

Federal Decree Law No. 9

Issued on 20/09/2016

Corresponding to 18 Dhi Al Hijjah 1437 H.

ON BANKRUPTCY**Amending****Federal Law No. 3/1987 dated 8/12/1987****Federal Law No. 18 dated 7/09/1993****Amended by virtue of****Federal Decree-Law No. 23 dated 4/09/2019.**

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

After perusal of the Constitution,

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

Federal Law no. (10) of 1980 on the Central Bank, the Monetary System and the Organisation of the banking Profession, and its amendments;

Federal Law no. (5) of 1985 promulgating the Civil Transactions Law, and its amendments;

Federal Law no. (3) of 1987 promulgating the Penal Code, and its amendments;

Federal Law no. (10) of 1992 promulgating the Law of Evidence in Civil and Commercial Transactions and its amendments;

Federal Law no. (11) of 1992 promulgating the Civil Procedure Law and its amendments;

Federal Law no. (35) of 1992 promulgating the Criminal Procedure Law, and its amendments;

Federal Law no. (18) of 1993 promulgating the Commercial Transactions Law;

Federal Law no. (1) of 2006 on Electronic Transactions and Commerce;

Federal Law no. (4) of 2004 on the Financial Free Zones;

Federal Law no. (6) of 2007 on the Establishment of the Insurance Authority and Regulation of its Operations, and its amendments;

Federal Law no. (7) of 2012 concerning the regulation of the profession of expertise before the judicial authorities;

Federal Law no. (2) of 2015 on the commercial companies; and

Based on the proposal of the Minister of Finance and the approval of the Council of Ministers,

Issued the following Decree-Law:

TITLE 1

DEFINITIONS AND SCOPE OF APPLICATION

Article 1

In the implementation of the provisions of this Decree-Law, the following words and expressions shall have the meanings stated beside them unless the context requires otherwise:

State: The United Arab Emirates.

Minister: The Minister of Finance.

The Court: The competent Court according to the rules of Jurisdiction stated in the Civil Procedure Law.

Competent Supervisory Authority: The federal or local supervisory government entity determined by a Cabinet Decision.

Debtor's Debts: The debts owed by the debtor on the date of issuance of the Court's decision of opening the proceedings according to the provisions of Title 3 and Title 4 of this Decree-Law or those emerging from an obligation due by the debtor before the issuance of the decision of opening the proceedings.

Debtor's Assets: The elements which fall into the credit side of the financial disclosure of the debtor on the date of the decision of opening the proceedings or through any of the procedures set forth in this Decree-Law.

Debtor's Business: The activities that were or are still practised by the debtor during the course of any procedures set forth in this Decree-Law.

Insolvency: The situation where the debtor's assets would not cover, at any time, any of its payable obligations.

Cessation of Payment: The debtor's inability to meet any debt owed by him.

Free Zone: Any free zone that exists or is established inside the State by virtue of any federal or local legislation.

National Currency: UAE Dirhams.

Interested Party: Any physical or legal person having a right or interest in any of the procedures set forth in this Decree-Law.

Exchange Rate: UAE Dirham exchange rate against the foreign currencies announced by the Central Bank of the United Arab Emirates.

Precautionary Measures: Any necessary measures taken by the Court in order to preserve or manage the debtor's assets in a safe manner according to the provisions of this Decree-Law.

Working Day: Any official working day in the State.

Roster of Experts: A schedule of certified experts in the financial re-organisation and bankruptcy matters according to Federal Law no. (7) of 2012.

Article 2

The provisions of this Decree-Law shall be applied on the following:

1- The companies subject to the provisions of the Commercial Companies Law.

2- The companies that are not established according to the Commercial Companies Law and owned in whole or in part by the Federal or local government, and of which the legislations of their establishment, their memoranda of association or articles of association stipulate that they shall be subject to the provisions of this Decree-Law.

3- The companies and establishments in the free zones that are not subject to special provisions governing the procedures of preventive composition, restructuring or bankruptcy, taking into account the provisions of Federal Law no. (8) of 2004 on the financial free zones.

3- Any person having the capacity of a merchant according to the provisions of the Law.

4- Licensed civil companies of professional nature.

TITLE 2

FINANCIAL REORGANISATION

Article 3

1- A permanent Committee shall be formed under the name of “Financial Reorganisation Committee” by virtue of a decision issued by the Council of Ministers based on the proposal of the Minister.

2- The Decision issued by the Council of Ministers indicated in Clause (1) of this Article shall determine the rules of procedures of the Committee as well as the executive and procedural rules enabling it to assume its competencies. The Committee may seek the assistance of whomever it deems experienced and competent.

Article 4

The Committee shall:

1-

The text of Clause (1) was replaced by virtue of Article (1) of the Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

Oversee the management of the financial reorganisation procedures of the financial institutions licensed by the competent supervisory authorities, in order to facilitate reaching a consensual agreement between the debtor and his creditors, with the help of one expert or more appointed by the Committee for this purpose, according to the conditions and procedures set forth in the Cabinet Decision referred to in Clause (2) of Article (3) of this Decree-Law.

2- Approve the list of experts concerning the affairs of financial reorganisation and bankruptcy in order to carry out the works assigned to them according to the provisions of this Decree-Law, in coordination with the Ministry of Justice or the local judiciary authority in the UAE and approve the conditions and procedures of registration in the roster of experts.

3- Determine a table of the fees of the appointed experts and any costs borne by them because of the procedures of financial reorganisation. The expert appointed in the procedures of financial reorganisation within the limits of his acts carried out in implementation of the task entrusted to him shall be considered as public servant.

4- Establish and organise a record for the persons against whom judicial decisions were issued, whether by the imposition of any restrictions ordered by the Court or by the loss of their eligibility according to the provisions of this Decree-Law. The Committee shall issue a decision determining the form of the record and the data to be included therein, the persons having the right to view the same and the conditions thereof, as well as other relevant provisions.

5- Submit periodic reports to the Minister on its works, achievements and suggestions in order to be able to carry out the tasks assigned to it under this Decree-Law.

6- Any other competencies set forth in this Decree-Law or assigned thereto by the Council of Ministers.

TITLE 3

PREVENTIVE COMPOSITION

CHAPTER 1

APPLICATION AND SETTLEMENT THEREOF

Article 5

The procedures of preventive composition set forth in this Title aims to help the debtor reach settlements with his creditors by virtue of a preventive composition plan under the supervision of the Court and with the assistance of a composition trustee appointed according to the provisions of this Title.

Article 6

1- The debtor may alone apply to the Court for a preventive composition in case he is facing financial difficulties requiring his assistance to reach settlements with his creditors.

2- For the acceptance of the application of preventive composition, the debtor shall not be in situation of cessation of payment of his due debts for a period exceeding (30) thirty consecutive working days as a result of a difficult financial position or in case of insolvency.

Article 7

The application for preventive composition by the debtor shall entail the suspension of his obligations set forth in Article (68) of this Decree-Law, during the period from the date of submittal of application and issuance of a decision by the Court to accept or reject the opening of the procedures of preventive composition. The suspension, in case of acceptance of the application, shall continue throughout the period of these procedures.

Article 8

If the debtor was subject to a competent supervisory authority, he may apply for preventive composition provided that he notifies the competent supervisory authority in writing of the same (10) ten working days before the date of submittal of application. The competent supervisory authority may submit any documents or pleas regarding this to the Court.

Article 9

1- The application for preventive composition shall be submitted to the Court stating the reasons of application, accompanied with the following documents:

a- A memorandum containing a brief description of the economic and financial situation of the debtor and information on his assets in addition to detailed data on his employees.

b- A certified copy of the commercial, industrial or professional licence of the debtor, his commercial or professional register issued by the competent licensing authority at the Emirate.

c- A copy of the commercial books or financial statements related to the debtor's business for the financial year preceding the submittal of application.

d- A report containing the following:

1- The debtor's cash flow forecasts and projects profits and losses for the period of (12) twelve months following the submittal of application.

2- A statement of the names of the known creditors and debtors, their addresses, the amount of their rights, debts or the guarantees offered in return, if any.

3- A detailed statement of the debtor's movable and immovable property, the approximate value of each of these properties upon the date of submittal of application, and statement of any guarantees or rights entailed to others.

e- Proposals of preventive composition and the guarantees of implementation thereof.

f- Selection of a trustee nominated by the debtor to take actions according to the provisions of this Decree-Law.

g- If the applicant is a company, the application shall be accompanied with a copy of the decision of the competent entity at the company authorising the applicant to submit an application of preventive composition, a copy of the company's incorporation documents and any amendments occurring thereto and deposited at the competent authority in the Emirate.

h- A report issued by the competent authority on the credit information at the State.

i- Any other documents supporting the application.

2- If the applicant was not able to submit any of the required data or documents according to the provisions of Clause (1) of this Article, he shall state the reasons in his application.

Article 10

1- The Court studying the application for preventive composition may decide, at the request of any interested party or sua sponte, to take the necessary measures to preserve or manage any of the debtor's assets, including placing seals on the headquarters of the debtor until the application is settled.

2- The Court may decide the continuing validity of any such measures or may decide to take any additional precautionary measures after acceptance of the application for preventive composition.

Article 11

The Court shall verify that the application meets all the supporting documents and may grant the debtor a period of time to be provided with any additional data or documents in support of his application.

Article 12

The debtor shall deposit at the Court's Treasury, an amount of money or a bank guarantee in the manner and on the date decided by the Court, to cover the expenses and costs of the preventive composition procedures, including the fees and expenses of the trustee and any appointed expert.

Article 13

1- The Court may appoint one of the experts registered in the roster of experts or other experts in case it does not find the person with the required experience.

2- The appointed expert shall prepare a report on the financial position of the debtor containing his opinion on the extent of meeting the necessary conditions for the acceptance of the application for preventive composition, and shall state if the debtor's assets are sufficient or insufficient to implement the preventive composition.

3- The Court shall determine the tasks and fees of the expert and the period during which he shall submit the report, provided that it does not exceed (20) twenty working days from the date of notification of the appointment decision.

4- The expert shall be subject to the provisions stated in Articles (19) and (20) of this Decree-Law.

Article 14

1- The Court shall decide on the application for preventive composition without the need for the litigants' attendance within a period not exceeding (5) five working days from the date of submittal of the application that meets the conditions or from the date of deposit of the expert's report, as appropriate.

2- If the Court accepts the application, it shall decide to open the preventive composition procedures.

Article 15

The Court shall reject the application for preventive composition in the following cases:

1- If the debtor is subject to procedures of preventive composition, restructuring, bankruptcy and liquidation of his assets inside the State according to the provisions of this Decree-Law.

2- If the debtor fails to submit the documents and statements set forth in Articles (9) and (11) of this Decree-Law or submits them incomplete without justification.

3- If it was proved that the debtor acts in bad faith or the application constitutes an abuse of the litigation procedures.

4- If a final judgment is rendered against the debtor convicting the latter of one of the crimes set forth in Title 6 of this Decree-Law or any crime of fraud, theft, dishonesty or misappropriation of public assets, unless he was rehabilitated.

5- If it found that the preventive composition procedures are inappropriate for the debtor based on the data and documents submitted with the application or based on the report prepared by the expert according to the provisions of Clause (2) of Article (13) of this Decree-Law.

6- If the Court decides to open the bankruptcy procedures according to the provisions of Title 4 of this Decree-Law.

7- If the debtor fails to deposit the amount required to be deposited or does not submit the required bank guarantee, according to the provisions of Article (12) of this Decree-Law.

Article 16

The Court may call any person in possession of information related to the application for preventive composition and such person shall provide the Court with any information required by it.

CHAPTER 2

APPOINTMENT OF THE TRUSTEE

Article 17

1- If the Court decides to accept the application for preventive composition, it shall appoint in its decision a trustee who is a physical or legal person nominated according to Clause (1/f) of Article (9) of this Decree-Law, or from among the experts registered in the roster of experts or other experts if the Court does not find a person with the required experience.

2- The Court may, sua sponte or at the request of the debtor or supervisor appoint more than one composition trustee, provided that they do not exceed three trustees at once.

3- If more than one composition trustee are appointed, they shall perform their duties in a joint manner and the decisions shall be taken by majority. In case of a tie, the matter shall be referred to the Court for weighting purposes. The Court may divide the tasks among the appointed trustees and specify their modus operandi, whether jointly or severally.

4- If the Court appoints a legal person as a composition trustee, he shall designate one or more representatives to carry out the tasks of the trustee, provided that such representative is registered in the roster of experts according to the provisions of this Decree-Law.

5- The Court shall announce the trustee in the decision issued concerning his appointment not later than the day following the issuance of the decision.

6- Any of the creditors may appeal the decision of the Court on the appointment of the trustee, within (5) five working days from the date of publication, according to the provisions of Article (35) of this Decree-Law, before the Court that issues its decision on the appeal within (5) five working days without pleading. Its decision in this regard shall be final and the appeal shall not suspend any of the procedures set forth in this Title.

Article 18

The trustee may submit to the Court any application that would assist him in the performance of his task as required. This shall include, for example, the application to appoint one or more experts from the roster of experts, to help him in any of the matters falling within his competencies. An expert who is not listed on the roster of experts may be appointed when necessary, based on the Court's consent. The Court shall determine the task and fees of the expert upon the recommendation of the trustee.

Article 19

The composition trustees shall not be appointed from among the following:

1- One of the creditors.

2- The debtor's spouse, in-law or any of his relatives up to the fourth degree.

3- Any person sentenced by a final judgment in a felony or misdemeanour of theft, embezzlement, fraud in commercial transactions, breach of trust, deceit, forgery, false testimony or any of the crimes set forth in this Decree-Law, bribery or any offence affecting the national economy even if he was rehabilitated.

4- Any person who was, during the two years preceding the opening of the preventive composition procedures, the debtor's partner, employee, auditor or agent.

Article 20

1- The appointed trustee shall collect his fees against the tasks carried out by him and shall receive the expenses incurred by him as determined by the Court from the deposited amount or the bank guarantee submitted according to Article (12) of this Decree-Law.

2- The Court may decide to disburse amounts under the fees and expenses account to the trustee appointed according to the provisions of this Title at any time after assuming his tasks, by deducting from the amount deposited in the fees and expenses account.

3- Every interested person may file a grievance before the Court concerning the estimation of the trustee's fees and expenses. The filing of the grievance shall not entail the suspension of procedures. The Court shall decide on the grievance within (5) five working days from the date of filing it and its decision in this regard shall be deemed final.

4- If the deposited amount or the submitted bank guarantee does not cover the fees and expenses, the Court shall compel the debtor to deposit the difference within the period specified by it. Otherwise, the Court may order the termination of the preventive composition procedures.

Article 21

1- The Court may, sua sponte, replace the trustee as it deems necessary. The creditor or the debtor shall have the right to request the Court to replace the trustee if it was proved that his appointment might prejudice the interests of the debtor or creditors. Any substitute trustee may be appointed in the same method followed for his appointment according to the provisions of this Decree-Law. The substituted trustee shall cooperate as much as possible to enable the substitute trustee to carry out his tasks.

2- The trustee may request the Court to release him from his duties and the Court may accept such request and appoint a substitute thereof. It may determine the fees for the services rendered by the trustee whose request was approved thereby.

CHAPTER 3

TAKING INVENTORY OF THE DEBTOR'S ASSETS

Article 22

1- The trustee shall, immediately upon his appointment, take the inventory of the debtor's assets in his presence or in the presence of his representative or after notifying him. A record shall be prepared on the procedures including a list of the inventory to be signed by the trustee and the debtor in case of his presence and a copy thereof shall be handed over to the Court.

2- The trustee may request the Court to issue an order for placing seals on the debtor's assets or lifting them.

3- The assets subject to inventory taking shall not include the rights of the beneficiaries of the debtor's pension, whether acquired before or after the date of decision of the opening and shall remain their property.

Article 23

1- The Court shall provide the trustee, upon his appointment, with all the information available to it concerning the debtor.

2- The debtor shall provide the trustee with any additional details required by the latter with respect to the preventive composition procedures, within the time period specified by the trustee.

Article 24

The text of Article 24 was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

1- The trustee shall prepare a record stating all the debtor's creditors known by the latter and shall submit an updated version of such record to the Court.

2- The trustee shall state the following in the record:

a- Address of every creditor, the claimed amount and the due date.

b- Determination of the creditors, holder of debts secured by a mortgage, with the details of the guarantees decided for the same, as well as the estimated value of these guarantees in case of execution against them.

c- Determination of the creditors, holders of preferential rights and the nature of such rights.

d- Any set-off request submitted according to the provisions of Chapter 5 of Title 5 of this Decree-Law.

e- Any other data deemed necessary by the trustee for the performance of his tasks.

Article 25

1- The trustee may request any data or information related to the debtor's assets or business from any person that may have such information.

2- Every person having information on the debtor's assets or business shall give the trustee the necessary information required by him, including any documents and accounting books related to the debtor. The trustee shall maintain the confidentiality of any information related to the debtor when the disclosure thereof would harm the debtor. He shall not reveal the same outside the framework of the preventive composition procedures.

3- If such person refuses to cooperate with the trustee to provide the latter with the required information, the trustee may refer the matter to the Court to determine the amount of information that may be requested and that shall be provided to the trustee.

