article (21): Protection of the Company

- 1) The CBUAE shall take whatever measures it deems appropriate for the proper operation of the Company's business, in accordance with the controls determined by the Board. To that end, the CBUAE may:
 - a. Request to hold a general assembly meeting to discuss any subject the CBUAE deems critical;
 - b. Request to include any item the CBUAE deems necessary to be included on the Company's general assembly meeting agenda, even while the general assembly meeting is being held; and
 - c. Hold the execution of any decision issued by the Company's general assembly if it contravenes the laws or regulations in force.
- 2) If the Company's general assembly is unable to take a decision on the appointment of its Auditor, or if the appointed auditor rejects the appointment for any reason whatsoever, the CBUAE may appoint an Auditor for a period of one fiscal year and determine their fees at the Company's expense.
- 3) If the Company's general assembly is unable to appoint members of the Sharia'ah Supervisory Committee, in Companies where such committee is required, or if this appointment is not possible for any reason, the CBUAE may appoint the members of the Committee and determine their remunerations at the Company's expense.

Article (22): Publication of the Call to the General Assembly Meeting

- 1) The Company may only publish an invitation to hold the general assembly meeting in newspapers after the approval of the CBUAE of the publication. The Company may only include any additional items on the general assembly meeting's agenda after the approval of the CBUAE.
- 2) Subject to the provisions of Clause (1) above, a Company whose securities are listed on financial markets may only publish an invitation

to the general assembly meeting in newspapers after the approval of SCA.

Article (23): Technical Provisions and Reserves Required to be Maintained

The Company, in implementation of the instructions issued by the Board, shall maintain the following:

- 1) Solvency margin and the Minimum Guarantee Fund, as per the type of insurance carried out by the Company;
- 2) Technical Provisions estimated at the end of each fiscal year; and
- 3) Reserves to be maintained in the State.

Article (24): Appointment of Actuary

The Company licensed to carry out insurance business shall appoint or approve an actuary, pursuant to the provisions of Article (65) hereunder, within one month from date of being granted the license, and shall so notify the CBUAE within one month from the date of appointment or approval of the Actuary.

Article (25): Insurance Pool

Insurance Companies may together establish one or more insurance pool(s) to provide an Insurance Coverage of any branch of insurance or any specific operation for the benefit of the pool, pursuant to the bylaw of each pool; provided that the CBUAE's prior approval is obtained.

CHAPTER SIX: OBLIGATIONS OF THE COMPANY

Article (26): Payment of Compensation

The Insurance Company shall pay the compensation set out in the Insurance Policy to the Insured or to the Beneficiary, as the case may be, as soon as the insured incident occurs or the insured risk materializes. Following which, the Insurance Company shall subrogate the Insured for the indemnity it paid for damage in lawsuits of the Insured vis-à-vis the party causing the damage for which the Insurance Company's liability has arisen.

Article (27): Insurance of Vehicles

The Insurance Company shall conclude the Insurance Policy for all motor vehicles licensed in the State when so requested by concerned parties. The Board shall set the insurance rates as commensurate with the severity of risks.

Article (28): Provision of Data and Information

- 1) The Companies and the Insurance-Related Professionals shall provide any data or information requested the CBUAE concerning them or about any Company related or associated therewith in any manner whatsoever, within the period of time set by the CBUAE.
- 2) The Company's Board of directors shall invite the CBUAE to attend the general assembly meeting before at least (15) fifteen days from date of its convention. the CBUAE may assign one of its employees to represent it for such purpose.
- 3) the CBUAE may assign one or more of its employees to verify or audit any of the Company's transactions, records or documents, within the normal business hours of the Company. The Company shall put any of the aforesaid at the disposal of the so assigned employee and shall cooperate with him to enable him to fully perform his duties.
- 4) CBUA may, based on the audit result, assign Experts, Consultants, Actuaries or Auditors to audit/check the Company's operations, evaluate its positions and submit a report thereon. The Company shall cooperate with them in a manner that enables them to fully perform their duties. The company shall bear their remunerations, as determined by the CBUAE for any one of them.

- 5) It is prohibited for Expert, Consultant, Actuary or Auditor to disclose to any third party whatsoever any information received under Clause (4) above without obtaining the CBUAE's written approval, except for the disclosure that is based on a court order.

Article (29): Financial Reports

- 1) The Company shall provide the CBUAE with a detailed annual report on its operations signed by the Chairman, the Authorized Manager or authorized signatories of the Company, including the annual financial statements, financial reports reflecting detailed profits and losses of the type of insurance carried out by the Company and each branch thereof and the Auditor's report, within a period not exceeding (3) three months from the end of the fiscal year. the CBUAE shall be delivered a copy of the report, at least (15) fifteen business days before inviting to the general assembly meeting.
- 2) The Company shall not present the accounts and financial statements referred to in Clause (1) above to the general assembly meeting except after obtaining the CBUAE's approval.
- 3) The Chairman or Director General shall promptly notify the CBUAE if the Company is exposed to serious financial or administrative situations compromising the rights of the Insured or Beneficiaries.

Article (30): Insurance Policy Forms

- 1) The Company shall provide the CBUAE with forms of the Insurance Policies and their approved annexes, including the general and special terms and conditions, the technical grounds of such policies and the Premiums rates annexed thereto, and shall provide the CBUAE with schedules of the redemption values of life Insurance Policies and funds accumulation operations and the premiums rates annexed thereto.
- 2) Should the public interest requires or in case of imperfection that may compromise the interests of Policyholders, the CBUAE may request the Company to introduce an amendment to the forms of Insurance Policies and their approved annexes, within the period determined the CBUAE for such purpose.
- 3) The Company shall provide the Insured and the Beneficiaries with copies of the Insurance Policies and the annexes thereof after the amendment is introduced, within the time limit set the CBUAE.

Article (31): Disclosure and Transparency

The Companies shall comply with the principles of disclosure and transparency while dealing with the Insured and the Beneficiaries and in all policies, documents, leaflets, advertisements, publicity, articles and scientific materials issued by them, which are regulated by a resolution by the Board.

Article (32): Auditor

- 1) The Company's Auditor shall submit a prompt report to the CBUAE, with a copy thereof to the Company's Chairman in any of the following cases:
 - a. If they found out that the financial position of the Company does not enable it to fulfill its obligations vis-a-vis the Insured or Beneficiaries or hinders its capacity to fulfil the financial requirements set forth in this Decree-Law and the resolutions, regulations, statutes and instructions issued thereunder related to the financial position of the Company;
 - b. If they found out that there is material imperfection in the Company's performance of its financial procedures, including entering data in its accounting records, and the existence of material deficiencies in the internal controls that could pose a threat to its financial position and stability;
 - c. If they refuse or have reservations in respect of any certificate or statement issued by the Company related to its income or financial statements;
 - d. If they fail to express their opinion on the Company's financial statements due to material misstatements or fraud;
 - e. If they find out that the Company does not comply with the laws, resolutions, regulations, and instructions related to the Company's financial statements; and
 - f. If they decide to resign or their reappointment to the Company is rejected.
- 2) The CBUAE may request the Auditor to directly provide it, within a specific period, with the information needed to monitor the Company's operations.
- 3) When the Auditor recommends that the financial statements filed thereto by the board of directors not to be approved, the Company's general assembly meeting shall decide the following:

- a. To return the financial statements to the Company's board of directors and ask the latter to correct the statements according to the Auditor's observations and are deemed approved after the observations are rectified.
- b. To refer the matter to the CBUAE to appoint a committee of expert Auditors and fix their remunerations to be charged by the Company to adjudicate the subject matter of the dispute between the Company's board of directors and its Auditor. Having been presented again to, and approved by the general meeting, the Committee's decision shall be binding and the financial statements shall be adjusted as per the committee's decision.

