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 the Government of Dubai (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 NOTES IN THE UNITED STATES OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. ANY NOTE 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 WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED DIRECTLY OR INDIRECTLY WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (**REGULATION S**)) EXCEPT IN AN OFFSHORE TRANSACTION PURSUANT TO RULE 903 OR RULE 904 OF REGULATION S IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

WITHIN THE UNITED KINGDOM, THE BASE PROSPECTUS IS DIRECTED ONLY AT (A) PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE **FP ORDER**) OR (B) WHO ARE PERSONS FALLING WITHIN ARTICLE 49(2)(a) TO (d) OF THE FP ORDER OR (C) TO WHOM IT MAY OTHERWISE LAWFULLY BE DISTRIBUTED IN ACCORDANCE WITH THE FP ORDER (ALL SUCH PERSONS IN (A), (B) AND (C) ABOVE TOGETHER BEING REFERRED TO AS **RELEVANT PERSONS**). THE BASE PROSPECTUS MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THE BASE PROSPECTUS RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. FOR A MORE COMPLETE DESCRIPTION OF RESTRICTIONS ON OFFERS AND SALES, SEE "*SUBSCRIPTION AND SALE*".

CONFIRMATION OF YOUR REPRESENTATION: In order to be eligible to view the Base Prospectus or make an investment decision with respect to the Notes described herein, (1) each prospective investor in respect of the Notes being offered outside of the United States in an offshore transaction pursuant to Regulation S must be a person outside of the United States and (2) each prospective investor in respect of the securities being offered in the United Kingdom 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 Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, MUFG Securities EMEA 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 Notes being offered in the United Kingdom, 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 Notes.

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 this document 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 this document 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 Government 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 Notes 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 Government nor any person who controls or is a director, officer, employee or agent of any Dealer, 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 and the Government, to inform themselves about, and to observe, any such restrictions.

BASE PROSPECTUS DATED 29 JULY 2020

GOVERNMENT OF DUBAI

U.S.$5,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the **Programme**), the Government of Dubai (the **Issuer** or the **Government**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the **Notes**). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$5,000,000,000 (or the equivalent in other currencies).

Application has been made for the Notes issued under the Programme for the period of 12 months from the date of this Base Prospectus to be approved by the Securities and Commodities Authority (**SCA**), to be admitted to the Official List (the **DFM Official List**) of Securities of the Dubai Financial Market (**DFM**) and to list the Notes on the DFM. However, unlisted Notes may be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be (i) approved by the SCA, admitted to the DFM Official List and admitted to trading on the DFM or (ii) 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 Issuer and the relevant Dealer.

Notes may be issued in bearer or registered form (respectively, **Bearer Notes** or **Registered Notes**). Each Tranche (as defined herein) of Bearer Notes will initially be in the form of either a temporary global note in bearer form (each a **Temporary Bearer Global Note**) or a permanent global note in bearer form (each a **Permanent Bearer Global Note**) (each a **Bearer Global Note**), in each case as specified in the relevant Final Terms. Each Temporary Bearer Global Note or, as the case may be, Permanent Bearer Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) and/or any other relevant clearing system. Each Temporary Bearer Global Note will be exchangeable for a Permanent Bearer Global Note or, if so specified in the relevant Final Terms, for Bearer Notes in definitive form (**Definitive Bearer Notes**) in accordance with its terms. Each Permanent Bearer Global Note will be exchangeable for Definitive Bearer Notes in accordance with its terms. Each Tranche of Registered Notes will be in the form of either definitive Notes in registered form (**Definitive Registered Notes**) or a global Note in registered form (a **Registered Global Note**, and together with the Temporary Bearer Global Note and the Permanent Bearer Global Note, each a **Global Note**), in each case as specified in the relevant Final Terms. Each Registered Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Definitive Registered Notes in accordance with its terms.

References in this Base Prospectus to Notes being **listed** (and all related references) shall mean that such Notes have been approved by the SCA, have been admitted to the DFM Official List and have been admitted to trading on the DFM.

The Notes 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 and may not be offered or sold within the United States except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, Bearer Notes may not be offered, sold or delivered within the United States or its possessions (as defined in the U.S. Internal Revenue Code of 1986, and Treasury regulations promulgated thereunder). For a description of certain restrictions on offers and sales of Notes and on the distribution of this Base Prospectus, see "*Subscription and Sale*".

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see "*Risk Factors*".

This Base Prospectus is issued in replacement of a base prospectus dated 29 January 2019 issued by the Issuer, and accordingly supersedes that earlier base prospectus. This does not affect any Notes issued by the Issuer prior to the date of this Base Prospectus.

Amounts payable under the Notes may be calculated by reference to either LIBOR or EURIBOR which are respectively provided by ICE Benchmark Administration Limited (**ICE**) and the European Money Markets Institute (the **EMMI**). As at the date of this Base Prospectus, ICE and EMMI are both included in the register of administrators of ESMA under Article 36 of the Regulation (EU) No. 2016/1011 (the **Benchmarks Regulation**).

Arrangers and Dealers for the Programme

MUFG | Standard Chartered Bank

Dealers for the Programme

Emirates NBD Capital | First Abu Dhabi Bank PJSC

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (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.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arrangers (as defined in "*Overview of the Programme*"). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Copies of the Final Terms will be available from the registered office of the Issuer and the specified office set out below of each of the Paying Agents (as defined below).

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes 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 Notes may be restricted by law in certain jurisdictions. The Issuer, the Dealers and the Arrangers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes 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 assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Dealers or the Arrangers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes 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 Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom), the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Japan and Singapore; see "*Subscription and Sale*".

None of the Dealers, any Arranger or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time. Each investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of the purchase of any Notes.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in the light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this Base Prospectus. Any consents or approvals that are needed in order to purchase any Notes must be obtained prior to the deadline specified for any such consent or approval. The Issuer, the Arrangers and the Dealers are not responsible for compliance with these legal requirements. The appropriate characterisation of the Notes under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase any Notes, is subject to significant interpretative uncertainties.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

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 Tourism and Commerce Marketing, Dubai International Financial Centre (**DIFC**), Dubai Financial Services Authority (**DFSA**), Dubai Airport Free Zone Authority (**DAFZA**), Jebel Ali Free Zone Authority, Dubai Creative Clusters Authority (**DCCA**), Dubai Silicon Oasis (**DSO**), Dubai Land Department, the Real Estate Regulatory Authority (**RERA**), the World Shipping Council, Airports Council International, Emaar Malls, Dubai Airports Corporation (**DAC**), Dubai South, TECOM Group, the Dubai Department of Tourism and Commerce Marketing (**DTCM**), Jebel Ali Free Zone Authority (**JAFZA**), 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, the Insurance Authority, Nasdaq Dubai and the Dubai Financial Market (**DFM**) (in the case of "*Monetary and Financial System*"); and
- the Investment Corporation of Dubai (**ICD**), Dubai Real Estate Corporation (**DREC**), 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*").

The Issuer 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 each of the relevant sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Arrangers and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arrangers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arrangers.

STABILISATION

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the *Stabilisation Manager(s)*) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes 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 date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment 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, regulations and rules.

In this Base Prospectus, unless it is otherwise specified or the context otherwise requires, references to **Dirham** and **AED** are to the currency of the United Arab Emirates (the **UAE**), to **U.S.$** and **U.S. dollars** are to the currency of the United States of America and to **€** and *euro* are to the currency of those member states of the European Union which are participating in the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.

This Base Prospectus contains a conversion of certain AED amounts into U.S. dollars at specified rates solely for the convenience of the reader. These conversions should not be construed as representations that the AED amounts actually represent such U.S. dollar amounts or could actually be converted into U.S. dollars at the rate indicated. 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.

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 KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Notes 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes 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 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 Notes issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Notes. If you do not understand the contents of this Base Prospectus you should consult an authorised financial adviser.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled **MiFID II Product Governance** which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, **MiFID II**) is responsible for undertaking its own target market assessment in respect of the Notes (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 Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

IMPORTANT – EEA AND UNITED KINGDOM RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled **Prohibition of Sales to EEA and UK Retail Investors**, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or in the United Kingdom (the **UK**). For these purposes, a **retail investor** means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II) or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (**EU**) No 1286/2014 (as amended the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE

In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

SUPPLEMENTARY BASE PROSPECTUS

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes, whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the financial, economic and political condition of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

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 gross domestic product (**GDP**) based on a production approach. There has been no material change in the methodology used by the Dubai Statistics Centre since 2006.

Investors should also note that certain economic statistics for 2017 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.

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RISK FACTORS

The purchase of any Notes 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 Notes. Before making an investment decision, prospective purchasers of Notes should consider carefully, in the light of their own financial circumstances and investment objectives, all of the information in this Base Prospectus.

The Government believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Government to pay any amounts on or in connection with any Note may occur for other reasons and the Government does not represent that the statements below regarding the risks of holding any Note are exhaustive. There may also be other considerations, including some which may not be presently known to the Government or which the Government currently deems immaterial, that may impact any investment in Notes.

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 "Summary of provisions relating to the Notes while in Global Form" and "Terms and Conditions of the Notes" shall have the same meanings in this section.

Risk factors relating to the Government and the UAE

The COVID-19 pandemic has caused significant disruption to the global economy and Dubai's economy and may cause further disruption

Since December 2019, a significant increase in the number of cases of the respiratory illness caused by the novel coronavirus SARS-CoV-2 (**COVID-19**) has been reported worldwide. Initially reported in China, COVID-19 has spread across other countries, resulting in reported infections and deaths in numerous countries. On 30 January 2020, the World Health Organization (the **WHO**) declared COVID-19 a public health emergency of international concern and, on 11 March 2020, the WHO declared COVID-19 a global pandemic.

The COVID-19 pandemic has had a significant impact on investment sentiment, resulting in volatility in global capital markets and negatively impacting commodity prices. The resulting restrictions on travel and public transport, requirements for people to remain at home and practice social distancing, and prolonged closures of workplaces have impacted trade and transportation of goods and severely disrupted the global economy. This has caused equity and bond markets to fall, resulted in high levels of unemployment, and negatively impacted the global demand for oil and oil prices. It is expected to have a material negative impact on global growth rates, which are likely to negatively impact the economy of Dubai and the UAE.

The UAE Federal Government and local governments in the UAE took a number of temporary precautionary and preventative measures to contain the outbreak, including suspending international flights, certain public and private sector work and attendance by employees at most workplaces, requiring residents to remain at home and practice social distancing, closing shops and malls other than for pharmacies and food supply activities, and imposing curfews (see "*Overview of the Emirate of Dubai—Measures taken in the UAE in response to the COVID-19 pandemic*"). In addition, Dubai's staging of the 2020 World Expo was postponed by one year until October 2021 (see "*Economy of Dubai—Tourism—Dubai Expo 2020*"). However, a number of the above precautionary and preventative measures have since been partially lifted and/or relaxed, including a gradual reopening of businesses and workplaces and the recommencement of international flights.