Article 26

1- The debtor or any of his employees shall, during the preventive composition procedures, manage the debtor's business under the supervision of the trustee.

2- The trustee may request the debtor to carry out all necessary acts to preserve his interests and those of his creditors during the course of the preventive composition procedures.

3- The trustee may, during the performance of his obligations, conduct the following acts on behalf of the debtor whenever such works and acts achieve the purpose of preventive composition following the approval of the debtor or with the permission of the Court:

- a- Acquiring any of the debtor's assets.
- b- Requesting investigation and proof of debtor's ownership of any assets.
- c- Assessing the debtor's assets and submitting a report thereon to the Court.
- d- Collecting any assets or rights on behalf of the debtor.
- e- Concluding or maintaining any insurance policies necessary for the exercise of the debtor's business.
- f- Paying any amounts or fulfilling any claims to be met as a part of implementation of the preventive composition plan.
- g- Leasing out any property belonging to the debtor, cancelling their lease contracts and renting any properties if deemed necessary.
- h- Being a party on behalf of the debtor in any arrangement or settlement with one or more of the debtor's creditors.
- i- Obtaining any guarantee that the debtor had neglected to obtain or renew.
- j- Any other works achieving the purpose of preventive composition approved by the Court.

Article 27

1- The Court may decide to suspend any of the debtor's business based on the urgent request of the trustee.

2- The Court shall irrevocably decide on the matter of partial suspension based on the trustee's report, after the lapse of a period not exceeding the period of the Court's ratification of the draft preventive composition plan according to the provisions of Chapter 10 of this Title.

Article 28

1- The trustee may apply to the Court, on behalf of the debtor, to obtain permission for a new funding with or without guarantee during the procedures of preventive composition in order to ensure the continuation of the debtor's business according to the provisions stated in Chapter 4, Title 5 of this Decree-Law.

2- No guarantees on the debtor's assets after the decision of opening the preventive composition procedures shall be valid unless they were carried out based on a prior permission from the Court.

CHAPTER 4

APPOINTMENT OF INSPECTORS

Article 29

1-

The text of Clause (1) of Article (29) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The Court may appoint one inspector or more from among the creditors who nominate themselves as inspectors to oversee the implementation of the preventive composition procedures. In case of nominated creditors who are holders of ordinary debts or debts secured by a mortgage, or holders of preferential rights, at least one inspector shall be appointed for each group.

2- In case more than one creditor apply from one group to be nominated as inspectors, the Court shall select the one it deems appropriate, taking in consideration the level of their representation of the number of creditors and the amount of debt represented by each candidate to be appointed as inspector.

3- Every inspector may be represented by one of his workers or his legal representative.

4- If the debtor is subject to a competent supervisory authority, the Court may appoint an inspector from said authority upon the latter's request.

5- The inspector or the representative of the legal person appointed as inspector, shall not be the spouse, in-law or relative of the debtor up to the fourth degree.

6- The inspector shall not receive any fees and shall only be liable for his serious or intentional error during the course of performing his duties.

7- The debtor or any creditor may file a grievance to the Court concerning the appointment of the inspector or his representative. The filing of the grievance shall not entail the suspension of procedures. The Court shall decide on the grievance within (5) five working days from the date of filing it and its decision in this regard shall be deemed final.

8- The Court may, sua sponte or at the request of the trustee, dismiss the inspector and appoint a substitute thereof.

9- The Court may release the inspector from his duties upon his request and may appoint a substitute thereof.

Article 30

The inspector shall assist the trustee and the Court and shall work to serve the public interest of the creditors. He shall oversee the implementation of the conditions of the preventive composition plan and notify the Court of any violations to such conditions.

CHAPTER 5**PROHIBITION OF DISPOSITION OF ASSETS****Article 31**

1- The debtor, with effect from the date of decision of opening the procedures, is not allowed to do the following

a- Pay any claims before the issuance of the decision of opening, except any clearing payments carried out according to the provisions of Chapter 5 of Title 5 of this Decree-Law.

b- Dispose of any of his assets or borrow any amounts, unless according to the provisions of this Decree-Law and within the ordinary course of the debtor's business, provided that the debtor obtains the prior consent of the trustee or the Court.

c- Dispose of the company's parts or shares or change in the ownership or legal entity thereof, if the debtor is a legal person.

2- The Court shall rule, at the request of any interested party, not to force any act by the debtor contrary to the provisions of Clause (1) of this Article.

CHAPTER 6

SUSPENSION OF JUDICIAL PROCEEDINGS AND ENTRY INTO FORCE OF THE INTEREST

Article 32

1- Except in the cases set forth in this Decree-Law, the decision of opening the procedures, and until ratification of the preventive composition plan, shall entail the suspension of judicial proceedings as well as the procedures of execution on the debtor's assets, unless the Court decides otherwise.

2-

The text of Clause (2) of Article (32) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

Notwithstanding the provisions of Clause (1) of this Article, the creditors, holders of the debts secured by a mortgage, may execute against their guarantees when their debts become mature. The Court shall decide on granting the permission within (10) ten working days from the date of request thereof and the decision on granting the permission shall not require a notification or exchange of memoranda. The Court shall verify, upon granting the permission, the absence of any collusion between the debtor and the creditor whose debt is secured by a mortgage and the degree of priority of the secured creditor in case of more than one secured creditor on the same money.

3- The decision issued by the Court rejecting the permission may be appealed before the competent Court of Appeal. The appeal shall not entail the suspension of the preventive composition procedures and the decision issued in the appeal shall be considered final.

Article 33

The issuance of the decision of opening the procedures or ratify the preventive composition plan shall not entail the maturity of the debts due from the debtor nor the suspension of their interests.

CHAPTER 7

FULFILMENT OF THE OBLIGATIONS AND CONTRACTS

Article 34

1- Subject to the provisions of Articles (26) and (31) of this Decree-Law, the issuance of the decision of opening shall not entail the rescission or termination of any contract in effect between the debtor and the contracting party. The party contracting with the debtor shall meet his contractual obligations unless he obtained, before the date of issuance of the decision of opening the procedures, a ruling of non-execution following the debtor's failure to meet his obligations.

2- The Court may, at the request of the trustee, rule the rescission of any valid contract to which the debtor is a party, if this was necessary, in order to enable the debtor to carry out his business or in case the termination achieves the interest of all the creditors of the debtor and does not lead to a serious harm to the interests of the party contracting with the debtor.

3- If the debtor has any joint assets, the trustee or any of the partners in the joint assets may request the division of assets even if they have an agreement not allowing such division. Any of the partners may be preferred over others if he wishes to purchase the share of the debtor against fair compensation as decided by the Court.

CHAPTER 8

PREVENTIVE COMPOSITION PROCEDURES AND SUBMITTAL OF CLAIMS

Article 35

The trustee shall, within (5) five days from the date of his notification of his appointment decision:

1- Publish the summary of the decision issued to open the preventive composition procedures in two widespread local daily newspapers, one of them issued in Arabic and the other in English, provided that the publication includes an invitation to the creditors to submit their claims and the supporting documents and hand them over within a period not exceeding (20) twenty working days from the date of publication.

2- Notify all the creditors with known addresses to be provided with the claims and documents within (20) twenty working days from the publication of the summary of the decision of opening the preventive composition procedures.

Article 36

1- All the creditors shall hand over to the trustee, within the time period set forth in Article (35) of this Decree-Law, their debt documents accompanied with the statement of these debts and their guarantees, if any, their due dates and amounts denominated in the national currency based on the exchange rate prevailing on the day of issuance of the decision of opening the procedures.

2- The trustee may request the creditor who submitted his claims, to submit clarifications on the debt, complete his documents or determine the amount or features thereof. He may also request that any of the claims be authenticated by the creditor's auditor or accountant.

Article 37

1- The trustee shall prepare, after expiry of the period specified in Article (35) of this Decree-Law, a list of the names of creditors who submitted their claims to him, the amount of each debt apart, the supporting documents, the guarantees securing the same, if any and his view concerning its acceptance, amendment or rejection and his suggestions on the method of payment, if possible. The trustee shall deposit this list at the Court within (10) ten working days from the date of expiry of the period set forth in Article (35) of this Decree-Law. This period may be extended once, if necessary, for a similar period by a decision from the Court.

2- The trustee shall, within three (3) working days following the deposit set forth in Clause (1) of this Article, publish the list of debts and statement of amounts deemed to be accepted of each debt, in two widespread local daily newspapers, one of them issued in Arabic and the other in English.

Article 38

1- The debtor and every creditor, whether his name was stated in the list of debts or not, may object to the list within (7) seven working days from the date of publication of the list in the newspapers. This shall not entail the suspension of the procedures of preventive composition.

2- The Court shall decide on the filed objection according to the provisions of Clause (1) of this Article within (10) ten working days from the date of filing thereof.

3- The decision issued by the Court may be appealed before the competent Court of Appeal within (5) five working days from the date of issuance of the decision. The appeal shall not entail the suspension of the preventive composition procedures. The decision issued in the appeal shall be considered final.

4- The Court may, before deciding on the appeal, accept the debt temporarily with an amount estimated by it and shall notify the trustee of the same.

5- The debt shall not be accepted temporarily if a penal case was filed in its regard.

6- If the objection was related to the debt guarantees, it shall be accepted temporarily as an ordinary debt.

7- The share of the accepted debt temporarily shall be saved from the proceeds of sale of the guaranteeing money. Upon distribution to the creditors in conformity with the provisions of this Decree-Law and if the Court decides not to acknowledge the debt accepted temporarily or in case it was decreased, the saved share shall be returned according to its rate to the public guarantee of the creditors.

8- The Court shall approve the list of names of the creditors whose debts were accepted temporarily or permanently.

Article 39

1- The creditor who did not submit his debt documents within the period specified in Article (35) of this Decree-Law may not participate in the preventive composition procedures, unless this was due to acceptable reasons at the discretion of the trustee or the Court. The creditors whose debts were not accepted permanently may not also participate in the preventive composition procedures.

2- Notwithstanding the provisions of Clause (1) of this Article, for acceptable reasons, the creditor who did not submit his debt documents within the deadline specified in Article (35) of this Decree-Law, may submit such documents to the trustee for acceptance of the supporting documents of his debt and participation in the procedures. The consent of the trustee on the same shall be approved by the Court. In case of rejection or non-response of the trustee within (3) three working days, the creditor may apply to the Court for the acceptance of the supporting documents of his debt. The Court shall review the application promptly after consultation with the trustee and shall issue its decision within (7) seven working days from the date of submittal of application. If the Court orders the acceptance of the debt, it shall assign the trustee to submit a report on the impact of the new debt on the draft plan and to submit the result to the Court for ratification. In all events, the procedures set forth in this Clause shall not suspend the preventive composition procedures.

CHAPTER 9

PREVENTIVE COMPOSITION PLAN

Article 40

1- The debtor shall assist the trustee in the preparation of the draft preventive composition plan and shall submit it to the Court within (45) forty-five working days from the date of publication of the decision of opening the preventive composition procedures. The Court may, at the request of the debtor or trustee, extend it for one or more periods of which the total does not exceed (20) twenty working days, provided that he submits to the Court periodic reports on the progress of preparation of the draft plan every (10) ten working days.

2- The draft preventive composition plan shall include the following:

a- Probability that the debtor's business achieves profits again.

b- The debtor's activities that should be suspended or terminated.

c- Terms and conditions of the settlement of any obligations.

d- Any performance guarantees required to be submitted by the debtor, if any.

e- Any offer to purchase all or part of the debtor's assets, if any.

f- Grace periods and payment discounts.

g- Possibility of conversion of debt to capital shares in any project.

h- Any offer for the unification, establishment, sale or replacement of any guarantees, if necessary, for the implementation of the draft plan.

- i- Period of implementation of the plan, taking into account the provision of Clause (1) of this Article.
- 3- The trustee may include in the draft preventive composition plan any other matters deemed useful in the implementation of such plan.

Article 41

The preventive composition plan shall include a time schedule for the implementation thereof not exceeding (3) three years from the date of ratification of the plan by the Court. It may be extended for a similar period with the consent of the majority of creditors owning two thirds of the unsettled debt according to the plan and any amendments occurring thereto.

Article 42

1- The Court shall, within (10) ten working days from the date of submittal of the draft preventive composition plan, review the draft plan to ensure that it takes into account the interest of all parties. It may request the trustee, during this period, to enter any necessary amendments to the draft plan and return it to the Court within a period not exceeding (10) ten working days from the date of notification of the request of the Court, renewable for a similar period and for once by a decision from the Court.

2- If the Court is convinced of the draft plan, it shall request the trustee to address, within (5) five working days, an invitation to the creditors for a meeting to discuss the draft preventive composition plan and vote on the same. The trustee shall provide the creditors whose debts were accepted with a copy of the draft preventive composition plan.

The text of Clause (3) of Article (42) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

3- The invitation to the meeting set forth in Clause (2) of this Article shall be made through publication in two widespread local daily newspapers, one of them issued in Arabic and the other in English. The invitation shall state the place and time of the meeting and the Court may, furthermore, decide to assign the trustee to send the invitation to the meeting by all the possible means of communication, including notification by the electronic means.

The text of Clause (4) of Article (42) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

4- The meeting shall be held within (15) fifteen working days from the date of publishing the invitation, at the discretion of the Court and commensurate with the interest of the preventive composition procedures. Electronic means may be used to organise the meeting and discuss the plan or vote thereon, so as to facilitate the process for any of the creditors, where such means is commensurate with the procedures, in accordance with the instructions of the Trustee.

5- The Court may decide to invite the creditors to other meetings during the procedures or postpone the date of the creditors' meeting taking in consideration the number of creditors known thereto and any other circumstances that are important for the meeting.

6- If the debtor is subject to the supervision of a competent supervisory authority, such authority shall be invited to attend the meetings.

Article 43

1-

The text of Clause (1) of Article (43) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The court may, upon the proposal of a group of creditors or sua sponte, after consulting the Trustee, issue a decision to form a committee or more of the creditors representing different categories thereof, and one committee or more of the holders of ordinary debt, and one committee or more of the holders of debts secured by a mortgage, and one committee or more of the holders of preferential rights. The Court may also form one committee or more of the holders of bonds and Sukuk for the purpose of discussing the preventive composition plan and suggesting amendments thereto during the meetings held as per Article (42) of this Decree-Law.

2- Each committee may choose to have a representative thereof from among the creditors or the legal or financial consultants and determine the matters to be delegated thereto according to the provisions of this Decree-Law. The correspondence related to the meeting shall be notified to the representative of every committee and such committee shall be liable, afterwards, for communicating such procedures to the creditors affiliated thereto.

3- The Court may, based on the suggestion of the trustee, restrict the powers of the selected representative or release him from his duty, if it finds that the powers granted to him are wide and detrimental to the interests of the creditors.

4- The Court may reform any of the committees set forth in Clause (1) of this Article in case it finds it necessary.

Article 44

1- The trustee and the debtor shall explain the terms of the preventive composition plan during the meetings held for the discussion of the plan.

2- Any creditor may suggest, during the meetings held to vote on the draft preventive composition plan, to introduce any amendments thereto. The Committee before which the amendment is suggested, and any other committee that is affected with the suggested amendment, may express its views on such amendments.

3- The Court may invite the creditors for additional meetings to consider the suggested amendments and may decide to allow or reject any of the suggested amendments, in preparation for the ratification of the draft preventive composition plan according to the provisions of Article (49) of this Decree-Law.

Article 45

1-

The text of Clause (1) of Article (45) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The right to vote on the draft preventive composition plan shall be limited to the ordinary creditors and holders of preferential rights whose debts were accepted permanently.

2- Notwithstanding the provisions of Clause (1) of this Article, the Court may authorise the creditors whose debts were accepted temporarily to vote on the draft preventive composition plan upon the suggestion of the trustee. The Court shall determine, in its decision, the conditions and limits of granting such authorisation.

Article 46

1-

The text of Clause (1) of Article (46) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The court may authorise a creditor whose debt is secured by a mortgage to vote on the preventive composition plan for the value of its secured debt, without this prejudicing the security interest, in the event that the plan affects its secured rights. The creditors whose debts are secured by a mortgage may not vote on the preventive composition plan in other than these cases, unless they waive such guarantees in advance. The waiver shall be proved in the minutes of the session.

2-

The text of Clause (2) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The participation of the creditor whose debt is secured by a mortgage in the vote on the preventive composition plan, without being authorised by the Court to this effect or without being authorised to waive his guarantees, shall be considered as waiver of such guarantee.

3- The waiver of the guarantee shall not be considered final unless the preventive composition plan was ratified. If the preventive composition becomes invalid, the guarantee covered by the waiver shall be returned.

Article 47

1-

The text of Clause (1) of Article (47) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The draft preventive composition plan shall be approved with the consent of the majority of creditors whose debts were accepted permanently and those whose debts were accepted temporarily and allowed to vote, provided that this majority holds at least two thirds of the total accepted debts.

2- If none of both majorities referred to in Clause (1) of this Article was achieved, the meeting shall be postponed for a period of (7) seven working days.

3- If none of both majorities was achieved after extension according to Clause (2) of this Article, this shall be considered as a rejection of the preventive composition plan.