CHAPTER SEVEN: MEASURES, SANCTIONS AND GRIEVANCE

Article (33): Measures and Sanctions

- 1) The CBUAE may conduct a periodic examination of the Companies to ensure the soundness of their financial positions and their compliance with the provisions of this Decree-Law and the technical bases of carrying out insurance and reinsurance operations. To that end, the CBUAE may verify that the Company complies with the following:
 - a. Its fulfillment of its obligations and that the CBUAE shall not be held liable for its failure to do so or its inability to continue in business;
 - b. The Company does not commit any violation of the provisions of this Decree-Law or the resolutions, or instructions issued in pursuance thereof;
 - c. The adequacy of measures taken by the Company on the reinsurance of risks assumed by the same;
 - d. Compliance with the license conditions necessary to carry out insurance business;
 - e. The Company's total losses shall not exceed (50%) fifty percent of its paid-up capital; and
 - f. The Company shall not cease to conduct its business without legitimate justification.
- 2) Where the Company fails to comply with any provisions of Clause (1) above, the CBUAE may impose whatever measures or sanctions it deems appropriate, and it may impose one or more of the following actions:
 - a. Serving a notice describing the nature of violation, procedures for remedying it and a mechanism for regularization.
 - b. Requesting the Company or the headquarters of a foreign insurance company, as the case may be, to take the necessary measures to regularize the administrative situations therein, including deposing the Company's Director General, Authorized Manager or any Senior Employee thereof.
 - c. Deposing the Company's Chairman and any Board Member proved to be responsible for the current status of the Company.
 - d. Forming a neutral committee of experts to replace the Company's Board of Directors for a period not exceeding (6) six months, renewable for similar period(s), if necessary, and in all cases the total periods may not exceed (24) twenty four months, defining its functions and appointing its members, chairman and vice-chairman. The Company shall bear the committee's remuneration, as determined by the CBUAE. The procedures for electing and forming a new board of directors shall be proceeded pursuant to the provisions of Federal Decree-Law No. (32) of 2021, referred to hereinabove, at least (30) thirty days before the expiry of the committee's work.
 - e. Taking the necessary actions to merge the Company into another company, subject to the approval of the company into which it will be merged.
 - f. Preventing the Company from concluding new Insurance Contracts or preventing it from carrying out one or more type of insurance.
 - g. Setting out a threshold limit for the total amounts of Premiums that the Company receives from the Insurance Policies it issues.
 - h. Maintaining assets in the State equivalent in value to all net obligations arising from its business in the State, or a certain percentage of its value determined by the CBUAE.
 - i. Restricting the Company's carrying out of its investment activities related to the Solvency Margin ratio, or obliging it to liquidate its investments in any of such activities for such purpose, unless the same would cause harm to the Company, as determined by the specialized expert.
 - j. Appointing an independent supervisory member from outside the CBUAE to attend the Company's board meetings and participate in discussions, without having a vote, during decision-making. The Board shall determine his duties and remunerations.
 - k. Suspension of the Company's license.
 - l. Revocation of the Company's license.
 - m. Restructuring of the Company.
 - n. Liquidation of the Company.
 - o. Imposing a fine on the Company not exceeding (AED 100,000,000) one hundred million dirhams.

- 3) The provisions of Clauses (1) and (2) above shall apply to the Insurance-Related Professionals, as commensurate with the nature of their professions.
- 4) The measures set out in Clause (2) above shall be imposed by virtue of a resolution of the Governor, other than the measures referred to in Paragraphs (e), (l), (m) and (n), which shall be imposed by a resolution of the Board.

Article (34): List of Violations and Fines

The Board shall issue a list of violations committed by the Companies and the Insurance- Related Professions, pursuant to the provisions of this Decree-Law and the fines imposed thereon.

Article (35): Filing Grievances Against CBUAE's Decisions

- 1) A grievance committee shall be established by the CBUAE to consider grievances filed against decisions, measures and administrative sanctions issued pursuant to the provisions of this Decree-Law. The Board shall issue the necessary decisions on the formation of the committee, rules of procedure, remunerations of its members, experts to be engaged and all matters related thereto.
- 2) Save as regulatory and supervisory policies, resolutions, regulations, directives and instructions. The committee referred to in Clause (1) above shall decide on grievances against the CBUAE's decisions, pursuant to the provisions of this Decree-Law and the resolutions issued in pursuance thereof.
- 3) A grievance against the CBUAE's decision shall be made within (20) twenty business days from the date of notification of the decision in accordance with the mechanism determined by the Board. The committee shall not accept grievances submitted after this time limit.
- 4) Decisions falling within the competence of the Committee, pursuant to the provisions of this Article, may not be challenged before courts before a grievance against them is filed and decided.
- 5) No grievance may be filed before the committee set out in Clause (1) above against decisions issued by the CBUAE, pursuant to the provisions of Clause (2) of Article (41) hereunder.

Article (36): Inspection

- 1) The CBUAE may assign any of its employees or any other licensed or authorized Person to inspect the Company or any other company owned by such Company or is affiliated thereto, in order to ensure the soundness of its financial position and its compliance with the provisions of this Decree-Law and the resolutions, regulations, and instructions issued in pursuance thereof, as well as other laws and regulations in force in the State.
- 2) The CBUAE shall coordinate with the relevant regulatory authority in case of the inspection of companies owned by the Insurance and Reinsurance Companies, Insurance-Related Professionals or associated Companies, which are subject to the regulatory authorities.
- 3) The CBUAE may, in coordination with the relevant authorities in the State, inspect premises of any Person suspected to carry out any insurance and reinsurance business or the Insurance-Related Professions. To that end, the CBUAE may obligate the suspected Person to provide all information, documents and records related thereto and to seize them.
- 4) The Companies and the Insurance-Related Professionals and companies owned by and affiliated to the same shall provide the inspector with whatever data, information, records, books, accounts and documents related to the subject of the inspection on the dates specified by him.
- 5) The inspector may collect the necessary information and clarifications from any Person with whom the Company or the owner of the Insurance-Related Profession has a relationship with regard to the subject of the inspection.
- 6) The inspector may summon any Person at the time and place specified by them to provide information, data, documents or records related to the inspection.
- 7) The CBUAE may assign one of its employees or a specialized expert to guide the Company and the Insurance-Related Professions or supervise some operations within a specific period determined by the CBUAE. If the expert is from outside the CBUAE, the Company and the Insurance-Related Professions shall pay his remuneration determined as determined by the CBUAE.

- 8) The Company and the Insurance-Related Profession shall bear all expenses of inspection and investigation that another person is assigned to carry out, pursuant to the provisions of Clause (1) above, if it is proved that it violates the provisions of this Decree-Law and the statutes and resolutions issued in pursuance thereof.

Article (37): Facilitation of Inspection

It is prohibited for the Companies and Insurance-Related Professionals or any of their managers or employees to:

- 1) Prevent, obstruct, or hinder any employee or any other Person assigned the CBUAE from carrying out inspection or audit under the provisions of this Decree-Law;
- 2) Conceal any data, records or books requested by the CBUAE or whoever is assigned to carry out inspection or audit; and
- 3) Issue any statements or give any inaccurate or misleading data, records or books.

CHAPTER EIGHT: FUNDS OF INSURANCE COMPANIES

Article (38): Bank Deposit Amount

Every Insurance Company shall make a cash deposit in a bank operating in the State, as a security for implementing its obligations set forth in this Decree-Law, the amount of which shall be determined as follows:

- 1) (AED 4,000,000) four million dirhams for person and fund accumulation insurance referred to in Clause (1) of Article (4) above.
- 2) (AED 6,000,000) six million dirhams for property and liability insurance referred to in Clause (2) of Article (4) above.

By virtue of a resolution of the Board, the amount of the deposit referred to in Clauses (1) and (2) above may be increased. The deposit shall be made to the order of the Governor.

Article (39): Disposition of the Bank Deposit

The deposit may only be disposed of for the payment of debts arising from insurance operations carried out by the Company; provided that a prior written authorization of the Governor or his representative is obtained.