No assurance can be given as to the efficacy of any preventive measures in ameliorating the negative economic impact of COVID-19 on Dubai's economy, and the economic impact of these measures is not possible to determine as at the date of this Base Prospectus. It will depend, among other things, on how long and the manner in which any such preventive measures remain in place (including any potential re-introduction of such measures, whether any further measures are at any time implemented and the extent of any such measures). It will also depend on how the different sectors of Dubai's economy respond on any removal, lifting or re-introduction of any such measures, as well as any longer term impact of these measures, and similar measures in other countries, together with any wider impact of COVID-19 more generally. In addition, the reduction in global oil prices may also slow the pace of investment in Dubai and the UAE.

The COVID-19 pandemic is ongoing and the duration, impact and severity of the outbreak cannot be predicted and may be significant, particularly in the short term. There can be no assurance that the COVID-19 pandemic will not result in a prolonged or further decline in oil prices, or that this will not have a prolonged adverse effect on the economy of Dubai 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 1.6 per cent. of Dubai's real GDP in 2019. The three largest sectors are the wholesale and retail trade sector (which includes automotive repair) (accounting for 27.2 per cent. of Dubai's real GDP in 2019), the transportation and storage sector (representing 13.1 per cent. of Dubai's real GDP in 2019) and the financial and insurance activities sector (representing 10.1 per cent. of Dubai's real GDP in 2019). However, any significant negative impact on international oil prices may have an impact on 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. More recently, the monthly average OPEC Reference Basket price per barrel of oil increased from U.S.$27 per barrel in January 2016 to U.S.$71 per barrel in April 2019. However, oil prices steeply declined in the first four months of 2020, primarily due to uncertainty surrounding production output levels following the failure of OPEC and certain non-OPEC oil producing countries to come to an agreement to extend voluntary crude oil production adjustments, and significantly lower demand for oil due to the economic slowdown caused by the COVID-19 pandemic (see "*—The COVID-19 pandemic has caused significant disruption to the global economy and Dubai's economy and may cause further disruption*" above). A series of meetings took place on 9 and 12 April 2020 between OPEC and certain non-OPEC oil producing countries, including Russia, which culminated in an agreement to reduce their overall production in stages between 1 May 2020 and 30 April 2022. However, there can be no assurance that the agreement will be implemented by all relevant parties or achieve its stated goals or what effect the agreement will have on oil prices in the short to medium term.

As a result of the above factors, the OPEC Reference Basket price fell from a monthly average price of U.S.$65 per barrel in January 2020 to U.S.$18 per barrel in April 2020, before partially recovering to U.S.$37 per barrel in June 2020. This decline has caused volatility in the global financial markets and is expected to have a significant negative effect on Dubai's public finances, with the Government having revised its budget for 2020, resulting in a revised budget deficit of AED 11.9 billion (see further "*Public Finance—Budget 2020 details*").

There can be no assurance as to how any or all of the above factors may continue to affect oil prices or when, if at all, international oil prices will recover in the future, or that they will not decline any further. 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:

- the duration, impact and severity of the COVID-19 pandemic and the extent of its impact on the global economy;
- economic and political developments in oil producing regions, particularly in the Middle East;
- 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.

The recent sustained period of low crude oil prices have had a significant adverse effect on the oil and natural gas revenue dependent economies of the GCC states, resulting in reduced fiscal budgets and public spending plans, together with increased budgetary deficits and increased competition for funding across the GCC.

In the UAE, the country's trade surplus (to which hydrocarbon exports make a significant contribution), fell from AED 314.6 billion in 2018 to AED 274.6 billion in 2019, principally as a result of a decline in the value of hydrocarbon exports. Investors should be aware that Dubai's and the UAE's financial institutions sectors (and banks in particular) may experience higher loan losses or impairments as well as lower liquidity if significant government and government-owned company deposits are withdrawn to fund anticipated trade or budget deficits. Large government fiscal deficits, which are likely to result in lower government spending, could also impact many other sectors of the economy, including in particular the construction sector to the extent that large projects are delayed or cancelled.

Reflecting significant Federal and Emirati government deficits since 2015, the UAE Federal Government and the Government has sought to reduce spending and increase its non-hydrocarbon revenue and, on the revenue side, the Government expects to benefit to some extent from the new federal value added tax (**VAT**) effective across the UAE as of 1 January 2018 (see further "*Public Finance—Value Added Tax*"). There can be no certainty that these measures will be successful in limiting or eliminating budget deficits or that they will not have other unknown negative effects.

Dependence on foreign labour

Dubai is also 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 regional instability increase. There can be no assurance of the continued availability of expatriate labour with appropriate skills, and the continued availability of skilled labour is an important aspect to the delivery of the Dubai Plan 2021 (see "*Overview of the Emirate of Dubai—Strategy of Dubai—Dubai Plan 2021*") 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 (see "*—The COVID-19 pandemic has caused significant disruption to the global economy and Dubai's economy and may cause further disruption*" above) and the steep decline of oil prices in the first four months of 2020 (see "*—Volatility in international oil prices may adversely affect Dubai's economy*" above). To the extent that economic growth or performance in Dubai or the UAE slows or declines further, 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 previously supported certain GREs in order to maintain stability in the UAE economy, the banking system and investor confidence. See "*—Government support to GREs and the Dubai Financial Support Fund*" 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 the UAE's liquidity levels had improved since the global financial crisis of 2008-2011 and 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 over 2015–19), 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 continue to be affected by the COVID-19 pandemic (see "*—The COVID-19 pandemic has caused significant disruption to the global economy and Dubai's economy and may cause further disruption*" above). 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 200 per cent. at the end of 2019) 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 political events such as the United Kingdom's "leave" vote in the June 2016 referendum on its membership of the European Union (**EU**), and the continued uncertainty as to the terms of the future relationship between the UK and the EU (which is currently under negotiation during a transition period that is scheduled to last until 31 December 2020).

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 and Europe, including India, China, the United States, Switzerland and Oman (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, including as a result of the COVID-19 pandemic, this may have a negative impact on Dubai's foreign trade. In particular, countries in Europe accounted for AED 413.1 billion of trade with Dubai in 2019, accounting for 53.7 per cent. of Dubai's total foreign trade in 2019.

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 Algeria, Bahrain, Egypt, Lebanon, Iraq, Libya, Syria and Yemen. This unrest has ranged from public demonstrations to, in extreme cases, armed conflict 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 (in which the UAE armed forces, along with a number of other Arab states, are involved), Syria, Iraq and Palestine as well as the now winding-down multinational conflict with Islamic State. In addition, since June 2017, Saudi Arabia, the UAE and Bahrain, as well as Egypt and Yemen, have severed diplomatic ties with Qatar, cut trade and transport links and imposed sanctions on Qatar. There can be no assurance as to when diplomatic relations will be restored or air, land and sea connections reopened with Qatar. It is also not currently possible to predict the outcome of this dispute and any significant escalation could negatively affect Dubai and the UAE.

Most recently, tensions in the Gulf region have increased following the seizure by Iran of a British tanker in July 2019 and, more broadly, due to several incidents with oil tankers in the Strait of Hormuz. In September 2019, the Abqaiq processing facility and the Kurais oil field in Saudi Arabia were damaged in a major act of sabotage which resulted in the temporary interruption of Saudi Arabia's oil and gas production. There can be no assurance what impact this act of sabotage may have on the geopolitical situation in the region, including any potential escalation. In January 2020, the United States carried out a military strike that killed a senior Iranian military commander. As a result of this military strike, Iran launched missiles at a US base in Iraq. There have since been repeated attacks by militia groups on Iraqi military bases housing foreign soldiers and retaliatory strikes by the United States. Any continuation or increase in international or regional tensions regarding Iran or Iraq, 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 not experienced significant terrorist attacks such as those experienced by 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

Following the 2008-2011 global financial crisis, the UAE as a whole experienced significant declines in real estate sales prices and rental rates and a significant slowdown in construction activity. However, in 2014, the Dubai real estate sector saw a return to growth, with real GDP growth of 9.8 per cent., 4.4 per cent., 6.1 per cent. and 3.3 per cent. in 2016, 2017, 2018 and 2019, respectively.

The return in confidence in Dubai's real estate market, in combination with Dubai's successful bid for the 2020 World Expo (see "*Economy of Dubai—Tourism—Dubai Expo 2020*") has resulted in a rapid increase in property prices and an acceleration of planned real estate projects in Dubai since 2012. While an improved real estate market would benefit Dubai's economy in some respects, if unconstrained it could also result in 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.

In addition, there can be no assurance that the economic impact of the COVID-19 pandemic, both in Dubai and globally, will not result in a prolonged decline in real estate prices in Dubai (see "*—The COVID-19 pandemic has caused significant disruption to the global economy and Dubai's economy and may cause further disruption*" above).

Government support to GREs and the Dubai Financial Support Fund

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, including AED 4 billion in capital injections to Emirates NBD PJSC (**ENBD**) through the Dubai Financial Support Fund (the **DFSF**).

Dubai's GREs, some of which encountered severe financial difficulties during the 2008-2011 global financial crisis, have made considerable progress in restructuring and financing their debts. However, if any of Dubai's GREs is unable to, or is potentially unable to, fulfil its debt obligations, the Government may, at its sole discretion, decide to extend such support as it may deem suitable, and based on such terms as it may deem suitable, to any such entities in order to allow them to meet their debt obligations. 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 Government has established the DFSF to provide support to strategic entities which require financial assistance but are able to demonstrate sustainable business plans, the on-going support of their existing financial creditors and realistic prospects of fulfilling their repayment obligations. The DFSF was previously capitalised through the proceeds of a U.S.$10 billion bond issued by the Government, which was subscribed by the UAE Central Bank, and a U.S.$10 billion facility from the Government of Abu Dhabi. In March 2014, both facilities were refinanced for a further period of five years. The facility from the Government of Abu Dhabi was subsequently refinanced in December 2018 and the bonds held by the UAE Central Bank were refinanced in March 2019, in each case, for a further period of five years. See "*Indebtedness—Related Party Debt – Abu Dhabi Government and UAE Central Bank (U.S.$20 billion facility)*" for further details.