4- The creditors who attended the first meeting or who were represented therein and voted for the approval of the preventive composition plan may not attend the second meeting. In such event, their approval of the preventive composition plan in the first meeting shall remain valid, effective and complementary to the quorum in the second meeting, unless they attended this meeting and they changed their previous approval or a change was made to the preventive composition plan.

5- Minutes shall be prepared on the meeting held for voting on the draft preventive composition plan, signed by the trustee, debtor and creditors present who are allowed to vote. In case one of them refuses to sign, his name shall be stated in the minutes along with the reason of refusal.

6- All the creditors who participated in the vote on the draft preventive composition plan shall provide the trustee with the elected domiciles for notification, including the electronic addresses. The notification made in the electronic method shall be considered legally effective concerning all subsequent procedures.

7- The terms of the plan shall also apply to the creditors who voted against it.

Article 48

The co-debtors or the debtor's guarantors shall not benefit from the preventive composition. However, if the preventive composition was concluded with a company, the partners who are liable in all their assets for the debts thereof shall benefit from its conditions unless the preventive composition stipulates otherwise.

CHAPTER 10**RATIFICATION AND IMPLEMENTATION OF THE PREVENTIVE COMPOSITION PLAN****Article 49**

1- The trustee shall, within (3) three working days from the date of the meeting during which the preventive composition plan was approved by the required majority of votes, submit the draft plan to the Court so that it issues its decision of approval or rejection thereof.

2- Any creditor whose debt was accepted and did not approve the plan upon voting thereon, may file an objection to the draft submitted to the Court within (3) three working days from the date of expiry of the period set forth in Clause (1) of this Article. The Court shall decide on the submitted objection within (5) five working days from the date of filing the objection and its decision in this regard shall be considered final.

3- The Court shall issue its decision of ratification of the preventive composition plan on an urgent basis after verifying all the conditions. It may decide to reduce the periods of settlement of the entitlements of the creditor who accepts to reduce his debt in a way achieving the interests of the preventive composition procedures and its decision shall be binding to all creditors.

4- The Court shall verify that the preventive composition plan ensures that all the creditors affected by the plan will obtain not less than what they would have obtained if the debtor's assets were liquidated on the date of voting on the plan, according to the Court's estimation of these assets.

5-

The text of Clause (5) of Article (49) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The preventive composition plan shall not affect the right of priority prescribed for the holders of debts secured by a mortgage or holders of preferential rights as set forth in this Decree-Law.

Article 50

1- If the Court rejects to ratify the preventive composition plan, it may return it to the trustee for amendment within (10) ten working days from the date of rejection and submit it for ratification or decide to start the procedures of adjudication of bankruptcy according to the provisions of this Decree-Law.

2- The debtor, or any of the creditors whose debts were accepted permanently, may file a grievance to the Court on the decision of the latter rejecting the ratification of the plan or amending the same. The Court shall decide on the grievance within (10) ten working days from the date of filing it and the decision thereof shall be deemed final.

Article 51

1- The debtor may offer his creditors an alternative guarantee that is equivalent to the existing guarantee. In case they do not accept this offer, the Court may decide to replace the guarantee if it finds that the alternative guarantee is not lower in value than the existing guarantee and does not damage the interest of the creditor to whom the alternative guarantee was offered.

2- The decision issued by the Court may be appealed before the competent Court of Appeal within (5) five working days from the date of issuance of the decision. The appeal shall not entail the suspension of the preventive composition procedures and the decision issued in the appeal shall be considered final.

Article 52

1- The trustee shall ensure that the sale of any of the debtor's assets to be sold according to the preventive composition plan will be made at the best price that may be obtained under the current conditions of the market on the date of sale. The trustee shall deposit a part of the sale proceeds representing the value of the sold guaranteed claims, and that in the banking account established by the Court.

2- Upon mere ratification of the preventive composition plan, the trustee shall pay to the creditors whose debts are secured with the assets sold according to Clause (1) of this Article, from the sale proceeds of these assets according to their priorities.

Article 53

1- If the Court finds that some of the debtor's assets are essential for the continuity of his business, it may decide to prohibit disposing of such assets without its consent, and that for a specified period not exceeding the period of the preventive composition plan. In case the assets are subject to guarantee, the Court may replace the guarantee according to the provisions of this Decree-Law.

2- Every interested party may apply to the Court for the invalidity of any disposition occurring in violation to the provisions of Clause (1) of this Article, within a period of (3) three years from the date of issuance of the Court's decision or from the date of ratification of the preventive composition plan, whichever is later.

Article 54

The trustee shall, within (7) seven working days from the date of ratification of the Court on the preventive composition plan, register the Court's decision to ratify the plan in the Commercial Register or Professional Register, as appropriate, and shall publish it in two widespread daily newspapers, one of them issued in Arabic and the other in English, provided that it includes a summary of the most important conditions of preventive composition, the debtor's name, place of residence and number of registration in the Commercial Register or Professional Register, as appropriate, and the date of the decision ratifying the plan.

Article 55

1- The trustee shall oversee the preventive composition plan throughout the period of implementation thereof.

2- The trustee shall:

a- Monitor the progress of the plan and notify the Court of any failure to implement the same.

b- Provide the Court with a report on the progress of implementation of the plan every three months and every creditor shall have the right to obtain a copy of the report.

3- If the trustee finds it necessary to introduce amendments to the preventive composition plan during the implementation thereof and such amendments would make changes to the rights or obligations of any party thereof, he shall ask the Court to approve these amendments. The Court shall, before deciding on the application, notify all the parties who participated in the vote on the plan and any creditor deemed necessary to be notified, within (5) five working days from the date of application of the trustee, to make any remarks on the required amendments, within (10) ten working days from the date of notification. The Court may issue a decision to approve or reject the whole amendment or a part thereof.

Article 56

Upon fulfilling all the obligations set forth in the preventive composition plan, the Court shall, at the request of the trustee, debtor or any interested party, issue a decision to complete the implementation of the preventive composition plan. Such decision shall be published in two widespread local daily newspapers, one of them issued in Arabic and the other in English.

Article 57

In the event of death of the debtor after issuance of the decision of opening, his heirs or their representatives may replace the debtor in completing the preventive composition procedures.

CHAPTER 11

NULLIFICATION AND ANNULMENT

Article 58

If the investigation starts with the debtor in one of the crimes set forth in Title 6 of this Decree-Law or if a criminal case was filed against the debtor in these crimes after ratification of the preventive composition plan, the Court that ruled the ratification may decide, at the request of any interested party, to take measures for the preservation of the debtor's assets. Such measures shall be cancelled if it was decided to dismiss the investigation or rule the innocence of the debtor.

Article 59

1- Every interested party may apply for the nullification of the preventive composition procedures within (6) six months from the date of the commencement of investigation set forth in Article (58) of this Decree-Law, otherwise the application shall be unacceptable. In all cases, the application for the nullification of the preventive composition procedures shall not be accepted if it was submitted after the lapse of two years from the date of issuance of the decision ratifying the preventive composition plan.

2- The procedures of preventive composition shall be nullified if, after ratification of the plan, a judgment was issued to convict the debtor of one of the crimes set forth in Title 6 of this Decree-Law, unless the Court decides otherwise in order to protect the interest of the creditors.

3- The nullification of the preventive composition procedures shall entail the quittance of the bona fide guarantor who guaranteed the implementation of all or some of the terms of the plan.

Article 60

1- Any creditor may request the Court that ratified the preventive composition plan to annul the plan if the debtor does not implement its terms or if the debtor dies and it turns out that it is impossible to implement such terms for any reason whatsoever.

2- The annulment of the preventive composition plan shall not entail the quittance of the guarantor that guaranteed the implementation of the terms thereof and he shall be summoned to attend the session where the request of annulment will be considered.

Article 61

The Court may include in its judgment rendered in the nullification of the preventive composition procedures or annulment of the preventive composition plan, the placement of seals on the debtor's assets except for the assets that may not be seized by law and the subsidy decided for the debtor and his dependents. It shall also assign the trustee, within (5) five working days from the date of issuance of the judgment of nullification or annulment, to publish the summary of this judgment in two widespread local daily newspapers, one of them issued in Arabic and the other in English. The trustee shall conduct a supplementary inventory-taking of the debtor's assets.

Article 62

The acts carried out by the debtor after issuance of the decision of ratification of the preventive composition plan and before nullification of the procedures or annulment of the preventive composition plan, shall be effective against the creditors and they may not request their invalidity unless according to the rules set forth in the Civil Transactions Law concerning the actions of invalidity of the act. This lawsuit shall not be heard after expiry of two years from the date of nullification of the preventive composition procedures or annulment of the preventive composition plan.

Article 63

The nullification of the preventive composition procedures or annulment of the plan shall not compel the bona fide creditors to return the amount collected before judgment of nullification or annulment. Such amounts shall be deducted from their debts.

CHAPTER 12

JUDGMENT OF TERMINATION OF THE PREVENTIVE COMPOSITION PROCEDURES AND CONVERSION OF THE PROCEDURES TO THE ADJUDICATION OF THE DEBTOR'S BANKRUPTCY AND LIQUIDATION OF HIS ASSETS

Article 64

The Court shall issue a ruling to terminate the preventive composition procedures, adjudicate the debtor's bankruptcy and liquidate his assets, according to the provisions of Chapter 12 of Title 4 of this Decree-Law, upon ruling the nullification of the preventive composition procedures or annulment of the preventive composition plan according to the provisions of this Chapter.

Article 65

The Court may decide, sua sponte or at the request of an interested party, to terminate the preventive composition procedures and convert such procedures to the adjudication of the debtor's bankruptcy according to the provisions of Title 4 of this Decree-Law, in the following cases:

1- If it was proved that the debtor ceased the payment for a period exceeding (30) thirty consecutive working days as a result of his difficult financial position or in case of insolvency on the date of opening the preventive composition procedures, or in case this matter appeared to the Court during the implementation of the preventive composition plan.

2- If it was impossible to apply the preventive composition plan and the termination of the preventive composition procedures would entail the cessation of payment for a period exceeding (30) thirty consecutive working days as a result of his difficult financial position or insolvency.

Article 66

In case the Court decides to terminate the preventive composition procedures, adjudicate the debtor's bankruptcy and liquidate his assets according to the provisions of Article (64) of this Decree-Law, or to convert the preventive composition procedures according to the provisions of Article (65) of this Decree-Law, the following measures shall be taken:

1- The appointment of the composition trustee shall be terminated unless the Court decides that he shall continue to act as a trustee in bankruptcy and liquidation of assets according to Articles (82) and (162) of this Decree-Law.

2- The Court that decided to terminate the preventive composition procedures according to the Articles (64) and (65) of this Decree-Law shall continue to consider the procedures of adjudication of the debtor's bankruptcy and liquidation of his assets.

TITLE 4

BANKRUPTCY

Article 67

The procedures stated in this Title shall regulate the following:

1- Restructuring of the debtor, if possible, by helping the latter to implement the plan of restructuring of his business.

2- Adjudication of the debtor's bankruptcy and conducting a fair liquidation of his assets to meet his obligations.

CHAPTER 1

APPLICATION TO OPEN THE BANKRUPTCY PROCEDURES

Article 68

1- The debtor shall apply to the Court to open the procedures according to the provisions of this Title if he ceases the payment of his debts on their due dates for a period exceeding (30) thirty consecutive working days as a result of his difficult financial position or in case of his insolvency.

2- If the debtor is subject to a competent supervisory authority, he shall notify this authority in writing of his wish to submit the application set forth in Clause (1) of this Article, (15) fifteen working days before the date of submittal of application. The competent supervisory authority may submit any documents or pleas concerning this application to the Court.

Article 69

The text of Article (69) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

1- The creditor or the group of creditors with debt of not less than AED (100,000) one hundred thousand may apply to the Court to open the procedures according to the provisions of this Title, if the creditor had already warned the debtor in writing to settle the due debt and the latter did not settle within (30) thirty consecutive working days from the date of his notification thereof.

2- The creditor whose debt is secured by a mortgage shall submit an application in accordance with clause (1) of this Article, if the amount claimed is part of the difference in the value of the secured debt due, and the value of the guarantee does not cover the entire value of the debt secured by a mortgage when conducting the procedures.

3- The Council of Ministers may, upon the recommendation of the Minister, issue a decision to amend the amount of the debt referred to in Clause (1) of this Article.

Article 70

If any of the creditors withdraws his request of payment of a due instalment before opening the procedures, the debtor shall not be considered, in this event, in the situation of cessation of payment concerning such due instalment.

Article 71

If the debtor is subject to a competent supervisory authority, the application may be submitted to the Court according to the provisions of this Title by said authority, provided that the latter submits a proof that the debtor is insolvent.

Article 72

The Public Prosecution may, for public interest requirements, request the Court to open the procedures according to the provisions of this Title, provided that it proves that the debtor is insolvent.

Article 73

The text of Article (73) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

1- The application shall be submitted by the debtor or the competent supervisory authority to the Court stating the reasons therefor.

2- The debtor may specify whether the application is for the purpose of restructuring, or for the purpose of adjudicating bankruptcy and liquidation. Also, he shall mention the justifications on which the application is based.

3- The application shall be enclosed with the following documents:

a- A memorandum containing a brief description of the economic and financial situation of the debtor and information on his assets in addition to detailed data on his employees.

- b- A certified copy of the commercial, industrial or professional licence of the debtor, his commercial register issued by the competent authority at the Emirate.
 - c- A copy of the commercial books or financial statements related to the debtor's business for the fiscal year preceding the submittal of the application.
 - d- A report containing the following:
 - 1- The debtor's cash flow forecasts and the profits and losses expectations for the period of twelve months following the submittal of the application.
 - 2- A statement of the names of the known creditors and debtors, their addresses, the amount of their rights or debts and the guarantees offered in return, if any.
 - 3- A detailed statement on the debtor's movable and immovable properties, the approximate value of each of these properties on the date of submittal of the application, and statement of any guarantees or rights entailed to others.
 - e- Designation of a trustee nominated by the debtor to take actions according to the provisions of this Decree-Law.
 - f- If the applicant is a company, the application shall be enclosed with a copy of the decision of the competent entity at the company authorising the applicant to submit an application to open the procedures, a copy of the company's incorporation documents and any amendments occurring thereto and deposited at the competent authority in the Emirate.
 - g- Any other documents supporting the application.
 - h- A report issued by the competent authority on the credit information at the State.
- 4- If the applicant was not able to submit any of the data or documents required according to the provisions of Clause (3) of this Article, he shall state the reasons therefor in his application.
- 5- If the Court finds that the submitted documents are not sufficient to decide upon the application, it may grant the applicant thereof an extra period in order to provide it with any additional data or documents in support of his application.

Article 74

The text of Article (74) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

- 1- The application shall be submitted by the creditor to the Court, enclosed with the following documents:
 - a- A copy of the warning referred to in Clause (1) of Article (69) of this Decree-Law.
 - b- Any debt-related data including the amount of debt and any available guarantees.
 - c- Designation of a trustee nominated by the creditor to take actions according to the provisions of this Decree-Law.
- 2- The creditor may specify whether the application is for the purpose of restructuring or for the purpose of adjudicating bankruptcy and liquidation. Also, he shall mention the justifications on which the application is based.

Article 75

- 1- If the debtor is a company, the application may be submitted even if the company was in liquidation or was terminated by a court decision but its corporate personality continues to exist.
- 2- The submittal of the application to open the procedures, as per paragraph (1) of this Article, shall lead to the suspension of settlement of any application aiming at liquidating the company or placing it under receivership.

Article 76

With the exception of the applications submitted by the Public Prosecution, the applicant shall deposit at the Court's treasury an amount of money or bank guarantee not exceeding AED 20,000(twenty thousand), in the manner and on the date decided by the Court to cover the expenses and costs of the initial actions for the settlement of the application. However, the Court may postpone the deposit of the above-mentioned amount or guarantee if the debtor applicant does not have sufficient liquidity for deposit on the date of submittal of the application.

CHAPTER 2

SETTLEMENT OF THE APPLICATION

Article 77

1- The Court may decide to appoint any of the experts registered in the roster of experts or any expert from outside the roster should it fail to find an expert with the experience required, in order to assist it in the assessment of the debtor's position. The Court shall determine in the same decision the tasks and fees of such expert as well as the period during which he shall submit the report, provided that this period does not exceed (10) ten working days from the date of his appointment.

2- The appointed expert shall prepare a report on the financial position of the debtor within the period specified by the Court, provided that his opinion includes a statement on the possibility of restructuring for the debtor and if his assets are sufficient or not to cover the restructuring costs.

Article 78

The text of Article (78) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

1- The Court shall decide on the approval of application without litigation within a period not exceeding (5) five working days from the date of submittal of the application that meets the conditions or from the date of deposit of the expert's report, as appropriate.

2- If the Court approves the application, it shall decide to open the procedures if it finds that the necessary conditions are met according to the provisions of this Title.

3- The Court may specify in its decision that it has approved the possibility to restructure the debtor's business directly and start preparing the restructuring plan based on the application submitted by the debtor, the supervisory authority or the creditor according to Clause (2) of Article (73) and Clause (2) of Article (74) of this Decree-Law.

