

IMPORTANT NOTICE

THIS BASE PROSPECTUS MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following notice before continuing. The following notice applies to the attached base prospectus following this page (the **Base Prospectus**), whether received by email, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this notice carefully before reading, accessing or making any other use of the Base Prospectus. In reading, accessing or making any other use of the Base Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Base Prospectus, including any modifications made to them from time to time, each time you receive any information from Dubai DMO Funding Limited (as issuer and as trustee, the **Trustee**) and the Government of Dubai, acting through the Department of Finance (the **Government**) as a result of such access.

RESTRICTIONS: NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY THE CERTIFICATES IN THE UNITED STATES OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

ANY CERTIFICATE TO BE ISSUED HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE CERTIFICATES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENT OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Any securities described in the Base Prospectus which do not constitute "alternative finance investment bonds" (**AFIBs**) within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000 (the **FSMA**)) which has not been authorised, recognised or otherwise approved by the United Kingdom (**UK**) Financial Conduct Authority. Accordingly, the securities must not be marketed in the UK to the general public, and the Base Prospectus is not being distributed to, and must not be passed on to, the general public in the UK.

The distribution in the UK of the Base Prospectus, any final terms and any other marketing materials relating to the securities is being addressed to, or directed at: (A) if the distribution of the securities (whether or not such securities are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**), (ii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the securities are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the **Promotion of CISs Order**), (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order (all such persons together being referred to as **Relevant Persons**).

The Base Prospectus must not be acted on or relied on in the UK, by persons who are not Relevant Persons. Any investment or investment activity to which the Base Prospectus relates is available only to in the UK, Relevant Persons.

CONFIRMATION OF YOUR REPRESENTATION: In order to be eligible to view the Base Prospectus or make an investment decision with respect to the Certificates described herein, (1) each prospective investor in respect of the Certificates being offered outside of the United States in an offshore transaction pursuant to Regulation S must be outside of the United States and (2) each prospective investor in respect of the securities being offered in the UK must be a Relevant Person. By accepting this e-mail and accessing, reading or making any other use of the Base Prospectus, you shall be deemed to have represented to Dubai Islamic Bank PJSC, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc and Standard Chartered Bank (the **Dealers**) that (1) you have understood and agree to the terms set out herein, (2) the electronic mail (or e-mail) address to which, pursuant to your request, the Base Prospectus has been delivered by electronic transmission is not located in the United States, its territories, its possessions and other areas subject to its jurisdiction; and its possessions include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands, (3) in respect of the Certificates being offered in the UK, you are (or the person you represent is) a Relevant Person, (4) you consent to delivery by electronic transmission, (5) you will not transmit the Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person

except with the consent of the Dealers and (6) you acknowledge that you will make your own assessment regarding any legal, taxation or other economic considerations with respect to your decision to subscribe for or purchase of any of the Certificates.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised, to deliver or disclose the contents of the Base Prospectus, electronically or otherwise, to any other person and in particular to any U.S. address. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

If you received the Base Prospectus by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive the Base Prospectus by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The Base Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a Dealer or any affiliate of the relevant Dealer is a licensed broker or dealer in that jurisdiction the offering shall be deemed to be made by the relevant Dealer or such affiliate on behalf of the Trustee in such jurisdiction.

Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the Base Prospectus who intend to subscribe for or purchase the Certificates are reminded that any subscription or purchase may only be made on the basis of the information contained in the final prospectus.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealers, the Trustee, the Government nor any person who controls or is a director, officer, employee or agent of any Dealer, the Trustee, the Government nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from each Dealer.

The distribution of the Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus comes are required by the Dealers, the Trustee and the Government, to inform themselves about, and to observe, any such restrictions.



Dubai DMO Funding Limited

(incorporated in the Dubai International Financial Centre as a prescribed company with limited liability)

Trust Certificate Issuance Programme

Under the trust certificate issuance programme described in this Base Prospectus (the **Programme**), Dubai DMO Funding Limited (as issuer and as trustee, the **Trustee**), subject to compliance with all applicable laws, regulations and directives, may from time to time issue certificates (the **Certificates**), each of which shall represent an undivided ownership interest in the relevant Trust Assets (as defined below), in any currency agreed between the Trustee and the relevant Dealer (as defined below).

Certificates may only be issued in registered form.

Each Tranche (as defined herein) of Certificates issued under the Programme will be constituted by (i) a master trust deed (the **Master Trust Deed**) dated 2 October 2023 entered into between the Trustee, the Government of Dubai, acting through the Department of Finance (the **Government**) and Deutsche Trustee Company Limited as delegate of the Trustee (the **Delegate**) and (ii) a supplemental trust deed (the **Supplemental Trust Deed**) in relation to the relevant Tranche. Certificates of each Series (as defined herein) confer on the holders thereof from time to time (the **Certificateholders**) the right to receive certain payments (as more particularly described herein) arising from the assets of a trust declared by the Trustee in relation to the relevant Series (the **Trust**) over the relevant Trust Assets (as defined herein).

The Certificates may be issued on a continuing basis to one or more of the Dealers (each a **Dealer** and together the **Dealers**) specified under “*General Description of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Trustee, which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Certificates being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Certificates.

The Certificates will be limited recourse obligations of the Trustee. An investment in Certificates issued under the Programme involves certain risks. For a discussion of these risks, see “Risk Factors”.

Application has also been made for Certificates issued under the Programme to be approved by the Securities and Commodities Authority (the **SCA**) and to be listed and admitted to trading on the Dubai Financial Market (**DFM**). References in this Base Prospectus to Certificates being **listed** (and all related references) shall mean that such Certificates have been approved by the SCA and have been listed and admitted to trading on the DFM.

The Programme provides that Certificates may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, the Government and the relevant Dealer. The Trustee may also issue unlisted Certificates and/or Certificates not admitted to trading on any market.

The Certificates will be delisted from the DFM and/or on other or further stock exchanges or markets following the occurrence of a Tangibility Event (as defined herein). See Condition 11.4.

Notice of the aggregate face amount of Certificates and any other terms and conditions not contained herein which are applicable to each Tranche will be set out in a final terms document (the **applicable Final Terms**) which, with respect to Certificates to be listed on any stock exchange, will be delivered to such stock exchange in accordance with its requirements.

The Certificates have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**) or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Certificates may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). For a description of certain restrictions on offers and sales of Certificates and on the distribution of this Base Prospectus, see “*Subscription and Sale*”.

The Trustee and the Government may agree with any Dealer that Certificates may be issued with terms and conditions not contemplated by the Terms and Conditions of the Certificates herein, in which event a new Base Prospectus, in the case of listed Certificates only, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Certificates.

The transaction structure relating to the Certificates (as described in this Base Prospectus) has been approved by the Internal Shariah Supervisory Committee of Dubai Islamic Bank PJSC, the Internal Sharia Supervision Committee of Emirates NBD – Islamic, the Internal Shariah Supervision Committee of First Abu Dhabi Bank PJSC, the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited and the Global Shariah Supervisory Committee of Standard Chartered Bank as, in their view, complying with the *Shari'ah* principles as applicable to, and interpreted by, them. Prospective Certificateholders should not rely on such approvals in deciding whether to make an investment in the Certificates and should consult their own *Shari'ah* advisers as to whether the proposed transaction described in such approvals, including the tradability of the Certificates on any secondary market, is in compliance with their individual standards of compliance with *Shari'ah* principles (including, without limitation, their individual standards of compliance relating hereto). None of the Trustee, the Government, the Dealers, the Delegate or any of the Agents makes any representation as to the *Shari'ah* compliance of the Certificates and/or any trading thereof.

ARRANGERS AND DEALERS

Dubai Islamic Bank PJSC

Emirates NBD Capital

DEALERS

First Abu Dhabi Bank PJSC

HSBC Bank plc

Standard Chartered Bank

This Base Prospectus is for the purpose of giving information with regard to the Trustee, the Government and any Certificates to be issued under the Programme which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Trustee, the Government and of the Certificates.

Each of the Trustee and the Government accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of the Trustee and the Government (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Certain information under the headings "*Risk Factors*", "*Overview of the Emirate of Dubai*", "*Economy of Dubai*", "*Balance of Payments and Foreign Trade*", "*Monetary and Financial System*" and "*Public Finance*" have been extracted from information provided by:

- the Organization of the Petroleum Exporting Countries (**OPEC**) and the UAE Central Bank (in the case of "*Risk Factors*");
- the UAE Federal Competitiveness and Statistics Authority (**FCSA**) and Dubai Statistics Centre (in the case of "*Overview of the Emirate of Dubai*");
- the UAE Central Bank, the FCSA, Dubai Statistics Centre, the Telecommunications Regulatory Authority (**TRA**), Dubai Electricity and Water Authority (**DEWA**), the Roads and Transport Authority (**RTA**), Dubai Ports Authority, Dubai Department of Economy and Tourism, Dubai International Financial Centre (**DIFC**), Dubai Financial Services Authority (**DFSA**), Dubai Integrated Economic Zones Authority (**DIEZ**), Jebel Ali Free Zone Authority (**JAFZA**), Dubai Development Authority (**DDA**), Dubai Land Department, the Real Estate Regulatory Authority (**RERA**), Alphaliner, Airports Council International, Emaar Properties, Dubai Airports Corporation (**DAC**), Dubai Chamber of Commerce and Industry, Dubai Aviation Engineering Projects, Dubai Civil Aviation Authority, Dubai South, Dubai World Trade Centre, TECOM Group, Dubai Multi Commodities Centre (**DMCC**) and Dubai Healthcare City (**DHCC**) (in the case of "*Economy of Dubai*");
- the UAE Central Bank, the FCSA, the International Monetary Fund (the **IMF**) and Dubai Customs (in the case of "*Balance of Payments and Foreign Trade*");
- the UAE Central Bank, Nasdaq Dubai and the Dubai Financial Market (**DFM**) (in the case of "*Monetary and Financial System*"); and
- the Investment Corporation of Dubai (**ICD**), Dubai World, Dubai Real Estate Corporation (**DREC**), Dubai Holding, Emirates NBD Bank PJSC (**ENBD**), Emaar Properties PJSC (**Emaar**), Emirates Global Aluminium (**EGA**), Emirates Group (**Emirates**), Dubai Duty Free (**DDF**), Dubai Cable Company Limited (**DUCAB**), Emirates National Oil Company Limited (ENOC) LLC (**ENOC**), Borse Dubai Limited and Dubai Aerospace Enterprise (**DAE**) (in the case of "*Public Finance*").

Certain of the Government's financing, funding or hedging arrangements are structured (or intended to be structured) in accordance with the principles of *Shari'ah* and references in relation thereto in this Base Prospectus to "borrowing", "loan", "borrower", "lender", "lending", "interest", "loan charge", "repayment", "repayable", "repay", "repaid", "bond", "debt securities" or similar non *Shari'ah* compliant terms in relation thereto should be interpreted as references to "financing", "funding", "financier", "obligor", "counterparty", "lessor", "lessee", "profit", "rental", "finance costs", "payment", "payable", "pay", "paid", "sukuk", "trust certificates", etc., as applicable. Any *Shari'ah* non-compliant terminology used in this Base Prospectus has been used to give proper meaning to a particular definition or a clause and does not impact the *Shari'ah* compliancy of the Transaction Documents.

Each of the Trustee and the Government confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. This Base Prospectus should be read and construed together with any amendments or supplements hereto and, in relation to any Tranche of Certificates, should be read and construed together with the applicable Final Terms.

Copies of Final Terms will be available from the registered office of the Trustee and the specified office set out below of the Principal Paying Agent (as defined below) save that, if the relevant Certificates are neither admitted to trading on:

- a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Regulation (EU) 2017/1129 (the **EU Prospectus Regulation**); or
- a UK regulated market (as defined in Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**)) nor offered in the UK in circumstances where a prospectus is

required to be published under the Financial Services and Markets Act 2000, as amended (the **FSMA**) and Regulation (EU) 2017/1129 as it forms part of domestic law (the **UK Prospectus Regulation**),

the applicable Final Terms will only be obtainable by a Certificateholder holding one or more Certificates and such Certificateholder must produce evidence satisfactory to the Trustee or, as the case may be, the Principal Paying Agent as to its holding of such Certificates and identity.

No person is or has been authorised by the Trustee or the Government to give any information or to make any representation not contained in or not consistent with this Base Prospectus in connection with the Programme or the Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by the Trustee, the Government, the Dealers (as defined under "*Subscription and Sale*"), the Trustee, the Delegate, the Agents (each as defined herein) or any other person. Neither the delivery of this document nor any sale of any Certificates shall, under any circumstances, constitute a representation or create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Delegate, the Agents and the Dealers expressly do not undertake to review the financial condition or affairs of the Trustee or the Government during the life of the Programme or to advise any investor in the Certificates of any information coming to their attention.

None of the Dealers, the Agents or the Delegate has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of them as to the accuracy, adequacy, reasonableness or completeness of the information contained in this Base Prospectus or any other information provided by the Trustee or the Government in connection with the Programme. None of the Dealers, the Delegate or any of the Agents accepts any responsibility for any act or omission of the Trustee, the Government or any other person in connection with the Programme and/or the issue and offering of any Certificates.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Certificates is intended to provide the basis of any credit or other evaluation or should be considered as a recommendation by the Trustee, the Government, the Dealers, the Trustee, the Agents or the Delegate that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or the issue of any Certificates should purchase any Certificates. Each investor contemplating purchasing any Certificates should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee and the Government. None of the Dealers, the Trustee, the Agents or the Delegate accepts any liability in relation to the information contained in this Base Prospectus or any other information provided by the Trustee or the Government in connection with the Programme.

No comment is made or advice given by the Trustee, the Government, the Dealers, the Trustee, the Agents or the Delegate in respect of taxation matters relating to any Certificates or the legality of the purchase of the Certificates by an investor under any applicable law.

The Certificates of any Series may not be a suitable investment for all investors. Each potential investor in Certificates must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Certificates, the merits and risks of investing in the relevant Certificates and the information contained in this Base Prospectus; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Certificates and the impact the relevant Certificates will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Certificates, including where the currency of payment is different from the potential investor's currency; (iv) understand thoroughly the terms of the relevant Certificates and be familiar with the behaviour of any relevant indices and financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

Some Certificates are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A prospective investor should not invest in Certificates which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Certificates will perform under changing conditions, the resulting effects on the value of the Certificates and the impact this investment will have on the prospective investor's overall investment portfolio.

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should consult its legal advisers to determine whether and to what extent (1) Certificates are legal investments for it, (2) Certificates can be used as collateral for various types of financing and (3) other restrictions apply to its purchase or pledge of any Certificates. Financial

institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Certificates under any applicable risk-based capital or similar rules.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, *SHARI'AH* ADVISER, LEGAL ADVISER AND BUSINESS ADVISER AS TO TAX, *SHARI'AH*, LEGAL, BUSINESS AND RELATED MATTERS CONCERNING THE PURCHASE OF ANY CERTIFICATES.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Certificates in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Certificates may be restricted by law in certain jurisdictions. None of the Trustee, the Government, the Dealers, the Trustee, the Agents or the Delegate represents that this Base Prospectus may be lawfully distributed, or that any Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, the Government, the Dealers, the Trustee, the Agents or the Delegate which is intended to permit a public offering of any Certificates or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Certificates may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Certificates may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of the Certificates. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the United States, the European Economic Area, the United Kingdom (**UK**), the Kingdom of Bahrain, Japan, Malaysia, Qatar (including the Qatar Financial Centre), the Kingdom of Saudi Arabia, Singapore, the United Arab Emirates (excluding the Abu Dhabi Global Market (**ADGM**) and the Dubai International Financial Centre (**DIFC**)), the ADGM and the DIFC, see "*Subscription and Sale*".

Any offer of Certificates in any Member State of the European Economic Area (each, a **Member State**) will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to publish a prospectus for offers of Certificates. Accordingly, any person making or intending to make an offer in that Member State of Certificates which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Certificates may only do so in circumstances in which no obligation arises for the Trustee, the Government, the Agents, the Delegate or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer. None of the Trustee, the Government, the Agents, the Delegate or any Dealer have authorised, nor do they authorise, the making of any offer of Certificates in circumstances in which an obligation arises for the Trustee, the Government or any Dealer to publish or supplement a prospectus for such offer.

Any offer of Certificates in the UK will be made pursuant to an exemption under section 86 of the FSMA and the UK Prospectus Regulation from the requirement to publish a prospectus for offers of Certificates. Accordingly, any person making or intending to make an offer in the UK of Certificates which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Certificates may only do so in circumstances in which no obligation arises for the Trustee, the Government, the Agents, the Delegate or any Dealer to publish a prospectus pursuant to the FSMA and Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer. None of the Trustee, the Government, the Agents, the Delegate or any Dealer have authorised, nor do they authorise, the making of any offer of Certificates in circumstances in which an obligation arises for the Trustee, the Government or any Dealer to publish or supplement a prospectus for such offer.

None of the Dealers, the Trustee, the Government, the Agents or the Delegate makes any representation to any investor in the Certificates regarding the legality of its investment under any applicable laws. Any investor in the Certificates should be able to bear the economic risk of an investment in the Certificates for an indefinite period of time.

This Base Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue" or similar terminology. Although the Government believes that the expectations reflected in its forward-looking statements are reasonable at this time, there can be no assurance that these expectations will prove to be correct.

All references in this Base Prospectus to **U.S. dollars** and **U.S.\$** are to the lawful currency of the United States of America, all references to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and all references to **AED** and **dirham** are to the lawful currency of the United Arab Emirates. The

dirham has been pegged to the U.S. dollar since November 1980. The midpoint between the official buying and selling rates for the dirham has been pegged at a fixed rate of AED 3.6725 = U.S.\$ 1.00 since November 1997 and, unless otherwise indicated, U.S. dollar amounts in this Base Prospectus have been converted from AED at this exchange rate. All references to **GDP** are, unless otherwise stated, to gross domestic product in real terms.

In addition, all references in this Base Prospectus to the **UAE** are to the United Arab Emirates and references to **Dubai** are to the Emirate of Dubai.

Certain figures and percentages included in this Base Prospectus have been subject to rounding adjustments. Accordingly figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

NOTICE TO RESIDENTS OF THE UK

Any Certificates to be issued under the Programme which do not constitute "alternative finance investment bonds" (**AFIBs**) within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the FSMA) which has not been authorised, recognised or otherwise approved by the UK Financial Conduct Authority (the **FCA**). Accordingly, this Base Prospectus is not being distributed to, and must not be passed on to, the general public in the UK.

The distribution in the UK of this Base Prospectus, any Final Terms and any other marketing materials relating to the Certificates is being addressed to, or directed at: (A) if the distribution of the Certificates (whether or not such Certificates are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**), (ii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Certificates are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the **Promotion of CISs Order**), (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be promoted.

Persons of any other description in the UK may not receive and should not act or rely on this Base Prospectus, any Final Terms or any other marketing materials in relation to any Certificates. Prospective investors in the UK in any Certificates are advised that all, or most, of the protections afforded by the UK regulatory system will not apply to an investment in such Certificates and that compensation will not be available under the UK Financial Services Compensation Scheme. Any prospective investor intending to invest in any investment described in this Base Prospectus should consult its professional adviser and ensure that it fully understands all the risks associated with making such an investment and that it has sufficient financial resources to sustain any loss that may arise from such investment.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Certificates issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the **CBB**) in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in another currency or such other amount as the CBB may determine.

This Base Prospectus does not constitute an offer of Certificates in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Certificates may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Certificates, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Prospectus or related offering documents and it has not in any way considered the merits of the Certificates to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability

whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of Certificates will be made to the public in the Kingdom of Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF MALAYSIA

Any Certificates to be issued under the Programme may not be offered for subscription or purchase and no invitation to subscribe for or purchase such Certificates in Malaysia may be made, directly or indirectly, and this Base Prospectus or any document or other materials in connection therewith may not be distributed in Malaysia other than to persons falling within the categories set out in Part I of Schedule 6 (or Section 229(1)(b)), Part I of Schedule 7 (or Section 230(1)(b)), and Schedule 8 (or Section 257(3)), read together with Schedule 9 (or Section 257(3)) of the Capital Market and Services Act 2007 of Malaysia as may be amended and/or varied from time to time and subject to any amendments to the applicable laws from time to time. The Securities Commission of Malaysia shall not be liable for any non-disclosure on the part of the Trustee or the Government and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Base Prospectus.

NOTICE TO RESIDENTS OF THE STATE OF QATAR

Any Certificates to be issued under the Programme will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar (**Qatar**) (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in Qatar. The Certificates are not and will not be traded on the Qatar Stock Exchange. The Certificates and interests therein will not be offered to investors domiciled or resident in Qatar and do not constitute debt financing in Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of Qatar.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the **Capital Market Authority**).

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of the Certificates issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Certificates. If you do not understand the contents of this Base Prospectus, you should consult an authorised financial adviser.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 (2020 REVISED EDITION) OF SINGAPORE, AS AMENDED OR MODIFIED FROM TIME TO TIME (THE SFA)

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Trustee has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that, unless otherwise stated in the Final Terms in respect of any Certificates, the Certificates are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Certificates may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended) is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Certificates may include a legend entitled “UK MiFIR Product Governance” which will outline the target market assessment in respect of the Certificates and which channels for distribution of the Certificates are appropriate. Any person subsequently offering, selling or recommending the Certificates (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (**UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Certificates is a manufacturer in respect of such Certificates, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

VOLCKER RULE

Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing regulations (the **Volcker Rule**), which became effective on 1 April 2014, but was subject to a conformance period for certain entities that concluded on 21 July 2015, generally prohibits “banking entities” (which is broadly defined to include U.S. banks and bank holding companies and many non-U.S. banking entities, together with their respective subsidiaries and other affiliates) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring a “covered fund”, and (iii) entering into certain relationships with “covered funds”. The general effects of the Volcker Rule remain uncertain; any prospective investor in the Certificates and any entity that is a “banking entity” as defined under the Volcker Rule which is considering an investment in the Certificates should consult its own legal advisors and consider the potential impact of the Volcker Rule in respect of such investment. If investment by “banking entities” in the Certificates is prohibited or restricted by the Volcker Rule, this could impair the marketability and liquidity of such Certificates. No assurance can be made as to the effect of the Volcker Rule on the ability of certain investors subject thereto to acquire or retain an interest in the Certificates, and accordingly none of the Trustee, the Government, the Arrangers, the Delegate, the Agents or the Dealers, or any of their respective affiliates makes any representation regarding (a) the status of the Trustee under the Volcker Rule (including whether it is a “covered fund” for their purposes) or (b) the ability of any purchaser to acquire or hold the Certificates, now or at any time in the future.

PRESENTATION OF STATISTICAL INFORMATION

The Dubai Statistics Centre uses international standards established by the System of National Accounts adopted by the United Nations Statistical Commission in 1993 (an internationally agreed standard set of recommendations on how to compile measures of economic activity) to calculate GDP based on a production approach. The Dubai Statistics Centre makes changes to its methodology from time to time consistent with the concepts and principles of these standards.

Investors should also note that certain economic statistics for 2022 and 2023 set out in this Base Prospectus are preliminary, and these statistics, as well as those for earlier years, are subject to revision and change.

The statistical information in this Base Prospectus has been derived from a number of different identified sources. Certain information (for example information relating to the balance of payments and information on the banking sector) is only available on a federal basis relating to the entire UAE and investors should note that Dubai’s own position may differ in material respects from the position at an overall federal level. All statistical information provided in this Base Prospectus may differ from that produced by other sources for a variety of reasons, including the use of different definitions and cut-off times.

STABILISATION

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF CERTIFICATES, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISATION MANAGER(S) (OR ANY PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE CERTIFICATES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE ISSUE DATE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF CERTIFICATES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF CERTIFICATES. ANY STABILISATION ACTION MUST BE CONDUCTED BY THE STABILISATION MANAGER(S) (OR PERSON(S) ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

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RISK FACTORS

The purchase of any Certificates may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and merits of an investment in the Certificates. Before making an investment decision, prospective purchasers of Certificates should consider carefully, in the light of their own financial circumstances and investment objectives, all of the information in this Base Prospectus.

Each of the Trustee and the Government believes that the factors described below represent the principal risks inherent in investing in Certificates, but the inability of the Trustee to pay any amounts on or in connection with any Certificate may occur for other reasons and neither the Trustee nor the Government represents that the statements below regarding the risks of holding any Certificate are exhaustive. There may also be other considerations, including some which may not be presently known to the Trustee or the Government or which the Trustee or the Government currently deems immaterial, that may impact any investment in Certificates.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision. Words and expressions defined in "Form of the Certificates" and "Terms and Conditions of the Certificates" shall have the same meanings in this section.

Risk factors that may affect the Trustee's ability to fulfil its obligations under Certificates issued under the Programme

The Trustee has no operating history and no material assets

The Trustee was incorporated under the laws of the Dubai International Financial Centre on 28 August 2023 as a prescribed company with limited liability and has no operating history. The Trustee will not engage in (and has not to date engaged in) any business activity other than the issuance of Certificates under the Programme, the acquisition of Trust Assets as described herein, acting in the capacity of Trustee, the issuance of shares in its capital and other activities incidental or related to the foregoing as required under the Transaction Documents.

The ability of the Trustee to pay amounts due on any Certificates will primarily be dependent upon receipt by the Trustee from the Government of all amounts due under the Transaction Documents to which it is a party which, in the aggregate, may not be sufficient to meet all claims under the relevant Certificates and the Transaction Documents. As a result, the Trustee is subject to all the risks to which the Government is subject, to the extent such risks could limit the Government's ability to satisfy in full and on a timely basis, its obligations under the Transaction Documents to which it is a party. See "*—Risk factors relating to the Government and the UAE*" for a further description of these risks.

Risk factors relating to the Government and the UAE

Volatility in international oil prices may adversely affect Dubai's economy

Dubai enjoys a relatively diverse economy when compared to other Gulf Cooperation Council (GCC) economies, with the mining and quarrying sector (which includes oil and gas activity) accounting for only 2.1 per cent. of Dubai's real GDP in 2022. The three largest sectors are the wholesale and retail trade sector (which includes automotive repair) (accounting for 25.7 per cent. of Dubai's real GDP in 2022), the transportation and storage sector (representing 11.7 per cent. of Dubai's real GDP in 2022) and the financial and insurance activities sector (representing 11.4 per cent. of Dubai's real GDP in 2022). However, sustained periods of low oil prices have in the past, and would be likely in the future, to negatively impact regional spending and liquidity and would consequently be likely to affect Dubai's economy indirectly, through an impact on the trade, construction, real estate, tourism and banking industries, in particular, given the openness of the economy which has no capital or exchange controls.

Historically, the price of oil has been volatile and, over the past two decades, international oil prices have fluctuated significantly. Whilst oil prices were materially adversely affected by the restrictions imposed to combat the COVID-19 pandemic in the first half of 2020, oil prices slowly recovered over the rest of year and in 2021, with the annual average OPEC Reference Basket price increasing from U.S.\$41.47 per barrel in 2020 to U.S.\$69.89 per barrel in 2021. In February 2022, oil prices rose sharply following the commencement of military action between Russia and Ukraine in February 2022 and the international sanctions imposed on Russia as a result. The annual average OPEC Reference Basket price was U.S.\$100.08 per barrel in 2022. Oil prices started to decline towards the end of 2022 as changes were made to the sanctions regime and have remained fairly stable since the start of 2023, with the OPEC Reference Basket stabilising between U.S.\$71-88 in the first eight months of 2023.

Future oil prices may fluctuate in response to changes in many factors over which the Government has no control. These factors include, but are not limited to:

- global pandemics, such as the COVID-19 pandemic;

- economic and political developments in oil producing regions, particularly in the Middle East and Russia;
- global and regional supply and demand dynamics, and expectations regarding future supply and demand, for oil products;
- the ability of members of OPEC and other crude oil producing nations to agree upon and maintain specified global production levels and prices;
- the impact of international environmental regulations designed to reduce carbon emissions including from fossil fuels;
- other actions taken by major crude oil producing or consuming countries;
- prices and availability of alternative fuels;
- global economic and political conditions;
- prices and availability of new technologies in competing markets; and
- global weather and environmental conditions.

As a result, there can be no assurance that the emirate's economy will not be materially adversely affected in the future by lengthy periods of low oil prices.

Dependence on foreign labour

Dubai is dependent on expatriate labour (ranging from unskilled labourers to highly skilled professionals in a range of industry sectors) and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the emirate. These steps make it potentially more vulnerable should economic conditions become more unfavourable or should regional instability increase, in which case there can be no assurance of the continued availability of expatriate labour with appropriate skills. The continued availability of skilled labour is an important aspect of the delivery of the Dubai 2040 Urban Master Plan (see "*Overview of the Emirate of Dubai—Strategy of Dubai—Dubai 2040 Urban Master Plan*") and the objectives of the Dubai Council (see "*Overview of the Emirate of Dubai—Strategy of Dubai—Dubai Council*"). Additionally, as the Government endeavours to diversify Dubai's economy into other sectors, including tourism, the exposure to broader regional and global economic trends or geopolitical developments will increase.

Risk of global economic downturns

The global economy has been and continues to be affected by periods of uncertainty, volatility and disruption, including most recently as a result of the COVID-19 pandemic and fluctuations in oil prices over recent years (see "*—Volatility in international oil prices may adversely affect Dubai's economy*" above). In particular, the COVID-19 pandemic (and the measures taken to combat the pandemic) had a significant impact on the global economy and the economy of Dubai and the UAE.

To the extent that economic growth or performance in Dubai or the UAE slows or declines, this could have an adverse effect on the Government. Any deterioration in the global economic outlook could lead to a general reduction in liquidity and available financing and generally increased financing costs. Any future global downturn could affect Dubai and the UAE in a number of ways, in particular having a negative effect on GDP and trade volumes.

Furthermore, certain entities wholly- or majority-owned by the Government (**GREs**) could suffer from asset value deterioration, limited cash flow and liquidity shortages as a result of any future global downturn. While not legally obliged to do so (under any guarantee or otherwise), the Government has previously supported certain GREs in order to maintain stability in the economy, the banking system and investor confidence. See "*—Government support to GREs*" below and "*Public Finance—Dubai Financial Support Fund*".

An increase in global financial market volatility could impact the UAE and Dubai's banking sector

The UAE and Dubai's banking sector is dependent on financial market liquidity. Although a number of measures have been taken in an attempt to improve the liquidity levels in the UAE by the UAE Ministry of Finance and the UAE Central Bank (including, but not limited to, regular contact and intervention with respect to UAE banks to provide liquidity to the market and the implementation of Basel III capital and liquidity standards), any ongoing or future increase in market volatility could result in reduced liquidity and capital flows and higher risk premiums for the Government.

In particular, global financial markets have been and, in some cases, continue to be affected by recent events such as the COVID-19 pandemic and disruptions in the global banking sector in 2023, including the acquisition of Credit Suisse by UBS in June 2023, the failure of three small- to mid-sized banks in the United States in March 2023 and the prolonged U.S. debt ceiling negotiations which were only resolved in May 2023. These challenging market conditions have resulted in reduced liquidity, greater volatility, widening of credit spreads and lack of price transparency in credit markets. Any further shortage of liquidity in the UAE and Dubai financial markets could, in turn, have a knock-on effect on the UAE's banking system (particularly when considering that the UAE has a relatively high ratio of banking assets to nominal GDP, which was approximately 197 per cent. at the end of 2022) and, ultimately, an adverse effect on the Government.

In addition, regional and international investor confidence in international debt and equity markets (and, in turn, the performance of those markets) could be adversely impacted by events such as the ongoing military conflict between Russia and Ukraine or material escalation of hostilities in ongoing conflicts in the MENA region, see "*Current regional political instability*" below.

Enhanced credit risks could also arise from a general deterioration in local or global economic conditions or from systemic risks within the financial systems.

A slowdown in the economies of Dubai's key trading partners and an appreciation of the U.S. dollar could each adversely affect Dubai's economy

Dubai has strong trading relationships with many countries, particularly economies in Asia, Europe and the Middle East, including India, China, the United States, Switzerland, the United Kingdom and Saudi Arabia (see "*Balance of Payments and Foreign Trade—Balance of Payments—Dubai's Foreign Trade*"). To the extent that there is a significant slowdown in the economies of any of these countries or regions, this may have a negative impact on Dubai's foreign trade. In particular, countries in Asia accounted for AED 575.6 billion of trade with Dubai in 2022, accounting for 53.0 per cent. of Dubai's total foreign trade in 2022.

Reflecting the fact that the UAE's currency is pegged at a fixed rate to the U.S. dollar, any significant appreciation in value of the U.S. dollar, whether driven by increasing U.S. interest rates or other factors, could result in Dubai's non-hydrocarbon exports becoming less competitive, as well as cause Dubai to become a less affordable and attractive tourist destination for visitors from certain countries.

Current regional political instability

Although Dubai and the UAE enjoy domestic political stability and generally healthy international relations, since early 2011 there has been political unrest in a range of countries in the MENA region, including Afghanistan, Algeria, Bahrain, Egypt, Iraq, Lebanon, Libya, Morocco, Syria, Tunisia and Yemen. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict, proxy war and civil war and has given rise to a number of regime changes and increased political uncertainty across the region. The MENA region is currently subject to a number of armed conflicts including those in Yemen, Afghanistan, Syria, Iraq and Libya. In addition, in June 2017, Saudi Arabia, the UAE and Bahrain, as well as Egypt and Yemen, severed diplomatic ties with Qatar, cut trade and transport links and imposed sanctions on Qatar. In January 2021, diplomatic relations were restored with Qatar through the signing of the Al Ula Declaration. It remains unclear how the Al Ula Declaration will be implemented and, although the UAE has announced the re-opening of its land, air and sea borders to Qatar, it is still unclear if and when border controls will reach pre-June 2017 levels.

In August 2021, armed personnel backed by Iran were suspected of seizing an oil tanker off of the coast of the UAE. Iran has denied involvement. On 17 January 2022, Iran supported missile attacks on ADNOC facilities in Abu Dhabi. Three attacks occurred in subsequent weeks, the most recent of which, on 3 February 2022, was claimed by an Iraqi militia group. The attacks were followed by air strikes by UAE armed forces across targets in Yemen. In addition, tensions between the United States and Iran remain high.

Any continuation or increase in international or regional tensions, including further attacks on or seizures of oil tankers which disrupt international trade, including any impairment of trade flow through the Strait of Hormuz, or any military conflict, could have a destabilising impact on the Gulf region.

It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact that such occurrences might have on Dubai and the UAE (although on a macroeconomic level, these circumstances have caused significant disruption to the economies of affected countries and have had a destabilising effect on oil and gas prices).

Dubai is, and will continue to be, affected by political developments in or affecting the UAE and the wider MENA region and investors' reactions to developments in any country in the MENA region may affect the securities of issuers in other markets, including Dubai. Although the UAE has

been less impacted by terrorist attacks as compared to a number of countries in the MENA region, there can be no assurance that extremists or terrorist groups will not initiate disruptive activity in the UAE. Any terrorist incidents, including cyber-terrorism, in or affecting the UAE and increased regional geopolitical instability (whether or not directly involving the UAE) may have a material adverse effect on the UAE's (and, consequently, Dubai's) attractiveness for foreign investment and capital, its ability to engage in international trade, its tourist industry and, consequently, its economic, external and fiscal positions.

Real estate cycle could attract increased speculative demand and is subject to market correction

Although, the Dubai real estate sector has recently enjoyed periods of growth, with real GDP growth of 7.6 per cent., 14.7 per cent. and 3.1 per cent. in 2020, 2021 and 2022, respectively, the sector remains susceptible to volatility. For instance, the COVID-19 pandemic and the restrictions imposed to combat it materially adversely effected the economies of Dubai and the UAE in general and the real estate sector in particular. In 2020, the sector saw a real GDP decline of 7.4 per cent. as a result of the impact of the COVID-19 pandemic and, according to the Dubai Land Department (the **DLD**), in the year ended 31 December 2020, real estate sales decreased by 10.8 per cent. compared with the year ended 31 December 2019, from 39,168 sales registered in 2019 to 34,947 sales registered in 2020, which, in turn, resulted in a decrease of average real estate prices in Dubai and lower expected sales rates and sales prices. Although prices have since risen, there can be no assurance that the current demand and pricing levels for real estate will persist.

The return in confidence in Dubai's real estate market, in combination with Dubai's successful hosting of the 2020 World Expo (see "*Economy of Dubai—Tourism—Dubai Expo 2020*") and increasing population (see "*Overview of the Emirate of Dubai—Population*"), has been reflected in real GDP growth rates in the sector. While an improved real estate market would benefit Dubai's economy in some respects, there is a risk that it could also lead to increased speculative demand, which could result in unsustainable prices, a speculative bubble and potentially lead to a destabilising market correction. Potential future rises in real estate prices could also result in increased inflation in Dubai.

Government support to GREs

The Government has significant investments in GREs, which in many cases support or facilitate the Government's strategic plan and collectively have revenues considerably in excess of those of the Government itself. The Government has in the past provided significant financial support to companies in which it has ownership interests and other systemically and strategically important entities and such support is provided in various forms, including direct and indirect equity injections and support facilities through the Investment Corporation of Dubai (**ICD**) or the Dubai Financial Support Fund (the **DFSF**).

Dubai's GREs, which may encounter severe financial difficulties from time to time, may be supported in meeting their debt obligations by the Government, at its sole discretion, if it so decides to extend such support as it may deem suitable. Such support could have an adverse effect on the cash flow and financial position of the Government. Investors should note, however, that the Government is not under any obligation to provide any such support nor is the Government directly responsible for any indebtedness of GREs. Investors should also note that consolidated reporting of the assets and liabilities of Dubai's GREs is not available and, as such, the overall financial position and potential future financing requirements of Dubai's GREs may not yet have been fully identified.

The expectation is that the entities supported by the Government through debt facilities will be able to fully repay their support in a timely manner (whether through the proceeds of asset sales, refinancing or internal cash generation) and that this will enable the Government to repay the amounts borrowed for these purposes when such amounts become due. No assurance can be given that all entities supported by the Government will be able to repay their support in a timely manner as this will be dependent on a variety of factors beyond the Government's control and any failure or delay by such entities to repay could have an adverse effect on the cash flow and financial position of the Government.

The Government is not responsible for monetary policy

The Government is not responsible for monetary policy, which is overseen at the UAE federal level. Limited monetary policy control impacts the Government's ability to respond to changes macroeconomic conditions, which may affect Government spending and liquidity within Dubai, given that changing macroeconomic conditions are likely to affect Dubai's economy indirectly through their impact on the trade, construction, real estate and banking sectors. Any inability of the Government to respond or react to such conditions through monetary policy may have a long-term negative impact on Dubai's economy as a whole.

The dirham has been pegged to the U.S. dollar since November 1980. The midpoint between the official buying and selling rates for the dirham has been pegged at a fixed rate of AED 3.6725 = U.S.\$1.00 since November 1997. The maintenance of this peg is a firm policy of the UAE Central

Bank. See “*Monetary and Financial System— Monetary and Exchange Rate Policy*”. Although there are substantial reserves available to defend the peg, there is no assurance that the UAE Central Bank will be able to continue to maintain the peg in the future. If the UAE Central Bank cannot maintain a stable exchange rate or the peg to the U.S. dollar, it could reduce confidence in the UAE’s economy, reduce foreign direct investment and adversely affect the UAE’s finances and economy, as well as those of the individual emirates within the UAE.

In addition, because of the peg to the U.S. dollar, the UAE Central Bank does not have any flexibility to devalue the dirham to stimulate the UAE’s exports market, and the UAE Central Bank’s ability to independently manage interest/profit rates is constrained. For example, if, when the US Federal Reserve increases interest rates (which it has done so on ten separate occasions since the start of 2022), the UAE Central Bank delays significantly in increasing its own rates this could result in significant pressure on the peg. This lack of flexibility could have an adverse effect on the UAE’s foreign trade and, in turn, on its economy and those of the individual emirates within the UAE. The UAE Central Bank is a federal institution that has regard to the interests of the UAE as a whole and not those of any particular emirate.

The Government has a significant amount of indebtedness that is denominated in U.S. dollars, and has provided certain guarantees and has certain other contingent obligations in respect of the indebtedness of a number of GREs that is also denominated in U.S. dollars (see “*Indebtedness*”). Any negative variation of the peg would increase the burden of servicing and repaying the Government’s direct indebtedness, and could also increase the Government’s exposure to contingent liabilities.

The Government’s budget is prepared on a cash basis

The Government’s budget is prepared on a cash basis, which means that flows are recorded when cash is received or disbursed. Although non-monetary flows can be recorded, most accounting systems using the cash basis do not record all non-monetary flows because the focus is on cash management rather than resource flows. In addition, with respect to accruals, the time of recording may diverge significantly from the time of the economic activities and transactions to which they relate. Accordingly, actual Government funding may not be completely reflected in the budget, as the known incurrence of some liabilities to make payments in future years will not be reflected in the budgets for any particular year.

Statistical Information

The statistical information in this Base Prospectus has been derived from a number of different identified sources. Certain information (for example information relating to the balance of payments and information on the banking sector) is only available on a federal basis relating to the entire UAE and investors should note that Dubai’s own position may differ in material respects from the position at an overall federal level. All statistical information provided in this Base Prospectus may differ from that produced by other sources for a variety of reasons, including the use of different definitions and cut-off times.

Investors should note that no capital account data for the balance of payments is disclosed and that the Government and the governments of other emirates have significant off-budget investments of varying sizes. There is no official information on either the aggregate amount or maturity profile of the indebtedness of Dubai’s GREs.

Waiver of Immunity

UAE Federal Decree-Law No. 42 of 2022 Promulgating the Civil Procedures Law (which revoked Federal Law No. 11 of 1992 On the Civil Procedures Laws) grants to the Government and its affiliates immunity in respect of its assets. Under the Transaction Documents to which it is a party, the Government has waived its rights in relation to sovereign immunity (subject to the Civil Procedure Code, which cannot be waived by the Ruler or the Government alone), however there can be no assurance as to whether such waivers of immunity from execution or attachment or other legal process are valid and binding under the laws of Dubai and, to the extent applicable therein, the federal laws of the UAE.

Risk factors relating to the Certificates

Absence of secondary market/limited liquidity

There is no assurance that a secondary market for the Certificates of any Tranche will develop or, if it does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of those Certificates. Accordingly, a Certificateholder may not be able to find a buyer to buy its Certificates readily or at prices that will enable the Certificateholder to realise a desired yield. The market value of Certificates may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on market values. Accordingly, the purchase of Certificates is suitable only for investors who can bear the risks associated with a lack of liquidity in the relevant Certificates and the financial and other risks associated with an investment in the relevant Certificates. An investor in Certificates must be prepared to hold the relevant Certificates

for an indefinite period of time or until their maturity. Application has been made for the listing of certain Tranches to be issued under the Programme on the DFM but there can be no assurance that any such listing will occur or will enhance the liquidity of the Certificates of the relevant Tranche.

The Certificates are limited recourse obligations

Certificates to be issued under the Programme are not debt obligations of the Trustee. Instead, the Certificates represent an undivided ownership interest solely in the Trust Assets. Recourse to the Trustee in respect of each Series is limited to the Trust Assets of that Series and proceeds of such Trust Assets are the sole source of payments on the relevant Certificates. Upon the occurrence of a Dissolution Event, the sole rights of each of the Delegate and, through the Delegate, the Certificateholders of the relevant Series will be against the Trustee and the Government to perform their respective obligations under the Transaction Documents to which they are a party. Certificateholders will otherwise have no recourse to any assets of the Trustee or the Government in respect of any shortfall in the expected amounts due under the relevant Trust Assets. Reflecting the limited recourse nature of the Certificates, Certificateholders will also not be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of the Trustee as a consequence of such shortfall or otherwise.

The Government is obliged to make certain payments under the Transaction Documents to which it is a party directly to the Trustee, and the Delegate will have direct recourse against the Government to recover such payments due to the Trustee pursuant to the Transaction Documents. In the absence of default by the Delegate, investors have no direct recourse to the Government and there is no assurance that the net proceeds of the realisation of, or enforcement with respect to, the Trust Assets will be sufficient to make all payments due in respect of the relevant Certificates. After enforcing or realising the Trust Assets of a Series and distributing the net proceeds of such Trust Assets in accordance with Condition 4.2, the obligations of the Trustee in respect of the Certificates of the relevant Series shall be satisfied and neither the Delegate nor any Certificateholder may take any further steps against the Trustee to recover any further sums in respect of such Certificates and the right to receive any such sums unpaid shall be extinguished. Furthermore, under no circumstances shall the Trustee, the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets except pursuant to the Transaction Documents and the sole right of the Trustee, the Delegate and the Certificateholders against the Government shall be to enforce the obligation of the Government to perform its obligations under the Transaction Documents.

The Certificates may be subject to early redemption

If so provided in the applicable Final Terms, a Series may be redeemed early at the option of the Trustee. Any such early redemption feature of any Certificate is likely to limit its market value. During any period when the Trustee may elect to redeem Certificates, the market value of those Certificates generally will not rise substantially above the dissolution amount payable. This also may be true prior to any redemption period.

The Trustee may be expected to redeem Certificates when the Government's cost of financing is lower than the profit rate on the Certificates. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective profit rate as high as the profit rate on the Certificates being redeemed and may only be able to do so at a significantly lower rate. Prospective investors should consider re-investment risk in light of other investments available at that time.

The regulation and reform of "benchmarks" may adversely affect the value of Certificates linked to or referencing such "benchmarks"

Interest rates (including profit rates) and indices which are deemed to be "benchmarks" (including the Euro interbank offered rate (**EURIBOR**)) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Certificates linked to or referencing such a "benchmark".

Regulation (EU) 2016 /1011 (the **EU Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) applies, amongst other things, to the provision of benchmarks and the use of a benchmark in the UK. Similarly,

it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the Financial Conduct Authority or registered on the Financial Conduct Authority register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation could have a material impact on any Certificates linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements.

The euro risk free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including trust certificates), referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to the “benchmark”; (ii) triggering changes in the rules or methodologies used in a benchmark; or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Certificates linked to or referencing or otherwise dependent (in whole or in part) upon, a benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an original Reference Rate and/or any page on which an original Reference Rate may be published (or any other successor service) becomes unavailable. Such fallback arrangements include the possibility that the Rate (or the relevant component part thereof) could be set by reference to a Successor Rate or an Alternative Reference Rate, with or without the application of an Adjustment Spread and may include amendments to the Conditions, the Master Trust Deed and/or any other Transaction Document to ensure the proper operation of the successor or replacement benchmark, all as determined by an Independent Adviser, acting in good faith and following consultation with the Trustee and the Government, or the Government (acting in good faith and in a commercially reasonable manner), as applicable, and without the requirement for the consent or sanction of Certificateholders. An Adjustment Spread, if applied, is (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread in each case to be applied to the Successor Rate or the Alternative Reference Rate, as the case may be, and is the spread, formula or methodology which (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities); (ii) (if no such recommendation has been made, or in the case of an Alternative Reference Rate) the Independent Adviser (following consultation with the Trustee and the Government) determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the original Reference Rate; or (iii) (if the Independent Adviser (following consultation with the Trustee and the Government) determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (following consultation with the Trustee and the Government) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate, as the case may be; or (iv) (if the Independent Adviser (following consultation with the Trustee and the Government) determines that there is no such industry standard) the Independent Adviser (following consultation with the Trustee and the Government) or the Government (as applicable) determines (acting in good faith and in a commercially reasonable manner) in their sole discretion to be appropriate. Accordingly, the application of an Adjustment Spread may result in the Certificates performing differently (which may include payment of a lower Rate) than they would do if the original Reference Rate were to continue to apply in its current form. If no Adjustment Spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate (or the relevant component part thereof). The use of a Successor Rate or Alternative Reference Rate (including with or without the application of an Adjustment Spread) may still result in any Certificates linked to or referencing an original Reference Rate performing differently (which may include payment of a lower Rate) than they would if the original Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of the calculation of the Rate (or the relevant component part thereof) for the relevant immediately following Return Accumulation Period may result in the Rate (or the relevant component part thereof) for the last preceding Return Accumulation Period being used. This may result in the effective application of a fixed rate for Certificates based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser and the potential for further regulatory developments, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

If, following the occurrence of a Benchmark Event, the Trustee and the Government are unable to appoint an Independent Adviser; or the Independent Adviser appointed by the Trustee and the Government fails to determine a Successor Rate or, failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread, the Government will have to exercise its discretion to determine (or to elect not to determine) a Successor Rate or, failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread, in a situation in which it is presented with a conflict of interest.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and the UK Benchmarks Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to any Certificates linked to or referencing a "benchmark".

Risk factors relating to the Lease Assets

Limitations relating to the indemnity provisions under the Purchase Undertaking and the Master Trust Deed

The Government has undertaken in the Purchase Undertaking and the Master Trust Deed that:

- (a) if, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the Government of Dubai, acting through the Department of Finance remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets (each as defined in the Purchase Undertaking), as the case may be; and
- (b) if, following delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price (each as defined in the Purchase Undertaking), as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

The Government shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the Certificateholder Put Right Certificates or the Tangibility Event Put Right Certificates (each as defined in the Purchase Undertaking), as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be.

Subject to the satisfaction of the conditions in (a) and (b) as described above, if the Government fails to pay the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be, in accordance with the Purchase Undertaking, the Delegate (on behalf of the Certificateholders) may, subject to the matters set out in Condition 15 and the terms of the Master Trust Deed, seek to enforce, *inter alia*, the provisions of the Purchase Undertaking and the Master Trust Deed against the Government by commencing legal or arbitral proceedings.

However, investors should note that, in the event that the Government of Dubai, acting through the Department of finance does not remain in actual or constructive possession, custody or control of, all or any part of the relevant Lease Assets, Certificateholder Put Right Lease Assets or Tangibility Event Put Right Lease Assets, as the case may be, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the condition in (a) as described above will not be satisfied and, therefore, no amounts will be payable by the Government under the separate indemnity provisions. For the avoidance of doubt, no investigation has been or will be made by the Trustee, the Dealers, the

Delegate or the Agents as to whether the Government of Dubai, acting through the Department of finance has or will remain in actual or constructive possession, custody or control of any Lease Assets.

Accordingly, in such event, the Delegate (on behalf of the Certificateholders) may be required to establish that there has been a breach of contract by the Government in order to prove for damages. Such breach of contract may be due to: (i) a breach by the Government of the requirement to purchase the Trustee's rights, title, interest, benefits and entitlements in, to and under the relevant Lease Assets, Certificateholder Put Right Lease Assets or Tangibility Event Put Right Lease Assets, as the case may be, on the relevant Dissolution Date pursuant to the provisions of the Purchase Undertaking; and/or (ii) a breach by the Government (acting in its capacity as lessee pursuant to the provisions of the Master Lease Agreement) of its undertaking to maintain actual or constructive possession, custody or control of all of the Lease Assets.

As a result, the Delegate (on behalf of the Certificateholders) may not be able to recover, or may face significant challenges in recovering, an amount equal to the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, and in turn, the amount payable to the Certificateholders upon redemption.

Ownership and transfer of the Lease Assets

In order to comply with the requirements of *Shari'ah*, an ownership interest in the Lease Assets should pass to the Trustee under the Master Purchase Agreement, as supplemented by the relevant Supplemental Purchase Agreement (together, the **Purchase Agreement**) and the Trustee will lease the Lease Assets to the Government under the Master Lease Agreement, as supplemented by the relevant Supplemental Lease Agreement. The Trustee will declare a trust in respect of the Lease Assets and the other Trust Assets in favour of the Certificateholders of the relevant Series pursuant to the Master Trust Deed, as supplemented by the relevant Supplemental Trust Deed. Accordingly, from a *Shari'ah* perspective, Certificateholders should, through the ownership interest obtained by the Trustee pursuant to the terms of the Purchase Agreement, have an undivided ownership interest in the relevant Lease Assets.

Limited investigation has been or will be made by the Trustee, the Government or the Dealers as to whether any interest in any Lease Assets may be transferred as a matter of the law of the jurisdiction where such assets are located or any other relevant law and no investigation has been or will be made by the Trustee, the Dealers, the Delegate or any of the Agents as to whether the Government is in actual or constructive possession, custody or control of all of the Lease Assets. In addition, limited investigation will be made by the Trustee, the Government, the Dealers, the Delegate or any of the Agents to determine if any Purchase Agreement will have the effect of transferring an interest in the relevant Lease Assets. The Lease Assets will be selected by the Government, and the Certificateholders, the Trustee, the Dealers, the Delegate and the Agents will have no ability to influence or liability for such selection. Only limited representations will be obtained from the Government and any applicable department, agency or other entity controlled by the Government, as the case may be, in respect of the Lease Assets. No steps are intended to be taken to perfect the legal transfer of the ownership interest (including registration, if necessary) in the Lease Assets with any relevant regulatory authority in the United Arab Emirates.

Although the *Shari'ah* analysis is such that an ownership interest in the Lease Assets should pass to the Trustee under the relevant Purchase Agreement, the Certificateholders will not have any direct recourse to the Lease Assets and their rights are limited to enforcement against the Obligor of its obligation to purchase all (or the applicable portion thereof, as the case may be) of the Lease Assets pursuant to the terms of the Master Trust Deed and the Purchase Undertaking. See further "*Limitations relating to the indemnity provisions under the Purchase Undertaking and the Master Trust Deed*".

The occurrence of a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Certificates

Following the occurrence of a Tangibility Event, the Certificateholders will be promptly notified: (a) that a Tangibility Event has occurred; (b) that, as determined in consultation with the *Shari'ah* Adviser (as defined in the Service Agency Agreement), the Certificates should be tradable only in accordance with the *Shari'ah* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis); (c) that, on the date falling 15 days following the Tangibility Event Put Right Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates are admitted to listing; and (d) the Tangibility Event Put Period, during which period any Certificateholder shall have the right to require the redemption of all or any of its Certificates. Upon receipt of such notice, the Certificateholders may elect, within the Tangibility Event Put Right Period, for all or any of their Certificates to be redeemed in accordance with the Conditions. Accordingly, a Tangibility Event may have a significant adverse effect on the liquidity and market value of the Certificates.

The occurrence of a Partial Loss Event could result in the Certificates of the relevant Series being redeemed early

If a Partial Loss Event occurs with respect to the Lease Assets of a Series, the Lessee may, on or before the 30th day after the Partial Loss Event (and provided that the relevant Lease Assets in respect of which a Partial Loss Event has occurred have not already been replaced in accordance with the Service Agency Agreement), deliver to the Lessor a Partial Loss Termination Notice, pursuant to which the Lease shall automatically terminate on the 61st day after the date of the Partial Loss Event (the **Partial Loss Event Date**). If the Lessee does not serve a termination notice on or before the 30th day after the Partial Loss Event but fails to replace the relevant Lease Assets on or before the 60th day after the Partial Loss Event Date, the Lease shall automatically terminate on the 61st day after the Partial Loss Event occurred and such termination of the Lease in either of the circumstances set out in this paragraph shall constitute a Government Event, following which the Certificates of the relevant Series may be redeemed in full in accordance with the Conditions.

A **Partial Loss Event**, in relation to a particular Series, is defined as the partial impairment of one or more of the Lease Assets in a manner that substantially deprives the Lessee of the benefits expected from the whole of the Lease Assets, as determined by the Lessee and the occurrence of which: (a) has been certified in writing by a recognised independent industry expert; and (b) does not constitute a Total Loss Event.

The occurrence of a Loss Event may have a significant adverse effect on the liquidity and market value of the Certificates

Following the occurrence of (A) a Partial Loss Event and the ratio of (i) the value of the Lease Assets (which for this purpose shall exclude any impaired Lease Assets) to (ii) the aggregate of the value of the Lease Assets and, if applicable, the outstanding Deferred Sale Price at such time, falls below 33 per cent., or (B) a Total Loss Event, Certificateholders will be promptly notified (a) of the occurrence of such event; and (b) that, from the date of the Trading Notice, and until any further notice from the Trustee, in consultation with the *Shari'ah* Adviser stating otherwise, the Certificates should be tradable only in accordance with the *Shari'ah* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis). Accordingly, such event may have a significant adverse effect on the liquidity and market value of the Certificates.

Risk factors relating to enforcement

Enforcement risk

Ultimately the payments under the Certificates are dependent upon the Government making payments to the Trustee in the manner contemplated under the Transaction Documents. If the Government fails to do so, it may be necessary to bring an action against it to enforce its obligations and/or to claim damages, as appropriate, which may be costly and time consuming.

Furthermore, to the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

Enforcing foreign judgments and arbitral awards in Dubai

Limitations on the enforcement of arbitration awards

The Government has irrevocably agreed that certain of the Transaction Documents will be governed by English law and, where this is the case, that any dispute arising from such Transaction Documents may be referred to arbitration under the LCIA Arbitration Rules, with the seat of arbitration in the DIFC.

Article 13(2) of DIFC Law No. 10 of 2005 (as amended) (the **Application Law**) provides that any express submission to arbitration in a contract shall be effective (subject to certain exceptions such as the arbitration agreement being null and void). It is therefore expected that the validity of an agreement to submit to arbitration in the circumstances set out certain of the Transaction Documents would be recognised by the courts of the DIFC and the DIFC Courts would, on the application of a party to an arbitration agreement, stay proceedings in the DIFC Courts brought in contravention of the arbitration agreement.

Pursuant to Article 24 of DIFC Law No. 10 of 2004 (as amended) (the **DIFC Court Law**), the DIFC Court of First Instance has jurisdiction to ratify, *inter alia*, any DIFC arbitral award. However, an award may not be recognised by the DIFC Courts in all circumstances. Pursuant to DIFC Law No. 1 of 2008 (as amended) (the **DIFC Arbitration Law**), recourse to the DIFC Court against an arbitral award made in the seat of the DIFC may be made only by an application for setting aside in accordance with paragraph (2) and paragraph (3) of Article 41 of the DIFC Arbitration Law. Once an arbitral award has been recognised by the DIFC Courts, it will be enforceable within the DIFC, pursuant to Article 42(1) of the DIFC Court Law.

Accordingly, although it is not free from doubt that the DIFC Courts would not re-examine a case on its merits it is likely that the Government's express submission to arbitration in certain of the Transaction Documents and the Certificates would be recognised by the DIFC Courts and, subject to the provisions of the DIFC Arbitration Law, the DIFC Courts would ratify an arbitral award issued pursuant to the provisions of such Transaction Documents. For the avoidance of doubt, investors should note that the choice of governing law may not, however, be upheld in all circumstances connected with a Transaction Document.

Article 7(2) of Dubai Law No. 12 of 2004 (as amended) (the **Amended Judicial Authority Law**) provides that any final and executory arbitral award ratified by the DIFC Courts (the **DIFC Award**) shall, upon application by the relevant party to the Dubai Court of Execution being presented in the form and manner specified under Article 7(2), be enforced by the courts of Dubai (the **Dubai Courts**) without that court being able to reconsider the merits of the case. However, pursuant to Article 7(3)(c) of the Amended Judicial Authority Law, procedures and rules of execution stipulated by Federal Decree-Law No. 42 of 2022 (as amended) (the **Law of Civil Procedure**) would be applicable in respect of the enforcement of such DIFC Award in the Dubai Courts. Accordingly, enforcement of such DIFC Award may be refused in the event that objections to execution are successfully raised before the execution judge (the **Execution Judge**) at the Dubai Courts in accordance with the terms of the Law of Civil Procedure. In addition, any decision of the Execution Judge to enforce such DIFC Award may be appealed and consequently overturned in the circumstances set out in Article 222 of the Law of Civil Procedure. Investors should note that the Amended Judicial Authority Law remains relatively untested and there has been at least one instance where the Dubai Court of First Instance refused to enforce a DIFC judgment on the basis that the Dubai Courts and not the DIFC Courts had jurisdiction over the underlying proceedings.

Limitations on the enforcement of foreign judgments

Under the relevant Transaction Documents, any dispute may also be referred to the courts in England (**English Courts**) who shall have exclusive jurisdiction to settle any dispute arising from such Transaction Documents. Where an English judgment has been obtained, there is no assurance that the Government has, or would at the relevant time have, assets in the UK against which such judgment could be enforced.

Moreover, under Article 235 of the Law of Civil Procedure, a judgment of an English court may be enforced by the Dubai Courts without further consideration of the merits of the case in certain circumstances, subject to the conditions provided under Article 225 of the Law of Civil Procedure. This principle is supported by the directive issued by the UAE Ministry of Justice on 13 September 2022 following the High Court of Justice in England's ruling in the case of *Lenkor Energy Trading DMCC v Puri* (2020) EWHC 75 (QB) which confirms that judgments issued by the English Courts can be enforced by the courts in the UAE (**UAE Courts**) under the principle of reciprocity. However, although this directive confirms that the principle of reciprocity is established as between the UAE and the United Kingdom, any foreign judgment being enforced in the UAE must still comply with the other requirements set out in Article 225 of the Law of Civil Procedure. In addition, whilst this directive will be considered persuasive, it does not bind the UAE Courts and Dubai Courts and, as such, it will be at the discretion of such courts to determine whether reciprocity in fact applies between the UAE and the United Kingdom. Moreover, unlike the English Courts, the UAE Courts do not have a binding system of judicial precedent. Consequently, there is no certainty that a UAE Court would agree to follow a previous ruling of the UAE Courts with respect to the enforcement of an English Court judgment in the future. In addition, court decisions in Dubai are generally not recorded. These factors create greater judicial uncertainty.

Change of law

The structure of each issue of Certificates under the Programme is based on English, UAE and Dubai law and administrative practices in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to English law, UAE law or Dubai law or administrative practices in any such jurisdiction after the date of this Base Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Trustee to make payments under the Certificates or of the Government to comply with its obligations under the Transaction Documents.

Claims for specific enforcement

In the event that the Government fails to perform its obligations under any Transaction Document to which it is a party, the potential remedies available to the Trustee and the Delegate include obtaining an order for specific enforcement of the relevant obligations or a claim for damages. There is no assurance that any court would order specific enforcement of a contractual obligation, as this is generally a matter for the discretion of the relevant court.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Trustee and the Delegate to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by the Government to perform its obligations as set out in the Transaction Documents.

Additional risk factors

Credit ratings may not reflect all risks

As at the date of this Base Prospectus, no rating agency has assigned a rating to the Government, any securities issued by the Government or to the Certificates. In the future, one or more independent credit rating agencies may assign credit ratings to the Government or the Certificates of any Tranche. The ratings may not reflect the potential impact of all risks related to the transaction structure, the market, the additional factors discussed above or any other factors that may affect the value of the relevant Certificates. A credit rating is not a recommendation to buy, sell or hold securities, does not address the likelihood or timing of payment and may be revised, suspended or withdrawn by the assigning rating agency at any time.

Emerging markets

Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including, in some cases, significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

Consents to variation of Transaction Documents and other matters

The Conditions of the Certificates contain provisions for calling meetings of Certificateholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Certificateholders including Certificateholders who did not attend and vote at the relevant meeting and Certificateholders who voted in a manner contrary to the majority.

In addition, the Conditions of the Certificates permit "cross-series modifications" to be made to more than one series of securities (as described in Condition 19.2, provided that each affected series of securities also contains a cross-series modification provision. Under certain circumstances, including the satisfaction of the Uniformly Applicable condition (as more particularly described in Condition 19.3), such cross-series modification may be made to more than one series of securities with the approval of the applicable percentage of the then aggregate outstanding face amount of the securities of all affected series and without requiring the approval of a particular percentage of the holders of any individual affected series of securities.

There is therefore a risk that the Conditions of the Certificates may be modified in circumstances where the holders of securities approving the modification may be holders of different series of securities and the majority of Certificateholders would not necessarily have approved such modification. In addition, there is a risk that the provisions allowing for aggregation across multiple series of securities may make the Certificates less attractive to purchasers in the secondary market and adversely affect the market value of the Certificates in circumstances where such modification or a proposal for such modification is expected to be made by the Trustee, the Government or the Delegate, as the case may be.

The Master Trust Deed contains provisions permitting the Delegate from time to time and at any time without any consent or sanction of the Certificateholders to make any modification to the Master Trust Deed if, in the opinion of the Delegate, such modification (a) is of a formal, minor or technical nature, (b) is made to correct a manifest error, or (c) is not materially prejudicial to the interests of the relevant Certificateholders. Unless the Delegate otherwise decides, any such modification shall as soon as practicable thereafter be notified to the relevant Certificateholders and shall in any event be binding upon the relevant Certificateholders.

Reliance on Euroclear and Clearstream, Luxembourg procedures

The Certificates of each Tranche will be represented on issue by a Global Certificate that will be deposited with a common depository for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**). Except in the circumstances described in each Global Certificate, investors will not be entitled to receive Certificates in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the ownership interests in Global Certificates. While the Certificates of any Tranche are represented by a Global Certificate, investors will be able to trade their interests in the Global Certificates only through Euroclear and Clearstream, Luxembourg and their respective participants.

Shari'ah requirements in relation to judgment interest

In accordance with applicable *Shari'ah* principles, each of the Trustee and the Delegate will waive all and any entitlement it may have to judgment interest awarded in its favour by any court or arbitral tribunal in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment or arbitral award given against the Government, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Certificateholders will not be entitled to receive any part of such interest.

Shari'ah rules are subject to different interpretations by different Shari'ah boards and Shari'ah scholars

Each of Internal Shariah Supervisory Committee of Dubai Islamic Bank PJSC, the Internal Sharia Supervision Committee of Emirates NBD – Islamic, the Internal Shariah Supervision Committee of First Abu Dhabi Bank PJSC, the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited and the Global Shariah Supervisory Committee of Standard Chartered Bank has confirmed that the Certificates and the Transaction Documents are, in their view, compliant with the principles of *Shari'ah* as applicable to, and interpreted by, them. However, there can be no assurance that the Transaction Documents or any issue and trading of any Certificates will be deemed to be *Shari'a* compliant by any other *Shari'ah* board or *Shari'ah* scholars. None of the Trustee, the Government, the Dealers, the Delegate or the Agents makes any representation as to the *Shari'ah* compliance of any Certificates and/or any trading thereof, the Transaction Documents or the above pronouncements and prospective investors are reminded that, as with any *Shari'ah* views, differences in opinion are possible and different *Shari'ah* standards may be applied by different *Shari'ah* boards. In addition, none of the Dealers, the Delegate and the Agents will have any responsibility for monitoring or ensuring compliance with any *Shari'ah* principles of debt trading referred to in Conditions 11.4 or 11.6 nor shall it be liable to any Certificateholder or any other person in respect thereof.

Prospective investors should therefore not rely on the approvals referred to above in deciding whether to make an investment in the Certificates and should obtain their own independent *Shari'ah* advice as to the compliance of the Transaction Documents and whether the Certificates will meet their individual standards of compliance and should also make their own determination as to the future tradability of any Certificates on any secondary market.

Questions as to the *Shari'ah* permissibility of the Transaction Documents or the issue and the trading of any Certificates may limit the liquidity and adversely affect the market value of the Certificates.

In addition, prospective investors are reminded that the enforcement of any obligations of any of the parties under the Transaction Documents would be, if in dispute, the subject of either arbitration under the LCIA Arbitration Rules or subject to the exclusive jurisdiction of the courts of England, at the option of the Trustee or the Delegate. In such circumstances, the arbitrator or judge (as applicable) should apply the governing law of the relevant Transaction Document in determining the obligations of the parties.