If the value of the deposit diminishes below the prescribed limit if it is disposed of, the Company shall replenish the deposit amount within a period not exceeding (30) thirty days from the date of the CBUAE's request to replenish the deposit amount.

Article (40): Mathematical Reserve of the Company

The Company that carries out the type of insurance referred to in Clause (1) of Article (4) above must keep in the State funds whose value is at least equivalent to the full amount of the mathematical reserve of contracts concluded in the State or implemented therein. The Board may reduce the percentage of reserve the Company is required to keep.

Such funds must be completely separated from the funds of other insurance operations. When calculating the aforementioned reserve, the deposit referred to in Clause (1) of Article (38) above shall be taken into account, so that whichever value is greater shall be applicable.

CHAPTER NINE: LICENSE

Article (41): Approval and License

- 1) It is prohibited to establish a company in the State, open a branch of a foreign Insurance Company, or add a new branch without the approval of the CBUAE.
- 2) It is prohibited for a person to carry out insurance business without having the relevant license issued by the CBUAE, which may, as it deems appropriate for the need of the national economy, approve or reject the issuance of the license, and in case of rejection, the CBUAE shall be reasoned.
- 3) The Board shall revoke the license if it has been issued based on false information.
- 4) It is prohibited for any unlicensed Company to conclude an Insurance Policy. Any Insurance Policy concluded by an unlicensed Company shall be null and void, and a bona fide affected party may claim compensation.
- 5) The Board shall set the controls and requirements necessary for implementing the provisions of Clauses (1) and (2) above.

Article (42): Reinsurance Controls

The Company may not reinsure with another company unless the other company is licensed to carry out the insurance type entrusted to reinsure it according to the regulations issued by the Board.

Article (43): Fiscal Year

The fiscal year of the Company shall commence on 1st January and end on 31st December every year. However, the first fiscal year shall commence from the date of its registration in the Commercial Register and end on 31st December of the following year.

CHAPTER TEN: SUSPENSION AND REVOCATION OF THE COMPANY'S LICENSE

Article (44): Cases of the Company's Suspension

The Governor may suspend the Company from carrying out one or more types of insurance for a period not exceeding one year, while notifying both the Company and the relevant authority of the suspension decision, in any of the following cases:

- 1) In case the Company violates the provisions of this Decree-Law or the resolutions, regulations, or instructions issued thereunder;
- 2) In case the Company lacks of any of the conditions required to be fulfilled in the license under the provisions of this Decree-Law;
- 3) In case the Company fails to carry out business in any type of insurance covered by the license, or ceases to carry out such business for one year;
- 4) In case the Company is unable to fulfill its financial obligations; and
- 5) In case the Company refrains from implementing a final court judgement related to the Insurance Policy;

The Company that has been suspended from carrying out one or more types of insurance shall implement its obligations that had been arisen before the suspension decision is issued.

Article (45): Removal of Suspension or License Revocation Reason

- 1) Should the Company, within a period not exceeding one year from the date on which the suspension decision is issued, remove the suspension reason, the Governor shall issue a decision approving it to continue in insurance business, and the CBUAE shall notify the relevant authority and the Company of the decision.
- 2) In the event that the time limit referred to in Clause (1) above expires and the Company fails to remove the suspension reason, the Board shall delicense the type of insurance subject of the suspension, and the CBUAE shall so notify the company and the relevant authorities.

Article (46): Impacts of Suspension or Revocation of the License

- 1) The procedures related to the suspension of business or revocation of the license for one or more types of insurances under the decisions issued by the Board in this regard.
- 2) The issuance of a decision to suspend the business or revoke the license for one or more types of insurance shall:
 - a. Prohibit the conclusion of Insurance Policies for one or more types of insurance subject of suspension or Revocation; and
 - b. Consider all rights and obligations arising from Insurance Policies concluded before the suspension of business or revocation of the license effective and the Company shall be liable for the same.

Article (47): Relicensing the Company

If the license revocation reason is removed, the Company may, within a period not exceeding one year from the date on which the revocation decision is issued, submit an application to the CBUAE for re-licensing, accompanied by the documents proving the removal of the license revocation reason. The Board may issue its decision on approval or rejection, provided that the decision is reasoned, and the CBUAE shall notify the Company and the relevant authorities of the decision.

Article (48): Rejection of Relicensing Application

- 1) Should the Board rejects the relicensing application for all types of insurance, or if the Company fails to submit a relicensing application, within the time limit referred to in Article (47) above, the Company shall go into liquidation within a period not exceeding one month from the date of expiry of such period or from the date of being notified of the rejection decision. If the Company fails to do so, it shall be liquidated in accordance with the provisions of this Decree-Law.
- 2) The Company's license shall be deemed revoked if a liquidation decision is issued pursuant to the provisions of this Decree-Law, a final court judgement of its liquidation is rendered or is declared bankrupt under the legislation in force in this regard.

CHAPTER ELEVEN: FOREIGN INSURANCE COMPANIES AND REPRESENTATION OFFICES OF FOREIGN INSURANCE COMPANIES

Article (49): Branch of Foreign Insurance Company

- 1) A foreign Insurance Company's branch shall appoint a manager to manage the branch, who is authorized by a document attested by the relevant authorities to exercise all the powers necessary to manage such branch, including:
 - a. Issuing Insurance Policies and annexes thereof and paying the claims arising therefrom;
 - b. Representing the Company's branch before the CBUAE, competent court and other relevant authorities; and
 - c. Receiving communications, notices and all correspondence served to the Company.
- 2) Before the carrying out Insurance Business, a foreign Insurance Company's branch shall submit an application to the CBUAE for licensing the branch; provided that the manager's appointment decision and the document referred to in Clause (1) above shall be attached to the application.
- 3) The foreign Insurance Company's branch shall notify the CBUAE of the Authorized Manager's name within one month from his appointment date, and shall appoint a substitute within one month from the date on which position becomes vacant.

Article (50): Bank Guarantee

The foreign Insurance Company's branch shall submit an irrevocable letter of bank guarantee in favor of the CBUAE, in an amount of not less than (AED 100,000,000) one hundred million dirhams in case it is carrying out insurance activity, and an amount of not less than (AED 250,000,000) two hundred fifty million dirhams in case it is carrying out reinsurance activity, in accordance with the instructions issued by the Board in this regard.

Article (51): Final Account

The Foreign Insurance Company's branch shall provide the CBUAE with the combined final account, and shall publish it in two local daily newspapers, one of which is issued in Arabic.

Article (52): Representation Offices of Foreign Insurance Companies

- 1) Representation offices of foreign Insurance Companies may not carry out their activities related to insurance in the State before obtaining license from the CBUAE.
- 2) the CBUAE shall issue a decision regulating the functions of such offices.
- 3) The license shall be either accepted or rejected by virtue of a decision of the Board, and the CBUAE shall notify the relevant authorities accordingly.

CHAPTER TWELVE: INSURANCE COMPANIES OF PERSONS AND FUND ACCUMULATION OPERATIONS

Article (53): Policies Issued by Insurance Companies

The companies engaged in insurance business for persons and fund accumulation operations may not differentiate between the policies issued of the same type; in terms of insurance rates, or the proportion of profits distributed to policyholders or other requirements, unless such differentiation arises from a life expectancy variations for policies where the lifetime has an effect, except for:

- 1) Reinsurance policies;
- 2) Insurance Policies of amounts that enjoy certain discounts according to the price lists communicated to the CBUAE; and
- 3) Insurance Policies that include special conditions on the life of members of a single family or a group of individuals related by a single profession or job or any other social relation.

Article (54): Insurance Policy Rate Discount

The CBUAE may, based on the Company's request, agree to the issuance of policies at discounts compared to the normal prices, if there are reasons justifying the same.

Article (55): Assessment of Value of Liabilities

The Companies that carry out the insurance of persons and fund accumulation operations shall examine the financial position of this type of insurance and assess the value of its obligations at least once every (3) three years by an Actuary, as of the business commencement date.