Article 79

The text of Article (79) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The Court shall rule to reject the application if the documents and statements set forth in Articles (73) and (74) of this Decree-Law were not submitted, or were missing without justification, unless the Court decides to accept the application according to the conditions it deems appropriate as per the interest of both the debtor and the creditors.

Article 80

1- The Court may summon any person in possession of information related to the application. The said person shall provide the Court with any reasonable information it may request.

2- The Court may decide the joinder of any physical or legal person in the procedures set forth in this Title as per conditions that provide adequate and sufficient protection to the creditors if the assets of such person overlap with the debtor's assets in a way that is hard to desaggregate, or in case the Court

considers that it shall not be practical nor feasible in terms of the cost, to open separate procedures concerning such persons.

3- The decision issued by the Court may be appealed before the competent Court of Appeal. The appeal shall not entail the suspension of the procedures and the decision issued in the appeal shall be considered final.

Article 81

1- The Court studying the application may decide, at the request of any interested party or sua sponte, to take the necessary measures to preserve or manage the debtor's assets, including placing seals on the headquarters of the debtor until the application is settled.

2- The Court may decide the continuing validity of such measures or decide to take additional precautionary measures.

CHAPTER 3

APPOINTMENT OF THE TRUSTEE AND INSPECTOR

Article 82

1-

The text of Clause (1) of Article (82) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

If the Court decides to accept the application submitted according to the provisions of this Title, it shall appoint in its decision a trustee from among the experts nominated according to Clause (1/e) of Article (73) or Clause (1/c) of Article (74) of this Decree-Law, or from among the physical or legal experts registered in the roster of expert or from outside the roster if the Court does not find a person with the experience required.

2-

The text of Clause (2) of Article (82) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The Court may, sua sponte or at the request of the debtor, a creditor, or the inspector, appoint more than one trustee, provided that they do not exceed three trustees at once.

3- If more than one trustee are appointed, they shall perform their duties in a joint manner and the decisions shall be taken by majority. In case of a tie, the matter shall be referred to the Court for weighting purposes. The Court may divide the tasks among the appointed trustees and specify their modus operandi, whether jointly or severally.

4- If the Court appoints a legal person as a trustee, he shall designate one or more representatives to carry out the tasks of the trustee, provided that such representative is registered in the roster of experts according to the provisions of this Decree-Law.

5- The Court may decide to continue the appointment of the preventive composition trustee to undertake the functions of trustee according to the provisions of this Title and may appoint other trustees or dismiss any of them according to the provisions of this Title.

6- The Court shall notify the trustee of the decision issued concerning his appointment not later than the day following the issuance of the decision.

7- The debtor or any of the creditors may appeal the decision of the Court on the appointment of the trustee, within (5) five working days from the date of publication made according to the provisions of Article (88) of this Decree-Law before the competent Court that issues its decision on the appeal within (5) five working days without pleading. Its decision in this regard shall be final and the appeal shall not suspend any of the procedures set forth in this Title.

Article 83

The trustee appointed according to the provisions of this Title may submit to the Court any application that would assist him in the performance of his functions as required. This shall include, for example, the application for the appointment and delegation of one or more experts registered in the roster of experts, to help him in any of the matters falling within his competence. The expert may be appointed from outside the roster of experts, when necessary, based on the Court's consent. The Court shall determine the task and fees of the expert upon the recommendation of the trustee.

Article 84

The trustees or experts shall not be appointed from among the following:

- 1- The debtor's creditors.
- 2- The debtor's spouse, in-law or any of his relatives up to the fourth degree.
- 3- Any person sentenced by a final judgment in a felony or misdemeanour of theft, embezzlement, fraud in commercial transactions, breach of trust, deceit, forgery, perjury or any of the crimes set forth in this Decree-Law, bribery or any offence affecting the national economy even if he was rehabilitated.
- 4- Any person who was the debtor's partner, employee, auditor or agent within the two years preceding the opening of the procedures.

Article 85

1- Any trustee and expert appointed according to the provisions of this Title shall collect their fees for the tasks carried out by them and shall receive the expenses incurred thereby from the debtor's assets known to the Court. A decision may be issued by the Court to pay an amount of these fees and expenses in advance.

2- If the debtor does not have any known assets or such assets are not sufficient to settle these fees and expenses, the trustee or expert may apply to the President of the Court to pay his entitlements from the Court's Treasury. Should any entitlements be paid from the Court's Treasury, the amounts paid shall be redeemed in priority over all creditors, from the first amounts included in the debtor's assets.

3- Every concerned person may file a grievance to the Court concerning the estimation of the fees and expenses of the appointed trustee or expert according to the provisions of this Title. The filing of the grievance shall not entail the suspension of procedures. The Court shall decide on the grievance within (5) five working days from the date of filing it and its decision in this regard shall be deemed final.

Article 86

1- The Court may, at any time, replace the appointed trustee or expert according to the provisions of this Title, and appoint additional trustees or experts as required. The debtor shall have the right to request the Court to replace the trustee or expert if it was proved that the continuation of their appointment may be detrimental to the interests of the creditors. Such request shall not entail the suspension of procedures and any substitute trustee or expert shall be appointed in the same manner followed for their appointment according to the provisions of this Decree-Law. The substituted trustee shall cooperate to the extent necessary to enable the substitute to perform his tasks.

2- The trustee may request the Court to release him from his tasks and the Court may accept said request and appoint a substitute thereof. It may determine for the trustee whose request was accepted; the fees of the services rendered by him.

Article 87

The Court shall appoint inspectors whose appointment and tasks shall be determined as per the provisions of Title 3 of this Decree-Law.

CHAPTER 4

PREPARATION OF THE LIST OF CREDITORS

Article 88

1- The Court shall notify the trustee of the decision of his appointment within a period not exceeding the day following the issuance of the decision. It shall provide the trustee, upon his appointment, of all the information available to it on the debtor.

2- The trustee shall, within (5) five working days from the date of his notification of his appointment decision:

a- Publish the summary of the decision issued to open the procedures in two widespread local daily newspapers, one of them issued in Arabic and the other in English, provided that the publication includes an invitation to the creditors to submit their claims and the supporting documents and hand them over within a period not exceeding (20) twenty working days from the date of publication.

b- Notify all the creditors whose addresses are known to him to provide him with the claims and documents within (20) twenty working days from the publication of the summary of the decision of opening the procedures.

3- The debtor shall provide the trustee with any additional details not notified to the Court, whether on his creditors or the amounts of debts, the details of any contracts under implementation and any pending or current judicial proceedings where the debtor is a party, within the time period specified by the trustee.

Article 89

The text of Article (89) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

1- The trustee shall prepare a record stating all the debtor's creditors known to him and shall submit an updated version of the content of such record to the Court.

2- The trustee shall state the following in the record:

a- The address of every creditor, the claimed amount and the due date.

b- Determination of the creditors, owners of the debts secured by a mortgage and holders of preferential rights, with the details of the guarantees prescribed for the same as well as the estimated value of these guarantees in case of execution against them.

c- Any set-off request submitted according to the provisions of Chapter 5 of Title 5 of this Decree-Law.

d- Any other data deemed necessary by the trustee for the performance of his tasks.

Article 90

1- The trustee may request any data or information related to the debtor's assets or business from any person that may have such information.

2- Every person having information on the debtor's assets or business shall give the trustee the necessary reasonable information required by him, including any documents and accounting books related to the debtor. The trustee shall maintain the confidentiality of any information related to the debtor if the disclosure thereof would be detrimental to the value of the debtor's assets. He shall not reveal the same outside the framework of the restructuring procedures.

3- If such person refuses to cooperate with the trustee to provide the latter with the required information, the trustee may refer the matter to the Court to determine the amount of information that may be requested and that shall be provided to the trustee.

Article 91

1-

The text of Clause (1) of Article (91) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

All the creditors, even if their debts are not due, are secured by a mortgage or privileged, or are not evidenced by final judgments, shall provide the trustee, within the time limit decided in the invitation addressed to them according to the provisions of Article (88) of this Decree-Law, their debt documents accompanied with a statement of these debts and their guarantees, if any, their due dates and amounts denominated in the national currency based on the exchange rate prevailing on the date of issuance of the decision.

2- The trustee may request the creditor who submitted his claims, to submit clarifications on the debt, complete his documents or determine the amount or specifications thereof. He may also request ratification that any of the claims be authenticated by the creditor's auditor or accountant.

Article 92

The creditor who received an advance payment for his claim from the debt guarantors, shall deduct such payment from any claim submitted to the trustee. Any of the debtor's guarantors may submit his claims to the trustee within the limits of the amount settled for the fulfilment of the debtor's debt.

Article 93

1- The trustee shall, after expiry of the period set forth in Article (88) of this Decree-Law, prepare a list of the names of the creditors who submitted their claims, the amount of each debt apart, the supporting documents and the guarantees included therein, if any, as well as his view concerning its acceptance, amendment or rejection and his suggestions on the method of settlement thereof if necessary. He shall deposit this list at the Court within (10) ten working days from the date of expiry of the period specified for the submittal of the creditors' claims. This period may be extended, when necessary, for a similar period and for once by a Court decision.

2- The trustee shall, within three (3) working days following the deposit, publish the list of debts and statement of amounts deemed to be accepted of each debt, in two widespread local daily newspapers, one of them issued in Arabic and the other in English.

3- The debts due to the Government because of taxes or fees of all types shall be considered accepted debts without the need for the trustee's auditing.

Article 94

1- The debtor and each creditor, whether or not his name was stated in the list of debts, may file a grievance before the Court against the claims stated therein within (7) seven working days from the date of publication of the list in the newspapers.

2- The Court shall decide on the grievance according to the provisions of Clause (1) of this Article within (10) ten working days from the date of filing it.

3- The decision issued by the Court may be appealed before the competent Court of Appeal. The appeal shall not entail the suspension of the procedures and the decision issued in the appeal shall be considered final.

4- The Court may, before deciding on the appeal, accept the debt temporarily in an amount estimated thereby, and shall notify the trustee thereof.

5- The debt shall not be accepted temporarily if a penal case was filed in its regard.

6- If the grievance was related to the debt guarantees, it shall be accepted temporarily as an ordinary debt.

7- The share of the debt accepted temporarily shall be maintained from the proceeds of sale of the debtor's assets. Upon distribution to the creditors in conformity with the provisions of this Decree-Law, and if the Court decides not to acknowledge the debt accepted temporarily or in case it was decreased, the share maintained shall be returned in proportion to its ratio to the joint guarantee of the creditors.

8- The Court shall approve the list of names of the creditors whose debts were accepted temporarily or permanently.

Article 95

The creditor who did not submit his debt documents within the deadline specified in Article (88) of this Decree-Law, may submit the same to the trustee to accept the supporting documents of his debt and participate in the procedures for acceptable reasons. The consent of the trustee on the same shall be approved by the Court. In case of rejection or non-response of the trustee within (3) three working days, the creditor may apply to the Court for the acceptance of the supporting documents of his debt. The Court shall review the application promptly after consultation with the trustee and shall issue its decision within (7) seven working days from the date of submitting the application... If the Court orders the acceptance of the debt, it shall assign the trustee to submit a report on the impact of the new debt on the draft plan and to submit the result to the Court for ratification. In all events, the procedures set forth in this Clause shall not suspend the procedures of restructuring, adjudication of bankruptcy and liquidation of assets, as the case may be.

CHAPTER 5

REPORT OF THE TRUSTEE

Article 96

The trustee shall prepare a report on the debtor's business and submit a copy thereof to the Court within the time limit specified by said Court, as per the following:

- 1- His assessment of the possibility of restructuring the debtor's business unless it is necessary to submit a restructuring plan to the debtor's creditors, in which case, the report shall be enclosed with an attestation showing the debtor's readiness to continue to run his business.
- 2- His assessment of the possibility of selling the debtor's business in whole or in part on the basis of "a current and running business", in case of adjudication of the debtor's bankruptcy and liquidation of his assets.

Article 97

- 1- The Court shall review the trustee's report within (10) ten working days from the date of submittal thereof to verify that it includes all the claims.
- 2- The period set forth in Clause (1) of this Article shall be interrupted if the Court requests the trustee, within this period, to make any necessary amendments to the report. The trustee shall apply such amendments within a period not exceeding (10) ten working days from the date of receiving notification of the Court's request, renewable for a similar period by a Court's decision and for once.
- 3- The trustee shall provide the creditors whose debts were accepted permanently or temporarily, with a copy of the report within (3) three working days from the date of expiry of the period set forth in Clause (2) of this Article, so that they express their observations on the report.

CHAPTER 6

SETTLEMENT OF THE REPORT

Article 98

- 1- The Court shall assign the trustee to invite the debtor and creditors whose debts were accepted permanently or temporarily and any inspector appointed to attend one or more sessions for the examination of the report within the (10) ten working days following the period set forth in Clause (3) of Article (97) of this Decree-Law.

2- The invitation shall be made through publication in two widespread local daily newspapers, one of them issued in Arabic and the other in English. The Court may, furthermore, assign the trustee to send the invitation by all the possible means of communication.

3-

The text of Clause (3) of Article (98) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The court may decide to:

a- Commence the restructuring procedures and assign the trustee to prepare the restructuring plan of the debtor's business according to Chapter 7 of this Title;
or

b- Reject the application submitted in accordance with the provisions of this Title, and in this case, it may rule the adjudication of the debtor's bankruptcy and liquidation of his assets according to the provisions of Chapter 12 of this Title.

4-

The text of Clause (4) of Article (98) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The Court may not decide to prepare the restructuring plan of the debtor's business, unless the debtor has the ability to continue running his business and the Court finds, through the documents and data available thereto, and after hearing the trustee's statements, that there is a possibility for the debtor's business to be profitable again within a reasonable period that is commensurate with the size and nature of his business and the amount of his debt.

5- The trustee shall publish the Court's decision to initiate the procedures within (5) five working days from the date of its issuance in two widespread local daily newspapers, one of them issued in Arabic and the other in English.

CHAPTER 7

COMMENCEMENT OF THE RESTRUCTURING PROCEDURES

Article 99

If the Court issues a decision to initiate the restructuring procedures, the appointed trustee shall carry out his tasks and shall start the preparation and development of the plan with the assistance of the debtor, within a period not exceeding (3) three months from the date of the decision. The Court may extend this period upon the trustee's request for one or several times, provided that the total does not exceed (3) three additional months.

Article 100

The trustee shall notify the Court on a regular basis every (21) twenty-one working days at the latest, of the progress of the preparation of the draft restructuring plan.

Article 101

1- The trustee shall deposit a copy of the draft restructuring plan at the Court, enclosed with a summary of the restructuring plan stating the probability of acceptance of the draft plan by the debtor's creditors and whether inviting them to meet in order to study the draft plan would be useful.

2- The draft restructuring plan shall include the following:

a- Probability that the debtor's business regains its profitability.

- b- The debtor's activities to be suspended or terminated.
 - c- Terms and conditions of the settlement of any obligations.
 - d- Any performance bonds required to be submitted by the debtor, if any.
 - e- Any offer to purchase all or part of the debtor's business, if any.
 - f- Grace periods and payment discounts.
 - g- Possibility of conversion of debt to capital shares in any project.
 - h- Possibility of unification, establishment, sale or replacement of any guarantees, if necessary for the implementation of the draft plan.
 - i- Suggestion of a period(s) to settle the whole debt.
- 3- The trustee may include in the draft restructuring plan any other matters deemed useful in the implementation of such plan.

Article 102

The restructuring plan shall include a time schedule for the implementation thereof not exceeding (5) five years from the date of ratification of the plan by the Court. It may be extended for a period not exceeding (3) three other years with the consent of the majority of creditors owning two thirds of the unsettled debt according to the plan and any amendments occurring thereto.

Article 103

1- The Court shall, within (10) ten working days from the date of submittal of the draft restructuring plan, review the draft plan to ensure that it takes into account the interest of all parties. It may request the trustee, during this period, to enter any necessary amendments to the draft plan and return it to the Court within a period not exceeding (5) five working days from the date of being notified of the request of the Court, renewable for a similar period by a decision from the Court.

2- The Court shall request the trustee, within (5) five working days from the date of submittal of the draft plan or re-submittal thereof, as the case may be, to address, within (5) five working days, an invitation to the creditors for a meeting to discuss the draft restructuring plan and vote on the same. The trustee shall provide the creditors whose debts were accepted with a copy of the draft restructuring plan.

3-

The text of Clause (3) of Article (103) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The invitation to the meeting set forth in Clause (2) of this Article shall be made through publication in two widespread local daily newspapers, one of them issued in Arabic and the other in English. The invitation shall state the place and time of the meeting and the Court may, furthermore, decide to assign the trustee to send the invitation to the meeting by all possible means of communication, including notification by the electronic means.

4-

The text of Clause (4) of Article (103) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The meeting shall be held within a period of not less than (3) three working days and not more than (15) fifteen working days from the date of publishing the invitation, at the discretion of the Court and commensurate with the interest of the restructuring procedures. Electronic means may be used to organise the meeting and discuss the plan or vote thereon, so as to facilitate the process for any of the creditors, where such means is commensurate with the procedures, in accordance with the instructions of the Trustee.