Interests of the Dealers

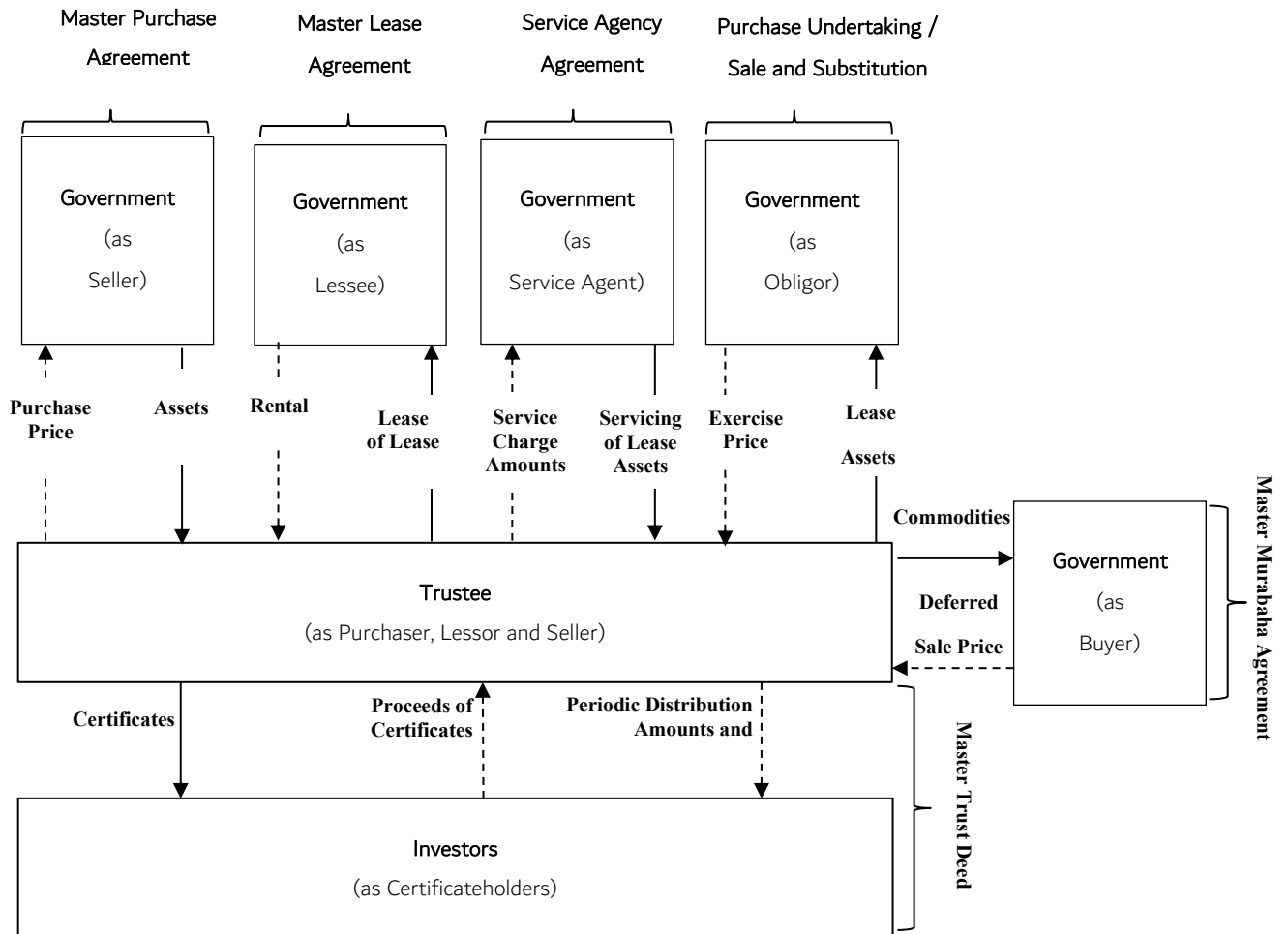
Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Government, in the ordinary course of business. See "*General Information – Dealers transacting with the Government*".

As at 31 December 2022, the Government held 55.8 per cent. and 28.0 per cent. of the outstanding shares in Emirates NBD Bank PJSC and Dubai Islamic Bank PJSC, respectively.

STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Tranche issued. Prospective investors are referred to the terms and conditions of the Certificates and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Base Prospectus for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

Structure Diagram



Principal cash flows

Payments by the Certificateholders and the Trustee

On the Issue Date of each Tranche of Certificates, the Certificateholders will pay the issue price (the **Issue Price**) in respect of the Certificates to the Trustee, and the Trustee will apply the Issue Price as follows:

- (a) an amount as specified in the applicable Final Terms, which is equal to no less than 55 per cent. of the aggregate face amount of the relevant Certificates, to, or to the order of, the Government (in its capacity as seller, the **Seller**) as the purchase price payable for the purchase from the Seller of all of its rights, title, interest, benefits and entitlements in, to and under certain Eligible Assets (as defined below) under the Master Purchase Agreement, as supplemented by the relevant

Supplemental Purchase Agreement (in the case of the first Tranche of the relevant Series, the **Initial Assets** or, in the case of the each subsequent Tranche of the relevant Series, the **Additional Assets**, and, together, the **Assets**); and

- (b) if applicable, the remaining proportion of the proceeds of the Issue Price as specified in the applicable Final Terms, which shall be equal to no more than 45 per cent. of the aggregate face amount of the relevant Certificates as the cost price (the **Murabaha Investment Amount**) to purchase certain *Shari'ah* compliant commodities (the **Commodities**) for the purpose of the Trustee selling such Commodities to the Government (in its capacity as buyer, the **Buyer**) on a deferred payment basis for a deferred sale price comprising the Murabaha Investment Amount together with a profit amount specified in an offer notice (the **Deferred Sale Price**) payable on the relevant Dissolution Date pursuant to a murabaha contract (the **Murabaha Contract**) (such sale of Commodities to the Buyer, the **Commodity Murabaha Investment**).

Eligible Assets means any tangible asset (comprising real estate or otherwise) located in the emirate of Dubai (other than the Dubai International Financial Centre).

On the Issue Date of the first Tranche of each Series of Certificates, pursuant to the terms of the Master Lease Agreement, as supplemented by the relevant Supplemental Lease Agreement, the Trustee (in its capacity as lessor, the **Lessor**) shall lease to the Government (in its capacity as lessee, the **Lessee**) and the Lessee shall lease from the Lessor, the Assets (the **Lease Assets**) for a lease term equal to the tenor of the relevant Certificates in consideration for payment of a periodic rental amount (the **Rental**). On the Issue Date of each subsequent Tranche of each such Series, the Lessor and the Lessee may enter into an addendum to the relevant Supplemental Lease Agreement with respect to the relevant Additional Assets.

Periodic Distribution Payments

On the Payment Business Day immediately preceding each Periodic Distribution Date in relation to each Series of Certificates, the Government (in its capacity as service agent, the **Service Agent**) shall apply amounts standing to the credit of a ledger account (the **Collection Account**) comprised of an amount equal to the Rental payable by the Lessee pursuant to the Master Lease Agreement, as supplemented by the relevant Supplemental Lease Agreement and, if applicable, the instalment profit component (the **Murabaha Instalment Profit Amount**) of the Deferred Sale Price payable in respect of the Commodity Murabaha Investment, in each case in connection with such Periodic Distribution Date, into an account maintained in London in the Trustee's name (the **Transaction Account**), which is intended to fund an amount equal to the aggregate of the Periodic Distribution Amounts payable by the Trustee under the Certificates of the relevant Series on the immediately following Periodic Distribution Date (the **Required Amount**) and shall be applied by the Trustee for that purpose.

Dissolution Payments

On the Payment Business Day immediately preceding the Scheduled Dissolution Date in relation to each Series of Certificates:

- (a) the Trustee shall have the right under the Purchase Undertaking to require the Government to purchase from the Trustee all of the Trustee's rights, title, interest, benefits and entitlements in, to and under, the Lease Assets at the Exercise Price; and
- (b) the aggregate amounts of Deferred Sale Price then outstanding, if any, shall become immediately due and payable under the Master Murabaha Agreement,

and such amounts are intended to fund the relevant Dissolution Amount payable by the Trustee under the Certificates of the relevant Series on the Scheduled Dissolution Date.

The Certificates in relation to any Series may be redeemed in whole or in part, as the case may be, prior to the Scheduled Dissolution Date for the following reasons: (i) if so specified in the applicable Final Terms as being applicable, at the option of the Trustee, (ii) if so specified in applicable Final Terms as being applicable, at the option of Certificateholders; (iii) at the option of the Certificateholders following a Tangibility Event, (iv) provided that the Lease Assets have not been replaced in accordance with the Service Agency Agreement, following a Total Loss Event, (v) for clean-up reasons; and (vi) following a Dissolution Event.

In the case of each of (i), (ii), (iii), (v) and (vi) above, such redemption of the Certificates shall be funded in a similar manner as for the payment of the relevant Dissolution Amount on the Scheduled Dissolution Date, save that, in the case of (i) only, the Government shall have the right under

the Sale and Substitution Undertaking to require the Trustee to sell, transfer and convey to it all of the Trustee's rights, title, interest, benefits and entitlements in, to and under, the Lease Assets at the Exercise Price.

In the case of (iv) above, on the Total Loss Dissolution Date:

- (a) the Trustee shall have the right under the Service Agency Agreement to receive all insurance proceeds relating to the Lease Assets together with, if applicable, any Loss Shortfall Amount payable by the Service Agent in connection therewith; and
- (b) aggregate amounts of Deferred Sale Price then outstanding, if any, shall become immediately due and payable under the Master Murabaha Agreement.

GENERAL DESCRIPTION OF THE PROGRAMME

The following is an overview of the principal features of the Programme. This overview does not contain all of the information that an investor should consider before investing in Certificates and is qualified in its entirety by the remainder of this Base Prospectus and the applicable Final Terms. Each investor should read the entire Base Prospectus and the applicable Final Terms carefully, especially the risks of investing in Certificates issued under the Programme discussed under "Risk Factors".

Words and expressions defined in "Form of the Certificates" and "Terms and Conditions of the Certificates" shall have the same meanings in this general description.

Trustee:	Dubai DMO Funding Limited, a prescribed company with limited liability incorporated in accordance with the laws of, and formed and registered in, the DIFC. The Trustee has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.
Trustee LEI:	2549000SMP4QEUPNU935
Obligor:	Government of Dubai, acting through the Department of Finance
Government LEI:	549300IY6A4IPIRLX57
Ownership of the Trustee:	The authorised share capital of the Trustee is U.S.\$100 consisting of 100 shares with a nominal value of U.S.\$1 each, of which 100 shares are fully paid up and issued. The Trustee's entire issued share capital is held by Walkers Fiduciary Limited on trust for charitable purposes.
Administration of the Trustee:	The affairs of the Trustee are managed by Walkers Professional Services (Middle East) Limited (the Trustee Administrator), who provide, amongst other things, certain administrative services for and on behalf of the Trustee pursuant to a corporate services agreement dated 2 October 2023 between the Trustee and the Trustee Administrator (the Corporate Services Agreement).
Arrangers:	Dubai Islamic Bank PJSC and Emirates NBD Bank PJSC
Dealers:	Dubai Islamic Bank PJSC, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, HSBC Bank plc and Standard Chartered Bank
Delegate:	Deutsche Trustee Company Limited
Principal Paying Agent:	Deutsche Bank AG, London Branch
Registrar:	Deutsche Bank Luxembourg S.A.
Certain Restrictions:	Each Tranche denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see " <i>Subscription and Sale</i> "). The proceeds of each Tranche will not be accepted in the UK, except in compliance with applicable law, including article 5 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
Programme Size:	The Programme is unlimited in amount.
Issuance in Series:	The Certificates will be issued in Series, the specific terms of which will be completed in the applicable Final Terms.

Distribution:	Certificates may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Trustee, the Government and the relevant Dealer.
Maturities:	The Certificates will have such maturities as may be agreed between the Trustee, the Government and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Trustee or the relevant Specified Currency.
Issue Price:	Certificates may be issued at any price on a fully paid basis, as specified in the applicable Final Terms. The price and amount of Certificates to be issued under the Programme will be determined by the Trustee, the Government and the relevant Dealer at the time of issue in accordance with prevailing market conditions.
Form of Certificates:	The Certificates will be issued in registered form as described in " <i>Form of the Certificates</i> ". The Certificates of each Series will be represented on issue by interests in a Global Certificate which will be deposited with, and registered in the name of a nominee of, a common depository for Euroclear and Clearstream, Luxembourg. Ownership interests in each Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by each relevant clearing system and its participants. See " <i>Form of the Certificates</i> ". Definitive Certificates evidencing holdings of Certificates will be issued in exchange for interests in a Global Certificate only in limited circumstances.
Clearance and Settlement:	Holders of the Certificates must hold their interest in the relevant Global Certificate in book-entry form through Euroclear or Clearstream, Luxembourg. Transfers within and between Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing systems.
Face Amount of Certificates:	The Certificates will be issued in such face amounts as may be agreed between the Trustee, the Government, the Delegate and the relevant Dealer save that the minimum face amount of each Certificate will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see " <i>Certain Restrictions</i> " above, and save that the minimum face amount of each Certificate admitted to trading on a regulated market within the EEA or the UK or offered to the public in a Member State of the EEA or a UK regulated market in circumstances which require the publication of a prospectus under the EU Prospectus Regulation or the UK Prospectus Regulation, respectively, will be €100,000 (or, if the Certificates are issued in a currency other than euro, the equivalent amounts in such currency).
Status of the Certificates:	<p>Each Certificate will evidence an undivided ownership interest of the Certificateholders in the Trust Assets of the relevant Series, will be a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee and will rank <i>pari passu</i>, without any preference or priority, with all other Certificates of the relevant Series issued under the Programme.</p> <p>The Trust Assets of the relevant Series will be (a) the cash proceeds of the issue of the Certificates, pending application thereof in accordance with the terms of the Transaction Documents, (b) all of the Trustee's rights, title, interest, benefits and entitlements, present and future, in, to and under the Lease Assets, (c) all of the</p>

Trustee's rights, title, interest, benefits and entitlements, present and future, in, to and under the Transaction Documents (other than in relation to any representations given to the Trustee by the Government pursuant to any of the Transaction Documents and any rights which have been expressly waived by the Trustee in any of the Transaction Documents), and (d) all monies standing to the credit of the relevant Transaction Account from time to time, and all proceeds of the foregoing, and such Trust Assets will be held on trust absolutely for the Certificateholders pro rata according to the face amount of Certificates held by each Certificateholder for the relevant Series.

Periodic Distributions:	Certificateholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Final Terms.
Redemption of Certificates:	Unless the Certificates are previously redeemed or purchased and cancelled, the Certificates shall be redeemed by the Trustee at the relevant Dissolution Amount and on the relevant Scheduled Dissolution Date specified in the applicable Final Terms and the Trust in relation to the relevant Series will be dissolved by the Trustee.
Dissolution Events:	Upon the occurrence of any Dissolution Event, the Certificates may be redeemed in full on the Dissolution Date at the relevant Dissolution Amount, together with any accrued but unpaid Periodic Distribution Amount and the relevant Return Accumulation Period may be adjusted accordingly. See Condition 15.
Dissolution at the option of the Trustee:	<p>If so specified in the applicable Final Terms as being applicable, the Trustee shall, upon receipt of a duly completed exercise notice from the Government in accordance with the Sale and Substitution Undertaking, redeem the Certificates, in whole but not in part at the relevant Optional Dissolution Amount on the relevant Optional Dissolution Date, in accordance with Condition 11.2.</p> <p>Optional Dissolution (Call Right) and Certificateholder Put Right may not both be specified as applicable in the applicable Final Terms.</p>
Dissolution at the Option of Certificateholders:	<p>If so specified in the applicable Final Terms as being applicable, Certificateholders may elect to redeem their Certificates on any Certificateholder Put Right Date(s) at the relevant Certificateholder Put Right Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts in accordance with Condition 11.3.</p> <p>Certificateholder Put Right and Optional Dissolution (Call Right) may not both be specified as applicable in the applicable Final Terms.</p>
Dissolution at the Option of Certificateholders following a Tangibility Event:	<p>The Trustee shall, upon receipt of a written notice from the Government of the occurrence of a Tangibility Event in accordance with the Service Agency Agreement, promptly give notice (a Tangibility Event Notice) to the Delegate and the Certificateholders in accordance with Condition 18. Upon receipt of the Tangibility Event Notice, Certificateholders may elect within the Tangibility Event Put Period to redeem their Certificates on the relevant Tangibility Event Put Right Date at the Tangibility Event Put Right Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts, in accordance with Condition 11.4.</p> <p>Following the occurrence of a Tangibility Event, as determined in consultation with the <i>Shari'ah</i> Adviser, the Certificates should be tradable only in accordance with the <i>Shari'ah</i> principles of debt trading (such as the principle that debt is to be traded against assets and/or eligible commodities on a spot settlement basis).</p>

On the date falling 15 days following the Tangibility Event Put Right Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates have been admitted to listing.

Dissolution following a Total Loss Event:

Following the occurrence of a Total Loss Event in respect of a Series of Certificates and provided that the Lease Assets have not been replaced in accordance with the Service Agency Agreement, the relevant Supplemental Lease Agreement and the lease shall be automatically terminated on the date of occurrence of such Total Loss Event (and further payments of Rental shall cease to accrue on such date of occurrence of the Total Loss Event) in accordance with the Master Lease Agreement. The Trustee shall redeem the Certificates in whole, but not in part, on the relevant Total Loss Dissolution Date at the relevant Total Loss Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts in accordance with Condition 11.4.

Following the occurrence of a Total Loss Event in respect of a Series of Certificates and from the date of the Trading Notice and until any further notice from the Trustee, in consultation with the *Shari'ah* Adviser, the Certificates should be tradable only in accordance with the *Shari'ah* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

Dissolution for Clean Up Reasons:

Pursuant to Condition 11.5, if 75 per cent. or more of the aggregate face amount of Certificates of a Series then outstanding have been redeemed and/or purchased and cancelled, the Trustee may redeem the remaining Certificates of that Series in whole, but not in part, in accordance with Condition 11.5.

Partial Loss Event:

Following the occurrence of a Partial Loss Event in respect of a Series of Certificates and provided that:

- (a) the Lease Assets have not been replaced in accordance with the Service Agency Agreement and a notice of termination (such notice, a **Partial Loss Termination Notice**) of the lease on the 61st day after the date of occurrence of a Partial Loss Event has been delivered by the Government to the Trustee within 30 days following the occurrence of the Partial Loss Event in accordance with the Master Lease Agreement, as supplemented by the relevant Supplemental Lease Agreement; or
- (b) the Lease Assets have not been replaced in accordance with the Service Agency Agreement,

the relevant Supplemental Lease Agreement and the lease shall be automatically terminated on the 61st day following the occurrence of the Partial Loss Event (and further payments of Rental shall cease to accrue on such 61st day following the occurrence of the Partial Loss Event) in accordance with the Master Lease Agreement (such termination as a result of either of the circumstances described in (a) or (b), being a **Partial Loss Dissolution Event**). A Partial Loss Dissolution Event shall constitute a Government Event, which in turn shall constitute a Dissolution Event.

Following the occurrence of a Partial Loss Event and the ratio of (a) the value of the Lease Assets (which for this purpose shall exclude any impaired Lease Assets) to (b) the aggregate of the value of the Lease Assets and, if applicable, the outstanding

Deferred Sale Price at such time, falls below 33 per cent., from the date of the Trading Notice and until any further notice from the Trustee stating otherwise, in consultation with the *Shari'ah* Adviser, the Certificates should be tradable only in accordance with the *Shari'ah* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

Cancellation of Certificates:

Pursuant to Condition 14, the Government may at any time purchase Certificates in the open market or otherwise. If the Government wishes to cancel such Certificates purchased by it, the Government will deliver those Certificates to the Principal Paying Agent for cancellation on the next succeeding Periodic Distribution Date

Withholding Tax:

All payments by the Government under the Transaction Documents shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, the Government will be required to pay additional amounts so that the Trustee will receive the full amounts that it would have received in the absence of such withholding or deduction.

All payments in respect of Certificates by the Trustee shall be made without withholding or deduction for, or on account of, any taxes, levies, imposts, duties, fees, assessments or governmental charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction. In the event that any such withholding or deduction is made, the Trustee will, save in the limited circumstances provided in Condition 12, be required to pay additional amounts so that the holders of the Certificates will receive the full amounts that they would have received in the absence of such withholding or deduction.

Benchmark Discontinuation:

In the event that a Benchmark Event occurs, such that any Rate (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the applicable Final Terms, then the Trustee and the Government may (subject to certain conditions) be permitted to substitute such benchmark and/or screen rate (as applicable) with a successor, replacement or alternative benchmark and/or screen rate (with consequent amendment to the terms of such Series of Certificates and, potentially, the application of an Adjustment Spread (which could be positive, negative or zero)). See Conditions 8.5 and 8.6 for further information.

Negative Pledge:

Condition 6 contains a negative pledge given by the Government.

Cross Acceleration:

Condition 15.2 contains a cross acceleration provision in relation to the Government.

Ratings:

Neither the Programme nor the Government are rated by any rating agency.

Trustee Covenants:

The Trustee has agreed to certain restrictive covenants as set out in Condition 5.

Certificateholder Meetings:

The terms of the Certificates contain a "collective action" provision, which permits defined majorities to bind all Certificateholders. If the Trustee issues securities that contain collective action clauses in substantially the same form as the collective action clause in the terms of the Certificates, the Certificates would be capable of aggregation for voting purposes with any such securities, thereby allowing "cross-series" modifications to the terms and conditions of all affected Series of Certificates (even, in

some circumstances, where majorities in certain Series did not vote in favour of the modifications being voted on).

See Condition 19 and "*Risk Factors—Additional risk factors—Consents to variation of Transaction Documents and other matters*".

Tax Considerations:

See "*Taxation*" for a description of certain tax considerations applicable to the Certificates.

Listing and Admission to Trading:

Application has been made for Certificates issued under the Programme to be approved by the SCA and to be admitted to trading and listed on the DFM.

Certificates may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Trustee, the Government and the relevant Dealer in relation to the Tranche. Certificates which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Certificates are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Transaction Documents:

The Transaction Documents are the Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Lease Agreement, each Supplemental Lease Agreement, the Service Agency Agreement, the Purchase Undertaking, the Sale and Substitution Undertaking and the Master Murabaha Agreement (together with all documents, notices of request to purchase, offer notices and acceptances delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series).

Governing Law and Dispute Resolution:

The Certificates of each Tranche and any non-contractual disputes arising out of or in connection with them will be governed by, and construed in accordance with, English law.

The Master Purchase Agreement, each Supplemental Purchase Agreement, the Master Lease Agreement and each Supplemental Lease Agreement will be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. The courts of Dubai will have jurisdiction to hear all disputes relating to each such document.

Each other Transaction Document and any non-contractual disputes arising out of or in connection with the same will be governed by English law. In respect of any dispute under any such Transaction Document to which it is a party, the Government has consented to arbitration under the LCIA Arbitration Rules, with the seat of arbitration in the DIFC. Any dispute may also be referred to the courts in England (which shall have exclusive jurisdiction to settle any dispute arising from such documents).

The Corporate Services Agreement will be governed by the laws of the Cayman Islands and will be subject to the non-exclusive jurisdiction of the courts of the Cayman Islands.

Limited Recourse:

Each Certificate represents solely an undivided ownership interest in the relevant Trust Assets. No payment of any amount whatsoever shall be made in respect of the Certificates except to the extent that funds for that purpose are available for the relevant Trust Assets.

Waiver of Immunity:

To the extent that the Government may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all

other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, the Government will agree in the Transaction Documents not to claim and will irrevocably and unconditionally waive such immunity in relation to any legal proceedings. Further, the Government will irrevocably and unconditionally consent to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any legal proceedings.

Selling Restrictions:

There are restrictions on the distribution of this Base Prospectus and the offer or sale of Certificates in the United States, the EEA, the UK, the Kingdom of Bahrain, Japan, Malaysia, Qatar (including the Qatar Financial Centre), the Kingdom of Saudi Arabia, Singapore, the UAE (excluding the ADGM and the DIFC), the ADGM and the DIFC.

United States Selling Restrictions:

Regulation S of the Securities Act, Category 2.

FORM OF THE CERTIFICATES

The Certificates of each Tranche will be in registered form. Certificates will be issued outside the United States in reliance on Regulation S of the Securities Act.

Each Series will initially be represented by a global certificate in registered form (a **Global Certificate**). Each Global Certificate will represent ownership interests in the relevant Trust Assets. Global Certificates will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and will be registered in the name of a nominee for the common depositary. Persons holding ownership interests in Global Certificates will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Certificates in fully registered form.

Payments of any amount in respect of each Global Certificate will, in the absence of provision to the contrary, be made to the person shown on the relevant Register (as defined in Condition 1.2) as the registered holder of the relevant Global Certificate. None of the Trustee, the Delegate, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in the Global Certificates or for maintaining, supervising or reviewing any records relating to such ownership interests.

Payment of any amounts in respect of Certificates in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the relevant Register on the relevant Record Date (as defined in Condition 9.1) immediately preceding the due date for payment in the manner provided in the Conditions.

Interests in a Global Certificate will be exchangeable (free of charge), in whole but not in part, for Definitive Certificates only upon the occurrence of an Exchange Event. The Trustee will promptly give notice to Certificateholders in accordance with Condition 18 if an Exchange Event occurs. For these purposes, **Exchange Event** means that (i) a Dissolution Event (as defined in Condition 15) has occurred and is continuing or (ii) the Trustee has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Delegate is available. In the event of the occurrence of an Exchange Event, any of the Delegate, the Trustee or Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Certificate) may give notice to the Registrar requesting exchange.

In such circumstances, the relevant Global Certificate shall be exchanged in full for Definitive Certificates (as defined in the Master Trust Deed) and the Trustee will, at the cost of the Trustee (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Certificates to be executed and delivered to the Registrar within 15 days following the request for exchange for completion and dispatch to the relevant Certificateholders. A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions and such other information as the Trustee and the Registrar may require to complete, execute and deliver such Definitive Certificates.

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Certificates*"), the Principal Paying Agent shall arrange that, where an additional Tranche is issued which is intended to form a single Series with an existing Tranche at a point after the Issue Date of the additional Tranche, the Certificates of such additional Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Certificates of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series.

General

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular face amount of such Certificates in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes (save in the case of manifest error) shall be treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates for all purposes other than with respect to any payment on such face amount of such Certificates, for which purpose the registered holder of the relevant Global Certificate shall be treated by the Trustee, the Delegate and their respective agents as the holder of such face amount of such Certificates in accordance with and subject to the terms of the relevant Global Certificate and the expressions **Certificateholder** and **holder of Certificates** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a **distributor**) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Certificates has led to the conclusion that: (i) the target market for the Certificates is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**), only; and (ii) all channels for distribution of the Certificates to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Certificates (a distributor) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Certificates (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as amended or modified from time to time (the SFA) - [Notice to be included if classification of the Certificates is not "prescribed capital markets products", pursuant to Section 309B of the SFA].]

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche issued under the Programme.

[Date]

Dubai DMO Funding Limited
Legal Entity Identifier (LEI): 2549000SMP4QEUPNU935
Issue of [*Aggregate Face Amount of Tranche*] [*Title of Certificates*]
under the
Trust Certificate Issuance Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 2 October 2023 [and the Supplement to the Base Prospectus dated []] ([together,] the **Base Prospectus**). This document constitutes the Final Terms of the Certificates described herein and must be read in conjunction with the Base Prospectus. Full information on the Trustee, the Government and the offer of the Certificates is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing during normal business hours at the registered office of the Trustee at [●] and copies may be obtained from that office.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]

[If the Certificates have a maturity of less than one year from the date of their issue, the minimum denomination may need to be €100,000 or its equivalent in any other currency.]

- | | | |
|----|----------|--|
| 1. | Trustee: | Dubai DMO Funding Limited |
| 2. | Obligor: | Government of Dubai, acting through the Department of Finance (the Government) |

3. (a) Series Number: []
- (b) Tranche Number: []
- (c) Date on which the Certificates will be consolidated and form a single Series [The Certificates will be consolidated and form a single Series with *[identify earlier Tranche(s)]* on the Issue Date] [Not Applicable]
4. Specified Currency: []
5. Aggregate Face Amount of:
- (a) Series: []
- (b) Tranche: []
6. Issue Price: [100] per cent. of the Aggregate Face Amount [plus accrued Periodic Distribution Amounts from *[insert date]* (if applicable)]
7. (a) Specified Denominations: []
- (this means the minimum integral face amount in which transfers can be made)* []
- (N.B. If an issue of Certificates is (i) NOT admitted to trading on a regulated market within the EEA or a UK regulated market; and (ii) only offered in the EEA or in the UK in circumstances where a prospectus is not required to be published under the Prospectus Regulation (Regulation (EU) 2017/1129), the €100,000 minimum denomination is not required.)*
- (b) Calculation Amount (in relation to the calculation of the Periodic Distribution Amount whilst the Certificates are in global form, see the Conditions): []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
8. (a) Issue Date: []
- (b) Return Accrual Commencement Date: [Issue Date][*specify other*]
9. Scheduled Dissolution Date: [*Specify date or (for Floating Periodic Distribution Certificates) Periodic Distribution Date falling in or nearest to the relevant month and year.*]
10. Periodic Distribution Amount Basis: [[] per cent. Fixed Periodic Distribution Amount] [*specify reference rate*] +/- [] per cent. Floating Periodic Distribution Amount]
- (further particulars specified below)*
11. Dissolution Basis: Dissolution at par
12. Change of Periodic Distribution Basis: [*Specify details of any provision for convertibility of Certificates into the other Periodic Distribution basis.*] [Not Applicable]
13. Call Right: [Not Applicable]
- [Optional Dissolution (Call Right)]

[Certificateholder Put Right]

[further particulars specified below]

14. Status: Unsubordinated

15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO PERIODIC DISTRIBUTIONS PAYABLE

16. Fixed Periodic Distribution Provisions: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Rate[(s)]: [] per cent. per annum [payable [annually/ semi-annually/quarterly/monthly] in arrear]

(b) Periodic Distribution Date(s): [[] in each year up to and including the Scheduled Dissolution Date] [specify other]

(NB: This will need to be amended in the case of long or short return accumulation periods)

(c) Fixed Amount(s): [] per Calculation Amount

(d) Broken Amount(s): [[] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] []] [Not Applicable]

(Insert particulars of any initial or final broken Periodic Distribution Amounts which do not correspond with the Fixed Amount(s) specified under paragraph 16(c))

(e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]

(f) Determination Date(s): [] in each year

(Insert regular periodic distribution dates, ignoring issue date or scheduled dissolution date in the case of a long or short first or last return accumulation period)

N.B. This will need to be amended in the case of regular periodic distribution dates which are not of equal duration

N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)

17. Floating Periodic Distribution Provisions: [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(a) Specified Periodic Distribution Dates: [] [Not Applicable]

(Specified Period and Specified Periodic Distribution Dates are alternatives. If the Business Day Convention is the Floating Rate Convention, insert "Not Applicable")

- (b) Specified Period: [Not Applicable]
- (Specified Period and Specified Periodic Distribution Dates are alternatives. A Specified Period, rather than Specified Periodic Distribution Dates, will only be relevant if the Business Day Convention is the Floating Rate Convention. Otherwise, insert "Not Applicable")*
- (c) Business Day Convention: Floating Rate Convention / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / [specify other]
- (d) Additional Business Centre(s): [Not Applicable/give details]
- (e) Manner in which the Rate(s) is/are to be determined: Screen Rate Determination (Condition 8.3/8.4) applies / specify other
- (f) Screen Rate Determination: Applicable / Not Applicable
- (If not applicable, delete the remaining sub paragraphs of this paragraph)*
- (i) Reference Rate: month EURIBOR Term SOFR
- (ii) Periodic Distribution Determination Date: / [The date falling the second U.S. Government Securities Business Day prior to the start of each Return Accumulation Period]
- (The second day on which T2 is open prior to the start of each Return Accumulation Period if EURIBOR)*
- (iii) Relevant Screen Page: For example, Reuters EURIBOR01 / [Not Applicable]
- (iv) Relevant Time: For example, 11.00 a.m. London time / [Not Applicable]
- (g) Margin: per cent. per annum
- (h) Linear Interpolation: Not Applicable / Applicable - the Rate for the [long/short] [first/last] Return Accumulation Period shall be calculated using Linear Interpolation (*specify for each short or long return accumulation period*)
- (i) Day Count Fraction: Actual/Actual (ISDA)
- Actual/365 (Fixed)
- Actual/365 (Sterling)
- Actual/360
- 30/360
- 30E/360
- 30E/360 (ISDA)
- Other]
- (See Condition 8 for alternatives)*

(j) Calculation Agent: [Principal Paying Agent] [*specify other*]

PROVISIONS RELATING TO DISSOLUTION

18. Optional Dissolution (Call Right): [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub paragraphs of this paragraph. N.B. For Shari'ah reasons, Optional Dissolution (Call Right) and Certificateholder Put Right cannot both be specified as applicable for a particular Series)*
- (a) Optional Dissolution Amount: [Final Dissolution Amount] [[] per Calculation Amount] [*specify other*]
- (b) Optional Dissolution Date: []/[Any Periodic Distribution Date from and including [] to but excluding []]/[From (and including) [] to (but excluding) the Scheduled Dissolution Date]
- (c) Notice period (if other than as set out in the Conditions): []¹
19. Certificateholder Put Right: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub paragraphs of this paragraph. N.B. For Shari'ah reasons, Optional Dissolution (Call Right) and Certificateholder Put Right cannot both be specified as applicable for a particular Series)*
- (a) Certificateholder Put Right Dissolution Amount: [[] per Calculation Amount]
- (b) Certificateholder Put Right Date(s): []
- (c) Notice period: []²
20. Tangibility Event Put Right Dissolution Amount: [[] per Calculation Amount]
21. Clean Up Dissolution Amount: [[] per Calculation Amount] [*Note: this must be par*]
22. Final Dissolution Amount: [[] per Calculation Amount] [*Note: this must be par*]
23. Dissolution Amount pursuant to Condition 15: [[] per Calculation Amount] [*Note: this must be par*]
24. Total Loss Dissolution Amount: [[] per Calculation Amount] [*Note: this must be par*] (including any other amount payable following a Total Loss Event in accordance with the Service Agency Agreement)

¹ (N.B. When setting notice periods, the Trustee is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Trustee and the Paying Agent).

² (N.B. When setting notice periods, the Trustee is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Trustee and the Paying Agent).

GENERAL PROVISIONS APPLICABLE TO THE CERTIFICATES

25. Form of Certificates: Global Certificate exchangeable for Certificates in definitive registered form in the limited circumstances specified in the Global Certificate
26. Additional Financial Centre(s): []
- (Note that this paragraph relates to the place of payment and not Return Accumulation Period end dates, to which sub-paragraph 17(d) relates)*

PROVISIONS IN RESPECT OF THE TRUST ASSETS

27. Series:
- (a) Ijara Percentage: [] per cent.
- (b) Murabaha Percentage: [] per cent.
28. Details of Transaction Account: Dubai DMO Funding Limited Transaction Account No: [] with [] for Series No.: [1/2/3 etc.]
29. Other Transaction Document Information: []
- (a) Supplemental Trust Deed: Supplemental Trust Deed dated [] between Dubai DMO Funding Limited, the Government and the Delegate
- (b) Supplemental Purchase Agreement: Supplemental Purchase Agreement dated [] between Dubai DMO Funding Limited[, *[insert name of seller entity if not the Government]*] and the Government
- (c) Supplemental Lease Agreement: Supplemental Lease Agreement dated [] between Dubai DMO Funding Limited, the Lessee and the Delegate
- (d) Declaration of Commingling of Assets: [Declaration of Commingling of Assets dated [] executed by Dubai DMO Funding Limited] [Not Applicable]
- (e) Notice of Request to Purchase and Offer Notice: [Notice of Request to Purchase dated [] from the Government to the Trustee and the Offer Notice dated []] [Not Applicable]

OTHER FINAL TERMS

30. Other final terms: [Not Applicable/*give details*]
- [(When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus)]*

DISTRIBUTION

31. (a) If syndicated, names of Managers: [Not Applicable/*give names*]
- (b) Date of Subscription Agreement: []

32. If non-syndicated, name of relevant Dealer: []

[PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and admission to listing on the DFM] [and [*insert details of any other listing*]] of the Certificates described herein pursuant to the Trust Certificate Issuance Programme of Dubai DMO Funding Limited.]

RESPONSIBILITY

Each of the Trustee and the Government accepts responsibility for the information contained in these Final Terms. To the best of the knowledge and belief of each of the Trustee and the Government (having taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. [[] has been extracted from []. Each of the Trustee and the Government confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of **Dubai DMO Funding Limited**

Signed on behalf of **Government of Dubai, acting through the Department of Finance**

By:

By:

Duly authorised

Duly authorised

By:

Duly authorised

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing and admission to trading: [Application [has been/is expected to be] made by the Trustee (or on its behalf) for the Certificates to be admitted to trading and listed on the Dubai Financial Market.]

[Insert details of any other listing application to be made]

[Not Applicable.]

(ii) Estimate of total expenses related to admission to trading: []

2. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealer], so far as each of the Trustee and the Government is aware, no person involved in the issue of the Certificates has an interest material to the offer - *Amend as appropriate if there are other interests.*]

[When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus.]

3. [PROFIT OR RETURN (Fixed Periodic Distribution Certificates only)

Indication of profit or return: []

The profit or return is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future profit or return.]

4. OPERATIONAL INFORMATION

(i) ISIN: []

(ii) Common Code: []

(iii) CFI: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(iv) FISN: [[See/[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

(v) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/ give name(s) and number(s)]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): []

TERMS AND CONDITIONS OF THE CERTIFICATES

The following is the text of the Terms and Conditions of the Certificates which (subject to modification and except for the text in italics) will be endorsed on each Certificate in definitive form issued under the Programme and will apply to each Global Certificate.

The applicable Final Terms in relation to any Tranche may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche.

Dubai DMO Funding Limited (in its capacities as issuer and as trustee, the **Trustee**) has established a programme (the **Programme**) for the issuance of certificates. In these Terms and Conditions (the **Conditions**), references to **Certificates** shall be references to the certificates of this Series (as defined below) and references to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Certificate.

The applicable Final Terms supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Certificate.

As used herein, **Tranche** means Certificates which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Certificates together with any additional Tranche or Tranches of Certificates which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Return Accrual Commencement Dates and/or Issue Prices.

Each of the Certificates will represent an undivided ownership interest in the Trust Assets (as defined in Condition 4.1) which are held by the Trustee on trust (the **Trust**) for, *inter alia*, the benefit of the registered holders of the Certificates pursuant to (i) a Master Trust Deed (the **Master Trust Deed**) dated 2 October 2023 and made between the Trustee, Government of Dubai, acting through the Department of Finance (in whatever capacity it is acting, the **Government**) and Deutsche Trustee Company Limited (the **Delegate** which expression shall include any co-Delegate or any successor) and (ii) a supplemental trust deed (the **Supplemental Trust Deed** and, together with the Master Trust Deed, the **Trust Deed**) having the details set out in the applicable Final Terms.

Payments relating to the Certificates will be made pursuant to an agency agreement dated 2 October 2023 (the **Agency Agreement**) made between the Trustee, the Delegate, the Government, Deutsche Bank AG, London Branch in its capacities as principal paying agent (in such capacity, the **Principal Paying Agent**, which expression shall include any successor and, together with any other paying agents appointed, the **Paying Agents**, which expression shall include any successors), transfer agent (in such capacity and together with any further or other transfer agents appointed from time to time in respect of the Certificates, the **Transfer Agents**) and calculation agent (in such capacity, the **Calculation Agent**, which expression shall include any successor) and Deutsche Bank Luxembourg S.A. in its capacity as registrar (in such capacity, the **Registrar**, which expression shall include any successor). The Paying Agents, the Transfer Agents, the Calculation Agent and the Registrar are together referred to in these Conditions as the **Agents**.

Words and expressions defined in the Trust Deed and the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between any such document and the applicable Final Terms, the applicable Final Terms will prevail. In addition, in these Conditions:

- (a) any reference to face amount shall be deemed to include the relevant Dissolution Amount (as defined in Condition 9.1), any additional amounts (other than relating to Periodic Distribution Amounts (as defined in Condition 7.2)) which may be payable under Condition 12, and any other amount in the nature of face amounts payable pursuant to these Conditions;
- (b) any reference to Periodic Distribution Amounts shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 12 and any other amount in the nature of a profit distribution payable pursuant to these Conditions;
- (c) references to Certificates being "outstanding" shall be construed in accordance with the Master Trust Deed; and
- (d) any reference to a Transaction Document (as defined below) shall be construed as a reference to that Transaction Document as amended and/or supplemented up to and including the Issue Date.

Subject as set out below, copies of the documents set out below (i) are available for inspection and/or collection and obtainable free of charge during normal business hours at the specified office for the time being of the Trustee and the Principal Paying Agent and (ii) may be provided by e-mail to a Certificateholder holding one or more Certificates following its prior written request to the Principal Paying Agent and the provision of evidence satisfactory to the Principal Paying Agent as to its holding of such Certificates and identity. The holders of the Certificates (the **Certificateholders**) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the documents set out below:

- (a) a master purchase agreement between the Trustee and the Government dated 2 October 2023 (the **Master Purchase Agreement** and, as supplemented by each relevant Supplemental Purchase Agreement (as defined in the Master Purchase Agreement), the **Purchase Agreement**);
- (b) a master lease agreement between the Trustee (in such capacity, the **Lessor**), Government and the Delegate dated 2 October 2023 (the **Master Lease Agreement** and, as supplemented by the relevant Supplemental Lease Agreement (as defined in the Master Lease Agreement), the **Lease Agreement**);
- (c) a service agency agreement between the Trustee and the Government (in its capacity as service agent, the **Service Agent**) dated 2 October 2023 (the **Service Agency Agreement**);
- (d) a purchase undertaking executed by the Government as a deed dated 2 October 2023 (the **Purchase Undertaking**);
- (e) a sale and substitution undertaking executed by the Trustee as a deed dated 2 October 2023 (the **Sale and Substitution Undertaking**);
- (f) a master Murabaha agreement between the Trustee, the Government and the Delegate dated 2 October 2023 (the **Master Murabaha Agreement**) (together with all documents, notices of request to purchase, offer notices and acceptances delivered or entered into as contemplated by the Master Murabaha Agreement in connection with the relevant Series);
- (g) the Trust Deed;
- (h) the Agency Agreement; and
- (i) the applicable Final Terms.

The documents listed above are referred to in these Conditions as the **Transaction Documents**. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement and the remaining Transaction Documents.

Each initial Certificateholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Trustee, on behalf of the Certificateholders, (i) to apply the proceeds of the issue of the Certificates in accordance with the terms of the Transaction Documents and (ii) to enter into each Transaction Document to which it is a party, subject to the provisions of the Trust Deed and these Conditions.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Certificates are issued in registered form in the Specified Denominations and, in the case of Certificates in definitive form, are serially numbered.

For so long as any of the Certificates is represented by a Global Certificate held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than another clearing system) who is for the time being shown in the records of either such clearing system as the holder of a particular face amount of such Certificates (in which regard any certificate or other document issued by a clearing system as to the face amount of such Certificates standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Trustee, the Delegate, the Government and the Agents as the holder of such face amount of such Certificates for all purposes other than with respect to payment in respect of such Certificates, for which purpose the registered holder of the Global Certificate shall be treated by the Trustee, the Delegate, the Government and any Agent as the holder of such face amount of such Certificates in accordance with and

subject to the terms of the relevant Global Certificate and the expressions **Certificateholder** and **holder** in relation to any Certificates and related expressions shall be construed accordingly.

Each holder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the registered holder of the Global Certificate. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

1.2 Register

The Registrar will maintain a register (the **Register**) of Certificateholders outside the United Kingdom in respect of the Certificates in accordance with the provisions of the Agency Agreement. In the case of Certificates in definitive form, a Definitive Certificate will be issued to each Certificateholder in respect of its registered holding of Certificates.

1.3 Title

The Trustee, the Delegate, the Government and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the person in whose name any outstanding Certificate is for the time being registered (as set out in the Register) as the holder of such Certificate or of a particular face amount of the Certificates for all purposes (whether or not such Certificate or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Trustee, the Delegate, the Government and the Agents shall not be affected by any notice to the contrary. Each Certificate will represent an undivided ownership interest in the Trust Assets.

All payments made to such registered holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for monies payable in respect of such Certificate or face amount.

2. TRANSFERS OF CERTIFICATES

2.1 Transfers of beneficial interests in the Global Certificate

Transfers of beneficial interests in the Global Certificate will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in the Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Certificates in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

2.2 Transfers of Certificates in definitive form

Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Certificate in definitive form may be transferred in whole or in part (in the Specified Denomination or an integral multiple thereof). In order to effect any such transfer (a) the holder or holders must (i) surrender the Definitive Certificate for registration of the transfer thereof (or the relevant part thereof) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Trustee, the Government, the Delegate and the Registrar may from time to time prescribe (the initial such regulations being scheduled to the Master Trust Deed).

Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request a new Certificate in definitive form of

a like aggregate face amount to the Certificate (or the relevant part of the Certificate) transferred. In the case of the transfer of part only of a Certificate in definitive form, a new Certificate in definitive form in respect of the balance of the Certificate not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

No Certificateholder may require the transfer of a Certificate in definitive form to be registered during the period of 15 days ending on a Periodic Distribution Date, the Scheduled Dissolution Date, a Dissolution Date or any other date on which any payment of the face amount or payment of any profit in respect of a Certificate falls due.

2.3 Costs of registration

Certificateholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Trustee may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

3. STATUS AND LIMITED RECOURSE

3.1 Status

Each Certificate evidences an undivided ownership interest in the Trust Assets, subject to the terms of the Trust Deed and these Conditions, and is a direct, unsubordinated, unsecured and limited recourse obligation of the Trustee. Each Certificate ranks *pari passu*, without any preference or priority, with the other Certificates.

The payment obligations of the Government (acting in any capacity) under the Transaction Documents to which it is a party will be direct, unconditional, unsubordinated and (subject to Condition 6) unsecured obligations of the Government and shall at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Government, save for such obligations mandatorily preferred by law.

3.2 Limited Recourse

The proceeds of the Trust Assets are the sole source of payments on the Certificates. Save as provided in the next sentence, the Certificates do not represent an interest in or obligation of either the Trustee or the Government. Accordingly, Certificateholders, by subscribing for or acquiring the Certificates, acknowledge that they will have no recourse to any assets of the Trustee (including, in particular, other assets comprised in other trusts, if any) or the Government (to the extent that it fulfils all of its obligations under the Transaction Documents to which it is a party) in respect of any shortfall in the expected amounts from the Trust Assets to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished.

The Government is obliged to make certain payments under the Transaction Documents directly to the Trustee and the Trustee, as trustee for and on behalf of the Certificateholders, and the Delegate will have direct recourse against the Government to recover such payments.

The net proceeds of realisation of, or enforcement with respect to, the Trust Assets may not be sufficient to make all payments due in respect of the Certificates. If, following the distribution of such proceeds, there remains a shortfall in payments due under the Certificates, subject to Condition 15, no holder of Certificates will have any claim against the Trustee or the Government (to the extent that it fulfils all of its obligations under the Transaction Documents) or against any assets (other than the Trust Assets to the extent not exhausted) in respect of such shortfall and any unsatisfied claims of Certificateholders shall be extinguished. In particular, no holder of Certificates will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of the Trustee as a consequence of such shortfall or otherwise.

3.3 Agreement of Certificateholders

By purchasing Certificates, each Certificateholder is deemed to have agreed that notwithstanding anything to the contrary contained in these Conditions or any Transaction Document:

- (a) no payment of any amount whatsoever shall be made by or on behalf of the Trustee except to the extent funds are available therefor from the Trust Assets and further agrees that no recourse shall be had for the payment of any amount owing hereunder or under any Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon any Transaction Document, against the Trustee to the extent the Trust Assets have been exhausted following which all obligations of the Trustee shall be extinguished;
- (b) prior to the date which is one year and one day after the date on which all amounts owing by the Trustee under the Transaction Documents have been paid in full, it will not institute against, or join with any other person in instituting against, the Trustee any bankruptcy, reorganisation, arrangement or liquidation proceedings or other proceedings under any bankruptcy or similar law; and
- (c) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee arising under or in connection with these Conditions or any Transaction Document by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, director or administrator of the Trustee in their capacity as such and any and all personal liability of every such shareholder, officer, director or administrator in their capacity as such for any breaches by the Trustee of any such duty, obligation or undertaking is hereby expressly waived and excluded to the extent permitted by law.

4. THE TRUST

4.1 The Trust Assets

Pursuant to the Trust Deed, the Trustee holds the Trust Assets upon trust absolutely for the holders of the Certificates *pro rata* according to the face amount of Certificates held by each holder. The term **Trust Assets** means:

- (a) the cash proceeds of the issue of the Certificates, pending application thereof in accordance with the terms of the Transaction Documents;
- (b) all of the Trustee's rights, title, interest, benefits and entitlements, present and future, in, to and under the Lease Assets (as defined in the Master Lease Agreement);
- (c) all of the Trustee's rights, title, interest, benefits and entitlements, present and future, in, to and under the Transaction Documents (other than in relation to any representations given to the Trustee by the Government pursuant to any of the Transaction Documents and excluding any rights which have been expressly waived by the Trustee in any of the Transaction Documents); and
- (d) all monies standing to the credit of the Transaction Account from time to time,

and all proceeds of the foregoing.

4.2 Application of Proceeds from the Trust Assets

On each Periodic Distribution Date and on the Scheduled Dissolution Date or any earlier Dissolution Date, the monies standing to the credit of the Transaction Account shall be applied in the following order of priority:

- (a) *first*, (to the extent not previously paid) to pay the Delegate and/or any Appointee (as defined in the Master Trust Deed) an amount equal to any sum payable to it on account of its properly incurred fees and Liabilities (as defined in the Master Trust Deed) and to pay or provide for the payment or satisfaction of any Liability incurred (or expected to be incurred) by the Delegate and/or any Appointee in each case pursuant to the Trust Deed or in connection with any of the other Transaction Documents or these Conditions;
- (b) *second*, (to the extent not previously paid) to pay, on a *pro rata* and *pari passu* basis, each Agent and Walkers Professional Services (Middle East) Limited as trustee administrator (the **Trustee Administrator**) (as long as such amount has been notified to the Principal Paying Agent not less than 30 Business Days prior to the Periodic Distribution Date, Scheduled

Dissolution Date or other Dissolution Date (as the case may be)) an amount equal to any sum payable to each of them on account of its properly incurred fees and Liabilities and to pay or provide for the payment or satisfaction of any Liability incurred (or reasonably expected to be incurred) by such Agents and/or the Trustee Administrator (as long as such amount has been notified to the Principal Paying Agent not less than 30 Business Days prior to the Periodic Distribution Date, Scheduled Dissolution Date or other Dissolution Date (as the case may be)) pursuant to the Agency Agreement and the Corporate Services Agreement, as the case may be;

- (c) *third*, only if payment is due on a Periodic Distribution Date, to the Principal Paying Agent for application in or towards payment to the Certificateholders *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;
- (d) *fourth*, only if payment is made on a Dissolution Date, to the Principal Paying Agent for application in or towards payment to the Certificateholders *pari passu* and rateably of the Dissolution Amount due on such Dissolution Date; and
- (e) *fifth*, only if payment is made on a Dissolution Date and provided that all amounts required to be paid in respect of the Certificates hereunder have been discharged in full, in payment of any residual amount to the Government.

5. TRUSTEE COVENANTS

The Trustee covenants that, for so long as any Certificate is outstanding, it will not (without the prior written consent of the Delegate):

- (a) incur any indebtedness in respect of borrowed money whatsoever (whether structured in accordance with the principles of *Shari'ah* or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) or any other certificates, or provide any promissory note (or any other similar instrument) under the laws of any jurisdiction except, in all cases, as contemplated in the Transaction Documents;
- (b) secure any of its present or future indebtedness for borrowed money or any other financing by any lien, pledge, charge or other security interest or quasi-security interest (including netting or set-off arrangements) upon any of its present or future assets, properties or revenues (other than those arising by operation of law and other than under or pursuant to any Transaction Documents);
- (c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interest in any of the Trust Assets except pursuant to the Transaction Documents and in accordance with the principles of *Shari'ah*;
- (d) use the proceeds of the issue of the Certificates for any purpose other than as stated in the Transaction Documents;
- (e) amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its memorandum and articles of association;
- (f) act as trustee in respect of any trust other than a trust corresponding to any other Series issued under the Programme;
- (g) have any subsidiaries or employees;
- (h) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders;
- (i) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; and
- (j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or any permitted amendment or supplement thereto or as expressly permitted or required thereunder or engage in any business or activity other than:
 - (i) as provided for or permitted in the Transaction Documents;

- (ii) the ownership, management and disposal of Trust Assets as provided for in the Transaction Documents; and
- (iii) such other matters which are incidental thereto.

6. NEGATIVE PLEDGE

The Government covenants that, for so long as any Certificate is outstanding, the Government will not create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each, a **Security Interest**), other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or Relevant Sukuk Obligation, or any guarantee or indemnity in respect of any Relevant Indebtedness or Relevant Sukuk Obligation, without at the same time or prior thereto according to its obligations under the Transaction Documents the same security as is created or subsisting to secure any such Relevant Indebtedness or Relevant Sukuk Obligation, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Master Trust Deed) of the Certificateholders or by the Delegate.

In this Condition:

Financially Independent Entity means (i) any governmental entity that is deemed as having financial independence in accordance with Article (47) of Emirate of Dubai Law No. (1) of 2016, Concerning the Financial Regulations of the Government of Dubai, and (ii) each of the Roads and Transport Authority, Dubai Airports, Dubai Electricity and Water Authority, Investment Corporation of Dubai, Department of Petroleum Affairs and the Dubai Financial Support Fund and any entity that is a successor thereto;

Non-Recourse Project Financing means any financing of all or part of the costs of the acquisition, construction or development of any project, provided that (i) any Security Interest given by the Government is limited solely to assets of the project; (ii) the person or persons providing such financing expressly agrees to limit their recourse to the project financed and the revenues derived from such project as the principal source of repayment for the moneys advanced; and (iii) there is no other recourse to the Government in respect of any default by any person under the financing;

Permitted Security Interest means:

- (a) any Security Interest created or granted by any Financially Independent Entity;
- (b) any Security Interest created or granted by the Government in relation to assets operated by any Financially Independent Entity;
- (c) any Security Interest created or granted by the Government in relation to revenue generated or collected by any Financially Independent Entity;
- (d) any Security Interest existing on the date on which agreement is reached to issue the first Tranche of the Certificates;
- (e) any Security Interest existing on any property or assets prior to the acquisition thereof by the Government and not created in contemplation of such acquisition; and
- (f) any renewal of or substitution for any Security Interest permitted by paragraphs (a) to (e) of this definition, provided that with respect to any such Security Interest the principal amount secured has not increased and the Security Interest has not been extended to any additional assets (other than the proceeds of such assets);

Relevant Indebtedness means any indebtedness, other than indebtedness incurred in connection with Non-Recourse Project Financing or a Securitisation, which is in the form of, or represented or evidenced by, certificates, bonds, notes, debentures or other securities which for the time being are, or are intended to be or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

Relevant Sukuk Obligation means any undertaking or other obligation to pay any money given in connection with the issue of certificates, whether or not in return for consideration of any kind, where the certificates concerned are, or are intended to be, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market; and

Securitisation means any securitisation (Islamic or otherwise) of existing or future assets and/or revenues, provided that (i) any Security Interest given by the Government in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each person participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised as the principal source of repayment for the money advanced or payment of any other liability; and (iii) there is no other recourse to the Government in respect of any default by any person under the securitisation.

7. FIXED PERIODIC DISTRIBUTION PROVISIONS

7.1 Application

This Condition is applicable to the Certificates only if the Fixed Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

7.2 Periodic Distribution Amount

Subject to Condition 4.2 and Condition 9 and unless otherwise specified in the applicable Final Terms, the Principal Paying Agent shall distribute to holders *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account pursuant to the terms of the Transaction Documents, a distribution in relation to the Certificates on each Periodic Distribution Date equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

In these Conditions:

Periodic Distribution Amount means, in relation to a Certificate and a Return Accumulation Period, the amount of profit distribution payable in respect of that Certificate for that Return Accumulation Period which amount may be a Fixed Amount, a Broken Amount or an amount otherwise calculated in accordance with this Condition 7 or Condition 8; and

Return Accumulation Period means the period from (and including) a Periodic Distribution Date (or the Return Accrual Commencement Date) to (but excluding) the next (or first) Periodic Distribution Date.

7.3 Determination of Periodic Distribution Amount

Except as provided in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate in definitive form for any Return Accumulation Period shall be the Fixed Amount or, if so specified in the applicable Final Terms, the Broken Amount so specified.

Except in the case of Certificates in definitive form where a Fixed Amount or Broken Amount is specified in the applicable Final Terms, the Periodic Distribution Amount payable in respect of each Certificate shall be calculated by applying the rate or rates (expressed as a percentage per annum) specified in the applicable Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the applicable Final Terms (the **Rate**) applicable to the relevant Return Accumulation Period to:

- (a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or
- (b) in the case of Certificates in definitive form, the Calculation Amount (as specified in the applicable Final Terms),

and, in each case, multiplying such sum by the applicable Day Count Fraction. The resultant figure (including after application of any Fixed Periodic Distribution Amount or Broken Amount, as applicable, to the aggregate outstanding face amount of fixed rate Certificates which are in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Certificate in definitive form is a multiple of the Calculation Amount, the amount of profit distribution payable in respect of such Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of Periodic Distribution Amount in accordance with this Condition:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (i) in the case of Certificates where the number of days in the relevant period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accrual Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (A) the number of days in such Determination Period and (B) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Certificates where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Periodic Distribution Date (or, if none, the Return Accrual Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Return Accrual Commencement Date or the final Periodic Distribution Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

8. FLOATING PERIODIC DISTRIBUTION PROVISIONS

8.1 Application

This Condition is applicable to the Certificates only if the Floating Periodic Distribution Provisions are specified in the applicable Final Terms as being applicable.

8.2 Periodic Distribution Amount

Subject to Condition 4.2 and 9 and unless otherwise specified in the applicable Final Terms, the Principal Paying Agent shall distribute to holders *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account pursuant to the terms of the Transaction Documents, a distribution in relation to the Certificates on either:

- (a) the Specified Periodic Distribution Date(s) in each year specified in the applicable Final Terms; or
- (b) if no Specified Periodic Distribution Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Periodic Distribution Date, a **Periodic Distribution Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Return Accrual Commencement Date.

In relation to each Periodic Distribution Date, the distribution payable will be equal to the Periodic Distribution Amount payable in respect of the Return Accumulation Period ending immediately before that Periodic Distribution Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which a Periodic Distribution Date should occur or (y) if any Periodic Distribution Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) in any case where Specified Periods are specified in accordance with Condition 8.2(b) above, the Floating Rate Convention, such Periodic Distribution Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply mutatis mutandis or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Periodic Distribution Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Periodic Distribution Date occurred; or
- (b) the Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day; or
- (c) the Modified Following Business Day Convention, such Periodic Distribution Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day; or
- (d) the Preceding Business Day Convention, such Periodic Distribution Date shall be brought forward to the immediately preceding Business Day.

In these Conditions:

Business Day means:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the relevant place of presentation and any Additional Business Centre (other than T2) specified in the applicable Final Terms;
- (b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system (**T2**) is open; and
- (c) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the relevant place of presentation and any Additional Business Centre) or (ii) in relation to any sum payable in euro, a day on which T2 is open.

8.3 Screen Rate Determination where the Reference Rate is EURIBOR

If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate is to be determined and the Reference Rate in respect of the Certificates is specified as being EURIBOR, the Rate applicable to the Certificates for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

- (a) if the Reference Rate specified in the applicable Final Terms is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;

- (b) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Periodic Distribution Determination Date;
- (c) if, in the case of (a) above, such rate does not appear on that page or, in the case of (b) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (i) request each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Periodic Distribution Determination Date to prime banks in the London or Eurozone interbank market, as the case may be, in an amount that is representative for a single transaction in that market at that time; and
 - (ii) determine the arithmetic mean of such quotations; and
- (d) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks in the principal financial centre of the Specified Currency, selected by the Trustee or the Independent Adviser (as defined in this Condition 8), at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first day of the relevant Return Accumulation Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Return Accumulation Period and in an amount that is representative for a single transaction in that market at that time,

and the **Rate** for such Return Accumulation Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Return Accumulation Period and that such inability is not due to the occurrence of a Benchmark Event, the Rate applicable to the Certificates during such Return Accumulation Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Certificates in respect of a preceding Return Accumulation Period.

If the Calculation Agent, for any reason, is unable to perform the calculations or obtain the Rate as outlined in (a), (b), (c) and (d) above, the Calculation Agent will inform the Trustee as soon as practicable and, in such case, the Trustee will appoint an alternative agent to determine the Rate or will provide the Rate themselves in accordance with the procedures set out above.

In this Condition the following expressions have the following meanings:

Reference Banks means the principal London office of each of four major banks engaged in the London or Eurozone inter-bank market selected by or on behalf of the Trustee, provided that once a Reference Bank has first been selected by or on behalf of the Trustee, such Reference Bank shall not be changed unless it ceases to be capable of acting as such; and

Relevant Screen Page means the page, section or other part of a particular information service specified as the Relevant Screen Page in the applicable Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

If the Rate cannot be determined because of the occurrence of a Benchmark Event, the Rate shall be calculated in accordance with the terms of Condition 8.5.

8.4 Screen Rate Determination where the Reference Rate is Term SOFR

If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate is to be determined and the Reference Rate in respect of the Certificates is specified as being Term SOFR, the Rate applicable to the Certificates for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

- (a) the Calculation Agent will determine the Term SOFR as soon as practicable after the Reference Time on the relevant Periodic Distribution Determination Date, but in no event later than 5.00 p.m. (New York City time) on such Periodic Distribution Determination Date; and

(b) Term SOFR, in respect of such Return Accumulation Period, shall be determined to be the greater of (i) zero; and (ii) the Term SOFR Reference Rate, as such rate is published by the Term SOFR Administrator; provided that, if, as of 5.00 p.m. (New York City time) on any Periodic Distribution Determination Date, the Term SOFR Reference Rate has not been published by the Term SOFR Administrator, then Term SOFR shall be:

- (A) the Term SOFR Reference Rate as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate was published by the Term SOFR Administrator, so long as such first preceding U.S. Government Securities Business Day is not more than five Business Days prior to such Periodic Distribution Determination Date; or
- (B) if the Term SOFR Reference Rate cannot be determined in accordance with (A) above, the Term SOFR Reference Rate as determined on the immediately preceding Periodic Distribution Determination Date,

and the **Rate** for such Return Accumulation Period shall be the sum of the Margin and the rate or (as the case may be) the rate so determined.

If the Calculation Agent, for any reason, is unable to perform the calculations or obtain the Rate as outlined in (a) or (b) above, the Calculation Agent will inform the Trustee as soon as practicable and, in such case, the Trustee will appoint an alternative agent to determine the Rate or will provide the Rate themselves in accordance with the procedures set out above.

In this Condition the following expressions have the following meanings:

Federal Reserve Bank of New York Website means the website of the Federal Reserve Bank of New York currently at <https://www.newyorkfed.org/>, or any successor source;

Reference Time means, in respect of any Periodic Distribution Determination Date, 6.00 a.m. (New York City time) on the day falling two U.S. Government Securities Business Days immediately preceding such Periodic Distribution Determination Date;

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

SIFMA Website means the website of the Securities Industry and Financial Markets Association currently at <https://www.sifma.org>, or any successor source;

SOFR means with respect to any day, the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York Website;

Term SOFR means the rate determined in accordance with Condition 8.4(b);

Term SOFR Administrator means CME Group Benchmark Administration Limited or such other entity designated by the Relevant Governmental Body as the administrator of Term SOFR (or a successor administrator);

Term SOFR Reference Rate means the forward-looking term rate based on SOFR for a designated maturity of three months; and

U.S. Government Securities Business Day means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities as indicated on the SIFMA Website.

If the Rate cannot be determined because of the occurrence of a Benchmark Event, the Rate shall be calculated in accordance with the terms of Condition 8.6.

8.5 Benchmark Replacement where the Reference Rate is EURIBOR

Notwithstanding the other provisions of this Condition 8, if the Trustee and the Government determine that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the applicable Final Terms when any Rate (or the relevant component

part thereof) applicable to the Certificates for any Return Accumulation Period remains to be determined by such Reference Rate, then the following provisions shall apply:

- (i) the Trustee and the Government shall use their reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine no later than five Business Days prior to the relevant Periodic Distribution Determination Date relating to the next succeeding Return Accumulation Period (the **IA Determination Cut-Off Date**), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate and, in either case, an Adjustment Spread for the purposes of determining the Rate (or the relevant component part thereof) applicable to the Certificates;
- (ii) if (A) the Trustee and the Government are unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by the Trustee and the Government fails to determine a Successor Rate or, failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread in accordance with this Condition 8.5 prior to the relevant IA Determination Cut-Off Date, then the Trustee and the Government (acting in good faith and in a commercially reasonable manner) may elect to determine the Successor Rate or, failing which, an Alternative Reference Rate (as applicable) and/or, in either case, an Adjustment Spread itself for the purposes of determining the Rate (or the relevant component part thereof) applicable to the Certificates or, if applicable, any Benchmark Amendments, to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (with the relevant provisions in this Condition 8.5 applying *mutatis mutandis*) to allow such determinations to be made by the Trustee and the Government without consultation with the Independent Adviser;
- (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Return Accumulation Periods in respect of such Certificates (subject to the subsequent operation of, and to adjustment as provided in, this Condition 8.5). If, however, the Independent Adviser (in consultation with the Trustee and the Government) or the Trustee and the Government (acting in good faith and in a commercially reasonable manner) (as applicable) is unable to determine, prior to the IA Determination Cut Off Date relating to the next succeeding Return Accumulation Period, the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;
- (iv) the Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) provided however, if the Independent Adviser (following consultation with the Trustee and the Government), or the Trustee and the Government (acting in good faith and in a commercially reasonable manner) fails to determine the Adjustment Spread in accordance with this Condition 8.5 prior to the relevant Periodic Distribution Determination Date then the Successor Rate or Alternative Reference Rate as determined in accordance with this Condition 8.5 will apply without an Adjustment Spread;
- (v) if any Successor Rate, Alternative Reference Rate and/or Adjustment Spread is determined in accordance with this Condition 8.5 and the Independent Adviser (following consultation with the Trustee and the Government), or the Trustee and the Government (acting in good faith and in a commercially reasonable manner), as applicable, determines: (A) that amendments to these Conditions, the Master Trust Deed and/or any other Transaction Document (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Business Day Convention, Periodic Distribution Determination Date or Relevant Screen Page) are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**); and (B) the terms of the Benchmark Amendments, then, at the direction and expense of the Trustee and the Government and subject to delivery of a notice in accordance with Condition 8.5(vi) and the certificate in accordance with this Condition 8.5(v): (x) the Trustee (acting on the instructions of the Government) and the Government shall vary these Conditions, the Master Trust Deed and/or any other Transaction Document to give effect to such Benchmark Amendments with effect from the date

specified in such notice; and (y) the Delegate and the Agents shall (at the Trustee and the Government's expense), without any requirement for the consent or sanction of the Certificateholders, be obliged to concur with the Trustee and the Government in effecting such Benchmark Amendments, provided that none of the Delegate or any Agent shall be required to effect any such Benchmark Amendments if the same would impose, in its opinion, more onerous obligations upon it or expose it to any liability against which it is not adequately indemnified and/or secured and/or prefunded to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it.