The expectation is that the entities supported by the DFSF 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 by the DFSF when such amounts become due. No assurance can be given that all entities supported by the DFSF 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 the responsibility of the UAE Federal Government. Limited monetary policy control prevents the Government from responding to macroeconomic conditions, which may affect Government spending and liquidity within Dubai; changing macroeconomic conditions are likely to affect Dubai's economy indirectly through their impact on the trade, construction, real estate and banking sectors, given, in particular, the openness of Dubai's economy, which does not have any capital or exchange controls. The 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 rates is constrained. For example, if, when the US Federal Reserve increases interest rates, 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 Law No. 11 of 1992 (the **Civil Procedure Code**) grants to the Government and its affiliates immunity in respect of its assets. 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 by it under the Notes, the Agency Agreement (as defined in "*Terms and Conditions of the Notes*") and the Dealer Agreement (as defined in "*Subscription and Sale*") are valid and binding under the laws of Dubai and, to the extent applicable therein, the federal laws of the UAE.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, such Notes since the Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the Issuer. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing market rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks Related to the Notes Generally

The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors

The conditions of the Notes (the **Conditions**) contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

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

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

The Conditions also provide that the Notes and such Conditions may, subject to the prior written approval of the Issuer, be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

Change of Law

The Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

Bearer Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a Definitive Bearer Note in respect of such holding (should Definitive Bearer Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Definitive Bearer Notes are issued, holders should be aware that Definitive Bearer Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

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

Interest rates and indices which are deemed to be "benchmarks" (including the London interbank offered rate (**LIBOR**) and 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 Notes linked to or referencing such a "benchmark". The 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 (which, for these purposes, includes the UK). 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).

The Benchmarks Regulation could have a material impact on any Notes 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 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. 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 the benchmark and/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 Notes linked to or referencing, or otherwise dependent (in whole or in part) upon, a "benchmark".

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

In addition, on 29 November 2017, the Bank of England and the FCA announced that, from January 2018, its Working Group on Sterling Risk-Free Rates has been mandated with implementing a broad-based transition to the Sterling Overnight Index Average (**SONIA**) over the next four years across sterling bond, loan and derivative markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021.

Separately, 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 bonds) 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.

It is not possible to predict with certainty whether, and to what extent, any benchmark will continue to be supported going forwards. This may cause any such benchmark to perform differently than it has done in the past, and may have other consequences which cannot be predicted.

Investors should be aware that, if a benchmark were discontinued or otherwise unavailable, the rate of interest on Floating Rate Notes which reference such benchmark will be determined for the relevant period by the fall-back provisions applicable to such Notes set out in the Conditions. Depending on the manner in which the rate of interest is to be determined under the Conditions, this may: (i) if ISDA Determination applies, be reliant upon the provision by reference banks of offered quotations which, depending on market circumstances, may not be available at the relevant time; or (ii) if Screen Rate Determination applies, result in the Rate of Interest being set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Conditions) which may be determined by an Independent Adviser (as defined in the Conditions) or the Government or lead to the effective application of a fixed rate based on the rate which applied in the previous period when the relevant benchmark was available, as further described below. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference a benchmark.

The Conditions provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Conditions) occurs, including if an original Reference Rate (as defined in the Conditions) and/or any page on which an original Reference Rate (as defined in the Conditions) may be published, becomes unavailable, or if the Issuer, the Calculation Agent, any Paying Agent or any other party responsible for the calculation of the Rate of Interest (as specified in the relevant Final Terms) is no longer permitted lawfully to calculate interest on any Notes by reference to such an original Reference Rate under the Benchmarks Regulation or otherwise. Such fallback arrangements include the possibility that the Rate of Interest (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 (as defined in the Conditions) and may include amendments to the Conditions 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 Issuer, or the Issuer (acting in good faith and in a commercially reasonable manner), as applicable, and without the requirement for the consent or sanction of Noteholders. An Adjustment Spread, if applied, is (i) the spread, formula or methodology which is formally recommended in relation to the replacement of the original Reference Rate with the Successor Rate by any Relevant Nominating Body (as defined in the Conditions) (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 spread, formula or methodology which the Independent Adviser (following consultation with the Issuer) 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, (iii) if the Independent Adviser (following consultation with the Issuer) determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines and which 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 Issuer) determines that there is no such industry standard, the spread, formula or methodology which the Independent Adviser (following consultation with the Issuer) or the Issuer (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 Notes performing differently (which may include payment of a lower Rate of Interest) 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 of Interest (or the relevant component part thereof). The use of a Successor Rate or Alternative Reference Rate (including with the application of an Adjustment Spread) will still result in any Notes linked to or referencing an original Reference Rate performing differently (which may include payment of a lower Rate of Interest) 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 of Interest (or the relevant component part thereof) for the relevant immediately following Interest Period may result in the Rate of Interest (or the relevant component part thereof) for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes 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 Issuer is unable to appoint an Independent Adviser; or the Independent Adviser appointed by the Issuer fails to determine a Successor Rate or, failing which, an Alternative Reference Rate and/or, in either case, an Adjustment Spread, the Issuer 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 Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

Risks Related to the Market Generally

The Secondary Market Generally

The Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Exchange Rate Risks and Exchange Controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the

Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest Rate Risks

Investment in the Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on such Fixed Rate Notes, this will adversely affect the value of such Notes.

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 Issuer, in the ordinary course of business. See "*General Information*".

As at 30 June 2020, the Issuer held 55.8 per cent. of the outstanding shares of Emirates NBD Bank PJSC.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Conditions, in which event, a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes. Words and expressions defined in "*Summary of provisions relating to the Notes while in Global Form*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this overview.

Issuer:	Government of Dubai
Description:	Euro Medium Term Note Programme
Size:	Up to U.S.$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arrangers:	MUFG Securities EMEA plc Standard Chartered Bank
Dealers:	Emirates NBD Bank PJSC First Abu Dhabi Bank PJSC MUFG Securities EMEA plc Standard Chartered Bank
	The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to **Permanent Dealers** are to the persons listed above as Arrangers and Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to **Dealers** are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Certain Restrictions:	Each issue of Notes 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 "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus.
	Notes having a maturity of less than one year
	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (**FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent; see "*Subscription and Sale*".
Fiscal Agent and Paying Agent:	Deutsche Bank AG, London Branch
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis.
	The Notes will be issued in series (each a **Series**) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a **Tranche**) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the **Final Terms**).
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Form of Notes:

The Notes may be issued in bearer form or registered form. Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.

Clearing Systems:

Euroclear Bank SA/NV and Clearstream Banking S.A. and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, any currency agreed between the Issuer and the relevant Dealer.

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity.

Specified Denomination:

The Notes will be in such denominations as may be specified in the relevant Final Terms, save that the minimum denomination of each Note 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 "*Certain Restrictions: Notes having a maturity of less than one year*" above) and save that the minimum denomination of each Note 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 the UK in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Fixed Rate Notes:

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of Notes of the relevant Series;

(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Benchmark Discontinuation:

In the event that a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the relevant Final Terms, then the Issuer 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 Notes and, potentially, the application of an Adjustment Spread (which could be positive, negative or zero)). See Condition 4(e) for further information.

Zero Coupon Notes:

Zero Coupon Notes (as defined in "*Terms and Conditions of the Notes*") may be issued at their nominal amount or at a discount to it and will not bear interest.

Interest Periods and Interest Rates:

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.

Redemption:

The relevant Final Terms will specify the basis for calculating the redemption amounts payable.

Optional Redemption:

The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer

	(either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of Notes:	The Notes will constitute unsubordinated and (subject to Condition 3) unsecured obligations of the Issuer, all as described in "*Terms and Conditions of the Notes—Status*".
Negative Pledge:	Yes. The terms of the Notes will contain a negative pledge provision as further described in "*Terms and Conditions of the Notes—Negative Pledge*".
Cross Default:	Yes. Threshold: U.S.$50,000,000. See "*Terms and Conditions of the Notes—Events of Default*".
Meetings of Noteholders, Modification and Waiver:	The terms of the Notes contain a "collective action" provision, which permits defined majorities to bind all Noteholders. If the Issuer issues debt securities that contain collective action clauses in substantially the same form as the collective action clause in the terms of the Notes, the Notes would be capable of aggregation for voting purposes with any such debt securities, thereby allowing "cross-series" modifications to the terms and conditions of all affected Series of Notes (even, in some circumstances, where majorities in certain Series did not vote in favour of the modifications being voted on). See Condition 10 and "*Risk Factors—Risks Related to Notes Generally—The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors*".
Ratings:	Neither the Programme nor the Issuer is rated by any rating agency.
Early Redemption:	Except as provided in "*—Optional Redemption*" above, Notes will not be redeemable at the option of the Issuer prior to maturity.
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the UAE or any Emirate thereof subject to customary exceptions, all as described in "*Terms and Conditions of the Notes—Taxation*".
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law.
Listing and Admission to Trading:	Application has been made for Notes issued under the Programme to be listed on the DFM. As specified in the relevant Final Terms, a Series of Notes may be unlisted or listed or admitted to trading, as the case may be, on such other or further stock exchanges as may be agreed between the Issuer and the relevant Dealer.
Selling Restrictions:	The United States, the EEA (including the UK), the UAE (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, Japan and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*". The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

The Notes are issued pursuant to an Amended and Restated Agency Agreement (as further amended or supplemented as at the Issue Date, the **Agency Agreement**) dated 29 July 2020 between the Issuer, Deutsche Bank AG, London Branch as fiscal agent and the other agents named in it and Deutsche Bank Luxembourg S.A. as registrar and transfer agent. The fiscal agent, the paying agents, the calculation agent(s), the registrar and the transfer agent for the time being (if any) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (which expression shall include the Fiscal Agent), the **Calculation Agent(s)**, the **Registrar** and the **Transfer Agent** (each, an **Agent**). The Noteholders (as defined below), in the case of Bearer Notes, where applicable, the holders of the interest coupons (the **Coupons**) and, in the case of Bearer Notes, where applicable, the holders of talons for further Coupons (the **Talons**) (the **Couponholders**) are deemed to have notice of all of the provisions of the Agency Agreement and the Deed of Covenant (as defined below) applicable to them.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the **Deed of Covenant**) dated 29 July 2020 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A.

As used in these Conditions, **Tranche** means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of the Paying Agents.

1. Form, Denomination and Title

The Notes are issued in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**) as specified in the relevant Final Terms in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown hereon.

Definitive Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Title to the Bearer Notes, Coupons and Talons shall pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bearer Note, Coupon, Talon or Registered Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

In these Conditions, **Noteholder** means the bearer of any Bearer Note or the holder of a Registered Note (as applicable), **holder** means (in relation to a Bearer Note, Coupon or Talon) the bearer of any Bearer Note, Coupon or Talon and (in relation to a Registered Note) the registered holder thereof and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. Status

The Notes and the Coupons constitute (subject to Condition 3) unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 3, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

3. Negative Pledge

So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer 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 the Notes 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 Agency Agreement) of the Noteholders.