5- The Court may request the trustee to invite the creditors to other meetings in the same procedures set forth in this Article, taking in consideration the number of creditors known thereto and any other circumstances that are important for the meeting.

6- If the debtor is subject to the supervision of a competent supervisory authority, such authority shall be invited by the Court to attend the meetings.

CHAPTER 8

CREDITORS' COMMITTEES

Article 104

1-

The text of Clause (1) of Article (104) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The court may, upon the request of a group of creditors or sua sponte, after consulting the Trustee, issue a decision to form a committee or more of the creditors representing different categories thereof, and one committee or more of the holders of ordinary debt, and one committee or more of holders of debts secured by a mortgage, and one committee or more of the holders of privileged debts. The Court may also form one committee or more of the holders of bonds and Sukuk for the purpose of discussing the draft plan and suggesting amendments thereto during the meetings held as per Article (103) of this Decree-Law.

2-

The text of Clause (2) of Article (104) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

Each committee may choose a representative thereof from among the creditors or the legal or financial consultants and shall specify the matters delegated thereto according to the provisions of this Decree-Law, including his authorisation to vote, on behalf of the creditors in that committee, on the restructuring plan.

3- All the correspondences related to the meeting, minutes and procedures shall be communicated to the representative of each committee and such representative shall notify the creditors affiliated thereto.

4- The Court may, based on the suggestion of the trustee, restrict the powers of the selected representative or release him from his duty, if it finds that the powers granted to him are wide and detrimental to the interests of the creditors represented by the committee.

5- The Court may reform any of the committees set forth in Clause (1) of this Article in case it finds it necessary.

6- The committees formed under the provisions of this Article shall be treated equally.

Article 105

1- The trustee and the debtor shall explain the terms of the restructuring plan during the meetings held for the discussion of the plan.

2- Any creditor may suggest, during the meetings held to vote on the draft restructuring plan, to introduce any amendments thereto. The Committee before which the amendment is suggested and any other committee that is affected with the suggested amendment, may express its views on these amendments.

3- The Court may invite the creditors who may be affected by the suggested amendments for additional meetings to consider such amendments and may decide to allow or reject any of the suggested amendments, in preparation for the ratification of the draft restructuring plan according to the provisions of Chapter 9 of this Title.

Article 106

The text of Article (106) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

- 1- The right to vote on the draft restructuring plan shall be limited to the ordinary creditors and holders of privileged debts, whose debts were accepted permanently.
- 2- The court may authorise a creditor whose debt is secured by a mortgage to vote on the preventive composition plan for the value of its secured debt, without this prejudicing the security interest, in the event that the plan affects its secured rights. The creditors whose debts are secured by a mortgage may not vote on the preventive composition plan in other than these cases, unless they waive such guarantees in advance. The waiver shall be proved in the minutes of the session. If the plan becomes invalid, the guarantee covered by the waiver shall be returned.
- 3- Notwithstanding the provisions of Clause (1) of this Article, the Court may authorise the creditors whose debts were accepted temporarily to vote on the draft restructuring plan upon the suggestion of the trustee. The Court shall determine in its decision the conditions and limits of granting such authorisation.

Article 107

1-

The text of Clause (1) of Article (107) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

- The draft restructuring plan shall be approved with the consent of the majority of creditors whose debts were accepted permanently and those whose debts were accepted temporarily and allowed to vote, provided that this majority holds at least two thirds of the total accepted debts.
- 2- If none of both majorities referred to in Clause (1) of this Article was achieved, the meeting shall be postponed for a period of (7) seven working days.
 - 3- If none of both majorities was achieved after extension according to Clause (2) of this Article, this shall be considered as a rejection of the restructuring plan.
 - 4- The creditors who attended the first meeting or who were represented therein and voted for the approval of the restructuring plan may not attend the second meeting. In such event, their approval of the restructuring plan in the first meeting shall remain valid, effective and complementary to the quorum in the second meeting, unless they attended this meeting and they changed their previous approval or a change was made to the restructuring plan.
 - 5- Minutes shall be prepared on the meeting held for voting on the draft restructuring plan, signed by the restructuring trustee, debtor and creditors present who are allowed to vote. In case one of them refuses to sign, his name shall be stated in the minutes along with the reason of refusal.
 - 6- All the creditors who participated in the vote on the draft restructuring plan shall provide the restructuring trustee with the elected domiciles for notification, including the electronic addresses. The notification made in the electronic method shall be considered legally effective concerning all subsequent procedures.
 - 7- The terms of the restructuring plan shall also apply to the creditors who voted against it.

CHAPTER 9

RATIFICATION OF THE RESTRUCTURING PLAN

Article 108

- 1- The trustee shall, within (3) three working days from the date of the meeting where the vote was held by the approval of the majority required on the restructuring plan, submit the draft plan to the Court so that the latter issues its decision of ratification or rejection thereof.

2- Any creditor whose debt was accepted and did not approve the plan upon voting thereon, may object to the draft submitted to the Court within (3) three working days from the date of expiry of the period set forth in Clause (1) of this Article. The Court shall decide on the submitted objection within (5) five working days from the date of filing the objection and its decision in this regard shall be considered final.

3- The Court shall issue its decision ratifying the restructuring plan on an urgent basis after verifying all the conditions. It may decide to reduce the periods of settlement of the entitlements of the creditor who accepts to reduce his debt in a way achieving the interests of the restructuring plan and its decision shall be binding to all creditors in the meetings of the creditors' committee(s).

4- The Court shall verify that the plan ensures that all the creditors affected thereby will obtain not less than what they would have obtained if the debtor's assets were liquidated on the date of voting on the plan, according to the Court's estimation of these assets.

The text of Clause (5) of Article (108) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

5- The restructuring plan shall not affect the right of priority prescribed for the debts secured by a mortgage or the privileged debts as set forth in this Decree-Law.

Article 109

1- If the Court rejects to ratify the restructuring plan, it may return it to the trustee for amendment within (10) ten working days from the date of rejection and submit it for ratification or decide to start the procedures of adjudication of bankruptcy of the debtor and liquidation of his assets according to the provisions of this Decree-Law.

2- The debtor, or any of the creditors whose debts were accepted permanently, may file a grievance to the Court on the decision of the latter rejecting the ratification of the plan or amending the same. The Court shall decide on the grievance within (10) ten working days from the date of filing it and the decision thereof shall be deemed final.

Article 110

1- The trustee shall ensure that the sale of any of the debtor's assets to be sold according to the restructuring plan will be made at the best price that may be obtained under the current conditions of the market on the date of sale. The trustee shall deposit the sale proceeds representing the value of the claims guaranteed by assets, and that in the bank account specified by the Court.

2- The trustee shall pay to the creditors whose debts are guaranteed, upon their maturity when the assets are sold according to Clause (1) of this Article, from the sale proceeds of these assets according to their priority.

Article 111

1- The trustee or debtor may offer the creditors an alternative guarantee that is equivalent to the existing guarantee. In case they do not accept this offer, the Court may decide to replace the guarantee if it finds that the alternative guarantee is not lower in value than the existing guarantee and is not detrimental to the interest of the creditor to whom the alternative guarantee was offered.

2- The decision issued by the Court may be appealed before the competent Court of Appeal within (5) five working days from the date of issuance of the decision. The appeal shall not entail the suspension of the procedures and the decision issued in the appeal shall be considered final.

Article 112

The text of Article (112) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

1- If some of the debtor's assets are essential for the continuity of his business, the Court may decide, sua sponte or at the request of any interested party, to prohibit disposing of such assets without its consent, or require its prior approval be obtained to this effect, and that for a specified period not exceeding the

period of implementation of the restructuring plan. In case the assets are subject to guarantee, the Court may replace the guarantee according to the provisions of this Decree-Law.

2- Every interested party may apply to the Court for the invalidity of any disposition occurring in violation to the provisions of Clause (1) of this Article, within a period of three years from the date of issuance of the Court's decision or from the date of ratification of the restructuring plan, whichever is later.

CHAPTER 10

PUBLICATION AND IMPLEMENTATION OF THE RATIFIED RESTRUCTURING PLAN

Article 113

The trustee shall, within (7) seven working days from the date of ratification of the Court on the restructuring plan, register the Court's decision ratifying the plan in the debtor's Commercial Register or Professional Register, as appropriate, and shall publish it in two widespread daily newspapers, one of them issued in Arabic and the other in English, provided that it includes a summary of the most important conditions of the restructuring plan, the debtor's name, place of residence and number of registration in the Commercial Register or Professional Register, as appropriate, and the date of the decision ratifying the plan.

Article 114

1- The trustee shall oversee the restructuring plan throughout the period of implementation thereof.

2-

The text of Clause (2) of Article (114) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The trustee shall:

a- Monitor the progress of the plan and notify the Court of any failure to implement the same.

b- Provide the Court with a report on the progress of implementation of the plan every three months and every creditor shall have the right to obtain a copy of the report.

c- Cooperate with creditors and provide them with the information they request, if available, relating to their interests and in line with the provisions of this Decree-Law.

3- If the trustee finds it necessary to introduce amendments to the restructuring plan during the implementation thereof and such amendments would make changes to the rights or obligations of any party thereof, he shall ask the Court to approve these amendments. The Court shall, before deciding on the application, notify all the parties who participated in the vote on the plan and any creditors deemed necessary to be notified, within (5) five working days from the date of application of the trustee, to make any remarks on the required amendments, within (10) ten working days from the date of notification. The Court may issue a decision to approve or reject the whole amendment or part thereof.

Article 115

Upon meeting all the obligations set forth in the restructuring plan, the Court shall, at the request of the trustee, debtor or any interested party, issue a decision to complete the implementation of the plan. Such decision shall be published in two widespread local daily newspapers, one of them issued in Arabic and the other in English.

CHAPTER 11

NULLIFICATION AND ANNULMENT

Article 116

If the investigation starts with the debtor in one of the crimes set forth in Title 6 of this Decree-Law or if a criminal case was filed against the debtor in these crimes after ratification on the restructuring plan, the Court that ratified the plan may decide, at the request of every interested party, to take measures for the preservation of the debtor's assets. Such measures shall be cancelled if it was decided to dismiss the investigation or rule the innocence of the debtor.

Article 117

1- Every interested party may apply for the nullification of the restructuring procedures within (6) six months from the date of the commencement of investigation set forth in Article (116) of this Decree-Law, otherwise the application shall be unacceptable. In all cases, the application for the nullification shall not be accepted if it was submitted after the lapse of two years from the date of issuance of the decision ratifying the restructuring plan.

2- The restructuring procedures shall be nullified if, after ratification of the restructuring plan, a judgment was issued to convict the debtor of one of the crimes set forth in Title 6 of this Decree-Law, unless the Court decides otherwise in order to protect the interest of the creditors.

3- The nullification of the restructuring procedures shall entail the quittance of the bona fide guarantor who guaranteed the implementation of all or some of the terms of the plan.

Article 118

1- Every interested party may request the Court that ratified the restructuring plan to annul the plan if the debtor does not implement the terms of the plan or if the debtor dies and it turns out that it is impossible to implement such terms for any reason whatsoever.

2- The annulment of the restructuring plan shall not entail the quittance of the guarantor that guaranteed the implementation of its terms and he shall be summoned to attend the session where the request of annulment will be considered.

Article 119

The Court may include in its judgment rendered in the nullification of the restructuring procedures or annulment of the restructuring plan, the placement of seals on the debtor's assets except for the assets that may not be seized by law and the subsidy decided for the debtor and his dependants. It shall also assign the trustee, within (5) five working days from the date of issuance of the judgment of nullification or annulment, to publish the summary of this judgment in two widespread local daily newspapers, one of them issued in Arabic and the other in English. The trustee shall conduct a supplementary inventory-taking of the debtor's assets.

Article 120

If the Court ruled the invalidity of the restructuring procedures or annulment of the restructuring plan, the trustee shall invite the new creditors to submit their debt documents to investigate them according to the debts investigation procedures. The debts already accepted shall not be re-investigated. The trustee shall reject the fully settled debts and shall reduce the debts of which a part was settled, by the equivalent of such part.

Article 121

The acts carried out by the debtor after issuance of the decision of ratification of the restructuring plan and before nullification of the procedures or annulment of the plan, shall be effective against the creditors and they may not request their invalidity unless according to the rules set forth in the Civil Transactions Law concerning the actions of invalidity of the act. This lawsuit shall not be heard after expiry of two years from the date of nullification of the procedures or annulment of the restructuring plan.

Article 122

The nullification of the procedures or annulment of the restructuring plan shall not compel the creditors to return the amount of debt collected before judgment of nullification or annulment. Such amounts shall be deducted from their debts.

Article 123

The Court may rule, at the request of any interested party, and after hearing the opinion of the trustee, to end the restructuring procedures if the debtor dies during the consideration of such procedures, taking into account the interest of the creditors. The Court shall rule, in the same judgment, the adjudication of bankruptcy of the deceased debtor and the liquidation of his assets, taking into account Article (150) of this Decree-Law.

CHAPTER 12

ORDER OF ADJUDICATION OF BANKRUPTCY AND LIQUIDATION

Article 124

The Court shall render a judgment declaring the bankruptcy of the debtor and liquidation of his assets in any of the following cases:

- 1- If the Court ruled the termination of the preventive composition procedures according to the provisions of Article (64) of this Decree-Law.
- 2- If the debtor was the applicant and he acted in bad faith or the application was intended to stall or evade the financial obligations.
- 3- If the restructuring procedures were inappropriate for the debtor based on the statements and documents submitted with the application or on the content of the report prepared by the expert according to the provisions of Article (77) of this Decree-Law or the report of the trustee according to Article (96) on the impossibility of restructuring.
- 4- If no majority set forth in Article (107) of this Decree-Law was achieved.
- 5- If the Court decided to reject the restructuring plan according to Article (109) of this Decree-Law.
- 6- If it was ruled to invalidate the procedures or terminate the restructuring plan according to the provisions of Articles (117) and (118) of this Decree-Law.

Article 125

The Court shall rule against the debtor declared bankrupt, to prevent him from participating in the management of any company or exercising any commercial activity, in case he violates the obligation set forth in Article (68) of this Decree-Law, if it was proved that his act or negligence has led to his bankruptcy and liquidation of his assets, and that for a period not exceeding the date of rehabilitation of the debtor according to the provisions of this Decree-Law.

Article 126

If the Court rules the commencement of the procedures of adjudication of bankruptcy of the debtor and liquidation of his assets, it shall appoint a trustee to handle the procedures of bankruptcy and liquidation of the debtor's assets, unless it rules the continuation of the work of any trustee or auditor appointed during

the restructuring or preventive composition procedures.

Article 127

The Court may reduce the time limits set forth in this Chapter in the cases it deems appropriate.

Article 128

The trustee shall, within (3) three working days from the date of issuance of the order of adjudication of the debtor's bankruptcy and liquidation of his assets, publish the order in two widespread local daily newspapers, one of them issued in Arabic and the other in English.

Article 129

1- The trustee shall assign the creditors to submit any final claims not submitted earlier, provided that they are submitted within (10) ten working days from the date of publication of the order. Any claims received after that date shall not be accepted unless for reasons acceptable to the Court.

2- Any claims rejected by the Court as per the provisions of this Title shall not be taken into consideration.

Article 130

The text of Article (130) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The trustee shall conduct a final audit on the creditors' claims and shall not carry out such audit, if he finds that the sale proceeds of the debtor's assets will all be spent to settle any legal fees or to settle the debts secured by a mortgage.

Article 131

The Court may authorise the debtor, at the request of the trustee and under his supervision, to exercise all or some of his business activities in order to sell such business at the best possible price, provided that the period of such authorisation does not exceed (6) six months from the date of granting the authorisation, and it may be extended for a period not exceeding (2) two additional months in case such continuity achieves the interest of the debtors or the public interest.

Article 132

1- The trustee shall liquidate all the debtor's assets except for those that the latter may keep according to the provisions of this Decree-Law.

2- If the debtor inherits or receives assets for any reason during the bankruptcy procedures, he shall disclose the same and the trustee shall liquidate such assets.

3- The trustee shall proceed with the sale of the debtor's assets by public auction with the consent of the Court and under its supervision and control.

4- The Court may authorise the trustee to sell some or all the debtor's assets by public auction according to the conditions specified by the Court.

5- The trustee shall use the proceeds of the debtor's assets liquidation to meet any of claims due on the debtor under the supervision of the Court and shall deliver to the debtor any surplus thereof.

Article 133

All the correspondences related to the debtor's business shall include, during the procedures of adjudication of bankruptcy, a reference that the debtor is being subject to the procedures of bankruptcy and liquidation of his assets.

Article 134

- 1- The trustee shall notify the Court and the debtor, on a monthly basis, of the progress of the procedures of adjudication of bankruptcy and liquidation.
- 2- The trustee shall notify the Court, the debtor and the inspectors of the content of any offers received to sell all or some of the debtor's business. The Court shall settle promptly any objection to the sale conditions submitted by any interested party and the decision of the Court in this regard shall be deemed final.

Article 135

1-

The text of Clause (1) of Article (135) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The time-limits for all debts due from the bankrupt debtor, whether they are ordinary debts, debts secured by a mortgage, or privileged debts, shall lapse upon the issuance of the order of adjudication of the debtor's bankruptcy and liquidation of his assets.