At least ten Business Days prior to any such Benchmark Amendments taking effect, the Government shall provide a certificate signed by two authorised signatories of the Government to the Trustee, the Delegate and the Principal Paying Agent, certifying that such Benchmark Amendments are: (x) in the Government's reasonable opinion (following consultation with the Trustee and the Independent Adviser (if appointed)), necessary to give effect to any application of this Condition 8.5; and (y) in each case, have been drafted solely to such effect, and the Trustee, the Delegate and the Agents shall be entitled to rely on such certificates without further enquiry or liability to any person. For the avoidance of doubt, none of the Delegate or any Agent shall be liable to the Certificateholders or any other person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such Certificateholder or person;

- (vi) the Trustee (failing which, the Government) shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and the specific terms of any Benchmark Amendments, give notice to the Delegate, the Agents and, in accordance with Condition 18, the Certificateholders confirming: (A) that a Benchmark Event has occurred; (B) the Successor Rate or Alternative Reference Rate (as applicable); (C) any applicable Adjustment Spread; and (D) the specific terms of the Benchmark Amendments (if any);
- (vii) if, following the occurrence of a Benchmark Event and in relation to the determination of the Rate (or the relevant component part thereof) on the immediately following Periodic Distribution Determination Date, no Successor Rate or Alternative Reference Rate (as applicable) is determined pursuant to this provision, then the Rate (or the relevant component part thereof) shall be determined as at the last preceding Periodic Distribution Determination Date. For the avoidance of doubt, this Condition 8.5(vii) shall apply to the relevant immediately following Return Accumulation Period only and any subsequent Return Accumulation Periods are subject to the subsequent operation of and to adjustment as provided in, this Condition 8.5;
- (viii) the Independent Adviser (if any) appointed pursuant to this Condition 8.5 shall act and make all determinations pursuant to this Condition 8.5 in good faith and the Independent Adviser shall act as an expert. In the absence of bad faith, wilful default or fraud, none of the Independent Adviser, the Trustee and the Government shall have any liability whatsoever to the Principal Paying Agent, the Paying Agents or the Certificateholders in connection with any determination made by it or, in the case of the Independent Adviser, for any advice given to the Trustee and the Government in connection with any determination made by the Trustee and the Government pursuant to this Condition 8.5; and
- (ix) notwithstanding any other provision of this Condition 8.5 if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 8, the Calculation Agent shall promptly notify the Trustee and the Government thereof and the Trustee or the Government, following consultation with the Independent Adviser (if appointed), shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Trustee and the Government thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

For the purposes of this Condition 8.5:

Adjustment Spread means either (a) a spread (which may be positive, negative or zero), or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) (if no such recommendation has been made, or in the case of an Alternative Reference Rate) the Independent Adviser (following consultation with the Trustee and the Government) determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the relevant Reference Rate; or
- (iii) (if the Independent Adviser (following consultation with the Trustee and the Government) determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (following consultation with the Trustee and the Government) determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the relevant Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as the case may be); or
- (iv) (if the Independent Adviser (following consultation with the Trustee and the Government) determines that there is no such industry standard) the Independent Adviser (following consultation with the Trustee and the Government) or the Government (as applicable) determines (acting in good faith and in a commercially reasonable manner) in their sole discretion to be appropriate;

Alternative Reference Rate means an alternative benchmark or screen rate which the Independent Adviser (following consultation with the Trustee and the Government) determines, in accordance with this Condition 8.5, is customarily applied in international debt capital markets transactions for the purposes of determining profit rates (or the relevant component part thereof) in the same Specified Currency as the Certificates and of a comparable duration to the relevant Return Accumulation Period or, if the Independent Adviser or the Trustee and the Government (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Trustee and the Government (as applicable) determines in their sole discretion is most comparable to the relevant Reference Rate;

Benchmark Event means: (i) the relevant Reference Rate ceasing to be published as a result of such benchmark ceasing to be calculated or administered or ceasing to exist for at least five Business Days; or (ii) a public statement by the administrator of the relevant Reference Rate that it has ceased or that it will, by a specified future date, cease publishing the relevant Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate); or (iii) a public statement by the supervisor of the administrator of the relevant Reference Rate, that the relevant Reference Rate has been or will be, by a specified future date, permanently or indefinitely discontinued; or (iv) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which, by a specified future date, the relevant Reference Rate will be prohibited from being used either generally, or in respect of the Certificates; or (v) a public statement by the supervisor of the administrator of the relevant Reference Rate that, in the view of such supervisor, such Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of an underlying market; or (vi) it has become unlawful for the Trustee, the Government, the Calculation Agent or any Paying Agent to calculate any payments due to be made to any Certificateholder using the relevant Reference Rate, provided that, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) and (v) above and the relevant specified future date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such specified future date;

Financial Stability Board means the organisation established by the Group of Twenty (G20) in April 2009;

Independent Adviser means an independent financial institution of international repute or an independent adviser with appropriate expertise appointed by the Trustee and the Government at the Trustee and the Government's expense;

Relevant Nominating Body means, in respect of a Reference Rate: (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of: (A) the central bank for the currency to which the Reference Rate relates; (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; (C) a group of the aforementioned central banks or other supervisory authorities; or (D) the Financial Stability Board or any part thereof; and

Successor Rate means the rate that the Independent Adviser (in consultation with the Trustee and the Government) or the Trustee and the Government, as applicable, determines is a successor to or replacement of the relevant Reference Rate which is formally recommended by any Relevant Nominating Body.

8.6 Benchmark Replacement where the Reference Rate is Term SOFR

If the Trustee and the Government determine on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Certificates in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Trustee and the Government shall have the right to make Benchmark Replacement Conforming Changes from time to time, without any requirement for the consent or sanction of the Certificateholders.

Any determination, decision or election that may be made by the Trustee and the Government pursuant to this Condition 8.6, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- (a) will be conclusive and binding absent manifest error;
- (b) will be made in the sole discretion of the Trustee and the Government (acting in good faith and in a commercially reasonable manner); and
- (c) notwithstanding anything to the contrary in the documentation relating to the Certificates, shall become effective without any requirement for the consent or sanction of the Certificateholders or any other party.

The Trustee (failing which, the Government) shall promptly, following the determination of any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, give notice to the Delegate, the Agents and, in accordance with Condition 18, the Certificateholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect. The Delegate and the Agents shall (at the Trustee and the Government's expense), without any requirement for the consent or sanction of the Certificateholders, be obliged to concur with the Trustee and the Government in effecting any such Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any such Benchmark Replacement Conforming Changes, provided that none of the Delegate nor any Agent shall be required to effect such Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of such Benchmark Replacement Conforming Changes if the same would impose, in its opinion, more onerous obligations upon it or expose it to any liability against which it is not adequately indemnified and/or secured and/or prefunded to its satisfaction or impose any additional duties, responsibilities or liabilities or reduce or amend its rights and/or the protective provisions afforded to it.

No later than notifying the Certificateholders of the same, the Government shall provide a certificate signed by two authorised signatories of the Government to the Trustee, the Delegate and the Principal Paying Agent:

- (a) confirming (i) that a Benchmark Transition Event has occurred, (ii) the relevant Benchmark Replacement and, (iii) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 8.6; and
- (b) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

For the purposes of this Condition 8.6:

Benchmark means, initially, Term SOFR; provided that if the Trustee and the Government determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Term SOFR or the then-current Benchmark, then Benchmark shall mean the applicable Benchmark Replacement;

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Trustee and the Government as of the Benchmark Replacement Date:

- (a) the sum of: (i) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (ii) the Benchmark Replacement Adjustment; or
- (b) the sum of: (i) the alternate rate of interest that has been selected by the Trustee and the Government as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (ii) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Trustee and the Government as of the Benchmark Replacement Date:

- (a) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement; or
- (b) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Trustee and the Government giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate notes at such time;

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of profit, rounding of amounts or tenors, and other administrative matters) that the Trustee and the Government decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Trustee and the Government decides that adoption of any portion of such market practice is not administratively feasible or if the Trustee and the Government determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Trustee and the Government determines is reasonably necessary);

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of paragraph (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (b) in the case of paragraph (c) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (a) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;

- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

Reference Time with respect to any determination of the Benchmark means (i) if the Benchmark is Term SOFR, the Reference Time (as defined in Condition 8.4), and (ii) if the Benchmark is not Term SOFR, the time determined by the Trustee and the Government after giving effect to the Benchmark Replacement Conforming Changes;

Relevant Governmental Body means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

8.7 Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of a Return Accumulation Period in the applicable Final Terms, the Rate for such Return Accumulation Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Return Accumulation Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Return Accumulation Period, provided however that, if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

8.8 Calculation of Periodic Distribution Amount

The Calculation Agent will, as soon as practicable after the time at which the Rate is to be determined in relation to each Return Accumulation Period, calculate the Periodic Distribution Amount payable in respect of each Certificate for such Return Accumulation Period. The Periodic Distribution Amount will be calculated by applying the Rate applicable to the relevant Return Accumulation Period to:

- (a) in the case of Certificates which are represented by a Global Certificate, the aggregate outstanding face amount of the Certificates represented by such Global Certificate; or
- (b) in the case of Certificates in definitive form, the Calculation Amount,

and, in each case, multiplying the product by the relevant Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). Where the Specified Denomination of a Certificate in definitive form is a multiple of the Calculation Amount, the Periodic Distribution Amount payable in respect of such Certificate shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of a Periodic Distribution Amount in accordance with this Condition:

- (a) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 (or, if any portion of that Return Accumulation Period falls in a leap year, the

sum of (A) the actual number of days in that portion of the Return Accumulation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Return Accumulation Period falling in a non-leap year divided by 365);

- (b) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365;
- (c) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;
- (d) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Return Accumulation Period divided by 360;
- (e) if "30/360" "360/360" or "Bond Basis" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number is 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

if "30E/360" or "Eurobond Basis" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless such number would be 31, in which case D₂ will be 30;

if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Return Accumulation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Return Accumulation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Return Accumulation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Return Accumulation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Return Accumulation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Return Accumulation Period, unless (i) that day is the last day of February but not the Scheduled Dissolution Date or (ii) such number would be 31, in which case D₂ will be 30.

8.9 Publication

The Calculation Agent will cause each Rate and Periodic Distribution Amount determined by it, together with the relevant Periodic Distribution Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Trustee, the Government, the Delegate, the Paying Agents and each listing authority, stock exchange (save where the Certificates are listed on the Dubai Financial Market (the **DFM**)) and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate, Periodic Distribution Amount and Periodic Distribution Date) in any event not later than the fourth day of the relevant Return Accumulation Period. Notice thereof shall also promptly be given to the Certificateholders in accordance with Condition 18. The Calculation Agent will be required to recalculate any Periodic Distribution Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Return Accumulation Period and any such recalculation will be notified to the Trustee, the Government, the Delegate, the Paying Agents, the Certificateholders and each listing authority, stock exchange (save where the Certificates are listed on DFM) and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation as soon as practicable after such determination. Where the Certificates are listed on the DFM, the Government shall, promptly upon being notified of the same by the Principal Paying Agent, cause each Rate, Periodic Distribution Amount, relevant Periodic Distribution Date, any other amount(s) determined by the Calculation Agent together with any other relevant payment date(s) (including any subsequent amendments of the same) determined under this Condition 8.9 to be notified to the DFM and any other listing authority relevant to that listing.

8.10 Notifications, etc. to be final

All communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition by the Calculation Agent will (in the absence of wilful default, bad faith or manifest or

proven error) be binding on the Trustee, the Delegate, the Government, the Agents and all Certificateholders and (in the absence of wilful default, bad faith or manifest or proven error) no liability shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

8.11 Calculation Agent

Notwithstanding any other provision of this Condition 8, if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 8, the Calculation Agent shall promptly notify the Government thereof and the Government shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Government thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

9. PAYMENT

9.1 Payments in respect of the Certificates

Subject to Condition 9.2, payment of any Dissolution Amount and any Periodic Distribution Amount will be made by transfer to the registered account of each Certificateholder. Payments of any Dissolution Amount will only be made against surrender of the relevant Certificate at the specified office of any of the Paying Agents. Each Dissolution Amount and each Periodic Distribution Amount will be paid to the holder shown on the Register at the close of business on the relevant Record Date.

For the purposes of this Condition:

- (a) **Dissolution Amount** means, as appropriate, the Final Dissolution Amount, the Optional Dissolution Amount, the Certificateholder Put Right Dissolution Amount, the Tangibility Event Put Right Dissolution Amount, the Total Loss Dissolution Amount, the Clean Up Dissolution Amount, the Dissolution Amount for the purposes of Condition 15 or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the applicable Final Terms;
- (b) **Payment Business Day** means:
 - (i) in the case where presentation and surrender of a Definitive Certificate is required before payment can be made, a day on which banks in the relevant place of surrender of the Definitive Certificate are open for presentation and payment of securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account:
 - (A) if the currency of payment is euro, the day on which T2 is open and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
 - (B) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the principal financial centre of the currency of payment and in each (if any) Additional Financial Centre;
- (c) a Certificateholder's **registered account** means the account maintained by or on behalf of such Certificateholder with a bank that processes payments in the Specified Currency, details of which appear on the Register at the close of business on the relevant Record Date;
- (d) a Certificateholder's **registered address** means its address appearing on the Register at that time; and
- (e) **Record Date** means (i) (where the Certificate is represented by a Global Certificate), at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the Periodic Distribution Date, Scheduled Dissolution Date or Dissolution Date, as the case may be; or (ii) (where the Certificate is in definitive form), in the case of the payment of a Periodic Distribution Amount, the date falling on the 15th day before the

relevant Periodic Distribution Date and, in the case of the payment of a Dissolution Amount, the date falling two Payment Business Days before the Scheduled Dissolution Date or Dissolution Date, as the case may be.

9.2 Payments subject to Applicable Laws

Payments in respect of Certificates are subject in all cases to: (i) any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 12; and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (as amended, the **Code**) or otherwise imposed in connection with Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, any intergovernmental agreement relating to those sections, or any non-US law implementing such an intergovernmental agreement.

9.3 Payment only on a Payment Business Day

Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that is not a Payment Business Day, for value the first following day which is a Payment Business Day) will be initiated on the due date for payment or, in the case of a payment of any Dissolution Amount, if later, on the Payment Business Day on which the relevant Definitive Certificate is surrendered at the specified office of a Paying Agent for value as soon as practicable thereafter.

Certificateholders will not be entitled to any additional payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day or if the relevant Certificateholder is late in surrendering its Definitive Certificate (if required to do so).

If the amount of any Dissolution Amount or Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount in fact paid.

9.4 Cessation of Profit Entitlement

No further amounts will be payable on any Certificate from and including (a) the Dissolution Date (excluding a Total Loss Dissolution Date), unless default is made in the payment of the Dissolution Amount and provided that a Sale Agreement has not been entered into in accordance with the terms of the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be, in which case Periodic Distribution Amounts will continue to accrue in respect of the Certificates in the manner provided in these Conditions to the earlier of: (i) the Relevant Date; or (ii) the date on which a Sale Agreement is executed pursuant to the Purchase Undertaking or the Sale and Substitution Undertaking, as the case may be; and (b) the date on which a Total Loss Event occurs provided that the Lease Assets have not been replaced in accordance with the Service Agency Agreement.

10. AGENTS

10.1 Agents of Trustee

In acting under the Agency Agreement and in connection with the Certificates, the Agents act solely as agents of the Trustee and (to the extent provided therein) the Delegate and do not assume any obligations towards or relationship of agency or trust for or with any of the Certificateholders or the Government. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

10.2 Specified Offices

The names of the initial Agents and their initial specified offices are set out in the Agency Agreement. The Trustee reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional or other Agents provided, however, that:

- (a) there will at all times be a Principal Paying Agent;

- (b) there will at all times be a Registrar;
- (c) if a Calculation Agent (other than the Principal Paying Agent) has been appointed in the applicable Final Terms, there will at all times be a Calculation Agent; and
- (d) so long as any Certificates are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system, there will at all times be a Paying Agent, Registrar and a Transfer Agent having its specified office in such place (if any) as may be required by the rules of such listing authority, stock exchange and/or quotation system.

Notice of any termination or appointment and of any changes in specified offices will be given to the Certificateholders promptly by the Trustee in accordance with Condition 18.

11. CAPITAL DISTRIBUTIONS OF THE TRUST

11.1 Scheduled Dissolution

Unless the Certificates are previously redeemed, or purchased and cancelled, in full, the Trustee will redeem each Certificate on the Scheduled Dissolution Date at the Final Dissolution Amount together with any accrued but unpaid Periodic Distribution Amount. Upon payment in full of such amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee and the Trustee shall have no further obligations in respect thereof.

11.2 Dissolution at the Option of the Trustee

If Optional Dissolution (Call Right) is specified in the applicable Final Terms as being applicable, the Trustee shall (upon receipt of a duly completed Exercise Notice from the Government in accordance with the Sale and Substitution Undertaking), redeem the Certificates in whole, but not in part, on any Optional Dissolution Date, which must be a Periodic Distribution Date if the Floating Periodic Distribution Provisions are specified as applicable in the applicable Final Terms, at the relevant Optional Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts on the Trustee giving not less than 15 nor more than 60 days' notice to the Certificateholders in accordance with Condition 18 (which notice shall be irrevocable and shall oblige the Trustee to redeem the Certificates on the relevant Optional Dissolution Date). Upon such redemption, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee and the Trustee shall have no further obligations in respect thereof.

Optional Dissolution (Call Right) and Certificateholder Put Right may not both be specified as applicable in the applicable Final Terms.

11.3 Dissolution at the Option of Certificateholders

If Certificateholder Put Right is specified in the applicable Final Terms as being applicable, the Trustee shall, at the option of any Certificateholder, upon such holder giving to the Trustee not less than the minimum period of notice nor more than the maximum period of notice specified in the applicable Final Terms, upon the expiry of such notice, redeem such Certificates on the Certificateholder Put Right Date at the relevant Certificateholder Put Right Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts. If all (and not some only) of the Certificates are to be redeemed on any Certificateholder Put Right Date in accordance with this Condition 11.3, upon payment in full of the relevant Certificateholder Put Right Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

To exercise the right in this Condition 11.3 the relevant holder must, if such Certificates are in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Principal Paying Agent at any time during normal business hours of the Principal Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from the specified office of the Principal Paying Agent (a **Certificateholder Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition 11.3 and the face amount thereof to be

redeemed and, if less than the full amount of the Certificates so surrendered is to be redeemed, an address to which a new Certificate in respect of the balance of such Certificate is to be sent subject to and in accordance with the provisions of Condition 2.

If the Certificates are represented by a Global Certificate or are in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right in this Condition 11.3 a holder must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Certificateholder's instruction by Euroclear, Clearstream, Luxembourg or any depository for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and if the Certificates are represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the Principal Paying Agent for notation accordingly.

Any Certificateholder Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Certificate pursuant to this Condition 11.3 shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates to be redeemed pursuant to Condition 15, in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 11.3.

Certificateholder Put Right and Optional Dissolution (Call Right) may not both be specified as applicable in the applicable Final Terms.

11.4 Dissolution at the Option of Certificateholders following a Tangibility Event

The Trustee shall, upon receipt of a Tangibility Event Trustee Notice from the Government in accordance with the Service Agency Agreement, promptly give notice (a **Tangibility Event Notice**) to the Delegate and the Certificateholders in accordance with Condition 18, specifying:

- (a) that a Tangibility Event has occurred, together with an explanation of the reasons for, and evidence of, such occurrence;
- (b) that, as determined in consultation with the *Shari'ah* Adviser, the Certificates should be tradable only in accordance with the *Shari'ah* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);
- (c) that, on the date falling 15 days following the Tangibility Event Put Right Date, the Certificates will be delisted from any stock exchange (if any) on which the Certificates are admitted to listing or, if such date is not a business day, the next following business day (**business day** being, for this purpose, a day on which the stock exchange on which the Certificates are admitted to listing is open for business); and
- (d) the Tangibility Event Put Period, during which period any Certificateholder shall have the right to require the redemption of all or any of its Certificates.

Upon receipt of the Tangibility Event Notice, Certificateholders may elect, within the Tangibility Event Put Right Period, for all or any of their Certificates to be redeemed.

If any Certificateholders elect to redeem their Certificates, in whole or in part, in accordance with this Condition 11.4, the Trustee shall redeem such Certificates on the Tangibility Event Put Right Date at the relevant Tangibility Event Put Right Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts. If all (and not some only) of the Certificates are to be redeemed on any Tangibility Event Put Right Date in accordance with this Condition 11.4, upon payment in full of the relevant Tangibility Event Put Right Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts to the Certificateholders, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

To exercise the right in this Condition 11.4, the relevant holder must, if such Certificates are in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of the Principal Paying Agent at any time during normal business hours of the Principal Paying Agent falling within the Tangibility Event Put Period, a duly completed and signed notice of exercise in the form

(for the time being current) obtainable from the specified office of the Principal Paying Agent (a **Tangibility Event Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition 11.4 and the face amount thereof to be redeemed and, if less than the full amount of the Certificates so surrendered is to be redeemed, an address to which a new Certificate in respect of the balance of such Certificate is to be sent subject to and in accordance with the provisions of Condition 2.

If the Certificates are represented by a Global Certificate or are in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right in this Condition 11.4 a holder must, within the Tangibility Event Put Period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on such Certificateholder's instruction by Euroclear, Clearstream, Luxembourg or any depository for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and if the Certificates are represented by a Global Certificate, at the same time present or procure the presentation of the relevant Global Certificate to the Principal Paying Agent for notation accordingly.

Any Tangibility Event Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg by a holder of any Certificate pursuant to this Condition 11.4 shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Certificates to be redeemed pursuant to Condition 15, in which event such holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 11.4.

In these Conditions:

a **Tangibility Event** means if, at any time, the Tangible Asset Ratio, other than as a result of the occurrence of a Loss Event, falls below 33 per cent.;

Tangibility Event Put Right Date means the first Business Day falling 75 days following the expiry of the Tangibility Event Put Period;

Tangibility Event Put Period means a period of 30 days commencing on the date that a Tangibility Event Notice is given;

Tangibility Event Trustee Notice has the meaning given to it in the Service Agency Agreement; and

Tangible Asset Ratio has the meaning given to it in the Service Agency Agreement.

For the avoidance of doubt, neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'ah* principles of debt trading referred to in (ii) above nor shall it be liable to any Certificateholder or any other person in respect thereof.

11.5 **Dissolution for Clean Up Reasons**

If 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to this Condition 11 and/or Condition 14, as the case may be, the Trustee shall, upon receipt of a duly completed Exercise Notice from the Government in accordance with the Sale and Substitution Undertaking, redeem the Certificates in whole, but not in part, on the date specified in such notice (such date, the **Clean Up Dissolution Date**), which must be a Periodic Distribution Date if the Floating Periodic Distribution Provisions are specified as applicable in the applicable Final Terms, at the relevant Clean Up Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts on giving not less than 15 nor more than 60 days' notice to the Certificateholders in accordance with Condition 18 (which notice shall be irrevocable and shall oblige the Trustee to redeem the Certificates on the relevant Clean Up Dissolution Date). Upon such redemption, the Trust will terminate, the Certificates shall cease to represent undivided ownership interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof; provided, however, that no such notice of redemption shall be given unless the Trustee has received an exercise notice from the Government under the Trust Deed.

11.6 **Dissolution following a Total Loss Event**

The Trustee shall, upon receipt of a written notice from the Government, or otherwise upon having actual knowledge, of the occurrence of a Total Loss Event, redeem the Certificates in whole, but not in part, provided that the Lease Assets have not been replaced in

accordance with the Service Agency Agreement, on the Total Loss Dissolution Date by no later than the close of business in London on the 61st day after the occurrence of the Total Loss Event (a **Total Loss Dissolution Date**) at the relevant Total Loss Dissolution Amount together with any accrued but unpaid Periodic Distribution Amounts.

Following the occurrence of a Total Loss Event, the Service Agent shall promptly notify the Trustee and the Delegate of the same and the Trustee shall promptly notify Certificateholders (the **Trading Notice**): (a) of the occurrence of the Total Loss Event; and (b) from the date of the Trading Notice and until any further notice from the Trustee, in consultation with the *Shari'ah* Adviser, the Certificates should be tradable only in accordance with the *Shari'ah* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

The Service Agency Agreement will provide that, following the occurrence of a Partial Loss Event and the ratio of (i) the Value of the Lease Assets (which for this purpose shall exclude any impaired Lease Assets) to (ii) the aggregate of the Value of the Lease Assets and, if applicable, the outstanding Deferred Sale Price at such time, falls below 33 per cent., the Service Agent shall request the Trustee to, and upon such request the Trustee shall, promptly deliver a Trading Notice to the Certificateholders in accordance with Condition 18 specifying (a) the occurrence of such event; and (b) that, from the date of the Trading Notice, and until any further notice from the Trustee, in consultation with the *Shari'ah* Adviser stating otherwise, the Certificates should be tradable only in accordance with the *Shari'ah* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis).

In these Conditions:

Partial Loss Event means the partial impairment of one or more Lease Assets in a manner that substantially deprives the Government (in its capacity as Lessee) from the benefits expected from the whole of the Lease Assets, as determined by the Government (in its capacity as Lessee) and the occurrence of which: (a) has been certified in writing by a recognised independent industry expert; and (b) does not constitute a Total Loss Event;

Total Loss Event means the total loss or destruction of, or damage to, the whole of the Lease Assets or any event or occurrence that renders the whole of the Lease Assets permanently unfit for any economic use and the repair or remedial work in respect thereof is wholly uneconomical.

For the avoidance of doubt, neither the Delegate nor any Agent will have any responsibility for monitoring or ensuring compliance with any such *Shari'ah* principles of debt trading referred to above nor shall it be liable to any Certificateholder or any other person in respect thereof.

Value has the meaning given to it in the Service Agency Agreement.

11.7 **No other Dissolution**

The Trustee shall not be entitled to redeem the Certificates, and the Trustee shall not be entitled to dissolve the Trust, otherwise than as provided in this Condition, Condition 14 and Condition 15.

11.8 **Dissolution Date**

In these Conditions, the expression **Dissolution Date** means, as the case may be, (a) the Scheduled Dissolution Date, (b) the Optional Dissolution Date; (c) any Certificateholder Put Right Date; (d) any Tangibility Event Put Right Date; (e) the Total Loss Dissolution Date or (f) the Dissolution Event Redemption Date.

12. **TAXATION**

All payments in respect of the Certificates shall be made free and clear of and without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law. In such event, the Trustee will pay additional amounts so that the full amount which otherwise would have been due and payable under the Certificates is received by parties entitled thereto, except that no such additional amount shall be payable in relation to any payment in respect of any Certificate.

- (a) presented for payment (where presentation is required) by or on behalf of a holder who is liable for such Taxes in respect of such Certificate by reason of having some connection with a Relevant Jurisdiction other than the mere holding of such Certificate;
- (b) presented for payment by or on behalf of a Certificateholder who is eligible for a reduction or exemption from such withholding taxes by complying with any certification, identification or other reporting requirements whether imposed by statute, treaty, regulation or administrative practice concerning nationality, residence or connection with the Relevant Jurisdiction if such compliance is requested by the Trustee and is required as a precondition to such relief or exemption from such withholding taxes and if, after having been requested to make such certification or identification or comply with such reporting requirements, such Certificateholder fails to do so; or
- (c) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that the Certificateholder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Payment Business Day.

Notwithstanding any other provision of these Conditions, in no event will the Trustee be required to pay any additional amounts in respect of the Certificates for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed in connection with Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, any intergovernmental agreement relating to those sections, or any non-US law implementing such an intergovernmental agreement.

As used in these Conditions:

Relevant Date means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the principal financial centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which the full amount has been so received;

Relevant Jurisdiction means the United Arab Emirates (the **UAE**), any Emirate thereof or the Dubai International Financial Centre (the **DIFC**) or, in any case, any political subdivision or authority thereof or therein having the power to tax; and

Taxes means any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature imposed or levied by or on behalf of any Relevant Jurisdiction.

The Transaction Documents provide that payments thereunder by the Government (acting in any capacity) shall be made without withholding or deduction for, or on account of, any present or future Taxes, unless the withholding or deduction of the Taxes is required by law and, in such case, provide for the payment by the Government (acting in any capacity), of additional amounts so that the full amount which would otherwise have been due and payable is received by the Trustee.

13. PRESCRIPTION

The right to receive distributions in respect of the Certificates will be forfeited unless claimed within periods of 10 years (in the case of Dissolution Amounts) and five years (in the case of Periodic Distribution Amounts) from the Relevant Date in respect thereof, subject to the provisions of Condition 9.

14. PURCHASE AND CANCELLATION OF CERTIFICATES

14.1 Purchases

The Government may at any time purchase Certificates at any price in the open market or otherwise.

14.2 Cancellation of Certificates

Any Certificates which are redeemed or purchased by or on behalf of the Government may be surrendered to the Principal Paying Agent for cancellation on the next succeeding Periodic Distribution Date. Any Certificates surrendered for cancellation may not be held, reissued or resold by the Trustee.

15. DISSOLUTION EVENTS

15.1 Dissolution Events

Upon the occurrence and continuation of any of the following events (**Dissolution Events**):

- (a) default is made in the payment of the Dissolution Amount or any Periodic Distribution Amount and, in the case of a Periodic Distribution Amount only, such default continues for a period of 14 days from the due date for payment; or
- (b) the Trustee defaults in the performance or observance of or compliance with any of its other obligations or undertakings under the Trust Deed, the Lease Agreement or the Purchase Undertaking and such default is not capable of remedy or (if capable of remedy) is not remedied within 30 days after written notice of such default shall have been given to the Trustee by the Delegate; or
- (c) a Government Event (as defined below) occurs; or
- (d) the Trustee repudiates any Transaction Document or does or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document; or
- (e) at any time it is or will become unlawful or impossible for the Trustee to perform or comply with any or all of its obligations under the Transaction Documents or any of the obligations of the Trustee under the Transaction Documents are not or cease to be legal, valid and binding; or
- (f) either (i) the Trustee becomes insolvent or is unable to pay its debts as they fall due or (ii) an administrator or liquidator of the whole or substantially the whole of the undertaking, assets and revenues of the Trustee is appointed (or application for any such appointment is made) or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it or (iv) the Trustee ceases or threatens to cease to carry on all or substantially the whole of its business (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (g) an order or decree is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee; or
- (h) any event occurs which under the laws of Dubai or the DIFC has an analogous effect to any of the events referred to in paragraph (f) and (g) above,

the Delegate shall, as soon as practicable upon receiving express notice thereof, give notice of the occurrence of such Dissolution Event to the holders of Certificates in accordance with Condition 18 with a request to such holders to indicate if they wish the Certificates to be redeemed and the Trust to be dissolved. If so requested in writing by the holders of at least 20 per cent. of the then aggregate face amount of the Certificates outstanding or if so directed by an Extraordinary Resolution of the holders of the Certificates, the Delegate shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) or, if the Delegate so decides in its discretion, the Delegate may give notice to the Trustee, the Government and all the holders of the Certificates in accordance with Condition 18 that the Certificates are to be redeemed at the Dissolution Amount on the date specified in such notice (the **Dissolution Request**). Immediately following receipt of such Dissolution Request, the Trustee (or the Delegate in the name of the Trustee) shall deliver an Exercise Notice to the Government under the Purchase Undertaking and use the proceeds thereof and, if applicable, the aggregate amounts then outstanding payable by the Government under the Master Murabaha Agreement to redeem the Certificates at the Dissolution Amount, together with all accrued but unpaid Periodic Distribution Amounts on the date specified in the Dissolution

Request (the **Dissolution Event Redemption Date**). Upon payment in full of such amounts, the Trust will terminate, the Certificates shall cease to represent the Trust Assets and no further amounts shall be payable in respect thereof and the Trustee shall have no further obligations in respect thereof.

For the purpose of (a) above, amounts shall be considered due in respect of the Certificates (including any amounts calculated as being payable under Condition 7, Condition 8 and Condition 12) notwithstanding that the Trustee has, at the relevant time, insufficient funds to pay such amounts.

15.2 Government Event

The Government agrees that each of the following events or circumstances shall constitute a **Government Event**:

- (a) **Non-Payment**: default is made by the Government in the payment of any amount in the nature of profit or principal payable by it pursuant to any Transaction Document to which it is a party, and the default continues for a period of at least 30 days (in the case of any amount in the nature of profit) or 14 days (in the case of any amount in the nature of principal); or
- (b) **Partial Loss Dissolution Event**: the occurrence of a Partial Loss Dissolution Event; or
- (c) **Breach of Other Obligations**: the Government (acting in any capacity): (i) delivers a notice to the Trustee and the Delegate pursuant to clause 4.1(d) of the Service Agency Agreement; or (ii) does not perform or comply with any one or more of its other obligations under the Transaction Documents to which it is a party relating to such Series (including those set out in clauses 3.2 and 3.3 of the relevant Supplemental Lease Agreement but other than: (i) a default specified in (a) or (b) above or (ii) its obligations as set out in (A) clause 4.1 of the Service Agency Agreement; and (B) clause 7 of the Service Agency Agreement (save for the delivery of the Tangibility Event Trustee Notice)) and (except in any case where, in the opinion of the Delegate, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 45 days next following the service by the Delegate on the Government of written notice requiring the same to be remedied; or
- (d) **Cross-Acceleration**: (A) any other present or future Indebtedness or Sukuk Obligation of the Government for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default (however described), or (B) any such Indebtedness or Sukuk Obligation is not paid when due or, as the case may be, within any applicable grace period provided that the aggregate amount of the relevant Indebtedness or Sukuk Obligation in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds U.S.\$75,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank on the day on which this paragraph operates); or
- (e) **Moratorium**: the Government shall enter into an arrangement with its creditors generally for the rescheduling or postponement of its debts or a moratorium on the payment of any amount due in respect of all or any part of the Indebtedness or any Sukuk Obligation of the Government shall be declared; or
- (f) **Unlawfulness or invalidity**: the validity of the Government's obligations under any of the Transaction Documents is contested by the Government or the Government shall deny any of its obligations under the Transaction Documents or as a result of any change in, or amendment to, the laws or regulations in the United Arab Emirates or the Emirate of Dubai (i) it becomes unlawful for the Government to perform or comply with any of its obligations under or in respect of the Transaction Documents or (ii) any of such obligations becomes unenforceable or invalid,

provided, however, that in the case of the happening of any of the events described above (other than paragraphs (a) and (c)), the Delegate shall have certified in writing to the Government that such event is, in its opinion, materially prejudicial to the interests of the holders of the Certificates.

In this Condition:

Indebtedness means all obligations, and guarantees or indemnities in respect of obligations, for moneys borrowed or raised (whether or not evidenced by bonds, debentures, notes or other similar instruments);

Partial Loss Dissolution Event means the termination of the lease of the Lease Assets in accordance with the Lease Agreement on the 61st day after the date of occurrence of the Partial Loss Event as a result of either: (a) provided that the Lease Assets have not been replaced in accordance with the Service Agency Agreement, the delivery by the Government of a Partial Loss Termination Notice (as defined in the Master Lease Agreement) to the Trustee (in its capacity as Lessor) within 30 days after the date of occurrence of the Partial Loss Event in accordance with the Lease Agreement; or (b) the failure by the Government to replace the Lease Assets within 60 days after the date of occurrence of the Partial Loss Event in accordance with the Service Agency Agreement; and

Sukuk Obligation means any undertaking or other obligation, and any guarantee or indemnity in respect of any undertaking or other obligation, to pay any money given in connection with the issue of certificates whether or not in return for consideration of any kind.

16. ENFORCEMENT AND EXERCISE OF RIGHTS

16.1 Enforcement

Upon the occurrence of a Dissolution Event and the giving of notice of a Dissolution Request to the Trustee by the Delegate, to the extent that the amounts payable in respect of the Certificates have not been paid in full pursuant to Condition 15, the Delegate shall (subject to being indemnified and/or secured and/or prefunded to its satisfaction), take one or more of the following steps:

- (a) enforce the Government's obligations under the Transaction Documents to which it is a party; and/or
- (b) take such other steps as the Delegate may consider necessary in its absolute discretion to protect the interests of the Certificateholders.

Notwithstanding the foregoing but subject to Condition 16.2, the Delegate may at any time, at its discretion and without notice, take such proceedings and/or other steps as it may think fit against or in relation to each of the Trustee and/or the Government to enforce their respective obligations under the Transaction Documents to which they are a party, these Conditions and the Certificates.

16.2 Delegate not obliged to take Action

The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the Trust Assets or take any action against the Trustee and/or the Government under any Transaction Document unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least 20 per cent. of the then aggregate face amount of the Certificates outstanding and in either case then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

16.3 Direct Enforcement by Certificateholders

No Certificateholder shall be entitled to proceed directly against, or to provide instructions to the Trustee to pursue any claim against, the Trustee and/or the Government arising under the Trust Assets or the Certificates or to enforce the performance of any provisions of any of the Transaction Documents or for any other reason unless (a) the Delegate, having become bound so to proceed, (i) fails to do so within a reasonable period or (ii) is unable for any reason including by reason of an order of a court having competent jurisdiction to do so, and such failure or inability is continuing. Under no circumstances shall the Delegate or any Certificateholder have any right to cause the sale or other disposition of any of the Trust Assets (other than pursuant to the terms of the Transaction Documents or under these Conditions) and the sole right of the Delegate and the Certificateholders against the Trustee and the Government shall be to enforce their respective obligations under the Transaction Documents to which they are a party.

16.4 Limited Recourse

The foregoing paragraphs in this Condition are subject to this paragraph. After enforcing or realising the Trust Assets and distributing the proceeds of the Trust Assets in accordance with Condition 4.2 and the Trust Deed, the obligations of the Trustee in respect of the Certificates shall be satisfied and no holder of the Certificates may take any further steps against the Trustee, the Delegate or any

other person to recover any further sums in respect of the Certificates and the right to receive any sums unpaid shall be extinguished. In particular, no holder of the Certificates shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

17. REPLACEMENT OF DEFINITIVE CERTIFICATES

Should any Definitive Certificate be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Trustee or the Government may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

18. NOTICES

All notices to Certificateholders will be valid if:

- (a) published in a daily newspaper (which will be in a leading English language newspaper having general circulation) in the Gulf region and a daily newspaper having general circulation in London (which is expected to be the *Financial Times*) approved by the Delegate; or
- (b) mailed to them by first class pre-paid registered mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective registered addresses.

The Trustee shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system (if any) by which the Certificates have then been admitted to listing, trading and/or quotation, including publication on the website of the relevant stock exchange or relevant authority if required by those rules. Any notice shall be deemed to have been given on the day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

Until such time as any Definitive Certificates are issued, there may, so long as any Global Certificate representing the Certificates is held on behalf of one or more clearing systems, be substituted for such publication in such newspaper(s) or such websites the delivery of the relevant notice to the relevant clearing systems for communication by them to the Certificateholders and, in addition, for so long as any Certificates are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published on the website of the relevant stock exchange or relevant authority and/or in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Certificateholders on the day on which the said notice was given to the relevant clearing systems.

Notices to be given by any Certificateholder shall be in writing and given by lodging the same with the Principal Paying Agent. Whilst any of the Certificates are represented by a Global Certificate held on behalf of one or more clearing systems, such notice may be given by any holder of a Certificate to the Principal Paying Agent through the clearing system in which its interest in the Certificates is held in such manner as the Principal Paying Agent and the relevant clearing system may approve for this purpose.

19. MEETINGS OF CERTIFICATEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

19.1 Convening Meetings of Certificateholders; Conduct of Meetings of Certificateholders; Written Resolutions

- (a) The Trustee, the Government or the Delegate may convene a meeting of the Certificateholders at any time in respect of the Certificates in accordance with the Trust Deed. The Trustee, the Government or the Delegate, as the case may be, will determine the time and place of the meeting provided that, in the case of a meeting convened by the Trustee or the Government, the time and place of such meeting shall be subject to the prior written approval of the Delegate. The Trustee, the Government or the Delegate, as the case may be, will notify the Certificateholders of the time, place and purpose of the meeting not less than 21 and not more than 45 clear days before the meeting.

- (b) The Trustee or the Government, as the case may be, will convene a meeting of Certificateholders if the holders of at least 10 per cent. in face amount of the outstanding Certificates have delivered a written request to the Trustee, the Government or the Delegate, as the case may be, setting out the purpose of the meeting. The Delegate will agree the time and place of the meeting with the Trustee promptly. The Trustee, the Government or the Delegate, as the case may be, will notify the Certificateholders within 10 days of receipt of such written request of the time and place of the meeting, which shall take place not less than 21 and not more than 45 clear days after the date on which such notification is given.
- (c) The Trustee or the Government, as the case may be, with the agreement of the Delegate, will set the procedures governing the conduct of any meeting in accordance with the Trust Deed. If additional procedures are required, the Trustee, the Government and the Delegate will agree such procedures as are customary in the market and in such a manner as to facilitate any multiple series aggregation, if in relation to a Reserved Matter and the Trustee or the Government, as the case may be, proposes any modification to the terms and conditions of, or action with respect to, two or more series of Securities Capable of Aggregation issued by it.
- (d) The notice convening any meeting will specify, *inter alia*:
- (i) the date, time and location of the meeting;
 - (ii) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;
 - (iii) the record date for the meeting, which shall be no more than five business days before the date of the meeting;
 - (iv) the documentation required to be produced by a Certificateholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Certificateholder's behalf at the meeting;
 - (v) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Certificates are traded and/or held by Certificateholders;
 - (vi) whether Condition 19.2, or Condition 19.3, or Condition 19.4 shall apply and, if relevant, in relation to which other series of securities it applies;
 - (vii) if the proposed modification or action relates to two or more series of securities issued by the Trustee and contemplates such series of securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group of securities;
 - (viii) such information that is required to be provided by the Trustee or the Government, as the case may be, in accordance with Condition 19.6;
 - (ix) the identity of the Aggregation Agent and the Calculation Agent (each as defined in this Condition 19), if any, for any proposed modification or action to be voted on at the meeting, and the details of any applicable methodology referred to in Condition 19.7; and
 - (x) any additional procedures which may be necessary and, if applicable, the conditions under which a multiple series aggregation will be deemed to have been satisfied if it is approved as to some but not all of the affected series of securities.
- (e) All information to be provided pursuant to Condition 19.1(d) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents (as defined in Condition 19.12).
- (f) A record date in relation to any proposed modification or action means the date fixed by the Trustee or the Government, as the case may be, for determining the Certificateholders and, in the case of a multiple series aggregation, the holders of securities of each other affected series that are entitled to vote on a Multiple Series Single Limb Extraordinary Resolution or a Multiple Series Two Limb Extraordinary Resolution, or to sign a Multiple Series Single Limb Written Resolution or a Multiple Series Two Limb Written Resolution.

- (g) An **Extraordinary Resolution** means any of a Single Series Extraordinary Resolution, a Multiple Series Single Limb Extraordinary Resolution and/or a Multiple Series Two Limb Extraordinary Resolution, as the case may be.
- (h) A **Written Resolution** means any of a Single Series Written Resolution, a Multiple Series Single Limb Written Resolution and/or a Multiple Series Two Limb Written Resolution, as the case may be.
- (i) Any reference to **securities** means any certificates (including the Certificates), bonds, debentures or other securities issued by the Trustee or the Government, as the case may be, in one or more series with an original stated maturity of more than one year.
- (j) **Securities Capable of Aggregation** means those securities which include or incorporate by reference this Condition 19 and Condition 20 or provisions substantially in these terms which provide for the securities which include such provisions to be capable of being aggregated for voting purposes with other series of securities.

19.2 Modification of this Series of Certificates only

- (a) Any modification of any provision of, or any action in respect of, the Certificates, these Conditions, the Trust Deed or any other Transaction Document in respect of the Certificates may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.
- (b) A Single Series Extraordinary Resolution means a resolution passed at a meeting of Certificateholders duly convened and held in accordance with the procedures prescribed by the Trustee or the Government, as the case may be, and the Delegate pursuant to Condition 19.1 by a majority of:
 - (i) in the case of a Reserved Matter, at least 75 per cent. of the then aggregate outstanding face amount of the Certificates; or
 - (ii) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the then aggregate outstanding face amount of the Certificates.
- (c) A **Single Series Written Resolution** means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:
 - (i) in the case of a Reserved Matter, at least 75 per cent. of the then aggregate outstanding face amount of the Certificates; or
 - (ii) in the case of a matter other than a Reserved Matter more than 50 per cent. of the then aggregate outstanding face amount of the Certificates.

Any Single Series Written Resolution may be contained in one document or several documents in the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders.
- (d) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Certificateholders, whether or not they attended any meeting, whether or not they voted in favour thereof and whether or not they signed or confirmed in writing any such Single Series Written Resolution, as the case may be.

19.3 Multiple Series Aggregation – Single limb voting

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Single Limb Extraordinary Resolution or by a Multiple Series Single Limb Written Resolution as set out below, provided that the Uniformly Applicable condition is satisfied.
- (b) A **Multiple Series Single Limb Extraordinary Resolution** means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Trustee or the Government, as the case may be, and the Delegate pursuant to Condition 19.1, as

supplemented if necessary, which is passed by a majority of at least 75 per cent. of the then aggregate outstanding face amount of the securities of all affected series of Securities Capable of Aggregation (taken in aggregate).

- (c) A **Multiple Series Single Limb Written Resolution** means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of Aggregation, in accordance with the documentation applicable to each relevant series of securities) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of at least 75 per cent. of the then aggregate outstanding face amount of the securities of all affected series of Securities Capable of Aggregation (taken in aggregate). Any Multiple Series Single Limb Written Resolution may be contained in one document or several documents in substantially the same form, each signed or confirmed in writing by or on behalf of one or more Certificateholders or one or more holders of each affected series of securities.
- (d) Any Multiple Series Single Limb Extraordinary Resolution duly passed or Multiple Series Single Limb Written Resolution duly approved, in each case, in accordance with this Condition 19, shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Single Limb Written Resolution, as the case may be.
- (e) The **Uniformly Applicable** condition will be satisfied if:
 - (i) the holders of all affected series of Securities Capable of Aggregation are invited to exchange, convert, or substitute their securities, on the same terms, for (i) the same new instrument or other consideration or (ii) a new instrument, new instruments or other consideration from an identical menu of instruments or other consideration; or
 - (ii) the amendments proposed to the terms and conditions of each affected series of Securities Capable of Aggregation would, following implementation of such amendments, in the reasonable opinion of the Government, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).
- (f) Any modification or action proposed under Condition 19.3(a) may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 19.3 may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

19.4 Multiple Series Aggregation – Two limb voting

- (a) In relation to a proposal that includes a Reserved Matter, any modification to the terms and conditions of, or any action with respect to, two or more series of Securities Capable of Aggregation may be made or taken if approved by a Multiple Series Two Limb Extraordinary Resolution or by a Multiple Series Two Limb Written Resolution as set out below.
- (b) A Multiple Series Two Limb Extraordinary Resolution means a resolution considered at separate meetings of the holders of each affected series of Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Trustee or the Government, as the case may be, and the Delegate pursuant to Condition 19.1, as supplemented if necessary, which is passed by a majority of:
 - (i) at least 66.67 per cent. of the then aggregate outstanding face amount of the securities of all the affected series of Securities Capable of Aggregation (taken in aggregate); and
 - (ii) more than 50 per cent. of the then aggregate outstanding face amount of the securities in each affected series of Securities Capable of Aggregation (taken individually).
- (c) A Multiple Series Two Limb Written Resolution means each resolution in writing (with a separate resolution in writing or multiple separate resolutions in writing distributed to the holders of each affected series of Securities Capable of

Aggregation, in accordance with the applicable documentation applicable to each relevant series of securities) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

- (i) at least 66.67 per cent. of the then aggregate outstanding face amount of the securities of all the affected series of Securities Capable of Aggregation (taken in aggregate); and
 - (ii) more than 50 per cent. of the then aggregate outstanding face amount of the securities in each affected series of Securities Capable of Aggregation (taken individually).
- (d) Any Multiple Series Two Limb Extraordinary Resolution duly passed or Multiple Series Two Limb Written Resolution duly approved, in each case, in accordance with this Condition 19, shall be binding on all Certificateholders and holders of each other affected series of Securities Capable of Aggregation, whether or not they attended any meeting, whether or not they voted in favour thereof, whether or not any other holder or holders of the same series voted in favour thereof and whether or not they signed or confirmed in writing any such Multiple Series Two Limb Written Resolution, as the case may be.
- (e) Any modification or action proposed under Condition 19.4(a) may be made in respect of some series only of the Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 19.4 may be used for different groups of two or more series of Securities Capable of Aggregation simultaneously.

19.5 Reserved Matters

In these Conditions, **Reserved Matter** means any proposal:

- (a) to change the date, or the method of determining the date, for payment of the Final Dissolution Amount, Periodic Distribution Amount or any other amount in respect of the Certificates, to reduce or cancel the Final Dissolution Amount, Periodic Distribution Amount or any other amount payable on any date in respect of the Certificates or to change the method of calculating the amount of Final Dissolution Amount, Periodic Distribution Amount or any other amount payable in respect of the Certificates on any date;
- (b) to change the currency in which any amount due in respect of the Certificates is payable or the place in which any payment is to be made;
- (c) other resolution of Certificateholders or the number or percentage of votes required to be cast, or the number or percentage of Certificates required to be held, in connection with the taking of any decision or action by or on behalf of the Certificateholders or any of them;
- (d) to change this definition, or the definition of **Extraordinary Resolution**, **Single Series Extraordinary Resolution**, **Multiple Series Single Limb Extraordinary Resolution**, **Multiple Series Two Limb Extraordinary Resolution**, **Written Resolution**, **Single Series Written Resolution**, **Multiple Series Single Limb Written Resolution** or **Multiple Series Two Limb Written Resolution**;
- (e) to change the definition of **securities** or **Securities Capable of Aggregation**;
- (f) to change the definition of **Uniformly Applicable**;
- (g) to change the definition of **outstanding** or to modify the provisions of Condition 19.9;
- (h) to change the legal ranking of the Certificates;
- (i) to change any provision of the Certificates describing circumstances in which Certificates may be declared due and payable prior to their scheduled dissolution date, set out in Condition 15;
- (j) to change the law governing the Certificates, the courts to the jurisdiction of which the Trustee and the Government have submitted in the Certificates, any of the arrangements specified in the Certificates to enable proceedings to be taken or the Government's waiver of immunity, in respect of actions or proceedings brought by any Certificateholder, set out in Condition 24;

- (k) to impose any condition on or otherwise change the Trustee's obligation to make payments of any amount in respect of the Certificates, including by way of the addition of a call option;
- (l) to modify the provisions of this Condition 19.5;
- (m) except as permitted by any Transaction Document, to release any agreement guaranteeing or securing payments under the Certificates or to change the terms of any such guarantee or security;
- (n) to amend any of the Trustee's or the Government's covenants set out in the Trust Deed and (in the case of the Government only) in the Master Lease Agreement or any of the Government's covenants to make a payment under any other Transaction Document to which it is a party; or
- (o) to exchange or substitute all the Certificates for, or convert all the Certificates into, other obligations or securities of the Trustee, the Government or any other person, or to modify any provision of these Conditions, the Certificates, the Trust Deed and/or any other Transaction Document in connection with any exchange or substitution of the Certificates for, or the conversion of the Certificates into, any other obligations or securities of the Trustee, the Government or any other person, which would, in the reasonable opinion of the Government, result in the Conditions as so modified being less favourable to the Certificateholders which are subject to the Conditions as so modified than:
 - (i) the provisions of the other obligations or securities of the Trustee, the Government or any other person resulting from the relevant exchange or substitution or conversion; or
 - (ii) if more than one series of other obligations or securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of securities having the largest aggregate face amount.

19.6 Information

Prior to or on the date that the Trustee or the Government proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 19.2, Condition 19.3 or Condition 19.4, the Trustee or the Government, as the case may be, shall publish in accordance with Condition 20, and provide the Delegate with the following information:

- (a) a description of the Trustee's and the Government's economic and financial circumstances which are, in the Trustee's and the Government's opinion, relevant to the request for any potential modification or action, a description of the Trustee's and the Government's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;
- (b) if the Trustee or the Government shall at the time have entered into an arrangement for financial assistance with multilateral and/or other major creditors or creditor groups and/or an agreement with any such creditors regarding debt relief, a description of any such arrangement or agreement. Where permitted under the information disclosure policies of the multilateral or such other creditors, as applicable, copies of the arrangement or agreement shall be provided;
- (c) a description of the Trustee's or the Government's proposed treatment of external securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other securities and its other major creditor groups; and
- (d) if any proposed modification or action contemplates securities being aggregated in more than one group of securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Certificateholders in Condition 19.1(d)(vii).

19.7 Claims Valuation

For the purpose of calculating the face value of the Certificates and any affected series of securities which are to be aggregated with the Certificates in accordance with Condition 19.3 and Condition 19.4, the Trustee or the Government, as the case may be, may appoint a calculation agent (the **Calculation Agent**). The Trustee shall, with the approval of the Aggregation Agent and any appointed Calculation Agent, promulgate the methodology in accordance with which the Calculation Agent will calculate the face value of the Certificates and

such affected series of securities. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Certificates and each other affected series of securities for these purposes, and the same methodology will be promulgated for each affected series of securities.

19.8 Manifest error, etc.

The Certificates, these Conditions and the provisions of the Trust Deed may be amended without the consent of the Certificateholders to correct a manifest error. In addition, the parties to the Trust Deed may agree to modify any provision thereof, but none of the Trustee, the Government or the Delegate shall agree, without the consent of the Certificateholders, to any such modification unless, in the opinion of the Delegate, it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Certificateholders.

19.9 Certificates controlled by the Trustee or the Government

For the purposes of (a) determining the right to attend and vote at any meeting of Certificateholders, the right to give an Electronic Consent, or the right to sign or confirm in writing, or authorise the signature of, any Written Resolution, (b) this Condition 19 and (c) Condition 15, any Certificates which are for the time being held by any person (including but not limited to the Trustee or the Government) for the benefit of the Trustee or the Government, in each case as beneficial owner, shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

In advance of any meeting of Certificateholders, or in connection with any Electronic Consent or Written Resolution, the Trustee or the Government, as the case may be, shall provide to the Delegate a copy of the certificate prepared pursuant to Condition 20.5, which includes information on the total number of Certificates which are for the time being held by any person (including but not limited to the Trustee or the Government) for the benefit of the Trustee, the Government, or any public body owned or controlled, directly or indirectly, by the Trustee or the Government, as the case may be, and, as such, such Certificates shall be disregarded and deemed not to remain outstanding.

19.10 Publication

The Trustee and the Government shall publish all Extraordinary Resolutions and Written Resolutions which have been determined by the Aggregation Agent to have been duly passed in accordance with Condition 20.8

19.11 Exchange and Conversion

Any Extraordinary Resolution or Written Resolution which has been duly passed and which modifies any provision of, or action in respect of, the Conditions may be implemented at the option of the Trustee or the Government, as the case may be, by way of a mandatory exchange or conversion of the Certificates and each other affected series of securities, as the case may be, into new securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Certificates is notified to Certificateholders at the time notification is given to the Certificateholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Certificateholders.

19.12 Written Resolutions and Electronic Consents

A Written Resolution may be contained in one document or in several documents in like form, each signed by or on behalf of one or more of the Certificateholders.

For so long as any Certificates are in the form of a Global Certificate held on behalf of one or more of Euroclear or Clearstream, Luxembourg or any other clearing system (the **relevant clearing system(s)**), then:

- (a) Approval of a resolution proposed by the Issue, the Government or the Delegate, as the case may be, given by way of electronic consent communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures (i) by or on behalf of all Certificateholders who for the time being are entitled to receive notice of a meeting of Certificateholders or (ii) (where such holders have been given at least 21 clear days' notice of such resolution) by or on behalf of:

- (A) in respect of a proposal that falls within paragraphs (b) and (c) of Condition 19.2, the persons holding at least 75 per cent. of the then aggregate outstanding face amount of the Certificates in the case of a Reserved Matter or more than 50 per cent. of the then aggregate outstanding face amount of the Certificates, in the case of a matter other than a Reserved Matter;
- (B) in respect of a proposal that falls within paragraphs (b) and (c) of Condition 19.3, the persons holding at least 75 per cent. of the then aggregate outstanding face amount of the securities of all affected series of Securities Capable of Aggregation (taken in aggregate);
- (C) in respect of a proposal that falls within paragraphs (b) and (c) of Condition 19.4, (x) the persons holding at least 66.67 per cent. of the then aggregate outstanding face amount of the securities of all affected series of Securities Capable of Aggregation (taken in aggregate); and (y) the persons holding more than 50 per cent. of the then aggregate outstanding face amount of the securities in each affected series of Securities Capable of Aggregation (taken individually),

(in the case of (A), (B) and (C), each an **Electronic Consent**) shall, for all purposes (including Reserved Matters) take effect as (i) a Single Series Extraordinary Resolution (in the case of (A) above), (ii) a Multiple Series Single Limb Extraordinary Resolution (in the case of (B) above) or (iii) a Multiple Series Two Limb Extraordinary Resolution (in the case of (C) above), as applicable.

The notice given to Certificateholders shall specify, in sufficient detail to enable Certificateholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the **Relevant Date**) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the required proportion for approval, the resolution shall, if the party proposing such resolution (the **Proposer**) so determines, be deemed to be defeated. Alternatively, the Proposer may give a further notice to Certificateholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Trustee, the Government and the Delegate (unless the Trustee or the Government, as the case may be, is the Proposer). Such notice must inform Certificateholders that insufficient consents were received in relation to the original resolution and the information specified in the previous paragraph. For the purpose of such further notice, references to Relevant Date shall be construed accordingly.

An Electronic Consent may only be used in relation to a resolution proposed by the Trustee, the Government or the Delegate, as the case may be, which is not then the subject of a meeting that has been validly convened above, unless that meeting is or shall be cancelled or dissolved.

- (b) Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Trustee, the Government and the Delegate shall be entitled to rely on consent or instructions given in writing directly to the Trustee, the Government and/or the Delegate (as the case may be) (a) by accountholders in the relevant clearing system(s) with entitlements to any Global Certificate and/or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Trustee, the Government and the Delegate shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the relevant clearing system(s) and, in the case of (b) above, the relevant clearing system(s) and the accountholder identified by the relevant clearing system(s). Any such certificate or other document (i) shall be conclusive and binding for all purposes and (ii) may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Certificates is clearly identified together with the amount of such holding. None of the Trustee, the Government or the Delegate shall be liable to any person by reason of having accepted as valid or not having rejected any

certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

All information to be provided pursuant to paragraph (d) of Condition 19.1 shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents.

A Written Resolution and/or Electronic Consent duly passed in accordance with this Condition 19, (i) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Certificateholders, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

20. AGGREGATION AGENT; AGGREGATION PROCEDURES

20.1 Appointment

The Trustee or the Government will appoint an aggregation agent (the **Aggregation Agent**) to calculate whether a proposed modification or action has been approved by the required face amount outstanding of Certificates, and, in the case of a multiple series aggregation, by the required face amount of outstanding securities of each affected series of Securities Capable of Aggregation. In the case of a multiple series aggregation, the same person will be appointed as the Aggregation Agent for the proposed modification of any provision of, or any action in respect of, these Conditions, the Trust Deed or the other Transaction Documents in respect of the Certificates and in respect of the terms and conditions or documentation in respect of each other affected series of Securities Capable of Aggregation. The Aggregation Agent shall be independent of the Trustee and the Government.

20.2 Extraordinary Resolutions

If an Extraordinary Resolution has been proposed at a duly convened meeting of Certificateholders to modify any provision of, or action in respect of, these Conditions, the Trust Deed or the other Transaction Documents in respect of the Certificates and the terms and conditions or documentation in respect of each other affected series of Securities Capable of Aggregation, as the case may be, the Aggregation Agent will, as soon as practicable after the time the vote is cast, calculate whether holders of a sufficient portion of the then aggregate outstanding face amount of the Certificates and, where relevant, each other affected series of Securities Capable of Aggregation, have voted in favour of the Extraordinary Resolution such that the Extraordinary Resolution is passed. If so, the Aggregation Agent will determine that the Extraordinary Resolution has been duly passed.

20.3 Written Resolutions

If a Written Resolution has been proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions, the Trust Deed or the other Transaction Documents in respect of the Certificates and the terms and conditions or documentation in respect of each other affected series of Securities Capable of Aggregation, as the case may be, the Aggregation Agent will, as soon as reasonably practicable after the relevant Written Resolution has been signed or confirmed in writing, calculate whether holders of a sufficient portion of the then aggregate outstanding face amount of the Certificates and, where relevant, each other affected series of Securities Capable of Aggregation, have signed or confirmed in writing in favour of the Written Resolution such that the Written Resolution is passed. If so, the Aggregation Agent will determine that the Written Resolution has been duly passed.

20.4 Electronic Consents

If approval of a resolution proposed under the terms of these Conditions to modify any provision of, or action in respect of, these Conditions, the Trust Deed or the other Transaction Documents in respect of the Certificates and the terms and conditions or documentation in respect of each other affected series of Securities Capable of Aggregation, as the case may be, is proposed to be given by way of Electronic Consent, the Aggregation Agent will, as soon as reasonably practicable after the relevant Electronic Consent has been given, calculate whether holders of a sufficient portion of the then aggregate outstanding face amount of the Certificates and, where relevant, each other affected series of Securities Capable of Aggregation, have consented to the resolution by way of Electronic Consent such that the resolution is approved. If so, the Aggregation Agent will determine that the resolution has been duly approved.

20.5 Certificate

For the purposes of Condition 20.2 and Condition 20.3, the Trustee and the Government will provide a certificate to the Aggregation Agent up to three days prior to, and in any case no later than, with respect to an Extraordinary Resolution, the date of the meeting referred to in Condition 19.2, Condition 19.3 or Condition 19.4, as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

- (a) list the total face amount of Certificates and, in the case of a multiple series aggregation, the total face amount of each other affected series of securities outstanding on the record date; and
- (b) clearly indicate the Certificates and, in the case of a multiple series aggregation, securities of each other affected series of Securities Capable of Aggregation which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 19.9 on the record date identifying the holders of the Certificates and, in the case of a multiple series aggregation, securities of each other affected series of Securities Capable of Aggregation.

The Aggregation Agent may rely upon the terms of any certificate, notice, communication or other document believed by it to be genuine.

20.6 Notification

The Aggregation Agent will cause each determination made by it for the purposes of this Condition 20 to be notified to the Delegate, the Trustee and the Government as soon as practicable after such determination. Notice thereof shall also promptly be given to the Certificateholders.

20.7 Binding nature of determinations; no liability

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of Condition 19 and this Condition 20 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest or proven error) be binding on the Trustee, the Government, the Delegate and the Certificateholders and (subject as aforesaid) no liability to any such person will attach to the Aggregation Agent or the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

20.8 Manner of publication

The Trustee will publish all notices and other matters required to be published pursuant to this Condition 20, including any matters required to be published pursuant to Condition 15 and Condition 19:

- (a) through the systems of Clearstream, Luxembourg or Euroclear and/or any other international or domestic clearing system(s) through which the Certificates are for the time being cleared and otherwise in accordance with Condition 18; and
- (b) in such other places and in such other manner as may be required by applicable law or regulation.

21. INDEMNIFICATION AND LIABILITY OF THE DELEGATE AND THE TRUSTEE

21.1 The Trust Deed contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

21.2 The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Government under the Transaction Documents and shall not under any circumstances have any liability or be obliged to account to the Certificateholders in respect of any payments which should have been made by the Government but are not so made and shall

not in any circumstances have any liability arising from the Trust Assets other than as expressly provided in these Conditions or in the Trust Deed.

- 21.3** Each of the Trustee and the Delegate is exempted from (i) any liability in respect of any actual loss or theft of the Trust Assets or any cash, (ii) any obligation to insure the Trust Assets or any cash and (iii) any claim arising from the fact that the Trust Assets or any cash are held by or on behalf of the Trustee or on deposit or in an account with any depositary or clearing system or are registered in the name of the Trustee or its nominee, unless such loss or theft arises as a result of default or misconduct by the Trustee or the Delegate, as the case may be.

22. FURTHER ISSUES

In respect of any Series, the Trustee shall be at liberty from time to time without the consent of the Certificateholders to create and issue additional certificates having terms and conditions the same as the Certificates of such Series or terms and conditions which are the same in all respects (or in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue) and so that the same shall be consolidated and form a single Series with the outstanding Certificates of such Series. Any additional certificates which are to form a single Series with the outstanding Certificates previously constituted by the Trust Deed shall be constituted by a deed supplemental to the Trust Deed. References in these Conditions to the Certificates include (unless the context requires otherwise) any other certificates issued pursuant to this Condition and forming a single series with the Certificates.

23. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

24. GOVERNING LAW AND DISPUTE RESOLUTION

- 24.1** The Trust Deed and the Certificates (including the remaining provisions of this Condition and any non-contractual obligations arising out of or in connection with the Trust Deed and the Certificates) are governed by, and shall be construed in accordance with, English law.

- 24.2** Subject to Condition 24.3, any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Trust Deed and/or the Certificates (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with them) (a **Dispute**) shall be referred to and finally resolved by arbitration under the London Court of International Arbitration (**LCIA**) Arbitration Rules (the **LCIA Rules**), which LCIA Rules (as amended from time to time) are incorporated by reference into this Condition. For these purposes:

- (a) the seat or legal place of arbitration shall be the DIFC;
- (b) the language of the arbitration shall be English; and
- (c) there shall be three arbitrators, each of whom shall be disinterested in the arbitration and shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions. The parties to the Dispute shall each nominate one arbitrator and both arbitrators in turn shall appoint a further arbitrator who shall be the chairman of the tribunal. In cases where there are multiple claimants and/or multiple respondents, the class of claimants jointly, and the class of respondents jointly, shall each nominate one arbitrator. If one party or both fails to nominate an arbitrator within the time limits specified by the Rules, such arbitrator(s) shall be appointed by the LCIA. If the party nominated arbitrators fail to nominate the third arbitrator within 15 days of the appointment of the second arbitrator, such arbitrator shall be appointed by the LCIA.