This assessment shall cover all insurance operations concluded by the Company inside and outside the State separately. If the activity is carried out by a branch of a foreign Company, the assessment shall be limited to the operations whose contracts were concluded in the State or carried out therein.

Article (56): Examination of Financial Position

The assessment referred to in Article (55) above shall be conducted whenever the Company wishes to examine its financial position to determine the percentages of profits to be distributed to shareholders or policyholders, or whenever it wishes to announce this position.

The CBUAE may request that this assessment be made at any time before (3) three years, provided that a period of not less than one year has lapsed from the date of the last examination.

Article (57): Data of the Actuary's Report

The financial directives of Insurance Companies issued by the Board, pursuant to this Decree-Law, shall set the data required to be included in the Actuary's report on the result of the assessment and examination referred to in Articles (55) and (56) above.

Article (58): Attachments of the Actuary's Report

The Company shall send to the CBUAE a copy of the Actuary's report on the result of the examination and assessment referred to in Articles (55) and (56) above, within six months from the expiry of the period for which the examination was conducted, accompanied by the following:

- 1) A statement of valid Insurance Policies concluded by the Company inside or outside the State on the date of conducting the examination. If the activity is carried out by a branch of a foreign Company, the statement shall be limited to the policies concluded or implemented in the State.
- 2) A declaration by persons in charge of the Company's management that all data and information necessary to access a correct report have been provided to the Actuary.

Following the expiry of the six-month period, as referred to in this Article, an additional period may be given to the Company to submit this report, provided that this period does not exceed three (3) months.

Article (59): Reexamination of Financial Position

If it becomes clear to the CBUAE that the Actuary's report does not reflect the true financial position of the Company, the CBUAE may request a reexamination at the Company's expense by an Actuary selected by the CBUAE for this purpose.

Article (60): Distributable Funds

- 1) Companies that engage in the insurance of persons and fund accumulation may not deduct, whether directly or indirectly, any part of their funds corresponding to their obligations arising from the Insurance Policies to distribute it as dividend to shareholders or Policyholders, or to pay any amount beyond their obligations under the Insurance Policies it issued. The distribution of dividend shall be limited to the amount of money in excess, as determined by the Actuary in their report, after conducting the examination referred to in Article (57) above.
- 2) For the purpose of applying the provisions of this Article, the Company's funds in the State and abroad may be considered as an integral unit, without prejudice to the provisions of Article (23) above.

Article (61): Savings Bonds

The Companies that engage in the insurance of Persons and fund accumulation may not issue savings bonds for a period exceeding thirty (30) years. If the duration of a bond is (25) twenty-five years or more, the value of its redemption after the twenty fifth year (25) may not be less than the amount of the full mathematical reserve. The Premiums to which savings bondholders are committed must be of equal or declining value.

Article (62): Data of Savings Bonds

Savings bonds shall provide for the termination conditions that the Company invokes vis-à-vis a bondholder due to their delay in paying the Premiums.

However, the contract may be terminated before the lapse of (3) three months from the due date of the Premium and the bondholder failing to pay the premium. In case the bond is nominal, such period shall apply from the date of notifying the bondholder by way of a registered letter.

Such bonds shall provide for the devolution of rights thereto to the Beneficiaries due to the bondholder's death, without imposing additional amounts or new requirements.

The CBUAE shall determine other data that must be included in the savings bonds.

Article (63): Assessment of Insurance Policy Value

In the event of the bankruptcy of the Company engaged in the insurance of Persons or fund accumulation, the amounts due to each of policyholder not yet expired shall be assessed to equate the mathematical reserve thereto on the day of announcing the bankruptcy verdict or the liquidation decision calculated according to the technical basis of the Premiums at the time of concluding the policy.

Article (64): Insurance Companies Operating in Financial Free Zones

Insurance Companies licensed to operate in the Financial Free Zones may not carry out any activity outside such zones in the State, except for reinsurance.

Article (65): Insurance-Related Professions

No Person may practice as an Insurance Agent, Insurance Broker, Surveyor and Loss Adjuster, Insurance Consultant, Actuary, health insurance claims manager or any other professions related to insurance without obtaining the license or permit to practice the profession and being registered in the register designated for such purpose, and in accordance with the conditions determined by the Board, which include determining the liability of Insurance-Related Professionals and organizing their business and the conditions of their registration in the register.

CHAPTER THIRTEEN: TRANSFER OF INSURANCE POLICIES AND CESSATION OF OPERATIONS

Article (66): Transfer of Insurance Policies from Company to Company

The Company may transfer the Insurance Policies it has concluded in the State, including the rights and obligations related to any type of insurance carried out by the Company, to another Company or Companies that carry out the same type of insurance.

Article (67): Insurance Transfer Application

- 1) The transfer application shall be submitted to the CBUAE, accompanied by the documents related to the transfer agreement, and the transfer application shall be published in two local daily newspapers, one of which is published in Arabic, at the expense of the transfer applicant, or as per the mechanism determined the CBUAE; provided that the announcement shall refer to the right of policyholders, the Beneficiaries or any interested party to file any objection to the CBUAE to such transfer, within (10) business days from the date of the announcement; provided that the subject of their objection and the grounds thereof are determined.
- 2) The CBUAE shall issue its approval of the transfer if no interested party objects thereto within the period referred to in Clause (1) above. The decision shall be published in the Official Gazette within one month from the date of its issuance, and it may be invoked vis-à-vis the Insured, the Beneficiaries and the Company's creditors, and the funds shall be transferred to the Company to which the policies have been transferred, subject to the provisions relating to the transfer of ownership and assignment of funds; provided that the transferred funds are exempted from the registration fees under the provisions relating to the transfer of ownership and assignment of funds.
- 3) If an objection is submitted within the period referred to in Clause (1) above, the transfer application shall be decided on only after an agreement is reached between the interested parties or a final judgement is rendered on such objection. However, the CBUAE may issue a decision approving the transfer; provided that a guarantee is submitted by the Company to the CBUAE equivalent to its obligations

vis-à-vis the objector, including the expenses that may be incurred for retaining any of the Company's assets.

Article (68): Cessation of Insurance Operations

The provisions of Articles (66) and (67) above shall be applicable if any Company wishes to cease carrying on one or more types of insurance, or is desirous to free up its funds that are required to be present in the State for such type or types of insurance, after the Company provides a proof that it has fulfilled its obligations for all policies concluded within the State or carried out therein, pertaining to such type or types of insurance for which it decided to cease its operations.

CHAPTER FOURTEEN: TAKAFUL INSURANCE COMPANY

Article (69): Takaful Insurance Business

- 1) The provisions of this Decree-Law and the resolutions, regulations, and directives issued thereunder shall apply to Takaful Insurance Companies, in so far as they do not contradict the nature of their business, and they may not engage in insurance business in such a manner that violates the provisions and principles of Islamic Sharia'ah, provided it must be reflected in its memorandum of association and articles of association.
- 2) The Board shall issue a regulation setting out aspects of activities, conditions, rules and standards of the Takaful Insurance Company's business in a manner that is appropriate with the nature of the license granted thereto.

Article (70): Takaful Insurance Fund

Takaful Insurance Company shall establish a fund that enjoys independent legal personality, in accordance with the controls and procedures identified under a resolution by the Board, which shall be subject to the control and supervision of the CBUAE, where its contribution amounts and investment returns are deposited, in addition to the Takaful reinsurance contributions or its equivalent and their revenues. The fund shall bear all expenses and costs of insurance operations, and shall be liable for compensation under the provisions of Takaful Insurance Policies.

Article (71): Higher Shari'ah Authority

- 1) The Higher Sharia'ah Authority shall set the Sharia'ah rules, standards and principles for Takaful Insurance Companies business, and shall control and supervise the internal Sharia'ah supervisory committees referred to in Article (72) hereunder.
- 2) Takaful Insurance Companies shall bear the expenses of the Higher Sharia'ah Authority, including the provisions, remunerations and expenses of its members, pursuant to the articles of association of the Higher Sharia'ah Authority.