2- The Court may deduct from the deferred debt where interests are not required, an amount equivalent to the legal interest for the period between the date of the Court's order to start the procedures of bankruptcy and liquidation of assets and the due date of the debt.

3- If the value of the claims is specified in a foreign currency, it shall be converted to the national currency at the exchange rate prevailing on the date of issuance of the order of adjudication of bankruptcy and liquidation of assets, unless there is an agreement to the contrary.

Article 136

1- The following persons may not, directly or through an agent, purchase or make an offer to purchase all or some of the debtor's assets offered for sale according to the provisions of Article (131) of this Decree-Law:

a- The debtor.

b- The debtor's spouse or any of his in-laws or relatives up to the fourth degree.

c- Any person who was, during the (2) two years preceding the date of the order of commencement of the procedures of adjudication of bankruptcy of the debtor and liquidation of his assets, a partner, employee, accountant or agent of the debtor.

d- Any person assuming or was assuming the tasks of the inspector after opening the bankruptcy procedures.

2- Notwithstanding the provision of Clause (1) of this Article, the persons referred to in paragraphs (b, c and d) in Clause (1) of this Article may purchase the debtor's assets with the consent of the Court, if this achieves the interest of the creditors.

Article 137

1- Taking into account any claims made before the Court, the trustee shall distribute the liquidation proceeds according to priority between the creditors as stated in Chapter 6 of Title 5 of this Decree-Law, after obtaining the consent of the Court.

2- The trustee may distribute the liquidation proceeds following each sale operation or after collecting all the money resulting from the all the sale operations.

3- The trustee shall, following each sale operation, submit a distribution list by offering it to the Court for ratification.

4- The creditor shall receive his share from the distribution proceeds in the place where the trustee carries out his tasks, unless it was otherwise agreed between the trustee and the creditor.

5- The shares in the debts that were not accepted permanently and of those subject to objection shall be set apart according to the provisions of the Decree-Law and shall be kept in the Court's Treasury until final settlement thereof.

6-

The text of Clause (6) of Article (137) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

The creditor whose debt is secured by a mortgage shall receive the proceeds of the amounts resulting from the sale of his secured assets and in case the value of such encumbered assets was not sufficient to meet the whole debt secured by a mortgage or lien, then the rest of the unsettled debt shall be considered as ordinary debt.

7- The trustee shall deliver to the debtor any surplus amounts upon liquidation after meeting all his obligations.

Article 138

1- After completion of the final distribution of the debtor's assets to the creditors, the Court shall issue a decision to close all the procedures including the list of creditors whose debts were accepted, the amount of such debts and any unsettled amounts remaining therefrom. The trustee shall be assigned to publish this decision in two widespread daily newspapers, one of them issued in Arabic and the other in English.

2- The trustee shall return all the documents in his possession to the debtor after completion of the procedures and finishing his works.

3- The procedures of adjudication of bankruptcy and liquidation of assets may be completed at the request of the debtor at any time in case the reasons that led to the adjudication of the debtor's bankruptcy and liquidation of his assets no longer exist.

4- After closing the procedures of adjudication of bankruptcy and liquidation of the debtor's assets, each creditor whose debt was accepted but was not settled in whole, may execute on the debtor's assets to collect the rest of his debt. His acceptance of the debt set forth in Clause (1) of this Article shall be considered as a final judgment concerning such execution.

CHAPTER 13

PROVISIONS ON THE COMPANIES' BANKRUPTCY

Article 139

The companies' bankruptcy, in addition to the provisions of the Articles set forth in this Title, shall be subject to the provisions of Articles (172) and (173) of Title 5 of this Decree-Law.

Article 140

Upon mere issuance of the order of adjudication of bankruptcy, the company may not be liquidated outside the framework of this Decree-Law nor may it be placed under receivership.

Article 141

1- The creditor of the company may request the adjudication of its bankruptcy even if he was a partner therein. As per the non-creditor partners, they may not request the adjudication of the company's bankruptcy, in their individual capacity.

2- The Court may, sua sponte or at the request of the debtor company or the competent supervisory authority, postpone the adjudication of bankruptcy of said company for a period not exceeding one year if there was a possibility to support its financial position and the national economy requires so. In such event, the Court shall decide to take the necessary measures to preserve the company's assets.

Article 142

1- If the adjudication of the company's bankruptcy and liquidation of its assets were ordered, all the joint partners therein shall be declared bankrupt. Such declaration shall include the joint partner who exited the company after cessation of payment, provided that less than one year has passed since the date of registering his exit from the company in the Commercial Register.

2- The court shall pronounce a single judgment declaring bankruptcy of joint partners, even if it has no jurisdiction to declare the bankruptcy of such partners.

3- The Court shall appoint, in addition to the trustee who was appointed according to the provisions of this Decree-Law for the procedures of the company's bankruptcy, one or more trustees for the joint partners. Their bankruptcy procedures shall remain separate in terms of their management, fulfilment of their debts and the way of completion thereof.

Article 143

If the Court orders the adjudication of the company's bankruptcy, the Court may, sua sponte or at the request of any interested party, order the adjudication of bankruptcy of any person who conducted commercial business in its name for his own account and disposed of its assets as if they were his own assets.

Article 144

If it was found that the company's assets are not sufficient to meet at least (20%) twenty percent of its debts, the Court that adjudicated bankruptcy may compel some or all the members of the Board or the Managers, jointly or severally, to pay all or some of the company's debts, in the cases where they are proved to be liable for the company's losses according to the provisions of the Commercial Companies Law.

Article 145

The legal representative of the company that was adjudicated bankrupt shall replace it within the limits of his competencies, in every matter where the law requires the opinion of the company or his attendance. The company's representative shall appear before the Court or the trustee, whenever asked to do so, and shall give any information or clarifications required.

Article 146

The Court may, at the request of the trustee, assign the partners or shareholders at the company to fulfil the remaining debt from the value of their shares even if they are not mature yet. The Court may decide to limit this claim to the amount necessary to fulfil the company's debts.

Article 147

1- In case of adjudication of bankruptcy, the Court may compel the members of the Board, the Managers or the liquidators in the liquidation procedures carried out outside the framework of this Decree-Law, to pay an amount to cover the debtor's debts if it was proved that any of them committed any of the following acts during the two years following the date of opening the procedures according to this Title:

a- Using commercial methods of ill-considered risks, such as disposing of the goods at prices lower than their market value, in order to obtain assets, with a view to avoid bankruptcy procedures or delay the commencement thereof.

b- Entering into transactions with a third party to dispose of the assets at no charge or for an inadequate charge and without any certain benefit or a benefit that is commensurate with the debtor's assets.

c- Fulfilling any of the creditors' debts with the intent to cause damage to other creditors, during the period of cessation of payment or during insolvency.

2- The Court shall not render its judgment set forth in this Article if it is convinced that the physical or legal person had taken all possible precautionary measures to reduce the potential losses that may affect the assets of the debtor and his creditors.

3- The members of the Board of any entity, the Manager or the liquidators shall be exempt from liability for the acts stipulated in this Article if it was proved that they did not participate in such acts, or if they proved their reservation on the decision issued in their regard.

Article 148

The debentures and Sukuk issued by the company as per the cases decided in the Commercial Companies Law shall not be subject to the procedures of fulfilment of debts. These debentures and Sukuk shall be accepted at their nominal value within the debts of the debtor after deducting the amounts paid by the company from their value.

CHAPTER 14

BANKRUPTCY OF THE DECEASED, RETIRED OR LEGALLY INCAPACITATED DEBTOR

Article 149

The creditor may request to open the bankruptcy procedures of the debtor in order to adjudicate his bankruptcy and liquidate his assets after his death, retirement or losing his legal capacity if the conditions of adjudication of bankruptcy and liquidation were satisfied according to the provisions of this Decree-Law. The application may not be submitted, in such events after the lapse of one year from the date of decease or the date of removal of the trader's name from the Commercial Register in case of retirement or the date of ruling his legal incapacity.

Article 150

1- The Court shall rule the adjudication of bankruptcy of the deceased debtor and liquidation of his assets, if his heirs did not submit an in-kind guarantee or a bank guarantee issued by a bank operating in the State or any other guarantee that is accepted by the Court and sufficient to fulfil the creditor's debt within the period determined by the Court.

2- The heirs of the deceased debtor may request the adjudication of his bankruptcy and liquidation of his assets within the period set forth in Article (149) of this Decree-Law. If some heirs object to the adjudication of bankruptcy, the Court shall hear their statements then settle the application on an urgent basis according to the interest of the creditors of the deceased debtor and the heirs.

3- The procedures of adjudication of bankruptcy and the liquidation of the assets of the deceased debtor as per the provisions of this Article shall be subject to all the provisions set forth in this Decree-Law, taking the following into account:

a- The application of adjudication of bankruptcy shall be served, in case of the decease of the merchant, at his last domicile without the need to appoint the heirs.

b- The heirs of the debtor who is adjudicated bankrupt shall replace him in the procedures of bankruptcy and liquidation of assets.

Article 151

The heirs of the deceased or their legal representative shall appoint a representative in the procedures of bankruptcy and liquidation of assets. If they were unable to select a representative within (7) seven working days from the date of receiving notification thereof from the trustee, the Court shall, at the request of the trustee, appoint one of them to do so. The Court may isolate the heirs' representative and appoint another representative from among the heirs or their legal representatives.

CHAPTER 15

COMMON PROVISIONS

Article 152

The provisions stated in this Chapter shall apply to restructuring or bankruptcy and liquidation of assets, as the case may be, unless stipulated otherwise.

SECTION 1

REDEMPTION

Article 153

1- The goods in the debtor's possession may be redeemed as a deposit, for sale to the account of the owner thereof or for handing them over to him. The price of the goods may also be redeemed from the selling debtor if they were not handed over to the purchaser in case they were not paid in cash, by a commercial paper, set-off or through registration in a current account between the debtor and the purchaser.

2- If the debtor had deposited goods at third parties, they may be redeemed.

3- The commercial papers and other valuable Sukuk delivered to the debtor may be recovered to collect their value or profits or allocate the same for a certain consideration if they were included in the assets subject to inventory-taking and their value was not paid upon the adjudication of bankruptcy. However, the recovery shall not take place unless the said papers and Sukuk were listed in a current account between the person requesting the recovery and the debtor.

4- The money deposited at the debtor may not be redeemed unless the redeemer proves ownership thereof.

5- The redeemer shall, in the cases set forth in this Article, pay to the trustee any rights due to the debtor.

Article 154

If the sale contract is rescinded by a final judgment before issuance of the decision of opening the procedures, the seller may request the Court to redeem the sold items in whole or in part from the assets subject to inventory, provided that they are in kind.

Article 155

1- If it was decided to open the bankruptcy procedures against a debtor before the latter pays the price of the goods purchased before opening the procedures and the goods were still with the seller, the latter may seize them.

2- If it was decided to open the procedures after sending the goods to the purchasing debtor and before such goods enter his warehouses or those of his agent who is assigned to sell them, the seller may redeem their possession. However, the goods may not be redeemed if they lose their nature or the debtor disposes of them before their arrival without fraud by virtue of their ownership or transport documents, to a bona fide purchaser.

3- In all cases, the trustee may, with the consent of the Court, request the receipt of goods provided that he pays to the seller the agreed price. If the trustee does not request the same, the seller may uphold his right of termination and request compensation.

Article 156

Without prejudice to the provisions of Article (48) of the Commercial Transactions Law, if it was decided to open the procedures against the debtor before payment of the price and after the entry of the goods to his warehouses or those of his agent assigned to sell them, the seller may not request the cancellation of the sale or redemption of the goods. Each condition that may enable the seller to redeem the goods may not be pleaded against the creditors.

SECTION 2

DEPRIVATION OF THE RIGHT OF MANAGEMENT AND DISPOSITION

Article 157

1- The debtor, with effect from the date of decision of opening the procedures, shall not:

a- Manage his assets or pay any claims arising before the issuance of the decision of opening, except for any set-off payments made according to the provisions of Chapter 5 of Title 5 of this Decree-Law.

b- Dispose of his assets, settle or borrow any amounts unless according to the provisions of this Decree-Law. The dispositions carried out on the day of issuance of the decision of opening the procedures shall be considered as carried out after issuance thereof.

c- If the disposition is not applicable nor executable against others except by registration or other procedures, it shall not apply to creditors unless the procedure was carried out before issuance of the decision of opening the procedures.

d- Dispose of the company's shares or debentures or change in the ownership or legal form thereof, in case the debtor was a legal person.

2- The Court may rule, at the request of any interested party, the non-enforcement of any disposition conducted by the debtor against the creditors contrary to the provisions of Clause (1) of this Article.

Article 158

1- The prevention of the debtor from management and disposition shall include all the assets owned by him on the date of issuance of the decision of opening the procedures as well as the assets of which ownership devolve to him following the issuance of the decision of opening the procedures. The Court may rule the invalidity of such dispositions at the request of any interested party.

2- Notwithstanding the provision of Clause (1) of this Article, the prevention from management and disposal shall not include:

a- The assets that cannot be seized under the Law and the subsidy decided for him and his dependants.

b- The assets owned by other than the debtor.

c- The rights related to the personal status of the debtor.

3- The prevention of the debtor from the management and disposition as set forth in Clause (1) of this Article, shall not include the rights related to the person of the debtor, or in his capacity as head of household or the rights related to a purely moral interest.

Article 159

Except in the case of obtaining new financing, according to the provisions of Chapter 4 of Title 5 of this Decree-Law, no guarantees may be placed on the debtor's assets upon mere issuance of the decision of opening the procedures, unless the Court authorised otherwise.

Article 160

1- The Court may decide to suspend any of the debtor's business based on the urgent request of the trustee.

2- The Court shall settle the order of suspension based on the report of the trustee, within a period exceeding the period of acceptance of the Court or refusal to ratify the draft restructuring plan, according to the provisions set forth in this Title.

Article 161

The trustee may, during his management of the procedures, request the debtor to carry out all what is necessary to preserve the interests of his business. He may also request the debtor to meet the valid contracts to which he is party, according to the provisions of Chapter 9 of this Title. The trustee may carry out these works by himself including the exercise of all the powers granted to him in the preventive composition procedures according to the provisions of Title 3 of this Decree-Law.

SECTION 3

SUSPENSION OF THE JUDICIAL PROCEDURES AND THE INTEREST

Article 162

1- Except in the cases set forth in this Decree-Law, the decision of opening the procedures according to the provisions of Article (78) of this Decree-Law, and until ratification of the restructuring plan according to the provisions of Article (108), shall entail the suspension of judicial proceedings as well as the procedures of execution on the debtor's assets, unless the Court decides otherwise.

2-

The text of Clause (2) of Article (162) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

Notwithstanding the provision of Clause (1) of this Article, the creditors who are holders of debts secured by a mortgage or of privileged debts, may file lawsuits, proceed with the same and execute against their guarantees, when their debts become mature after obtaining the permission of the Court. The Court shall decide on granting such permission within (10) ten working days from the date of request thereof. The decision on granting the permission shall not require a notification or exchange of memoranda. Upon granting the permission, the Court shall verify that there is no collusion between the debtor and the secured creditor, and the level of priority of the secured creditor in case of more than one secured creditor on the same money.

3- The decision issued by the Court rejecting the permission may be appealed before the competent Court of Appeal. The appeal shall not entail the suspension of the procedures and the decision issued in the appeal shall be considered final.

Article 163

The Court may decide, at the request of the trustee and after notification of the concerned person, to suspend the validity of the legal and contractual interest, including the interest or compensation due for the delay in payment, from the date of opening of the procedures until the date of acceptance or rejection of the Court to ratify the draft plan according to the provisions set forth in this Title.

SECTION 4

FULFILMENT OF THE OBLIGATIONS AND CONTRACTS

Article 164

1- The trustee shall ensure that the debtor has the ability to perform his obligations.

2- The trustee may, within the implementation of the restructuring plan, pay any amount that the debtor must pay to the contracting party, by virtue of an enforceable contract unless the contracting party grants the debtor a term of payment.

3- If the trustee does not implement the contract and does not continue the implementation thereof, the contracting party may request the Court to rescind the contract and this shall not entail the suspension of the procedures.

4- If the debtor has any joint assets, the trustee or any of the partners in the joint assets may request their division even if they have an agreement not allowing division. Any of the partners may be preferred over others if he wishes to purchase the share of the debtor against fair compensation as decided by the Court.

Article 165

1- The decision of commencement of restructuring procedures shall not result into the lapse of any term agreed upon to settle the debtor's debt. Any contractual text stipulating otherwise shall be considered void.

2- The commencement of the restructuring procedures shall not entail the cancellation or termination of any valid contract between the debtor and third parties, unless it was based on personal considerations. The party contracting with the debtor shall fulfil his contractual obligations unless he has started, before the date of issuance of the decision of opening the procedures, to pay after implementation following the debtor's failure to meet his obligations.

3- The Court may, at the request of the trustee, rule the rescission of any valid contract to which the debtor is a party, if this was necessary, in order to enable the debtor to carry out his business or in case the termination achieves the interest of all the creditors of the debtor and does not lead to a serious harm to the interests of the party contracting with the debtor.