In these Conditions:

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 (RTA), Dubai Airports, Dubai Electricity and Water Authority (DEWA), Investment Corporation of Dubai (ICD), Department of Petroleum Affairs and the Dubai Financial Support Fund (DFSF) 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 Issuer 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 Issuer 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 Issuer in relation to assets operated by any Financially Independent Entity;

(c) any Security Interest created or granted by the Issuer 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 Notes;

(e) any Security Interest existing on any property or assets prior to the acquisition thereof by the Issuer 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 trust certificates, whether or not in return for consideration of any kind, 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; 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 Issuer 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 Issuer in respect of any default by any person under the securitisation.

4. Interest and other Calculations

(a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(g).

(b) **Interest on Floating Rate Notes**:

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(g). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a

Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), **ISDA Rate** for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified hereon;

(y) the Designated Maturity is a period specified hereon; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period, unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), **Floating Rate**, **Calculation Agent**, **Floating Rate Option**, **Designated Maturity**, **Reset Date** and **Swap Transaction** have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(w) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

(x) if the Relevant Screen Page is not available or, if sub paragraph (w)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if subparagraph (w)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the Relevant Time, the Rate of Interest for such Interest Accrual Period shall be the Interpolated Screen Rate as determined by the Calculation Agent at the Relevant Time on the Interest Determination Date;

(y) if, in the case of paragraph (x) above, it is not possible to calculate an Interpolated Screen Rate, subject as provided below, the Calculation Agent shall request the office of each Reference Bank located in the Relevant Financial Centre to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the

Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the interbank market of the Relevant Financial Centre, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Fiscal Agent and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in the Relevant Centre, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

If the Rate of Interest cannot be determined because of the occurrence of a Benchmark Event, the Rate of Interest shall be calculated in accordance with the terms of Condition 4(e).

(c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).

(d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(e) **Benchmark Replacement:** Notwithstanding the other provisions of this Condition 4, if the Issuer determines that a Benchmark Event has occurred in relation to the relevant Reference Rate specified in the relevant Final Terms when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use its reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest 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 of Interest (or the relevant component part thereof) applicable to the Notes;

(ii) if (A) the Issuer is unable to appoint an Independent Adviser; or (B) the Independent Adviser appointed by the Issuer 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 4(e) prior to the relevant IA Determination Cut-Off Date, then the Issuer (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 of Interest (or the relevant component part thereof) applicable to the Notes 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 4(e) applying mutatis mutandis) to allow such determinations to be made by the Issuer 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 Interest Periods in respect of such Notes (subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(e));

(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);

(v) if any Successor Rate, Alternative Reference Rate and/or Adjustment Spread is determined in accordance with this Condition 4(e) and the Independent Adviser (following consultation with the Issuer) or the Issuer (acting in good faith and in a commercially reasonable manner), as applicable, determines: (A) that amendments to these Conditions (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Business Day Convention, Interest 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 Issuer and subject to delivery of a notice in accordance with Condition 4(e)(vi): (x) the Issuer shall vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice; and (y) the Agents shall (at the Issuer's expense), without any requirement for the consent or sanction of the Noteholders, be obliged to concur with the Issuer in effecting such Benchmark Amendments.

For the avoidance of doubt, no Agent shall be liable to the Noteholders or any other person for so acting or relying on such notice, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such Noteholder or person;

(i) following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and the specific terms of any Benchmark Amendments, the Issuer shall, at least ten Business Days prior to any such Benchmark Amendments taking effect, give notice to the Agents and, in accordance with Condition 15, the Noteholders 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);

(ii) if, following the occurrence of a Benchmark Event and in relation to the determination of the Rate of Interest (or the relevant component thereof) on the immediately following Interest Determination Date, no Successor Rate or Alternative Reference Rate (as applicable) is determined pursuant to this provision, then the Rate of Interest (or the relevant component part thereof) shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period). For the avoidance of doubt, this 4(e)(vii) shall apply to the relevant immediately following Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of and to adjustment as provided in, this Condition 4(e);

(iii) the Independent Adviser (if any) appointed pursuant to this Condition 4(e) shall act and make all determinations pursuant to this Condition 4(e) in good faith and the Independent Adviser shall act as an expert. In the absence of bad faith, wilful default or fraud, neither the Independent Adviser nor the Issuer shall have any liability whatsoever to the Fiscal Agent, the Noteholders or the Couponholders in connection with any determination made by it or, in the case of the Independent Adviser, for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4(e); and

(iv) notwithstanding any other provision of this Condition 4(e) 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 4, the Calculation Agent shall promptly notify the Issuer thereof and the Issuer, 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 Issuer 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.

(f) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding:**

(i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph;

(ii) if any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be; and

(iii) for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes **unit** means the lowest amount of such currency that is available as legal tender in the country of such currency.

(g) **Calculations:** The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest, the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination by the Day Count Fraction unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(h) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

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), as a result of the replacement of the relevant Reference Rate with the relevant Successor Rate or the relevant Alternative Reference Rate (as applicable), 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 Issuer) 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 Issuer) determines that no such spread, formula or methodology is customarily applied) the Independent Adviser (following consultation with the Issuer) 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 Issuer) determines that there is no such industry standard) the Independent Adviser (following consultation with the Issuer) or the Issuer (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 Issuer) determines has replaced the relevant Reference Rate in customary market usage in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (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 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 Notes; 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 no longer representative of an underlying market; or (vi) it has become unlawful for the Issuer, the Calculation Agent or any Paying Agent to calculate any payments due to be made to any Noteholder using the relevant Reference Rate, provided that, where the relevant Benchmark Event is a public statement (x) within sub-paragraphs (ii), (iii) and (iv) 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; and (y) within sub-paragraphs (v) above, the Benchmark Event shall occur on the date with effect from which the relevant Reference Rate will no longer be (or will be deemed by the relevant administrator to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement;

Business Day means:

(i) 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 each Additional Business Centre specified hereon;

(ii) if TARGET Settlement Day 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 (TARGET2) System is open; and

(iii) either (x) 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 and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (y) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

Day Count Fraction means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the **Calculation Period**):

(i) if "Actual/Actual" or "Actual/Actual - ISDA" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "Actual/365 (Fixed)" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(iii) if "Actual/365 (Sterling)" is specified hereon, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "Actual/360" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(v) if "30/360", "360/360" or "Bond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30.

(vi) if "30E/360" or "Eurobond Basis" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30

(vii) if "30E/360 (ISDA)" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation 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

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30

(viii) if "Actual/Actual (ICMA)" is specified hereon,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

Determination Period means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

Determination Date means the date specified as such hereon or, if none is so specified, the Interest Payment 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 Issuer at the Issuer's expense;

Interest Accrual Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

Interest Amount means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

Interest Commencement Date means the Issue Date or such other date as may be specified hereon;

Interest Determination Date means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, the day falling two Dubai Business Days prior to the first day of such Interest Accrual Period;

Interest Period means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

Interest Period Date means each Interest Payment Date unless otherwise specified hereon;

Interpolated Screen Rate means the rate (rounded to the same number of decimal places as the Reference Rate appearing on the Relevant Screen Page) which results from interpolating on a linear basis between:

(i) the applicable Reference Rate for the longest period (for which that Reference Rate is available) which is less than the relevant Interest Accrual Period; and

(ii) the applicable Reference Rate for the shortest period (for which that Reference Rate is available) which exceeds the relevant Interest Accrual Period,

each as of the Relevant Time on the relevant Interest Determination Date;

ISDA Definitions means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of this Note, unless otherwise specified hereon;

Rate of Interest means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

Reference Banks means major banks in the interbank market most closely connected with the Reference Rate selected by the Issuer;

Relevant Financial Centre means the Financial Centre specified as such hereon;

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;

Reference Rate means the rate specified as such hereon;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified hereon;

Relevant Time means the time specified as such hereon;

Specified Currency means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated; and

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

(j) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

5. Redemption, Purchase and Options

(a) **Final Redemption:**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) **Early Redemption:**

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(A) If the Early Redemption Amount payable in respect of any such Note upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Notes*: The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i) above) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(c) **Redemption at the Option of the Issuer**: If Call Option is specified hereon, the Issuer may, on giving not less than the minimum period nor more than the maximum period of notice to the Noteholders as specified hereon redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

(d) **Redemption at the Option of Noteholders**: If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than the minimum period nor more than the maximum period of notice to the Issuer as specified hereon redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit such Note (together with all unmatured Coupons and unexchanged Talons in the case of Bearer Notes) with any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), together with a duly completed option exercise notice (**Exercise Notice**) in the form obtainable from any Paying Agent or, as the case may be, the Registrar within the notice period. No Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(e) **Purchases**: The Issuer may at any time purchase Notes (provided that, in the case of Bearer Notes, all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(f) **Cancellation**: All Notes purchased by or on behalf of the Issuer may be surrendered for cancellation by surrendering each such Note (together with all unmatured Coupons and all unexchanged Talons in the case of Bearer Notes) to the Fiscal Agent and if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto in the case of Bearer Notes). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

6. Payments and Talons

(a) **Bearer Notes**: Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(e)(v)) or Coupons (in the case of interest, save as specified in Condition 6(e)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by transfer to an account denominated in such currency with a bank in the principal financial centre for such currency.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(b) **Registered Notes**: Payments of principal in respect of each Registered Note will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date at his address shown in the Register on such date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(c) **Payments Subject to Fiscal Laws**: All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) **Appointment of Agents**: The Fiscal Agent, the Paying Agents, the Calculation Agent, the Registrar and the Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Calculation Agent(s) and the Transfer Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Calculation Agent(s), the Registrar or the Transfer Agent and to appoint additional or other Paying Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) such other agents as may be required by any other stock exchange on which the Notes may be listed, (iv) a Registrar and (v) a Transfer Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (a) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(e) **Unmatured Coupons and unexchanged Talons**:

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note representing it, as the case may be.

(f) **Talons**: On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(g) **Payment only on a Business Day**: If any date for payment in respect of any Note or Coupon is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

7. Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the United Arab Emirates (the **UAE**) or any Emirate thereof or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) **Other connection**: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the UAE or any Emirate thereof or any political subdivision or authority thereof other than the mere holding of the Note or Coupon; or

(b) **Presentation more than 30 days after the Relevant Date**: presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day.