- 3) Takaful Insurance Companies and the internal Sharia'ah supervisory committees shall comply with fatwas and opinions issued by the Higher Sharia'ah Authority.

Article (72): Internal Sharia'ah Supervisory Committee

- 1) An independent internal Sharia'ah supervisory Committee shall be formed in every Takaful Insurance Company called "the Internal Sharia'ah Supervisory Committee", comprising experts and specialists in Islamic financial transactions jurisprudence. Such committee shall supervise and approve all business, activities, products, services, contracts, documents, and charters of the Company's business, and shall set the necessary Sharia'ah controls for the same under rules, principles and standards set by the Higher Sharia'ah Authority, in order to ensure their compliance with the provisions of Islamic Sharia'ah. Fatwas or opinions issued by the Committee shall be binding on the Company.
- 2) The general assembly of the Takaful Insurance Company shall appoint members of the internal Sharia'ah Supervisory Committee, pursuant to provisions of Decree Law No. (32) of 2021, referred to hereinabove, and the names of the members of the Internal Sharia Supervisory Committee shall be presented to the Higher Sharia'ah Authority for approval before being submitted to the general assembly and a decision is issued approving the appointment.
- 3) Members of the Internal Sharia'ah Supervisory Committee may not hold any executive position in a Takaful Insurance Company, or provide services beyond the scope of the Committee's work, or be shareholders in it or have or their relatives up to the second degree have any interests related thereto.
- 4) Should a disagreement arise over a Sharia'ah opinion between members of the Internal Sharia'ah Supervisory Committee, or in case of a disagreement regarding a Sharia'ah matter between the Internal Sharia'ah Supervisory Committee and the relevant Company's board of directors, the matter shall be referred to the Higher Sharia'ah Authority, whose opinion shall be final in this regard.
- 5) An internal department shall be established in every Takaful Insurance Company to carry out internal Sharia'ah auditing and monitor the Company's compliance with fatwas and opinions of the Internal Sharia'ah Supervisory Committee. This department shall report directly

to the Company's Board of Directors, and its employees shall have no powers or executive responsibilities vis-à-vis the business, activities and contracts reviewed or supervised by them from a Sharia'ah viewpoint.

Article (73): Report of Internal Sharia'ah Supervisory Committee

- 1) The Internal Sharia'ah Supervisory Committee shall prepare an annual report, as per the form determined by the Higher Sharia'ah Authority, presenting the extent of the compliance by the management of Takaful Insurance Company with the application of the provisions of Islamic Sharia'ah in the business and activities it carries, the products it provides, the contracts it concludes, and the documents it uses.
- 2) The Internal Sharia'ah Supervisory Committee's report shall be submitted to the Supreme Sharia'ah Authority for approval before being presented to the general assembly.

CHAPTER FIFTEEN: PROVISIONS OF CONTROL, OWNERSHIP OF THE COMPANY AND ITS MERGER

Article (74): Controlling Stakes

- 1) No Person may, whether solely or jointly with related parties, own a controlling stake or increase the controlling stake in the Company or exercise powers rendering him to be perceived as an owner of a controlling stake, without obtaining the approval of the CBUAE.
- 2) In case it is established that a Person has violated the provision of Clause (1) above, the CBUAE may impose one or more of the following measures:
 - a. Serving a violation notice and giving the violating party a time limit for regularization, in accordance with the mechanism determined by the CBUAE;
 - b. Depriving the violating party of dividends or benefits, to the extent of the violation. ;
 - c. Preventing the violating party from voting in the Company's general assembly or running for membership of the Company's board of directors until regularization is done or implementation of the procedure determined by the CBUAE;
 - d. In case the violating party is a member of the Company's board of directors, suspending or revoking its membership;
 - e. Preventing the violating party from disposing of the proportion that exceeds the controlling stake without obtaining the prior written approval of the CBUAE; and
 - f. Any other measures decided by the Board.
- 3) The Board shall issue the regulations and directives pertaining to determining related parties with their shareholding in the Company's capital, and restrictions to shares and situations of control, pursuant to the provisions of Federal Decree-Law No. (32) of 2021, referred to hereinabove, or any other superseding law.

Article (75): Ownership of Insurance Company's Shares

An Insurance Company may not, whether directly or through related parties, own shares of another Insurance Company or bonds convertible

to shares, except in accordance with the controls and directives issued by the Board in this regard.

Article (76): Controls of Merger and Acquisition

- 1) A Company may not merge with, or acquire any other Company, regardless of its activity, and may not transfer any part of its obligations to another Person unless after obtaining the prior approval of the CBUAE.
- 2) Without prejudice to the legislation in force in the State on merger and acquisition, the Board may issue the regulations, , directives and rules related to merger and acquisition.

CHAPTER SIXTEEN: UNBALANCED FINANCIAL POSITION

Article (77): Restructuring

- 1) The Board shall set a framework for restructuring and liquidating the Companies, including the controls, conditions and rules in this respect to reduce the consequences that may be caused from the imbalance in its financial position.
- 2) The CBUAE may request from the relevant authorities in the State to temporarily seize the Company that suffers from an imbalance in its financial position and take possession of its assets, property and rights of its shareholders, issue a decision requesting the competent court to liquidate or dissolve the Company in question, and develop a plan to liquidate or transfer its assets, liabilities, settlements and clearances, as the CBUAE deems appropriate, and implement or supervise the implementation of the liquidation plan, or take a decision on the restructuring or submit a request for a bankruptcy declaration to the competent court, pursuant to the legislation in force in this regard.
- 3) The CBUAE may coordinate with the relevant authorities in the State before the Board issues any decisions in accordance with the provisions of this Article, whenever it deems necessary. The CBUAE may request the competent judicial authorities to take precautionary and summary measures and procedures and any other measures that would protect policyholders, creditors, shareholders and their interests, or as dictated by public interest.

Article (78): Restructuring Committee

- 1) For the purposes of restructuring the Company pursuant to the provisions of paragraph (m), Clause (2) of Article (33) above, the Board may issue a decision dissolving the Company's board of directors and forming a neutral committee to restructure the Company in accordance with Paragraph (d), Clause (2) of Article (33) above. The committee shall submit a monthly report, to the CBUAE on the progress of the restructuring procedures, or whenever requested by the CBUAE.
- 2) For such purpose, the restructuring includes managing the Company and organizing its distressed financial affairs by negotiating with all

its creditors to determine the Company's debts and its repayment method by adopting a plan for the restructuring.

- 3) The committee referred to in Clause (1) above shall publish an announcement in the Official Gazette for (3) three consecutive business days in two local daily newspapers, one of them published in Arabic, at the expense of the Company, which shall include an invitation to all creditors to submit statements of the amount of their debts, along with supporting documents, within a period not exceeding (30) thirty days from the date of publishing the last announcement. No statements submitted by any creditor may be accepted following the lapse of such period.

Article (79): Cases of Suspending Attachment or Enforcement Against the Company's Property

- 1) Subject to the provisions set forth in any other legislation, the enforcement of any attachment on the Company's property or assets, whether precautionary or executory attachment, or any disposition of, or enforcement against such property or assets shall be suspended from the date of issuance of the restructuring decision until any of the following cases is established:
 - a. Lapse of the of the committee's tenure referred to in Clause (1) of Article (78) above;
 - b. Issuance of a decision by the Board, pursuant to the provisions of the Decree-Law, rejecting the restructuring plan; Creditors' rejection of the restructuring plan, pursuant to provisions of this Decree- Law; and
 - c. Issuance of a decision by the Board to discontinue the restructuring procedures, pursuant to the provisions of this Decree-Law.
- 2) The statute of limitation for inadmissibility of the lawsuit shall be suspended, as regard to the procedure referred to in Clause (1) above.