4- The contractor may, in both cases referred to in Clause (3) of Article (164) of this Decree-Law and Clause (3) of this Article, participate in the restructuring procedures as an ordinary creditor through the compensation resulting from the rescission, if necessary, unless the Court decides that the compensation shall preserve the preference legally prescribed thereto.

Article 166

Notwithstanding the provisions of Article (26) of the Civil Procedure Law and Clause (3) of Article (164) of this Decree-Law:

1- The issuance of the decision to start the restructuring procedures shall not entail the termination of the lease or investment contract or the entitlement to the rent for the remaining period if the debtor was a lessor or investor of the real estate where he carries out his business and any condition to the contrary shall be considered void ab initio.

2- The trustee may terminate the lease or investment contract of the real estate used by the debtor to carry out his business before expiry of the period agreed upon in the contract. He shall notify the owner or the lessor thereof by means of a written notice of (45) forty-five working days unless the contract stipulates a shorter period.

3- The owner or the lessor may request the rescission of the lease or investment contract of the real estate used by the debtor to carry out his business because of his default to settle the due rent, if such default continues for a period exceeding (3) three months from the date of issuance of the decision of opening the procedures.

4- The Court may, at the request of the owner or the lessor, rule the rescission of the lease or investment contract of the real estate used by the debtor to carry out his business, if he proves that the guarantees granted to him to settle the rent are insufficient.

5- If it was decided to rescind or terminate the lease or investment contract of the real estate used by the debtor to carry out his business, the owner or lessor of this real estate shall have a lien on the proceeds of sale of the debtor's movables, considered as furniture of the leased or invested real estate.

6- The Court may authorise the debtor or the trustee to sell the debtor's movables that are considered as furniture of the leased or invested real estate, in any of the following cases:

- a- If these assets are susceptible to prejudice or to quick decrease of value and the preservation thereof requires heavy costs.
- b- If the sale thereof does not lead to the debtor's inability to carry out his business.
- c- If the sale of such assets does not affect the sufficiency of the guarantees prescribed for the interest of the lessor or the owner.

7- The trustee may, after obtaining the consent of the Court, rent the real estate occupied by the debtor for his subcontracting business, even if the lease contract between the debtor, owner or lessor stipulates otherwise, provided that this action achieves a real interest to the creditors and does not entail any prejudice to the owner or lessor of the real estate and provided that the lessor is fairly compensated.

Article 167

Without prejudice to the rights prescribed by the Law for the worker, the Court may terminate the valid employment contracts between the debtor whose assets are to be restructured or who is subject to adjudication of bankruptcy and any of his workers, if need be, regardless of the provisions stated in these contracts.

SECTION 5

NON-ENFORCEABILITY OF DISPOSITIONS

Article 168

1- The following dispositions may not be pleaded against the creditors if they were conducted by the debtor within two years before the date of opening the procedures, unless the Court agrees to enforce such dispositions taking into consideration the public interest or the bona fide third parties:

a- Donations, grants or transactions free of charge except for small gifts under the customs.

b- Any transactions where the obligations of the debtor significantly exceed the obligations of the other party, whether such obligations are in cash or in kind.

c- Settlement of any debts before their due date regardless of the method of payment.

d- Settlement of the debts to be paid by means other than those agreed upon between the debtor and his creditor or in a way that is different than those usually used to settle this type of debts. The payment with a commercial paper or bank transfer shall be considered as settlement of money.

e- Place any type of new guarantee on his assets to ensure the settlement of a previous debt.

2- The Court may rule the non-enforceability of any disposition not stated in paragraph (1) of this Article if such disposition harms the creditors and the contracting party was aware or should have been aware that the debtor was in a position of cessation of payment or insolvency.

Article 169

1- If a ruling was rendered on the non-enforceability of any disposition against the creditors, the alienee shall return to the debtor the asset received from the latter under this disposition or the value of said asset at the time of collection thereof. He shall also pay the proceeds of his collection from the date of such collection as well as any gains derived from its utilities.

2- The alienee shall have the right to redeem the compensation that was offered to the debtor if this compensation in itself was found in the debtor's assets. Otherwise, he shall have the right to claim from the creditors any gains derived from the disposition thereto and to participate in the procedures set forth in this Title in his capacity as creditor with respect to any excess thereof.

Article 170

The Court may rule to reject the lawsuit of non-enforceability of dispositions filed according to Article (168) of this Decree-Law, if it finds that the debtor who conducted the disposition acted in good faith and with the purpose of carrying out his business and that, there were, at the time of said disposition, reasons to believe that the disposition may be carried out for the benefit of his business.

TITLE 5

GENERAL PROVISIONS

Article 171

The provisions stated in this Title shall apply to all the procedures set forth in Titles 3 and 4, as the case may be, unless stipulated otherwise.

CHAPTER 1

APPLICATIONS SUBMITTED IN CASE OF LEGAL PERSON

Article 172

If the application to open the procedures was submitted according to the provisions of Title 3 and Title 4 of this Decree-Law, it shall be enclosed with a proof of issuance of such decision by the majority of partners in general partnerships and limited partnership companies, and by the General Assembly in an extraordinary meeting with respect to other companies.

Article 173

If it was decided to open the procedures for the debtor in case of a company, the settlement of every application having the subject the liquidation or placement of the company under guardianship shall be suspended. The personality of the company under liquidation shall remain existent until completion of the procedures set forth in Title 3 and Title 4 of this Decree-Law.

CHAPTER 2

FUNCTIONS AND POWERS OF THE TRUSTEE

Article 174

1- The trustee appointed according to the provisions of this Decree-Law shall assume his functions under the Court's supervision and shall follow the procedures promptly and make sure to take all the measures necessary to protect the interests of the debtor and creditors.

2- Taking into consideration the provisions related to the rights, powers and obligations of the trustee set forth in Titles 3 and 4 of this Decree-Law, the trustee shall, in the performance of his functions, be subject to the same obligations of the expert according to the provisions of the Federal Law no. (7) of 2012 regulating the expertise profession before the judicial authorities, without prejudice to the provisions of this Decree-Law.

3- The trustee shall evaluate the debtor's assets whenever the need arises.

4- The trustee, debtor or any creditor may ask the Court to determine the framework of the trustee's powers concerning a specific matter, provided that this does not suspend or disrupt the procedures.

Article 175

1- The trustee shall, immediately upon his appointment, receive the debtor's correspondences related to his business and shall view and keep the same. He shall also enable the debtor to access such correspondences.

2- The trustee shall deliver to the debtor, as quickly as possible, any correspondences of personal nature or those subject to professional secrecy and not related to the procedures.

Article 176

1- The trustee shall deposit any amount received by him under the procedures, in a bank account determined by the Court within a period of not less than two days from the date of receiving such amount. He shall also provide the Court with a statement of account of such amounts within (5) five working days from the date of deposit.

2- If the trustee fails to deposit any amount received for the purpose of deposit, without a justification accepted by the Court, it may compel him to pay a delay penalty for each day of delay, on an annual basis, without exceeding 12% of the value of the non-deposited amounts. Such penalty shall be deposited in the account set forth in Clause (1) of this Article and shall fall within the joint guarantee of the creditors.

Article 177

The trustee shall estimate the reasonable amount of money necessary to fulfil the debtor's needs and those of his dependants. The Court shall issue its decision of approval of the amount estimation and determination or shall amend it on an urgent basis and its decision in this regard shall be deemed final. This amount shall not be considered included within the debtor's assets guaranteeing his debts.

CHAPTER 3

REDEMPTION

Article 178

1- Every interested party may request the trustee not to include, in the inventory-taking conducted by him according to the provisions of this Decree-Law, the specified items proved to be owned by him, without the debtor having any right thereto at the time of the Court's decision of opening the procedures and may request redemption thereof. The trustee shall take the decision of approval or rejection of the application as quickly as possible.

2- Every interested party may file a grievance against the decision issued by the trustee on the redemption applications before the Court within a period not exceeding three working days from the date of being notified of the decision, in order to decide upon the application by a final judgment, within five working days from the date of filing such grievance. The appeal shall not entail the suspension of the procedures.

Article 179

1- The debtor's spouse may specify the content of the assets owned by him in the inventory according to any rules set forth in the financial system adopted in the marriage.

2- The debtor's spouse may, within two months from the date of publication of the decision of opening the relevant procedures, request the Court to redeem the movable or immovable properties owned by him/her from the debtor's assets.

Article 180

The trustee may apply to obtain the permission of the Court to include any assets purchased by the debtor's spouse in the debtor's assets, or the donations decided for him/her by the debtor, within the period of (3) three years preceding the decision of opening the procedures, and to consider the same a part of the debtor's assets.

CHAPTER 4

OBTAINING NEW FINANCING

Article 181

The Court may, at the request of the debtor or trustee in the preventive composition procedures or restructuring procedures, allow the debtor to obtain new financing with or without guarantee, as per the following:

- 1- The new financing shall have priority over any ordinary debt due from the debtor on the date of decision of opening the procedures according to the provisions of Title 3 or 4 of this Decree-Law.
- 2- Possibility of guaranteeing the new financing by mortgaging any of the non-mortgaged debtor's assets.
- 3- Possibility of guaranteeing the new financing by placing a mortgage on the mortgaged assets of the debtor, assessed at a value exceeding the value of the debt secured by the previous mortgage, in which case, the new mortgage shall occupy a lower level compared to the existing mortgage placed on the same assets, unless the creditors whose debts are secured by the asset subject to mortgage, agree that the new mortgage is at the same level or higher than the existing mortgage placed on the same asset....

Article 182

The Court may allow, in the preventive composition procedures or restructuring procedures, that the debtor obtains financing secured by a guarantee at a level higher or equivalent to any existing guarantee placed on its assets, if the Court finds that the new financing will not affect the interest of the owner of the existing guarantee.

CHAPTER 5

SET-OFF

Article 183

- 1- Set-off is possible between the debtor and the creditor if the conditions thereof were met before opening the procedures according to the provisions of Title 3 or 4 of this Decree-Law.
- 2- No set-off is possible for debts that become due after opening the procedures according to the provisions of Title 3 or 4 of this Decree-Law, and that were not made according to the implementation of the preventive composition plan or restructuring plan or upon the Court's decision.
- 3- The rest of the debt due to the creditor after set-off shall be included within the debtor's debts and shall have the same level as the original debt. The remaining amount due to the debtor shall also be included within the debtor's assets and shall be paid to any trustee appointed according to the provisions of Title 3 or 4 of this Decree-Law, as the case may be.

4- In case the creditor transfers his debt to third parties, the set-off shall not be applied between the debtor and said third party, unless the Court finds that this was carried out in good faith, including the case of acquisition of the creditor by third parties.

CHAPTER 6

ORDER OF DEBT SETTLEMENT

SECTION 1

SETTLEMENT OF DEBTS IN THE PREVENTIVE COMPOSITION OR RESTRUCTURING PHASE

Article 184

The text of the introduction of Article 184 was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

Subject to the provisions regarding the priority of the creditor whose debt is secured by a mortgage of assets encumbered with guarantees, the following debts shall be settled upon their maturity and by order of priority stated below:

1- Any judicial fees or expenses, charges or costs of any trustee appointed according to the provisions of Title 3 or 4 of this Decree-Law and any amount disbursed during the relevant procedures or transactions according to the provisions of Titles 3 and 4 of this Decree-Law.

2- Any fees, expenses or costs incurred after the issuance of the decision of opening, as a result of provision of the debtor with the goods and services or continuation of implementation of any contract according to the provisions of this Decree-Law, to the extent where these fees, costs and expenses achieve a benefit for the debtor's business or assets.

3- Any new non-secured financing obtained according to the provisions of Chapter 4 of Title 5 of this Decree-Law, including the amount of the original debt and the relevant unpaid interests and expenses. This shall also be applicable if the value of the guarantee granted for the new financing is not sufficient for the settlement of all the amounts due for the settlement of such financing.

SECTION 2

ORDER OF PRIORITIES UPON BANKRUPTCY AND LIQUIDATION

Article 185

1-

The text of Clause (1) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

In case the Court ruled to adjudicate the debtor's bankruptcy and liquidate his assets according to the provisions of Title 4 of this Decree-Law, the order of the holders of debts secured by a mortgage shall precede other holders of privileged debts or ordinary creditors, according to the amount of their guarantees. They shall be followed by the holders of preferential right, as per the order of their priorities according to the provisions of this Decree-Law.

2- All the reasonable fees and expenses incurred by the trustee during the procedures of sale of the guaranteed assets shall be deducted from the sale proceeds of the assets securing the debts, before their distribution to the creditors, holders of the guaranteed debts.

Article 186

The text of Article (186) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

If the trustee does not proceed with the sale of the assets encumbered with guarantees, within one month from the date of issuance of the judgment of adjudication of the debtor's bankruptcy and liquidation of his assets, the creditors, holders of debts secured by a mortgage, shall have the right to request the permission of the Court to execute against their guarantee, even if it was not accepted yet. The Court shall decide on granting the permission within (10) ten working days from the date of the request.

Article 187

1- Notwithstanding the provision of Article (185) of this Decree-Law, if the trustee finds that the proceeds resulting from the sale of any guaranteed assets are not sufficient to cover the fees of the trustee and any relevant costs related to the sale of such assets, he may decide to discontinue this sale. The trustee shall immediately send a written notification to the creditor, owner of the guarantee, of any decision taken concerning with the discontinuation of the sale of the assets encumbered with guarantees.

2- The creditor may object to the decision of the trustee within (3) three working days from the date of his notification. The Court shall issue its decision on the objection within (5) five working days without pleading and its decision in this regard shall be deemed final.

Article 188

1- In case of a surplus from the proceeds of sale of the assets guaranteeing the value of the secured debt, the surplus shall be delivered to the trustee, for the benefit of the debtor.

2- If the proceeds of sale of the guaranteeing assets are lower than the value of the secured debt after settlement of the fees and expenses, the rest of the secured debt shall be considered ordinary debt due from the debtor.

SECTION 3**ORDER OF PRIVILEGED DEBTS****Article 189**

The text of Clause (1) of Article (189) was replaced by virtue of Article (1) of Federal Decree-Law No. 23 dated 04/09/2019, to read as follows:

1- The following debt categories shall be privileged debts to be settled before ordinary debts in the following order:

a- Any judicial fees or expenses, including the fees of the trustees and experts, and any expenses paid for the joint interest of the creditors in the preservation and liquidation of the debtor's assets.

b- Unpaid end-of-service gratuities, wages and salaries due to the workers and employees of the debtor, paid on a periodic basis (except for any type of allowances, increments and other incidental payments or benefits, whether material or in-kind), provided that the total thereof does not exceed the salary of a period of (3) three months as a maximum. The Court may decide to allow the trustee to pay the wages and salaries due to the workers and employees of the debtor for a period not exceeding (30) thirty days, from any of the debtor's assets in his possession.

c- Alimony debts imposed on the debtor under a judgment rendered by a competent Court.

d- Amounts due to government agencies.

e- Fees agreed upon between the debtor and any expert appointed by him since the commencement of the procedures, and this includes legal consultancy fees. The Court may estimate such fees sua sponte, or on the basis of a grievance filed by any of the creditors. The filing of the grievance does not entail the stay of the procedures. The court shall decide on the grievance within (5) five working days from the date of its filing, and its decision in this regard shall be final.

f- Any fees, costs or expenses incurred after the date of issuance of the decision of opening the procedures, for the purpose of securing goods and services to the debtor or for the continued performance of any other contract for the benefit of the debtor's business or assets; or any fees, costs or expenses incurred for the continuity of the debtor's business after the date of opening the procedures, according to the provisions of this Decree-Law.

2- Taking into account the priorities order as per the provisions of Clause (1) of this Article, the order of the creditors in each debt category aforementioned shall be even, unless the debtor's assets are not sufficient for the settlement thereof. In such event, they shall be reduced by equal proportions.

CHAPTER 7

GRIEVANCE AND APPEAL

SECTION 1

GRIEVANCES

Article 190

If the trustee appointed according to the provisions of Title 3 or 4 of this Decree-Law does not notify any creditor to attend any of the creditors' meetings or if serving was not made according to the provisions of this Decree-Law, the affected creditor may file a grievance before the Court according to the provisions of the following clauses:

1- The grievant shall file his grievance within (10) ten working days with effect from the day following his knowledge of the meeting. The grievance shall not entail the suspension of procedures.

2- The Court shall consider the grievance expeditiously after inviting the trustee and shall issue a decision to accept or reject the grievance and its decision in this regard shall be deemed final.

3- The Court may, if it issues a decision to accept the grievance, rule the suspension or cancellation of any decision previously issued thereby based on the outcomes of such meeting, taking into account not to cause prejudice to the other creditors.

Article 191

1- Any interested person may file a grievance before the Court when the trustee carries out any of the following acts:

a- Suggested a disposition or conducted an unfair disposition to damage his interests.

b- Neglected or failed to carry out his functions or did not exercise due diligence according to the rules in force.

c- Misused or seized any assets or properties of the creditor or violated any obligation due thereon in favour of the debtor.

2- The grievance shall be filed within (5) five working days from the date of knowledge of such act. The Court may decide either to reject the grievance or to issue a decision that is convenient, including the termination of appointment of any trustee appointed according to the provisions of Title 3 or 4 of this Decree-Law, and appointment of a substitute trustee under the same decision. The grievance shall not entail the suspension of procedures.