As used in these Conditions, **Relevant Date** in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) **principal** shall be deemed to include any premium payable in respect of the Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) **interest** shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) **principal** and/or **interest** shall be deemed to include any additional amounts that may be payable under this Condition.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9. Events of Default

If any of the following events (**Events of Default**) occurs and is continuing, the Fiscal Agent shall, upon receipt of written request to the Issuer at the specified office of the Fiscal Agent from holders of not less than 25 per cent. in aggregate outstanding principal amount of the Notes, declare all the Notes immediately due and payable, at their Early Redemption Amount together with accrued interest (if any), without further formality:

(i) **Non-Payment**: default is made for more than 30 days (in the case of interest) or 14 days (in the case of principal) in the payment on the due date of interest or principal in respect of any of the Notes; or

(ii) **Breach of Other Obligations**: the Issuer does not perform or comply with any one or more of its other obligations in the Notes which default is incapable of remedy or is not remedied within 45 days after notice of such default shall have been given to the Fiscal Agent at its specified office by any Noteholder; or

(iii) **Cross-Default**: (A) any other present or future Indebtedness or Sukuk Obligation of the Issuer 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 (howsoever 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 (iii) have occurred equals or exceeds U.S.$50,000,000 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

(iv) **Moratorium**: the Issuer shall enter into an arrangement with its creditors generally for the rescheduling or postponement of its debts, or a moratorium on the payment of principal of, or interest on, all or any part of the Indebtedness or Sukuk Obligation of the Issuer shall be declared; or

(v) **Unlawfulness or invalidity**: the validity of the Notes is contested by the Issuer or the Issuer shall deny any of its obligations under the Notes or as a result of any change in, or amendment to, the laws or regulations in the UAE or the Emirate of Dubai, which change or amendment takes place after the date on which agreement is reached to issue the first Tranche of the Notes, (i) it becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Agency Agreement or (ii) any of such obligations becomes unenforceable or invalid.

Upon such declaration by the Fiscal Agent, the Fiscal Agent shall give notice thereof to the Issuer and to the holders of Notes in accordance with Condition 15.

In these Conditions:

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); 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 trust certificates whether or not in return for consideration of any kind.

10. Meetings of Noteholders, Modification and Waiver

(a) Meetings of Noteholders, Modification and Waiver

(i) The Issuer may convene a meeting of the Noteholders at any time in respect of the Notes in accordance with the Agency Agreement. The Issuer will determine the time and place of the meeting. The Issuer will notify the Noteholders of the time, place and purpose of the meeting not less than 21 and not more than 45 clear days before the meeting.

(ii) The Issuer or the Fiscal Agent will convene a meeting of Noteholders if the holders of at least 10 per cent. in principal amount of the outstanding Notes (as defined in the Agency Agreement and described in Condition 10(i) below) have delivered a written request to the Issuer or the Fiscal Agent (with a copy to the Issuer) setting out the purpose of the meeting. The Fiscal Agent will agree the time and place of the meeting with the Issuer promptly. The Issuer or the Fiscal Agent, as the case may be, will notify the Noteholders 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.

(iii) The Issuer (with the agreement of the Fiscal Agent) will set the procedures governing the conduct of any meeting in accordance with the Agency Agreement. If the Agency Agreement does not include such procedures, or additional procedures are required, the Issuer and the Fiscal Agent 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 Issuer proposes any modification to the terms and conditions of, or action with respect to, two or more series of debt Securities Capable of Aggregation issued by it.

(iv) The notice convening any meeting will specify, *inter alia*;

(A) the date, time and location of the meeting;

(B) the agenda and the text of any Extraordinary Resolution to be proposed for adoption at the meeting;

(C) the record date for the meeting, which shall be no more than five business days before the date of the meeting;

(D) the documentation required to be produced by a Noteholder in order to be entitled to participate at the meeting or to appoint a proxy to act on the Noteholder's behalf at the meeting;

(E) any time deadline and procedures required by any relevant international and/or domestic clearing systems or similar through which the Notes are traded and/or held by Noteholders;

(F) whether Condition 10(b), Condition 10(c) or Condition 10(d) shall apply and, if relevant, in relation to which other series of debt securities it applies;

(G) if the proposed modification or action relates to two or more series of debt securities issued by the Issuer and contemplates such series of debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group of debt securities;

(H) such information that is required to be provided by the Issuer in accordance with Condition 10(f);

(I) the identity of the Aggregation Agent and the Calculation Agent (each as defined in this Condition 10), 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 10(g); and

(J) 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 debt securities.

(v) All information to be provided pursuant to Condition 10(a)(iv) shall also be provided, *mutatis mutandis*, in respect of Written Resolutions and Electronic Consents (as defined in Condition 10(b)).

(vi) A **record date** in relation to any proposed modification or action means the date fixed by the Issuer for determining the Noteholders and, in the case of a multiple series aggregation, the holders of debt 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.

(vii) 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.

(viii) 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.

(ix) Any reference to **debt securities** means any notes (including the Notes), bonds, debentures or other debt securities issued by the Issuer in one or more series with an original stated maturity of more than one year.

(x) **Debt Securities Capable of Aggregation** means those debt securities which include or incorporate by reference this Condition 10 and Condition 11 or provisions substantially in these terms which provide for the debt securities which include such provisions to be capable of being aggregated for voting purposes with other series of debt securities.

(b) **Modification of this Series of Notes only**

(i) Any modification of any provision of, or any action in respect of, the Notes, these Conditions, the Agency Agreement and/or the Deed of Covenant may be made or taken if approved by a Single Series Extraordinary Resolution or a Single Series Written Resolution as set out below.

(ii) A Single Series Extraordinary Resolution means a resolution passed at a meeting of Noteholders duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 10(a) by a majority of:

(A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the Notes for the time being outstanding; or

(B) in the case of a matter other than a Reserved Matter, more than 50 per cent. of the aggregate principal amount of the Notes for the time being outstanding.

(iii) A Single Series Written Resolution means a resolution in writing signed or confirmed in writing by or on behalf of the holders of:

(A) in the case of a Reserved Matter, at least 75 per cent. of the aggregate principal amount of the Notes for the time being outstanding; or

(B) in the case of a matter other than a Reserved Matter more than 50 per cent. of the aggregate principal amount of the Notes for the time being outstanding.

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 Noteholders.

(iv) Any Single Series Extraordinary Resolution duly passed or Single Series Written Resolution approved shall be binding on all Noteholders, 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 and on all Couponholders.

(c) Multiple Series Aggregation – Single limb voting:

(i) 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 Debt 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.

(ii) A **Multiple Series Single Limb Extraordinary Resolution** means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 10(a), as supplemented if necessary, which is passed by a majority of at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate).

(iii) 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 Debt 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 aggregate principal amount of the outstanding debt securities of all affected series of Debt 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 Noteholders or one or more holders of each affected series of debt securities.

(iv) 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 10, shall be binding on all Noteholders and holders of each other affected series of Debt 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, and on all Couponholders and couponholders (where applicable) of each other affected series of Debt Securities Capable of Aggregation.

(v) The **Uniformly Applicable** condition will be satisfied if:

(A) the holders of all affected series of Debt Securities Capable of Aggregation are invited to exchange, convert, or substitute their debt 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

(B) the amendments proposed to the terms and conditions of each affected series of Debt Securities Capable of Aggregation would, following implementation of such amendments, result in the amended instruments having identical provisions (other than provisions which are necessarily different, having regard to different currency of issuance).

(vi) It is understood that a proposal under Condition 10(c)(iii) above will not be considered to satisfy the Uniformly Applicable condition if each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation (or, where a menu of instruments or other consideration is offered, each exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation is not offered the same amount of consideration per amount of principal, the same amount of consideration per amount of interest accrued but unpaid and the same amount of consideration per amount of past due interest, respectively, as that offered to each other exchanging, converting, substituting or amending holder of each affected series of Debt Securities Capable of Aggregation electing the same option from such menu of instruments).

(vii) Any modification or action proposed under Condition 10(c)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 10(c) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(d) **Multiple Series Aggregation – Two limb voting:**

(i) 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 Debt 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.

(ii) A **Multiple Series Two Limb Extraordinary Resolution** means a resolution considered at separate meetings of the holders of each affected series of Debt Securities Capable of Aggregation, duly convened and held in accordance with the procedures prescribed by the Issuer and the Fiscal Agent pursuant to Condition 10(a), as supplemented if necessary, which is passed by a majority of:

(A) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

(iii) 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 Debt Securities Capable of Aggregation, in accordance with the applicable bond documentation) which, when taken together, has been signed or confirmed in writing by or on behalf of the holders of:

(A) at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all the affected series of Debt Securities Capable of Aggregation (taken in aggregate); and

(B) more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt Securities Capable of Aggregation (taken individually).

(iv) 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 10, shall be binding on all Noteholders and holders of each other affected series of Debt 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, and on all Couponholders and couponholders (where applicable) of each other affected series of Debt Securities Capable of Aggregation.

(v) Any modification or action proposed under Condition 10(d)(i) may be made in respect of some series only of the Debt Securities Capable of Aggregation and, for the avoidance of doubt, the provisions described in this Condition 10(d) may be used for different groups of two or more series of Debt Securities Capable of Aggregation simultaneously.

(e) **Reserved Matters:** In these Conditions, a **Reserved Matter** means any proposal:

(i) to change the date, or the method of determining the date, for payment of principal, interest or any other amount in respect of the Notes, to reduce or cancel the amount of principal, interest or any other amount payable on any date in respect of the Notes or to change the method of calculating the amount of principal, interest or any other amount payable in respect of the Notes on any date;

(ii) to change the currency in which any amount due in respect of the Notes is payable or the place in which any payment is to be made;

(iii) to change the majority required to pass an Extraordinary Resolution, a Written Resolution or any other resolution of Noteholders or the number or percentage of votes required to be cast, or the number or percentage of Notes required to be held, in connection with the taking of any decision or action by or on behalf of the Noteholders or any of them;

(iv) 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**;

(v) to change the definition of **debt securities** or **Debt Securities Capable of Aggregation**;

(vi) to change the definition of **Uniformly Applicable**;

(vii) to change the definition of **outstanding** or to modify the provisions of Condition 10(i);

(viii) to change the legal ranking of the Notes;

(ix) to change any provision of the Notes describing circumstances in which Notes may be declared due and payable prior to their scheduled maturity date, set out in Condition 9(i);

(x) to change the law governing the Notes, the courts to the jurisdiction of which the Issuer has submitted in the Notes, any of the arrangements specified in the Notes to enable proceedings to be taken or the Issuer's waiver of immunity, in respect of actions or proceedings brought by any Noteholder, set out in Condition 18;

(xi) to impose any condition on or otherwise change the Issuer's obligation to make payments of principal, interest or any other amount in respect of the Notes, including by way of the addition of a call option;

(xii) to modify the provisions of this Condition 10(e);

(xiii) except as permitted by any related guarantee or security agreement, to release any agreement guaranteeing or securing payments under the Notes or to change the terms of any such guarantee or security; or

(xiv) to exchange or substitute all the Notes for, or convert all the Notes into, other obligations or securities of the Issuer or any other person, or to modify any provision of these Conditions in connection with any exchange or substitution of the Notes for, or the conversion of the Notes into, any other obligations or securities of the Issuer or any other person, which would result in the Conditions as so modified being less favourable to the Noteholders which are subject to the Conditions as so modified than:

(A) the provisions of the other obligations or debt securities of the Issuer or any other person resulting from the relevant exchange or substitution or conversion; or

(B) if more than one series of other obligations or debt securities results from the relevant exchange or substitution or conversion, the provisions of the resulting series of debt securities having the largest aggregate principal amount.