Article (80): Report of the Committee

- 1) The committee referred to in Clause (1) of Article (78) of this Decree-Law shall prepare its report on the restructuring plan within a period not exceeding fifteen (15) days from the date the debts are established and invite creditors to approve the plan under an announcement to be published in two local daily newspapers, one of which is published in Arabic, provided that the plan is approved by creditors representing

- at least three-fourths of non-preferred creditors and unsecured by a pledge.
- 2) In the event that the creditors approve the plan, in accordance with the provisions of Article (a) of this Article, the committee shall submit this plan to the CBUAE, which shall accordingly be submitted to the Board for approval.
 - 3) In the event that creditors reject the plan prepared in accordance with the provisions of Clause (1) above, the Committee shall submit a report accordingly to the CBUAE, which shall submit it along with its recommendations to the Board.
 - 4) The Board may take an appropriate decision on the submitted plan in accordance with the provisions of Clause (1) above. In the event that the Board approves the plan, the restructuring procedures shall be proceeded with, and in case of rejection, the Board decides to take the appropriate action, pursuant to the provisions of Clause (2) of Article (33) of this Decree-Law.
 - 5) After completing the restructuring, a new Board of Directors of the company will be elected, pursuant to the provisions of the legislation in force in the State.

Article (81): Discontinuance of Restructuring Procedures

If the Board determines that the Company is distressed, despite the implementation of the restructuring plan or its ineffectiveness, it may decide to discontinue the restructuring procedures and take the appropriate action, in accordance with the provisions of Clause (2) of Article (33) above.

Article (82): Appointment of Liquidator

- 1) Without prejudice to the provisions of Federal Decree-Law No. (32) of 2021 referred to hereinabove, the provisions contained in this Decree-Law and the regulations and resolutions issued thereunder shall apply to the Company's liquidation. The liquidation shall be carried out by one or more liquidators appointed by the general assembly by way of a special resolution. If the liquidation is based on a court judgment, the court shall indicate the method of liquidation and shall appoint the liquidator. The liquidator's appointment decision shall specify his fees and powers, along with an obligation to provide a guarantee, if necessary. If the liquidator's fees are not determined in the appointment decision, they shall be determined by the competent court.

- 2) The decision appointing the liquidator shall be announced by registration in the Commercial Register, and such announcement shall be published in two local daily newspapers, one of which is published in Arabic, within a period not exceeding seven (7) days from the date of the announcement. Such appointment may be invoked vis-à-vis third parties only from the announcement date.
- 3) The authority of the Company's board of directors shall end when the Company goes into liquidation. In the course of liquidation, the Company shall retain legal personality to the extent necessary for the liquidation proceedings. The powers of the Company's organizational units and affiliates shall be restricted to the liquidation proceedings that do not fall within the powers of liquidators.

Article (83): Challenging the Liquidator Appointment Decision

- 1) Any party in interest may challenge the decision issued by the Company's general assembly appointing the liquidator before the competent court, within (40) forty days from the date announcing the appointment decision.
- 2) The challenge referred to in Clause (1) above shall not suspend the liquidation proceedings, unless otherwise decided by the court.

Article (84): Removal of Liquidator

The liquidator shall be removed the same way he was appointed, and any decision or judgment removing a liquidator shall include the appointment of a replacement. The liquidator's removal shall be published in two local daily newspapers, one of which is published in Arabic. Such removal may be invoked vis-à-vis third parties only from the announcement date.

Article (85): Consequences of Liquidation Decision

The issuance of the liquidation decision shall have the following consequences:

- 1) The liquidator adds the phrase (under liquidation) next to the name of the Company in all its documents and correspondence;
- 2) Discontinuation of any delegation of authority or signatory power issued by any entity, and the liquidator shall be exclusively competent to grant any delegation of authority or signatory power required by the liquidation proceedings;

- 3) Suspension of the statute of limitation that leads to the inadmissibility of the lawsuit with regard to any rights or claims due or existing in favor of the Company for a period of one year starting from the date of issuance of the liquidation decision;
- 4) Stay of cases and proceedings brought by or against the Company for a period of six (6) months, unless the court decides to proceed with such cases before the expiry of this time period, without prejudice to the provisions of Clause (5) of this Article; and
- 5) Stay of any procedural or executive transactions against the Company, unless such transactions are based on the request of a pledgee and related to the pledged property, in such case, such transactions shall be discontinued or their acceptance shall be prevented for a period of (6) six months from the date on which the liquidation decision is issued.

Article (86): Decisions and Procedures Necessary for the Liquidation Process

The liquidator may issue the decisions he deems appropriate and undertake the procedures he deems necessary to complete the liquidation process, including:

- 1) Managing the Company's business to the extent required by the liquidation procedures;
- 2) Making a record of all the Company's assets, in agreement with the Company's board of directors, which shall hand over to the liquidator, the Company's property, books and documents;
- 3) Appointing any experts and competent persons to help him complete the liquidation procedures, or appointing special committees and delegating to them any of the tasks and powers vested in him; and
- 4) Appointing one or more lawyers to represent the Company under liquidation in any lawsuits or proceedings related thereto.

Article (87): Procedures Protecting the Company's Rights

- 1) The liquidator may take all actions that he deems necessary to protect the Company's rights, including:
 - a. Revoking any disposition or terminating any contract concluded by the Company, or recovering any amount it has paid during the three months preceding the issuance of the liquidation decision, if it

involves giving preference to a certain person over the Company's creditors. The period shall be one year if the Company is related to, or affiliated that person. Preference is deemed to have materialized if the disposition or procedure has been done without receiving consideration, whether fully or partially, or if it involves valuing property or rights differently than its real value or contrary to its value prevailing in the market.

- b. Revoking any disposition or terminating any contract concluded by the Company with any Person who is related to, or affiliated with the Company, or recovering any amount paid by the Company to any of them, within the (3) months prior to the issuance of the liquidation decision.
 - c. Agreeing with any of the Company's debtors on how to pay or pay in installments any amounts or obligations owed.
 - d. Terminating the employment of any of the Company's employees and paying their dues.
 - e. Terminating any contract concluded by the Company with any Person before the expiry of its term.
- 2) The liquidator shall undertake any of the procedures referred to in Clause (1) above by notifying the concerned person under a written notice. However, this procedure may be challenged before the competent court, having territorial jurisdiction where the Company's head office is located, within (30) days as from the notification of such Person.

Article (88): Nullity of Pledges and Collaterals

- 1) All pledges and collaterals created over any property or rights of the Company during the (3) three months preceding the date of the issuance of the liquidation decision shall be null and void. Such period shall be one year if the pledges or collaterals are in favor of a Person who is related to, or affiliated with the Company.
- 2) Any attachment over any of the Company's property or right before the issuance of the liquidation decision shall be null, unless this decision is issued based on a pledgee's request and is related to the pledged property.

Article (89): Person Related to the Company

For the purposes of Articles (87) and (88) of this Decree-Law, a person is deemed related to the Company in any of the two following cases:

- 1) If the person is a member of the Company's board of directors, a manager at the Company or has a joint business interest with either one; or
- 2) If the person is a spouse or a relative of a member of the Company's board of directors or a manager thereof or his spouse up to the second degree or has a joint business interest with either one.

Article (90): Acts of the Liquidator

Without prejudice to the provisions of the legislation in force in the State, the liquidator may repay the Company's debts and may sell its property, whether movable or real property, at public auction or by any other means, unless it stipulated in the instrument pertaining to his appointment that the sale must be carried out in a specific way. However, the liquidator may sell the Company's assets as a whole only by a special decision of the general assembly.