24.3 Notwithstanding Condition 24.2 above, the Trustee, the Delegate or any Certificateholder (where permitted so to do) may, in the alternative, and at its sole discretion, by notice in writing to the Trustee and the Government:

- (a) within 28 days of service of a Request for Arbitration (as defined in the LCIA Rules); or
- (b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If the Trustee, the Delegate or any Certificateholder (where permitted so to do) gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 24.2 and, subject as provided below, any arbitration commenced under Condition 24.2 in respect of that Dispute will be terminated. With the exception of the Delegate (whose costs will be borne by the Trustee, failing which the Government), each person who gives such notice and the recipient of that notice will bear its own costs in relation to the terminated arbitration.

If any notice to exercise the option to litigate is given after service of any Request for Arbitration in respect of any Dispute, the Trustee, the Delegate or the relevant Certificateholder, as the case may be, must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the LCIA Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (a) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (b) his entitlement to be paid his proper fees and disbursements; and
- (c) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

24.4 In the event that a notice pursuant to Condition 24.3 is issued, the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Trustee submits to the exclusive jurisdiction of such courts;
- (b) the Trustee agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and
- (c) this Condition 24.4 is for the benefit of the Trustee, the Delegate and the Certificateholders only. As a result, and notwithstanding paragraph (a) above, the Trustee, the Delegate and any Certificateholder (where permitted so to do) may take proceedings relating to a Dispute (Proceedings) in any other courts with jurisdiction. To the extent allowed by law, the Certificateholders may take concurrent Proceedings in any number of jurisdictions.

24.5 Each of the Trustee and the Government has appointed Walkers (Europe) at its registered office at The Scalpel, 11th Floor, 52 Lime Street, London, EC3M 7AF as its agent for service of process in any proceedings before the English courts in relation to any Dispute, and undertakes that, in the event of Walkers (Europe) being unable or unwilling for any reason so to act, it will promptly appoint another person as its agent for service of process in England in respect of any Proceedings or Disputes. The Trustee and the Government agree that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

24.6 To the extent that the Government may claim for itself or its assets or revenues immunity from jurisdiction, enforcement, prejudgment proceedings, injunctions and all other legal proceedings and relief and to the extent that such immunity (whether or not claimed) may be attributed to it or its assets or revenues, the Government agrees not to claim and irrevocably and unconditionally waives such immunity in relation to any Proceedings or Disputes. Further, the Government irrevocably and unconditionally consents to the giving of any relief or the issue of any legal proceedings, including, without limitation, jurisdiction, enforcement, prejudgment proceedings and injunctions in connection with any Proceedings or Disputes.

USE OF PROCEEDS

The net proceeds of each Tranche issued will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents to which it is a party as follows: (a) the Ijara Percentage of the aggregate face amount of the Certificates as the purchase price payable for the purchase from the Seller of all of its rights, title interest, benefits and entitlements in, to and under the Assets pursuant to the Purchase Agreement; and (b) if applicable, the Murabaha Percentage of the aggregate face amount of the Certificates to purchase Commodities to be sold to the Government pursuant to the Master Murabaha Agreement.

DESCRIPTION OF THE TRUSTEE

Description of Trustee

Dubai DMO Funding Limited (formed on 28 August 2023) (the **Trustee**) is a prescribed company incorporated in the Dubai International Financial Centre, with registration number 7315, having its registered office at the offices of Walkers Professional Services (Middle East) Limited, Level 14, Burj Daman, Dubai International Financial Centre, PO Box 506513, Dubai, United Arab Emirates. The Trustee's contact telephone number is +971 4 363 7999.

All of the shares issued by the Trustee, being 100 shares (the **Shares**), are fully paid and are held by Walkers Fiduciary Limited as share trustee (the **Share Trustee**) under the terms of a declaration of trust (the **Share Declaration of Trust**) under which the Share Trustee holds the Shares in trust until the Termination Date (as defined in the Share Declaration of Trust) and may only dispose or otherwise deal with the Shares in accordance with the Share Declaration of Trust. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has the power to benefit Charity (as defined in the Share Declaration of Trust). It is not anticipated that any distribution will be made whilst any of the Certificates are outstanding. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in, and derives no benefit (other than its fee for acting as Share Trustee) from, its holding of the Shares.

Business of the Trustee

The Trustee has no prior operating history or prior business and will not have any substantial liabilities other than in connection with Certificates issued under the Programme. The Certificates are the obligations of the Trustee alone and not the Share Trustee.

Financial Statements

Since the date of its incorporation, no financial statements of the Trustee have been prepared. The Trustee is not required by DIFC law, and does not intend, to publish audited financial statements.

Management

The directors of the Trustee and their respective business addresses and principal activities are as follows:

<i>Name</i>	<i>Occupation</i>
Natalia Knapik	Assistant Vice President, Walkers Fiduciary Limited
Kirstie Krypner	Senior Vice President, Walkers Fiduciary Limited

The business address of Natalia Knapik is c/o Walkers Professional Services (Middle East) Limited, Level 14, Burj Daman, DIFC, PO Box 506513, Dubai, United Arab Emirates.

The business address of Kirstie Krypner is c/o Walkers Professional Services (Middle East) Limited, Level 14, Burj Daman, DIFC, PO Box 506513, Dubai, United Arab Emirates.

There are no potential conflicts of interest between the private interests or other duties of the directors listed above and their duties to the Trustee.

The Corporate Administrator

Walkers Professional Services (Middle East) Limited also acts as the corporate administrator of the Trustee (in such capacity, the **Corporate Administrator**). The office of the Corporate Administrator serves as the general business office of the Trustee. Through the office, and pursuant to the terms of a corporate services agreement entered into between the Trustee, the Obligor, Walkers Fiduciary Limited and the Corporate Administrator (the **Corporate Services Agreement**), the Corporate Administrator has agreed to perform in the DIFC various management functions on behalf of the Trustee and to provide certain clerical, administrative and other services until termination of the Corporate Services Agreement. In consideration of the foregoing, the Corporate Administrator will receive various fees payable by the Trustee at rates agreed upon from time to time, plus expenses.

The terms of the Corporate Services Agreement provides that either the Trustee or the Corporate Administrator may terminate such agreement upon the occurrence of certain stated events, including any breach by the other party of its obligations under such agreements. In addition, the Corporate Services Agreement and the Registered Office Agreement provide that either party shall be entitled to terminate such agreements by giving at least three months' notice in writing to the other party.

The directors of the Trustee are all employees or officers of the Corporate Administrator or an affiliate thereof.

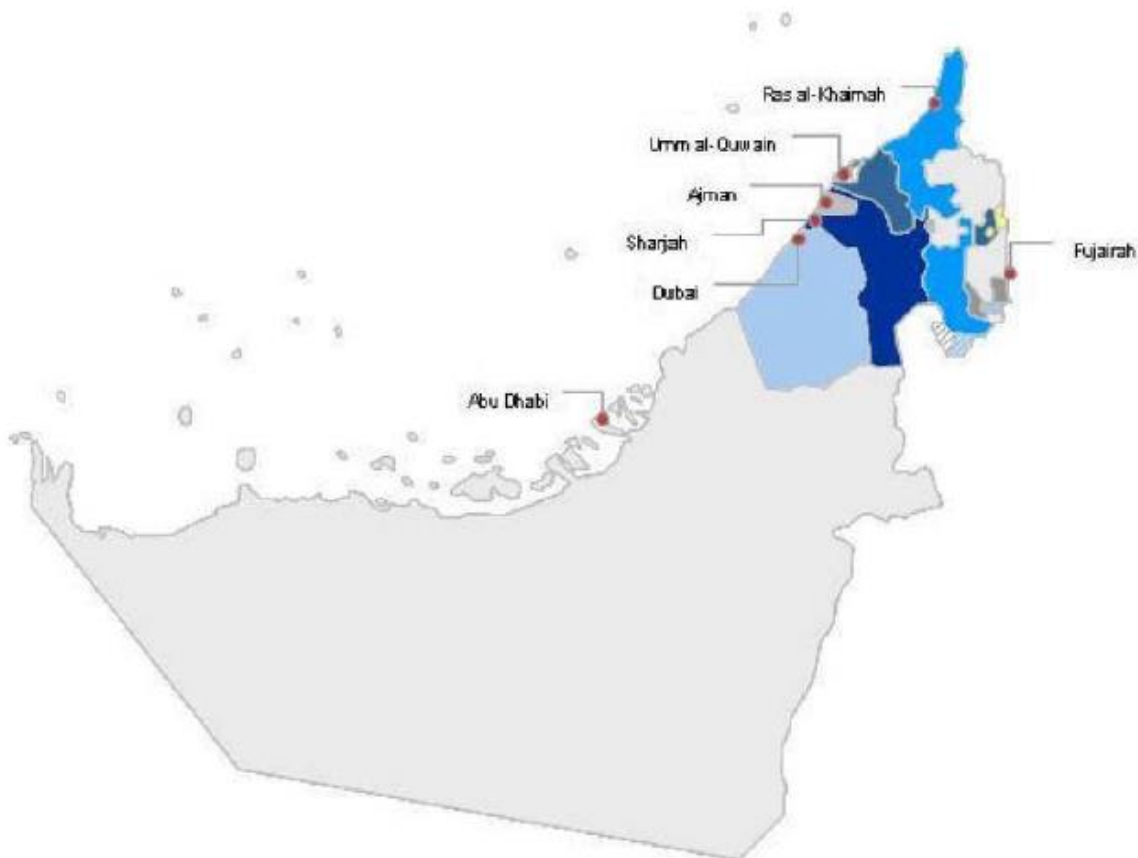
The Trustee has no employees and is not expected to have any employees in the future.

OVERVIEW OF THE EMIRATE OF DUBAI

Introduction

Dubai is one of seven emirates which together comprise the UAE. The federation was established on 2 December 1971. On formation, the federation comprised the following emirates: Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain and Fujairah. Ras Al Khaimah joined in February 1972. The President of the UAE is Sheikh Mohamed bin Zayed Al Nahyan who is also the Ruler of Abu Dhabi. The Ruler of Dubai is Sheikh Mohammad bin Rashid Al Maktoum, who is also the Vice President and Prime Minister of the UAE.

Location and Geography



Dubai is the second largest emirate in the UAE after Abu Dhabi, and is situated on the west coast of the UAE in the south-western part of the Arabian Gulf. It covers an area of 4,114 square kilometres (**km²**) and lies at a longitude of approximately 55 degrees east and a latitude of 25 degrees north. Except for a tiny enclave in the Hajar Mountains at Hatta, the emirate comprises one contiguous block of territory.

The UAE as a whole extends along the south-east of the Arabian Gulf, from the base of the Qatar peninsula to Ras Al Khaimah in the North and across the Musandum peninsula to the Gulf of Oman in the East, covering an area of 71,023 km² in total.

The climate is very dry, with minimal rainfall during winter months. During those months, the temperature averages 26° Celsius, although in summer the temperature can reach the high forties with 90 per cent. humidity, particularly on the coast.

History

Dubai started as a pearl diving and fishing village in the first half of the eighteenth century. The growth of the emirate began in the early part of the nineteenth century when members of the Bani Yas tribe, led by Sheikh Maktoum Bin Butti, left Abu Dhabi and migrated north to found an independent sheikhdom in the area now known as Dubai.

In the nineteenth century, Dubai, split by a 14 kilometre (**km**) long creek that leads into a natural harbour, established itself as a centre for the import and re-export of merchandise and this trade activity, along with the pearling industry, were the most important pillars of Dubai's economic activity during the nineteenth century.

In the early part of the twentieth century, to counter the loss of economic activity from the decline in the pearling industry following the First World War, Dubai sought to attract traders through its liberal business policies and low taxes, enabling the emirate to establish itself as a centre for trade in gold bullion, textiles and consumer durables.

In the 1930s and 1940s, oil was discovered in Kuwait, Qatar and Saudi Arabia, adding to that already found in Iran, Iraq and Bahrain. In 1958, oil was found off the shore of Abu Dhabi and, in 1966, oil was first discovered by the Dubai Petroleum Company at Fateh, which lies 92 km off the coast of Dubai. Over the years, oil revenues have been used to create and develop the economic and social infrastructure of the emirate. In addition, as a regional trading hub, Dubai was well-placed to capitalise on the increase in Middle East business activity that came with oil exports.

The British remained in the area until their withdrawal in 1971. Steps were then taken by the rulers of the seven emirates, under the guidance of Abu Dhabi's then Ruler, Sheikh Zayed bin Sultan Al Nahyan, to bring the individual sheikhdoms together into a single federation. This resulted in the formation by six of the seven emirates of the UAE in December 1971, with Ras Al Khaimah joining in February 1972.

In May 1976, the seven emirates agreed to merge their armed forces. In 1979, the then Ruler of Dubai, Sheikh Rashid bin Saeed Al Maktoum, became Prime Minister of the UAE. Sheikh Zayed bin Sultan Al Nahyan served as President of the UAE from 1971 until his death in November 2004, when he was succeeded by his son, Sheikh Khalifa bin Zayed Al Nahyan, as Ruler of Abu Dhabi and President of the UAE. Upon his death in May 2022, he was succeeded by Sheikh Mohamed bin Zayed Al Nahyan, the current Ruler of Abu Dhabi and President of the UAE. The current Ruler of Dubai, and Prime Minister and Vice President of the UAE, is Sheikh Mohammed bin Rashid Al Maktoum.

Population

The most recent UAE census for which data has been published was conducted in 2005. The most recent estimate of the population for the UAE as a whole was made by the UAE Federal Competitiveness and Statistics Authority (the **FCSA**) in relation to 2022, when the FCSA estimated the population of the UAE to be approximately 9.4 million as at 31 December of that year. The Dubai Statistics Centre has estimated the population of Dubai to be approximately 3.5 million as at 31 December 2022.

The populations of both the UAE and Dubai have grown significantly since 1985, reflecting an influx of foreign labour, principally from Asia, as the emirates have developed. The following table illustrates this growth since 1985 for the UAE and Dubai:

Population of UAE:

	1985	1995	2005	2015	2022
Total UAE population.....	1,379,303	2,411,041	4,106,427	8,938,974	9,441,121
Dubai population.....	370,788	689,420	1,321,453	2,446,675	3,549,881

Sources: Official UAE Census Data and FCSA (for UAE population figures) and Dubai Statistics Centre (for Dubai population figures)

Population of Dubai:

The following table sets out the estimated population of Dubai as at 31 December in each of the years 2019 to 2022:

	2019	2020	2021	2022
Total population.....	3,355,900	3,411,200	3,478,300	3,549,881

Source: Dubai Statistics Centre

The majority of the population of Dubai is estimated to be non-UAE nationals, mainly drawn from the Indian subcontinent, Europe and other Arab countries. As at 31 December 2022, approximately 68.7 per cent. of the population was estimated to be male and 31.3 per cent. female, reflecting the large male expatriate workforce.

As at 31 December 2022, it was estimated that approximately 18.2 per cent. of the population of Dubai was 19 years of age or under, 24.4 per cent. of the population was between 20 and 29 years of age, 31.3 per cent. of the population was between 30 and 39 years of age, 17.5 per cent. of the population was between 40 and 49 years of age, and 8.7 per cent. of the population was 50 years of age or older. Education and training

are an important strategic focus for Dubai. The literacy rate in Dubai for persons at or above the age of 15 was estimated at 97.7 per cent. in 2022.

Source: Dubai Statistics Centre

Governance, Legislation and Judiciary

Federalism

The relationship between the UAE Federal Government and the governments of each emirate is laid down in the constitution of the UAE (the **Constitution**) and allows for a degree of flexibility in the distribution of authority. The Constitution states that each emirate shall exercise all powers not assigned to the federation. Each emirate has its own local government, consisting of departments or authorities, so that each emirate retains significant political and financial autonomy.

Dubai enjoys good relations with each of the other emirates in the UAE. Each emirate manages its own budget on an independent basis and no emirate has any obligation to contribute to the budget of any other emirate. Each of Dubai and Abu Dhabi make contributions to the federal budget in agreed amounts.

UAE Constitution

The original Constitution was initially provisional and provided the legal framework for the federation. The Constitution was made permanent pursuant to a constitutional amendment in May 1996.

The major principle adopted by the Constitution was that jurisdiction for enacting substantive legislation was confined to the UAE Federal Government, but the local governments of the seven emirates were authorised to regulate those matters that were not the subject of legislation by the UAE Federal Government.

Pursuant to Articles 120 and 121 of the Constitution, the UAE Federal Government is responsible for foreign affairs; security and defence; nationality and immigration; education; public health; the currency; postal, telephone and other communications services; air traffic control and the licensing of aircraft and a number of other matters including labour relations; banking; the delimitation of territorial waters; and the extradition of criminals. Federal matters are regulated through a number of specially created federal ministries which include the Ministries of Foreign Affairs, Defence, Justice, Finance and Economy. Although most of the UAE Federal Government ministries are based in Abu Dhabi, many also maintain offices in Dubai. The UAE's monetary and exchange rate policy is managed on a federal basis by the UAE Central Bank. See "*Monetary and Financial System*".

Article 122 of the Constitution states that the emirates shall have jurisdiction in all matters not assigned to the exclusive jurisdiction of the federation, in accordance with the provision of the preceding two Articles.

The individual emirates are given flexibility in the governance and management of their own emirates. The Constitution permits individual emirates to elect to maintain their own competencies in certain sectors. Based on this flexibility, Dubai has elected to assume responsibility for its own education, public health and judicial systems. The natural resources and wealth in each emirate are considered to be the public property of that emirate. See "*Emirate of Dubai*".

Federal Supreme Council

The UAE is governed by the Supreme Council. This is the highest federal governing body and comprises the Rulers of the seven emirates. The Supreme Council elects from its own membership the President and the Vice President of the UAE (who may serve for an unlimited number of renewable five-year terms). Decisions relating to substantive matters are decided by a majority vote of five emirates, *provided that* the votes of both Dubai and Abu Dhabi are included in that majority, but matters that are purely procedural are decided by a simple majority vote.

The Supreme Council is vested with legislative as well as executive powers. It ratifies federal laws and decrees, plans general policy and approves the nomination of the Prime Minister and accepts his resignation. It also relieves him from his post upon the recommendation of the President.

The then Ruler of Abu Dhabi, Sheikh Zayed bin Sultan Al Nahyan, was elected in 1971 as the first President of the UAE and was re-elected as President for successive five-year terms until his death in November 2004. The then Ruler of Dubai, Sheikh Rashid bin Saeed Al Maktoum, was elected in 1971 as the first Vice-President of the UAE and continued as Vice-President until his death in 1990. Sheikh Zayed bin Sultan Al Nahyan

was succeeded by his son Sheikh Khalifa bin Zayed Al Nahyan as Ruler of Abu Dhabi who was elected as President of the UAE in November 2004 by the members of the Supreme Council. Upon his death in May 2022, he was succeeded by Sheikh Mohamed bin Zayed Al Nahyan, the current Ruler of Abu Dhabi and President of the UAE. Sheikh Mohammed bin Rashid Al Maktoum became the Ruler of Dubai in January 2006 upon the death of his elder brother Sheikh Maktoum bin Rashid Al Maktoum who had ruled Dubai since 1990. He was also nominated by the then President of the UAE, Sheikh Khalifa bin Zayed Al Nahyan, to be the next Prime Minister and Vice President of the UAE in January 2006. The members of the Supreme Council accepted the President's nomination shortly thereafter.

Federal Council of Ministers

The Federal Council of Ministers (the **Cabinet**) is described in the Constitution as the executive authority for the federation and is responsible for implementing policy decisions of the Supreme Council. The Cabinet is the principal executive body of the federation. The Constitution defines the responsibilities of the Cabinet, which include the issuing of regulations, the preparation of draft laws and the drawing up of the annual federal budget.

Based in Abu Dhabi, the Cabinet is headed by the Prime Minister and comprises three Deputy Prime Ministers and a number of other Ministers. These Ministers are normally selected (for no fixed term) by the approval of the Supreme Council on the recommendation of the Prime Minister.

Federal National Council

The Federal National Council (the **FNC**) is a parliamentary body which comprises 40 members who are UAE nationals. Each emirate appoints members for a particular number of seats based on such emirate's population and size. Abu Dhabi and Dubai have eight members each, Sharjah and Ras Al Khaimah have six members each and the other emirates have four members each. The nomination of representative members is left to the discretion of each emirate, and the members' legislative term is four calendar years. The members represent the UAE as a whole rather than their individual emirates.

Presided over by a speaker, or either of two deputy speakers elected from among its members, the FNC has both a legislative and supervisory role under the Constitution. This means that it is responsible for examining and, if required, amending, all proposed federal legislation, and is empowered to summon and to question any federal minister regarding ministry performance. One of the main duties of the FNC is to discuss the annual budget of the UAE. Although the FNC can monitor and debate government policy, it has no veto or amendment power and cannot initiate any legislation by itself.

The inaugural FNC elections were held in December 2006, following reforms to enhance public participation in the electoral process. Under these reforms, the Ruler of each emirate selected an electoral college numbering approximately 100 times the number of FNC members for the relevant emirate. The members of each electoral college elected half of the FNC members for their emirate, with the remainder being appointed by the Ruler. On 16, 18 and 20 December 2006, 456 candidates stood for election to the 20 elected positions on the FNC, with a voter turnout across the UAE of 74.4 per cent. of the total electoral college of 6,595.

The most recent FNC elections were held on 5 October 2019, when 479 candidates stood for election to the 20 elected positions on the FNC, with a voter turnout across the UAE of 117,592, or 34.8 per cent. of an expanded electoral college of 337,738.

The next FNC elections are due to be held on 7 October 2023.

Legal and Court System

There are three primary sources of law in the UAE, namely (i) federal laws and decrees (applicable in all seven emirates), (ii) local laws and decrees (*i.e.* laws and regulations enacted by the emirates individually), and (iii) the *Shari'ah* (Islamic law). The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler or local government of each emirate can apply his or its own rules, regulations and practices.

The federal judiciary, whose independence is guaranteed under the Constitution, includes the Federal Supreme Court, the Court of Appeal and the Court of First Instance. The Federal Supreme Court comprises five judges appointed by the Supreme Council. The judges decide on the constitutionality of federal laws and arbitrate on inter-emirate disputes and disputes between the UAE Federal Government and the emirates.

In accordance with the Constitution, three of the seven emirates (Abu Dhabi, Dubai and Ras Al Khaimah) have elected to maintain their own court system, separate from that of the UAE, and these courts have sole jurisdiction to hear cases brought in the respective emirates.

The judicial system in Dubai comprises (i) a Court of First Instance, (ii) a Court of Appeal and (iii) a Court of Cassation.

The laws and regulations of the DIFC are applied by the Courts of the DIFC (the **DIFC Courts**), which are independent of the Dubai Courts and the UAE Federal Courts, and consist of a Court of First Instance and a Court of Appeal. See “*Economy of Dubai—Dubai International Financial Centre*”.

In May 2017, the Cabinet approved the formation of the Council for Fatwa, to coordinate fatwas and unify their sources, as well as to review national policies in respect of fatwas. The Council for Fatwa will be the official reference for fatwas in the UAE and will aim to consolidate and organise the work of government authorities, institutions and individuals in relation to the issuance of fatwas. The Council for Fatwa also has the authority to grant licences to issue fatwas, to train muftis (religious scholars) and develop their skills, as well as to conduct related studies in coordination with the UAE General Authority of Islamic Affairs and Endowments.

Arbitration

Arbitration is a common form of dispute resolution for commercial transactions in the UAE and the UAE ratified the New York Convention on Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention) in 2006. In May 2018, the UAE issued UAE Federal Law No. 6 of 2018 on Arbitration in Commercial Disputes (the **Arbitration Law**), formally promulgating a new arbitration law for the UAE. Subsequently, in December 2018, Cabinet Decision No. 57 of 2018 on the Implementing Regulation of Federal Law No. 11 of 1992 was published, which repealed certain provisions contained within the Arbitration Chapter of the Civil Procedure Code and put in place clear enforcement rules compatible with the Arbitration Law, encouraging an expedited procedure for the enforcement of foreign arbitration awards in the UAE. On 2 January 2023, Federal Decree-Law No. 42 of 2022 Promulgating the Civil Procedures Law came into effect which revoked Cabinet Decision No. 57 of 2018 and introduced a new civil procedure framework.

The Arbitration Law governs all aspects of arbitration in the UAE at both local and federal level. It is largely based on the UNCITRAL Model Law and includes a number of important improvements. The Arbitration Law sets forth the legal framework for (i) any arbitration proceedings to be held with a seat in any of the emirates conducted in the UAE, unless the parties have agreed that the dispute shall be subject to any other arbitration law and provided that such law does not contravene public policy; (ii) any international commercial arbitration conducted outside of the UAE, if the parties have agreed that the UAE Arbitration Law shall apply; and (iii) any arbitration arising from a legal relationship regulated by the laws of the UAE, except where a more specific provision of UAE law provides otherwise. The Arbitration Law also governs, among other things, arbitration agreements, the appointment of the arbitral tribunal, arbitral proceedings, arbitration awards and enforcement of those awards.

The UAE offers various alternative dispute resolution forums, including the Dubai International Arbitration Centre (**DIAC**) and the Abu Dhabi Commercial Conciliation and Arbitration Centre (**ADCCAC**). These arbitration centres provide parties with various options regarding, among other things, specialist expertise and the language utilised during arbitration hearings. Each forum applies its own arbitration rules, the DIAC Arbitration Rules 2022 and the ADCCAC Procedural Regulations of Arbitration, respectively.

In September 2021, the Ruler of Dubai issued Decree No. 34 of 2021 Concerning the DIAC approving a new statute for DIAC (the **New DIAC Statute**), which replaced the previous DIAC statute and introduced changes to the DIAC’s structure, as well as the functions and authority of the relevant bodies of the DIAC. In addition, the New DIAC Statute abolished the Emirates Maritime Arbitration Centre and the DIFC Arbitration Institute, with the property, assets and funds, lists of arbitrators, employees and members, and selected staff of the abolished centres transferred to DIAC.

The DIFC also has its own Arbitration Law, which is based on the UNCITRAL Model Law. Pursuant to the New DIAC Statute, DIAC is competent to hear proceedings under this Law.

In addition, in July 2017, the Abu Dhabi Global Market (the **ADGM**) (a financial free zone in Abu Dhabi with its own civil and commercial laws and an independent legal system and regulatory regime) announced the establishment of its arbitration hearing centre, the ADGM Arbitration Centre, which became fully operational in October 2018 and conducts arbitration in accordance with the ADGM Arbitration Regulations 2015 (as amended).

Emirate of Dubai

The laws of Dubai are passed by Decree of the Ruler of Dubai, Sheikh Mohammed bin Rashid Al Maktoum, who is also the Vice-President and Prime Minister of the UAE. The Crown Prince of Dubai is Sheikh Hamdan bin Mohammed Al Maktoum. The Deputy Rulers are Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum and Sheikh Ahmed bin Mohammed bin Rashid Al Maktoum.

The key entities in the structure of the Government are: (i) the Ruler's Court; (ii) the Supreme Fiscal Committee (the **SFC**); (iii) the Executive Council of Dubai (the **Executive Council**); (iv) the Dubai Council; and (v) the Supreme Legislation Committee (the **SLC**). The Dubai Department of Economy and Tourism (the **DET**) and the Dubai Department of Finance (the **DoF**) are administrative bodies. All seven of these entities have distinct roles:

Ruler's Court: All matters that require the involvement of the Ruler of Dubai are channelled through the Ruler's Court.

SFC: The SFC was established in November 2007 pursuant to the Dubai Decree No. 24 of 2007 Forming the Supreme Fiscal Committee in the Emirate of Dubai to formulate the financial policies of the emirate of Dubai, establish and approve priorities, financing methods and completion dates for major Government projects, determine the public debt and expenditure limits and to issue recommendations in relation to key economic issues to the Ruler of Dubai. The SFC also aims to improve coordination between various Government entities and to enable these entities to meet their respective development targets in a cost-efficient manner.

Executive Council: The Executive Council seeks to ensure coordination among Government departments such as the courts, the police, the Dubai Health Authority, the DLD, Dubai Airports Corporation and the DET. The Executive Council works with these departments to implement an overall strategy for the Government, while considering the requirements and strategies of each particular department. The Executive Council also works with the DoF to prepare an overall budget to fund the requirements of the various government departments. In addition to this broad coordination role, the Executive Council also recommends new laws and regulations, and is involved in the implementation of laws promulgated at both the Dubai and federal levels.

Dubai Council: The Dubai Council was established in 2021, with the objective to map out and oversee Dubai's vision for the next 50 years. For additional information regarding the Dubai Council, see "*Strategy of Dubai—Dubai Council*" below.

SLC: The SLC was established in June 2014 pursuant to the Dubai Decree No. 23 of 2014 Establishing the Supreme Legislation Committee in the Emirate of Dubai with responsibility for overseeing all aspects of the legislative process in Dubai. Legislation in Dubai may only be passed by the Ruler of Dubai upon consultation with, and recommendation of, the SLC. The SLC is also responsible for issuing explanatory memoranda and bylaws relating to legislation in force in Dubai, and to provide legal consultation for government entities in respect of such legislation. The SLC may also form technical committees to review any proposed legislative amendments. The SLC reports directly to the Chairman of the Executive Council.

DET: The DET is the principal authority for the planning, supervision, development and marketing of Dubai's economic and tourism sectors. It markets and promotes the emirate's commerce sector and is responsible for the licensing and classification of all economic and tourism services, including hotels, tour operators and travel agents. All businesses operating in Dubai are required to be registered with and licensed by the DET. The DET also helps formulate the Government's policy in relation to economic planning and the promotion of Dubai as a business centre. The DET works closely with relevant government bodies, such as the UAE Ministry of Labour and the Real Estate Regulatory Authority (**RERA**).

DoF: The DoF is the local department of finance and treasury for the Government. All revenues of the Government are collected within the DoF and all Government authorities are funded through the DoF. In addition, the DoF also functions as an administrative office of the SFC for executing and monitoring compliance with the SFC's decisions. Pursuant to Dubai Law No. 8 of 2022 Regulating the Public Debt of the Government of Dubai, a public debt management office (the **DMO**) was established within the DoF. The DMO has several responsibilities, including meeting the Government's financing requirements, managing the sovereign debt portfolio, setting strategic objectives and policies, managing risks to ensure government financial sustainability, as well as maintaining transparency to enhance investor confidence and develop robust relationships with stakeholders. See "*Indebtedness—Debt Management Office*".

In addition to the above, ICD is the principal investment entity of the Government. ICD was formed in 2006 as a holding company for investments that had previously been held directly by the DoF. See "*Public Finance—Principal Investments*". ICD's role is to consolidate and manage the Government's investment portfolio and provide strategic oversight of the portfolio by developing and implementing best practice corporate governance policies. Following the initial transfer of assets by the Government, ICD is self-funding and may contribute to the budget of the Government. See "*Public Finance—Dubai Government Budget*".

Strategy of Dubai

Since the establishment of the UAE in 1971, Dubai has developed its status as a major city, enhancing the well-being of its people and creating an environment that attracts businesses and individuals. To support, maintain and develop this status, the Government intends to focus on: (i) achieving comprehensive development and building human resources; (ii) promoting economic development and government modernisation; (iii) sustaining growth and prosperity; (iv) protecting UAE nationals' interests, the public interest and well-being; and (v) providing an environment conducive for growth and prosperity in all sectors.

Dubai 2040 Urban Master Plan

In March 2021, the Ruler of Dubai announced the launch of the Dubai 2040 Urban Master Plan, which outlines Dubai's development framework for sustainable urban development over the next 20 years. The Dubai 2040 Urban Master Plan aligns with the "We the UAE" Vision 2031, a national development plan launched by the UAE Federal Government in 2022. The central focus of the Dubai 2040 Urban Master is to promote happiness and enhance the quality of life for all people in Dubai. As part of this aim, the Dubai 2040 Urban Master Plan intends to achieve the following by 2040:

1. green and recreational spaces will double in size;
2. nature reserves and rural natural areas will constitute 60 per cent of the emirate's total area;
3. several green corridors will be established to link the service areas, residential areas and workplaces;
4. the movement of pedestrians, bicycles, and sustainable mobility means across the city will be facilitated;
5. land area for hotels and tourist activities will increase by 134 per cent., and for commercial activities, it will increase to 168 square kilometres;
6. land area for education and health facilities will increase by 25 per cent.; and
7. the length of public beaches will increase by 400 per cent.

Pursuant to Council's Resolution No. 18 for 2021 forming the Supreme Committee for Urban Planning in Dubai, a Supreme Committee for Urban Planning consisting of certain government leaders, local business leaders and an urban planning expert, has been established to, among other things, implement the deliverables of the Dubai 2040 Urban Master Plan.

On 18 July 2023, Dubai Law No. 16 of 2023 on Urban Planning in the Emirate of Dubai was announced under the umbrella of the Dubai 2040 Urban Master Plan. The new law seeks to develop an integrated and effective urban planning system that encourages investment, sustainable development and prosperity, and improves the quality of life for citizens. It will regulate and monitor urban planning activities, ensure their alignment with adopted plans, strategies, and policies, preserve the environment, biodiversity, and natural resources of the emirate and will also contribute to establishing an environmental impact assessment system in Dubai. Dubai Municipality will have sole responsibility for regulating the urban planning sector.

The framework of the Dubai 2040 Urban Master Plan comprises a number of objectives in order to achieve these outcomes, including the following:

Upgrade Dubai's urban areas

The Dubai 2040 Urban Master Plan focuses on development and investment in five main urban centres (three existing and two new centres) that support growth of economic sectors and increased job opportunities for its diverse population, in addition to providing a wide range of lifestyle facilities that cater to the needs of all sections of the population. The existing urban centres include Deira and Bur Dubai, historic areas that highlight the emirate's tradition and heritage; the business and financial heart of the city encompassing Downtown and Business Bay; the hospitality and leisure centre encompassing the Dubai Marina and JBR that serves as an international tourism and leisure hub. The two new centres include Expo 2020 Centre, an economic and growth area featuring affordable housing and a focal point for the exhibitions, tourism and logistics sectors; and Dubai Silicon Oasis Centre, a science and technology and knowledge hub that drives innovation, digital economy development and talent generation.

Improve the efficiency of resource utilisation

The Dubai 2040 Urban Master Plan has defined an integrated approach to the development of the urban centres by providing equitable access to facilities, services and opportunities across the city for all residents. Depending on urbanisation levels, the Dubai 2040 Urban Master Plan defines a hierarchy of communities in the city. The largest of them, the emirate, includes the five main 'towns' built around each of the five main urban centres with a population of 1 to 1.5 million, followed by the multi sector with a population of between 300,000 and 400,000; the sector with a population of between 70,000 and 125,000; the district with a population of between 20,000 and 30,000; the community with a population from 6,000 to 12,000 and finally the neighbourhood, with a population between 2,000 and 4,000. Based on these levels, infrastructure and transit systems, energy and government services, and facilities such as hospitals, schools, service centres, and leisure centres will be provided across all of Dubai.

Accommodating an increasing population

According to recent studies, the number of Dubai residents is expected to increase from 3.3 million in 2020 to 5.8 million by 2040, while the day-time population is set to increase from 4.5 million in 2020 to 7.8 million in 2040. The Dubai 2040 Urban Master Plan focuses on utilising available spaces within the limits of the current city and concentrating development in existing urban areas. Easily accessible integrated service centres will be established across Dubai to ensure that the needs of all sections of the population are catered to. The Dubai 2040 Urban Master Plan seeks to raise the quality of life of the city while increasing population densities around key mass transit stations.

Focus on sustainability

Under the Dubai 2040 Urban Master Plan, green and recreational spaces and areas dedicated to public parks will double in size to serve the growing number of number of residents and visitors. Nature reserves and rural natural areas will constitute 60 per cent. of the emirate's total area. Several green corridors will be established to link the service areas, residential areas and workplaces, facilitate the movement of pedestrians, bicycles, and sustainable mobility means across the city, in coordination with developers and government departments. The land area used for hotels and tourist activities will increase by 134 per cent., while that used for commercial activities will increase to 168 square kilometres. Dubai will continue to be a global hub for innovative start-ups, international corporations, and strategic investments. The Dubai 2040 Urban Master Plan will also increase the land area allocated to education and health facilities by 25 per cent., while the length of public beaches will increase by as much as 400 per cent. in 2040 to increase the quality of life for residents and visitors. This is also aligned with the announced "Dubai Master Plan for Public Beaches", aimed at enhancing Dubai's public beaches and promoting eco-tourism attractions, prioritising accessibility for people of determination, introducing services tailored to their needs, and which includes a 4,000-metre cycling track and designated night swimming areas. It is intended that these developments will also include new public facilities, pedestrian and cycling tracks and the planting of mangrove trees.

Dubai Economic Agenda (D33)

In January 2023, the Ruler of Dubai announced the launch of the Dubai Economic Agenda (**D33**), which outlines Dubai's goal to double the size of its economy over the next decade and consolidate its position among the top three global cities.

The objectives of D33 are to achieve the following by 2033:

1. increase foreign trade to AED 25.6 trillion for goods and services;
2. increase foreign direct investment to reach a total of AED 650 billion;
3. increase government expenditures to AED 700 billion;
4. increase private sector investments to AED 1 trillion;
5. increase the value of domestic demand for goods and services to AED 3 trillion; and
6. generate an annual contribution of AED 100 billion from digital transformation projects to Dubai's economy.

The first set of transformational projects under D33 include:

1. doubling the size of Dubai's foreign trade and adding 400 cities to Dubai's foreign trade map;
2. launching Dubai's plan for green and sustainable manufacturing;
3. launching Dubai's Future Economic Corridors 2033 with Africa, Latin America and Southeast Asia;

4. launching a scale-up programme for 30 companies aiming to become global unicorns in new economic sectors;
5. integrating 65,000 young Emiratis into the job market;
6. launching a “Dubai Traders” project to empower the next generation of traders in key sectors;
7. launching Dubai’s unified licence as a unique commercial identity for all companies all over Dubai;
8. launching “Sandbox Dubai” to allow testing and commercialisation of new technologies and making Dubai a major innovation hub;
9. launching a programme to attract the world’s best universities, making Dubai a global pioneering hub for higher education; and
10. developing an SME scale-up programme by identifying 400 high-potential companies, supporting their capacity building, and supporting them to grow globally.

Dubai Council

On 4 January 2020, the Ruler of Dubai announced the establishment of the Dubai Council, with the objective to oversee the vision for Dubai’s next 50 years. The Dubai Council’s mandate focuses on six strategic growth pillars: (i) the economy; (ii) services for citizens; (iii) governmental development; (iv) infrastructure; (v) safety and security; and (vi) health and knowledge. The Dubai Council will lead change in Dubai, oversee Dubai’s economic and social governance and ensure Dubai’s global competitiveness, economic leadership, and attractiveness to become among the best cities in the world.

The Dubai Council is chaired by the Ruler of Dubai, with Sheikh Hamdan bin Mohammed, Crown Prince of Dubai, and Sheikh Maktoum bin Mohammed, Deputy Ruler of Dubai, serving as deputy chairs. The deputy chairs are responsible for overseeing the vision of the Dubai Council and establishing its developmental agenda to ensure the best quality of life for Dubai’s citizens, residents and visitors. Additionally, six commissioners-general have been appointed to oversee the strategic growth pillars.

The Dubai Council has responsibility for overseeing the launch of major projects in the emirate, introducing new development sectors and foreseeing future global opportunities. In the meantime, the Executive Council remains responsible for following up on the implementation of strategies, managing Government performance and ensuring high-quality services in the emirate.

Since its establishment, the Dubai Council has approved, launched, and implemented several key projects, which include:

- restructuring Dubai Municipality by establishing four new institutions, separating oversight functions, and strengthening governance, and transforming eight main activities to facilitate partnership with the private sector, with the target of creating opportunities worth AED 10 billion;
- restructuring and transforming Dubai Chamber into three integrated chambers: Dubai Chamber of Commerce, Dubai Digital Chamber and Dubai International Chamber, to fully represent Dubai’s expanding economy;
- merging the former Government departments of economy and tourism to form the DET, to develop and lead Dubai’s economic agenda and achieve greater efficiencies and strategic performance targets; and
- consolidating the existing arbitration centres in Dubai into a single arbitration centre (DIAC), with the objective of creating a world-class international centre with the capability to serve and resolve local and international disputes.

The Dubai Council has also approved and launched the following priority projects:

- forming the Supreme Committee for Capital Markets, which has launched number of initiatives to develop Dubai’s capital markets, including (i) the proposed listing of 10 government and semi-government owned corporates on the DFM; (ii) increasing the number of international and local Sukuk listed on Nasdaq Dubai, and (iii) developing the virtual assets sector in Dubai by introducing the Virtual Assets Regulatory Authority (VARA) to regulate and oversee the provision, use, and exchange of virtual assets in and from Dubai and developing a specialised Court for the Digital Economy;
- forming the Supreme Committee for Development and Citizen Affairs, which has launched initiatives to enhance the quality of life and services of Dubai’s citizens and residents;

- setting a AED 2 trillion target for the volume of Dubai's foreign trade by 2025;
- launching the Dubai 2040 Urban Master Plan (see "*Dubai 2040 Urban Master Plan*" above); and
- launching an agenda to boost the sustainability of family businesses for the next 100 years in Dubai;
- launching an agenda to open 50 global economic and trading offices in priority markets around the world; and
- establishing specialised economic zones such as Dubai Future District, Al Quoz Creative Zone, and the Food Tech Valley.

The Dubai Council has also launched development programmes to develop and select qualified leaders to oversee its objectives and projects as part of a government-wide succession-planning initiative.

The Dubai Council continues to monitor the progress of all launched initiatives and projects and to follow up on the implementation of objectives through a number of Higher Committees to ensure transparency, consolidate the sense of responsibility and involve expertise in the decision-making process.

Legal and social reforms

In November 2020, the UAE announced that it would be introducing new legal reforms in order to promote tolerance and multiculturalism in the UAE. As part of these reforms, the UAE criminalised "honour killings", lifted the ban on unmarried couples living together and lifted certain restrictions on the purchase of alcohol. Under the new laws, expatriates are also now able to follow their home country's laws on divorce and inheritance instead of being required to follow UAE legislation based on *Shari'ah* law.

In January 2021, the UAE announced that, for the first time, under certain circumstances, expatriate investors, professionals, special talents and their families will be allowed to acquire Emirati nationality and passports. Each individual would have to meet a set of criteria within their profession to qualify for citizenship. For example, investors would have to own property in the UAE, doctors would need to be specialised in high demand areas and inventors would be required to have a patent approved by the UAE in order to be considered for citizenship. There will be no application process and instead individuals will be nominated for citizenship by Rulers' and Crown Princes' Courts, Executive Councils and the Cabinet. It is expected that those granted UAE citizenship will have access to most, if not all, of the benefits that are granted by the Federal Government to UAE nationals.

In November 2021, the UAE announced further legislative reforms of the country's legal system. In the largest legal reform in the UAE's history, over 40 new laws and legislative amendments were approved by the President. The new laws aim to develop the legislative structure in various sectors, including investment, trade and industry, as well as commercial company, regulation and protection of industrial property, copyright, trademarks, commercial register, electronic transactions and trust services. The new legislative changes were implemented after a five-month consultation process involving Federal and local emirate authorities, alongside over 100 private sector organisations.

In December 2021, the UAE announced that all government entities would adopt a new work-week schedule consisting of four and a half days with Friday afternoon, Sunday and Saturday being the new weekend. The change came into effect on 1 January 2022.

In May 2022, the UAE announced that all workers in the public and private sector will have unemployment insurance from 2023. The Cabinet approved the unemployment insurance scheme to provide unemployed individuals with income support for a set period of time while they look for another job. The insurance regime applies to workers of all nationalities working in the UAE but does not apply to investors, domestic workers, workers with temporary contracts, retired persons with a pension and people under the age of 18 years old. Employees are also required to contribute a small amount of money for the unemployment insurance scheme through insurance companies on a yearly basis. Under the scheme, compensation will be paid for a maximum of three months from the date of an employee's job loss and will be calculated at 60 per cent of their basic salary for a maximum payment of AED 20,000 (U.S.\$5,445) per month.

As of 1 February 2023, Federal Law No. 41 of 2022 on Civil Personal Status for Non-Muslims took effect, implementing a number of family law related changes that primarily affected non-Muslim expatriates, including the recognition of civil marriage and new procedures for divorce and inheritance.

Empowerment of Women in the UAE

The UAE is committed to empowering women and ensuring that women are equal participants and major contributors to the nation's sustainable development journey. The rapid progress that the UAE has achieved in gender balance is demonstrated by the country being ranked first in the Arab world and 11th globally on the Gender Inequality Index (GII) of the United Nations Development Programme Human Development Report 2022. The country has jumped 38 positions on the GI since the establishment of the UAE Gender Balance Council seven years ago. The UAE was also ranked first for the second consecutive year in both the World Bank's 'Women, Business and the Law 2022' report and the World Economic Forum's Gender Gap Report 2022.

Among the ministers of the UAE government, nine are currently women. Women ministers handle the portfolios of tolerance, happiness, youth and food and water security. The Minister of State for Youth Affairs, Shamma bint Sohail Faris Al Mazrui, was only 22 years old when she took office in early 2016.

Women in the UAE have equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws. Women account for 10 per cent. of the total business-owners in the UAE's private sector. They run projects worth more than AED 40 billion and constitute 15 per cent of the members of the boards of directors of the Chambers of Commerce and Industry.

In 2021, the UAE's Securities and Commodities Authority (the **SCA**) announced that it would require at least one woman to be on the board of all publicly listed companies in the country.

International Relations

Pursuant to Articles 120 and 121 of the UAE Constitution, foreign policy and international relations are a federal matter and, accordingly, Dubai does not enter into bilateral agreements with foreign governments.

The foreign policy of the UAE is based upon a set of guiding principles, laid down by the country's first President, Sheikh Zayed bin Sultan Al Nahyan. He derived these principles from his belief in the need for justice in international dealings between states, including the necessity of adhering to the principle of non-interference in the internal affairs of others and the pursuit, wherever possible, of peaceful resolution of disputes, together with support for international institutions, such as the United Nations (the **UN**).

Within the Arabian Gulf region, and in the broader Arab world, the UAE has sought to enhance cooperation and to resolve disagreement through the pursuit of dialogue. Thus, one of the central features of the UAE's foreign policy has been the development of closer ties with its neighbours in the Arabian Gulf region. The GCC, which comprises the UAE, Kuwait, Saudi Arabia, Bahrain, Qatar and Oman, was founded at a summit conference held in Abu Dhabi in May 1981.

At the broader level of the Arab world as a whole, the UAE is committed to rebuilding a sense of common purpose among both its people and its governments and, to this end, has supported the strengthening of common institutions, such as the League of Arab States. Beyond the Arab world, the UAE has pursued a policy of seeking, wherever possible, to build friendly relations with other nations, both in the developing and in the industrialised world. The UAE also maintains cordial relations with other regional states and has established good relations with the United States and the European Union as well as with developing nations in Africa and many of the countries of the former Soviet Union. In December 2009, the UAE entered into a bilateral agreement with the United States for peaceful nuclear co-operation which establishes the legal framework for commerce in civilian nuclear energy between the two countries.

Since its establishment, the UAE has played an active role in the provision of financial aid to developing countries and has been a contributor of emergency relief to countries and areas affected by conflict and natural disasters. The philosophy behind the aid policy is two-fold: first, the provision of help for the needy is a duty incumbent on all Muslims and, second, the country's policy on utilisation of the revenues from its oil and gas production has always included a component that they should be devoted, in part, to helping other countries which have fewer natural resources.

The UAE is also an active participant in a number of multi-lateral development institutions, including the International Bank for Reconstruction and Development (the **World Bank**), the International Monetary Fund (the **IMF**), the International Development Agency and regional bodies like the OPEC Fund for International Development, the Arab Gulf Fund for the UN, the Arab Bank for Economic Development in Africa, the Abu Dhabi-based Arab Monetary Fund and the Islamic Development Bank. In addition, the UAE is a member of various other international organisations including, among others, the GCC, the UN, the League of Arab States, the Organisation of Islamic Countries, the Organisation of Arab Petroleum Exporting Countries, OPEC, the World Health Organisation, the International Organisation for Industrial Development, the World Trade Organisation and the Asia-Pacific Economic Co-operation.

Since 1971, the three Gulf islands of Abu Musa and Greater and Lesser Tunb have been occupied by Iran. The UAE believes that the islands should be returned to the emirate of Sharjah, which claims sovereignty over them, and is seeking to resolve the dispute through negotiation. In 2011, the UAE participated, along with other GCC nations, in a peacekeeping mission aimed at restoring security in the Kingdom of Bahrain. Since 2015, the UAE has been a member of a military force led by the Kingdom of Saudi Arabia (and supported by the United States) to support the internationally recognised government in Yemen against an insurgency led by Houthi tribesmen.

The UAE is also seeking, through negotiation, to resolve issues related to the 1974 provisional and, as yet, unratified, agreement with Saudi Arabia on the border between the two countries, which the UAE believes should be substantially amended. In addition, the UAE is involved in discussions with the governments of Saudi Arabia and Qatar relating to a maritime corridor which Qatar has purported to grant to Saudi Arabia, from within Qatar's own maritime waters. This corridor crosses part of the route of the Dolphin gas pipeline between Qatar and the UAE, which the UAE considers to be a breach of pre-existing agreements between Qatar and the UAE.

On 5 June 2017, three GCC countries, Saudi Arabia, the UAE and Bahrain, as well as Egypt and Yemen, severed diplomatic ties with Qatar and also cut trade and transport links and imposed sanctions on Qatar. The stated rationale for such actions was Qatar's support of terrorist and extremist organisations and Qatar's interference in the internal affairs of other countries.

In January 2021, diplomatic relations were restored with Qatar through the signing of the Al Ula Declaration during the 41st Gulf Cooperation Council Summit. Although the Al Ula Declaration is not public, the general understanding is that the participating states will not "infringe on the sovereignty, threaten the security or target the social fabric" of the other participating states. It is not fully clear how the Al Ula Declaration will be implemented and although the UAE has announced the re-opening of its land, air and sea borders to Qatar it is still unclear if and when border controls will reach pre-June 2017 levels. In addition, Qatar has issued a number of claims against the UAE, Saudi Arabia, Egypt and Bahrain since the blockade. For example, in July 2020, Qatar Airways commenced proceedings against this bloc of countries, seeking damages of at least U.S.\$5.0 billion. Other claims have been in relation to, amongst others, suspension of postal services and pharmaceutical investments as a result of the blockade against Qatar.

Pursuant to the Al Ula Declaration, Qatar has committed to closing all pending cases against the UAE originating from the 2017 severance of relations, including the arbitration regarding the suspension of postal services before the Universal Postal Union, which was terminated in 2022, with Qatar having withdrawn its claim. In March 2023, the UAE unblocked several Qatari-owned new websites. In June 2023 and based on the common desire to achieve their mutual interests, the UAE and Qatar have restored their diplomatic ties, which include the reopening of embassies and consulate in Dubai and the engagement is heading in a positive direction.

On 13 August 2020, then President Donald Trump of the United States, Prime Minister Benjamin Netanyahu of Israel and H.H. Sheikh Mohamed bin Zayed Al Nahyan, then Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, released a joint statement confirming that the UAE and Israel had agreed to normalise relations. In doing so, the UAE became the third Arab country, after Egypt in 1979 and the Hashemite Kingdom of Jordan in 1994, to agree to formally establish its relationship with Israel. The Abraham Accords Peace Agreement: Treaty of Peace, Diplomatic Relations and Full Normalisation between the United Arab Emirates and the State of Israel (the **Abraham Accords**) was officially signed in Washington, D.C. on 15 September 2020. The Abraham Accords seek to advance comprehensive Middle East peace, stability and prosperity. To that extent, the UAE and Israel have agreed to join with the United States to develop and launch a "Strategic Agenda for the Middle East" in order to expand regional diplomatic, trade, stability and other cooperation. The Abraham Accords also identify sectors in which the UAE and Israel have signed bilateral agreements, including finance and investment, civil aviation, healthcare, tourism, environment, education and agriculture and food security.

Since the announcement on 13 August 2020, the first direct commercial flight from Israel to the UAE landed in Abu Dhabi International Airport on 31 August 2020. In April 2022, Israel and the UAE concluded negotiations for a free trade agreement. The agreement included that 95 per cent. of traded products would be customs free either immediately or gradually including on products such as food, agriculture, medicine and medical equipment. The agreement also included certain regulations, customs, services, government procurement and electronic trade that will gradually come into effect. The agreement became effective on 1 April 2023.

In August 2023, the UAE announced it would join the BRICS group of developing nations in the group's first proposed expansion in over a decade.

ECONOMY OF DUBAI

Introduction

Dubai has a diversified economy. Real GDP in Dubai grew by 2.7 per cent. in 2019, fell by 11.7 per cent. in 2020, and grew by 5.7 per cent. in 2021 and 4.4 per cent. in 2022. Since the UAE was established, when approximately half of Dubai's GDP was oil-related, the emirate's reliance on oil has decreased significantly, with the mining and quarrying sector (which includes oil and gas activity) accounting for only 2.1 per cent. of Dubai's real GDP in 2022.

Reflecting the emirate's strategic geographic location, rising levels of international trade and the Government's long-standing strategy of positioning the emirate as a trading centre, the wholesale and retail trade sector (which includes automotive repair) has been the principal contributor to GDP in recent years, accounting for 25.7 per cent. of Dubai's real GDP in 2022 (representing 2.1 per cent. growth from the sector's contribution to Dubai's real GDP in 2021).

Other significant sectors for Dubai in recent years have been the transportation and storage, financial and insurance activities, manufacturing, real estate activities, construction, public administration and defence, and information and communication sectors, representing 11.7 per cent., 11.4 per cent., 8.5 per cent., 7.9 per cent., 6.2 per cent., 4.8 per cent. and 4.2 per cent. of Dubai's real GDP in 2022, respectively. Of these sectors; (i) the transportation and storage sector grew by 26.8 per cent. compared with its contribution to Dubai's real GDP in 2021, largely attributable to growth in the number of passengers handled by the national carriers along with an increase in airport transport, handling and support activities; (ii) the financial and insurance activities sector grew by 1.4 per cent. compared with its contribution to Dubai's real GDP in 2021, largely attributable to growth in total credit and an increase in bank deposits; (iii) the manufacturing sector grew by 0.3 per cent. compared with its contribution to Dubai's real GDP in 2021, in large part due to an increase in manufacturing of basic metals, wearing apparel, food products, printing and reproduction of recorded media; and (iv) the information and communication sector grew by 2.6 per cent. compared with its contribution to Dubai's real GDP in 2021, in large part due to an increase in telecommunications revenues, attributed to growth in mobile, fixed line and internet subscribers.

Each of the above sectors has benefitted from the Government's policies aimed at improving the business and investment environment and positioning Dubai as a regional trade and business hub. These policies form part of Dubai's broader strategy, such as D33 (see "*Overview of the Emirate of Dubai—Strategy of Dubai—Dubai Economic Agenda (D33)*") and the Dubai Creative Economy Strategy, which aims to double the GDP contribution of creative industries and double the number of Dubai-based creative companies and creators by 2025. Specific high profile developments initiated by the Government to complement these broader strategies include the establishment of a range of specialised free zones designed to attract new companies and investment and the enactment of legislation designed to promote economic growth, such as reform of the FDI regime (see "*Foreign Direct Investment and Free Zones*" below), new visa rules, such as the green visa, job exploration visa, multi-entry tourist visa, golden card and long-term investor visa schemes (see "*Accommodation and Food Services—Tourism*" below), the introduction of electronic business licences by the DET, the reduction of various fees (including municipality fees on businesses and fees on hotel rooms), and a new insurance scheme replacing the previous requirement for private sector employers to issue a bank guarantee for each employee.

Other supply side factors supporting Dubai's longer-term economic growth have included the availability of labour and land for real estate development, increasing consumer wealth in the GCC and elsewhere (in part reflecting historic periods of high oil and gas prices), an appropriate legal and regulatory framework and good infrastructure.

Since 2020, a range of different listed companies in the UAE have entirely removed their foreign ownership limits, including Empower, Dana Gas, Emaar Properties and Aramex. Along with the reform of the FDI regime, these changes appear to signal a broader trend for UAE companies to seek foreign investment (see "*Economy of Dubai—Foreign Direct Investment and Free Zones*").

As discussed above under "*Overview of the Emirate of Dubai—Strategy of Dubai*", the Government continues to focus on economic diversification and it is targeting the wholesale and retail trade, transportation and storage, financial and insurance activities, professional, scientific and technical activities and accommodation and food service activities sectors, in particular, as areas for future growth.

Gross Domestic Product

The following table sets out Dubai's and the UAE's nominal GDP and nominal GDP growth rates in each of the years 2019 to 2022.

	2019	2020	2021	2022
UAE Nominal GDP (AED millions)	1,535,067	1,283,440	1,524,167	1,862,192

UAE Nominal GDP Growth Rates (<i>per cent.</i>)	(2.1)	(16.4)	18.8	22.2
.....				
Dubai Nominal GDP (<i>AED millions</i>)	436,345	382,405	419,116	463,794
Dubai Nominal GDP Growth Rates (<i>per cent.</i>).....	2.88	(12.36)	9.60	10.66

Sources: FCSA (for UAE nominal GDP) and Dubai Statistics Centre (for Dubai nominal GDP)

The following table sets out Dubai's and the UAE's real GDP and real GDP growth rates in each of the years 2019 to 2022.

	2019	2020	2021	2022
UAE Real GDP (<i>AED millions</i>)	1,517,759	1,442,523	1,499,016	1,623,517
UAE Real GDP Growth Rates (<i>per cent.</i>)	1.1	(5.0)	3.9	8.3
Dubai Real GDP (<i>AED millions</i>)	425,519	375,602	397,187	414,489
Dubai Real GDP Growth Rates (<i>per cent.</i>)	2.7	(11.7)	5.7	4.4

Sources: FCSA (for UAE real GDP) and Dubai Statistics Centre (for Dubai real GDP)

The real GDP of Dubai in 2022 equalled 25.5 per cent. of the real GDP of the UAE in the same year. In 2021, 2020 and 2019, the equivalent proportions were 26.5 per cent., 26.0 per cent. and 28.0 per cent., respectively.

The FCSA has estimated that real GDP in the UAE for 2022 was AED 1,623.5 billion, representing a real GDP growth rate of 8.3 per cent. In 2021, according to the FCSA, real GDP in the UAE was AED 1,499.0 billion, representing a real GDP growth rate of 3.9 per cent.

Dubai's real GDP grew by 2.7 per cent., declined by 11.7 per cent., grew by 5.7 per cent. and grew by 4.4 per cent. in 2019, 2020, 2021 and 2022, respectively, reaching AED 414.5 billion in 2022. Dubai's real GDP per capita in 2022 was approximately U.S.\$31,793, based on an assumed population of 3,549,881 and an exchange rate of U.S.\$1.00 = AED 3.6725.

Within Dubai, no single economic sector contributed more than 27 per cent. to total real GDP in 2019 through 2022, with the largest sector being the wholesale and retail trade sector, which contributed AED 106.5 billion, or 25.7 per cent., of the emirate's real GDP in 2022. Other significant contributors to real GDP in 2022 include the transportation and storage sector, which contributed AED 48.5 billion, or 11.7 per cent., to real GDP, the financial and insurance activities sector, which contributed AED 47.4 billion, or 11.4 per cent., to real GDP, the manufacturing sector, which contributed AED 35.4 billion, or 8.5 per cent., to real GDP, the real estate activities sector, which contributed AED 32.7 billion, or 7.9 per cent., to real GDP, the construction sector, which contributed AED 25.6 billion, or 6.2 per cent., to real GDP, the public administration and defence sector, which contributed AED 20.0 billion, or 4.8 per cent., to real GDP and the information and communication sector, which contributed AED 17.6 billion, or 4.2 per cent., to real GDP. Together, these eight sectors contributed 80.4 per cent. of Dubai's total real GDP in 2022.

In terms of growth, the strongest sectors in Dubai in recent years have been (i) the human health and social work activities sector, with a compound annual real GDP growth rate of 12.7 per cent. between 2019 and 2022; (ii) the electricity, gas, and water supply; waste management activities supply sector, with a compound annual real GDP growth rate of 4.1 per cent. between 2019 and 2022; (iii) the financial and insurance activities sector, with a compound annual real GDP growth rate of 3.1 per cent. between 2019 and 2022; (iv) the construction sector with a compound annual real GDP growth rate of 3.1 per cent. between 2019 and 2022; and (v) the education sector, with a compound annual real GDP growth rate of 1.1 per cent. between 2019 and 2022.

The following table sets out Dubai's real GDP by economic sector at constant prices and by percentage contribution, as well as the year-on-year growth rate, in each of the years 2019 to 2022:

	2019			2020		
	Amount (<i>AED millions</i>)	Contribution (<i>per cent.</i>)	Growth (<i>per cent.</i>)	Amount (<i>AED millions</i>)	Contribution (<i>per cent.</i>)	Growth (<i>per cent.</i>)
Wholesale and Retail Trade	115,570	27.2	3.3	97,564	26.0	(15.6)
Transportation and Storage	53,739	12.6	4.7	34,966	9.3	(34.9)
Financial and Insurance Activities	43,284	10.2	0.2	44,890	12.0	3.7
Manufacturing.....	34,873	8.2	0.4	34,654	9.2	(0.6)

	2019			2020		
	Amount	Contribution	Growth	Amount	Contribution	Growth
	(AED millions)	(per cent.)	(per cent.)	(AED millions)	(per cent.)	(per cent.)
Real Estate Activities	29,864	7.0	7.6	27,662	7.4	(7.4)
Construction	28,640	6.7	1.3	27,308	7.3	(4.7)
Public Administration and Defence; Compulsory Social Security.....	20,677	4.9	0.3	20,870	5.6	0.9
Information and Communication	17,183	4.0	0.4	16,742	4.5	(2.6)
Professional, Scientific and Technical Activities	14,661	3.4	2.7	13,019	3.5	(11.2)
Accommodation and Food Services	14,803	3.5	2.5	9,712	2.6	(34.4)
Electricity, Gas, and Water Supply; Waste Management Activities	12,087	2.8	0.6	10,503	2.8	(13.1)
Administrative and Support Service Activities	12,407	2.9	5.7	10,974	2.9	(11.6)
Mining and Quarrying	10,430	2.5	(0.6)	10,341	2.8	(0.8)
Education	7,280	1.7	6.0	7,284	1.9	0.1
Human Health and Social Work Activities	3,981	0.9	6.0	3,893	1.0	(2.2)
Activities of Households as Employers / Undifferentiated Goods and Services	2,208	0.5	3.0	2,210	0.6	0.1
Other Service Activities	1,962	0.5	1.1	1,799	0.5	(8.3)
Arts, Entertainment and Recreation	1,353	0.3	0.9	680	0.2	(49.7)
Agriculture, Forestry and Fishing	517	0.1	(0.1)	531	0.1	2.7
Total Real GDP	425,519	100.0	2.7	375,602	100.0	(11.7)

	2021			2022		
	Amount	Contribution	Growth	Amount	Contribution	Growth
	(AED millions)	(per cent.)	(per cent.)	(AED millions)	(per cent.)	(per cent.)
Wholesale and Retail Trade	104,339	26.3	6.9	106,527	25.7	2.1
Transportation and Storage	38,259	9.6	9.4	48,527	11.7	26.8
Financial and Insurance Activities	46,800	11.8	4.3	47,438	11.4	1.4
Manufacturing.....	35,340	8.9	2.0	35,433	8.5	0.3
Real Estate Activities	31,721	8.0	14.7	32,693	7.9	3.1
Construction	26,398	6.6	(3.3)	25,608	6.2	(3.0)
Public Administration and Defence; Compulsory Social Security.....	20,419	5.1	(2.2)	19,989	4.8	(2.1)
Information and Communication	17,128	4.3	2.3	17,565	4.2	2.6
Professional, Scientific and Technical Activities	13,823	3.5	6.2	14,225	3.4	2.9
Accommodation and Food Service Activities	11,750	3.0	21.0	13,810	3.3	17.5
Electricity, Gas and Water Supply; Waste Management Activities.....	12,768	3.2	21.6	13,620	3.3	6.7
Administrative and Support Service Activities ...	11,478	2.9	4.6	12,062	2.9	5.1
Mining and Quarrying	8,948	2.3	(13.5)	8,574	2.1	(4.2)
Education	7,417	1.9	1.8	7,529	1.8	1.5
Human Health and Social Work Activities	5,533	1.4	42.1	5,696	1.4	2.9
Activities of Households as Employers / Undifferentiated Goods and Services	1,974	0.5	(10.7)	1,966	0.5	(0.4)

	2021			2022		
	Amount	Contribution	Growth	Amount	Contribution	Growth
	(AED millions)	(per cent.)	(per cent.)	(AED millions)	(per cent.)	(per cent.)
Other Service Activities	1,873	0.5	4.1	1,927	0.5	2.9
Arts, Entertainment and Recreation	685	0.2	0.7	791	0.2	15.5
Agriculture, Forestry and Fishing	534	0.1	0.5	509	0.1	(4.7)
Total Real GDP	397,187	100.0	5.7	414,489	100.0	4.4

Source: Dubai Statistics Centre

An overview of certain key economic sectors is set out below.

Wholesale and Retail Trade

The wholesale and retail trade sector accounted for AED 106.5 billion, or 25.7 per cent., of Dubai's real GDP in 2022, making it the largest contributing sector to the emirate's economy.

In real terms, this sector experienced growth of 3.3 per cent., negative 15.6 per cent., 6.9 per cent. and 2.1 per cent. in 2019, 2020, 2021 and 2022, respectively. As a result of the impact of the COVID-19 pandemic, the sector experienced a sharp decline in 2020 but recovered in 2021 as a result of generally increased economic activity and increased demand for goods and services and a partial recovery in the number of visitors to Dubai. The lower rate of growth in 2022 principally reflected the fact that the sector benefitted significantly from Dubai Expo 2020, which took place in 2021.

The following table sets out the contribution to Dubai's real GDP of the wholesale and retail trade sector for each of the years 2019 to 2022.

Wholesale and Retail Trade	2019	2020	2021	2022
Real GDP (AED millions)	115,570	97,564	104,339	106,527
Percentage of Total Real GDP	27.2	26.0	26.3	25.7

Source: Dubai Statistics Centre

For the purposes of calculating GDP, this sector encompasses the wholesale and retail sale (i.e. sale without transformation) of any type of goods and the rendering of services incidental to the sale of these goods. The sector also encompasses automotive repairing services comprising the maintenance and repair of goods associated with motor vehicles and motorcycles.

The principal products traded in the emirate by wholesalers and retailers include all types of textiles, clothing and footwear, household appliances and furniture, motor vehicles (including parts and accessories), other machinery, equipment and supplies and construction material.

In addition, Dubai's extensive shopping malls (such as the Dubai Mall and the Mall of the Emirates), major shopping and consumer events (such as the Dubai Shopping Festival, the Dubai Summer Surprises and the Dubai Food Festival) and the increasing number of trade fairs and exhibitions (see "— Tourism" below) hosted in Dubai, are key drivers for the growth of Dubai's trading sector. The Dubai Mall received 84 million visitors in 2019, 43 million visitors in 2020 and over 80 million visitors in each of 2021 and 2022. As at 31 December 2022, the Dubai Mall reported an occupancy rate of 99 per cent. (source: Emaar Properties).