(f) **Information:** Prior to or on the date that the Issuer proposes any Extraordinary Resolution or Written Resolution pursuant to Condition 10(b), Condition 10(c) or Condition 10(d), the Issuer shall publish in accordance with Condition 11, and provide the Fiscal Agent with the following information:

(i) a description of the Issuer's economic and financial circumstances which are, in the Issuer's opinion, relevant to the request for any potential modification or action, a description of the Issuer's existing debts and a description of its broad policy reform programme and provisional macroeconomic outlook;

(ii) if the Issuer 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;

(iii) a description of the Issuer's proposed treatment of external debt securities that fall outside the scope of any multiple series aggregation and its intentions with respect to any other debt securities and its other major creditor groups; and

(iv) if any proposed modification or action contemplates debt securities being aggregated in more than one group of debt securities, a description of the proposed treatment of each such group, as required for a notice convening a meeting of the Noteholders in Condition 10(a)(iv)(G).

(g) **Claims Valuation:** For the purpose of calculating the par value of the Notes and any affected series of debt securities which are to be aggregated with the Notes in accordance with Condition 10(c) and Condition 10(d), the Issuer may appoint a calculation agent (the **Calculation Agent**). The Issuer 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 par value of the Notes and such affected series of debt securities. In any such case where a Calculation Agent is appointed, the same person will be appointed as the Calculation Agent for the Notes and each other affected series of debt securities for these purposes, and the same methodology will be promulgated for each affected series of debt securities.

(h) **Manifest error, etc.:** The Notes, these Conditions and the provisions of the Agency Agreement may be amended by the Issuer without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature or it is not materially prejudicial to the interests of the Noteholders.

(i) **Notes controlled by the Issuer:** For the purposes of (a) determining the right to attend and vote at any meeting of Noteholders, 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 10 and (c) Condition 9, any Notes which are for the time being held by any person (including but not limited to the Issuer) for the benefit of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding.

In advance of any meeting of Noteholders, or in connection with any Electronic Consent or Written Resolution, the Issuer shall provide to the Fiscal Agent a copy of the certificate prepared pursuant to Condition 11(e) which includes information on the total number of Notes which are for the time being held by any person (including but not limited to the Issuer) for the benefit of the Issuer or any public body owned or controlled, directly or indirectly, by the Issuer and, as such, such Notes shall be disregarded and deemed not to remain outstanding. The Fiscal Agent shall make any such certificate available for inspection during normal business hours at its specified office and, upon reasonable request, will allow copies of such certificate to be taken.

(j) **Publication:** The Issuer 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 11(h).

(k) **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 Issuer's option by way of a mandatory exchange or conversion of the Notes and each other affected series of debt securities, as the case may be, into new debt securities containing the modified terms and conditions if the proposed mandatory exchange or conversion of the Notes is notified to Noteholders at the time notification is given to the Noteholders as to the proposed modification or action. Any such exchange or conversion shall be binding on all Noteholders and Couponholders.

(l) **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 Noteholders. For so long as any Notes are in the form of a global Note held on behalf of one or more of Euroclear or Clearstream, Luxembourg or any other clearing system (the **relevant clearing system(s)**), then:

(i) approval of a resolution proposed by the Issuer 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 (x) by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders or (y) (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 10(b), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding Notes in the case of a Reserved Matter or more than 50 per cent. of the aggregate principal amount of the outstanding Notes, 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 10(c), the persons holding at least 75 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate);

(C) in respect of a proposal that falls within paragraphs (b) and (c) of Condition 10(d), (x) the persons holding at least 66.67 per cent. of the aggregate principal amount of the outstanding debt securities of all affected series of Debt Securities Capable of Aggregation (taken in aggregate); and (y) the persons holding more than 50 per cent. of the aggregate principal amount of the outstanding debt securities in each affected series of Debt 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 Noteholders shall specify, in sufficient detail to enable Noteholders 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 Noteholders that the resolution will be proposed again on such date and for such period as shall be agreed with the Issuer (unless the Issuer is the Proposer). Such notice must inform Noteholders 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 Issuer 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.

(ii) Where Electronic Consent has not been sought, for the purposes of determining whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the relevant clearing system(s) with entitlements to any global Note 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 Issuer 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 Notes is clearly identified together with the amount of such holding. The Issuer shall not 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 (iv) of Condition 10(a) 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 10(l) shall take effect as an Extraordinary Resolution and (ii) will be binding on all Noteholders and Couponholders, whether or not they participated in such Written Resolution and/or Electronic Consent, even if the relevant consent or instruction proves to be defective.

11. Aggregation Agent; Aggregation Procedures

(a) **Appointment:** The Issuer will appoint an aggregation agent (the **Aggregation Agent**) to calculate whether a proposed modification or action has been approved by the required principal amount outstanding of Notes, and, in the case of a multiple series aggregation, by the required principal amount of outstanding debt securities of each affected series of debt securities. 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 or the Agency Agreement in respect of the Notes and in respect of the terms and conditions or documentation in respect of each other affected series of debt securities. The Aggregation Agent shall be independent of the Issuer.

(b) **Extraordinary Resolutions:** If an Extraordinary Resolution has been proposed at a duly convened meeting of Noteholders to modify any provision of, or action in respect of, these Conditions and the terms and conditions or documentation of each other affected series of debt securities, 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 aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, 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.

(c) 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 and the terms and conditions or documentation of each other affected series of debt securities, 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 aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, 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.

(d) 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 and the terms and conditions or documentation of each other affected series of debt securities, 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 aggregate principal amount of the outstanding Notes and, where relevant, each other affected series of debt securities, 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.

(e) Certificate: For the purposes of Condition 11(b) and Condition 11(c), the Issuer 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 10(b), Condition 10(c) or Condition 10(d), as applicable, and, with respect to a Written Resolution, the date arranged for the signing of the Written Resolution.

The certificate shall:

(i) list the total principal amount of Notes and, in the case of a multiple series aggregation, the total principal amount of each other affected series of debt securities outstanding on the record date; and

(ii) clearly indicate the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities which shall be disregarded and deemed not to remain outstanding as a consequence of Condition 10(i) on the record date identifying the holders of the Notes and, in the case of a multiple series aggregation, debt securities of each other affected series of debt securities.

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

(f) Notification: The Aggregation Agent will cause each determination made by it for the purposes of Condition 10 and this Condition 11 to be notified to the Fiscal Agent and the Issuer as soon as practicable after such determination. Notice thereof shall also promptly be given to the Noteholders.

(g) Binding nature of determinations; no liability: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 11 by the Aggregation Agent and any appointed Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Fiscal Agent and the Noteholders 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.

(h) Manner of publication: The Issuer will publish all notices and other matters required to be published pursuant to this Condition 11, including any matters required to be published pursuant to Condition 9, Condition 10 and Condition 12:

(i) through the systems of Clearstream, Luxembourg or Euroclear and/or any other international or domestic clearing system(s) through which the Notes are for the time being cleared and otherwise in accordance with Condition 15; and

(ii) in such other places and in such other manner as may be required by applicable law or regulation.

12. Noteholders' Committee

(a) Appointment

(i) Holders of at least 25 per cent. of the aggregate principal amount of the outstanding debt securities of all series of affected debt securities (taken in aggregate) may, by notice in writing to the Issuer (with a copy to the Fiscal Agent), appoint any person or persons as a committee to represent the interests of such holders (as well as the interests of any holders of outstanding debt securities who wish to be represented by such a committee) if any of the following events has occurred:

(A) an Event of Default under Condition 9;

(B) any event or circumstance which could, with the giving of notice, lapse of time, the issuing of a certificate and/or fulfilment of any other requirement provided for in Condition 9 become an Event of Default;

(C) any public announcement by the Issuer, to the effect that the Issuer is seeking or intends to seek a rescheduling or restructuring of the Notes or any other affected series of debt securities (whether by amendment, exchange offer or otherwise); or

(D) with the agreement of the Issuer, at a time when the Issuer has reasonably reached the conclusion that its debt may no longer be sustainable whilst the Notes or any other affected series of debt securities are outstanding.

(ii) Upon receipt of a written notice that a committee has been appointed in accordance with Condition 12(a)(i), and a certificate delivered pursuant to Condition 12(d) the Issuer shall give notice of the appointment of such a committee to:

(A) all Noteholders in accordance with Condition 15; and

(B) the holders of each affected series of debt securities in accordance with the terms and conditions of such affected series of debt securities, as soon as practicable after such written notice and such certificate are delivered to the Issuer.

(b) **Powers:** Such committee in its discretion may, among other things:

(i) engage legal advisers and financial advisers to assist it in representing the interests of the Noteholders;

(ii) adopt such rules as it considers appropriate regarding its proceedings;

(iii) enter into discussions with the Issuer and/or other creditors of the Issuer; and

(iv) designate one or more members of the committee to act as the main point(s) of contact with the Issuer and provide all relevant contact details to the Issuer.

Except to the extent provided in this Condition 12(b), such committee shall not have the ability to exercise any powers or discretions which the Noteholders could themselves exercise.

(c) **Engagement with the committee and provision of information:**

(i) The Issuer shall:

(A) subject to Condition 12(c)(ii), engage with the committee in good faith;

(B) provide the committee with information equivalent to that required under Condition 10(f) and related proposals, if any, in each case as the same become available, subject to any applicable information disclosure policies, rules and regulations; and

(C) pay any reasonable fees and expenses of any such committee (including without limitation, the reasonable and documented fees and expenses of the committee's legal and financial advisers, if any) following receipt of reasonably detailed invoices and supporting documentation.

(ii) If more than one committee has been appointed by holders of affected series of debt securities in accordance with the provisions of this Condition 12 and/or equivalent provisions set out in the terms and conditions of any affected series of debt securities, the Issuer shall not be obliged to engage with such committees separately. Such committees may appoint a single steering group (to be comprised of representatives from such committees), whereupon the Issuer shall engage with such steering group.