Article (91): Notification of Creditors

- 1) Without prejudice to the provisions relating to the Insured and the Beneficiaries of the Insurance Policies, the liquidator shall, within (30) thirty days from the date of the issuance of the liquidation decision, publish a noticeable and prominent announcement in two local daily newspapers, one of which is published in Arabic, to notify creditors to submit their claims against the Company, whether payable or unpayable debts, within two (2) months if they are residents in the State and three (3) months if they reside abroad.
- 2) The announcement shall be republished in the same manner promptly after the expiration of a period of (14) fourteen days from the date of publication of the first announcement. The statute of limitations for claims shall be calculated from the date of publication of the first announcement.
- 3) If the liquidator or the competent court is satisfied that there is a legitimate excuse for a creditor's failure to submit his claim within the period referred to in Clause (1) above, such period may be extended for further (3) three months maximum.
- 4) The period of time running from the issuance of the liquidation decision to the publication of the first announcement referred to in Clause (1) above shall not be calculated within the period prescribed for

the inadmissibility of the lawsuit pertaining to any rights or claims of creditors against the Company under liquidation.

Article (92): Notices Issued by the Liquidator

- 1) Without prejudice to the provisions of Clause (2) below, the liquidator shall, within three (3) months from the date of issuance of the liquidation decision, issue the below notices, unless he finds justifiable reasons to exceed such period; provided that the total period does not exceed six (6) months:
 - a. A notice with acknowledgment of receipt to each Insured or Beneficiary of the Insurance Policy of the amount of their rights and obligations.
 - b. A notice of claim with acknowledgment of receipt to each debtor of the amount of his debts and obligations vis-à-vis the Company.
- 2) An objection to the notice referred to in Clause (1) above may be filed to the liquidator within (30) days from the date of notification. If no objection is made during such period, the Insured, Beneficiary, or debtor shall be considered to have acknowledged the content of the notice.
- 3) The statute of limitation for hearing a lawsuit shall be interrupted by way of the submission of a claim pursuant to the provision of Clause (2) above.
- 4) If the claim notice issued by the liquidator to a debtor, pursuant to the provisions of Paragraph (b) of Clause (1), becomes final, the liquidator may make a settlement with the debtor or execute the notice against him under the provisions of the legislation in force in this regard.

Article (93): Decisions Issued by the Liquidator

- 1) The liquidator shall issue his decisions on the claims and objections it receives, pursuant to the provisions of Article (92) above, within a period not exceeding (6) six months from the date of submission.
- 2) If the liquidator fails to issue his decision within the period referred to in Clause (1) above, the claims and objections shall be deemed to be rejected.
- 3) Any interested party may challenge the liquidator's decision issued pursuant to the provisions of Clauses (1) and (2) above before the competent court having jurisdiction where the Company's head office

is located, within a period of (30) thirty days from the date of being notified of the decision or from the date of the expiry of the period referred to in Clause (1) above, whichever is shorter.

Article (94): Precautionary Attachment

Notwithstanding the provisions of any other legislation, the liquidator may file a motion to the competent court to impose a precautionary attachment over any property belonging to the Company's debtors; or to take any precautionary or summary measures against them, pursuant to the provisions of the legislation in force, considering the following:

- 1) The liquidator shall be exempted from depositing a security for such motion; and
- 2) The liquidator shall have issued a notice of claim to the debtor upon filing the aforementioned motion, or shall issue it within (8) eight days subsequent to the issuance of the decision. This notice shall be an alternative to the substantive action required to be filed pursuant to the provisions of the Federal Civil Procedure Law.

Article (95): Filing a Lawsuit Against the Company

- 1) After the liquidation decision is issued, a creditor, debtor, Insured or Beneficiary may not institute a lawsuit against a Company under liquidation, unless in accordance with the grounds and procedures referred to in this Decree-Law.
- 2) Without prejudice to the provisions of Clause (1) of this Article, a Person affected by the liquidator's actions or procedures may challenge the same before the competent court having jurisdiction where the Company's head office is located, pursuant to the provisions of the legislation in force in this regard. The court may confirm, nullify or amend such actions and procedures, and may order the liquidator to take actions as may be required.

Article (96): Repayment of Debts

Debts owed by the Company under liquidation shall be paid according to the following order:

- 1) Rights of employees and workers payable for the last (4) four months;
- 2) Liquidator's fees, expenses incurred and the loans obtained for the purposes of completing the liquidation;

- 3) Rights of the Insured and the Beneficiaries of the Insurance Policies, and the liquidator shall allocate the Company's assets, which represent the technical provisions required to be retained under the provisions of this Decree-Law, to pay such obligations, and any amount collected by the Company under the reinsurance arrangements shall constitute part of the technical provisions;
- 4) Rights of other creditors, as per their order of priority under the provisions of the legislation in force in this regard; and
- 5) Shareholders' rights.

Article (97): Submitting a Provisional Account for Liquidation Proceedings

- 1) The liquidator shall submit to the general assembly, every (6) six months, a provisional account for the liquidation proceedings, and shall provide the information or data requested by shareholders on the liquidation status, and shall complete his mission within the period specified for the liquidation in his appointment decision. If no period is specified, each shareholder may refer the matter to the competent court to specify the liquidation period.
- 2) The liquidation period may be extended only by a decision of the general assembly after reviewing a report by the liquidator stating the reasons why the liquidation failed to complete timely. If the period of liquidation is specified by the court, it may be extended only with leave from the court.

Article (98): Final Account of Liquidation

- 1) Upon the completion of liquidation, the liquidator shall submit to the general assembly a final account on the liquidation proceedings, and such proceedings shall be completed upon ratification of the final account.
- 2) The liquidator shall announce the completion of the liquidation by registering it in the Commercial Register and publishing it in two local daily newspapers, one of which is issued in Arabic, which may only be invoked vis-à-vis third parties from the date of this announcement. Upon the completion of the liquidation, the liquidator shall submit a request for striking the Company off the Commercial Register.

Article (99): Communication of Notifications and Reports

- 1) Any notification or decision issued by the liquidator under the provisions of this Decree- Law shall be notified to the relevant Person in person or to his legal representative, or may be sent by registered mail with acknowledgment of receipt to his last address kept with the Company under liquidation.
- 2) Any notification sent pursuant to this Article shall be deemed to have been duly delivered to the recipient should such Person refuses to receive it.
- 3) If the notification is not possible, pursuant to the provisions of Clause (1) above, the liquidator shall carry out notification through publication in two local daily newspapers, one of them published in Arabic, for at least two times, and the relevant Person shall bear the publication expenses, and this publication shall be considered notification to him.

CHAPTER SEVENTEEN: GENERAL PROVISIONS

Article (100): Emirates Insurance Federation

- 1) Pursuant to the provisions of this Decree-Law, a professional union shall be established called (Emirates Insurance Federation), which shall have the legal personality and legal capacity necessary to carry out all actions and dispositions that ensure achieving its objectives.
- 2) All Companies and Insurance-Related Professionals must become a member of the Emirates Insurance Federation, in accordance with the controls and procedures to be determined by a resolution of the Board. The Federation shall establish committees for various insurance activities practiced by the members.
- 3) The CBUAE shall supervise the business of the Emirates Insurance Federation and approve its articles of association, which define its tasks, responsibilities and relationship with the CBUAE, and shall establish its committees related to various insurance activities, and the provisions relating to its general assembly, and composition of its board of directors and meetings thereof, fees of membership, annual subscription, rules for practicing the profession, disciplinary procedures against its members, and other provisions regulating its affairs
- 4) The Emirates Insurance Federation shall replace all the Emirates Insurance Society, established under Federal Law No. (6) of 2007, referred to hereinabove, and all contracts, rights and obligations related to the Emirates Insurance Society shall devolve to the Federation. The Emirates Insurance Society's staff shall be transferred to the Emirates Insurance Federation, without prejudice to the acquired rights to any of them.
- 5) The legislation, policies, statutes and regulations applicable to the Emirates Insurance Society shall apply to the Emirates Insurance Federation, in a manner that does not conflict with the provisions of this Decree-Law, until the replacing ones are issued.