Real Estate Activities and Construction

The real estate activities sector accounted for AED 32.7 billion, or 7.9 per cent., of Dubai's total real GDP in 2022. This sector demonstrated growth of 7.6 per cent., negative 7.4 per cent., 14.7 per cent. and 3.1 per cent. in 2019, 2020, 2021 and 2022, respectively.

The construction sector accounted for AED 25.6 billion, or 6.2 per cent., of Dubai's total real GDP in 2022. This sector demonstrated growth of 1.3 per cent. in 2019 and declines of 4.7 per cent., 3.3 per cent. and 3.0 per cent. in 2020, 2021 and 2022, respectively. The decline during this period was due to a decrease in Government spending on development projects during the height of the COVID-19 pandemic and following completion of Dubai Expo 2020 and the Route 2020 Metro Project.

The following table sets out the contributions to Dubai's real GDP of the real estate activities sector and the construction sector, respectively, in each of the years 2019 to 2022.

Real Estate Activities	2019	2020	2021	2022
Real GDP (<i>AED millions</i>)	29,864	27,662	31,721	32,693
Percentage of Total Real GDP	7.0	7.4	8.0	7.9
Construction Real GDP (<i>AED millions</i>)	28,640	27,308	26,398	25,608
Percentage of Total Real GDP	6.7	7.3	6.6	6.2

Source: Dubai Statistics Centre

Real Estate

The DLD is responsible for the registration of all property transactions and all property developers within the emirate of Dubai (with the exception of the DIFC). RERA was established as the regulatory arm of the DLD pursuant to Dubai Law No. 16 of 2007 Establishing the Real Estate Regulatory Agency, which has now been superseded by Dubai Law No. 4 of 2019 Concerning the Real Estate Regulatory Agency (the **RERA Law**). Supported by the DLD, RERA plays a key role in the regulation of Dubai's real estate market. RERA is responsible for regulating the real estate sector, helping to formulate the sector's strategies and regulate the activities of companies that manage residential compounds, as well as the activities of real estate brokers and owners' associations. RERA also issues the rules and regulations that qualify activities of brokerage and certification. Pursuant to the RERA Law, the DLD has succeeded RERA in exercising all of the functions related to the registration of lease contracts and regulation of the relationship between landlords and tenants and in exercising all other functions related to lease contracts. In addition, other bodies related to the DLD include:

- the Higher Real Estate Planning Committee, established in 2019, which is responsible for further regulating the real estate sector in Dubai and developing a strategy to enhance the competitiveness of Dubai's real estate sector as a whole. The Higher Real Estate Planning Committee is also responsible for overseeing the real estate supply and demand balance and ensuring that new projects add value to Dubai's economy; and
- the Rental Disputes Centre, established in 2013, which acts as the judicial arm of the DLD. It is responsible for adjudicating all rental disputes arising between tenants and landlords over real estate located in the emirate or its free zones, including counter-claims as well as requests for temporary or urgent action from either party to the lease. It also adjudicates appeals made against decisions and judgments and its team is responsible for implementing the decisions and judgments issued following rental disputes.

Recent measures implemented to strengthen the real estate regulatory framework in Dubai include the publication of Dubai Decree No. 33 of 2020 Regarding the Establishment of the Special Judicial Committee for Incomplete and Cancelled Real Estate Projects in the Emirate of Dubai which was issued by the Ruler of Dubai on 15 December 2020 and replaced and repealed Dubai Decree No. 21 of 2013 concerning the formation of a special judicial committee for the liquidation of cancelled real estate projects in the emirate of Dubai (Special Judicial Committee) and the settlement of the relevant rights. Dubai Decree No. 33 of 2020 grants the Special Judicial Committee the power to consider and decide claims arising between real estate developers and purchasers from cancelled real estate projects which were not adjudicated by a final decision or judgment.

According to RERA, 181 new real estate projects were registered in 2022 compared to 111 new projects registered in 2021, and 95 real estate projects were completed in 2022, compared to 82 projects completed in 2021. The current demand in the real estate sector has principally originated from end-users. The number of registered developers and brokers increased from 60 and 1,052 in 2021 to 143 and 2,235 in 2022, respectively.

The major principal developers in Dubai are all owned (wholly or partially, directly or indirectly) by the Government. These include Dubai Holding, Wasl Properties, Nakheel PJSC and Jumeirah Golf Estates LLC (each 100 per cent. owned by the Government), as well as Emaar Properties PJSC (**Emaar**) (24.1 per cent. owned by the Government as at 31 December 2022).

The following table sets out the number of real estate sale transactions in Dubai and the total value of such transactions in each of the years 2019 to 2022, together with the corresponding year on year percentage growth in such transaction volumes and values.

	2019	2020	2021	2022
Total Real Estate Sale Transactions	57,337	51,282	84,681	122,558
Percentage Growth in Total Real Estate Sale Transactions	7.1	(10.6)	65.1	44.7

Total Value of Real Estate Sale Transactions (<i>AED millions</i>)	119,430	174,764	298,952	527,920
Percentage Growth in Total Value of Real Estate Sale Transactions	(46.6)	46.3	71.1	76.6
Total Value of Mortgage-Related Transactions (<i>AED millions</i>)	67,972	87,550	127,873	231,711
Percentage Growth in Mortgage-Related Transactions	(43.3)	28.8	46.1	81.2

Source: DLD

For the year ended 31 December 2022, the DLD reported 122,558 sale transactions, compared to 84,681 sale transactions in 2021, an increase of 44.7 per cent. During this same period, the total value of real estate transactions increased by 76.6 per cent. In 2022, there were AED 231.7 billion of mortgage-related transactions, representing an increase of 81.2 per cent. compared to AED 127.9 billion of such transactions in 2021.

The following table sets out the breakdown of the real estate sale transaction volumes in Dubai and the total value of such transactions in each of the years 2019 to 2022:

	2019	2020	2021	2022
Land Sale Transactions (<i>AED millions</i>).....	87,684	123,149	96,434	242,573
Land Sale Transactions (<i>Number</i>)	10,019	11,671	10,261	16,604
Building Sale Transactions (<i>AED millions</i>)	5,158	10,806	57,125	55,031
Building Sale Transactions (<i>Number</i>)	7,116	6,469	1,028	1,198
Unit Sale Transactions (<i>AED millions</i>).....	26,588	40,808	145,393	230,316
Unit Sale Transactions (<i>Number</i>)	40,202	33,142	73,392	104,756

Source: DLD

According to the DLD, land, building and unit sale transactions accounted for 13.5 per cent., 1.0 per cent. and 85.5 per cent., respectively, of the total number of real estate sales transactions in 2022. During 2022, 16,604 land, 1,198 building and 104,756 unit sale transactions were recorded, representing an increase of 61.8 per cent., 16.5 per cent. and 42.7 per cent., respectively, compared to 2021. During the same period, the value of the land, building and unit sale transactions increased by 151.5 per cent., decreased by 3.7 per cent., and increased by 58.4 per cent., respectively, compared to 2021.

Transportation and Storage

The transportation and storage sector accounted for AED 48.5 billion, or 11.7 per cent., of Dubai's total real GDP in 2022. This sector demonstrated growth of 4.7 per cent., negative 34.9 per cent., 9.4 per cent. and 26.8 per cent. in real terms in 2019, 2020, 2021 and 2022, respectively. Growth in this sector has resulted from an overall increase in the number of passengers across all transport sectors and increased cargo handling and support activities at Dubai's airports and ports during these periods. The decline in 2020 reflected the impact of travel restrictions imposed around the world to combat COVID-19.

The following table sets out the contribution to Dubai's real GDP of the transportation and storage sector in each of the years 2019 to 2022.

Transportation and Storage	2019	2020	2021	2022
Real GDP (<i>AED millions</i>)	53,739	34,966	38,259	48,527
Percentage of Total Real GDP	12.6	9.3	9.6	11.7

Source: Dubai Statistics Centre

See "*—Infrastructure*" below for a description of Dubai's air, land and sea transport and the UAE's telecommunications infrastructure.

Financial and Insurance Activities

The financial and insurance activities sector accounted for AED 47.4 billion, or 11.4 per cent., of Dubai's total real GDP in 2022. This sector grew by 0.2 per cent. in real terms in 2019, 3.7 per cent. in 2020, 4.3 per cent. in 2021 and 1.4 per cent. in 2022.

The following table sets out the contribution to Dubai's real GDP of the financial and insurance activities sector in each of the years 2019 to 2022.

Financial and Insurance Activities	2019	2020	2021	2022
Real GDP (<i>AED millions</i>).....	43,284	44,890	46,800	47,438

Financial and Insurance Activities	2019	2020	2021	2022
Percentage of Total Real GDP	10.2	12.0	11.8	11.4

Source: Dubai Statistics Centre

Dubai is an important financial centre in the Arabian Gulf region. According to the UAE Central Bank, as at 31 December 2022, there were 520 national bank branches (inclusive of head offices) in the UAE. As at 31 December 2022, 37.3 per cent. of national bank branches were located in Dubai, 33.9 per cent. were located in Abu Dhabi (including Al Ain) and 15.1 per cent. were located in Sharjah. As at 31 December 2022, there were 101 foreign bank branches (inclusive of head offices) in the UAE. As at 31 December 2022, 33.8 per cent. of foreign bank branches were located in Dubai, 36.5 per cent. were located in Abu Dhabi (including Al Ain) and 17.6 per cent. were located in Sharjah. See “*Monetary and Financial System—Financial and Insurance Services—Principal Banks in Dubai*” for a further discussion of Dubai’s banking sector.

In addition, the Dubai International Financial Centre has attracted a number of financial services providers to Dubai, including investment banks, insurers and private equity firms, see “—*Foreign Direct Investment and Free Zones—Dubai International Financial Centre*” below.

The UAE has also implemented measures to ensure financial stability and protect investments from crimes that could harm its economy (see “*Monetary and Financial System—Financial and Insurance Services—Federal Debt Management*”).

Manufacturing

The manufacturing sector accounted for AED 35.4 billion, or 8.5 per cent., of Dubai’s total real GDP in 2022. This sector demonstrated growth of 0.4 per cent., a decline of 0.6 per cent., growth of 2.0 per cent. and growth of 0.3 per cent. in real terms in 2019, 2020, 2021 and 2022, respectively. The manufacturing sector has generally grown in recent years principally due to increased manufacturing of basic metals, wearing apparel, food products, printing and reproduction of recorded media.

The following table sets out the contribution to Dubai’s real GDP of the manufacturing sector in each of the years 2019 to 2022.

Manufacturing	2019	2020	2021	2022
Real GDP (AED millions)	34,873	34,654	35,340	35,433
Percentage of Total Real GDP	8.2	9.2	8.9	8.5

Source: Dubai Statistics Centre

Dubai’s manufacturing sector covers a number of industries, including aluminium, cement, cables, machinery, electrical appliances and machines. According to the Dubai Chamber of Commerce and Industry, Dubai’s manufacturing sector is dominated by medium-sized firms typically employing between 10 and 99 employees. Many of these firms are congregated in purpose-built locations and/or within free zones, including those discussed under “—*Foreign Direct Investment and Free Zones*” below. Other specialised zones include the Dubai Science Park and the National Industries Park (**NIP**), which is a Government initiative for the commercial development of technology.

In addition, to help expand the manufacturing sector in Dubai, the Government established Dubai Investments Park in 1998, a 2,300-hectare business complex located close to the Jebel Ali port that consists of mixed-use industrial, business, residential and recreational developments. This park is managed by Dubai Investments PJSC, a public company in which the Government has a shareholding. See “*Public Finance—Major ICD Investments*”.

Major industrial companies operating in Dubai include Dubai Aerospace Enterprise (which is engaged in aerospace research and development, manufacturing, maintenance, repair and overhaul, aircraft leasing and other aerospace services) and Emirates Global Aluminium PJSC (**EGA**), an equal ownership joint-venture company between the governments of Dubai and Abu Dhabi (through ICD and Mubadala Investment Company PJSC (**Mubadala**), respectively), which commenced operations in April 2014. See “*Public Finance—Investment Corporation of Dubai—Major Investments—Emirates Global Aluminium*”.

Another industrial company operating in Dubai is Dubai Cable Company (Private) Limited (**DUCAB**), which is jointly owned by the governments of Dubai and Abu Dhabi (through ICD and Abu Dhabi Developmental Holding Company PJSC (**ADQ**), respectively) and which manufactures over 110,000 tonnes per annum of high, medium and low voltage power cables, components and accessories for industrial applications. See “*Public Finance—Major ICD Investments*”.

Accommodation and Food Services

The accommodation and food services sector accounted for AED 13.8 billion, or 3.3 per cent., of Dubai's total real GDP in 2022. This sector demonstrated growth of 2.5 per cent., a decline of 34.4 per cent. and a return to growth of 21.0 per cent. and 17.5 per cent. in real terms in 2019, 2020, 2021 and 2022 respectively. The return to growth in 2021 after the decline in 2020 was due to the resumption in travel as restrictions imposed to combat the COVID-19 pandemic were progressively lifted, which contributed to an increase in the average length of stay in hotels in Dubai and an increase in restaurant revenues.

The following table sets out the contribution to Dubai's real GDP of the accommodation and food services sector in each of the years 2019 to 2022.

Accommodation and Food Services	2019	2020	2021	2022
Real GDP (AED millions)	14,803	9,712	11,750	13,810
Percentage of Total Real GDP	3.5	2.6	3.0	3.3

Source: Dubai Statistics Centre

The accommodation and food services activities comprises restaurants and hotels, which is a proxy measure of Dubai's tourism sector.

Tourism

Dubai has sought to position itself as a business and leisure tourism hub within the Middle East region and has developed a significant tourism infrastructure to facilitate this strategy. Tourism also plays an important indirect role in driving other related economic sectors such as retail trade, transportation and construction.

According to the DET, there were 804 hotels, guest houses and hotel apartment buildings in Dubai at the end of 2022. Dubai's hotels, guest houses and hotel apartments accommodated 14.4 million guests in 2022, compared to 17.5 million guests in 2019, 5.5 million guests in 2020 and 7.3 million guests in 2021. Hotel occupancy rates were 76 per cent. in 2019, 54 per cent. in 2020, 67 per cent. in 2021 and 73 per cent. in 2022. The number of hotel rooms and hotel apartments increased to 146,496 in 2022, compared to 126,120 in 2019, 126,974 in 2020 and 137,950 in 2021. The DET reported a 40 per cent. increase in annual revenues for Dubai's hotels and hotel apartments in 2022, from AED 22.2 billion in 2019, AED 11.3 billion in 2020 and 21.6 billion in 2021.

Recent developments since 2020 in Dubai's tourism sector include:

- In March 2020, the Dubai Department of Tourism and Commerce Marketing (now the DET) announced a number of measures in response to the COVID-19 pandemic, including the reduction of municipality fees imposed on sales at hotels from 7.5 per cent. to 3.5 per cent. for 90 days, exempting companies from fees charged for the postponement and cancellation of tourism and sports events scheduled for 2020, and freezing fees charged for the sale of tickets, issuance of permits and other government fees related to entertainment and business events.
- From 1 October 2021 to 31 March 2022, Expo 2020 successfully took place, welcoming over 24 million visitors (see "*Economy of Dubai—Tourism—Dubai Expo 2020*").
- In June 2022, the MICHELIN Guide Dubai was launched providing the first set of Michelin stars to Dubai restaurants. In addition, the inaugural edition of Middle East & North Africa's 50 Best Restaurants recognised 16 Dubai restaurants.
- From 9 to 20 November 2022, Dubai hosted the inaugural Dubai Esports Festival at Expo City Dubai.
- In 2022, the UAE changed its tourist visa rules providing a new multiple-entry five-year tourist visa. Reforms also included the introduction of a job-seeking visa (allowing visitors with certain minimum qualifications to enter without a sponsor or host to explore work) and changes to its study visa.
- The Federal Government also introduced a retirement visa which effectively allows expatriates to remain resident in the UAE even after retiring if they have sufficient resources (property worth more than AED 2 million or financial savings worth more than AED 1 million or an active income of at least AED 20,000 per month). In 2022, DET ran a Dubai Presents campaign comprising a series of movie-

style trailers featuring Hollywood stars Jessica Alba and Zac Efron and Bollywood star Shah Rukh Khan, as well as a 'Where the World Celebrates' global campaign features French football star Karim Benzema coinciding with the FIFA World Cup in Qatar.

- In March 2023, the Al Shindagha Museum was opened, a museum focusing on Emirati heritage and culture.
- In July 2023, the DET announced the launch of a new "Dubai Sustainable Tourism Stamp", a new sustainability initiative that seeks to recognise hotels with the highest adherence to the DET's 19 'Sustainability Requirements'. The initiative, launched in line with the UAE Year of Sustainability, is part of DET's commitment to strengthening Dubai's position as a leading sustainable tourism destination.

The following table sets out certain statistics in relation to tourism in Dubai in each of the years 2019 to 2022:

	2019	2020	2021	2022
Number of hotels, guest houses and hotel apartments	741	711	755	804
Number of hotel guests / international visitors (<i>millions</i>)	17.54	5.51	7.28	14.36
Number of hotel rooms	126,120	126,947	137,950	146,496
Occupancy (<i>per cent</i>)	76	54	67	73
Total hotel revenue (<i>AED billions</i>)	22.2	11.3	21.6	30.2
Revenue per available room (<i>AED</i>).....	312	186	301	391
Average daily rate (<i>AED</i>).....	415	343	451	536

Source: Dubai Statistics Centre

According to the DET, Dubai's principal tourist attractions include: the Burj Khalifa (the world's tallest building); the Burj Al Arab (one of the world's most luxurious hotels); the Dubai Aquarium and Underwater Zoo; the Dubai Heritage Village; the Jumeirah Mosque; Ski Dubai (the first indoor ski slope in the Middle East); the Palm Jumeirah (one of the world's largest man-made islands); the Dubai Mall (one of the world's largest shopping malls); the Dubai Fountain; the Dubai Creek; Madinat Jumeirah; the Dubai Frame and the Gold and Textile Souks. The Atlantis Hotel, which opened in September 2008, has also become a popular tourist attraction in Dubai, with a new Atlantis, The Royal, launched in January 2023.

A number of new attractions have also recently opened in Dubai since 2020, including Expo City Dubai, Museum of the Future, Ain Dubai, Dubai Crocodile Park, Dubai Mall Chinatown, AYA Universe Dubai, Dubai Hills Mall and Mohammed Bin Rashid Library.

Dubai is also considered an important location for hosting international conferences, exhibitions (such as the Gulf Information Technology Exhibition (GITEX), an annual consumer computer and electronics trade show, exhibition and conference that takes place in Dubai, and the Dubai Design Week, an annual trade show, exhibition and conference showcasing design innovations ranging from graphic and product design to architecture and industrial design) and large cultural events (such as the Dubai International Film Festival and Art Dubai).

According to the Dubai Statistics Centre, 77 exhibitions were held in 2022, with 36,551 companies participating, a 53.2 per cent. increase compared to 2021, and visitor numbers reached 1,146,306, a 66.1 per cent. increase compared to 2021. In addition, 2022 saw 120 meetings and conferences held in Dubai with 46,661 delegates attending.

The following table sets out certain statistics in relation to exhibitions and conferences held in Dubai in each of the years 2019 to 2022:

	2019	2020	2021	2022
Number of exhibitions held	90	31	54	77
Number of companies participating in exhibitions	54,390	19,580	23,852	36,551
Number of exhibition visitors	1,732,618	527,357	690,043	1,146,306
Number of meetings and conferences held	238	85	81	120
Number of delegates attending meetings and conferences	104,473	24,502	60,243	46,661

Source: Dubai Statistics Centre

In addition to its headquarters in Dubai, DET operates a network of 17 offices worldwide.

Vision for Tourism 2022-25

In October 2018, DET announced Dubai's Vision for Tourism 2022-25 (**Vision 2022-25**), which is a strategic roadmap with the key target of attracting 21 to 23 million visitors to Dubai per year by 2022 (although such target was affected by the COVID-19 pandemic), growing to 23 to 25 million visitors by 2025. The initiatives under Vision 2022-25 include 71 key projects to be delivered across a number of categories, with each category assigned a target incremental increase in visitors to Dubai and contribution to Dubai's GDP. Vision 2022-25 envisages achieving its targets by focusing on five key objectives: (i) maintaining Dubai's leadership position in its core tourist markets across the Middle East and South Asia, investing and growing its share in high-volume tourist markets, including Western Europe, Russia and China, diversifying into high-potential markets in Eastern Europe, Central Asia and Africa, and capitalising on transit traffic through Dubai to capture greater share in long-distance markets including the Americas and Australia; (ii) offering "only in Dubai" experiences that are tailored to Dubai's core tourist segments, including millennials, families, retirees and business travellers; (iii) developing deep and granular customer insights through personalised, intelligent data-driven marketing; (iv) enhancing global attractiveness as a business hub for multinationals, SMEs and start-ups, as well as corporate events; and (v) delivering an agile and responsive tourist ecosystem through active knowledge sharing and collaborative idea generation.

Dubai Expo 2020

In November 2013, Dubai was announced as the host city for the 2020 World Expo (**Dubai Expo 2020**). The event was originally scheduled to be held from 20 October 2020 to 10 April 2021; however, in May 2020, in response to the COVID-19 pandemic, the member states of the Bureau International des Expositions (**BIE**) voted to confirm a one-year postponement to Dubai Expo 2020. Dubai Expo 2020 retained its name but instead hosted the event from 1 October 2021 to 31 March 2022. See "*Overview of the Emirate of Dubai—Measures taken in the UAE in response to the COVID-19 pandemic*". As at 30 June 2023, DoF had provided equity injections of AED 23,372 million into Dubai Expo 2020.

Dubai Expo 2020 was the first World Expo to be held in the Middle East, North Africa and South Asia region. The World Expo is a registered exposition taking place every five years for a maximum of six months and is intended for the global community to promote innovations in the service of human progress. The World Expo attracts millions of visitors attending exhibitions and cultural events staged by hundreds of participants including nations, international and civil society organisations and companies.

The Dubai Expo 2020 site covers 4.4 km² and is located in Dubai South, halfway between Dubai and Abu Dhabi. It is served by three international airports (with the Al Maktoum International Airport only 6 km away), a world-class road network and the new extension to the Dubai Metro system (see "*—Infrastructure—Dubai Metro*" above).

Dubai Expo 2020 was held under the theme "Connecting Minds, Creating the Future", representing future aspirations of Dubai's society and uniting people from across the globe to share in a common project. Some of the key statistics and results of Dubai Expo 2020 included the following:

- Dubai Expo 2020 welcomed 192 countries and attracted over 24 million visits, with around a third of visitors from overseas. It also attracted over 250 million virtual visits. It also aimed to foster a greater spirit of volunteering, engaging over 30,000 volunteers in various roles.
- According to Ernst & Young, the event and its legacy is expected to contribute AED 154.9 billion (U.S.\$42.2 billion) of gross value added to the UAE's economy from 2013 to 2042, as well as the equivalent of 1,039,000 job-years (over 63 per cent. of which are expected post-Expo) in the same period.
- Through its "People and Planet Programme", Dubai Expo 2020 brought together "changemakers", under-represented voices and the private sector to address global challenges like climate change, water, gender equality and women's empowerment.
- The Dubai Expo 2020 Expo Schools Programme provided one million students with an enhanced educational experience, with the goal of inspiring them to become agents of change.
- Dubai Expo 2020 focused on sustainability, resulting in 123 buildings achieving LEED Certification and eight infrastructure projects achieving CEEQUAL Excellent Certification and diverting a significant portion of waste from landfills. It also reduced its carbon footprint by 717,004 tonnes of CO₂ equivalent and offset an additional 400,000 tonnes through certified carbon offsets.

Following completion of the event, the Dubai Expo 2020 site has begun transitioning into a mixed-use development called Expo City Dubai, a freezone with a focus on sustainability and innovation to support growth in key industries including transport and logistics, tourism and education. Expo City Dubai intends to reuse over 80 per cent. of the Dubai Expo 2020 infrastructure, transforming it into a sustainable city with parks,

gardens, pedestrian walkways and autonomous vehicle routes. The city aims to set new standards for a clean, green and innovation-driven human-centric urban environment in the region. Expo City Dubai will also host COP 28 (see “—Energy— COP 28” below).

Open since 1 October 2022, Expo City Dubai re-opened a number of attractions including Al Wasl Plaza, the Garden in the Sky observation tower and the Mobility and Sustainability Pavilions. The Opportunity Pavilion has also been re-opened as the Expo 2020 Dubai Museum. Expo City Dubai features as one of the key areas for development under the Dubai 2040 Urban Master Plan (see “Overview of the Emirate of Dubai—Strategy of Dubai—Dubai 2040 Urban Master Plan”).

In March 2023, Expo City Dubai unveiled Expo Valley and Expo Central – two residential developments. The projects’ first phase is underway, developed by the same team that created the Dubai Expo 2020 site, and are due for completion in 2026. Linked to Expo City Dubai, Expo Valley offers villas and townhouses dispersed throughout a natural landscape. Expo Central, located at the heart of the Dubai Expo 2020 site, also offers luxury apartments and townhouses.

Expo City Dubai is intended to also be an attractive location for businesses. Around 3,000 individuals from leading local and global organisations are expected to have established offices within the city by September 2023.

Expo City Dubai will also utilise its wide range of venues, from the Dubai Exhibition Centre and Al Wasl Plaza to smaller, more intimate spaces, in order to host global business events, conferences and meetings, as well as panel discussions, concerts, theatrical performances, ceremonies, celebrations and sports events. Examples include its ‘Hai Ramadan’ celebrations in 2023, which brought together communities during the holy month, providing a cultural journey from across the Islamic world, while thousands of visitors celebrated the FIFA World Cup Qatar 2022™ in Fan City. Expo City Dubai also hosts a wide array of sports and wellbeing events, from yoga and fitness sessions to the Dubai Marathon. Future events include UNTOLD, one of the world’s biggest music festivals, which will be held in Expo City Dubai in 2024.

Public Administration and Defence

The public administration and defence sector accounted for AED 20.0 billion, or 4.8 per cent., of Dubai’s total real GDP in 2022. This sector demonstrated growth of 0.3 per cent., 0.9 per cent., and declines of 2.2 per cent. and 2.1 per cent. in real terms in 2019, 2020, 2021 and 2022, respectively.

The following table sets out the contribution to Dubai’s real GDP of the public administration and defence sector in each of the years 2019 to 2022.

Public Administration and Defence	2019	2020	2021	2022
Real GDP (AED millions)	20,677	20,870	20,419	19,989
Percentage of Total Real GDP	4.9	5.6	5.1	4.8

Source: Dubai Statistics Centre

The public administration and defence sector comprises the various departments of the Government and includes compulsory social security. The decline in growth in the public administration and defence sector in 2021 and 2022 was due to a reduction in the number of employees at the Government and a decrease in Government spending on development projects. The statistics related to the public administration and defence sector do not include GREs (see “Public Finance”).

Inflation

UAE

The UAE inflation rate was negative 3.0 per cent. in 2019, negative 2.1 per cent. in 2020, 0.2 per cent. in 2021, 4.8 per cent. in 2022 and 2.1 per cent. (year-on-year) from June 2022 to June 2023.

The following table sets out the consumer price index (CPI) and the percentage change of consumer prices in the UAE for each of the years 2019 to 2022 and from June 2022 to June 2023 (on a year-on-year basis).

	2019	2020	2021	2022	June 2023⁽¹⁾
CPI Index.....	109.0	106.7	106.9	104.8	107.5

	2019	2020	2021	2022	June 2023 ⁽¹⁾
CPI Inflation (year-on-year).....	(3.0)	(2.1)	0.2	4.8	2.1

Note:

(1) Inflation figure for June 2023 is calculated on a year-on-year basis compared to June 2022.

Source: FCSA

Dubai

The calculation of a separate CPI for Dubai started in 2007.

The following table sets out the CPI and the percentage change, year on year, of consumer prices in Dubai for each of the years 2019 to 2022 and for July 2023 (on a year-on-year basis).

	2019	2020	2021	2022	July 2023 ⁽²⁾
CPI Index ⁽¹⁾	107.25	104.0	101.8	104.7	108.0
CPI Inflation (year-on-year).....	(3.0)	(3.0)	(2.2)	4.7	1.0

Note:

(1) CPI data up to and including 2021 is based on a price reference period of 2014 = 100. CPI data from 2022 onwards is based on a price reference period of 2021 = 100.

(2) Inflation figure for July 2023 is calculated on a year-on-year basis compared to July 2022.

Source: Dubai Statistics Centre

The following table sets out a breakdown of the rate of inflation in Dubai by expenditure group for each of the years 2019 to 2022 and for July 2023 (on a year-on-year basis).

Expenditure Groups	Weight ⁽¹⁾	Rate of Inflation					July 2023 ⁽²⁾
		2019	2020	2021	2022	(per cent.)	
General Index Number	100.0	(3.0)	(3.0)	(2.2)	4.7	1.0	
Housing, Water, Electricity, Gas and Other Fuels	40.7	(6.0)	(6.2)	(8.3)	0.6	6.1	
Food and Non-Alcoholic Beverages	11.7	0.2	2.8	(0.3)	6.7	3.2	
Transportation	9.3	(3.9)	(6.7)	10.0	21.9	(19.7)	
Miscellaneous Goods and Services	5.1	(1.9)	(0.4)	0.5	2.8	2.2	
Communications	5.7	(0.1)	0.0	0.2	1.3	0.4	
Clothing and Footwear	5.0	(4.6)	(3.4)	(1.0)	4.9	4.1	
Restaurants and Hotels	6.1	2.0	0.3	1.2	6.5	3.5	
Recreation and Culture	2.4	2.1	(10.3)	0.6	23.4	(6.7)	
Education	8.2	0.5	1.4	0.1	0.4	1.6	
Furnishings, Household Equipment and Routine Household Maintenance	3.5	1.0	0.3	0.7	2.3	7.7	
Health	0.9	(0.1)	0.1	0.3	0.5	0.7	
Tobacco	0.3	2.4	13.8	(0.1)	(0.5)	(7.4)	

Source: Dubai Statistics Centre

Notes:

(1) CPI data up to and including 2021 is based on a price reference period of 2014 = 100. CPI data from 2022 onwards is based on a price reference period of 2021 = 100.

(2) Inflation figures for July 2023 are calculated on a year-on-year basis compared to July 2022.

In 2019, the Dubai inflation rate was negative 3.0 per cent., which was principally attributable to decreases in the cost of (i) housing, water, electricity, gas and other fuels; (ii) transportation; (iii) miscellaneous goods and services; and (iv) clothing and footwear, as well as lower inflation in the cost of food and non-alcoholic beverages.

In 2020, the Dubai inflation rate was negative 3.0 per cent., which was principally attributable to decreases in the cost of (i) housing, water, electricity, gas and other fuels; (ii) transportation; (iii) miscellaneous goods and services; (iv) clothing and footwear; and (v) recreation and culture, as well as lower inflation in information and communication.

In 2021, the Dubai inflation rate was negative 2.2 per cent., which was principally attributable to decreases in the cost of (i) housing, water, electricity, gas and other fuels; (ii) food and non-alcoholic beverages; (iii) clothing and footwear; and (v) tobacco, as well as lower inflation in the cost of information and communication.

In 2022, the Dubai inflation rate was 4.7 per cent., which was principally attributable to increases in the cost of (i) transport; (ii) recreation, sport and culture; (iii) restaurants and accommodation services; (iv) clothing and footwear; (v) miscellaneous goods and services; and (vi) food and non-alcoholic beverages.

For July 2023 (on a year-on-year basis), the Dubai inflation rate was 1.0 per cent., which was principally attributable to an increase in the cost of housing, water, electricity, gas and other fuels, which was partially offset by decreases in the cost of (i) transportation and (ii) recreation and culture.

The Dubai CPI includes 12 expenditure groups. The three groups with the largest weighting in the Dubai CPI are: (i) housing, water, electricity, gas and other fuels; (ii) food and non-alcoholic beverages; and (iii) transportation, which showed inflation levels of minus 6.0 per cent., 0.2 per cent. and minus 3.9 per cent. respectively in 2019, minus 6.2 per cent., 2.8 per cent. and minus 6.7 per cent. respectively in 2020, minus 8.3 per cent., minus 0.3 per cent. and 10.0 per cent., respectively in 2021, 0.6 per cent., 6.7 per cent. and 21.9 per cent., respectively in 2022 and 6.1 per cent., 3.2 per cent. and minus 19.7 per cent., respectively, for July 2023 (on a year-on-year basis).

The housing, water, electricity, gas and other fuels group constituted a 40.7 per cent. weighting in the Dubai CPI in 2022.

The food and non-alcoholic beverages group constituted a 11.7 per cent. weighting in the Dubai CPI in 2022. This group consists of basic foods items such as meat, breads and cereals, milk products, fish and seafood along with non-alcoholic beverages such as tea, coffee, juices and mineral water.

Transportation constituted a 9.3 per cent. weighting in the Dubai CPI in 2022. The main contributors in this group are passenger transport, fuel and oil and the repair and maintenance of modes of transportation. Petrol and diesel prices are currently linked to global market prices, although domestic fuel prices are set on a monthly basis by the Gasoline and Diesel Prices Committee formed by the UAE Federal Government.

Employment and Wages

The rate of unemployment in Dubai and the UAE is relatively low, reflecting the fact that, typically, authorised residence for employable non-UAE persons is linked to their employment in the UAE.

One of the key challenges for the emirate is the creation of jobs for UAE nationals, supported by initiatives to educate and motivate young Emiratis to join the workforce and, in particular, the private sector. The Government is supporting the private sector by initiating educational and training programmes as well as schemes to identify deficiencies among public sector workers with a view to providing appropriate retraining. Specifically, in the education arena, the Government is outsourcing the management of schools to private operators and initiating partnerships with internationally respected universities with a view to increasing the quality of education offered. The Dubai Council is focused on social development as a core strategic area for the emirate, see "*Overview of the Emirate of Dubai—Strategy of Dubai*".

The following table sets out the number of people employed in Dubai by economic sector in 2019, 2020, 2021 and 2022:

Economic Sectors	2019	2020	2021	2022
Agriculture, forestry and fishing.....	7,430	7,324	7,663	7,260
Mining and quarrying.....	5,593	5,593	6,398	8,813
Manufacturing.....	262,000	257,938	273,388	287,938
Electricity, gas, and water supply; waste management activities.....	15,333	15,754	15,498	17,961
Construction.....	656,252	613,873	610,130	579,021
Wholesale and retail trade; repair of motor vehicles and motorcycles.....	617,805	602,770	601,020	688,908
Transportation and storage.....	306,455	286,028	274,973	299,840
Accommodation and food service activities.....	233,438	218,887	267,249	279,419
Information and communication.....	44,263	49,899	49,965	55,115
Financial and insurance activities.....	41,049	38,742	37,742	38,947
Real estate activities.....	35,199	30,692	32,788	42,911
Professional, scientific and technical activities.....	116,288	117,255	119,582	131,668
Administrative and support service activities.....	341,449	328,152	336,566	361,205
Public administration and defence.....	101,973	103,337	99,257	96,584
Education.....	35,112	34,409	31,369	41,331
Human health and social work activities.....	25,770	26,150	26,934	40,377
Arts, entertainment and recreation.....	21,835	22,081	22,885	22,437
Other service activities.....	32,015	31,754	36,630	38,005
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use.....	140,395	141,191	125,511	124,804
Total.....	3,039,654	2,931,829	2,975,549	3,162,544

Source: Dubai Statistics Centre

According to the Dubai Statistics Centre, unemployment in Dubai is low, with an unemployment rate of 0.76 per cent. in 2022. As at 31 December 2021, there were 26,524 UAE Federal Government employees and 88,255 local Government employees in Dubai.

Unemployment benefits are payable to UAE nationals only and the responsibility for the payment lies with the UAE Federal Government. In September 2015, the UAE Minister of Labour introduced various changes to the UAE Labour Regulations, through the issuance of three Ministerial Decrees that came into force on 1 January 2016, in order to ensure a more flexible working environment for employees and to ensure that employees are paid in accordance with their original employment offer.

In May 2018, the Cabinet announced the introduction of a 10-year residency visa category for certain professions, including, among others, highly-skilled professions such as medicine and engineering. Individuals falling into the list of categories will be able to legally reside in the UAE for a period of 10 years without being linked to a specific employer.

In September 2018, the Cabinet announced plans to allow non-Emirati residents aged 55 and over to secure a five-year retirement visa. The visas can be secured if the relevant individuals own property worth at least AED 2 million, has financial savings of at least AED 1 million, or has an active monthly income of AED 20,000 or more. The visa is valid for five years with a possibility of renewal for those retirees who wish to stay longer and still meet the eligibility criteria. In addition, it was announced that foreign students dependent on their parents for a visa would now be eligible for a two-year residency visa upon graduation, enabling them to search for a job.

The Cabinet also announced the establishment of a new insurance scheme for workers in the private sector, reducing the cost of a mandatory deposit of AED 3,000 per employee per year to AED 60, which is intended to secure workers' rights in the private sector and reduce the burdens on employers. The insurance policy covers workers' entitlements, including end-of-service benefits, holiday allowance, overtime allowance, unpaid wages, worker's return ticket and cases of work injury for up to AED 20,000 per worker.

In January 2021, the UAE announced it would introduce the ability for foreign residents to obtain UAE citizenship for the first time – individuals can be nominated for citizenship by UAE royals or officials and such nominations will be subject to the approval of the UAE Cabinet.

In August 2021, the UAE announced a new resident visa category called the "green visa". The green visa allows residents to sponsor their parents and children up to 25 years old. The green visa will not be linked to any work permits from companies and aims to attract highly-skilled people investors, entrepreneurs, students and graduates. Green visa holders will also be given 90 to 180 days' grace period when their visas expire, as opposed to the current system of 30 days' grace period. Another category of visa called the "freelance visa" was also announced to attract highly-skilled people. These visas were announced as part of the UAE's 50 Projects Initiative.

The Federal Government also introduced a retirement visa which effectively allows expatriates to remain resident in the UAE even after retiring if they have sufficient resources (property worth more than AED 2 million or financial savings worth more than AED 1 million or an active income of at least AED 20,000 per month).

In March 2023, the Federal Government also announced plans to introduce a new flexible work permit that will allow individuals to work freelance within the country from any part of the world.

Emiratisation

To overcome the structural division in the labour market, the Federal Government launched the Emiratisation ("Tawteen" in Arabic) campaign, which promotes the inclusion of UAE nationals in the job sector, particularly in the private sector. Emiratisation aims to increase the number of UAE nationals in the job market and their contribution to the economy. The goal of Emiratisation is to promote development-oriented policies that support productive activities and job creation as well as increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, certain jobs and entrepreneurship.

The UAE encourages the public and private sectors to implement Emiratisation policies at all levels through the establishment of a special department, quota and incentives.

Pursuant to Federal Law No. 8 of 1980 Concerning The Regulation of Labour Relations (as amended), the Ministry of Human Resources and Emiratisation (**MoHRE**) established a special department dedicated to finding adequate job opportunities for UAE nationals. The department assists employers in finding UAE national workers to meet their needs.

Following a strategic plan to promote Emiratisation, MoHRE decided to localise more jobs in the private sector. Starting from 2017, companies that are registered with the Tas'heel online application services and that employ over 1,000 workers are required to hire UAE nationals for data entry positions. For example, MoHRE requires all construction facilities with a workforce of 500 or more employees to appoint at least one Emirati occupational health and safety officer from 2017.

To further develop the localisation in the private sector, MoHRE announced the launch of the "Nafis" programme in September 2021. The "Nafis" programme aims to improve the capacity and capability of Emiratis seeking employment in the private sector by offering training and mentoring services across various sectors and incentivises private sector employment by way of salary support schemes and increased pension programmes. The aim of the "Nafis" programme is to enable Emiratis to occupy 75,000 jobs in the private sector by 2026.

Ministerial Orders by MoHRE impose on private sector employers a quota system, whereby every company with more than 50 employees is obliged to employ UAE nationals at an annual rate of 2 per cent. of total employees in order to ensure participation of UAE nationals in the workforce and to avoid an AED72,000 fine for each Emirati worker they fail to employ. In July 2023, MOHRE announced the expansion of private sector companies subject to Emiratisation targets. The expansion means private companies with 20 to 49 employees will now be subject to the Emiratisation targets. A yearly financial contribution of AED96,000 will be imposed in January 2025 on establishments that do not comply with the decision in 2024, while non-compliant establishments in 2025 will face a AED108,000 fine in January 2026.

Business Licences

The DET is responsible for the issuance of new licences to individuals and corporate entities who wish to perform services or conduct a business in Dubai. The licences issued by the DET are classified as commercial, professional, industrial, tourism or Intilaq (small and medium enterprise licence for Emiratis), depending upon the activity sought to be carried out. Small and medium enterprises (**SMEs**) are the backbone of Dubai's economy, representing over 90 per cent. of all establishments in the emirate. The Government views as a high priority the enhancement of the economic contribution and performance of the SME sector. In this regard, the new and updated Commercial Companies Law (UAE Federal Decree-Law No. 32 of 2021 on Commercial Companies) (the **2021 CCL**) was introduced and came into effect in January 2022. Among other things, the

2021 CCL has introduced modernising changes in corporate structuring (including the introduction of single member companies, holding companies and common investment funds) and enhanced the UAE’s corporate governance regime.

As part of the UAE’s commitment as a member of the OECD Inclusive Framework, and in response to an assessment of the UAE’s tax framework by the European Union Code of Conduct Group on Business Taxation, the Cabinet issued Resolution No. 31 of 2019 Concerning Economic Substance Regulations (the **Economic Substance Regulations**) in April 2019. This was followed by the issuance of additional guidance as to the application of the Economic Substance Regulations in September 2019. The Economic Substance Regulations require UAE onshore and free zone companies and other UAE business forms that carry out certain specified activities to maintain an adequate economic presence in the UAE relative to the activities they undertake, effective from 1 January 2020.

The following table sets out the new licences (not including renewals of existing licences) granted by the DET for each category of business licence in each of the years 2019 to 2022:

	2019	2020	2021	2022
Commercial licences	19,114	18,061	30,681	45,283
Professional licences	18,626	22,367	38,035	46,390
Industrial licences	210	196	319	432
Tourism licences	35	13	11	—
Intilaq licences	363	420	619	627
Total	38,348	41,057	69,665	92,732

Source: DET

Infrastructure

Roads and Highways

Dubai has an extensive network of roads connecting the emirate with Abu Dhabi in the south, with Hatta, Fujairah and Oman in the east and Sharjah, Umm Al Quwain and Ras Al Khaimah in the north. The construction and maintenance of roads and highways in Dubai is the responsibility of the RTA.

In 2022, the total length of roads in Dubai was 18,768 km, an increase of 1.6 per cent. compared to 2021. The following table sets out the total length of roads in Dubai as at 31 December in each of the years 2019 to 2022:

Dubai Roads by Length	2019	2020	2021	2022
Total length of roads (km).....	17,920	18,255	18,475	18,768

Source: Dubai Statistics Centre

Since 2005, the RTA has overseen the construction and commencement of commercial operations of the Dubai Metro (see “—Dubai Metro” and “—Dubai Tram” below) and a number of major bridge and road improvement projects. Over the same period, the public transport network has been strengthened through the introduction of new buses, modernisation of the bus fleet, an increase in bus network coverage and services, the introduction of water bus and water taxi services and the provision of air-conditioned bus shelters across Dubai.

During 2020 to date, the RTA announced and launched a number of new road infrastructure projects, including the final phase of the Sheikh Rashid bin Saeed Corridor Improvement Project, a 160m cycling underpass at Meydan, the opening of the Sheikh Zayed bin Hamdan Street Improvement Project and the Infinity Bridge Project.

In addition, the RTA has rolled out its Zero-Emissions Public Transportation in Dubai 2050 strategy. With this strategy, the RTA aims to contribute to mitigating climate change and minimise its carbon footprint across three areas: public transportation, buildings and related facilities and waste management. Consistent with the goals of D33 and aligned with the UAE’s preparations for COP 28, the primary objectives include the decarbonisation of all taxis, limousines and public buses, designing buildings with near-zero energy consumption, sourcing energy from renewable sources and by sending zero waste to landfills. The strategy is expected to result in reducing carbon dioxide emissions by 10 million tonnes and realising financial savings worth AED3.3 billion in comparison to current operations.

In 2022, the RTA also endorsed a plan to construct dedicated bus and taxi lanes extending 37km by the end of 2027. Widening the scope of dedicated bus lanes increases the average bus speed and is intended to reduce travel time during peak hours by more than 40 per cent, and the project is expected to contribute to a 30 per cent. increase in public transport riders by 2030 on some streets. In July 2023, Dubai Taxi Corporation, a subsidiary of the RTA, launched its strategic plan for digital transformation 2022-2025, setting nine key drivers for the strategy (artificial intelligence, smart revenues, the internet of things, smart city, big data, governance, security systems and upgraded systems, process automation and paperless initiatives, future transformation and smart services) encompassing 45 initiatives.

During 2022, 157,293 thousand passengers travelled using the available 1,400 buses operated by the RTA, an increase of 35.2 per cent. in passenger volume compared to 2021. The number of bus routes increased from 161 in 2019 to 178 in 2022.

The following table sets out the use of bus services in Dubai in each of the years 2019 to 2022:

Dubai Bus Services	2019	2020	2021	2022
Number of operating buses	1,663	1,726	1,628	1,400
Bus routes	161	156	162	178
Number of bus passenger trips (<i>thousands</i>)	157,096	95,424	116,324	157,293

Source: Dubai Statistics Centre

A common fare structure applies to the Dubai Metro and buses. The RTA has introduced an integrated card system, the Nol Smart Card, that enables passengers to travel on trains, buses and water transport, as well as use associated parking areas. The collection of Nol Smart Card usage fees increased by 46.1 per cent. between 2021 and 2022. According to the RTA, the number of passengers using public transport in Dubai decreased by 42.0 per cent. between 2019 and 2020 (from 594 million to 345 million), by 11.3 per cent. between 2020 and 2021 (from 345 million to 306 million) and increased by 43.1 per cent. between 2021 and 2022 (from 306 million to 438 million). A significant proportion of the Government's development expenditure (see "*Public Finance*") in the period since 2010 has been spent on transport projects, including the Dubai Metro.

Dubai Metro

The Dubai Metro, the total cost of which is estimated at AED 29.6 billion, was officially launched in September 2009. The Dubai Metro currently consists of two lines, the Red Line, which was opened at launch, and the Green Line, which was opened in September 2011. The Dubai Metro forms the backbone of Dubai's public transport network. All main metro stations have adjacent bus stations as part of the integrated transport system which includes buses and taxis as well as water transport links at stations near the Dubai Creek. As a fully electric rapid transit system, the Dubai Metro is considered to be one of the most environmentally friendly ways to travel in Dubai.

During 2019, 2020, 2021 and 2022, the Dubai Metro transported 203.0 million, 113.6 million, 151.3 million and 225.1 million passengers, respectively.

As at 31 December 2022, the Red Line was 67.1 km in length, with 35 stations operational and the Green Line was 22.2 km in length, with 20 stations operational. The aggregate length of the Red and Green Lines is around 89.3 km with 55 operational stations as at 31 December 2022.

The following table sets out the expansion and use of the Dubai Metro in each of the years 2019 to 2022:

Dubai Metro	2019	2020	2021	2022
Line length – Red Line (<i>km</i>).....	52.1	52.1	67.1	67.1
Number of passenger trips – Red Line (<i>thousands</i>)	132,365	74,454	102,563	152,569
Number of stations – Red Line.....	28	28	35	35
Line length – Green Line (<i>km</i>)	22.2	22.2	22.2	22.2
Number of passenger trips – Green Line (<i>thousands</i>).....	70,612	39,171	48,691	72,574
Number of stations – Green Line	20	20	20	20

Source: Dubai Statistics Centre

The RTA recently expanded the Red Line, known as “Route 2020” (**Route 2020**), at a cost of AED 10.9 billion, adding 14.5 km of track. Route 2020 added seven stations, extending the Red Line from Nakheel Harbour and Tower Station to the site of Dubai Expo 2020, and upgraded the existing metro network.

Dubai Tram

The Dubai Tram (formerly known as the Al Sufouh Tramway) is an above-ground tramline, construction of which commenced in 2008 and the first phase of which was completed in November 2014 at a total project cost of AED 3.5 billion. Phase 1 of the project includes 10.6 km of track running along Al Sufouh Road, connecting Dubai Marina to the Mall of the Emirates and includes 11 passenger stations and eight trains. The Dubai Tram passes in a path parallel to the Dubai Metro Red Line and links up with the Dubai Metro. In 2022, 7.5 million passengers travelled on the Dubai Tram.

Ports

Dubai has two major ports, the Jebel Ali Port and Mina Rashid, in addition to Mina Hamriya, Marfa and Dubai Creek, each of which are operated by DP World Limited (**DP World**). DP World was formed in September 2005 with the integration of the terminal operations of the Dubai Ports Authority, responsible for domestic port operations, and Dubai Ports International, that oversaw the expansion of Dubai’s international port operations.

In January 2018, DP World announced the acquisition of Maritime World LLC, the 100 per cent. owner of Dubai Maritime City (**DMC**) and Drydocks World LLC (**Drydocks**). DMC is a maritime service facility and industrial business zone located in Dubai adjacent to DP World’s Mina Rashid. It is a maritime-focused commercial and industrial park, which covers an area of 2.3 million m². This is in addition to Jebel Ali Free Zone (**JAFZ**), the leading business and trade hub in the region. Drydocks focuses on the ship repair industry, and has the largest ship repair yard in the Middle East.

Dubai’s ports together ranked twelfth globally in 2022, according to Alphaliner’s global port rankings.

JAFZ and NIP are hubs for the trading and manufacturing sectors which are situated close to the Jebel Ali Port and employ modern equipment, including technology designed to speed the flow of goods through the port, and quad-lift cranes that can lift four twenty-foot equivalent units (**TEU**) at one time.

The following table sets out shipping container volumes handled at the Jebel Ali Port and Port Rashid in each of the years 2019 to 2022:

Dubai Shipping Containers	2019	2020	2021	2022
			(TEU)	
Inbound.....	2,743,755	2,523,428	2,694,595	2,959,681
Outbound.....	2,827,457	2,638,839	2,821,166	3,031,899
Trans-shipments.....	8,227,472	8,022,755	7,927,665	7,636,878
Restows.....	312,620	303,400	298,667	341,290
Total.....	14,111,304	13,488,422	13,742,092	13,969,747

Source: Dubai Ports Authority

Airports

Dubai has two airports, Dubai International Airport (**DXB**), which is fully operational, and Al Maktoum International Airport (**DWC**).

The Dubai Civil Aviation Authority is the regulatory body which sets out policies for civil aviation in the emirate of Dubai, while DAC manages the operation of both DXB and DWC (together, the **Dubai Airports**). The aeronautical revenues of DAC principally comprise fees collected by it, including fees for aircraft landings, aircraft parking fees, passenger service fees and aerobridge charges. Income from such fees increased by 54.6 per cent. between 2021 and 2022. Non-aeronautical revenue, largely from concessions and rental income, increased by 35.2 per cent. between 2021 and 2022. The total revenue collected by DAC increased by 62.3 per cent. between 2021 and 2022.

Dubai International Airport (DXB)

DXB was established in 1959 and is operated by the Government-owned Dubai Airports Corporation (**DAC**). DXB covers over 12.5 km, with a total built up area of 2.1 million m². DXB has retained its position as the world's number one ranked airport in terms of total international passenger traffic in 2022 for the ninth consecutive year, according to data published by Airports Council International (ACI).

DAC managed capacity supply against demand throughout the COVID-19 pandemic and the recovery period through the selective hibernation of underutilised facilities at DXB and the temporary closure of DWC for passenger traffic from the second quarter of 2021 until the second quarter of 2022, leading to significant shifts in passenger and cargo volumes across both airports. DXB handled an average of approximately 941 aircraft movements and 181,050 passengers per day in 2022.

DXB handled approximately 66.1 million passengers in 2022, an increase of 127.0 per cent. compared to the 29.1 million passengers handled in 2021. The increase was due to the strong demand recovery and gradual re-opening of air traffic markets compared with 2021 which was heavily impacted by restrictions imposed to combat the COVID-19 pandemic.

The total volume of cargo handled at the airport during 2022 was 1.73 million tonnes, a decrease of 25.5 per cent. from 2.32 million tonnes in 2021. During the height of the COVID-19 pandemic in 2021, airlines had temporarily moved their cargo operations from DWC to DXB and Emirates operated a significant number of cargo flights using passenger aircraft due to significantly reduced passenger demand. In 2022, many of these temporary measures were either lifted or reduced.

The number of aircraft movements at DXB increased by 47.1 per cent. in 2022 compared to 2021, primarily due to the easing of restrictions and demand growth in international markets as part of the global recovery from the COVID-19 pandemic (see "*Overview of the Emirate of Dubai—Measures taken in the UAE in response to the COVID-19 pandemic*").

DXB serves more than 80 airlines, connecting to around 240 destinations worldwide. Since 2019, DXB has attracted a number of new airline customers and increased its destination network.

DXB currently comprises three terminals, four concourses, two runways and a number of support facilities. Its current annual passenger capacity is between 90 and 100 million, an increase from 75 million following the opening of Concourse D in February 2016. DXB has the world's only purpose-built concourse to serve Airbus A380 aircraft, has 47 Code F contact stands and is the world's largest Airbus A380 hub.

The following table sets out aircraft and passenger movement and cargo volumes at DXB in each of the years 2019 to 2022:

	2019	2020	2021	2022
Aircraft Movements (<i>thousands</i>)	373	182	233	343
Passengers Handled (<i>millions</i>)	86.4	25.8	29.1	66.1
Arrivals (<i>thousands</i>)	43,124	12,829	15,049	33,188
Departures (<i>thousands</i>)	43,205	13,002	14,061	32,882
Cargo volume handled (<i>tonnes</i>)	2,514,918	1,932,022	2,319,185	1,727,815

Al Maktoum International Airport (DWC)

DWC, which is located in the Jebel Ali area, was officially opened in June 2010 and commenced passenger operations in October 2013. In 2018, the airport's annual passenger capacity was increased to 26 million, following the opening of the Passenger Terminal Building. DWC forms the foundation of the Government's strategy to develop Dubai South (formerly known as Dubai World Central), a 145 km² master-planned city and integrated regional logistics hub that will be linked to the Jebel Ali Port (see "*Foreign Direct Investment and Free Zones—Dubai South*" below). The Government has borrowed funds to part-finance the expansion and construction of the Dubai Airports (see "*Indebtedness*").

DWC is intended to become the world's largest airport, with five runways that will be able to accommodate more than 220 million passengers a year and a cargo capacity of 16 million tonnes a year. However, as a result of the COVID-19 pandemic, the construction of DWC was put on hold. Recommencement of activities is currently under review due to the resurgence and recovery of air traffic. The outcome of this review is expected to be announced before the end of 2023.

In 2022, passenger traffic at DWC was 914,396 after the passenger terminal building re-opened in the second quarter of 2022 to temporarily accommodate traffic diverted from DXB during the resurfacing of its northern runway.

DWC recorded a total of 42,469 aircraft movements in 2022, an increase of 61 per cent from 26,384 recorded in 2021, when the airport was closed for passenger operations and cargo airlines partially operated out of DXB.

During 2022, DWC handled 467,907 tonnes of cargo, an increase of 127.8 per cent compared to 205,367 tonnes recorded in 2021, as cargo operators started to return operations to DWC after a significant number were shifted to DXB during the height of the COVID-19 pandemic in 2021.

The following table sets out aircraft and passenger movement and cargo volumes at DWC in the years 2019 to 2022:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Aircraft Movements (<i>thousands</i>)	37.0	21.7	26.4	42.5
Passengers Handled (<i>millions</i>)	1.63	0.43	—	0.91
Cargo volume handled (<i>tonnes</i>)	911,571	368,939	205,367	467,907

Strategic Plan 2030

In March 2021, the Government announced a strategic plan, which focuses on the development of the Dubai Airports during the period up to 2030 (the **Strategic Plan 2030**). The key objectives under the Strategic Plan 2030, which is currently in progress, include optimising the operational capability of DXB by increasing capacity, improving the passenger experience, and enhancing the resilience and reliability of airport facilities to maintain DXB's status as a major global hub prior to the development of DWC. A number of activities are planned under the Strategic Plan 2030, including refurbishment of certain terminals, curbside reconfiguration and improvements at certain terminals, construction of a new runway at DWC, enhancements to baggage handling, security screening, remote departure facilities and air traffic control as well as utilising technology to increase and improve self-service facilities and "smart gates".

Source: DAC and Dubai Aviation Engineering Projects

Telecommunications

The UAE has a well-developed, technologically-advanced telecommunications infrastructure and has high mobile telephone penetration. Since 1976, the majority UAE Federal Government-owned telecommunications corporation, Emirates Telecommunications Group Company PJSC, operating under the brand name "Etisalat" and rebranded to "e&" in 2022, has operated, maintained and developed the national and international fixed-line network, mobile telephony, internet access and cable TV services.

In mid-2004, the UAE Federal Government announced plans to end the monopoly of Etisalat. A regulator, the Telecommunications Regulatory Authority (the **TRA**), was formed to oversee the process and, in 2006, it granted a licence to Emirates Integrated Telecommunications Company (**EITC**), a new telecoms provider, operating under the brand name "du". The current shareholding of EITC is 50.12 per cent. held by Emirates Investment Authority, 19.70 per cent. held by Emirates Communications and Technologies Company LLC, 10.06 per cent. held by Mubadala and 20.12 per cent. held by the public. In September 2017, du announced the launch of the Virgin Mobile brand in the UAE.

According to the TRA, as at 31 December 2022 there were 2.0 million fixed lines in operation in the UAE, with 20.0 million mobile subscribers and 3.8 million broadband internet subscribers. As at 31 December 2022, the fixed line penetration rate (being the number of lines expressed as a percentage of the estimated population) was 21.6 per cent., the mobile penetration rate (being the number of mobile subscribers expressed as a percentage of estimated population) was 213.2 per cent. and the internet penetration rate (being the number of broadband internet subscribers expressed as a percentage of the estimated population) was 39.8 per cent.

In May 2019, the TRA published a new “Internet of Things” (IoT) regulatory framework, including a new policy and procedures and new data protection rules. The TRA regulates the provision of IoT services in the UAE by individuals, companies and public authorities, who are required to comply with the new framework, whether they are located in the UAE or outside the UAE. New data protection provisions under Federal Decree-Law No. 45 of 2021 regarding the Protection of Personal Data came into effect in September 2021 and draw on international best practice, placing stricter obligations on those processing and controlling personal data (including collecting, storing and using personal data).

Energy

Dubai Electricity and Water Authority (DEWA) was formed in 1992 following the merger of Dubai Electricity Company and Dubai Water Department. Since its inception, DEWA has been the monopoly supplier of electricity and water in Dubai. DEWA generates, transmits and distributes electricity and is connected to the Emirates National Grid. Although DEWA has separate corporate status it has historically been wholly owned by, and the tariffs which it sets for electricity and water are regulated by, the Government. In April 2022, the Government sold 18 per cent. of its shareholding in DEWA in an initial public offering on the Dubai Financial Market.

As Dubai’s population has increased in the past few years, the demand for electricity and water has also increased. The peak load of electricity increased from 9,240 megawatts (MW) in 2021 to 9,549 MW in 2022 and DEWA increased its installed electricity generation capacity from 13,417 MW in 2021 to 14,517 MW in 2022. Peak load for water increased from 380 million imperial gallons daily (MIGD) in 2021 to 408 MIGD in 2022. DEWA’s installed water desalination capacity remained flat at 490 MIGD during the period from 2021 to 2022.

The following table sets out the growth in demand and capacity for water and electricity in Dubai in each of the years 2019 to 2022:

	2019	2020	2021	2022
		(MIGD)		
Installed Desalinated Water Capacity	470	470	490	490
Peak Desalinated Water Capacity	379	378	380	408
		(MW)		
Installed Electricity Generation Capacity	11,400	12,300	13,417	14,517
Peak Electricity Demand	8,516	9,074	9,240	9,549

Source: DEWA

The following table sets out the breakdown of DEWA’s electricity and water customer bases across various consumer sectors in each of the years 2019 to 2022:

	2019	2020	2021	2022
Residential Electricity Customers	699,152	767,978	831,565	869,552
Commercial Electricity Customers	204,646	208,967	213,892	226,667
Industrial Electricity Customers	3,020	2,996	3,035	3,150
Other Electricity Customers	8,805	10,317	12,984	17,206
Total Number of DEWA Electricity Customers	915,623	990,258	1,061,476	1,116,575
Residential Water Customers	675,785	741,015	813,303	840,001
Commercial Water Customers	136,328	138,957	142,216	150,921
Industrial Water Customers	1,600	1,509	1,543	1,640
Other Water Customers	2,867	2,923	2,970	2,916
Total Number of DEWA Water Customers	816,580	884,404	960,032	995,478

Source: DEWA

In November 2015, the Government launched its Dubai Clean Energy Strategy 2050 (DCES 2050), which aims for Dubai to become a global centre of clean energy and green economy by 2050. The DCES 2050 sets a target for the provision of 7 per cent. of Dubai’s energy from clean energy sources by 2020, increasing to 25 per cent. by 2030 and 75 per cent. by 2050. According to DEWA, the share of clean energy in Dubai’s energy mix was 16 per cent as at August 2023. The DCES 2050 is aligned with the UN’s Sustainable Development Goals (UN SDGs).

With regards to UN SDG 6 (clean water and sanitation):

- DEWA has a number of initiatives in place to reduce water consumption, such as smart metering. DEWA's smart metering system helps to track water usage in real time. This enables DEWA to identify water leaks in customer premises.
- The "Dubai Can" initiative launched in February 2022 has so far reduced the use of an equivalent of more than 7 million 500ml single-use plastic water bottles in its first year. The initiative has involved the strategic placement of water fountains across popular areas of the city, with over 50 installed in different areas to date.

With regards to UN SDG 7 (affordable and clean energy) and 13 (climate action):

- DCES 2050 includes the development of the Dubai Green Fund, which is intended to encourage investments in Dubai's clean energy sector. DCES 2050 also envisages increases in the capacity of the Mohammed bin Rashid Al Maktoum Solar Park in stages. As at 30 June 2023, the installed capacity has reached 2,427MW. Once it is complete in 2030, it is expected to reduce Dubai's carbon emissions by 6.5 million tonnes a year. The solar park has a total planned capacity of 5,000MW by 2030, at which time it is projected to constitute 25 per cent. of Dubai's total energy production.
- The DCES 2050 also envisages the establishment of a new free zone, the Dubai Green Zone, dedicated to attracting research and development centres and emerging companies in the field of clean energy. The DCES 2050 is also focused on creating an environment friendly energy mix, comprising 61 per cent. natural gas, 25 per cent. solar energy, 7 per cent. nuclear power and 7 per cent. clean coal by 2030.
- More recently, in 2021 the UAE launched its nationwide initiative to transform the UAE into a 100 per cent. clean energy economy by 2050, which includes an updated Nationally Determined Contribution with an emissions reduction target of 23.5 per cent. below business as usual by 2030. Similarly, Dubai also announced its own commitment to 100 per cent. clean energy through the Dubai Net Zero Emissions Strategy 2050. These initiatives makes the UAE the first country in the MENA region to commit to 100 per cent. clean energy.
- The RTA has also rolled out its Zero-Emissions Public Transportation in Dubai 2050 strategy (see "*—Infrastructure—Roads and Highways*" above).

With regards to UN SDG 12 (responsible consumption and production):

- Dubai Municipality is in the process of creating the first-of-its-kind waste to energy plant, aiming to convert 45 per cent. of the emirate's municipal waste into renewable energy once complete, in line with Dubai Municipality's goal to reduce and completely divert waste from landfills by 2030. Once fully operational, the plant's renewable energy, generated from treating waste, will feed the local electricity grid with 215MW-hours (MWH) of clean energy, which would roughly power 135,000 homes for a whole year. Through two of its five treatment lines, the centre will commence its initial operations at 40 per cent. by early 2023, aiming to process 2,000 tonnes of solid waste to produce 80MWh of renewable energy at this initial stage.
- The Government is committed to reducing its reliance on paper, with all internal processes and customer-facing services digitised from 2021 with the aim of eliminating one billion pieces of paper each year. As part of this transition process, the Government established Digital Dubai, a new entity focused on implementing the necessary technology to enable paper-free transactions. A "100% Paperless" stamp is also awarded to Government entities that have implemented this strategy.

With regards to UN SDG 17 (partnerships for the goals):

- The Dubai Carbon Centre of Excellence (**Dubai Carbon**) was launched in 2011 by agreement between the Dubai Supreme Council of Energy and the United Nations Development Programme. Dubai Carbon is focused on the transition to a low-carbon and green economy through the consolidation of knowledge, using data-centric platforms to assess industry and sectors' efficiency standards in the provision of goods and services, providing a number of resources and regular reporting.
- From 30 November 2023 until 12 December 2023, the UAE will be hosting the 2023 United Nations Climate Change Conference (more commonly referred to as COP 28), as discussed below.

The Dubai Supreme Council of Energy was formed in August 2009 pursuant to Dubai Law No. 19 of 2009 Establishing the Supreme Council of Energy. This council is the governing body tasked with policy development, planning and coordinating with stakeholders in the context of delivering new energy sources, reducing the emirate's carbon footprint and achieving savings in power and water consumption. One of its core initiatives is to deliver a 30 per cent. annual saving in electricity and water consumption by 2030. By the end of 2022, this strategy had achieved 8.1 terawatt-hours of annual electricity savings and 15.9 billion imperial gallons of annual water savings, corresponding to a 14.5 per cent. and 11.2 per cent. reduction of the baseline consumption levels, respectively, surpassing its target for 2022.

COP 28

From 30 November 2023 until 12 December 2023, the UAE will host COP 28. The purpose of COP 28 is to unite the world towards agreement on bold, practical and ambitious solutions to dealing with climate change.

COP28 is of particular significance as it marks the conclusion of the first Global Stocktake, a comprehensive assessment of the progress made in achieving the goals of the Paris Agreement. Acknowledging that the world is off-track, COP28 will focus on keeping the 1.5°C goal alive to ensure that the world responds to the Stocktake with a clear plan of action, including measures that need to be put in place to bridge the gaps in progress. Sustainable agriculture will also feature prominently on the agenda at COP28, where participants will seek to spur innovation in how food is grown and produced.

As host, the UAE will mobilise action around a "major course correction" to accelerate emissions reductions while ensuring energy security. The UAE will also focus on advancing international efforts at COP28, with a special focus on the Global South and countries most vulnerable to the effects of climate change.

Foreign Direct Investment and Free Zones

Dubai has a number of free zones, which seek to attract foreign direct investment and which are described below. In addition, both local and foreign investors can establish a business presence in Dubai outside the free zones.