(d) **Certification:** Upon the appointment of a committee, the person or persons constituting such a committee (the **Members**) will provide a certificate to the Issuer and to the Fiscal Agent signed by the authorised representatives of the Members, and the Issuer and the Fiscal Agent may rely upon the terms of such certificate.

The certificate shall certify:

(i) that the committee has been appointed;

(ii) the identity of the Members; and

(iii) that such appointment complies with the terms and conditions of the relevant bond documentation.

Promptly after any change in the identity of the Members, a new certificate which each of the Issuer and the Fiscal Agent may rely on conclusively, will be delivered to the Issuer and the Fiscal Agent identifying the new Members. Each of the Issuer and the Fiscal Agent will assume that the membership of the committee has not changed unless and until it has received a new certificate.

The provisions of this Condition 12(d) shall apply, *mutatis mutandis*, to any steering group appointed in accordance with Condition 12(c)(ii).

In appointing a person or persons as a committee to represent the interests of the Noteholders, the Noteholders may instruct a representative or representatives of the committee to form a separate committee or to join a steering group with any person or persons appointed for similar purposes by other affected series of debt securities.

13. Replacement of Notes, Coupons and Talons

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Coupons or Talons) or such other Paying Agent, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, or the Registrar (in the case of Registered Notes), in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such notes to **Issue Date** shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to **Notes** shall be construed accordingly.

15. Notices

Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in Dubai (which is expected to be the Financial Times). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer shall only constitute a discharge to the Issuer to the extent of the amount in the currency of payment under the relevant Note or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note or Coupon, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer shall indemnify the recipient against the cost of making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's other obligations and shall give rise to a separate and independent cause of action.

17. Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. Governing Law, Dispute Resolution and Waiver

(a) Governing law: The Agency Agreement, the Deed of Covenant, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes (including the remaining provisions of this Condition 18), the Coupons, are and shall be governed by, and construed in accordance with, English law.

(b) Agreement to arbitrate: Subject to Condition 18(c), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes (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 LCIA Arbitration Rules (the Rules), which Rules (as amended from time to time) are incorporated by reference into this Condition. For these purposes:

(i) the place of arbitration shall be Paris;

(ii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and

(iii) the language of the arbitration shall be English.

(c) Option to litigate: Notwithstanding Condition 18(b) above, any Noteholder may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

(i) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(ii) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If any Noteholder gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 18(d) and, subject as provided below, any arbitration commenced under Condition 18(b) in respect of that Dispute will be terminated. 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 relevant Noteholder must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the 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:

(i) 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;

(ii) his entitlement to be paid his proper fees and disbursements; and

(iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

(d) Effect of exercise of option to litigate: In the event that a notice pursuant to Condition 18(c) is issued, the following provisions shall apply:

(i) subject to paragraph (iii) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts;

(ii) the Issuer 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

(iii) this Condition 18(d) is for the benefit of the Noteholders only. As a result, and notwithstanding paragraph (i) above, any Noteholder may take proceedings relating to a Dispute (Proceedings) in any other courts with jurisdiction. To the extent allowed by law, the Noteholders may take concurrent Proceedings in any number of jurisdictions.

(e) **Appointment of Process Agent**: The Issuer has appointed Maples and Calder at its registered office at 11th Floor, 200 Aldersgate Street, London EC1A 4HD 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 Maples and Calder 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 Issuer agrees 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.

(f) **Waiver of immunity**: To the extent that the Issuer may in any jurisdiction claim for itself or its revenues, assets or properties invested in financial, commercial or industrial activities or deposited in banks (**Sovereign Assets**) immunities from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or legal process, in all cases related to these Conditions, and to the extent that in any such jurisdiction there may be attributed to itself or its Sovereign Assets such immunity (whether or not claimed), the Issuer hereby irrevocably agrees for the benefit of the Noteholders not to claim and hereby irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction. In addition, to the extent that the Issuer or any of its Sovereign Assets shall be entitled in any jurisdiction to any immunity from set-off or any similar right or remedy, and to the extent that there shall be attributed, in any jurisdiction, such an immunity, the Issuer hereby irrevocably agrees not to claim and irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction with respect to any claim, suit, action, proceeding, right or remedy arising out of or in connection with the Notes and the Coupons.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. Initial Issue of Notes

Global Notes may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the **Common Depositary**) Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2. Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (**Alternative Clearing System**) as the holder of a Note represented by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer or holder of such Global Note (as applicable), and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer or holder of such Global Note (as applicable) in respect of each amount so paid.

3. Exchange

3.1 Temporary Bearer Global Notes

Each Temporary Bearer Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole or in part upon certification as to non-U.S. beneficial ownership in the form required from time to time by Euroclear, Clearstream, Luxembourg and/or such Alternative Clearing System (as the case may be) for interests in a Permanent Bearer Global Note or, if so provided in the relevant Final Terms, for Definitive Bearer Notes.

3.2 Permanent Bearer Global Notes

Each Permanent Bearer Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.5 below, in part for Definitive Bearer Notes if: (i) the Permanent Bearer Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Permanent Bearer Global Note is exchanged for Definitive Bearer Notes, such Definitive Bearer Notes shall be issued in Specified Denomination(s) only.

3.3 Partial Exchange of Permanent Bearer Global Notes

For so long as a Permanent Bearer Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Bearer Global Note will be exchangeable in part on one or more occasions for Definitive Bearer Notes if principal in respect of any Notes is not paid when due.

3.4 Registered Global Notes

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that: (i) the Registered Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or (ii) principal in respect of any Notes is not paid when due. The Issuer will promptly give notice to Noteholders in accordance with Condition 15 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg or any Alternative Clearing System (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

3.5 Delivery of Notes

On or after any due date for exchange the holder of a Bearer Global Note may surrender such Bearer Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Bearer Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note, deliver, or procure the delivery of, a Permanent Bearer Global Note in an aggregate nominal amount equal to that of the whole or that part of a Temporary Bearer Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Bearer Global Note to reflect such exchange or (ii) in the case of a Bearer Global Note exchangeable for Definitive Bearer Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Bearer Notes. Definitive Bearer Notes will be security printed in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Bearer Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Bearer Notes.

So long as the Notes are represented by a Temporary Bearer Global Note or a Permanent Bearer Global Note and Euroclear or Clearstream, Luxembourg or an Alternative Clearing System so permit, the Notes will be tradeable only in the minimum authorised denomination of €100,000 and higher integral multiples of €1,000, notwithstanding that no Definitive Bearer Notes will be issued with a denomination above €199,000. The option to issue Temporary Bearer Global Notes exchangeable for Definitive Bearer Notes on and after the Exchange Date, will not be used for Notes that have denominations that include a higher integral multiple of a smaller amount.

Whenever a Registered Global Note is to be exchanged for Definitive Registered Notes, the Issuer shall procure that Definitive Registered Notes will be issued in an aggregate nominal amount equal to the nominal amount of the Registered Global Note within five business days of the delivery, by or on behalf of the holder of the Registered Global Note to the Transfer Agent of such information as is required to complete and deliver such Definitive Registered Notes (including, without limitation, the names and addresses of the persons in whose names the Definitive Registered Notes are to be registered and the nominal amount of each such person's holding) against the surrender of the Registered Global Note at the specified office of the Transfer Agent. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

3.6 Exchange Date

Exchange Date means, in relation to a Temporary Bearer Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Bearer Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4. Amendment to Conditions

The Temporary Bearer Global Notes, Permanent Bearer Global Notes and Registered Global Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

4.1 Calculation of Interest

Subject as provided in the relevant Global Note (and provided that such Global Note bears interest), interest will be paid in respect of the relevant Notes from the Interest Commencement Date (as defined in Condition 4) in arrear at the rates, on the dates for payment, and in accordance with the methods of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of such Notes, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

4.2 Payments

No payment falling due after the Exchange Date will be made on any Bearer Global Note unless exchange for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused. Payments on any Temporary Bearer Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form required from time to time by Euroclear, Clearstream, Luxembourg and/or such Alternative Clearing System (as the case may be). All payments in respect of Notes represented by a Bearer Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of such Bearer Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose.

A record of each payment made will be endorsed on the appropriate schedule to the relevant Bearer Global Note by or on behalf of the Fiscal Agent and shall be *prima facie* evidence that payment has been made. Condition 6(e)(v) and Condition 7(d) will apply to the Definitive Bearer Notes only.

For the purposes of any payments made in respect of a Temporary Bearer Global Note, Permanent Bearer Global Note or Registered Global Note, the words "the relevant place of presentation and" shall not apply in the definition of "Business Day" where used in Condition 6(g).

Payments under the Registered Global Note will be paid to the holder shown on the Register at the close of business on the business day (being for this purpose a day on which Euroclear or Clearstream, Luxembourg or the relevant Alternative Clearing System are open for business) before the relevant payment date. Upon any payment of any amount payable under the Conditions on the Registered Global Note the amount so paid shall be entered by the Registrar on the Register, which entry shall constitute prima facie evidence that the payment has been made.

Each person (other than another clearing system) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System as a holder of a particular principal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or an Alternative Clearing System as to the outstanding principal amount of such Notes 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 as the holder of such aggregate principal amount of such Notes for all purposes other than with respect to any payments on the Notes, for which purpose the Holder shall be deemed to be the holder of such aggregate principal amount of the Notes in accordance with and subject to the terms of this Registered Global Note.

Distributions of amounts with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Fiscal Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

4.3 Prescription

Claims against the Issuer in respect of Notes that are represented by a Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

4.4 Meetings

For the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes.

4.5 Cancellation

Cancellation of any Note represented by a Permanent Bearer Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Permanent Bearer Global Note. Cancellation of any Note represented by a Registered Global Note will be effected by reduction in the aggregate nominal amount of the Notes in the Register.

4.6 Purchase

Notes represented by a Global Note may only be purchased by the Issuer if they are purchased together with the rights to receive all future payments of interest (if any) thereon.

4.7 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System (as the case may be).

4.8 Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Note may be exercised by the holder of the Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent.

4.9 Events of Default

Subject to Condition 9, the holder of a Global Note may exercise the right to declare Notes represented by such Global Note due and payable under Condition 9 by stating in the notice to the Fiscal Agent the nominal amount of Notes (which may be less than the outstanding nominal amount thereof) to which such notice relates.

In the event that a Global Note (or any part of it) has become due and repayable in accordance with the Conditions or that the Maturity Date has occurred and, in either case, payment in full of the amount due has not been made to the bearer or registered holder (as applicable) in accordance with the provisions set out above then that Global Note will become void at 8.00 p.m. (London time) on the day immediately following such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear, Clearstream, Luxembourg and/or any Alternative Clearing System (as the case may be) will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of the Deed of Covenant.