SECTION 2

APPEAL

Article 192

Without prejudice to the explicit provisions set forth in this Decree-Law, the decisions or judgments issued by the Court may not be appealed in any way according to this Decree-Law and its decisions shall not be subject to grievance, nor the decisions issued by any trustee appointed according to the provisions of Title 3 or 4 of this Decree-Law.

Article 193

The Court of Appeal may, at the request of the Appellant, decide to suspend the implementation of the appealed decision until settlement of the appeal. In such event, the Court may ask the Appellant to submit a guarantee in-kind or a bank guarantee issued by a bank operating at the State or any other guarantee accepted by the Court that is sufficient to secure any damage that may result from the invalidity of the request within the period specified by the Court.

Article 194

The debtor or creditor may appeal any decision or judgment issued by the Court on the acceptance or rejection of opening the procedures according to the provisions of Title 3 and 4 of this Decree-Law.

Article 195

The debtor, should he be a physical person, or any of its dependants, may appeal the judgment of the Court concerning the sale, mortgage or disposition of any assets allocated for their subsidy, according to the provisions of Title 3 and Title 4 of this Decree-Law.

TITLE 6

PENALTIES AND REHABILITATION

CHAPTER 1

PENALTIES

Article 196

According to the provisions of this Title, any person working at the legal entity subject to the provisions of this Decree-Law and playing an active role in the decision-making process shall be considered as Manager. This shall include the person under whose directives and instructions the Managers operate.

Article 197

Shall be imprisoned for a period not exceeding five years, whoever is declared bankrupt under a final judgment if he commits any of the following acts:

- 1- He has hidden all or some of his books, destroyed or changed the same with the intent to harm his creditors.
- 2- He embezzled a part of his money or concealed the same with the intent to harm his creditors.
- 3- He declared debts not due from him while being aware of the same, whether the declaration was in writing, verbal or in the budget or refrained from submitting papers or clarifications while being aware of the outcome of such refrain.
- 4- He obtained preventive composition or restructuring by way of fraud.
- 5- He used fraud to increase his obligations or reduce the value of his assets or obtained any other settlement.

Article 198

The company's Board members, Managers and liquidators shall be punished by imprisonment for a period not exceeding five years and a fine not exceeding AED (1,000,000) one million, if they commit, after issuance of a final decision of opening the procedures against the company, any of the following acts:

- 1- They have hidden all or some of the company's books, destroyed or changed the same with the intent to cause prejudice to the creditors.
- 2- They embezzled or concealed a part of the company's assets.
- 3- They declared debts not due from the company while being aware of the same, whether the declaration was in writing, verbal or in the budget or refrained from submitting papers or clarifications while being aware of the outcome of such refrain.
- 4- They obtained preventive composition or restructuring for the company by way of fraud.
- 5- They made false declarations concerning the subscribed or paid-up capital, distributed fictitious profits or seized bonuses exceeding the amount set forth in the Law, the company's Memorandum of Association or Articles of Association.
- 6- The penalty set forth in this Article shall not apply on whomever is proved not being involved in the work subject of the crime or established his reservation on the decision issued in its regard.

Article 199

Shall be punished by imprisonment for a period not exceeding two years and a fine not exceeding AED (60,000) sixty thousand or by one of these penalties, whoever is declared bankrupt by a final judgment and it was proved that the bankruptcy was due to his gross negligence that caused a loss to his creditors as a result of committing any of the following acts:

- 1- He spent enormous sums in speculative activities not required in his business or committed acts of gambling.
- 2- He paid to one creditor to the detriment of the others after suspending the payment of his debts for a period exceeding (30) consecutive working days or he was in insolvency, even with the intent of obtaining preventive composition or restructuring.
- 3- He disposed of his assets in bad faith at less than their market price, resorted to harmful means in order to cause prejudice to his creditors with a view to delay the adjudication of his bankruptcy, liquidation of his assets or to delay the termination of the preventive composition or restructuring plan.

Article 200

Shall be punished by imprisonment for a period not exceeding one year or a fine not exceeding AED (30,000) thirty thousand, whoever is declared bankrupt by a final judgment and committed any of the following acts:

- 1- He did not maintain commercial books that are sufficient to reveal his financial position or did not conduct inventory-taking imposed by Law.
- 2- He made, for the benefit of others and without compensation, serious commitments compared to his financial position at the time of undertaking the same.

3- He refrained from providing the data required by the trustee appointed according to the provisions of Title 4 of this Decree-Law or the Court, or intentionally provided incorrect data.

4- He allowed a special advantage to one of the creditors, after cessation of payment, with the intent to obtain acceptance for the preventive composition or restructuring.

5- He spent heavy sums on his personal expenses or home expenses, whether before or after cessation of payment.

6- He settled any debt as opposed to the terms of the preventive composition plan or restructuring plan approved by the Court, or disposed of any assets contrarily to the content of the plan.

Article 201

The Board members, Managers and liquidators of the company declared bankrupt by a final judgment shall be punished by imprisonment for a period not exceeding two years, if they committed any of the following acts:

1- They did not maintain commercial books that are sufficient to reveal the company's financial position or did not conduct inventory-taking as imposed by Law.

2- They refrained from providing the data required by the trustee appointed according to the provisions of Title 4 of this Decree-Law or the Court, or intentionally provided incorrect data.

3- They disposed of the company's assets after cessation of payment with the intent of keeping these assets away from the creditors.

4- They paid the debt of a creditor, after the company's cessation of payment, to the detriment of the other creditors or decided special advantages for a creditor over the rest, even if with the intent of achieving preventive composition or restructuring.

5- They disposed of the company's assets at less than their market price, or resorted to any ways or methods that are detrimental to the interest of the creditors with the intent to obtain money in order to avoid or delay the situation of cessation of payment, adjudication of bankruptcy or termination of the preventive composition or restructuring.

6- They spent enormous sums in gambling or speculation not required by the company's activities.

7- They made, for the benefit of parties other than the company and without compensation, serious commitments compared to its financial position at the time of undertaking the same.

8- The penalty set forth in this Article shall not apply on whomever is proved not being involved in the work subject of the crime or established his reservation on the decision issued in its regard.

Article 202

1- Shall be punished by imprisonment for a period not exceeding five years and a fine not exceeding AED (1,000,000) one million, any trustee or expert appointed by the Court according to the provisions of this Decree-Law, if he seized or embezzled any of the debtor's assets during the management thereof.

2- The penalty shall be imprisonment and fine or either of them if he intentionally provided incorrect information related to the procedures.

Article 203

Shall be punished by imprisonment and fine or by either penalties, whoever embezzled, stole or concealed the debtor's assets after the decision of opening the procedures according to the provisions of Title 3 or 4 of this Decree-Law, even if such person is the spouse, descendant or ascendant of the bankrupt or the descendants or ascendants of the spouse thereof. The Court shall rule, sua sponte, to return the assets even if the judgment was rendered in favour of quittance and the Court may rule compensation, at the request of the concerned parties, when necessary.

Article 204

Shall be punished by imprisonment, every creditor of a debtor who was declared bankrupt, if he committed any of the following acts:

- 1- Increased his debts due from the debtor by way of fraud.
- 2- Granted himself, with the debtor or others, special advantages in exchange for voting in the preventive composition or restructuring deliberations.
- 3- He concluded a secret agreement with the debtor, after cessation of payment, allowing him to have special advantages to the detriment of other creditors, while being aware of the same.

The Court shall rule, *sua sponte*, to invalidate the said agreements, with respect of the debtor or any other person and to compel the creditor to return the amount collected under the invalid agreement, even if the rendered judgment acquitted him. The Court may rule compensation, at the request of the concerned parties, when necessary.

Article 205

Shall be punished by imprisonment whoever submits, by way of fraud during the procedures of preventive composition, restructuring, bankruptcy or liquidation, fictitious debts in his name or the name of others.

Article 206

Shall be punished by imprisonment for a period not exceeding five years, every debtor who:

- 1- Deliberately hid all or some of his assets or exaggerated in the evaluation thereof in order to achieve the preventive composition or restructuring.
- 2- Deliberately enabled a fictitious creditor, a creditor banned from participating in the preventive composition or restructuring, or a creditor who exaggerated in his debt, to participate in the deliberations and voting or deliberately allowed him to participate in the same.
- 3- Deliberately omitted a creditor from the list of creditors.

Article 207

Shall be punished by imprisonment, every creditor who:

- 1- Deliberately exaggerated in evaluating his debts.
- 2- Participated in the deliberations or voting on the preventive composition or restructuring plan, while being aware that he was legally prohibited to do so.
- 3- Concluded a secret agreement with the debtor granting him special advantages to the detriment of the other creditors, while being aware of the same.

Article 208

Shall be punished by imprisonment whoever is not creditor and participates, while being aware of the same, in the deliberations of the preventive composition or restructuring or in the voting on the preventive composition plan or restructuring plan without the permission of the trustee or the Court.

Article 209

If the crime is related to an agreement concluded between the debtor and one of the creditors in order to grant the creditor special advantages in exchange for voting on the preventive composition or restructuring to the detriment of the other creditors, the Penal Court may decide, *sua sponte*, to invalidate such agreement and oblige the creditor to return the monies received by him under this invalid agreement even if the judgment was rendered in favour of his quittance. The Court may also, at the request of the concerned parties, rule compensation when necessary.

Article 210

Every auditor who deliberately gives incorrect data on the financial status of the debtor or confirms such data shall be punished by imprisonment.

Article 211

1- Any trustee appointed according to the provisions of Title 3 or 4 of this Decree-Law, shall provide the Public Prosecution, during investigation or criminal trial, with all the required documents, clarifications and information.

2- The documents shall remain, during investigation or criminal trial, at the Court's clerk. They may be perused or an official copy thereof may be requested unless the Court decides otherwise.

3- The documents shall be returned after completion of the investigation or trial against a receipt voucher.

Article 212

1- If the Court decides the commencement of the preventive composition or restructuring procedures according to the provisions of Title 3 or 4 of this Decree-Law, it shall suspend any penal procedures that were or will be taken against the debtor if arising from cases of issuance of unfunded cheques issued by the debtor before commencement of the preventive composition or restructuring procedures.

2- If the Court orders the suspension of the penal procedures according to Clause (1) of this Article, the creditor, holder of the unfunded cheque, shall be included within the creditors and his debt shall become part of the total debts of the debtor.

3- The effect of suspension of the penal procedures against the debtor shall continue until the Court, considering the request of preventive composition or restructuring, as the case may be, settles the request and authenticates the settlements made with the debtor's creditors according to the rules regulating the procedures stated in this Decree-Law.

4- In case of the Court authenticates the arrangement reached between the debtor and the creditor according to the provisions of this Decree-Law, this shall automatically lead to the extension of the suspension of penal procedures taken directly against the debtor, until completion of implementation of the preventive composition or restructuring procedures, as the case may be.

5- If the debtor obtains a decision from the competent authority on the completion of the required procedures and settlement of debts due on the debtor to the creditor, holder of the cheque, the debtor may request the competent Court in the penal case, according to the provisions of Article (401) of the Penal Code, to issue a decision of termination of the penal case or suspension of its implementation, as the case may be.

Article 213

Unless the Law stipulates otherwise, any claims or civil or commercial requests related to the implementation of the provisions of this Decree-Law, shall remain separate from any penal lawsuit filed according to the provisions of this Title. The Penal Court shall not oppose to these claims and requests and they shall not be referred to it.

Article 214

The Court may publish all the penal judgments rendered in the crimes set forth in this Decree-Law, in the methods decided for the publication of the judgment of adjudication of bankruptcy according to the provisions of Title 4 of this Decree-Law.

Article 215

The Court may, upon conviction of the crimes set forth in Articles (197, 198, 199, 200 and 201) of this Decree-Law, rule to deprive the losing party from directly operating, managing, supervising or playing any role in the management of any company established according to the provisions of the Commercial

Companies Law or exercising any other commercial activity, for a period not exceeding (5) five years from the date of completion of the bankruptcy and liquidation procedures. The name of the losing party shall be added to the commercial or professional register, as the case may be.

Article 216

The penalties set forth in this Title shall not prejudice any other more severe penalty stipulated in another Law.

CHAPTER 2

REHABILITATION OF THE DEBTOR DECLARED BANKRUPT

Article 217

Unless the provisions of this Chapter stipulate otherwise, the rights of which the person declared bankrupt was deprived according to the provisions set forth in this Decree-Law or any special laws, shall return thereto after five years from the date of completion of the procedures of adjudication of bankruptcy and liquidation of assets.

Article 218

The debtor declared bankrupt shall be rehabilitated, even if the period set forth in Article (217) of this Decree-Law has not passed, if he paid all his debts including any original amount, expenses and interests for a period of one year, including the part from which he was acquitted.

Article 219

The debtor declared bankrupt may be rehabilitated, even if the period set forth in Article (217) of this Decree-Law has not passed, in the following cases:

- 1- If he obtained a settlement from his creditors and implemented the terms thereof. This provision shall also apply to the joint partner in a company adjudicated bankrupt if the partner obtains a special settlement and implements the terms thereof.
- 2- If it was proved that the creditors have acquitted him from all the debts due from him after completion of the bankruptcy and liquidation procedures.

Article 220

The debtor declared bankrupt and who was convicted in one of the crimes set forth in Article (197) of this Decree-Law, may not be rehabilitated unless after expiry of a period of (3) three years from the execution of the sentence, the pardon thereof or its prescription by time, provided that he had paid all his debts including any original amount, interests and expenses or made a settlement with the creditors in their regard.

Article 221

The debtor declared bankrupt may be rehabilitated after his death, at the request of the heirs. The periods set forth in Articles (219) and (220) of this Decree-Law shall be calculated from the date of death.

Article 222

If one of the creditors refrains from the collection of his debt, was absent or it was impossible to know his place of residence, the debt may be deposited at the Court's Treasury. The deposit receipt in respect of the rehabilitation shall be considered as a quittance.

Article 223

1- The rehabilitation application shall be submitted enclosed with the supporting documents to the Court that issued the judgment of adjudication of bankruptcy and liquidation.

2- The Court shall send a copy of the application to the Public Prosecution and the Commercial or Professional Register Department in which the debtor is registered, as the case may be, and shall notify the creditors whose debts were accepted in the bankruptcy procedures of the rehabilitation application.

Article 224

The Public Prosecution shall provide the Court, within (20) twenty working days from the date of receiving a copy of the rehabilitation application, with a report including data on the judgments rendered against the debtor declared bankrupt in the bankruptcy crimes, trials, or ongoing investigations in this regard, as well as its opinion concerning the acceptance or rejection of the rehabilitation application, provided that this opinion is justified.

Article 225

Every creditor whose debts were accepted and did not fulfil his right, may file an objection to the rehabilitation application within (15) fifteen working days from the date of notification of the same. The objection shall be made by a written application submitted to the Court, enclosed with the supporting documents.

Article 226

The Court shall, after expiry of the period set forth in Article (225) of this Decree-Law, notify the creditors who filed objections to the rehabilitation application, of the date of the session set to study of the application.

Article 227

1- The Court shall decide on the rehabilitation application by a judgment that may be appealed before the Court of Appeal.

2- If the rehabilitation application was rejected, it shall not be resubmitted until the lapse of a period of six months from the date of issuance of the rejection.

Article 228

If, before deciding on the rehabilitation application, investigations were conducted with the debtor declared bankrupt concerning one of the bankruptcy crimes, or a penal lawsuit was filed against him in this regard, the Public Prosecution shall notify the Court immediately and the Court shall suspend the decision on the rehabilitation application until actions are taken with respect to of investigations other than the initiation of the penal lawsuit in motion or issuing a final judgment thereon.

Article 229

If a judgment was issued convicting the debtor in one of the bankruptcy crimes after the issuance of the rehabilitation judgment, this last judgment shall be considered void ab initio and the debtor will not be rehabilitated unless under the terms set forth in Article 220 of this Decree-Law.

TITLE 7**FINAL PROVISIONS**

Article 230

- 1- The Articles (417, 418, 419, 420, 421 and 422) of the Federal Law no. (3) of 1987 promulgating the Penal Code shall be abrogated.
- 2- Title 5 of the Federal Law no. (18) of 1993 on the promulgation of the Commercial Transactions Law shall be abrogated.
- 3- Any provision violating or contradicting the provisions of this Decree-Law shall be abrogated.

The text of a new Article 230 (bis) was added by virtue of Article 2 of Federal Decree-Law No. 23 dated 04/09/2019, as follows:

Article 230 bis

The Council of Ministers shall issue the necessary decisions to implement the provisions of this Decree-Law, and may amend any periods stipulated therein, upon the proposal of the Minister.

Article 231

This Decree-Law shall be published in the Official Gazette and shall enter into effect three months after the date of publication thereof.

Issued by Us at the Presidential
:Palace in Abu Dhabi
On: 20 September 2016
Corresponding to: 18 Dhi Al-Hijjah 1437 H

Khalifa bin Zayed Al Nahyan

President of the United Arab Emirates

.The present Federal Decree-Law was published in the Official Gazette, issue no. 604 (Annex), p. 53