Article (101): Claims and Settlement of Insurance Claims

- 1) The Company shall process Insurance Claims in accordance with the provisions of the Insurance Policies and the legislation in force, by applying the following procedures:

- a. Issuing a decision on any Insurance Claim, in accordance with the directives of the rules of professional practice and ethics.
 - b. In the event that any Insurance Claim is rejected, in whole or in part, the Company shall state the reasons for its decision in writing.
- 2) If a dispute arises out over an Insurance Claim or if the stakeholder objects to the clarifications provided by the Company, the stakeholder may file a complaint to the Banking and Insurance Dispute Settlement Unit, established pursuant to Article (121) of Federal Decree-Law No. (14) of 2018, referred to hereinabove.
 - 3) A complaint shall be filed according to the procedures approved by the Banking and Insurance Disputes Settlement Unit.
 - 4) One or more committees shall be established in the Banking and Insurance Disputes Settlement Unit to settle disputes arising from insurance contracts, insurance business and services. The Board shall issue the necessary decisions determining its competences, powers, rules of procedure, remunerations of its members and the fees it collects, in addition to the decisions related to its formation. The committee shall be headed by a judge with one or more judges selected the by CBUAE as members.
 - 5) The Company may not challenge the decisions of the committee referred to in Clause (4) above on disputes whose value does not exceed (AED 50,000) fifty thousand dirhams. Such decisions shall be final and enforceable immediately upon their issuance. If the dispute value exceeds (AED 50,000) fifty thousand dirhams, the Company may challenge the committee's decisions before the Court of Appeal within (30) days, from the date of its issuance or knowledge thereof, otherwise, the challenge shall be inadmissible.
 - 6) Without prejudice to the provisions of Clause (5) above, the concerned party may challenge the decisions of the committee referred to in Clause (4) above before the Court of Appeal, within (30) days from the date of issuance of the decision or knowledge thereof; otherwise, the challenge shall be inadmissible.
 - 7) Cases arising from insurance contracts, business and services shall be inadmissible if they are not submitted to the committees formed in accordance with the provisions of Clause (4) above.

- 8) The committee's decisions shall have the force of a writ of execution, and a challenge shall stay the execution of a decision on disputes whose value exceeds (AED 50,000) fifty thousand dirhams.

Article (102): Confidentiality of Data and Information

- 1) All data and information related to insurance business and transactions related thereto shall be of a confidential nature. Insurance Company's employees and Insurance-Related Professionals and their employees are prohibited from giving and disclosing data and information of the Insured or Beneficiaries or enable others to access thereto in cases other than the ones authorized by law. Such prohibition shall survive the termination of the relationship between the Company and the Insured or Beneficiaries for any reason whatsoever.
- 2) The prohibition referred to in Clause (1) above shall apply to all entities, Persons and any Person who, due to their work, have access, directly or indirectly, to data and information.
- 3) The CBUAE, in its capacity as the competent regulatory authority in the State, shall set the rules and conditions regulating the exchange of data and information being the.
- 4) The provisions of Clauses (1) to (3) of this article shall not violate the following:
 - a. Competences legally conferred on security and judicial authorities and the CBUAE and its employees;
 - b. Duties entrusted to auditors of the relevant establishments;
 - c. The right of the entities mentioned in this Clause to disclose all or some data of transactions of their clients necessary under the legislation in force in the State to evidence their rights in a legal dispute that arose between them and their clients in this regard; and
 - d. The provisions set forth in the applicable laws and the ratified international conventions, in addition to the special provisions regulating money laundering and combating the financing of terrorism and illegal organizations.

Article (103): Retention of Data and Information

- 1) Notwithstanding the provisions of any other legislation, electronic data shall be probative if it complies with the legislative controls related thereto.
- 2) The Companies shall keep, for the legally prescribed period, a soft copy of the original books, records, statements, documents, correspondence, telegrams, notices, and other papers related to its business. Such electronic copy shall have the same probative force of the original, pursuant to the legislation regulating that.

Article (104): Intervention in Proceedings and Notification of Investigations

- 1) Subject to the provisions of the Federal Civil Procedure Law, the CBUAE may request to intervene in any lawsuit filed before judicial authorities to which one of its parties is a Company or Insurance-Related Profession.
- 2) All entities concerned with the implementation of the provisions of this Decree-Law and other entities shall notify the CBUAE of any investigations or measures taken against any Company or Insurance-Related Profession. The CBUAE may provide such authorities with any clarifications, data or information that it may deem appropriate in this regard.

Article (105): Penalty for Carrying Out Insurance Business without License

Without prejudice to any severer penalty set forth in any other law, any Person that breaches the prohibition set forth in Clauses (1), (2) and (4) of Article (41) or the provisions of Article (65) of this Decree- Law, shall be punished by imprisonment and a fine of not less than (AED 1,000,000) one million dirhams, or by one of these two punishments.

Article (106): Submission of Data and Information by Government Authorities

All government agencies and Companies to which such agencies contribute and which benefit from insurance business shall submit any data or information related to insurance operations it concludes , as required the CBUAE within the period specified for the same.

Article (107): Cooperation with Local and International Authorities

The CBUAE may cooperate with regulatory authorities in other States to exercise its powers set forth in this Decree-Law over the Companies and the Insurance-Related Professionals abroad, in accordance with the following controls:

- 1) Observing the principle of reciprocity;
- 2) Ensuring that the substance of cooperation does not conflict with the public interest requirements, and public order;
- 3) Ensuring coordination with the relevant entities in the State; and
- 4) Complying with the provisions of the legislation in force in the State.

Article (108): Publication of Decisions

The CBUAE shall publish the decisions related to issuance, suspension, revocation, or relicensing decisions related to merger, acquisition, restructuring, liquidation or dissolution of the Companies in the Official Gazette and in two daily local newspapers, one of which is issued in Arabic, at the expense of the Company, as well as on the CBUAE's official website.

Article (109): Publication of Draft Regulations and Rules

The CBUAE shall publish draft regulations and rules governing the business of the Companies and Insurance-Related Companies under a notice to be addressed to all relevant entities to express an opinion thereon, within the period determined by the CBUAE.

Article (110): Contribution and Ownership Percentages

- 1) The Board shall set the conditions and controls for UAE citizens' and foreigners' ownership of the Companies' shares and the percentages of contribution to the capital thereof.
- 2) The Board shall determine the conditions and controls for UAE citizens' and foreigners' ownership of insurance-related professions' legal persons and the percentages of contribution thereto.

Article (111): Capacity of Judicial Officer

The CBUAE's employees identified by a resolution of the Minister of Justice, in coordination with the Governor, shall have the capacity of judicial officer to evidence acts committed in violation of the provisions of this Decree-Law.

Article (112): Reconciliation of Situations

Any Person that is governed by the provisions of this Decree-Law shall adjust their situation in compliance with the provisions of this Decree-Law within a period not exceeding (6) six months from the effective date thereof, and may be extended for a similar period under a resolution of the Cabinet, at the proposal of the Board.

Article (113): Application of the Commercial Companies Law

The provisions of Federal Decree-Law No. (32) of 2021, referred to hereinabove, shall be applicable to insurance business, in so far as they do not contravene the provisions of this Decree-Law.

Article (114): Repeals

- 1) Federal Law No. (6) of 2007 Regulating Insurance Business abovementioned shall be repealed, and any provision contravening or conflicting with the provisions of this Decree-Law shall be repealed.
- 2) The regulations, resolutions and circulars issued pursuant to the provisions of the abovementioned Federal Law No. (6) of 2007 shall remain effective, in so far as they do not conflict with the provisions of this Decree-Law, until the replacing regulations, resolutions and circulars are issued.

Article (115): Publication and Entry into Force of the Decree-Law

This Decree-Law shall be published in the Official Gazette, and shall enter into force after (30) thirty days from its publication date.

Khalifa Bin Zayed Al Nahyan
President of the United Arab Emirates

Issued by Us at the Presidential Palace- Abu Dhabi
Dated: 17th Rabi' Al-Awwal 1445 AH,
Corresponding to: October 2nd 2023 AD



United Arab Emirates

مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