Historically, foreign investors (being investors of non-GCC origin) wishing to establish a company in the UAE outside the designated free zones have been restricted to a maximum shareholding of 49 per cent. of the total shareholding of a company. UAE Federal Law by Decree No. 19 of 2018 Regarding Foreign Direct Investment (the **FDI Law**), which became effective on 1 October 2018, eased these existing foreign ownership restrictions in the UAE. In July 2019, the Cabinet announced that foreign ownership restrictions would be relaxed for 122 business activities in 13 sectors pursuant to the FDI Law, including in the renewable energy, space, agriculture, manufacturing, transportation and storage, hospitality and food services, information and telecommunications, scientific, technical and professional activities, administrative and support services, education, healthcare, art, and entertainment and construction sectors (the **FDI Positive List**). In March 2020, the Cabinet issued Cabinet Resolution No. 16 of 2020 determining the positive list of sectors and economic activities in which the foreign direct investment is permissible and the percentage of ownership (together with the FDI Law, the **FDI Regime**), which set forth the full FDI Positive List and the requirements for establishing FDI companies in the UAE, including the minimum capital requirement for each activity, the Emiratisation thresholds, and the specific conditions for certain business activities. Pursuant to the FDI Regime, the UAE Ministry of Economy also established the Foreign Direct Investment Unit (the **FDI Unit**), to propose foreign direct investment policies to the Cabinet and implement them following their approval. The FDI Unit was also tasked with responsibility for creating a database of, and registering and licensing, foreign direct investment projects in the UAE.

The FDI Regime was subsequently repealed by Federal Decree Law No. 26 of 2020 (the **2020 CCL Amendment Law**), which substantially amended Federal Law No. 2 of 2015 on Commercial Companies (the **2015 CCL**) and came into force in various stages between January 2021 and June 2021. One of the most significant amendments introduced by the 2020 CCL Amendment Law was to amend Article 10 of the 2015 CCL to abolish the default requirement for at least 51 per cent. Emirati ownership in a UAE onshore company. Pursuant to the 2020 CCL Amendment Law, all onshore companies were permitted to be 100 per cent. owned by foreign nationals, unless they are engaged in an activity that has a "strategic impact" on the UAE economy.

The list of activities with "strategic impact" was set forth in Cabinet Decision No. 55 of 2021 on the Determination of the List of Strategic Impact Activities, which came into force on 1 June 2021. The list comprises (i) security, defence and military activities; (ii) banks, money-changing establishments, finance companies, and insurance activities; (iii) currency printing; (iv) communications; (v) Hajj and Umrah services; (vi) Quran centres; and (vii) fisheries-related services. Except for the category of fisheries-related services, which does not permit any foreign investor

participation, each of the activities described above allow for foreign investor and UAE national participation in a company's capital as determined by the applicable regulatory authority.

Several emirates have also since published lists of business activities that are available for up to 100 per cent. foreign ownership within their jurisdictions (the **Green Lists**). In June 2021, DET also announced a Green List of over 1,000 commercial and industrial activities open for 100 per cent. foreign ownership, which includes a wide range of activities across many sectors and industries. Other emirates have either published similar lists or are expected to do so in due course.

The 2015 CCL (as amended by the 2020 CCL Amendment Law) was replaced in its entirety by Federal Decree Law No. 32 of 2021 on Commercial Companies (the **2021 CCL**), which was issued in September 2021 and came into force in January 2022. The 2021 CCL reiterates the principle of relaxation of foreign ownership restrictions initially introduced under the 2020 CCL Amendment Law.

In July 2023, the Cabinet approved the establishment of the Ministry of Investment. The Ministry of Investment will support the UAE's business objectives, and investments policies as well as promote the UAE as a global platform to attract investments in various sectors. The ministry will be responsible for proposing the general investment policies of the UAE in coordination with the relevant authorities, in addition to preparing strategies, legislation, plans, projects and national programmes to promote the investment environment in the country and enhance its competitiveness. The Cabinet also approved a federal law establishing the Financial Stability Council, which aims to promote financial stability in the country, monitor associated risks, tackle and prevent financial crises, and develop proactive measures to manage and protect economic, financial and monetary systems in the UAE.

There are many incentives for foreign corporate entities to set up in one of the free zones in Dubai. Foreign corporate entities can freely operate in the free zones and free zone entities can be 100 per cent. foreign-owned and benefit from certain tax exemptions. There are no currency restrictions levied on the capital or the profits of free zone entities and 100 per cent. of their capital and/or profit can be repatriated. The ability to import into the free zones and to export abroad without any import duties, taxes or currency restrictions being levied on the free zone entity is a strong incentive for foreign corporate entities wishing to carry on such activities from and into the Middle East region to set up in one of the free zones.

The incentives to set up in a free zone include a readily available workforce, no restrictions on the issuance of work permits and residence visas, availability of plots of land, prebuilt warehouses and offices on an annual lease basis, affordable workers' accommodation and minimal legal and administrative procedures to commence operations.

Each free zone in Dubai is governed both by federal law as well as the laws of Dubai. In addition, each free zone is authorised to adopt and administer regulations which pertain to entities operating and licensed in that individual free zone. The Dubai Free Zones Council was originally established in 2011 pursuant to Economic Development Committee Resolution No. 10 of 2011. This Resolution was subsequently superseded in May 2015 by Dubai Law No. 13 of 2015, which specifies the authorities and responsibilities of Dubai Free Zones Council, including developing and qualifying Dubai's free zones to attract investments, preparing the strategy for Dubai's free zones, drafting the policies and guidelines for Dubai's free zones and unifying the registration, licensing and monitoring procedures applied in Dubai's free zones.

Dubai has a number of free zones, of which the most important are the Jebel Ali Free Zone, Dubai Development Authority, the Dubai International Financial Centre, the Dubai Airport Free Zone, Dubai Integrated Economic Zones and the Dubai Multi Commodities Centre.

In addition, a number of sector-specific free zones for services and industry have been established, including Dubai Healthcare City, Dubai Outsource Zone, Dubai Gold and Diamond Park and NIP.

The following is a brief overview of some of the largest free zones in Dubai:

Jebel Ali Free Zone

JAFZ is the largest free zone in the UAE and a strategic entity for the emirate's economy. JAFZ was established in 1985, is regulated by the Jebel Ali Free Zone Authority (**JAFZA**) and is operated by Jebel Ali Free Zone FZE. JAFZA and Jebel Ali Free Zone FZE were historically wholly owned by the Government through DP World. In 2022, DP World announced that CDPQ would invest U.S.\$2.5 billion acquiring a stake in Jebel Ali Port, the JAFZ and NIP through a new joint venture in which CDPQ will hold a stake of approximately 22 per cent.

JAFZ is a major trade and industrial area in Dubai, which is spread across 57 km² between the Jebel Ali Port and DWC in Jebel Ali. As at 31 December 2022, the total number of active companies in JAFZ stood at over 9,400, including a number of Fortune Global 500 companies and large multinationals.

Source: JAFZA

Dubai International Financial Centre (the DIFC)

The DIFC was launched as an offshore financial centre in accordance with Federal Decree No. 35 of 2004 To Establish Financial Free Zone in Dubai to support Dubai's strategic vision to diversify its economic resources and position itself as an international hub for financial services and the regional gateway for capital and investment.

The number of active registered companies operating out of the DIFC reached 4,377 companies as at 31 December 2022, compared to 3,644 as at 31 December 2021, 2,919 as at 31 December 2020 and 2,437 as at 31 December 2019. As at 31 December 2022, the number of employees working in the DIFC was 36,083, compared to 29,702 as at 31 December 2021, 26,773 as at 31 December 2020 and 25,638 as at 31 December 2019.

As at 31 December 2022, of the 590 authorised financial firms operating from the DIFC, 44 per cent. were from the Middle East, 29 per cent. were from Europe, 9 per cent. were from Asia, 9 per cent. were from the United States, and 9 per cent. were from the rest of the world.

The financial services regulator in the DIFC, the Dubai Financial Services Authority (the **DFSA**), supervises and regulates a total of 1,369 entities, comprising 590 authorised firms, 658 fintech-related businesses, 100 registered funds and 21 family offices. In 2021, the DIFC announced its 2030 Strategy, centred around driving the future of finance through cutting-edge technology, innovation, and partnerships. In 2022, FinTech and Innovation became the fastest growing sector in DIFC, with such companies attracting over U.S.\$615 million in funding in 2022.

Three independent bodies have been established to enable and support the growth and development of businesses in the DIFC: (i) the DIFC Authority (the **DIFCA**), (ii) the DFSA and (iii) the Dispute Resolution Authority (the **DRA**). The DIFCA is responsible for the laws and regulations that regulate non-financial activities within the DIFC, including employment law, companies and commercial law and real estate law. The DFSA regulates all financial and ancillary services conducted in or from the DIFC as well as licensing, authorising and registering businesses to conduct those services.

The DRA administers justice within the DIFC and comprises three divisions: the DIFC Courts, the DIFC Wills and Probate Registry and the DIFC Academy of Law. The DIFC Courts are an English language, commercial common law judicial system independent of the Dubai Courts and the UAE Federal Courts. Previously, the jurisdiction of the DIFC Courts was restricted to civil and commercial disputes having a direct nexus to the DIFC, however, in October 2011, Dubai Law No. 16 of 2011 Amending Certain Provisions of Law No. (12) of 2004 Concerning DIFC was issued to abolish the requirement for disputes to have a direct nexus to the DIFC in order for the DIFC Courts to claim jurisdiction. As a result, private parties may now agree to choose the DIFC Courts to hear disputes under civil and commercial agreements. In addition, a protocol for enforcement has been established between the Dubai Courts and the DIFC Courts, which is intended to enable the enforcement in Dubai of a final, non-appealable judgment of the DIFC Courts.

The DIFC also historically hosted the DIFC-LCIA Arbitration Centre, which was established to provide alternative dispute resolution services (arbitration and mediation) for local and foreign businesses in the Gulf region, and for transnational businesses from other jurisdictions. This was abolished pursuant to the New DIAC Statute. See "*Overview of the Emirate of Dubai—Governance, Legislation and Judiciary—Arbitration*".

The DIFC has recently introduced a number of changes in order to enhance and modernise its legal and regulatory framework.

Dubai Integrated Economic Zones Authority (DIEZA)

Established in 2021, DIEZA was formed with the aim of strengthening Dubai's position as a leading global business hub. The DIEZA portfolio encompasses Dubai Airport Free Zone (**DAFZ**), Dubai Silicon Oasis (**DSO**) and Dubai CommerCity (**DCC**), which together draw major foreign direct investments from more than 50 countries across the world.

DAFZ was established in 1996 and is a business hub that provides direct access to Dubai Airports.

DSO was established in 2005 with a mandate to facilitate and promote modern technology-based industries within a single master-planned community that spans 7.2 million square metres. DSO's activities are organised into five main pillars, namely industrial, commercial, education, living and residences, to support and complement the requirements of its business partners, visitors, and residents.

DCC is the first and leading free zone dedicated exclusively to digital commerce in the Middle East, Africa and South Asia region.

DIEZA is home to more than 5,000 registered business from over 20 sectors and various industries with more than 17,000 professionals. DIEZA is a major economic catalyst in the emirate's development with a direct GDP contribution of 5.0 per cent. in 2021 and a non-oil foreign trade contribution of around 11.0 per cent. DIEZA's portfolio includes ventures that expand offerings and add value to a broad segment of markets and customers across hospitality, education, retail, investments, e-commerce and business-to-business commerce, digitalisation, innovation, and entrepreneurship.

Dubai South

Dubai South is a 145 km² master-planned city (with eight integrated districts) and an integrated regional logistics hub that is linked to the Jebel Ali Port.

Dubai South hosts DWC, was the venue of Dubai Expo 2020 and hosts the annual Dubai Airshow.

The key industries at Dubai South are aviation and logistics. As at 31 December 2022, Dubai South had 11,086 employees and hosted 4,148 companies.

Dubai South is well-connected to Dubai, directly served by two arterial roads: Sheikh Mohammed bin Zayed Road (E311) to the west and Emirates Road (E611) to the East. Dubai South is also connected to Sheikh Zayed Road (E11). The RTA operates daily bus routes to Dubai South.

Source: Dubai South

TECOM Group and Dubai Development Authority (DDA)

TECOM Group

TECOM Group, a subsidiary of Dubai Holding, develops, owns and operates a set of 10 purpose-built business communities each set up in a free zone cluster regulated by the DDA, with the exception of Dubai Industrial City which is not subject to DDA laws and regulations (except for DDA planning and zoning building regulations). DDA is responsible for providing the regulatory and policy framework and oversees nine free zones which aim to facilitate the development of creative industries and to support innovation in Dubai. The free zones overseen by the DDA are Dubai Internet City, Dubai Outsource City, Dubai Media City, Dubai Studio City, Dubai Production City, Dubai Knowledge Park, Dubai International Academic City, Dubai Science Park and Dubai Design District (a dual-zone community that operates a dual licence system under which companies can operate in Dubai Design District and also operate a branch onshore without a separate licence).

TECOM's ten business districts host customers from specific industry sectors, referred to as clusters, with the following six currently operated: tech, media, education, science, design, and manufacturing.

TECOM's free zone business communities span 9.5 million square feet of commercial space across Dubai. As at 31 December 2022, TECOM Group's free zone businesses catered to over 9,500 businesses and 105,000 professionals. In July 2022, TECOM Group conducted an initial public offering on the Dubai Financial Market, selling 12.75 per cent. of its issued share capital to local, regional and international investors.

Tech

The DDA's tech cluster focuses on the technology sector and consists of the Dubai Internet City and Dubai Outsource City business districts. This cluster has attracted some of the leading global technology firms as customers, such as Amazon, Cisco, Deem, Dell Technologies, Google, Huawei, IBM, Intel, Interglobe Technologies, LinkedIn, Meta (formerly known as Facebook), Microsoft, Oracle, RAYA, SAP, Snapchat, Tata Technologies, and Teleperformance, as well as leading local and regional players.

Media

The media cluster consists of the Dubai Media City, Dubai Studio City and Dubai Production City business districts. This cluster includes some of the leading media firms as customers such as AFP, BBC, CCTV, Cheil, Choueiri Group, CNN, Dentsu International, Discovery, Econet, Dubai Media

Inc., Dynagraph, Hanover, Iffix, Intigral, ITP Publishing Group, JCDecaux, Leo Burnett, MBC, Menacom Group, Moby Group, Motivate, MTV, Oxford OMD, Saudi Research, Space Toon, STARZPLAY, The Economist, The New York Times, Thomson Reuters, TripAdvisor, Uturn, View Mobile, and Xerox..

Education

The education cluster consists of the Dubai International Academic City and Dubai Knowledge Park business districts and it caters to education, a priority sector in Dubai's growth strategy. This cluster serves the growing trend towards vocational and educational technology, traditional and new-age vocational training and executive education, and has attracted, with strong support from the Government, leading education providers as customers, such as University of Birmingham, University of Wollongong, Heriot-Watt University, Middlesex University, Murdoch University, SP Jain School of Global Management, The British University in Dubai, The Curtin University, The Society for Human Resource Management Middle East and North Africa, University of Bradford, University of Manchester Business School as well as Amity University, BITS Pilani, CEB, Institute of Management Technology, and Manipal University.

Science

The science cluster, which is developed around the Dubai Science Park business district, focuses on the life science, healthcare and sustainability sectors. The science cluster is currently operating at very high occupancy. Averde, Bayer, Boston Scientific, CHR Hansen, Firmenich, Greenza, Himalaya, Kosmonte Foods, Lukoil, Medtronic Global, Olympus, Pfizer, Phoenix Contact, Platinum, and 3E Advisory are some of the customers in this cluster.

Design

The design cluster, which is developed around the Dubai Design District business district, focuses on the different design sectors such as architecture, fashion, interior design and arts. This cluster represents an industry-pioneering concept with strong demand reflected in high occupancy levels by rising and established international design brands as customers, including Adidas, Armani Casa, Bene, Chalhoub Group, Chopard, Christopher Guy, Cosentino, Digital Dubai, Dior, Dubai Culture, Dubai Sports Council, Foster + Partners, Haworth, Hugo Boss, Kering, Lasvit, Lego Middle East FZ LLC, Living Divani, Ministry of Culture & Youth, Moncler, Puma, RMJM, Santiago Calatrava, SSH, Tag Heuer, The Supreme Legislation Committee, Vitra, and Zaha Hadid Architects.

Manufacturing

The manufacturing cluster, which is developed around the Dubai Industrial City business district, focuses on the manufacturing and logistics sectors. The customers in this cluster include Unilever, Almarai, ASGC, Barakat Quality Plus, Byrne, BPC Group, Copart, Fabtech, Geoscience Testing Laboratory, Laing O'Rourke, Rasasi, Al Faris, Al Ghurair, and Al Habtoor Motors.

Source: DDA and TECOM Group

Dubai Multi Commodities Centre (DMCC)

The DMCC was established in 2002 to enhance commodity trade flows through Dubai by providing the necessary physical and financial infrastructure and regulations. The DMCC attracts participants from a wide range of commodities sectors along with a range of businesses from shipping, recruitment, IT, advertising, restaurants and retail stores. In November 2005, the DMCC established the Dubai Gold & Commodities Exchange (**DGCX**), the region's first commodity derivatives exchange. The DGCX offers a range of products from the precious metal, base metal, energy and currency sectors. In February 2020, Dubai Law No. 3 of 2020 Concerning the DMCC was issued, introducing an updated regulatory framework for the DMCC and giving the Dubai Multi Commodities Centre Authority responsibility for supervising the DMCC.

As at 31 December 2022, DMCC comprised a 200-hectare development encompassing 87 commercial and residential towers and over 600 retail outlets, with over 100,000 people working and living in the free zone. As at 31 December 2022, the total number of companies operating in the DMCC was 22,300 including over 500 firms with businesses related to cryptocurrencies, over 50 gaming companies and over 225 e-commerce companies

Source: DMCC

Dubai Healthcare City (DHCC)

DHCC, which was launched in 2002, is a free zone dedicated to hosting health and wellness services. DHCC comprises two phases: Phase 1, dedicated to healthcare and medical education, occupies 4.1 million square feet in Oud Metha, and Phase 2, which is dedicated to wellness, occupies 22 million square feet in Al Jadaf.

DHCC is governed by the Dubai Healthcare City Authority (**DHCA**) and regulated by the independent regulatory arm, Dubai Healthcare City Authority-Regulatory (**DHCR**). The quality standards of DHCR are accredited by the International Society for Quality in Healthcare (ISQua). DHCC is also home to the Mohammed Bin Rashid University of Medicine and Health Sciences, part of the Mohammed Bin Rashid Academic Medical Center, which supports healthcare education, research and clinical practice for students and faculty.

As at 31 December 2022, DHCC had 10 hospitals, 77 clinics, diagnostic centres, pharmacies and laboratories with 186 clinical companies and 276 non-clinical companies.

Source: DHCC

Dubai World Trade Centre (DWTC)

The DWTC free zone was established in 2015 pursuant to Dubai Law No 9 of 2015, with the objective of attracting local and international investments and hosting commercial and trade establishments. The DWTC free zone is located in Dubai's central business district and comprises over 2 million square feet of office space, spanning from the Dubai World Trade Centre to the adjoining One Central. The DWTC free zone is regulated by the DWTC Authority. As at 31 December 2022, the DWTC free zone contained 926 companies with 3,612 employees.

Source: DWTC

BALANCE OF PAYMENTS AND FOREIGN TRADE

As Dubai does not prepare separate balance of payments statistics, this section describes the UAE's balance of payments generally and the discussion of foreign trade summarises the foreign trade of both the UAE and Dubai.

The UAE has traditionally pursued a free trade policy for deeper integration into the global trading system, by liberalising its trade regime through free trade agreements (FTAs) with other countries and organisations. Being a member of the GCC, the UAE's trade policy is closely linked to the trade policy of the other GCC member countries reflecting, among other things, the GCC Economic Agreement of 2002 which calls for a "collective negotiation strategy" in the conduct of FTAs with major trading partners, and the establishment of the GCC Customs Union in 2003 which was aimed at enhancing economic unity among the member states and allowing the member states to engage in FTA negotiations as a unified trading block.

Balance of Payments

Current Account

Since there are no separate figures for the current and capital accounts for Dubai, the following table sets out the balance of payments for the UAE for each of the years 2019 to 2021.

UAE Balance of Payments:

	2019	2020	2021
	(AED billions)		
Current Account Balance	137.1	77.5	176.2
Trade Balance (FOB)	295.5	221.6	290.3
Total Exports of Hydrocarbon	220.8	135.1	230.8
Total Non-Hydrocarbon Exports	415.0	394.5	415.0
Re-Exports ⁽¹⁾	516.6	469.9	541.6
Total Exports and Re-Exports (FOB)	1,152.4	999.5	1,187.4
Total Imports (FOB)	(856.9)	(778.0)	(897.1)
Services (Net)	7.6	59.7	94.5
Investment Income (Net)	7.6	(6.9)	(2.7)
Transfers (Net)	(173.6)	(196.9)	(205.8)
Capital and Financial Account⁽²⁾	(90.4)	(97.1)	(96.8)
(a) Private Capital	(75.0)	(75.0)	(66.9)
(i) Foreign Direct Investment (NET)	(12.3)	3.4	(6.9)
- Outward	(77.9)	(69.5)	(82.8)
- Inward	65.6	72.9	75.9
(ii) Portfolio Investment	4.1	4.0	4.5
(iii) Banks	(31.5)	(42.4)	(21.2)
(b) Enterprises of Public Sector	(15.4)	(22.1)	(29.9)
Net Errors and Omissions	(11.3)	6.0	5.3
Overall Balance	35.7	(13.1)	85.0

Source: UAE Central Bank

Notes:

- (1) Includes re-exports of non-monetary gold.
- (2) Standalone capital account data not available due to the fact that the UAE does not distinguish between cash and non-cash investment inflows.

The UAE has a long history of positive trade balances, reflecting both the importance of its hydrocarbon exports and its significant volumes of re-

exports. The UAE's hydrocarbon exports accounted for 19.2 per cent. of total exports in 2019, 13.5 per cent. in 2020 and 19.4 per cent. in 2021. The UAE's re-exports accounted for 44.8 per cent. of total exports in 2019, 47.0 per cent. in 2020 and 45.6 per cent. in 2021.

The value of the UAE's hydrocarbon exports, the vast majority of which are made by Abu Dhabi, can be volatile as they depend on prevailing oil prices and agreed OPEC production quotas. A decline in exports of hydrocarbon products was a principal cause of the reduction in trade balance in 2020 compared to 2019, as a result of the impact of the COVID-19 pandemic. The start of the recovery from the COVID-19 pandemic and a generally increasing oil price environment in 2021 contributed to an increase in non-hydrocarbon and hydrocarbon exports, which resulted in an increased trade balance as compared to 2020.

The UAE's trade balance as a percentage of its nominal GDP was 19.2 per cent. in 2019, 17.3 per cent. in 2020 and 19.0 per cent. in 2021.

Data on non-trade flows into and out of the UAE is not complete and is subject to revision, reflecting, in part, weaknesses of the central statistical bodies and, in part, the operations of the large free zones. In general, however, the UAE tends to have a non-trade balance deficit reflecting services outflows underlining the UAE's dependence on foreign services for the development of its industrial and services sectors. In addition, there are significant levels of current transfers principally reflecting expatriate workers' remittances.

The UAE's services balance increased in each of 2019, 2020 and 2021, principally driven by increases in travel, transport and freight services. This has resulted in a positive current account balance in each year, equal to 2.3 per cent. of the UAE's nominal GDP in 2019, 1.0 per cent. in 2020 and 5.6 per cent. in 2021.

The UAE participates in the Article IV consultation process with the IMF. Following its November 2022 Article IV Mission to the UAE, the IMF commended the UAE authorities' effective COVID-19 response, timely policy actions, and structural reform implementation; however, in the context of significant global uncertainties and risks, the IMF encouraged the UAE authorities to further solidify their fiscal position and further strengthen the financial sector, diversify the economy, and continue implementing reforms necessary to achieve the UAE's ambitious green transition goals. The IMF also welcomed the UAE authorities' ambitious structural reform agenda, including significant investment in digital and green initiatives to further advance diversification and support a smooth energy transition to a lower carbon future.

Financial and Capital Account

No separate data is released on the UAE's capital account as the UAE does not distinguish between cash and non-cash investment inflows.

In general, the size of the UAE's trade and current account surpluses, coupled with the limited capacity of the local economy to absorb capital, ensure that net foreign capital flows have, historically, generally been outward, maintaining the UAE's position as a net international creditor and foreign investor. Most capital outflows have been directed towards the U.S. and European capital markets although more recently there has also been an increase in direct investment in Europe, Asia and the Middle East. This has included entities wholly or partially owned by the governments of certain emirates purchasing significant stakes in foreign companies as well as major federal firms such as e& making significant acquisitions in order to boost their regional and international presence.

The principal factor impacting the financial account balance in the period from 2019 to 2021 was private sector bank inflows and outflows. There were outflows of AED 31.5 billion in 2019, AED 42.4 billion in 2020 and AED 21.2 billion in 2021. Other factors impacting the financial account balance during the period 2019 to 2021 were outward flows by public sector entities, which were AED 15.4 billion in 2019, AED 22.1 billion in 2020 and AED 29.9 billion in 2021, and net foreign direct investment flows, which were net outward flows of AED 12.3 billion in 2019, net inward flows of AED 3.4 billion in 2020 and net outward flows of AED 6.9 billion in 2021.

As a result of movements in the capital and financial account, and after taking into account errors and omissions, the UAE's balance of payments showed a surplus of AED 35.7 billion in 2019, a deficit of AED 13.1 billion in 2020 and a surplus of AED 85 billion in 2021, equal to 2.3 per cent., 1.0 per cent. and 5.6 per cent., respectively, of the UAE's nominal GDP in 2019, 2020 and 2021.

As at 31 December 2022, the UAE's official foreign reserves (in the form of the UAE Central Bank's holdings of foreign assets) amounted to AED 493.9 billion, or 4.9 months of imports, compared to AED 466.5 billion, or 5.6 months of imports, as at 31 December 2021.

UAE's Foreign Trade

The section below summarises the UAE's foreign trade, using information compiled by the FCSA.

Total trade for the UAE increased to AED 2,167.1 billion in 2022, reflecting an increase of 21.3 per cent. from the previous year. The following table sets out the UAE's total foreign trade (imports, non-oil exports and re-exports) for each of the years 2019 to 2022:

	2019	2020	2021	2022
	<i>(AED millions)</i>			
Imports.....	914,852	785,100	991,633	1,215,958
Non-Oil Exports	231,237	254,600	331,629	368,366
Re-Exports	457,410	363,400	463,263	582,801
Total Trade	1,603,499	1,403,100	1,786,526	2,167,124

Source: FCSA

Dubai's Foreign Trade

The section below discusses Dubai's foreign trade using information compiled by the Dubai customs authorities. This information does not include trade with neighbouring emirates in the UAE.

Direct foreign trade for Dubai was AED 1,085.5 billion in 2022, an increase of 18.1 per cent. from AED 919.3 billion in 2021, principally due to a 26.9 per cent. increase in re-exports during the same period. Imports amounted to AED 660.9 billion, exports amounted to AED 201.9 billion and re-exports amounted to AED 222.6 billion in 2022. The following table sets out Dubai's total direct foreign trade (imports, exports and re-exports) for each of the years 2019 to 2022:

	2019	2020	2021	2022
	<i>(AED millions)</i>			
Imports (CIF)	479,227	440,661	548,917	660,930
Non-Oil Exports (FOB)	125,007	144,929	194,981	201,908
Re-Exports (FOB)	165,718	125,323	175,403	222,639
Total Trade	769,952	710,913	919,302	1,085,477

Source: Dubai Customs

In 2022, the share of imports in total trade was 61 per cent., compared to 60 per cent., 62 per cent. and 62 per cent. in 2021, 2020 and 2019, respectively. In 2022, the share of exports in total trade was 19 per cent., compared to 21 per cent., 20 per cent. and 16 per cent. in 2021, 2020 and 2019, respectively. In 2022, the share of re-exports in total trade was 21 per cent., compared to 19 per cent., 18 per cent. and 22 per cent. in 2021, 2020 and 2019, respectively.

The value of Dubai's imports grew by 1.9 per cent. in 2019, declined by 8.0 per cent. in 2020, grew by 24.6 per cent. in 2021 and grew by 20.4 per cent. in 2022. The increase in imports in 2022 was mainly due to an increase in imports of gold, mineral products, pearls, precious stones, metals, vehicles, aircraft and vessels.

The value of Dubai's exports grew by 13.9 per cent. in 2019, 15.9 per cent. in 2020, 34.5 per cent. in 2021 and 3.6 per cent. in 2022. The increase in exports in 2022 was mainly due to an increase in exports of vehicles, aircraft and vessels, which was partially offset by a decrease in exports of gold.

The value of Dubai's re-exports declined by 6.2 per cent. in 2019, 24.4 per cent. in 2020, increased by 40.0 per cent. in 2021 and increased by 26.9 per cent. in 2022. The increase in re-exports in 2022 was mainly due to an increase in re-exports of mineral products, pearls, precious stones and metals.

Dubai's principal merchandise imports in 2022 were gold merchandise, accounting for 32 per cent. of total imports, followed by precious and semi-precious stones/metals and jewellery, accounting for 11.6 per cent. of total imports, and vehicles, aircraft, vessels, petroleum oils and oils obtained from bituminous minerals, accounting for 5 per cent. of total imports. These goods were principally imported from major trading partner countries such as China, India and the United States. These countries accounted for 11.7 per cent., 8.1 per cent. and 6.0 per cent., respectively, of the total imports into Dubai in 2022.

The distribution of trade by trading partner (see table below) shows that, in 2022, India was Dubai's largest trading partner (accounting for 11.0 per cent. of Dubai's total trade), followed by China (accounting for 7.8 per cent. of Dubai's total trade), the United States (accounting for 5.1 per cent. of Dubai's total trade), Switzerland (accounting for 2.9 per cent. of Dubai's total trade) and the United Kingdom (accounting for 2.0 per cent. of Dubai's total trade). In 2022, Dubai's total trade with India amounted to AED 119.9 billion, comprising AED 53.3 billion of imports, AED 27.0 billion of exports and AED 39.6 billion of re-exports.

Country	Imports	Exports	Re-exports	Total Trade	Per cent.
	<i>(AED millions, except percentages)</i>				
India.....	53,275	26,983	39,642	119,901	11.0
China.....	77,321	6,269	1,603	85,193	7.8
United States	39,782	5,327	10,477	55,586	5.1
Switzerland	16,989	11,963	2,265	31,218	2.9
United Kingdom	16,675	1,656	2,939	21,271	2.0
Saudi Arabia.....	5,013	5,656	5,453	16,123	1.5
Total	209,055	57,855	62,380	329,291	30.3

Source: Dubai Customs

The distribution of trade by region (see table below) shows that the share of Asia amounted to 53.0 per cent. of total foreign trade with Dubai in 2022. According to information published by Dubai Customs, Asia accounted for AED 575.6 billion of trade with Dubai in 2022, followed by Africa, Europe and North America with AED 203.2 billion, AED 196.9 billion and AED 70.2 billion, respectively. These four regions together accounted for 96.3 per cent. of Dubai's total foreign trade in 2022. The following table sets out the distribution of Dubai's foreign trade by region for 2022:

Region	Imports	Exports	Re-exports	Total Trade	Per cent.
	<i>(AED millions, except percentages)</i>				
Asia.....	274,334	146,342	154,939	575,615	53.0
Africa	154,909	23,973	24,364	203,246	18.7
Europe.....	145,290	21,713	29,876	196,879	18.1
North America	52,167	6,564	11,461	70,192	6.5
South America.....	19,346	662	556	20,564	1.9
Oceania.....	14,883	2,654	1,443	18,980	1.7
Total	660,930	201,908	222,639	1,085,477	100.0

Source: Dubai Customs

MONETARY AND FINANCIAL SYSTEM

As Dubai does not have a separate monetary or financial system, this section describes the UAE's monetary and financial system generally, although certain sections focus specifically on Dubai where information is available.

Monetary and Exchange Rate Policy

The UAE's monetary and exchange rate policy is managed by the UAE Central Bank. The principal objective of the UAE's monetary policy is to maintain the UAE dirham as a stable and convertible currency. In common with most other GCC countries, and reflecting the fact that oil and gas revenues are priced in U.S. dollars, the UAE dirham has been pegged to the U.S. dollar since November 1980. The midpoint between the official buying and selling rates for the dirham has been pegged at a fixed rate of AED 3.6725 = U.S.\$1.00 since November 1997. There are no exchange controls in the UAE and the UAE dirham is freely convertible.

The UAE authorities have expressed publicly their commitment to the UAE dirham/U.S. dollar peg, which has served the UAE well over time, with relatively stable growth and moderate inflation. Given the track record of the peg and the significant reserves available to back it, the UAE Central Bank's policy is to maintain this peg. Reflecting this policy, the UAE Central Bank has limited scope to use interest/profit rates as a monetary tool, but does employ macroprudential measures, such as financing and exposure limits, to manage credit growth in the economy.

The United States Federal Reserve Board started its most recent monetary tightening cycle in March 2022 to curb inflation, which action was also followed by other central banks given the wider impacts of inflation. Since the start of 2022, the US Federal Reserve has increased interest rates on ten separate occasions. After each announcement, the UAE Central Bank has shortly thereafter announced its own decision to raise its interest/profit rates by equivalent amounts.

From December 2021, the UAE Central Bank has published an index for AED-denominated overnight funding transactions - the Dirham Overnight Index Average, or DONIA. DONIA is intended to help guide the UAE Central Bank in the implementation of the Dirham Monetary Framework and to also provide additional transparency to the Dirham money markets by providing an aggregate representation of market conditions over time.

Liquidity and Money Supply

The following table sets out certain liquidity indicators for the UAE as at 31 December in each of the years 2019 to 2022:

	2019	2020	2021	2022
	<i>(AED millions)</i>			
Currency issued (M0)	93,729	110,704	111,815	120,001
Money supply (M1) ⁽¹⁾	515,061	600,060	701,853	737,562
Private domestic liquidity (M2) ⁽²⁾	1,413,166	1,478,607	1,563,025	1,703,625
Overall domestic liquidity (M3) ⁽³⁾	1,717,456	1,769,368	1,856,910	2,100,729
Broad money (M2) to nominal UAE GDP (per cent.) ⁽⁴⁾	92.1	115.2	102.5	91.5
Private sector credit ⁽⁵⁾	1,149,953	1,124,913	1,137,528	1,185,901
Private sector credit to nominal UAE GDP (per cent.) ⁽⁴⁾	74.9	87.6	74.6	63.7
.....				
Domestic credit ⁽⁶⁾	1,592,609	1,596,786	1,618,957	1,650,937
Domestic credit to nominal UAE GDP (per cent.) ⁽⁴⁾	103.7	124.4	106.2	88.7

Source: UAE Central Bank

Notes:

- (1) Comprises M0 plus cash at banks and monetary deposits.
- (2) Comprises M1 plus quasi-monetary deposits (being savings accounts, time deposits, and all deposits in foreign money). Also known as "broad money".
- (3) Comprises M2 plus government deposits at banks (including the UAE Central Bank). Government deposits comprises deposits from the federal and individual Emirati governments and the companies owned by them.

- (4) For UAE GDP data, see "*Economy of Dubai—Gross Domestic Product*".
- (5) Including claims on other financial institutions.
- (6) Gross figures; includes financing to residents and non-banking financial institutions, trade bills discounted, and financings and advances to the government, public sector and private sector (corporates and individuals) in local and foreign currency.

Private domestic liquidity (M2) grew by 9.0 per cent. in 2022 compared to 5.7 per cent. in 2021, 4.6 per cent. in 2020 and 8.0 per cent. in 2019. The growth in 2022 reflected the general trend of an improvement in overall domestic liquidity. Broad money expressed as a percentage of nominal UAE GDP increased from 92.1 per cent. in 2019 to 115.2 per cent. in 2020, decreased to 102.5 per cent. in 2021, before decreasing to 91.5 per cent. in 2022. This fluctuation was principally the result of a substantial decrease in GDP in 2020 due to the COVID-19 pandemic and the subsequent significant increase in GDP during the years 2021 and 2022 as the economy began recovering.

Government deposits (which comprise deposits from the federal and individual Emirati governments and the companies owned by them, but excluding inter-bank deposits and bank drafts but including commercial prepayments and financings under repurchase agreements) were AED 301.3 billion as at 31 December 2019, 287.3 billion as at 31 December 2020, AED 288.2 billion as at 31 December 2021 and AED 396.8 billion as at 31 December 2022, reflecting improved government finances principally driven by fiscal actions taken, higher oil prices and improved economic conditions as a result of recovery from the COVID-19 pandemic and the impact of the Russia-Ukraine war in 2022.

The availability of domestic private sector credit increased from AED 1,592.6 billion as at 31 December 2019 to AED 1,596.8 as at 31 December 2020, AED 1,619.0 billion as 31 December 2021 and AED 1,651.4 billion as at 31 December 2022.

Domestic private sector credit expressed as a percentage of nominal UAE GDP was 74.9 per cent. in 2019, increasing to 87.6 per cent. in 2020, before decreasing to 74.6 per cent. in 2021 and 63.7 per cent. in 2022. In 2019, overall domestic credit expressed as a percentage of nominal UAE GDP was 103.7 per cent., increasing to 124.4 per cent. in 2020, before decreasing to 106.2 per cent. in 2021 and decreasing to 88.7 per cent. in 2022.

Foreign Reserves

The following table sets out the foreign assets holdings of the UAE Central Bank as at 31 December in each of the years 2019 to 2022:

	2019	2020	2021	2022
		(AED millions)		
Foreign Assets Holdings	394,730	388,050	466,450	493,880

Source: UAE Central Bank

The UAE Central Bank's gross international reserves are principally held in deposit accounts with banks outside the UAE or are invested in securities and treasury bills issued by non-UAE issuers. The official reserves figure, however, excludes the stock of publicly controlled foreign assets held in other accounts in investment bodies controlled by individual emirates, such as ICD in Dubai.

The UAE Central Bank's foreign assets holdings increased between 2019 and 2022, due mostly to an increase in the value of foreign securities and deposits with banks abroad.

Financial and Insurance Services

The financial and insurance activities sector in Dubai contributed AED 47.4 billion (or 11.4 per cent. of Dubai's real GDP) in 2022.

Within the UAE as a whole, the financial and insurance activities sector was estimated to have contributed approximately 6.6 per cent. of nominal GDP in 2022, according to FCSA data.

With 61 licensed banks (comprising 22 locally-incorporated banks and 39 foreign banks) at 31 December 2022, serving a population estimated by the FCSA to be approximately 9.4 million as at 31 December 2022, the UAE could be viewed as an over-banked market, even by regional standards.

The UAE's banks have faced challenges in recent years, including a slowdown in the global economy and large fluctuations in oil prices, which has negatively impacted the UAE's fiscal position and slowed economic growth.

Since 2020, a number of banks in the UAE have increased their foreign ownership limits, including Commercial Bank of Dubai (from 25 per cent. to 40 per cent.) and Dubai Islamic Bank (from 25 per cent. to 40 per cent.). Along with the adoption of a new foreign direct investment regime under the 2021 CCL, these changes appear to signal a broader trend for UAE companies to seek foreign investment (see “*Economy of Dubai—Foreign Direct Investment and Free Zones*”).

According to the UAE Central Bank, the aggregate financings and advances extended to residents and non-residents of the UAE as at 31 December 2022 was AED 1,651.4 billion, compared to AED 1,619.0 billion as at 31 December 2021, AED 1,596.8 billion as at 31 December 2020 and AED 1,592.6 billion as at 31 December 2019. Of these amounts, specific and general provisions were AED 156.2 billion in 2022, AED 156.3 billion in 2021, AED 154.9 billion in 2020 and AED 132.0 billion in 2019, equating to provision rates of 8.3 per cent., 9.7 per cent., 9.7 per cent. and 8.3 per cent., respectively.

The following table sets out a statistical analysis of the UAE banking sector as at 31 December in each of the years 2019 to 2022.

	2019	2020	2021	2022
Total Number of Commercial Banks	59	58	59	61
Total Number of Branches (inclusive of head offices)....	794.0	672.0	647.0	632.0
Total Number of Employees ⁽¹⁾	35,637	33,444	33,491	35,830
Total Domestic Credit ⁽²⁾ (AED billions)	1,592.6	1,596.8	1,619.0	1,881.1
Total Provisions ⁽³⁾ (AED billions)	132.0	154.9	156.3	156.2
Total Assets (AED billions)	3,082.9	3,188.0	3,321.5	3,669.7
Total Deposits (AED billions)	1,870.2	1,884.5	1,996.5	2,222.1

Source: UAE Central Bank

Notes:

- (1) Excluding overseas branches.
- (2) Net of provisions and interest in suspense.
- (3) Including interest in suspense.

Principal Banks in Dubai

The following table sets out summary information for each of the five principal banks by asset size established in Dubai:

	Number of Branches ⁽¹⁾	Year Established	Government ownership (per cent.)	Assets ⁽¹⁾ (AED millions)
Emirates NBD.....	879	2007	55.8	741,961
Dubai Islamic Bank.....	55	1975	27.97	288,238
Mashreqbank.....	19	1967	—	210,964
Commercial Bank of Dubai.....	13	1969	20.0	116,074

Source: ICD; banks' financial statements

Notes:

- (1) As at 31 December 2022, based on banks' annual reports.

Supervision of Banks

The UAE Central Bank, established in 1980, is the governing body that regulates and supervises all banks operating in the UAE. The Central Bank has supervisory responsibility for all banking institutions in the UAE. The UAE Central Bank does not act as a lender of last resort, a role which tends to fall on the governments of the individual emirates.

In October 2018, UAE Federal Decree-Law No. 14 of 2018 Concerning the Central Bank and the Organization of Financial Institutions and Activities (the **Central Bank Law**) was issued, repealing UAE Federal Law No. 10 of 1980 and UAE Federal Law No. 6 of 1985. The new Central Bank Law raises the UAE Central Bank's capital to AED 20 billion and allows for the establishment of a general reserve of up to four times the UAE Central Bank's paid-up capital. The Central Bank Law represents a major shift in the way financial institutions in the UAE will be regulated and supervised. The philosophy of the new law is based on licensing specific financial activities and subjecting individuals with key functions in those institutions to the fit and proper criteria required for authorisation to carry out their functions.

The Central Bank Law strengthens the UAE Central Bank's enforcement powers to impose a broad range of administrative, financial sanctions and penalties on licensed financial institutions that are in violation of the law. The Central Bank Law also governs the financial infrastructure of the UAE and provides that the UAE Central Bank may designate any financial infrastructure system as systemically important and ensure their soundness in accordance with relevant international standards.

In October 2018, UAE Federal Law No. 20 of 2018 Concerning Combating Money Laundering and Terrorist Financing (the **AML Law**) was introduced, establishing a new legal framework to strengthen the efforts of the UAE authorities to combat money laundering, the financing of terrorism and other illegal organisations, including the establishment of a Financial Information Unit and a National Committee. The AML Law also requires financial institutions and specific non-financial businesses to continuously identify and enhance any areas of risk that exist within their sectoral areas, and prohibits them from opening bank accounts or conducting financial transactions for anonymous clients. Cabinet Resolution No. 10 of 2019 (as amended) introduced a number of enhancements to the AML Law, including the introduction of a "risk-based approach" to anti-money laundering regulation, the implementation of new client due diligence measures, and providing for the ability to classify UAE nationals as politically-exposed persons (**PEPs**).

The UAE Central Bank is also tasked with sponsoring anti-money laundering activities in the UAE. The UAE financial intelligence unit, known as the Financial Intelligence Department, is located within the UAE Central Bank and the Governor of the UAE Central Bank is also the chairman of the National Anti-Money Laundering and Combating Financing of Terrorism Committee in the UAE. In July 2019, the UAE undertook the second round of mutual evaluation of its anti-money laundering (**AML**) and combating the financing of terrorism (**CFT**) framework with a joint team of assessors from the Financial Action Task Force (the **FATF**) and the Middle East and North Africa Financial Action Task Force. The FATF noted that the elements of an effective AML and CFT system are in place but given that the required framework is relatively new it was not possible to determine the overall effectiveness of the system but that terrorist financing offences and activities are investigated and prosecuted to a large extent, and the role of the terrorist financier is generally identified. However, the FATF also noted that fundamental and major improvements are needed across the UAE in order to demonstrate that the system cannot be used for money laundering, terrorism financing and the financing of proliferation of weapons of mass destruction.

In March 2022, the FATF announced that the UAE was added to its "grey list" of high-risk jurisdictions noting that the UAE has made significant progress in relation to anti-money laundering and counter-terrorism financing since May 2020 but is still expected to make improvements in several areas including in relation to financial crime investigations. This grey list designation means that even though the UAE is under increased monitoring by the FATF, the UAE has committed to resolve the identified strategic deficiencies within agreed time frames.

The UAE ranked 27th on Transparency International's Corruption Perceptions Index 2022, which ranks 180 countries in terms of their perceived level of public sector corruption. In its November 2022 Article IV Consultation with the UAE, the IMF welcomed actions on strengthening the AML/CFT framework and urged efforts to continue.

All regulated banks in the UAE are required to present their financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Characteristics of the Banking System

The UAE banks are predominantly focused on the domestic market. With much of the economy directly or indirectly dependent on the oil sector, the UAE banks are vulnerable during long periods of low oil prices. In particular, oil revenues tend to drive levels of liquidity. There is a high degree

of state involvement in the UAE banking sector, with a number of banks being controlled by the governments and/or ruling families of individual emirates.

Additionally, a number of banks have developed in the Islamic world, including in the UAE, to serve customers who wish to observe *Shari'ah* principles, including the prohibition on the charging of interest on any financial transaction. These institutions offer a range of products, which broadly correspond to conventional banking transactions but are structured to ensure that all relevant *Shari'ah* principles are complied with. The principal Dubai-based Islamic banks are Dubai Islamic Bank and Emirates Islamic Bank.

Structure of the Banking System

Banking institutions in the UAE fall into a number of categories, as defined by the UAE Central Bank. Domestic banks, also known as "local" banks, of which there were 21 commercial banks and one investment bank (institutions which may not accept deposits with maturities of less than two years but which may borrow from their head offices or other banks and the financial markets) as at 31 December 2022, are required to be public shareholding companies with a minimum share capital of AED 40 million.

Licensed foreign banks, of which there were 28 commercial banks and 11 wholesale banks (which function in a similar manner to commercial banks, except that they are prohibited from accepting deposits from individuals) at 31 December 2022, are required to demonstrate that at least AED 40 million has been allocated as capital funds for their operations in the UAE. The UAE Central Bank also permits other financial institutions (institutions whose principal functions are to extend credit, carry out financial transactions, invest in moveable property and other activities but are not permitted to accept funds in the form of deposits), investment banks (institutions which may not accept deposits with maturities of less than two years but which may borrow from their head offices or other banks and the financial markets) and financial and monetary intermediaries (money and stock brokers).

Regulatory Developments

The strategic objective of the UAE Central Bank is to ensure that the regulatory framework for financial institutions under its supervision is designed to foster sound and robust financial institutions, protect consumers and enable the financial sector to develop with prudence. The UAE Central Bank has a significant regulatory reform programme underway and is reviewing and updating existing regulations so that they are in line with international best practice and take into account the specifics of the structure of the UAE economy and market.

The regulatory reforms introduced by the Basel Committee for Banking Supervision under the Basel III framework (**Basel III**) have guided the development of the capital and liquidity regulations for banks operating in the UAE (see "*—Capital*") below. Enhancing consumer protection will also remain a priority for the UAE Central Bank in the development of the regulatory framework. Given the regional importance and recent growth of the financial services industry in the UAE, the UAE Central Bank seeks to prioritise the adoption of internationally agreed regulatory standards. The UAE Central Bank is fully committed to strengthening the regulation, supervision and practices of banks in line with international regulatory standards.

The UAE Central Bank has highlighted two strategic priorities. Firstly, the UAE Central Bank will begin a digital transformation programme which aims to significantly enhance financial infrastructure within the UAE Central Bank and the UAE. Secondly, the UAE Central Bank will contribute to the UAE's wider policy initiatives as part of the UAE hosting COP28 in November–December 2023. In particular, the UAE Central Bank will continue to take the necessary steps to ensure the integration of climate risks and facilitation of sustainable finance in the regulatory framework of the financial sector. It will also look to adopt aspects of ESG principles in its own investment policies and processes in the medium term.

Recent new laws and regulations have also been announced by the UAE Central Bank relevant to the banking sector. These include:

- The UAE Central Bank has published regulations relating to non-bank financial institutions and digital payments and is working on further regulations relating to payments and fintech. A new stored value facilities regulation was issued in November 2020. A new crowd lending regulation was issued in November 2020. In April 2021, the UAE Central Bank issued a SME Market Conduct Regulation to promote best practices among licensed financial institutions engaging with SMEs. The objective of the regulation is to enhance SMEs' access to financial products and services.
- The UAE Central Bank has commenced work on a bank recovery and resolution framework. New consumer protection regulations were published in early 2021. Consultation on a new regulatory framework for Islamic finance in the UAE was completed in 2020 and a number of new regulations giving effect to the framework were issued in 2020.

- In 2020, the UAE Central Bank developed a FinTech strategy to underpin the Federal government's drive to establish the UAE as a leading global FinTech hub. The strategy aims to stimulate innovation and collaboration within a culture of robust risk management. To ensure effective FinTech strategy implementation, the UAE Central Bank has launched a dedicated FinTech office and initiatives including the development of a common FinTech regulatory framework, the establishment of co-sandboxing arrangements among regulatory authorities to facilitate faster technological developments and streamline regulatory approval processes, the development of an electronic know your customer protocol to enable non-face-to-face and digital onboarding processes, the implementation of a distributed ledger technology-based trade finance platform to reduce the risk of trade fraud and the creation of a FinTech talent development programme. In 2014, the UAE's first bitcoin exchange launched in Dubai and, in July 2021, it was announced that the UAE Central Bank had an interest in issuing a central bank digital currency (the **CBDC**). The launch of the CBDC was announced as a part of the UAE Central Bank's 2023-2026 strategy.
- The UAE Central Bank also intends to promote digital transformation in the UAE's financial services sector and increase financial inclusion through the use of digital IDs and artificial intelligence to improve monitoring and compliance.
- In March 2022, Cabinet Resolution No. 24 of 2022 was published, amending Cabinet Resolution No. 10 of 2019 (as amended) and further enhancing the AML Law by, for example, including broader coverage of virtual assets.
- In March 2023, the UAE Central Bank and other financial regulators in the UAE, launched a public consultation on "principles for the effective management of climate-related financial risks". The consultation set out proposed principles to integrate and manage financial risks arising from climate change. Such initiative is tied to the UAE Sustainable Finance Framework 2021-2031.

Capital

Prior to February 2017, the UAE Central Bank required all UAE banks to have a total Basel II capital adequacy ratio of at least 12 per cent. (of which Tier I capital must reach a minimum of 8 per cent. of total risk weighted assets, and Tier II capital may only be considered up to a maximum of 67 per cent. of Tier I capital), of total risk weighted assets.

The UAE Central Bank issued new regulations which took effect in February 2017 to ensure that the capital adequacy of all banks operating in the UAE is in line with revised rules outlined by the Basel Committee on Banking Supervision in Basel III, a global regulatory framework for more resilient banks and banking systems. The new Basel III capital framework revised the minimum Tier I capital requirement to 8.5 per cent. and the total capital requirement to 10.5 per cent. It also introduced a capital conservation buffer at 2.5 per cent. of risk-weighted assets, surcharges for domestic systemically important banks (which are 1.5 per cent. of risk-weighted assets from 1 January 2019) and a countercyclical buffer, which is currently set at zero. Implementation of the Basel III liquidity standards published in 2015 is ongoing. The LCR has been introduced at 100 per cent. since 1 January 2019.

In November 2020, the UAE Central Bank issued the "Regulations re Capital Adequacy" standards, pursuant to which the following standards became effective as of August 2021: Tier Capital Supply, Tier Capital Instruments, Pillar 2 - ICAAP, Credit Risk, Market Risk and Operational Risk. The standards on credit risk, market risk, operational risk and other remaining capital standards were initially issued on 7 January 2020 and were supposed to become effective on 30 June 2020 but were postponed due to COVID-19. The UAE Central Bank decided to implement the remaining capital standards in a phased-in approach instead, starting with the standards on credit, market and operational risk, which became effective in the second quarter of 2021 (phase 1). The standards on counterparty credit risk, equity investment in funds, securitisations, leverage ratio and Pillar 3 (except for credit value adjustment (CVA)) became effective in the fourth quarter of 2021 (phase 2). The remaining standard on CVA and Pillar 3 for CVA became effective from 30 June 2022, completing the Basel III implementation in the UAE.

While the calculation of capital adequacy ratios in the UAE follows the Bank of International Settlements (**BIS**) guidelines, claims on or guaranteed by GCC central governments and central banks are risk weighted at zero per cent. and claims on GCC government non-commercial public sector entities are risk-weighted at 100 per cent.

Banks in the UAE are required to transfer 10 per cent. of profit each year into a statutory reserve until this reaches 50 per cent. of capital. Distributions cannot be made from this reserve, except in special legally defined circumstances. All dividends paid by UAE banks have to be authorised in advance by the UAE Central Bank.

The Basel III total capital adequacy ratio of all UAE national banks was 17.7 per cent., 18.2 per cent., 17.2 per cent. and 17.4 per cent. as at 31 December 2019, 2020, 2021 and 2022, respectively.

The following table sets out the capital adequacy ratio of all UAE national banks as at 31 December in each of the years 2019 to 2022.

	2019	2020	2021	2022
	(per cent.)			
Total capital adequacy ratio	17.7	18.2	17.2	17.4
Tier I capital adequacy ratio	16.5	17.1	16.1	16.2

Source: UAE Central Bank

Liquidity

Most UAE banks are funded through on-demand or time-based customer deposits made by UAE private individuals or UAE private sector companies. Together, these deposits constituted 62.8 per cent. of total deposits (excluding inter-bank deposits, government deposits and commercial prepayments) of the UAE banking sector as at 31 December 2022. Government and public sector deposits contributed 27.6 per cent. of total deposits (excluding inter-bank deposits and bank drafts but including commercial prepayments) as at 31 December 2022. Non-resident and other sources contributed 9.6 per cent. of total deposits (excluding inter-bank deposits and bank drafts but including commercial prepayments) as at the same date.

There is currently no formal deposit protection scheme in the UAE but no bank has, so far, been permitted to fail. However, from time to time authorities may enact restructuring and other measures to protect liquidity. For instance, the UAE Central Bank has established a certificates of deposit repurchase facility under which banks can use certificates of deposit as collateral for dirham or US dollar funding from the UAE Central Bank.

In order to enhance the prudential liquidity framework for banks operating in the UAE, the UAE Central Bank has introduced liquidity regulations, which emphasise the need for each bank to have a proper liquidity risk management framework in place to minimise the likelihood of a liquidity stress occurring and also minimise the impact on each bank should such a stress occur. In implementing such a framework, the UAE Central Bank requires each bank to hold at least 10 per cent. of its liabilities in eligible liquid assets that are of high quality to ensure that they will be able to meet their individual liquidity needs on an on-going basis. The regulations provide for the introduction of the Basel III liquidity standards to be applied to banks approved by the UAE Central Bank.

Provisions and Insolvencies

Total provisions recorded by banks in the UAE have increased from AED 132.0 billion (or 4.3 per cent. of total UAE bank assets) as at 31 December 2019 to AED 154.9 billion (or 4.9 per cent. of total UAE bank assets) as at 31 December 2020, AED 156.3 billion (or 4.7 per cent. of total UAE bank assets) as at 31 December 2021 to AED 156.2 billion (or 4.3 per cent. of total UAE bank assets) as at 31 December 2022.

In order to ensure that banks correctly classify their loans and thus accurately report their profit or loss, the UAE Central Bank issued Circular No 28/2010 in November 2010 (the **Loan Classification Circular**). Under the Loan Classification Circular, banks are required to classify their loans and advances into five main categories: normal loans, watch-list loans, sub-standard loans, doubtful loans and loss loans. Subject to the detailed guidelines in the Loan Classification Circular, the first two categories represent performing loans and generally no provisions are required in respect of them. Banks are required to make a provision of 25 per cent. of the balance outstanding for sub-standard loans, 50 per cent. for doubtful loans and 100 per cent. for loss loans. In order to strengthen the capital position of banks, they are additionally required to make a general provision of 1.5 per cent. of their total credit risk-weighted assets. Banks in the UAE are required to follow International Accounting Standards and International Financial Reporting Standards in addition to the guidelines issued by the UAE Central Bank for classifying their loans and making provisions.

In April 2020, in light of the economic uncertainty caused by the COVID-19 pandemic, the UAE Central Bank, the DFSA and the FRSA published joint guidance on the treatment of International Financial Reporting Standard 9 (**IFRS 9**) expected credit loss provisions, which sets out adjustments to the way the credit risk of financial instruments is assessed under IFRS 9. IFRS 9 provisions are intended to be gradually phased-in during the five year period ending on 31 December 2024.

Large Exposures

The UAE Central Bank has adopted certain rules designed to ensure that banks' credit policies are sound and that undue risks do not arise from excessive concentration of credit to a single counterparty or a group of connected counterparties, thereby safeguarding the relevant bank's solvency.

In June 2023, the UAE Central Bank issued Circular No. 1/2023 (the **Large Exposures Notice**), an updated regulation which set percentage limits for banks' maximum exposures relative to the size of their tier 1 capital. While exposures to any single counterparty or group of connected counterparties are generally limited to 25% of tier 1 capital, the UAE Central Bank has set more restrictive limits for transactions with related parties and for the exposures of any global systemically important bank to any other global systemically important bank. Exposures to a limited scope of sovereign counterparties are exempted from this limit, as are intraday interbank exposures. The UAE Central Bank monitors banks' large exposures as part of its ongoing banking supervision and examination process.

Money Exchanges

In January 2014, the UAE Central Bank issued new regulations in relation to the licensing and monitoring of money exchange businesses. Under the regulations, exchange houses dealing exclusively in cash and travellers cheques are required to have a minimum paid-up capital of AED 2 million, while exchange houses offering remittance services inside and outside the UAE are required to have a minimum paid-up capital of AED 10 million, in each case, with unlimited liability. Exchange houses operating with limited liability are required to have a minimum paid-up capital of AED 50 million. The regulations also state that these minimum levels will rise by 10 per cent. for every additional branch opened by a licensed exchange house, and all exchange facilities must be at least 60 per cent. owned by Emirati investors.

Federal Debt Management

UAE Federal Law No. 9 of 2018 Concerning Public Debt as amended by UAE Federal Decree-Law No. 27 of 2022 (the **Federal Public Debt Law**) permits the UAE Federal Government to issue sovereign debt through the sale of bonds or other debt instruments, which is intended to support the UAE Central Bank's in liquidity management in the UAE banking system and is intended to help the UAE banking sector meet international liquidity rules. In addition, the Federal Public Debt Law is intended to enable banks operating in the UAE to purchase government bonds in dirhams or foreign currencies, which will help them comply with Basel III requirements. The Federal Public Debt Law also expressly permits the UAE Federal Government to provide guarantees on behalf of federal government authorities and corporations which are wholly owned by the UAE Federal Government.

The Federal Public Debt Law establishes a federal Public Debt Management Office, which will have various support roles within the UAE Ministry of Finance, including the following:

- responsibility for proposing public debt management strategies and policies in coordination with the UAE Central Bank, implementing the strategies and policies approved by the Cabinet, and providing recommendations on issuance of public debt instruments;
- monitoring financial risks as well as other risks associated with issuing and trading any public debt instruments, and proposing solutions to manage and control these risks;
- advising the Minister of Finance on investments involving any public debt surplus, identifying risk levels on financing or issuing any guarantees for government projects as well as playing an important role in the development of policies and procedures created to manage and reduce risks in the public debt portfolio;
- working closely with the UAE Central Bank with regard to the management of the issuance and sale operations of government bonds, sukuk, treasury bills, and any other public debt instruments;
- setting short and long-term objectives for the UAE's public debt management;
- issuing reports on the management and implementation of public debt; and
- coordinating with local governments in each emirate to support and develop a highly efficient primary and secondary financial market by issuing public debt instruments in the state, in which each local government shall establish a public debt office if local public debt instruments are issued.

In October 2018, the UAE Federal Government issued UAE Federal Decree No. 15 of 2018 on the Collection of Revenue and Public Funds (the **Revenue Collection Law**). The Revenue Collection Law aims to expedite claim, implementation and settlement procedures, as well as collection of debt from income, taxes, fees and public funds, owed by debtors who have accrued rights to UAE Federal Government entities as creditors. According to a statement issued by the UAE Ministry of Finance, the Revenue Collection Law enhances the UAE Federal Government's public

revenue management framework and ensures the effectiveness of the claim, implementation and settlement procedures, as well as debt collection, in line with global best practices.

The Federal Government (through the Ministry of Finance) established a Global Medium Term Note Programme in September 2021. In October 2021, the Federal Government issued U.S.\$4.0 billion in principal amount of the Notes under the programme across three tranches: (i) U.S.\$1.0 billion 2.000 per cent. Notes due 2031; (ii) U.S.\$1.0 billion 2.875 per cent. Notes due 2041; and (iii) U.S.\$2.0 billion 3.250 per cent. Notes due 2061. In July 2022, the Federal Government issued a further U.S.\$3.0 billion in principal amount of the Notes under the programme across two tranches: (i) U.S.\$1.75 billion 4.050 per cent. Notes due 2032; and (ii) U.S.\$1.25 billion 4.951 per cent. Notes due 2052.

In addition, in May 2022, the Federal Government (through the Ministry of Finance), established a UAE dirham Treasury Bonds Programme (**T-Bond**) under which the Federal Government issued AED 9 billion T-Bonds in two, three and five year tenors during 2022. In May 2023, the Federal Government also established a UAE dirham Treasury Sukuk Programme (**T-Sukuk**). The Federal Government has undertaken primary market auctions of a further AED 6.0 billion T-Bonds and T-Sukuk in the first eight months of 2023.

Credit Information

Al Etihad Credit Bureau (**AECB**) is a UAE Federal Government company specialised in providing UAE based credit reports and other financial information. AECB commenced operations in 2014 upon receiving formal approval from the Cabinet of its regulations and its charges for producing credit reports. AECB has approached all UAE-based banks to sign data sharing agreements to enable the provision of customer credit information, with the majority having entered into such agreements and/or made successful initial data submissions to AECB by the time AECB commenced operations.

Fintech Initiatives

The UAE Banking Federation (**UBF**), through its digital banking and information security committees, is playing a leading role in the expansion of fintech solutions into the UAE's banking sector. Key initiatives from the UBF include the introduction of blockchain technology to enhance KYC processes, boosting cybersecurity, the use of artificial intelligence in areas such as customer service, data analysis and decision-making, and Emirates Digital Wallet – a company owned by 16 shareholding banks and fully sponsored by the UBF, which aims to facilitate a society-wide transformation from physical money to digital transactions.

In July 2021, it was announced that the UAE Central Bank had an interest in issuing a central bank digital currency (the **CBDC**). The launch of the CBDC was announced a part of the UAE Central Banks' 2023-2026 strategy. The UAE Central Bank also intends to promote digital transformation in the UAE's financial services sector and increase financial inclusion through the use of digital IDs and artificial intelligence to improve monitoring and compliance.

In 2022, Dubai Law No. 4 of 2022 Regulating Virtual Assets in the Emirate of Dubai announced the approval of a Dubai virtual asset regulation law and the establishment of a virtual asset and services regulatory authority (**VARA**) tasked with (i) organising the issuance and trading of virtual assets and tokens; (ii) organising and authorising virtual asset service providers; (iii) ensuring high standards of protection for beneficiaries' personal data; (iv) organising the operation of virtual asset platforms and portfolios; and (v) monitoring transactions and preventing virtual asset price manipulation. VARA will be responsible for licensing and regulating the virtual assets sector across Dubai's mainland and the free zone territories (excluding DIFC).

Consumer Loan Regulation and Mortgage Cap Regulation

The UAE Central Bank has introduced regulations regarding bank financings and other services offered to individual customers by way of a circular dated February 2011 (the **Retail Circular**) and a notice that entered into force in December 2013 (the **Mortgage Regulations**). These regulations, among other things, limit the fees and interest/profit rates which banks in the UAE can charge to retail customers and impose maximum finance/income and finance to value ratios for retail products such as residential mortgage loans. The UAE Central Bank revises the finance-to-value ratios under the Mortgage Regulations from time to time. Currently, mortgage finances for non-nationals should not exceed 80 per cent. of the property value for a first purchase of a home with a value of less than AED 5 million and, for a first purchase of a home with a value greater than AED 5 million, should not exceed 70 per cent. of the property value. For the purchase of a second or subsequent home, the limit for non-nationals is set at 60 per cent. of the property value (irrespective of the value of the property in question). The corresponding limits for UAE nationals are set at 85 per cent. in respect of a first purchase of a home with a value less than or equal to AED 5 million, 75 per cent. for a first

home with a value greater than AED 5 million and 65 per cent. of the property value for a second or subsequent purchase (irrespective of the value of the property).

UAE Bankruptcy Law

Federal Decree No. 9 of 2016 Concerning Bankruptcy (as amended) (the **Bankruptcy Law**) contains measures to safeguard the rights of creditors and debtors. The Bankruptcy Law offers creditors and debtors increased flexibility in dealing with financial distress, while ensuring certainty and security for business owners and investors. The Bankruptcy Law also sets out the procedures of bankruptcy aimed at assisting a debtor to reach reconciliation with its creditors pursuant to a plan of bankruptcy under the supervision of a court and assistance of a justice of the peace appointed in accordance with the provisions of the Bankruptcy Law. In March 2018, pursuant to Cabinet Resolution No. 4 of 2018, the Financial Restructuring Committee was established, which is responsible for overseeing the implementation of the Bankruptcy Law. Among other things, the Financial Restructuring Committee is responsible for supervising out-of-court restructuring processes for licensed financial institutions, approving and managing the role of experts and trustees to oversee bankruptcy processes, and maintaining registers of disqualified directors and bankrupt companies inspected under the Bankruptcy Law.

UAE Insolvency Law

In November 2019, UAE Federal Decree-Law No. 19 of 2019 on Insolvency (the **Insolvency Law**) came into effect. The Insolvency Law provides protections to individuals that are in financial distress and unable to settle their debts (as opposed to the Bankruptcy Law, which regulates commercial companies and sole traders). The Insolvency Law introduces the “voluntary settlement” process, which protects the debtor from insolvency by putting in place a settlement plan, while enabling the debtor to continue to have control over managing its estate and to carry out its activities during the settlement process. The Insolvency Law also provides streamlined insolvency procedures, which can either be initiated by the court (if it rejects or orders the voluntary settlement plan to be void), the insolvent debtor or creditors with claims amounting to AED 200,000 or more. Once the court issues an order to commence the insolvency proceedings, all debts, whether secured or not, become due and payable. The court may order, upon its discretion or based on the request of the debtor, the suspension of all criminal proceedings pertaining to any bounced cheques issued by the debtor and suspension of all enforcement and legal claims filed against the debtor. Proceeds of the liquidation of assets are distributed to creditors pursuant to their ranking.

Insurance

The insurance sector plays an important role in the UAE economy, not only through its direct contribution to the economy but also by facilitating the operation of other sectors such as logistics, services, health and transport. The investment of premiums by the insurance sector in the UAE economy supports economic development and maintains positive competitiveness between insurance companies.

The insurance sector in the UAE is overseen by the UAE Central Bank (having previously been overseen by the Insurance Authority established by UAE Federal Law No. 6 of 2007 Regarding the Establishment of the Insurance Authority and Regulation of Insurance Operations (the **Insurance Law**)).

In January 2015, the Insurance Authority issued new regulations governing the financial, technical, investment, and accounting operations of insurers operating in the UAE. The regulations aim to protect the rights of policyholders and shareholders of insurance companies, as well as protecting insurance companies from potential risks by monitoring the solvency of insurance companies and the integrity of their financial procedures. The regulations are also intended to promote the establishment of modern and advanced regulatory principles for the UAE insurance market in accordance with the best international practices.

UAE Federal Law No. 3 of 2018 (the **Insurance Law Amendment**) was issued in 2018 to amend certain provisions of the existing Insurance Law. It grants the Insurance Authority increased regulatory issuing powers and inspection powers, prohibits entities from combining life insurance and property and liability insurance operations and establishes the Emirates Insurance Association, a professional union that will regulate professional aspects of the insurance sector.

In July 2019, the Insurance Authority issued a resolution pursuant to the Insurance Law, providing for a system for settlement of insurance claims in the UAE. Pursuant to the resolution, new specialist insurance disputes committees were established with effect from October 2019, with the authority to settle and resolve insurance disputes between insureds, beneficiaries, and interested parties against insurers. In March 2020, the Insurance Authority issued a further resolution clarifying the jurisdiction of the disputes committees.

In November 2019, the Insurance Authority issued new regulations for life insurance and family takaful insurance. The new regulations are in line with international standards and improve disclosure and transparency for customers on the terms and conditions of life insurance policies. The new regulations also provide for a 30-day cooling-off period for customers as well as a cap on commissions payable to financial advisers, amongst other changes. The new regulations are scheduled to come into force on 16 October 2020.

In October 2020, the powers and responsibilities of the Insurance Authority were assumed by the UAE Central Bank. The UAE Central Bank now has the power to regulate and supervise the insurance sector as well as propose and implement legislation to regulate it. The UAE Central Bank is responsible for protecting the rights of the insured and monitoring the solvency of the UAE's insurance companies.

Key aspects of the UAE's regulatory framework for banks, insurance companies and financial institutions were advanced during 2022. The main focus was on corporate governance and risk management of insurance companies, the expansion and development of banking licence types, model management in banks, financing standards, the capital assessment process, and recovery and resolution. A significant development in 2022 was the finalisation of two major regulations and accompanying standards for the UAE insurance sector following the UAE Central Bank's merger with the UAE Insurance Authority. The new Corporate Governance Regulation and Risk Management and Internal Controls Regulation advanced the regulatory environment for insurance companies and related professions operating in the UAE. The Corporate Governance Regulation sets out the core duties and responsibilities of insurance company boards and senior management and established minimum requirements for insurance company internal structures and processes, including the composition of boards, senior management and key control functions. The Risk Management and Internal Controls Regulation set requirements for board and senior management oversight and the management of risk in insurance companies, as well as clear standards for implementing risk, compliance and internal audit functions. The functions of the Chief Risk Officer Head of Compliance and Head of Internal Audit are given prominence in the risk management structures of insurance companies and such roles are subject to UAE Central Bank approval. The objectives of both regulations are to enhance the governance and risk management culture within the insurance sector and place clear responsibility and accountability on boards and senior management.

According to the UAE Central Bank, written premiums of all types of insurance amounted to AED 47.2 billion in 2022, an increase of 6.6 per cent. compared to AED 44.3 billion in 2021.

As at 31 December 2022, there were 62 insurance companies operating in the UAE (comprising 35 national insurance companies and 27 foreign insurance companies) with a total employee count of 10,005, as well as 29 insurance agents, 168 insurance brokers (comprising 164 national brokers and 4 foreign brokers), 51 insurance consultants, 49 loss adjusters, 74 actuaries and 20 third-party administrators.

The following table sets out the UAE total written premiums by value for each of the years 2019 to 2022:

	2019	2020	2021	2022
	<i>(AED millions)</i>			
General insurance premiums	32,526	32,166	32,940	37,107
Life insurance premiums	11,495	10,331	11,377	10,140
Total premiums	44,021	42,497	44,317	47,246

Source: UAE Central Bank

In November 2013, Dubai Law No. 11 of 2013 Concerning Health Insurance in the Emirate of Dubai (the **Health Insurance Law**) was published, requiring all employers in Dubai to have in place compliant health insurance cover for their employees. The law was implemented with the aim of ensuring that every national and resident in Dubai has essential health insurance coverage and access to essential health services. The Health Insurance Law sets out the roles and responsibilities of each stakeholder involved with the provision and implementation of health insurance in Dubai. The Health Insurance Law also sets out a framework for insurance companies to follow, and only registered insurance companies will be able to provide insurance schemes and packages. Implementation of the insurance coverage under the Health Insurance Law commenced in 2014 and was rolled out in phases, with the final phase completed in March 2017.

Shari'ah compliance

UAE Federal Law No. 14 of 2018 regarding the Central Bank and Organization of Financial Institutions and Activities entered into force with effect from 23 September 2018 and requires financial institutions conducting *Shari'ah* compliant activities licensed by the UAE Central Bank to operate such activities in compliance with the rules, standards and general principles established by the Higher Shari'ah Authority and, in certain

circumstances, requires such financial institutions to obtain the consent of the Higher Shari'ah Authority before undertaking certain *Shari'ah* compliant licensed financial activities.

Capital Markets

The capital markets in the UAE are regulated by a number of entities including the SCA, which licenses intermediaries to trade on the Dubai Financial Market (**DFM**) and the Abu Dhabi Securities Exchange (**ADX**). The SCA is a UAE Federal Government organisation but has financial, legal and administrative independence.

The other significant stock exchange in the UAE is Nasdaq Dubai, which commenced operations in September 2005 and, as an entity based in the DIFC, is separately regulated. In July 2010, the DFM completed the acquisition of Nasdaq Dubai from Borse Dubai Limited and the Nasdaq OMX Group. Subsequent to the transaction, both Nasdaq Dubai and the DFM operate as two distinct markets that are subject to different regulatory frameworks. Nasdaq Dubai is regulated by the Dubai Financial Services Authority and the DFM is regulated by the SCA.

During 2022, stock markets in the UAE showed modest gains, driven by recovering international crude oil prices during the year.

In October 2020, the operational and executive power of the SCA was transferred to local licensed stock markets.

In March 2021, the SCA approved Board Resolution No. (08/R.M) of 2020 concerning amendment to the Corporate Governance Guide for Public Joint Stock Companies. As a result, it is now mandatory for Public Joint Stock Companies listed on ADX or DFM to appoint at least one female member to their respective boards.

In 2021, the Securities and Exchange Higher Committee was established to develop the vision for the financial sector and evaluate plans and policies to meet strategic objectives, with a focus on increasing liquidity in the markets, encouraging innovative financial products and solutions and attracting new digital assets to operate from Dubai. In October 2021, during the first meeting of the Securities and Exchange Higher Committee, the Deputy Ruler of Dubai, Sheikh Maktoum bin Mohammed, announced the formation of a Dubai Markets Supervisory Committee and the formation of two specialised courts within the Commercial Court to settle securities disputes starting from January 2022. In addition, the Deputy Ruler of Dubai announced the intended listing of 10 government and state-owned companies on the DFM as part of accelerating new listings in various sectors including energy, logistics and retail. Following this announcement, initial public offerings have been conducted by DEWA, TECOM Group, Salik, Union Coop, Emirates Central Cooling Systems Corporation (Empower), Taaleem Holdings and Al Ansari Financial Services.

In January 2022, the SCA issued new regulations enabling special purpose acquisition companies (**SPACs**) to list on the ADX or DFM. Under the SPAC framework, the broad admission criteria for a SPAC listing includes minimum market capitalisation, public float requirements and other regulations seeking to protect investors and set minimum standards for sponsors and SPACs. These rules are largely similar to the obligations imposed by SPAC frameworks in other jurisdictions. During 2022, the SCA also issued new crowdfunding regulations, as well as new rules allowing cooperative associations to be listed on financial markets.

Effective from January 2022, Dubai Decree No. 3 of 2021 Concerning the Listing of Stocks of Joint-stock Companies on the Securities Markets in the Emirate of Dubai requires (i) all Dubai public joint stock companies (including in DIFC) to list their shares on an exchange in Dubai; (ii) all Dubai licensed private joint stock companies (including in DIFC) that wish to list their shares to first list their shares on an exchange in Dubai; and (iii) all other non-Dubai UAE public joint stock companies (excluding public joint stock companies established under federal laws) to list on a Dubai exchange within one year of their assets or financial revenues becoming 50 per cent. or more based in or derived from Dubai.

Dubai Financial Market

The DFM, which is now, along with Nasdaq Dubai, owned by Borse Dubai Limited, was established by the Government in 2000 as an independent entity and operates as a market for the listing and trading of shares, bonds and investment units issued by companies, investment funds and other local or foreign financial institutions that conform to its listing requirements.

The DFM Index stood at 3,336 as at 31 December 2022 compared to 3,196 as at 31 December 2021, 2,492 as at 31 December 2020 and 2,764 as at 31 December 2019. Since the decline in 2020 primarily reflecting the impact of the COVID-19 pandemic and the steep decline in oil prices at the start of 2020, there has been a strong recovery due to an increase in capital markets activity in the UAE. The total market capitalisation of the DFM Index reached AED 582.0 billion as at 31 December 2022, compared to AED 410.0 billion as at 31 December 2021, AED 341.1 billion as at 31 December 2020 and AED 374.5 billion as at 31 December 2019.

The following table sets out the number of traded shares, the value of traded shares, the number of executed transactions on the DFM and the closing price of the DFM Index as at 31 December in each of the years 2019 to 2022:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Number of Traded Shares (<i>millions</i>)	40,045	65,515	49,969	38,530
Value of Traded Shares (<i>AED billions</i>)	53,097	65,702	72,317	90,036
Number of Trades	656,674	977,576	874,434	1,443,852
Market Capitalisation (<i>AED millions</i>)	374,453	341,102	409,952	581,976
DFM Index Year-End Index Closing Price	2,764	2,492	3,196	3,336

Source: DFM

The value of traded shares on the DFM increased by 24.5 per cent. to AED 90.0 billion in 2022 from AED 72.3 billion in 2021. The number of shares traded decreased by 22.9 per cent. to 38.5 billion in 2022 from 50.0 billion in 2021. The number of trades increased by 65.1 per cent. to 1,443.9 million in 2022 from 874.4 million in 2021.

Nasdaq Dubai

Nasdaq Dubai commenced operations in September 2005. Nasdaq Dubai's standards are comparable to those of leading international exchanges in New York, London and Hong Kong. Nasdaq Dubai allows regional and international issuers access to regional and international investors through primary or dual listings. Investors can access Nasdaq Dubai through a unique mix of regional and international brokers.

Nasdaq Dubai currently lists equities, equity derivatives, sukuk and conventional bonds. It also operates a Murabaha financing platform. Equity listings on Nasdaq Dubai include Depa PLC, Emirates REIT (CEIC) PLC, ENBD REIT (CEIC) PLC, Hikma Pharmaceuticals PLC, Nasdaq, Inc. and Orascom Construction PLC. Nasdaq Dubai is also a leading listing venue for fixed income instruments with a total value of US\$111.8 billion of bonds and Sukuk listed on Nasdaq Dubai as at 31 December 2022.

PUBLIC FINANCE

Government Finance

Dubai Government Budget

The Government is organised into 30 major departments, each with specific responsibilities. The Government's budget, which is prepared on a cash basis, consolidates the individual budgets of each department. It does not consolidate the budget data for GREs except for income in respect of dividends received from Government entities (see "*—Principal Investments*" below).

The Government's budget principally incorporates revenues, recurrent expenditure, development expenditure, Dubai's contribution to the UAE Federal Government and domestic and foreign aid grants. The Government's budget also includes financing items such as loan disbursements and repayments and equity participation payments and realisations.

The Government's budget preparation process is coordinated by the DoF and typically commences in the second half of each calendar year when the individual departments are requested to submit their budgets. These budgets are reviewed, negotiated and agreed with each department and then consolidated by the DoF. Subsequently, the DoF submits the consolidated budget to the SFC, which in turn reviews and agrees the budget with the DoF before it is finally approved in mid-December of each year by the Ruler of Dubai ahead of its announcement in January.

All revenues collected by the various departments are credited to a single revenue account held by the DoF. The expenditures of each department are monitored by the DoF and reported on a periodic basis to the Director General of the DoF and the SFC. Any proposed spending beyond an allocated budget requires justification and approval. The DoF prepares annual financial statements which are audited by the emirate's Financial Audit Department. These financial statements are not published.

In March 2016, Dubai Law No. 1 of 2016 Concerning the Financial Regulation of Government Departments in Dubai was issued, which aims to improve management of public capital and the Government's budget, and enhance control of Government revenue, expenses and assets. The law is applicable to all Government entities listed in the general budget, Government entities with independent budgets and entities that receive financial support from the Government. All Government entities will be required to establish an internal auditing unit, which will ensure that financial statements are reviewed and monitor the implementation of annual budgets. The law also regulates subsidies, grants and donations by Government entities.

Value Added Tax

Pursuant to Federal Decree-Law No. 8 of 2017 on Value Added Tax (as amended) (the **VAT Law**), and in accordance with the consensus reached in November 2016 between the GCC states through the Common VAT Agreement of the States of the Gulf Cooperation Council, VAT on certain goods and services became effective across the UAE as of 1 January 2018. The VAT Law outlines, among other things, the tax rate, responsibility for tax and taxable goods and services.

The Federal Tax Authority (established pursuant to UAE Federal Law by Decree No. 13 of 2016 Concerning the Establishment of the Federal Tax Authority), is the authority responsible for managing and collecting VAT and related fines, distributing tax generated revenues and applying tax related procedures in force in the UAE.

Pursuant to the VAT Law, the VAT rate is currently fixed at 5 per cent. and the VAT Law also outlines specifically exempted sectors, zero rated services and exempted designated zones. The VAT Law contemplates that the specific details relating to the application of VAT will be prescribed in supplementary implementing regulations issued from time to time. One such implementing regulation, issued by the Cabinet through Decision 59 of 2017, relates to the clarification of exempted designated free zones. These are fenced free zones with special controls on goods and services in which VAT will not apply and include seven free zones in Dubai: (1) Jebel Ali Free Zone (North-South); (2) Dubai Cars and Automotive Zone; (3) Dubai Textile City; (4) Free Zone Area in Al Quoz; (5) Free Zone Area in Al Qusais; (6) Dubai Aviation City; and (7) Dubai Airport Free Zone.

In January 2018, the Cabinet announced that distribution of the UAE's VAT revenues would be split on a 70:30 ratio between the UAE's local and federal governments. 70 per cent. of total VAT revenues would be distributed among the local governments and would primarily be used for facilitating services supporting UAE residents and enhancing community development. The balance of VAT revenues will be used by the UAE Federal Government as part of the UAE's federal budget.

Excise Tax

Excise tax was introduced across the UAE in October 2017 pursuant to Federal Decree-Law No. 7 of 2017 on Excise Tax and is aimed at reducing the consumption of unhealthy and harmful commodities while also raising revenues for the UAE Federal Government that can be spent on beneficial public services.

Since 1 October 2017, excise tax has been levied at a rate of 50 per cent. on carbonated drinks; 100 per cent. on energy drinks; and 100 per cent. on tobacco products. Since 1 December 2019, excise tax has also been levied at a rate of 100 per cent. on electronic smoking devices and liquids used in such devices; and 50 per cent. on sweetened drinks.

Income Tax

The UAE does not levy income tax on individuals.

Corporate Tax

On 31 January 2022, the Ministry of Finance announced that a federal corporate income tax would be introduced in the UAE. On 9 December 2022, the UAE released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the **CIT**). The CIT applies for fiscal years starting on or after 1 June 2023. The CIT regime applies to all businesses in the UAE except for the extraction of natural resources, which will remain subject to taxation at an emirate-level. The CIT will also apply to individuals to the extent they hold a business licence or are permitted to carry out professional business activities in the UAE as well as to banking operations in the UAE. However, corporate tax incentives currently offered to free zone businesses will remain in place. The proposed rates are:

- 0 per cent. rate on taxable income up to AED 375,000; and
- 9 per cent. rate on taxable income above AED 375,000.

Businesses registered in the free zones are exempt from corporate tax for a certain time and such time can be extended. Rules and regulations of independent free zones apply.

Budget 2023 details

The Government budgeted total revenues in 2023 of AED 69.0 billion, 13.1 per cent. lower than actual revenues in 2022, and budgeted total expenditure of AED 67.5 billion, 17.0 per cent. higher than actual expenditure in 2022, resulting in an overall budget surplus of AED 1.5 billion compared with an actual surplus of AED 21.7 billion in 2022 (see “—*Budget Surplus or Deficit*” below).

The following table sets out the Government’s actual revenues and expenditures in each of the years 2019 to 2022 and budgeted data for 2023:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023B</u>
			(AED million)		
Non-Tax Revenue:					
Oil & Gas.....	4,214	3,016	3,668	5,496	3,300
Enterprise Profits.....	6,548	2,878	2,152	5,613	6,790
Other	32,696	29,619	36,686	49,018	40,159
Total Non-Tax Revenue.....	43,457	35,513	42,506	60,127	50,249
Tax Revenue:					
Customs.....	6,098	5,054	5,805	6,798	6,051
Bank Tax.....	594	559	522	406	400
VAT & Excise.....	11,386	9,063	10,184	12,059	12,300
Total Tax Revenue	18,078	14,676	16,511	19,263	18,751
Total Revenue.....	61,536	50,190	59,017	79,389	69,000
Current Expenditure:					

Wages and Salaries.....	17,191	17,881	17,766	17,278	19,978
Goods and Services	12,072	12,455	14,183	17,926	16,250
Subsidies and Transfers.....	13,276	15,537	11,580	13,558	14,950
Other	1,057	1,091	1,119	1,238	2,527
Development Expenditure.....	7,760	4,795	4,122	3,440	5,000
Debt Service Payment.....	2,577	2,601	2,722	3,064	4,100
Grants.....	1,200	1,200	1,200	1,200	1,200
Total Current Expenditure.....	43,595	46,964	44,648	50,001	53,705
Total Expenditure.....	55,132	55,560	52,692	57,704	67,500
Overall Balance.....	6,404	(5,370)	6,325	21,685	1,500

Source: DoF

Revenue

Dubai's revenues are categorised as non-tax revenues and tax revenues. The Government's non-tax revenue constituted 70.6 per cent., 70.8 per cent., 72.0 per cent. and 75.7 per cent. of the total revenues in the years 2019, 2020, 2021 and 2022, respectively, and was budgeted to constitute 72.8 per cent. of total revenues in 2023. The Government's non-tax revenue is principally attributed to a range of fees as well as revenues from oil and gas operations and contributions made by Government entities to the Government.

Oil and gas revenues increased by 21.6 per cent. in 2021 compared to 2020, primarily due to a recovery in international oil prices following the 2020 global economic slowdown. Oil and gas revenues increased by 49.8 per cent. in 2022 compared to 2021, principally due to the increase in international oil prices attributable to the resumption of transportation, travel and other economic activities globally. Oil and gas revenues are budgeted to decrease by 40.0 per cent. in 2023 compared to 2022 principally due to conservative oil price forecasts and oil production compared to the high average oil price realised in 2022.

Revenue from enterprise profits (which comprises dividends received from GREs) decreased by 25.2 per cent. compared to 2020, principally due to lower dividends received from ICD and DEWA as their businesses were affected by the COVID-19 pandemic. This category of revenue increased by 160.8 per cent. in 2022 compared to 2021, principally due to increased dividends received from DEWA and increased dividends received from ICD as a result of the improved performance of its portfolio companies. Revenue from enterprise profits is budgeted to increase by 21.0 per cent. in 2023 compared to the actual figures for 2022, principally due to the expected increase in dividends to be received after the partial divestments made by the Government (such as the initial public offerings of Salik and Empower).

The fee revenues which are referred to as "other" in the table above include land, property transfer and mortgage registration fees, housing fees, municipality fees, immigration and visa related fees, tourism related fees (including hotel taxes), aviation related fees, and other transport related fees (including road tolls, automobile registration fees, Nol card usage fees and parking fees). This category of revenues increased as a proportion of non-tax revenues, from 75.2 per cent. in 2019 to 83.4 per cent. in 2020 principally due to the increase in various services fees, such as property registration, transport and aviation related fees. This category further increased to 86.3 per cent. in 2021 and decreased to 81.5 per cent. in 2022, principally due to an increased share of enterprise profits and oil revenues in this category. These fees were budgeted to account for around 79.9 per cent. of non-tax revenues in 2023. Following the initial public offering of Salik in 2022, road tolls no longer form part of this category.

The Government's tax revenues comprise (i) customs duties, (ii) VAT (which was implemented from 1 January 2018) and (iii) income tax on profits earned by foreign banks operating in Dubai. There is no levy on income tax on individuals in Dubai and corporate income tax has not yet been levied (as the CIT only applies from fiscal years starting on or after 1 June 2023).

Customs duties constituted 33.7 per cent., 34.4 per cent., 35.2 per cent. and 35.3 per cent. of total tax revenues in the years 2019, 2020, 2021 and 2022, respectively, and were budgeted to constitute 32.3 per cent. of total tax revenues in 2023. The increased contribution of customs duties in 2020 and 2021 is due to the reduction in the share of VAT revenue in this category, attributed to the COVID-19 pandemic. The increased contribution of customs duties in 2022 compared with 2021 is due to increased activities at ports and the growth in foreign trade. Customs revenues were budgeted to decrease by 11.0 per cent. in 2023 compared to actual figures for 2022 attributable to the Government's plan to revise and eliminate duplication of fees following the implementation of new taxes in the UAE.

Revenues from the bank tax category decreased by 6.7 per cent. in 2021 compared to 2020, principally due to lower profits reported by banks in 2020 on account of muted economic activities due to the impact of COVID-19 on the global economy. Revenues from the bank tax category decreased by 22.3 per cent. in 2022 compared to 2021 due to lower profit generated by foreign banks, principally attributable to increased provisioning on account of the COVID-19 pandemic. Bank tax revenues are budgeted to decrease by 1.4 per cent. in 2023 compared to actual figures for 2022.

Overall revenues to be collected by the Government were budgeted to decrease by 13.1 per cent. in 2023 as compared to the actual figures for 2022.

The following table sets out a breakdown of the Government's revenues by department in each of the years 2019 to 2022 and budgeted data for 2023:

	2019	2020	2021	2022	2023B
			<i>(AED millions)</i>		
Department of Finance.....	19,825	13,549	13,102	19,317	20,072
Land Department.....	3,978	3,293	6,626	11,517	6,600
Dubai Municipality.....	7,620	5,907	7,497	9,931	8,780
Road Transport Authority.....	9,723	8,376	8,537	8,953	7,700
Ports & Customs.....	7,163	5,884	6,772	7,712	7,100
Department of Petroleum Affairs.....	4,214	3,016	3,668	5,496	3,300
Dubai Airports.....	—	2,957	3,364	5,402	6,170
Immigration Department.....	2,583	2,145	3,072	3,741	2,895
Dubai Police.....	1,808	1,448	1,947	2,129	1,900
Department of Economic Development.....	729	709	968	1,225	1,040
Dubai Courts & Public Prosecution.....	774	682	821	673	645
Department of Tourism & Commerce	674	339	542	598	550
Marketing.....					
Other Departments.....	2,443	1,886	2,098	2,695	2,248
Total.....	61,536	50,190	59,017	79,389	69,000

Source: DoF

In terms of distribution, the four largest revenue generating departments in 2022 were the DoF (AED 19.3 billion in revenues), the Land Department (AED 11.5 billion in revenues), Dubai Municipality (AED 9.9 billion in revenues) and the RTA (AED 9.0 billion in revenues).

Revenues for the DoF decreased by 3.3 per cent. in 2021 compared to 2020, principally due to the lower collection of enterprise profit and bank taxes. Revenues for the DoF increased by 47.4 per cent. in 2022 compared to 2021, principally due to the increased share of profit from Government companies and growth in VAT revenues resulting from increased economic activity as the economy continued to recover from the COVID-19 pandemic and was boosted by high oil prices. Revenues for the DoF are budgeted to increase 3.9 per cent. in 2023, principally due to the expected increase in enterprise profits.

Revenues for the Land Department increased by 101.2 per cent. in 2021 compared to 2020, principally due to increased real estate transactions as the economy started to recover from the impact of the COVID-19 pandemic. Revenues for the Land Department increased by 73.8 per cent. in 2022 compared to 2021, principally due to the increased collection of purchase, sale and registration fees and growth in other administrative activities such as the issuance of certificates, permits and licences. Revenues for the Land Department are budgeted to decrease by 42.7 per cent. in 2023 compared to actual figures for 2022, principally due to conservative forecasts considering an expected slowdown in economic activity on account of the high interest/profit rate environment.

Revenues for Dubai Municipality increased by 26.9 per cent. in 2021 compared to 2020, principally due to increased tourism-related fees following the recovery of travel after the relaxation of travel restrictions imposed to combat the COVID-19 pandemic. Revenues for Dubai Municipality increased by 32.5 per cent. in 2022 compared to 2021, principally due to the growth in housing and commercial rental fees and improved hotel

and restaurant revenues on account of the increased number of international visitors. Revenues for Dubai Municipality are budgeted to decrease by 11.6 per cent. in 2023 compared to actual figures for 2022, principally due to conservative forecasts.

Revenues for the RTA increased by 1.9 per cent. in 2021 compared to 2020. Revenues for the RTA increased by 4.9 per cent. in 2022 compared to 2021, principally due to increased collection of Nol card usage fees (as a result of an increased number of Dubai Metro and bus passengers) and growth in vehicle registration fees. Revenues for the RTA are budgeted to decrease by 14.0 per cent. in 2023 compared to actual figures for 2022, principally due to conservative forecasts and re-classification of Salik toll fees following the initial public offering of Salik.

Revenues for the Ports & Customs increased by 15.1 per cent. in 2021 compared to 2020 attributable to lower base numbers in 2020 due to the impact of the COVID-19 pandemic. Revenues for the Ports & Customs increased by 13.9 per cent. in 2022 compared to 2021, principally due to increase in foreign trade activities resulting from the improved economic activity after the initial slowdowns caused by the COVID-19 pandemic. Revenues for the Ports & Customs are budgeted to decrease by 7.9 per cent. in 2023 compared to actual figures for 2022, principally due to conservative forecasts on account of the expected slowdown in the global economy, due in part to elevated interest/profit rates.

Revenues for Dubai Airports increased by 13.8 per cent. in 2021 compared to 2020 attributable to lower base numbers in 2020 due to the impact of the COVID-19 pandemic. Revenues for Dubai Airports increased by 60.9 per cent. in 2022 compared to 2021, principally due to the increased collection of aeronautical and lease revenues. Revenues for Dubai Airports are budgeted to increase by 14.2 per cent. in 2023 compared to actual figures for 2022, principally due to the expected increase in passenger movements and cargo activities due to the resumption of travel and transport globally following the height of the COVID-19 pandemic.

Expenditure

Total expenditure for 2022 was AED 57.7 billion, which was 9.5 per cent. higher than total expenditure in 2021, principally due to the increase in the number of entities subsidised in order to meet various strategic goals, resulting in an increased allocation of funds for family support, people of determination and low income households and higher goods and service costs on account of health service expenditure due to higher reimbursements under the DHA's insurance scheme (SAADA and ENAYA) and new cost allocations to the Dubai Academic Health Corporation established in 2022. Total expenditure for 2023 is budgeted to be AED 67.5 billion, or 17.0 per cent. higher than total actual expenditure in 2022, principally due to higher development expenditure and operational costs attributable to Dubai's expansionary fiscal policy and higher debt service costs associated with the high interest/profit rate environment.

The Government's expenditures principally comprise current and development expenditure. In relation to current expenditure, the Government's policy is that this should not be funded by non-current revenue. Accordingly, the Government generally uses its oil and gas revenues as well as financings to fund only development expenditure.

The Government's current expenditure principally comprises salaries and wages paid and the other costs of providing the services offered by each department. In addition, current expenditure includes subsidies and transfers paid by the Government to, among others, sports clubs, cultural organisations, social and research entities, shopping festival allocations and charitable and religious initiatives.

Current expenditure accounted for 79.1 per cent., 84.5 per cent., 84.7 per cent. and 86.6 per cent. of total Government expenditure in 2019, 2020, 2021 and 2022, respectively, and is budgeted to account for 79.6 per cent. of total expenditure in 2023.

The decrease in current expenditure of 4.9 per cent. in 2021 compared to 2020 was principally due to decreases in subsidies and transfers as a result of lower spending by subsidised entities on account of supply chain constraints. The increase in current expenditure of 12.0 per cent. in 2022 compared to 2021 was due to increases in goods and service costs on account of health service expenditure and an increase in subsidies as supply chain constraints eased. Current expenditure is budgeted to increase in 2023 by 7.4 per cent. compared to actual figures for 2022, primarily due to increased allocation of soft capital expenditure in connection with the improvement and maintenance of government assets and an expected increase in wages and salaries attributable to the hiring of employees.

Goods and services expenditure has increased in recent years, reflecting an expansion of services provided by various departments as they expand to serve the growing population. Expenditure in this area increased by 13.9 per cent. in 2021 compared to 2020, principally due to an increase in outsourcing and consulting requirements and an increase in utility expenses as major government offices re-opened after the COVID-19 induced lockdowns. Goods and services expenditure increased by 26.4 per cent. in 2022 compared to 2021 attributable to increased healthcare expenditure and the establishment of the Dubai Academic Health Corporation in 2022. Goods and services expenditure is budgeted to decrease by 9.4 per

cent. in 2023 compared to actual figures for 2022, primarily because a significant portion of the reimbursement of the health service expenditure incurred in 2022 was one-off and non-recurring.

Expenditure due to subsidies and transfers decreased by 25.5 per cent. in 2021 compared to 2020, principally due to the re-classification of entities into budgeted entities and lower COVID-19 related reliefs compared to the height of the COVID-19 pandemic during 2020. Expenditure due to subsidies and transfers increased by 17.1 per cent. in 2022 compared to 2021, primarily due to increased spending by Mohammed Bin Rashid Housing Establishment and the reclassification of budgeted entities to subsidised entities to meet the social objectives set out in the budget. Expenditure due to subsidies and transfers is budgeted to increase by 10.3 per cent. in 2023 compared to actual figures in 2022, primarily due to the expected increase in spending by subsidised entities as the economy continues to recover and due to the higher allocation to Mohammed Bin Rashid Housing Establishment to support the housing strategy of the emirate.

The Government's development expenditure accounted for 14.1 per cent., 8.6 per cent., 7.8 per cent. and 6.0 per cent. of total expenditure in the years 2019, 2020, 2021 and 2022, respectively, and is budgeted to account for 7.4 per cent. of total expenditure in 2023.

The principal focus of development expenditure in recent years has been on strengthening Dubai's public transport infrastructure, as evidenced by the significant funding allocated to the RTA and developing the Dubai Expo 2020 site and related infrastructure. Development expenditure decreased by 14.0 per cent. in 2021 compared to 2020, principally due to the completion of a number of infrastructure projects in the previous year including Dubai Expo 2020. Development expenditure decreased by 16.5 per cent. in 2022 compared to 2021, principally reflecting lower spending due to the completion of Dubai Expo 2020 and ancillary projects such as the Dubai Metro and road network extensions. Development expenditure is budgeted to increase by 45.3 per cent. in 2023 compared to actual figures for 2022, principally due to the expected commencement of various infrastructure projects as part of Dubai's strategic plans, including roads, tunnels, bridges, transportation, sewage stations, parks, renewable energy sources and waste treatment facilities (see "*Overview of the Emirate of Dubai—Strategy of Dubai*").

Expenditure in the debt services payment category increased by 4.6 per cent. in 2021 compared to 2020, principally due to the widening of benchmark rates affecting the Government's increased floating rate debt. Expenditure in the debt services payment category increased by 12.5 per cent. in 2022 compared to 2021, principally due to an increase in indebtedness as a result of refinancing supplier financings tied to the development of Dubai Airports and the continued widening of benchmark rates. Expenditure in this area is budgeted to increase by 33.8 per cent. in 2023, principally due to the expected continued increase in benchmark rates in a high interest/profit rate environment.

The following table sets out a breakdown of the total actual expenditure of the following Government departments in each of the years 2019 to 2022 and budgeted data for 2023:

	2019	2020	2021	2022	2023B
			<i>(AED millions)</i>		
Department of Finance	15,362	17,657	13,766	16,021	23,745
Dubai Health Authority	5,642	6,403	7,258	9,358	7,319
Road Transport Authority	8,780	7,143	7,884	6,906	7,188
Dubai Police	5,602	5,370	5,949	6,178	6,901
Dubai Municipality	5,963	4,537	3,967	4,096	5,409
Dubai Airports	—	2,094	2,077	2,272	2,892
State Security	1,797	1,779	1,841	1,562	2,214
Immigration Department	1,670	1,595	1,560	1,475	1,974
Ports & Customs	1,198	1,102	1,003	976	1,066
Dubai Courts and Public Prosecution	1,055	1,032	1,024	937	1,050
Department of Tourism and Commerce	779	623	643	634	760
Marketing					
Other Departments	7,284	6,225	5,720	7,289	6,982
Total	55,132	55,560	52,692	57,704	67,500

Source: DoF

Expenditure by the DoF decreased by 22.0 per cent. in 2021 compared to 2020, principally due to a decrease in subsidies. Expenditure by the DoF increased by 16.4 per cent. in 2022 compared to 2021, principally due to higher debt service payments and subsidies, partially offset by a lower allocation towards Dubai Expo 2020 due to its completion. Expenditure by the DoF is budgeted to increase by 48.2 per cent. in 2023 compared to 2022, principally due to an expected increase in subsidies and transfers to support social services, the creation of a special reserve and the expected increase in debt service payments due to rising interest/profit rates.

Expenditure by the Dubai Health Authority increased by 13.4 per cent. in 2021 compared to 2020 principally due to the ongoing expansion of emergency units at Latifa Hospital and modification works at Dubai Hospital. Expenditure by Dubai Health Authority increased by 28.9 per cent. in 2022 compared to 2021, principally due to higher reimbursements under DHA's insurance scheme (SAADA and ENAYA) and the creation of Dubai Academic Health Corporation in 2022. Expenditure by the Dubai Health Authority is budgeted to decrease by 21.8 per cent. in 2023 compared to actual figures for 2022, principally due to the completion of various expansion works at Latifa Hospital and modification works at Dubai Hospital.

Expenditure by the RTA increased by 10.4 per cent. in 2021 compared to 2020, principally due to the higher allocation of costs to Dubai Expo 2020 related road and metro networks. Expenditure by the RTA decreased by 12.4 per cent. in 2022 compared to 2021, principally due to the completion of Dubai Expo 2020 related infrastructure works, partially offset by higher outsourcing and consultancy service charges. Expenditure by the RTA is budgeted to increase by 4.1 per cent. in 2023 compared to actual figures for 2022, principally due to the expected increase in road infrastructure, such as a four-way footbridge at Dubai Marina junction and a project to improve the road link between Dubai and Sharjah.

Expenditure by the Dubai Police Department increased by 10.8 per cent. in 2021 compared to 2020, principally due to an increase in the numbers of employees primarily as a result of Dubai Expo 2020. Expenditure by the Dubai Police Department increased by 3.9 per cent. in 2022 compared to 2021. Expenditure by the Dubai Police Department is budgeted to increase by 11.7 per cent. in 2023 compared to actual figures for 2022 reflecting a higher allocation towards safety and security on account of an increasing population.

Expenditure by Dubai Municipality decreased by 12.6 per cent. in 2021 compared to 2020, principally due to the completion of various irrigation systems in connection with Dubai Expo 2020 and pump stations in newly developed areas of Dubai. Expenditure by Dubai Municipality increased by 3.3 per cent. in 2022 compared to 2021. Expenditure by Dubai Municipality is budgeted to increase by 32.1 per cent. in 2023 compared to actual figures for 2022, principally due to the expected development of green areas, public parks, sewage stations, renewable energy sources and waste treatment facilities proposed under the Dubai 2040 Urban Master Plan (see "*Overview of the Emirate of Dubai—Strategy of Dubai—Dubai 2040 Urban Master Plan*").

Budget Surplus or Deficit

In 2020, a deficit of AED 5.4 billion was recorded, principally due to the impact of the COVID-19 pandemic.

In 2021, a surplus of AED 6.3 billion was recorded, principally due to higher collection of non-tax revenue, such as property registration fees, Salik toll fees and hotel fees, and due to the higher collection of VAT.

In 2022, a surplus of AED 21.7 billion was recorded, principally due to the overall improvement in the economy after the height of the COVID-19 pandemic, largely due to a significant increase in the DLD revenues, higher oil and gas revenues and an increase in enterprise profit, in addition to the growth in tax revenues such as VAT and custom duties.

In 2023, the budgeted surplus is AED 1.5 billion. Compared to 2022, this reduction in budgeted surplus is principally due to a conservative forecast of revenues, increased development expenditure, higher current expenditure such as soft capital expenditure, subsidies and transfers and higher debt service payments as a result of the increasing interest/profit rate environment.

Principal Investments

Dubai World

Dubai World is a holding company formed in 2006 pursuant to a decree issued by the Ruler of Dubai, operating through four segments: transport and logistics; drydocks and maritime; urban development; and investment and financial services. Dubai World holds shares in some of the world's leading companies in their industries, including Economic Zones World FZE, Istithmar World and majority ownership of DP World, one of the largest marine terminal operators in the world.

Dubai Real Estate Corporation (DREC)

DREC was established in June 2007 pursuant to Dubai Law No. 14 of 2007 to hold and manage commercial real estate properties registered in the name of the Government and its various departments. DREC's mandate extends to building, marketing and management, investing in and utilisation of commercial and industrial lands and properties. In June 2011, ownership of DREC, which was previously a subsidiary of ICD, was transferred directly to the Government pursuant to Dubai Law No. 11 of 2011. DREC's assets include Wasl Hospitality, Hyatt Regency Dubai, Grand Hyatt Dubai, Le Meridien Fairways, Le Meridien Dubai, The Westin Dubai Mena Seyahi, among other lands and properties.

Dubai Holding

Dubai Holding is a holding company with a number of companies operating in different areas, including asset management, real estate, hospitality, entertainment and investments. It operates in 13 countries across 10 key sectors and employs over 23,000 people. It manages its activities through five key companies:

- Dubai Holding Asset Management is the majority owner of the TECOM Group and operates a portfolio of retail destinations, residential communities and business parks in Dubai (see "*Foreign Direct Investment and Free Zones—TECOM Group*").
- Dubai Holding Real Estate is one of the largest real estate development businesses in Dubai, with its subsidiaries Dubai Properties and Meraas each acting as master developer for a diverse range of residential communities in Dubai.
- Dubai Holding Hospitality operates the luxury hospitality brand Jumeirah, alongside strategic partnerships with hotel operators such as Bulgari and Nikki Beach.
- Dubai Holding Entertainment is one of the largest diversified entertainment groups in the region. It develops, operates and manages media and entertainment attractions including Global Village and ARN radio stations.
- Dubai Holding Investments manages a global investment fund of strategic and financial investments across both the public and private sector.

Investment Corporation of Dubai

ICD is the principal investment entity of the Government. It was incorporated in May 2006 pursuant to a decree of the Ruler of Dubai (Dubai Law No. 11 of 2006 Establishing the Investment Corporation of Dubai) and mandated by such decree to, among other things, consolidate and manage the Government's portfolio of companies and investments. A number of these portfolio assets are considered to be strategic investments that are essential platforms for the future growth and long-term success of Dubai. ICD pays dividends towards the Government's annual budget.

The following table sets out ICD's principal portfolio of listed companies:

ICD Portfolio of Listed Companies	Market Capitalisation⁽¹⁾	ICD / Government Ownership	ICD / Government Ownership Value
	<i>(AED millions)</i>	<i>(per cent.)⁽³⁾</i>	<i>(AED millions)⁽⁴⁾</i>
Emirates NBD PJSC.....	93,486	55.8	52,126
Emaar Properties PJSC.....	57,806	22.3	12,875
Dubai Islamic Bank.....	39,462	28.0	11,036
Commercial Bank of Dubai.....	13,732	20.0	2,746
Dubai Investments PJSC.....	9,695	11.5	1,119
National Bank of Fujairah.....	10,579	8.7	924
Dangote Cement.....	23,456 ⁽²⁾	1.4	335
Total	248,215		81,161

Source: ICD

Notes:

- (1) These values (other than for Dangote Cement) reflect market capitalisation based on DFM/ADX quoted prices as at 26 June 2023.
- (2) Dangote Cement is listed on the Nigerian Stock Exchange and this value reflects market capitalisation based on the exchange's quoted prices as at 30 June 2023.
- (3) ICD's ownership percentage as at 31 December 2022.
- (4) ICD's ownership value is calculated based on share ownership percentage multiplied by market capitalisation.

The following table sets out ICD's principal portfolio of unlisted companies in which ICD's ownership value is AED 1.0 billion or greater:

ICD Portfolio of Unlisted Companies	Net Equity Attributable to Equity Holders	ICD / Government Ownership	ICD / Government Ownership Value
	<i>(AED millions)⁽¹⁾</i>	<i>(per cent.)⁽²⁾</i>	<i>(AED millions)⁽³⁾</i>
Emirates Group (includes dnata)	33,050	100.0	33,050
Dubai Holding LLC.....	23,717	100.0	23,717
Emirates National Oil Company Ltd LLC.....	21,122	100.0	21,122
Borse Dubai Limited.....	16,637	89.72	14,926
Dubai Duty Free Establishment	10,110	100.0	10,110
Dubai World Trade Centre Authority	9,648	100.0	9,648
ICD Hospitality and Leisure LLC.....	9,398	100.0	9,398
DAE Aviation Group Ltd.....	9,294	100.0	9,294
Dubai Integrated Economic Zones Authority.....	8,192	100.0	8,192
Dubai Multi Commodity Centre (DMCC)	3,802	100.0	3,802
Kerzner International Holdings Limited	2,214	100.0	2,214
Dubai Aviation Corporation (trading as "flydubai")	1,980	100.0	1,980
EMARATECH (emarat technology solutions) FZ-LLC.....	1,972	100.0	1,972
Deira Waterfront Development Holdings LLC.....	1,715	100.0	1,715
ICD Brookfield Place Dubai Limited (Bermuda)	2,351	50.0	1,176
Dubai Cable Company (Private) Limited	2,093	50.0	1,047
Raed Capital Holdings 2 Ltd.	1,228	100.0	1,228
Raed Capital Investments LLC.....	1,080	100.0	1,080

Source: ICD

Notes:

- (1) These figures reflect net equity value (attributable to shareholders) based on financial reports received from entities as at 31 December 2022, except for Emirates Group (including dnata), which is based on financial reports as at 31 March 2023.
- (2) ICD's ownership percentage as at 31 December 2022.
- (3) ICD's ownership value is calculated based on share ownership percentage multiplied by net equity value (attributable to shareholders).

The above tables do not represent all of the companies in which ICD holds shares.

As at 30 June 2023, ICD had outstanding indebtedness of AED 19,634.8 million (at holding company level only), which is due to mature in the period from 2024 to 2028. The Government has not provided any guarantees and does not have any other contingent liabilities in respect of this indebtedness.

Major ICD Investments

Emirates NBD PJSC (ENBD)

ENBD is the result of a merger in October 2007 between Emirates Bank International and National Bank of Dubai. As at 31 December 2022, ENBD was the second largest banking entity in the UAE. ENBD is also one of the largest banking entities in the GCC by assets. ENBD had total assets of AED 741.9 billion (U.S.\$202 billion), a loan portfolio (including Islamic finance receivables) of AED 416.6 billion (U.S.\$113.4 billion) and a capital adequacy ratio of 18.3 per cent. as at 31 December 2022.

ENBD has a significant presence in the UAE retail, corporate and commercial banking markets with nearly 900 branches and over 4,000 ATMs and cash deposit machines spread across the UAE and overseas as at 31 December 2022. ENBD is a publicly-listed company whose shares are listed on the DFM.

Source: ENBD

Emaar Properties PJSC

Emaar is one of the world's largest real estate companies. Emaar is listed on the DFM and is part of the Dow Jones Arabia Titans 50 Index, which is an index maintained by Dow Jones and measures 50 leading stocks traded on the major exchanges in Bahrain, Egypt, Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Tunisia and the UAE.

With four business segments (Emaar Development, Emaar International, Emaar Malls Management and Hospitality, Entertainment, Leisure and Commercial Leasing) and more than 60 active companies, Emaar has a collective presence in markets spanning the Middle East, North Africa, Asia, Europe and North America regions. Emaar has established operations in the UAE, Saudi Arabia, Syria, Jordan, Lebanon, Egypt, Morocco, India, Pakistan, Turkey, USA, Italy and Canada.

Emaar's flagship property, the Dubai Mall, which receives over 80 million visitors a year, is operated by Emaar's shopping malls and retail subsidiary, Emaar Malls Group, which conducted an initial public offering and listed on the DFM in 2014 before being delisted and merged back into Emaar Properties in 2022. Emaar's hospitality and leisure business, Emaar Hospitality Group, operates four major hotel brands in Dubai: The Address Hotels and Resorts, Vida Hotels and Resorts, Rove Hotels (developed jointly in partnership with Meraas Holding) and Armani Hotels.

Source: Emaar

Emirates Group

The Emirates Group is an organisation with business interests in the aviation, travel, tourism and leisure industries.

Employing more than 102,000 people across its business units and associated firms, the Emirates Group is one of the largest employers in the MENA region. The Emirates Group is divided into two key divisions, Emirates and dnata, which are independent entities under common management.

Emirates is one of the world's largest international airlines, having grown from a fleet of two aircraft in 1985 to 260 aircraft as at 31 December 2022. As at 31 December 2022, Emirates flew to over 500 destinations in 79 countries/territories, on six continents and it transported over 43 million passengers during the financial year ended 31 March 2023. Since October 2008, Emirates has had its own dedicated terminal at DXB, Terminal 3. Emirates' air freight division, Emirates SkyCargo, is the world's largest international cargo airline in terms of freight tonne-km flown.

dnata is one of the largest suppliers of combined air services in the world, offering aircraft ground handling, cargo, travel, and flight catering services across 173 cities and 35 countries. In Dubai, dnata handles all flights at DXB and DWC, as well as passengers, baggage, and cargo for all airlines other than Emirates.

Other brands in the Emirates Group portfolio include Emirates Airport Services, Skywards, Emirates Holidays, Emirates Hotels and Resorts, Arabian Adventures, Emirates Engineering and Emirates Aviation College.

In line with the Government's travel restriction measures taken in connection with the COVID-19 pandemic (see "*Overview of the Emirate of Dubai—Measures taken in the UAE in response to the COVID-19 pandemic*"), Emirates temporarily suspended all passenger services on 25 March 2020, with the exception of limited repatriation flights, although Emirates continued to operate cargo-only services during this period. These and other COVID-19 temporary travel restrictions were gradually eased and have since been lifted.

During the height of the COVID-19 pandemic, the Government supported Emirates with an equity injection of AED 14.8 billion, given the airline's strategic importance to the Dubai and UAE economy and its key role in positioning Dubai as a major international aviation hub (see "*Indebtedness*").

Source: Emirates

Emirates National Oil Company Limited (ENOC) LLC

ENOC was established in 1993 for the development, production, storage, marketing and retail of petroleum and petrochemical products and has a refinery capacity of 213,500 barrels of oil per day.

ENOC directly and indirectly owns more than 50 subsidiaries and joint ventures which operate across two main business areas: energy businesses and other businesses. ENOC's primary business activities include: (i) exploration and production through the Dragon Oil Group producing assets in offshore Turkmenistan, Iraq and Egypt; (ii) supply trading and processing; (iii) operating bulk liquid storage terminals for petroleum, gas and other products of group and non-group companies in the Middle East, Africa and the Far East; (iv) fuel retail (operating more than 200 fuel stations in the UAE and Saudi Arabia); and (v) commercial and industrial sales of aviation fuel, liquefied petroleum gas and related products, lubricants and other petroleum-based industrial products.

Source: ENOC

Emirates Global Aluminium

ICD, through its wholly-owned subsidiary DUBAL Holding LLC, holds a 50 per cent. shareholding in EGA, a joint venture between ICD and Mubadala. EGA commenced operations in April 2014 and its principal operating assets are Emirates Aluminium Company Limited PJSC (**EMAL**) and Dubai Aluminium Company Limited (**DUBAL**), whose combined production is 2.7 million tonnes per annum, ranking EGA as the third largest primary aluminium producer in the world outside China (sixth globally).

DUBAL produces aluminium and operates one of the largest single-site smelting facilities in the world, built on a 480-hectare site in Jebel Ali, which has the capacity to produce more than one million metric tonnes of high quality finished aluminium products per year. EMAL operates an aluminium smelter with associated power generation facilities at Taweelah in the Khalifa Port and Industrial Zone in Abu Dhabi. In 2022, of the 2.7 million tonnes of primary metal EGA sold, which around 90 per cent. was exported globally, with EGA's key markets being Asia, the MENA region, Europe and the Americas.

EGA also owns Guinea Alumina Corporation, a mining development and export company in the Republic of Guinea, which began operations in August 2019 and mined 14 million tonnes of bauxite ore in 2022. EGA also owns an alumina refinery in Al Taweelah, Abu Dhabi, which began operations in April 2019 and produced 2.4 million tonnes of alumina in 2022.

Source: EGA

Borse Dubai Limited

Borse Dubai is the holding company for the Government's two stock exchanges, DFM (in which it holds an 80.72 per cent. ownership stake) and Nasdaq Dubai (in which it holds an 87.14 per cent. ownership stake). In addition to these subsidiaries, Borse Dubai holds an 18.1 per cent. ownership stake in Nasdaq, Inc., which had a market capitalisation of U.S.\$25.4 billion as at 18 August 2023.

DFM operates as a secondary market for the trading of securities issued by public shareholding companies, bonds issued by federal or local governments, local public institutions and mutual funds as well as other local or foreign DFM-approved financial instruments. The market capitalisation of the DFM as at 31 December 2022 was AED 581.9 billion (U.S.\$158.4 billion). Nasdaq Dubai is an international financial exchange listing UAE and international equities, equity derivatives, sukuk, conventional bonds, REITs and funds, as well as operating a thriving Islamic financing platform. For further information, see "*Monetary and Financial System—Capital Markets*".

Dubai Aerospace Enterprise (DAE)

DAE, which is wholly-owned by ICD, is a global aerospace company headquartered in Dubai. DAE conducts its activities through its aircraft leasing (DAE Capital) and engineering divisions.

DAE Capital is engaged in acquiring and leasing commercial aircraft to airlines, selling and trading aircraft, and managing aircraft on lease for third-party investors. DAE Capital serves over 110 customers in over 55 countries from its headquarters in Dubai and offices in Dublin, Miami, New York, Seattle and Singapore. DAE is one of the largest aircraft leasing companies in the world, with a total fleet of 440 aircraft at 31 December 2022.

DAE's engineering division comprises an 80 per cent. ownership stake in Joramco, a leading commercial aircraft maintenance, repair, and overhaul (MRO) facility based in Amman that serves a wide range of customers in the Middle East, Europe, Asia, Africa, Russia and the CIS countries.

Source: DAE

Dubai Duty Free (DDF)

DDF is the sole and exclusive duty free operator in DXB and DWC. Established in 1983, DDF has grown to become the largest single airport retail operation in the world, with annual sales turnover of AED 6.4 billion (U.S.\$1.7 billion) in 2022.

DDF offers a wide range of products in a modern shopping environment. DDF occupies 36,000 m² across the three terminals of DXB DDF's operation at DWC currently covers 2,500 m². As at 31 December 2022, DDF employed 4,663 people.

Source: DDF

ICD Hospitality and Leisure LLC (ICD H&L)

ICD H&L was established in 2013 by ICD as its wholly-owned hospitality subsidiary, to focus on investments in leading hotels globally. As at 31 December 2022, ICD H&L had a diversified portfolio of operating and development assets spanning the United States, Africa, Middle East and Asia. Its wholly owned hospitality assets include Atlantis the Palm, Atlantis the Royal, One Zabeel, One&Only Gorilla Nest and Shamwari Game Reserve. It also has a significant stake in Kerzner International Holdings Limited, the international resort and hotel developer and operator, and the W Hotel in Washington DC, the Mandarin Oriental in New York, the One&Only in Cape Town, the W in Bangkok, the W in Washington DC, RadissonBlu & Plaza and One&Only Nyungwe House.

Source: ICD

Dubai Cable Company Limited (DUCAB)

DUCAB is a cable manufacturing company jointly owned by the governments of Dubai (through ICD) and Abu Dhabi (through ADQ). DUCAB operates six facilities with a manufacturing capability of over 110,000 copper tonnes of high, medium and low voltage cables per annum. DUCAB occupies an area of 290,552 m² in Jebel Ali, Dubai and nearly 52,880 m² in Mussafah, Abu Dhabi.

DUCAB has also entered into a joint venture with DEWA and ADWEA known as DUCAB-HV, which began operations in November 2011 and manufactures high voltage cables from its dedicated facility in Jebel Ali. In 2014, DUCAB established Ducab Aluminium Company, a joint venture with SENAAT General Holding Corporation of Abu Dhabi. Located in Kizad Industrial Zone in Abu Dhabi, Ducab Aluminium Company will manufacture electrical conductive (EC) grade and aluminium alloy rods, wires, and bare overhead conductors.

Source: DUCAB

Dubai Financial Support Fund (DFSF)

In July 2009, the Government established the DFSF, an autonomous entity established to provide support to strategic entities which require financial assistance during periods of economic instability but are able to demonstrate sustainable business plans, ongoing support of their existing financial creditors and realistic prospects of fulfilling their repayment obligations. All such support provided by the DFSF is and will be provided on arm's length terms. The DFSF is affiliated to the DoF and, pursuant to an amendment made to the original DFSF incorporating law through Law No. 10 of 2019, the Director General of the DoF is authorised to supervise all administrative, technical and financial affairs of the DFSF.

The Government does not publish any official estimates of any outstanding GRE indebtedness. The Government has no legal obligation in respect of such GRE indebtedness and does not prepare consolidated accounts of the financial assets and/or liabilities of the GREs. If any GRE which the Government considers to be strategically important becomes unable or potentially unable to fulfil its financial obligations, the relevant GRE may choose to apply to the DFSF for assistance. The Government is under no obligation to extend support to any such GRE either directly or through the DFSF.

Support Facility with Meydan Group

In June 2022, Meydan City Corporation, Meydan Group LLC, and their subsidiaries (together, the **Meydan Group**) entered into a restructuring facility agreement in respect of Meydan Group's outstanding facilities with a group of lenders in an amount of AED 9 billion. The restructuring

agreement contains cumulative debt reduction targets commencing from 31 December 2023, with the residual balance of the facility due to be paid on the final maturity date of 31 December 2029. As part of this agreement, in June 2022, the DFSF entered into a liquidity and trade creditor facility agreement with Meydan Group LLC and agreed to provide: (i) a revolving and, following a period of five years from the restructuring agreement date, term loan facility in an amount up to AED1 billion, to be repaid in full in December 2029, of which AED248.4 million has been disbursed as of 30 June 2023; and (ii) a term loan facility in an amount up to AED3.9 billion, to be repaid in full in July 2033, of which AED3.1 billion has been disbursed as of 30 June 2023. Accordingly, unutilised amounts of AED751.6 million and AED824.3 million, respectively, remain available under these facilities as at 30 June 2023.

INDEBTEDNESS

The public finances of the Government are cash-based, which results in temporary mismatches between revenues and expenses. The Government uses overdraft facilities from UAE banks to fund such shortfall and invests any temporary surplus in short-term deposits with UAE banks. All Government entities must obtain approval from the SFC prior to borrowing from third parties. The SFC also has the right to permit entities to borrow on their own credit strength or with the support of an explicit Government guarantee (see “*Emirate of Dubai—SFC*”).

Other than such overdraft facilities, the aggregate direct debt of the Government was AED 137.0 billion as at 31 July 2023. This debt includes funds borrowed by the Government to finance (i) the expansion of DXB; (ii) the first phase of the construction of DWC; (iii) other infrastructure projects in Dubai; (iv) related party debt from the Abu Dhabi Government and the UAE Central Bank to support strategic entities which required financial assistance as a result of the global financial crisis of 2008-2011; (v) development of the Dubai Expo 2020 site and related infrastructure; and (vi) equity injections in Emirates during the COVID-19 pandemic.

The Government also has contingent liabilities under guarantees incurred by it (see “*Guarantees and Contingent Obligations*” below).

The following table sets out a breakdown of the Government’s outstanding direct debt:

Description	Amount ⁽¹⁾	Maturity
	<i>(AED millions)</i>	
U.S.\$5 billion Euro Medium Term Note Programme (Unrated)		
U.S.\$1 billion Notes due 2043.....	3,672.5	2043
U.S.\$1.25 billion Notes due 2050.....	4,590.6	2050
U.S.\$6 billion Trust Certificate Issuance Programme (Unrated)		
U.S.\$250 million Trust Certificates due 2023.....	918.1	2023
U.S.\$400 million Trust Certificates due 2024.....	1,469.0	2024
AED 1 billion Trust Certificates due 2028.....	1,000.0	2028
U.S.\$250 million Trust Certificates due 2028.....	918.1	2028
U.S.\$400 million Trust Certificates due 2028.....	1,469.0	2028
U.S.\$1 billion Trust Certificates due 2029.....	3,672.5	2029
U.S.\$700 million Trust Certificates due 2029.....	2,570.8	2029
U.S.\$1.5 billion Trust Certificates due 2030.....	5,508.8	2030
U.S.\$1 billion Wakala Trust Certificate Issuance Programme (Unrated)		
U.S.\$569 million Trust Certificates due 2025.....	2,089.7	2025
Bilateral and Syndicated Facilities	35,626.9	2023-2037
Related Party Debt (U.S.\$20 billion facility)		
UAE Central Bank – U.S.\$10 billion Notes.....	36,725.0	2023-2028
Government of Abu Dhabi – U.S.\$10 billion Facility.....	36,725.0	2023-2028
Total Direct Debt	136,955.9	

Source: DMO

Note:

(1) Unless otherwise stated, the figures provided in this table are as at 31 July 2023.

All figures contained in this section are unaudited figures prepared by the DMO. Such figures are subject to change once the consolidated Government accounts for the year ending 31 December 2022 are audited.

Debt Management Office

In March 2022, pursuant to Dubai Law No. 8 of 2022 Regulating the Public Debt of the Government of Dubai (the **Dubai Public Debt Law**), the Government announced the establishment of Dubai’s debt management office (the **DMO**). The DMO was established to operate within the DoF.

The Dubai Public Debt Law permits the DMO to issue sovereign debt through the sale of bonds or other debt instruments intended to support the Government's general budget.

Under the Dubai Public Debt Law, the DMO has several responsibilities, including the following:

- developing and implementing public debt management strategies and issuance of public debt instruments;
- monitoring, managing and controlling the financial risks as well as other risks associated with issuing and trading any public debt instruments;
- developing the general policies and procedures for the DMO to manage and reduce risks in the public debt portfolio;
- identifying risk levels on financing or issuing any guarantees for Government projects and outlining relevant principles and guidelines for the issuance of guarantees;
- setting short and long-term objectives for Dubai's public debt management; and
- working closely with the federal Public Debt Management Office and other offices within the emirates to develop the public debt management systems in the UAE.

U.S.\$5 billion Euro Medium Term Note Programme

In April 2008, the Government, acting through the DMO, established a Euro Medium Term Note Programme (the **EMTN Programme**) with the maximum aggregate nominal value of notes issuable thereunder being AED 15 billion. The EMTN Programme was, at the time of its establishment in April 2008, dual-listed on the London Stock Exchange and the DFM.

The EMTN Programme was updated in June 2011, at which time the aggregate nominal value of the notes issuable under the EMTN Programme was increased to U.S.\$5 billion.

The EMTN Programme was updated in January 2013, at which time the EMTN Programme was sole-listed on the DFM. In January 2013, the Government issued under the EMTN Programme U.S.\$500 million fixed-rate notes with a 30-year tenor and a coupon of 5.25 per cent. (paid semi-annually in arrear), maturing on 30 January 2043 (**2043 Notes**). The proceeds of the issuance were used to refinance notes previously issued under the EMTN Programme which matured in April 2013 and to fund the expansion of DXB. In December 2020, the Government increased the size of the 2043 Notes by U.S.\$500 million, using the proceeds from the tap issuance to fund the development of the Dubai Expo 2020 site and to fund the deficits under the government budget for the financial year 2020.

The EMTN Programme was updated in October 2013, supplemented in April 2014, updated in September 2014, June 2016, February 2018, January 2019 and July 2020. In September 2020, the Government issued U.S.\$1,000 million fixed-rate notes under the EMTN Programme with a 30-year tenor and a coupon of 3.90 per cent. (paid semi-annually in arrear), maturing on 9 September 2050 and subsequently increased the size of the issuance in December 2020 to U.S.\$1,250 million. The proceeds of the issuance were used to refinance notes previously issued under the EMTN Programme which matured in October 2020 and June 2021.

The notes issued under the EMTN Programme described above only include those series that remain outstanding as at the date of this Base Prospectus.

U.S.\$6 billion Trust Certificate Issuance Programme

In October 2009, the Government, through a special purpose entity incorporated in the Cayman Islands named "Dubai DOF Sukuk Limited", established a U.S.\$2.5 billion Trust Certificate Issuance Programme (the **Trust Certificate Issuance Programme**). The Trust Certificate Issuance Programme was, at the time of its establishment in October 2009, dual-listed on the London Stock Exchange and the DFM.

The Trust Certificate Issuance Programme was updated in April 2012, at which time the aggregate nominal value of the certificates issuable under the Trust Certificate Issuance Programme was increased to U.S.\$5 billion and the Trust Certificate Issuance Programme was sole-listed on the DFM.

The Trust Certificate Issuance Programme was updated in January 2013. In October 2013, the Government issued under the Trust Certificate Issuance Programme U.S.\$250 million floating rate certificates, with a 10-year tenor and a profit rate of three month LIBOR + 2.4 per cent. (paid

quarterly in arrear) maturing on 22 October 2023. The proceeds of the issuance were principally used to fund development expenditure under the Government's budget.

The Trust Certificate Issuance Programme was updated in October 2013, at which time the aggregate nominal value of the certificates issuable under the Trust Certificate Issuance Programme was increased to U.S.\$6 billion. The Trust Certificate Issuance Programme was supplemented in April 2014, at which time the Government issued under U.S.\$750 million fixed rate certificates thereunder, with a 15-year tenor and a profit rate of 5.0 per cent. (paid semi-annually in arrear) maturing on 30 April 2029 (the **2029 Sukuk**). The proceeds of the 2029 Sukuk were used to refinance certificates previously issued under the Trust Certificate Issuance Programme which matured in November 2014. In December 2020, the Government increased the size of the 2029 Sukuk by U.S.\$250 million, using the proceeds to fund the deficit under the Government budget for the financial year 2020.

The Trust Certificate Issuance Programme was updated in September 2014. In October 2014, the Government issued U.S.\$400 million floating rate certificates under the Trust Certificate Issuance Programme, with a 10-year tenor and a profit rate of three month LIBOR + 1.58 per cent. (paid quarterly in arrear) maturing on 21 October 2024. The proceeds of the issuance were used to refinance certificates previously issued under the Trust Certificate Issuance Programme, which matured in November 2014.

The Trust Certificate Issuance Programme was updated in June 2016, February 2018 and January 2019. In April 2020, the Government issued AED 1 billion fixed rate certificates thereunder, with an eight-year tenor and a profit rate of 4.7125 per cent. (paid semi-annually in arrear) maturing on 15 April 2028. The proceeds of the issuance were used to fund the financial support provided to Emirates (see "*Public Finance—Principal Investments—Major ICD Investments—Emirates Group*").

In May 2020, the Government issued U.S.\$700 million fixed rate certificates under the Trust Certificate Issuance Programme, with a nine-year tenor and a profit rate of 4.800 per cent. (paid semi-annually in arrear) maturing on 21 May 2029. The proceeds of the issuance were used for Dubai Expo 2020-related expenditures.

The Trust Certificate Issuance Programme was updated in July 2020. In September 2020, the Government issued U.S.\$1,000 million fixed rate certificates thereunder, with a 10-year tenor and a profit rate of 2.763 per cent. (paid semi-annually in arrear) maturing on 9 September 2030 and subsequently increased the size of the issuance in December 2020 to U.S.\$1,500 million. The proceeds of the issuance were used to fund the financial support provided to Emirates (see "*Public Finance—Principal Investments—Major ICD Investments—Emirates Group*") and pre-settlement of the previously availed bilateral and syndicated facilities for the development of Dubai Airports.

In November 2020, the Government issued U.S.\$250 million fixed rate certificates under the Trust Certificate Issuance Programme, with an 8-year tenor and a profit rate of 2.25 per cent. (paid semi-annually in arrear) maturing on 11 May 2028. The proceeds of the issuance were used for Dubai Expo 2020-related expenditures.

In February 2023, the Government issued U.S.\$400 million floating rate certificates, with a 5-year tenor and a profit rate of three month SOFR + 0.90 per cent. (paid quarterly in arrear) maturing on 24 February 2028. The proceeds of the issuance were used for the pre-settlement of the previously availed Export Credit Facilities for the Route 2020 Metro Project.

The trust certificates issued under the Trust Certificate Issuance Programme described above only include those series that remain outstanding as at the date of this Base Prospectus.

U.S.\$1 billion Wakala Trust Certificate Issuance Programme

In March 2011, the Government, through a special purpose entity incorporated in the Dubai Airport Free Zone named "Dubai DOF Wakala Sukuk 1 SPV FZE", established a U.S.\$1.0 billion Wakala Trust Certificate Issuance Programme (the **Wakala Trust Certificate Issuance Programme**). The Wakala Trust Certificate Programme is not listed.

The Wakala Trust Certificate Issuance Programme was updated in March 2016, at which time the Government issued U.S.\$569 million fixed rate certificates thereunder, with a nine-year tenor and a profit rate of 3.89 per cent. (paid semi-annually in arrear), maturing on 20 March 2025. The proceeds of the issuance were used to refinance certificates previously issued under the Wakala Trust Certificate Issuance Programme, which matured in March 2016.

Bilateral and Syndicated Facilities

In September 2017, the DoF entered into a U.S.\$334 million, 10-year bilateral term loan facility, amortising over seven years commencing in 2020. The proceeds of the facility were used to fund Dubai Expo 2020-related expenditures. As at 31 July 2023, U.S.\$238.7 million was outstanding under this facility.

In June 2021, the DoF entered into a AED 3.67 billion, 10-year bilateral term loan facility, amortising over five years commencing in 2026. The proceeds of the facility were used to for the pre-settlement of the previously availed Export Credit Facilities for the Dubai Tram project and commercial facility for Route 2020 metro project and other bilateral and syndicated facilities availed for and development of Dubai Airports. As at 31 July 2023, AED3.67 billion was outstanding under this facility.

In February 2022, the DoF entered into an AED 6.0 billion, 6-year bilateral term loan facility, amortising over two years commencing in 2026. The proceeds of the facility were used for pre-settlement of the previously availed bilateral and syndicated facilities for the development of Dubai Airports. As at 31 July 2023, AED6.0 billion was outstanding under this facility

In February 2022, the DoF entered into an AED 7.5 billion, 12-year bilateral Ijarah facility, amortising over four years commencing in 2031. The proceeds of the facility were used for the pre-settlement of the previously availed bilateral and syndicated facilities for the development of Dubai Airports and to fund Dubai Expo 2020-related expenditures. As at 31 July 2023, AED7.5 billion was outstanding under this facility

In May 2022, the DoF entered into a AED 1.0 billion, 8-year bilateral term loan facility, to be repaid in full by way of a single instalment in May 2030. The proceeds of the facility were used for the pre-settlement of the commercial facility for Route 2020 Metro Project. As at 31 July 2023, AED1.0 billion was outstanding under this facility.

In June 2022, the DoF entered into a U.S.\$250 million syndicated facility agreement with a consortium of banks, to be repaid in full by way of a single instalment in June 2029. The proceeds of the issuance were used for the pre-settlement of the previously availed commercial facility for the Route 2020 Metro Project. As at 31 July 2023, U.S.\$250 million was outstanding under this facility.

In June 2022, the DoF entered into an AED 1.5 billion, 7-year bilateral term loan facility. The facility is due to mature in July 2030. The proceeds of the facility were used to pre-finance the existing bilateral facility which was originally maturing in April 2027. As at 31 July 2023, AED1.5 billion was outstanding under this facility.

In July 2022, the DoF entered into a U.S.\$500.0 million, 10-year bilateral Murabaha facility, to be paid in full by way of a single instalment in July 2032. The proceeds of the facility were used for the pre-settlement of the commercial facility for the Route 2020 Metro Project. As at 31 July 2023, U.S.\$500 million was outstanding under this facility

In February 2023, the DoF entered into a U.S.\$250 million, 7-year bilateral term loan facility, to be repaid in full by way of a single instalment in 2030. The proceeds of the facility were used for the pre-settlement of the previously availed Bilateral Facility to fund Dubai Expo 2020-related expenditures. As at 31 July 2023, U.S.\$250 million was outstanding under this facility

In February 2023, the DoF entered into an AED 918 million, 7-year bilateral term loan facility, to be repaid in full by way of a single instalment in 2030 and to be drawn down over a period of 12 months commencing from February 2023. The facility may be used for refinancing purposes. As at 31 July 2023, there were no outstanding amounts under this facility.

In February 2023, the DoF entered into an AED 1.5 billion, 10-year bilateral term loan facility, to be repaid in full by way of a single instalment in February 2033. The proceeds of the facility were used towards pre-settlement of the previously availed bilateral facility to fund Dubai Expo 2020-related expenditures. As at 31 July 2023, AED1.5 billion was outstanding under this facility

In April 2023, the DoF entered into an AED 9.265 billion, 14-year Ijarah facility, amortising over six years commencing in 2031. The proceeds of the facility were used to pre-finance the existing Ijarah Facilities used for the Dubai Expo 2020-related expenditures and towards financial support provided to Emirates. As at 31 July 2023, AED9.265 billion was outstanding under this facility.

In May 2023, the DoF entered into an AED 2.0 billion, ten-year bilateral term loan facility, amortising over five years commencing in 2028 and to be drawn down over a period of 24 months commencing from June 2023. The facility has been partially drawn down for the pre-settlement of the previously availed bilateral facility to fund Dubai Expo 2020-related expenditures and the remaining amount of the facility may be used for refinancing purposes. As at 31 July 2023, AED 642 million was outstanding under this facility.

Related Party Debt – Abu Dhabi Government and UAE Central Bank (U.S.\$20 billion facility)

To support strategic entities which required financial assistance during the global financial crisis of 2008-2011, the Government raised U.S.\$20 billion in 2009 as described further below:

1. Initial Borrowing (U.S.\$20 billion facility)

In July 2009, the Government issued a U.S.\$10 billion five-year bond with a fixed return of 4 per cent. per annum or the five-year U.S. Treasury rate + 0.10 per cent. per annum, whichever was higher (payable quarterly in arrear), which was fully subscribed by the UAE Central Bank. Subsequently, in November 2009, the Government of Abu Dhabi, National Bank of Abu Dhabi (now First Abu Dhabi Bank PJSC) and Al Hilal Bank collectively subscribed for additional bonds issued by the Government in the sum of U.S.\$10 billion in aggregate, on similar terms.

2. First refinancing – March 2014

On 16 March 2014, the Government of Dubai, acting through the DoF, entered into refinancing agreements with each of (i) the UAE Central Bank in respect of its U.S.\$10 billion bond and (ii) the Government of Abu Dhabi, pursuant to which the U.S.\$10 billion bond originally issued to the Government of Abu Dhabi and two banks was refinanced in full by a U.S.\$10 billion facility solely with the Government of Abu Dhabi.

Under these refinancing agreements, the facilities were renewed for a period of five years, with the U.S.\$10 billion facility with the UAE Central Bank being due to mature in March 2019, with a fixed interest rate of 1 per cent. per annum paid in arrears quarterly, and the U.S.\$10 billion facility with the Government of Abu Dhabi being due to mature in December 2018, with a fixed interest rate of 1 per cent. per annum paid monthly in arrears. All of the other terms of the original facility remained unchanged.

3. First rollover – December 2018

In December 2018, the U.S.\$10 billion facility with the Government of Abu Dhabi was renewed for a further period of five years on similar terms, maturing on 31 December 2023. In March 2019, the U.S.\$10 billion facility with the UAE Central Bank was renewed for a further period of five years on similar terms, maturing on 15 March 2024.

4. Second rollover – July 2023

In July 2023, the Government, acting through the DoF, entered into addendum agreements with each of the UAE Central Bank and the Government of Abu Dhabi and agreed to settle U.S.\$5.45 billion, split equally between these two facilities (U.S.\$2.725 billion per facility), on 28 December 2023. In addition, the parties agreed to renew the remaining amounts due under these facilities, U.S.\$7.275 billion per facility, for a further period of five years on similar terms, maturing on 31 December 2028.

Guarantees and Contingent Obligations

The Government has provided shortfall guarantees in an aggregate amount of approximately AED 1.5 billion in support of contractor obligations in relation to the Dubai Expo 2020 project. As at 31 July 2023, AED 1.5 billion was outstanding under these shortfall guarantees.

The Government has provided a payment undertaking for (i) U.S.\$460 million in favour of Shuaa Energy 1 PSC, (ii) U.S.\$1.3 billion in favour of Shuaa Energy 2 PSC, (iii) U.S.\$5.4 billion in favour of Hassyan Energy Phase 1 PSC, (iv) U.S.\$6.2 billion in favour of Noor Energy 1 PSC in respect of the financial obligations of DEWA under the power purchase agreements relating to phase II, phase III and phase IV of a solar photovoltaic power plant project and the Hassyan Energy project. As at 30 June 2023, the aggregate amount outstanding under these payment undertakings is U.S.\$8.0 billion.

The Government has provided a payment undertaking for U.S.\$1.425 billion in favour of Dubai Waste Management Company PSC in respect of the financial obligations of Dubai Municipality under the power purchase agreement relating to the Dubai Waste Management Centre Project. As at 30 June 2023, the amount outstanding under this payment undertaking was U.S.\$1.0 billion.

Other than the guarantees and contingent obligations disclosed above, the Government has not guaranteed the obligations of any third parties.

RULES FOR LISTING SUKUK ON THE DUBAI FINANCIAL MARKET

Regulatory Framework

The Securities and Commodities Authority (the **SCA**) was established by Federal Law No. (4) of 2000. The SCA is based in Abu Dhabi and is responsible for regulating the UAE capital markets and overseeing and supervising the work of the secondary securities markets, including DFM, Dubai's stock exchange, its members, listed firms, investors and other intermediaries.

DFM was established as a public institution having its own corporate identity by Resolution of the Ministry of Economy No. 14 of 2000. Pursuant to a Decree of the Dubai Executive Council dated 27 December 2005, the corporate status of DFM was established as a Public Joint Stock Company. It operates as a market for the listing and trading of shares, bonds, sukuk and investment units. With SCA approval, DFM also accepts foreign securities.

In order to maintain a fair, efficient, liquid and transparent market, DFM conducts regular inspections of member firms and other market participants. DFM is responsible for listed company compliance and market surveillance of trading activity to ensure that rules and regulations are adhered to.

DFM Trading Services

DFM operates an automated, screen-based order-driven trading system that matches buy and sell orders. The system also generates and displays details of current and historical trading activity, including prices, volumes traded and outstanding buy and sell orders.

The trading and clearing and settlement systems are linked, which ensures the immediate transfer of securities once a transaction takes place. This enables buyers to sell their securities during the same trading session.

Listing of Sukuk with DFM

In principle, before a United Arab Emirates-based obligor can list sukuk with DFM, it must first apply for approval by the SCA. DFM can help facilitate this process.

Listing Requirements

In order to obtain the approval from the SCA referred to above, an obligor must produce a prospectus. The prospectus should contain such information as is necessary for potential investors to make an informed assessment of the obligor and its securities. The prospectus should cover, at a minimum: the obligor's business activities, its financial position, management strength and future prospects and full details of the issue and the rights attaching to the securities.

The obligor must also obtain a prior approval from the Ministry of Economy (for UAE companies), or that of the UAE Central Bank (for UAE establishments other than companies). The Government is not required to obtain either of these approvals.

Commencement of Trading

Once approval to list is granted by the SCA and DFM, the relevant securities are admitted for trading. The securities are then quoted and may only be traded on DFM through registered brokers, who charge commissions with a maximum specified by the SCA. Payment of the amounts due arising from buying and selling orders are governed by agreements between the broker and client, in accordance with DFM rules and regulations. Funds arising from selling securities are paid to the investor within 24 hours of receiving the investor payment order or as agreed.

Further Information

Further information on DFM and its member brokers may be obtained from the DFM website: www.dfm.ae. Investors also have access to the DFM Help Desk at the offices of DFM, which provides guidance and information on all areas related to DFM.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection and/or collection (including by means of email distribution) at the offices of the Principal Paying Agent (as defined in the Conditions).

Purchase Agreement

The Master Purchase Agreement was entered into on 2 October 2023 between the Trustee (in its capacity as Purchaser) and the Government (in its capacity as Seller) and is governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. A Supplemental Purchase Agreement between the Purchaser and the Seller (which may be another department, agency or other entity controlled by the Government) will be entered into on the Issue Date of the first Tranche of each Series and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. Pursuant to each Purchase Agreement, the Seller will sell, transfer and convey to the Purchaser, and the Purchaser may purchase from the Seller, and accept the transfer and conveyance of the relevant Eligible Assets on the Issue Date in consideration for the purchase price, which shall be payable on the Issue Date, free and clear from all encumbrance.

Lease Agreement

The Master Lease Agreement was entered into on 2 October 2023 between the Government (in its capacity as Lessee), the Trustee (in its capacity as Lessor) and the Delegate and is governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE. A Supplemental Lease Agreement between the same parties will be entered into on the Issue Date of each Tranche and will also be governed by the laws of Dubai and, to the extent applicable in Dubai, the federal laws of the UAE.

Under the terms of the Lease Agreement, the Lessor will lease to the Lessee, and the Lessee will lease from the Lessor, the Lease Assets identified in each Supplemental Lease Agreement during renewable rental periods (which shall coincide with Return Accumulation Periods) commencing on the relevant Lease Commencement Date (which shall be the date of the Lease Agreement) and extending to the relevant Scheduled Dissolution Date, unless (a) the lease is terminated earlier in accordance with its terms; or (b) the lease is extended in accordance with the Purchase Undertaking, in which case the lease will end on the last day of the Additional Lease Period.

On each date on which Additional Assets are acquired pursuant to the Purchase Agreement, the Trustee and the Lessee shall enter into an addendum to the relevant Supplemental Lease Agreement with respect to such Additional Assets.

Pursuant to the Lease Agreement, no later than 10.00 a.m. on the business day prior to the completion of each rental period (other than the first rental period) the Lessor (or its agent) shall send a renewal notice to the Lessee. Each such notice shall be irrevocable and the Lessee will agree that, unless it rejects such notice on such day when such notice is given (in which case it acknowledges that it will be in breach of its undertaking to irrevocably and unconditionally lease from the Lessor for the lease term and that such breach will constitute a Government Event) it will be deemed to have accepted each such notice as and when delivered. Where there is any delay or failure by the Lessor in delivering a renewal notice, the Rental for the relevant rental period shall accrue at the same rate as the Rental for the immediately preceding rental period.

On each date on which the Service Agent submits to the Lessor or its agent a notice in writing requesting the Lessor's approval of the Service Agent incurring or paying any proposed liability comprising an additional service agency expense (the date of such notice, being an **Additional Service Agency Expense Request Date**), the Lessor (or its agent) shall submit to the Lessee a notice in writing requesting payment by the Lessee to the Lessor on the first business day of the rental period commencing immediately after such Additional Service Agency Expense Request Date an amount of additional supplementary rental in respect of that rental period (as shall also be specified in the relevant renewal notice) equal to the relevant additional service agency expenses. Such notice shall be irrevocable and the Lessee will agree that, unless it rejects such notice on such Additional Service Agency Expense Request Date (in which case it acknowledges that such rejection will constitute a Government Event), it will be deemed to have approved such notice as and when submitted and agreed to pay the requested amount of additional supplementary rental in accordance with such notice and the relevant renewal notice.

The Lessee will agree in the Lease Agreement to use the Lease Assets at its own risk. Accordingly, the Lessee shall, from the date of the Lease Agreement, bear the entire risk of loss of or damage to the Lease Assets or any part thereof arising from the usage or operation thereof by the Lessee to the extent that such actual loss (excluding opportunity loss) or actual damage has resulted from the Lessee's gross negligence, wilful default, actual fraud or breach of its obligations under the Lease Agreement. In addition, the Lessor shall not be liable (and the Lessee will waive any claim or right, howsoever arising, to the contrary) for any indirect, consequential or other losses, howsoever arising, in connection with the

Lessee's use or operation of the Lease Assets, save to the extent that such actual loss (excluding opportunity loss) or actual damage has resulted from the Lessor's gross negligence, wilful default, actual fraud or breach of its obligations under the Lease Agreement.

Pursuant to the Lease Agreement, following the occurrence of a Partial Loss Event, the Lessee will promptly give notice thereof (such notice, being a **Partial Loss Event Notice**) to the Lessor and the Delegate providing:

- (a) the date of the occurrence of the Partial Loss Event (the **Partial Loss Event Date**); and
- (b) details together with proper evidence of the occurrence of the Partial Loss Event and the deprivation of benefit from the Lease Assets as a result thereof, including, without limitation, the certificate obtained from a recognised industry expert certifying the occurrence of such Partial Loss Event.

By no later than the 30th day after the Partial Loss Event Date, the Lessee may request a proportionate reduction in Rental by way of reimbursement of the Rental applicable to the period from and including the Partial Loss Event Date to but excluding the earlier of: (a) the relevant Replacement Date; and (b) the 61st day after the Partial Loss Event Date, to take into account the loss and/or impairment suffered by the Lessee in relation to the impaired Lease Assets (the **Rental Reimbursement Amount**), provided that the Partial Loss Event relating to such impaired Lease Assets has not arisen as a result of the Lessee's negligence or misconduct (such request, being a **Rental Reimbursement Request**). If a Rental Reimbursement Request is made in accordance with this paragraph, the Lessor shall procure the payment of the Rental Reimbursement Amount by the Service Agent (on its behalf) to the Lessee from only:

- (a) the proceeds of any insurances paid in accordance with the terms of the Service Agency Agreement and standing to the credit of the Collection Account; and/or
- (b) (to the extent the proceeds of such insurances (if any) are insufficient) any Loss Shortfall Amount paid in accordance with the terms of the Service Agency Agreement and as described below,

on the 61st day after the Partial Loss Event Date. For the avoidance of doubt, if the Lessee does not make a Rental Reimbursement Request on or prior to the 30th day after the Partial Loss Event Date, or it expressly waives such right, it shall be not be entitled to exercise such right thereafter. Furthermore, for the avoidance of doubt if, following the occurrence of a Partial Loss Event, the Lease is not terminated in accordance with the Lease Agreement, and whether or not a Rental Reimbursement Request is made, the terms of the Lease Agreement and the Lease, including the amount of Rental payable by the Lessee, shall continue on the same terms which applied prior to the occurrence of the Partial Loss Event.

The Lessee will undertake in the Lease Agreement, in relation to each Series, that it shall maintain actual or constructive possession, custody or control of all of the Lease Assets from the date of the Lease Agreement until the satisfaction in full of all of its obligations (acting in any capacity) under the Transaction Documents to which it is a party.

The Lessee will agree in the Lease Agreement to be responsible, at its own cost and expense, for the performance of all ordinary maintenance and repair required for any Lease Asset. The Lessor shall, at its own cost and expense, be responsible for the performance of all major maintenance and structural repair and insuring the Lease Assets in accordance with, and subject to, the terms of the Service Agency Agreement. The Lessee will acknowledge in the Lease Agreement that the Lessor may procure that the Service Agent, in accordance with the terms and conditions set out in the Service Agency Agreement, shall perform, or shall procure the performance of, the major maintenance and structural repair and the insurance of the Lease Assets, on behalf of the Lessor.

The Lease Agreement will provide that the Lessee shall pay:

- (a) each Rental (less any initial supplementary rental, supplementary rental and/or additional supplementary rental) by no later than the Payment Business Day immediately preceding the relevant rental payment date (corresponding to the relevant Periodic Distribution Date);
- (b) the initial supplementary rental (corresponding to the relevant All Expenses Reserve Amount payable by the Lessor to the Service Agent pursuant to the Service Agency Agreement) on the Issue Date;

- (c) any supplementary rental (corresponding to the relevant service charge amount in replenishment of the All Expenses Reserve Amount payable by the Lessor to the Service Agent pursuant to the Service Agency Agreement) on the first business day of the rental period commencing immediately after the services invoice date; and
- (d) any additional supplementary rental (corresponding to the relevant additional service agency expenses payable by the Lessor to the Service Agent pursuant to the Service Agency Agreement) on the first business day of the rental period commencing immediately after the Additional Service Agency Expense Request Date,

in each case, by crediting such amounts to the Collection Account relating to the relevant Series and without any prior notice or demand.

The Lessee will agree in the Lease Agreement that all payments by it under the Lease Agreement must be made in full in the Specified Currency and without set-off or counterclaim of any kind and without any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by law. In the event there is any such withholding or deduction required by law in the UAE or any emirate thereof or the DIFC, the Lease Agreement provides for the payment by the Lessee of all additional amounts as will result in the receipt by the Lessor of the net amounts as would have been receivable by it if no such withholding or deduction had been made and, accordingly, the Lessee will undertake to pay to the Lessor or such other persons as the Lessor may direct such additional amounts forthwith upon demand and in the manner and the Specified Currency prescribed under the Lease Agreement.

The Lessee will covenant and undertake in the Lease Agreement that its payment obligations under the Lease Agreement are direct, unconditional, unsubordinated and (subject to Condition 6) unsecured obligations of the Lessee and shall at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Lessee, save for such obligations mandatorily preferred by law.

For these purposes, **Rental** means:

- (a) for the first rental period, an amount equal to the aggregate of:
 - (i) the product of:
 - (A) the rental rate (corresponding to the relevant Rate) for such rental period;
 - (B) the aggregate face amount of the Certificates then outstanding; and
 - (C) the Day Count Fraction; plus
 - (ii) (in the case of the Issue Date only) the initial supplementary rental; less
 - (iii) if applicable, the Murabaha Instalment Profit Amount payable in respect of such Rental Period; and
- (b) for each rental period (other than the first rental period), an amount equal to the aggregate of:
 - (iv) the product of:
 - (A) the rental rate (corresponding to the relevant Rate) for such rental period;
 - (B) the aggregate face amount of the Certificates then outstanding; and
 - (C) the Day Count Fraction; plus
 - (v) the supplementary rental (if any); plus
 - (vi) the additional supplementary rental (if any); less
 - (vii) if applicable, the Murabaha Instalment Profit Amount payable in respect of such Rental Period.

Purchase Undertaking

The Purchase Undertaking was executed as a deed on 2 October 2023 by the Government as obligor (the **Obligor**) in favour of the Trustee as trustee for the Certificateholders and the Delegate and is governed by English law.

Pursuant to the Purchase Undertaking, in relation to each Series, provided that no Total Loss Event has occurred and is continuing (or, if a Total Loss Event has occurred, the Lease Assets have been replaced in accordance with the Service Agency Agreement), the Obligor will irrevocably grant to the Trustee and the Delegate (for and on behalf of the Certificateholders) the following rights:

- (a) provided that a Dissolution Event has occurred and is continuing and the Delegate has received a Dissolution Request in accordance with the Conditions, to require the Obligor to purchase on the Dissolution Event Redemption Date all of the Trustee's rights, title, interest, benefits and entitlements in, to and under the Lease Assets at the Exercise Price specified in the relevant exercise notice;
- (b) to require the Obligor on the Scheduled Dissolution Date to purchase all of the Trustee's rights, title, interest, benefits and entitlements in, to and under the Lease Assets at the Exercise Price specified in the relevant exercise notice;
- (c) provided that (i) Certificateholder Put Right is specified as applicable in the applicable Final Terms (and Optional Dissolution (Call Right) is specified as not applicable in the applicable Final Terms) and (ii) one or more Certificateholders have exercised the Certificateholder Put Right in accordance with the Conditions, to require the Government to purchase on the Certificateholder Put Right Date all of the Trustee's rights, title, interest, benefits and entitlements in, to and under the Certificateholder Put Right Lease Assets at the Certificateholder Put Right Exercise Price specified in the relevant exercise notice; and
- (d) provided that (i) a Tangibility Event has occurred; and (ii) one or more Certificateholders have exercised the Tangibility Event Put Right in accordance with the Conditions, to require the Obligor to purchase on the Tangibility Event Put Right Date all of the Trustee's rights, title, interest, benefits and entitlements in, to and under the Tangibility Event Put Right Lease Assets at the Tangibility Event Put Right Exercise Price specified in the relevant exercise notice,

in each case, on an "as is" basis but free and clear from all encumbrances (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Purchase Undertaking.

The Purchase Undertaking provides that, pursuant to the exercise of any such rights, the Obligor will undertake to immediately purchase all of the Trustee's rights, title, interest, benefits and entitlements in, to and under the Lease Assets at the Exercise Price which shall be paid into the Transaction Account (in the Specified Currency by wire transfer for same day value):

- (a) (in the case of paragraph (a) above) on the Dissolution Event Redemption Date;
- (b) (in the case of paragraph (b) above) on the Payment Business Day immediately preceding the Scheduled Dissolution Date;
- (c) (in the case of paragraph (c) above) on the Payment Business Day immediately preceding the Certificateholder Put Right Date; and
- (d) (in the case of paragraph (d) above) on the Payment Business Day immediately preceding the Tangibility Event Put Right Date.

The Obligor has covenanted and undertaken in the Purchase Undertaking that:

- (a) if, at the time of delivery of the exercise notice in accordance with the provisions of the Purchase Undertaking, the Government remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets, as the case may be; and

- (b) if, following delivery of the exercise notice in accordance with the provision of the Purchase Undertaking, the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

the Obligor shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the Certificateholder Put Right Certificates or the Tangibility Event Put Right Certificates, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be. Payment of an amount equal to the relevant Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, into the Transaction Account in accordance with the Purchase Undertaking shall evidence the acceptance of the exercise notice by the Obligor delivered in accordance with the provisions of the Purchase Undertaking and the conclusion of the transfer of the Trustee's rights, title, interest, benefits and entitlements in, to and under the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets, as the case may be, to the Obligor.

The Obligor has agreed in the Purchase Undertaking that all payments by it under the Purchase Undertaking must be made in full in the Specified Currency and without set-off or counterclaim of any kind and without any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by law. In the event there is any such withholding or deduction required by law in the UAE, any emirate thereof or the DIFC, the Purchase Undertaking provides for the payment by the Obligor of all additional amounts as will result in the receipt by the Trustee of the net amounts as would have been receivable by it if no such withholding or deduction had been made and, accordingly, the Obligor will undertake to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and the Specified Currency prescribed under the Purchase Undertaking.

The Obligor has covenanted and undertaken in the Purchase Undertaking that its payment obligations under the Purchase Undertaking are direct, unconditional, unsubordinated and (subject to Condition 6) unsecured obligations of the Obligor and shall at all times rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Obligor, save for such obligations mandatorily preferred by law.

For these purposes, **Exercise Price** means, in relation to each Series, an amount in the Specified Currency equal to the aggregate of:

- (a) the aggregate face amount of the Certificates then outstanding on the relevant Dissolution Date; plus
- (b) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates; plus
- (c) to the extent not previously satisfied in accordance with the Service Agency Agreement, an amount equal to any outstanding additional service agency expenses in respect of which the Lessee has agreed to make an appropriate corresponding additional supplementary rental payment but such additional supplementary rental payment has not been made in accordance with the Lease Agreement; plus
- (d) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents to which it is a party (including but not limited to amounts due but unpaid to the Delegate pursuant to Condition 4.2(a)); plus
- (e) without double counting, any other amounts payable on redemption of the Certificates as specified in the applicable Final Terms; less
- (f) in the case of a Dissolution Event arising as a result of a Partial Loss Dissolution Event only, any insurance proceeds and/or any Loss Shortfall Amount paid in respect of a Partial Loss Event in accordance with the terms of the Service Agency Agreement and standing to the credit of the Transaction Account less any (i) Rental Reimbursement Amount; or (ii) other reimbursement or refund of Rental, in each case paid or payable in accordance with the terms of the Lease Agreement; less
- (g) the aggregate amounts of Deferred Sale Price then outstanding (if any) on the relevant Dissolution Date.

Sale and Substitution Undertaking

The Sale and Substitution Undertaking was executed as a deed on 2 October 2023 by the Trustee as trustee for the Certificateholders in favour of the Government and is governed by English law.

In relation to each Series, provided that no Total Loss Event has occurred and is continuing (or, if a Total Loss Event has occurred, the Assets have been replaced in accordance with the Service Agency Agreement), the Trustee will irrevocably grant to the Obligor the following rights:

- (a) provided that Optional Dissolution (Call Right) is specified as applicable in the applicable Final Terms (and Certificateholder Put Right is specified as not applicable in the applicable Final Terms), to require the Trustee to sell, transfer and convey to the Government on the Optional Dissolution Date all of the Trustee's rights, title, interest, benefits and entitlements in, to and under the Lease Assets at the Exercise Price specified in the relevant exercise notice;
- (b) if 75 per cent. or more of the aggregate face amount of Certificates then outstanding have been redeemed and/or purchased and cancelled pursuant to Condition 14, to require the Trustee to sell, transfer and convey to the Government (or any applicable department, agency or other entity controlled by the Government) on the Clean Up Dissolution Date all of the Trustee's rights, title, interest, benefits and entitlements in, to and under the Lease Assets at the Exercise Price specified in the relevant exercise notice;
- (c) to require the Trustee to transfer, assign and convey to the Government on the Substitution Date all of the Trustee's rights, title, interest, benefits and entitlements in, to and under, the Substituted Lease Assets against the sale, transfer and conveyance to the Trustee of all of the Government's (or any applicable department, agency or other entity controlled by the Government) rights, title, interest, benefits and entitlements in, to and under, the New Lease Assets, provided that certain conditions set out in the Sale and Substitution Undertaking are satisfied;
- (d) following delivery of the relevant Certificates to the Principal Paying Agent for cancellation pursuant to Condition 14, to require the Trustee to sell, transfer and convey to the Government (or any applicable department, agency or other entity controlled by the Government) on the cancellation date all of the Trustee's rights, title, interest, benefits and entitlements in, to and under, the cancellation Lease Assets, provided that certain conditions set out in the Sale and Substitution Undertaking are satisfied,

in each case, on an "as is" basis but free and clear from all encumbrances (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Sale and Substitution Undertaking.

Service Agency Agreement

The Service Agency Agreement was entered into on 2 October 2023 by the Government, as Service Agent, and the Trustee, as Lessor, and is governed by English law.

Pursuant to the Service Agency Agreement, the Service Agent has agreed to undertake on behalf of the Lessor the services relating to the Lease Assets in respect of major maintenance and structural repair, effecting all appropriate insurances in respect of such Lease Assets, appointment of the *Shari'ah* Adviser and maintenance of the Tangible Asset Ratio.

Pursuant to the Service Agency Agreement, the Service Agent has undertaken to the Lessor that the Service Agent shall, wherever applicable, carry out all major maintenance and structural repair in respect of the Lease Assets on behalf of the Lessor and in so doing the Service Agent shall:

- ensure that accurate and current records are kept of all major maintenance and structural repair activities;
- conduct regular and proper inspection of the Lease Assets and ensure that major maintenance and structural repair is carried out with the proper quality of materials and workmanship; and
- ensure that major maintenance and structural repair is carried out by qualified persons and in accordance with all applicable regulations and law,

in each case, in accordance with good maintenance practice expected from a prudent person carrying on business and operations similar to that of the Service Agent on an arm's length basis and in order to fully maintain the Value of the Lease Assets.

The Service Agent has undertaken to the Lessor that in relation to the Lease Assets applicable to each Series:

- (a) subject always to paragraph (e) below, the Service Agent will (on behalf of the Lessor):
 - (i) ensure that such Lease Assets, so long as any Certificates of the relevant Series are outstanding, are at all times properly insured to the extent consistent with general industry practice by prudent owners of similar assets, and accordingly, shall effect such insurances in respect of such Lease Assets through brokers and with such reputable insurance companies in good financial standing, and in addition against a Loss Event. The Service Agent undertakes to ensure that the insured amount relating to a Loss Event will, at all times, be at least equal to the Full Reinstatement Value;
 - (ii) promptly make a claim in respect of each loss relating to such Lease Assets in accordance with the terms of the insurances; and
 - (iii) ensure that in the event of a Loss Event occurring, all the insurance proceeds against a Loss Event are in an amount equal to the Full Reinstatement Value and are credited in the Specified Currency to the Collection Account by no later than the 60th day after the occurrence of the Loss Event and that the relevant insurer(s) will be directed accordingly;
- (b) if, by no later than the 59th day after the occurrence of a Loss Event and provided that, in the case of a Partial Loss Event, a Partial Loss Termination Notice has not been delivered by the Lessee or the Lessee has expressly waived the right to deliver such Partial Loss Termination Notice, in each case pursuant to the Lease Agreement, the Service Agent receives notice from the Government of the availability of replacement Eligible Assets (i) that are free and clear from all encumbrances, (ii) that are capable of being leased by the Lessee pursuant to the terms of the Lease Agreement, and (iii) the aggregate Value as at the date of replacement (the **Replacement Date**) of which is not less than the aggregate Value of the replaced Lease Assets, the Service Agent shall notify the Trustee of the same. Immediately following such notice, the Trustee may, pursuant to and on the terms of a separate purchase agreement substantially in the form, *mutatis mutandis*, of a Supplemental Purchase Agreement, purchase from the Government all of its rights, title, interest, benefits and entitlements in to and under the replacement Lease Assets at a purchase price to be paid using the insurance proceeds (or the assignment of the rights to such proceeds) to or to the order of the Lessor;
- (c) ensure that at all times the Tangible Asset Ratio is at least 51 per cent., and, if, at any time, the Tangible Asset Ratio, other than as a result of the occurrence of a Loss Event, falls below:
 - (i) 51 per cent. (but is at least 33 per cent.), the Service Agent shall take any and all steps as may be required by the *Shari'ah* Adviser to ensure such Tangible Asset Ratio is restored to at least 51 per cent. within the time period determined by the *Shari'ah* Adviser; and
 - (ii) 33 per cent. (such event being a Tangibility Event), the Service Agent shall, within 10 Business Days of the Service Agent becoming aware of the occurrence of the Tangibility Event, deliver a Tangibility Event Trustee Notice to the Trustee and the Delegate in accordance with the terms of the Service Agency Agreement and request the Trustee to promptly deliver a Tangibility Event Notice to the relevant Certificateholders in accordance with Condition 11.4;
- (d) if, following the occurrence of (A) a Partial Loss Event and the ratio of (a) the Value of the Lease Assets (which for this purpose shall exclude any Impaired Assets (as defined in the Master Lease Agreement)) to (b) the aggregate of the Value of the Lease Assets and, if applicable, the outstanding Deferred Sale Price at such time, falls below 33 per cent., or (B) a Total Loss Event, the Service Agent shall request the Trustee to, and upon such request the Trustee shall, promptly deliver a Trading Notice to the Certificateholders specifying:

- (i) the occurrence of such event; and
 - (ii) that, from the date of the Trading Notice, and until any further notice from the Trustee, in consultation with the *Shari'ah* Adviser stating otherwise, the Certificates should be tradable only in accordance with the *Shari'ah* principles of debt trading (such as the principle that debt is to be traded against tangible assets and/or eligible commodities on a spot settlement basis);
- (e) wherever the Service Agent procures insurances in accordance with the terms of the Service Agency Agreement (including the renewal of any insurances in existence on the lease commencement date corresponding to the Issue Date), it shall (i) use its reasonable endeavours to obtain such insurances on a takaful basis if such takaful insurance is available on commercially viable terms; or (ii) if no such takaful insurance is available on commercially viable terms, procure conventional insurance; and
- (f) if at any time and for any reason, the Service Agent is not in compliance with its insurance obligations set out in paragraph (a)(i) above, it shall immediately deliver written notice to the Trustee and the Delegate of such non-compliance and the details thereof.

The delivery of the notice referred to in paragraph (f) above to the Trustee and/or the Delegate in relation to non-compliance with its insurance obligations set out in paragraph (a)(i) above shall constitute a Government Event.

If, following the occurrence of a Loss Event;

- (a) the notice referred to in paragraph (f) above has not been delivered by the Service Agent to the Trustee and the Delegate prior to the occurrence of such Loss Event;
- (b) the Lease Assets have not been replaced in accordance with paragraph (b) above; and
- (c) the amount (if any) credited to the Collection Account pursuant to paragraph (a)(iii) above is less than the Full Reinstatement Value (the difference between the Full Reinstatement Value and the amount credited to the Collection Account being the **Loss Shortfall Amount**),

the Service Agent undertakes to (i) transfer the amounts (if any) credited to the Collection Account in accordance with paragraph (a)(iii) above; and (ii) pay directly (in same day, freely transferable, cleared funds) the Loss Shortfall Amount, in each case to the Transaction Account by no later than close of business in London on the 61st day following the occurrence of a Loss Event. Subject to transferring such amounts (if any) credited to the Collection Account in accordance with paragraph (a)(iii) and/or paying such Loss Shortfall Amount in accordance with this paragraph, there will be no further claim against the Service Agent for failing to comply with its insurance obligations pursuant to the terms of the Service Agency Agreement.

In relation to each Series, the Service Agent shall also ensure at all times from the Issue Date of such Series the appointment of a *Shari'ah* Adviser to advise the Service Agent on any *Shari'ah* related matters relating to the Transaction Documents and the Certificates and provide guidance to the Service Agent as to the compliance of the terms of the Transaction Documents and the Certificates with the requirements from time to time of the *Shari'ah* standards of the Accounting and Auditing Organisation for Islamic Financial Institutions in each case, upon request in writing by the Service Agent from time to time.

In addition, the Service Agent will also be responsible for maintaining a Collection Account in relation to each Series. The Service Agency Agreement will provide that, on the Payment Business Day immediately preceding each Periodic Distribution Date, amounts standing to the credit of the Collection Account relating to each Series (other than any amounts of initial supplementary rental and/or supplementary rental) will be applied by the Service Agent on behalf of the Trustee, by paying an amount equal to the Required Amount directly into the Transaction Account. The Service Agent shall be entitled pursuant to the Service Agency Agreement to deduct amounts standing to the credit of the Collection Account (other than initial supplementary rental, supplemental rental and/or any insurance proceeds referred to above) relating to each Series at any time during the lease term and use such amounts for its own account, provided that it shall immediately re-credit all such amounts to the Collection Account:

- (a) on the Payment Business Day immediately preceding a Periodic Distribution Date, if so required to fund a shortfall between the (i) the amount standing to the credit of the Transaction Account (after the application of amounts standing to the credit of the Collection Account pursuant to the Service Agency Agreement); and (ii) the Required Amount payable on such Periodic Distribution Date; or
- (b) upon the occurrence of a Dissolution Event, a Potential Dissolution Event, a Tangibility Event or a Loss Event.

In consideration of the Service Agent acting as agent of the Lessor in relation to each lease, the Service Agent shall receive a fee of U.S.\$100, payable on the date of the Service Agency Agreement (the receipt and adequacy of which the Service Agent will acknowledge in the Service Agency Agreement). In relation to each Series, as an advance payment to the Service Agent for service charge amounts to be paid or incurred by it in respect of the services to be performed in relation to the Lease Assets, the Lessor shall procure that an amount equal to a pre-agreed reserve amount (the **All Expenses Reserve Amount**) is credited to the Collection Account on the Issue Date of such Series and is replenished in accordance with the Service Agency Agreement and as described below.

Notwithstanding any other provision in the Service Agency Agreement, the Service Agent shall not incur or pay any liability in any rental period in respect of the services to be performed in relation to the Lease Assets which, individually or in the aggregate, would exceed the All Expenses Reserve Amount (the amount by which such liability exceeds the All Expenses Reserve Amount, being the **additional service agency expenses**) unless:

- (a) a notice requesting such incurrence or payment of additional service agency expenses has been submitted by the Service Agent to the Lessor in accordance with the paragraph below; and
- (b) following such request, the Lessee has agreed to pay to the Lessor an amount of additional supplementary rental equal to such additional service agency expenses on the first business day of the rental period commencing immediately after the Additional Service Agency Expense Request Date in accordance with the relevant Lease Agreement.

If, during any rental period, the Service Agent incurs or pays such liability without first satisfying the conditions in (a) and (b) above, then it shall be deemed to have unconditionally agreed to satisfy, donate and pay all such liabilities from its own account and the Lessor shall have no responsibility whatsoever in connection with such liability.

Pursuant to the Service Agency Agreement, the Service Agent will submit to the Lessor or its agent the invoice or receipt for (or other evidence of payment or incurrence of) each liability comprising the service charge amount, as soon as practicable after the payment or incurrence thereof and, in any case, an invoice or receipt consolidating (or other evidence of payment or incurrence of) all liabilities comprising the service charge amount paid or incurred during a rental period on the fifth business day preceding the immediately following rental payment date (the **services invoice date**). In addition, the Service Agent will submit to the Lessor or its agent a notice in writing requesting the Lessor's approval of the Service Agent incurring or paying any proposed liability comprising an additional service agency expense prior to incurring or paying such proposed liability. Subject to the terms of the relevant Lease Agreement and the paragraph above:

- (a) the Lessor will procure that an amount equal to the service charge amount notified to it in accordance with the above paragraph is credited to the Collection Account on the first business day of the rental period commencing immediately after the services invoice date; and
- (b) the Lessor will procure the reimbursement of the Service Agent for each additional service agency expense approved in accordance with the paragraph above by crediting such amount to the Collection Account on the first business day of the rental period commencing immediately after the Additional Service Agency Expense Request Date or, if the relevant lease is terminated prior to such date, on the date of termination of such lease.

For the avoidance of doubt, no replenishment of the Collection Amount in an amount equal to the relevant service charge amount shall be made unless the Service Agent evidences the payment or incurrence of each liability comprising such service charge amount in accordance with the Service Agency Agreement.

The Service Agent has agreed in the Service Agency Agreement that all payments by it under the Service Agency Agreement must be made in full in the Specified Currency and without set-off or counterclaim of any kind and without any withholding or deduction for, or on account of, any

present or future taxes, duties, assessments or governmental charges of whatever nature, unless such withholding or deduction is required by law. In the event there is any such withholding or deduction required by law in the UAE, any emirate thereof or the DIFC, the Service Agency Agreement provides for the payment by the Service Agent of all additional amounts as will result in the receipt by the Lessor of the net amounts as would have been receivable by it if no such withholding or deduction had been made and, accordingly, the Service Agent will undertake to pay to the Lessor or such other persons as the Lessor may direct such additional amounts forthwith upon demand and in the manner and the Specified Currency prescribed under the Service Agency Agreement.

The Service Agent has covenanted and undertaken in the Service Agency Agreement that its payment obligations under the Service Agency Agreement are direct, unconditional, unsubordinated and (subject to Condition 6) unsecured obligations of the Service Agent and shall at all times rank *pari passu* with all other present and future unsecured obligations of the Service Agent, save for such obligations mandatorily preferred by law.

For these purposes:

Full Reinstatement Value means, in relation to each Series, an amount in the Specified Currency equal to the aggregate of:

- (a) in the case of a Total Loss Event:
 - (i) the aggregate face amount of the Certificates then outstanding; plus
 - (ii) an amount equal to all accrued and unpaid Periodic Distribution Amounts (if any) relating to the Certificates; plus
 - (iii) an amount equal to the Periodic Distribution Amounts relating to such Certificates, which would have accrued (had a Total Loss Event not occurred) during the period beginning on the date on which the Total Loss Event occurred and ending on, but excluding, the 61st day after the occurrence of the Total Loss Event; plus
 - (iv) to the extent not previously satisfied in accordance with the Service Agency Agreement, an amount equal to any outstanding additional service agency expenses in respect of which the Lessee has agreed to make an appropriate corresponding additional supplementary rental payment but such additional supplementary rental payment has not been made in accordance with the Lease Agreement; plus
 - (v) without double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents to which it is a party (including but not limited to amounts due but unpaid to the Delegate pursuant to Condition 4.2(a)); plus
 - (vi) without double counting, any other amounts payable on redemption of the Certificates as specified in the applicable Final Terms; and
- (b) in the case of a Partial Loss Event:
 - (i) the aggregate Value of the impaired Lease Assets; plus
 - (ii) an amount equal to any Rental Reimbursement Amount payable to the Lessee in accordance with the Lease Agreement; and

Value means, in relation to each Eligible Asset applicable to a Series, on any date, the amount in the Specified Currency determined by the Government as being equal to the value of that Eligible Asset by reference to the valuation by the Government on the basis of the market value or book value of such Eligible Asset on the date it was purchased or otherwise acquired by or on behalf of the Trustee as set out in the relevant Supplemental Purchase Agreement and/or Sale Agreement, as the case may be.

Master Murabaha Agreement

The Master Murabaha Agreement was entered into on 2 October 2023 between the Trustee (in its capacity as seller, the **Seller**), the Government (in its capacity as buyer, the **Buyer**) and the Delegate and will be governed by English law.

Pursuant to the Master Murabaha Agreement, and in connection with each relevant Series of Certificates, the Seller may enter into a Commodity Murabaha Investment with the Buyer using a portion of the issue proceeds of the relevant Series as specified in the applicable Final Terms (being no more than 45 per cent. of the aggregate face amount of the Certificates of that Series). In accordance with the Master Murabaha Agreement, on receipt of a duly completed Notice of Request to Purchase from the Buyer, the Seller (acting through the commodity agent) may purchase the relevant Commodities on the relevant Issue Date from a commodity supplier on a spot basis at the relevant Commodity Purchase Price.

Upon completion of the purchase of the Commodities by the Seller and the Seller gaining title thereto and (actual or constructive) possession thereof, the Seller may deliver to the Buyer a duly completed Offer Notice by no later than 1.00 p.m. (London time) (or such other time as may be agreed in writing by the Buyer and the Seller) on the relevant Issue Date.

Provided that the Buyer has delivered a duly completed Notice of Request to Purchase in accordance with the terms of the Master Murabaha Agreement and it wishes to enter into a Murabaha Contract, the Buyer will accept the terms of, countersign and deliver to the Seller any Offer Notice delivered to it in accordance with the Master Murabaha Agreement and purchase from the Seller the relevant Commodities acquired by the Seller for the relevant Deferred Sale Price (to be paid in the Specified Currency and on the dates and in the amounts as specified in the Offer Notice), in each case by no later than 2.00 p.m. (London time) (or such other time as may be agreed between the Buyer and the Seller) on the relevant Issue Date.

As soon as the Buyer has accepted the Seller's offer by countersigning the relevant Offer Notice, a Murabaha Contract shall be created between the Seller and the Buyer upon the terms of the Offer Notice and incorporating the terms and conditions set out in the Master Murabaha Agreement and ownership (including, without limitation, the right of ownership from a *Shari'ah* perspective) of and, upon the Buyer obtaining actual or constructive possession of the relevant Commodities, all risks in and to the relevant Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

The Buyer will agree in the Master Murabaha Agreement that all payments by it under the Master Murabaha Agreement must be made in full in the Specified Currency and without set-off or counterclaim of any kind and without any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature, unless such withholding or deduction is required by law. In the event there is any such withholding or deduction required by law in the UAE, any emirate thereof or the DIFC, the Master Murabaha Agreement provides for the payment by the Buyer of all additional amounts as will result in the receipt by the Seller of such net amounts as would have been receivable by it if no such withholding or deduction had been made and, accordingly, the Buyer will undertake to pay to the Seller or such other persons as the Seller may direct such additional amounts forthwith upon demand and in the manner and the Specified Currency prescribed under the Master Murabaha Agreement.

The Buyer will covenant and undertake in the Master Murabaha Agreement that its payment obligations under the Master Murabaha Agreement are direct, unconditional, unsubordinated and (subject to Condition 6) unsecured obligations of the Obligor and shall at all times rank *pari passu* with all other present and future unsecured and unsubordinated obligations of the Obligor, save for such obligations mandatorily preferred by law.

Trust Deed

The Master Trust Deed was entered into on 2 October 2023 between the Government, the Trustee and the Delegate and will be governed by English law. A Supplemental Trust Deed between the same parties will be entered into on the Issue Date of each Tranche and will also be governed by English law.

Upon issue of the Global Certificate initially representing any Series, the Master Trust Deed and each relevant Supplemental Trust Deed shall together constitute the Trust declared by the Trustee in relation to such Series. Such Global Certificate will represent an ownership interest in the relevant Trust Assets.

The Trust Assets in respect of each Series comprise (unless otherwise specified in the relevant Supplemental Trust Deed), *inter alia*, the Trustee's rights, title, interest and benefit in, to and under the relevant Lease Assets, its rights, title, interest and benefit, present and future, in, to and under the Transaction Documents (other than in relation to any representations given to the Trustee by the Government pursuant to any of the Transaction Documents and excluding any rights which have been waived by the Trustee in any of the Transaction Documents) and any amounts standing to the credit of the relevant Transaction Account.

Each Trust Deed will specify that, on or after the relevant Scheduled Dissolution Date or, as the case may be, Dissolution Date of a Series, the rights of recourse in respect of the relevant Certificates shall be limited to the amounts from time to time available and comprising the Trust Assets of that Series, subject to the priority of payments set out in the Trust Deed, the relevant Certificates and the Conditions. The Certificateholders have no claim or recourse against the Trustee in respect of any amount which is or remains unsatisfied and any unsatisfied amounts will be extinguished.

Pursuant to the Trust Deed, the Trustee will, in relation to each Series, *inter alia*:

- (a) hold the relevant Trust Assets on trust absolutely for the relative Certificateholders as tenants in common *pro rata* according to the face amount of Certificates held by each Certificateholder; and
- (b) act as trustee in respect of the relevant Trust Assets, distribute the income from the relevant Trust Assets and perform its duties in accordance with the provisions of the Trust Deed.

In the Master Trust Deed, the Trustee by way of security for the performance of all covenants, obligations and duties of the Trustee will irrevocably and unconditionally appoint the Delegate to be its attorney and in its name and on its behalf to execute, deliver and perfect all documents and to exercise certain present and future duties, powers, authorities and discretions (including but not limited to the authority to request instructions from any Certificateholders and the power to make any determinations to be made under each Trust Deed) vested in the Trustee by each Trust Deed that the Delegate may consider to be necessary or desirable in order to perform the present and future duties, powers, authorities and discretions vested in the Trustee by the relevant provisions of each Trust Deed. The appointment of such delegate by the Trustee is intended to be in the interests of the Certificateholders and will not affect the Trustee's continuing role and obligations as trustee.

The Delegate will undertake in the Master Trust Deed that, following it having received express notice of the occurrence of a Dissolution Event in respect of any Series and subject to Condition 15, it shall (a) promptly notify the relevant Certificateholders of the occurrence of such Dissolution Event, and (b) subject to being indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing, take all such steps as are necessary to enforce the obligations of the Government under the relevant Trust Deed, the Purchase Undertaking and any other Transaction Document to which the Government is a party.

Pursuant to the relevant Trust Deed, the Obligor will also undertake that

- (a) if, at the time of delivery of the Exercise Notice in accordance with the provisions of the Purchase Undertaking, the Government remains in actual or constructive possession, custody or control of all or any part of the Lease Assets, the Certificateholder Put Right Lease Assets or the Tangibility Event Put Right Lease Assets, as the case may be; and
- (b) if, following delivery of the Exercise Notice in accordance with the provision of the Purchase Undertaking, the relevant Exercise Price, Certificateholder Put Right Exercise Price or Tangibility Event Put Right Exercise Price, as the case may be, is not paid in accordance with the provisions of the Purchase Undertaking for any reason whatsoever,

The Government shall (as an independent, severable and separately enforceable obligation) fully indemnify the Trustee for the purpose of redemption in full of the Certificates then outstanding or the Certificateholder Put Right Certificates or the Tangibility Event Put Right Certificates, as the case may be, and, accordingly, the amount payable under any such indemnity claim will equal the Exercise Price, the Certificateholder Put Right Exercise Price or the Tangibility Event Put Right Exercise Price, as the case may be.

The Master Trust Deed specifies, *inter alia*, that in relation to each Series:

- (i) following the distribution of the net proceeds of the Trust Assets in respect of the relevant Series to the Certificateholders in accordance with the Conditions and the relevant Trust Deed, neither the Trustee nor the Delegate shall be liable for any further sums and, accordingly, the relevant Certificateholders may not take any action against the Trustee, the Delegate or any other person to recover any such sum in respect of the relevant Certificates or the relevant Trust Assets;
- (ii) no Certificateholder shall be entitled to proceed directly against the Trustee and/or the Government or to enforce the performance of any provisions of any Transaction Document unless the Delegate having become bound so to proceed, (i) fails to do so within a reasonable period or (ii) is unable for any reason including by reason of an order of a court having competent jurisdiction to do so, and such failure or inability is continuing. Under no circumstances shall the Delegate or any

Certificateholders have any right to cause the sale or other disposition of any of the relevant Trust Assets except pursuant to the terms of the Transaction Documents, and the sole right of the Delegate and the Certificateholders against the Trustee and the Government shall be to enforce their respective obligations under the Transaction Documents;

- (iii) the Delegate shall not be bound in any circumstances to take any action to enforce or realise the relevant Trust Assets or take any action against the Trustee and/or the Government under any Transaction Document unless directed or requested to do so (a) by an Extraordinary Resolution or (b) in writing by the holders of at least 20 per cent. of the then aggregate outstanding face amount of the Certificates of the relevant Series and in either case then only if it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may thereby render itself liable or which it may incur by so doing;
- (iv) after enforcing or realising the relevant Trust Assets and distributing the net proceeds of the relevant Trust Assets in accordance with the terms of the relevant Trust Deed, the obligations of the Trustee and the Delegate in respect of the Series shall be satisfied and no Certificateholder may take any further steps against the Agents, the Trustee and the Delegate to recover any further sums in respect of the relevant Series and the right to receive any such sums unpaid shall be extinguished. In particular, no holder of the Certificates of the relevant Series shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee;
- (v) the Trustee may from time to time, without the consent of the Certificateholders, create and issue additional certificates ranking *pari passu* in all respects (or in all respects save for the date and amount of the first payment of the Periodic Distribution Amount and the Issue Price(s) with respect thereto), and so that the same shall be consolidated and form a single series, with the Certificates of such Series, and that any additional certificates which are to be created and issued so as to form a single series with the Certificates of a particular Series shall be constituted by a trust deed supplemental to the Master Trust Deed; and
- (vi) on the date upon which any additional Certificates are created and issued pursuant to the provisions described in paragraph (v) above, the Trustee will execute a Declaration of Commingling of Assets for and on behalf of the holders of the existing Certificates and the holders of such additional certificates so created and issued, declaring that the relevant Additional Assets and the Lease Assets in respect of the relevant Series as in existence immediately prior to the creation and issue of the additional Certificates and, if applicable, each Commodity Murabaha Investment made pursuant to the Master Murabaha Agreement (and all rights arising under or with respect thereto) in relation to the relevant Series are commingled and shall collectively comprise part of the Trust Assets for the benefit of the holders of the existing Certificates and the holders of such additional certificates as tenants in common *pro rata* according to the face amount of Certificates held by each Certificateholder, in accordance with the Master Trust Deed.

Agency Agreement

The Agency Agreement will be entered into on 2 October 2023 between the Trustee, the Government, the Delegate and the agents named therein and will be governed by English law. The Agency Agreement will govern the arrangements between the Trustee and the agents named therein for the issuance of Certificates and the making of payments in respect thereof.

Shari'ah Compliance

Each Transaction Document provides that each of Dubai DMO Funding Limited (to the extent it is a party to the relevant Transaction Document) and the Government of Dubai, acting through the Department of Finance (to the extent it is a party to the relevant Transaction Document), as the case may be, agrees that it has accepted the *Shari'ah* compliant nature of the Transaction Documents to which it is a party and, to the extent permitted by law, further agrees that:

- (c) it shall not claim that any of its obligations under the Transaction Documents to which it is a party (or any provision thereof) is *ultra vires* or not compliant with the principles of *Shari'ah*;
- (d) it shall not take any steps or bring any proceedings in any forum to challenge the *Shari'ah* compliance of the Transaction Documents to which it is a party; and

- (e) none of its obligations under the Transaction Documents to which it is a party shall in any way be diminished, abrogated, impaired, invalidated or otherwise adversely affected by any finding, declaration, pronouncement, order or judgment of any court, tribunal or other body that the Transaction Documents (to which Dubai DMO Funding Limited or the Government of Dubai, acting through the Department of Finance, as the case may be, is a party) are not compliant with the principles of *Shari'ah*.

TAXATION

The following is a general description of certain tax considerations relating to Certificates issued under the Programme. It does not purport to be a complete analysis of all tax considerations relating to the Certificates. Prospective purchasers of any Certificates should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes of acquiring, holding and disposing of the relevant Certificates and receiving payments under those Certificates. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Dubai International Financial Centre

Pursuant to Article 24 of Law No. (5) of 2021 in respect of the Dubai International Financial Centre (the **DIFC Law**), entities licensed, registered or otherwise authorised to carry on financial services in the DIFC and their employees shall be subject to a zero rate of tax for a period of 50 years from 1 September 2021. This zero rate of tax applies to income, corporation and capital gains tax. In addition, this zero rate of tax will also extend to repatriation of capital and to transfers of assets or profits or salaries to any party outside the DIFC. Article 24 of the DIFC Law also provides that it is possible to renew the 50-year period to a similar period upon issuance of a resolution by the Ruler of Dubai. As a result no payments by the Trustee under the Certificates are subject to any DIFC tax, whether by withholding or otherwise.

UAE and the Emirate of Dubai

Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Dubai taxation in respect of payments on profit and principal to any holder of the Certificates (including Periodic Distribution Amounts or Dissolution Amounts in relation to the Certificates). In the event of the imposition of any such withholding, the Trustee has undertaken to gross-up any payments subject as described under Condition 12.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Certificates (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 may, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Certificates where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the Commission's Proposal remains subject to negotiation between the participating Member States. Additional EU Member States may decide to participate. It may therefore be altered prior to any implementation, the timing of which remains unclear. Prospective Certificateholders are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986 as amended, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting, or related requirements. The Trustee may be classified as a foreign financial institution for these purposes. A number of jurisdictions (including the UAE) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of the IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Certificates, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Certificates, are uncertain

and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Certificates, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Certificates issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional certificates (as described under Condition 22 (*Further Issues*)) that are not distinguishable from previously issued Certificates are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Certificates, including the Certificates offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Certificates.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement dated 2 October 2023 (the **Programme Agreement**), agreed with the Trustee and the Government a basis upon which they or any of them may from time to time agree to purchase Certificates. Any such agreement will extend to those matters stated under “*Terms and Conditions of the Certificates*”. In the Programme Agreement, each of the Trustee and the Government has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue, offer and sale of Certificates under the Programme.

Selling Restrictions

United States

The Certificates have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

Accordingly, the Certificates are being offered and sold only to non-U.S. persons outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold and that it will not offer, sell or deliver Certificates (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering of such Certificates and the closing date, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Certificates during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Certificates within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any Tranche of Certificates, an offer or sale of such Certificates within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in accordance with all applicable securities laws of any state or other jurisdiction of the United States.

Public Offer Selling Restriction under the EU Prospectus Regulation

In relation to each Member State of the EEA, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Member State, except that it may make an offer of such Certificates to the public in that Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in article 2 of the EU Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in article 2 of the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and the Government for any such offer; or
- (c) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Certificates referred to above shall require the Trustee, the Government or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Certificates to the public** in relation to any Certificates in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for Certificates.

United Kingdom

Public Offer Selling Restriction under the UK Prospectus Regulation

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Certificates which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in the UK, except that it may make an offer of such Certificates to the public in the UK:

- (a) at any time to any legal entity which is a qualified investor as defined in article 2 of the UK Prospectus Regulation;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in article 2 of the UK Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee and the Government for any such offer; or
- (c) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Certificates referred to above shall require the Trustee, the Government or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Certificates to the public** in relation to any Certificates in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Certificates to be offered so as to enable an investor to decide to purchase or subscribe for Certificates.

Other regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) in relation to any Certificates which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Certificates other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Certificates would otherwise constitute a contravention of section 19 of the FSMA by the Trustee;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Certificate in circumstances in which section 21(1) of the FSMA does not apply to the Trustee or the Government; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Certificates in, from or otherwise involving the UK.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Certificates except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an **accredited investor** means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more, excluding that person's principal place of residence;

- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold Certificates, and that it will not, offer or sell any Certificates, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Malaysia

This Base Prospectus has not been registered as a prospectus with the Securities Commission of Malaysia under the Capital Markets and Services Act 2007 of Malaysia (the **CMSA**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, the Certificates have not been and will not be offered, sold or delivered, and no invitation to subscribe for or purchase any Certificates has been or will be made, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within any one of the categories of persons specified under Part I of Schedule 6 (or Section 229(1)(b)), Part I of Schedule 7 (or Section 230(1)(b)) and Schedule 8 (or Section 257(3)), read together with Schedule 9 (or Section 257(3)) of the CMSA, subject to any law, order, regulation or official directive of the Central Bank of Malaysia, the Securities Commission of Malaysia and/or any other regulatory authority from time to time.

Residents of Malaysia may be required to obtain relevant regulatory approvals including approval from the Controller of Foreign Exchange to purchase the Certificates. The onus is on the Malaysian residents concerned to obtain such regulatory approvals and none of the Dealers is responsible for any invitation, offer, sale or purchase of the Certificates as aforesaid without the necessary approvals being in place.

Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Certificates in Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of Qatar; and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar (including the Qatar Financial Centre). This Base Prospectus: (i) has not been, and will not be, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in Qatar (including the Qatar Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Certificates or caused the Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Certificates or cause the Certificates to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Certificates, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the **SFA**)) pursuant to Section 274 of the SFA; (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in

accordance with the conditions specified in Section 275 of the SFA; or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 of the SFA except: (A) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; (B) where no consideration is or will be given for the transfer; (C) where the transfer is by operation of law; (D) as specified in Section 276(7) of the SFA; or (E) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Certificates. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a **Saudi Investor**) who acquires any Certificates pursuant to an offering should note that the offer of Certificates is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority (the **CMA**) resolution number 3-123-2017 dated 09/04/1439H (corresponding to 27 December 2017), as amended by Board of the CMA resolution number 8-5-2023 dated 25/06/1444H (corresponding to 18 January 2023) (the **KSA Regulations**), made through a capital market institution licensed to carry out arranging activities by the Capital Market Authority and following a notification to the CMA under Article 10 of the KSA Regulations.

The Certificates may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Certificates made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Certificates to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Abu Dhabi Global Market

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Certificates to be issued under the Programme to any person in the Abu Dhabi Global Market unless such offer is:

- (a) an "Exempt Offer" in accordance with the Market Rules (MKT) Module of the Financial Services Regulatory Authority (the **FSRA**) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA rulebook.

Dubai International Financial Centre

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered and will not offer the Certificates to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the **DFSA**) rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business (COB) Module of the DFSA rulebook.

General

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers any Certificates or possesses or distributes the Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Government, the Trustee, the Delegate and any other Dealer shall have any responsibility therefor.

None of the Government, the Trustee, the Delegate and any of the Dealers represents that Certificates may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale. Persons into whose possession this Base Prospectus or any Certificates may come must inform themselves about, and observe, any applicable restrictions on the distribution of this Base Prospectus and the offering and sale of Certificates.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions agreed between the Trustee, the Government and the relevant Dealer and set out in the applicable subscription agreement or confirmation letter, as relevant.

GENERAL INFORMATION

Authorisation

The establishment of the Programme and the issue of Certificates thereunder have been duly authorised by a resolution of the Board of Directors of the Trustee dated 28 September 2023. The Trustee has obtained all necessary consents, approvals and authorisations in the DIFC in connection with the issue and performance of Certificates to be issued under the Programme and the execution and performance of the Transaction Documents.

The establishment of the Programme and the issuance of Certificates thereunder was duly authorised by the Supreme Fiscal Committee (a Dubai Government department established by Decree No. 24 of 2007 of the Ruler of Dubai) of the Government on 25 September 2023.

Listing

Application has been made for Certificates issued under the Programme to be approved by the SCA and to be listed on the DFM.

Documents Available

Copies (and English translations where the documents in question are not in English) of the following documents will, when published, be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection and/or collection (including by means of email distribution) at the offices of the Trustee and the Principal Paying Agent in London:

- (a) the Transaction Documents (save that any documents relating to a Tranche which is neither admitted to trading on a regulated market in the EEA or a UK regulated market nor offered in the EEA or the UK in circumstances where a prospectus is required to be published under the EU Prospectus Regulation or the UK Prospectus Regulation, respectively, will only be available for inspection and/or collection as aforesaid by a holder of such Certificate and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of the relevant Certificates and identity);
- (b) the Memorandum and Articles of Association of the Trustee;
- (c) the budget of the Government for the current fiscal year (as set out on pages 137 to 142);
- (d) this Base Prospectus;
- (e) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Certificate which is neither admitted to trading on a regulated market in the EEA or a UK regulated market nor offered in the EEA or the UK in circumstances where a prospectus is required to be published under the EU Prospectus Regulation or the UK Prospectus Regulation, respectively, will only be available for inspection and/or collection as aforesaid by a holder of such Certificate and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of the relevant Certificates and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference; and
- (f) in the case of each Tranche which is listed on any exchange and subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document) if required by such exchange.

The Base Prospectus and the applicable Final Terms for each Tranche that is: (i) listed on the DFM and admitted to trading on the DFM, will be published on the DFM website; and (ii) listed or traded on any other exchange, will be published in accordance with the requirements of such other exchange.

Clearing Systems

The Certificates have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records).

The appropriate common code and ISIN for each Tranche will be specified in the applicable Final Terms.

If the Certificates are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of the Trustee and no material adverse change in the financial position or prospects of the Trustee, in each case, since the date of its incorporation.

There has been no significant change in the tax and budgetary systems, gross public debt, foreign trade and balance of payments, foreign exchange reserves, financial position and resources and income and expenditure figures of the Government since 31 December 2022.

Litigation

The Trustee is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Trustee is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Trustee.

The Government is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Government is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position or profitability of the Government.

Auditors

The Trustee's financial year ends on 31 December in each year. The Trustee has no subsidiaries. The Trustee is not required by DIFC law, and does not intend, to publish audited financial statements or appoint any auditors. The Government does not publish audited financial accounts.

Shari'ah Advisory Board

The transaction structure relating to Certificates to be issued under the Programme (as described in this Base Prospectus) has been approved by the Internal Shariah Supervisory Committee of Dubai Islamic Bank PJSC, the Internal Sharia Supervision Committee of Emirates NBD – Islamic, the Internal Shariah Supervision Committee of First Abu Dhabi Bank PJSC, the Internal Shariah Supervision Committee of HSBC Bank Middle East Limited and the Global Shariah Supervisory Committee of Standard Chartered Bank. Prospective Certificateholders should not rely on the approval referred to above in deciding whether to make an investment in Certificates and should consult their own *Shari'ah* advisers as to whether the proposed transaction described in the approval referred to above is in compliance with *Shari'ah* principles.

Dealers transacting with the Government

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Government and its affiliates in the ordinary course of business for which they may receive fees. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank financings) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Government and its affiliates. Certain of the Dealers or their affiliates that have a financing relationship with the Government and its affiliates routinely hedge their credit exposure to the Government and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of the creation of certain positions in securities, including potentially the Certificates issued under the Programme. Any such positions could adversely affect future trading prices of Certificates issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, positions in such securities and instruments. For the purposes of this paragraph, the term "affiliates" shall also include parent companies.

TRUSTEE

Dubai DMO Funding Limited

Walkers Professional Services (Middle East) Limited
Level 14, Burj Daman
Dubai International Financial Centre
PO Box 506513
Dubai
United Arab Emirates

GOVERNMENT

Government of Dubai, acting through the Department of Finance

Department of Finance
PO Box 516
Dubai
United Arab Emirates

ARRANGERS AND DEALERS

Dubai Islamic Bank PJSC

P.O. Box 1080
Dubai
United Arab Emirates

Emirates NBD Bank PJSC

P.O. Box 777
Dubai
United Arab Emirates

DEALERS

First Abu Dhabi Bank PJSC

FAB Building
Khalifa Business Park – Al Qurm District
P.O. Box 6316
Abu Dhabi
United Arab Emirates

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

Standard Chartered Bank

7th Floor Building One, Gate Precinct
Dubai International Financial Centre
PO Box 999
Dubai United Arab Emirates

DELEGATE

Deutsche Trustee Company Limited

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

PRINCIPAL PAYING AGENT, TRANSFER AGENT AND CALCULATION AGENT

Deutsche Bank AG, London Branch

Winchester House
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London EC2N 2DB
United Kingdom

REGISTRAR

Deutsche Bank Luxembourg S.A.

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Luxembourg

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To the Government as to English, DIFC and UAE law

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To the Delegate as to English law

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