4.10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions (provided, however, that the Issuer complies with the rules of any stock exchange or other relevant authority on which the Notes are then listed or admitted to trading, as the case may be) or by delivery of the relevant notice to the holder of the Global Note.

Whilst any Notes held by a Noteholder are represented by a Global Note, notices to be given by such Noteholder may be given by such Noteholder to the Fiscal Agent through Euroclear, Clearstream, Luxembourg, and/or an Alternative Clearing System, as the case may be, in such a manner as the Fiscal Agent and Euroclear and/or Clearstream, Luxembourg, and/or an Alternative Clearing System, as the case may be, may approve for this purpose.

USE OF PROCEEDS

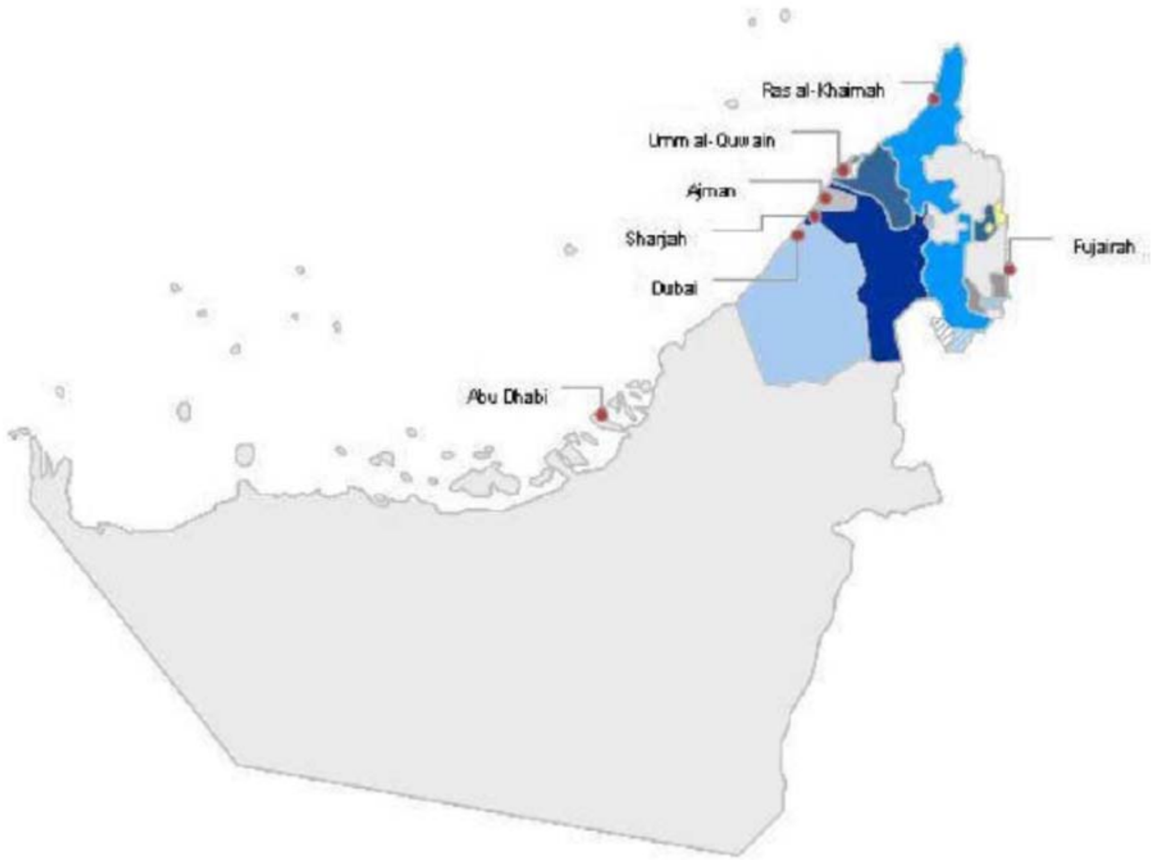
The net proceeds from the issue of each Tranche will be applied by the Issuer for infrastructure, financing and general budgetary purposes.

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 Khalifa 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 (km^2) 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 Mussandum peninsula to the Gulf of Oman in the East, covering an area of 71,023 km^2 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. 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 2018 and 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 3.4 million as at 31 December 2019.

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	2010	2018
Total UAE population	1,379,303	2,411,041	4,106,427	8,264,070(1)	9,367,000(1)
Dubai population	370,788	689,420	1,321,453	1,905,476	3,192,275

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

Note:
(1) FCSA estimates.

Population of Dubai:

The following table sets out the estimated population of Dubai as at 31 December in each of the years 2016 to 2019:

	2016	2017	2018	2019
Total population	2,698,600	2,976,455	3,192,275	3,355,900

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 2019, approximately 69.5 per cent. of the population was estimated to be male and 30.5 per cent. female, reflecting the large male expatriate workforce.

As at 31 December 2019, it was estimated that approximately 18.0 per cent. of the population of Dubai was 19 years of age or under, 24.5 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 97.6 per cent. in 2019.

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. 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 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 the Deputy Prime Minister 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 second FNC elections were held in September 2011, following the issuance of new electoral guidelines by the National Election Commission in May 2011, addressing the methods of selection of representatives to the FNC, the role of the National Election Commission and its sub-committees and general rules on the elections, nominations, campaign, filing of appeals and timeline for the electoral process. On 24 September 2011, 468 candidates stood for election to the 20 elected positions on the FNC, with a voter turnout across the UAE of 35,877, or 27.8 per cent. of an expanded electoral college of 129,274.

The third FNC elections were held on 3 October 2015, when 330 candidates stood for election to the 20 elected positions on the FNC, with a voter turnout across the UAE of 79,157, or 35.3 per cent. of an expanded electoral college of 224,279.

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.

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 Sharia (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 and Courts 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 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.

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. Key aspects of 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**), the DIFC-LCIA Arbitration Centre, the Abu Dhabi Commercial Conciliation and Arbitration Centre (**ADCCAC**) and the Emirates Maritime

Arbitration Centre (the **EMAC**). These arbitration centres provide parties with various options regarding, among other things, specialist expertise (for instance, the EMAC is a specialist centre for resolving maritime disputes and setting maritime regulatory guidelines and standards), the language utilised during arbitration hearings and, in the case of the DIFC-LCIA Arbitration Centre, the application of common law principles.

In April 2019, the Ruler of Dubai issued Decree No. 17 of 2019 approving a new statute for DIAC (the **New DIAC Statute**), which replaced the previous DIAC statute and introduced changes to the DIAC's structure, the functions and authority of the relevant bodies of the DIAC. The New DIAC Statute also sets forth the process for implementing the new DIAC arbitration rules.

The DIFC also has its own Arbitration Law, which is based on the UNCITRAL Model Law. The DIFC Arbitration Institute, which is a division of the Dispute Resolution Authority, has oversight of the DIFC-LCIA Arbitration Centre, whose rules are closely modelled on the LCIA Arbitration Rules. See "*Economy of Dubai—Foreign Direct Investment and Free Zones—Dubai International Financial Centre*".

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.

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 Hamdan bin Rashid Al Maktoum and Sheikh Maktoum bin Mohammed 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 Economic Development (the **DED**) 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 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 Dubai Land Department, Dubai Airports Corporation, the DED and the Department of Tourism and Commerce Marketing. 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 January 2020, 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 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.

- *DED*: The DED is a regulatory and administrative body responsible for licensing and regulation of the business sector. All businesses operating in Dubai are required to be registered with and licensed by the DED. The DED also helps formulate the Government's policy in relation to economic planning and the promotion of Dubai as a business centre. The DED 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.

In addition to the above, Investment Corporation of Dubai (**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 Plan 2021

In December 2014, the Ruler of Dubai announced the launch of the Dubai Plan 2021, which outlines Dubai's development framework for the period from 2015 to 2021. The Dubai Plan 2021 was intended to align with UAE Vision 2021, a national development plan launched by the UAE Federal Government in 2010. The framework of the Dubai Plan 2021 comprises six themes that aim to define and describe Dubai in the year 2021: (i) "The People", a city of happy, creative and empowered people; (ii) "The Society", an inclusive and cohesive society; (iii) "The Experience", the preferred place to live, work and visit; (iv) "The Government", a pioneering and excellent Government; (v) "The Economy", a pivotal hub in the global economy; and (vi) "The Place", a smart and sustainable city. Each of these themes is described in more detail below, respectively.

The People

The Dubai Plan 2021 acknowledges that, for Dubai's economic success to be sustainable, its social development sector infrastructure must be developed. To ensure that its social development sector is prepared to deliver the services required, the Dubai Plan 2021 sets out a number of development aims and strategies for achieving those aims. In particular, these aims and strategies focus on:

- *Educated, Cultured and Healthy Individuals*: Encouraging individuals to take responsibility for their own well-being and that of their family, through proactive measures to manage their health and enhance their skills and ability to contribute to the economy and society of Dubai;

- *Productivity and Innovation*: Encouraging individuals to embody the mind-set and disposition of entrepreneurs and responsible citizens;

- *Happy Individuals Proud of their Culture*: Ensuring that individuals are generally satisfied with their life in Dubai, confident of their future and proud of their cultural origins; and

- *Cornerstone for Dubai's Development*: Increasing Emirati nationals' participation in the development of Dubai and supporting them in filling critical roles across various sectors, including social, economic, and urban development.

The Society

The Dubai Plan 2021's strategic vision for this sector is to create an inclusive and cohesive society. This sector focuses on celebrating the diversity of the population of Dubai to drive its development by harnessing the talents and creativity of its global and diverse population. In particular, these aims and strategies focus on:

- *Vibrant and Sustainable Multi-Cultural Society*: Ensuring that Dubai's population is economically and demographically sustainable and enriching the cultural environment through cultural events;

- *Tolerant and Inclusive Society Embracing Civic Values*: Ensuring equality and fairness within a society which values tolerance, and personal responsibility; and

- *Cohesive Families and Communities*: Ensuring that families and communities provide for personal development, including the raising of children inculcated with core values of personal responsibility, creativity and tolerance.

The Experience

The Dubai Plan 2021 focuses on developing an infrastructure suitable to ensure a high quality experience for its residents and visitors. In particular, there will be a focus on developing educational, health and housing services in Dubai, while also emphasising the need to develop entertainment and leisure facilities (such as parks, beaches and sports facilities that cater to residents and tourists). In particular, these aims and strategies focus on:

- *The Best Educational, Healthcare and Housing Services*: Increasing each socio-economic segment of society's access to high quality housing, education, and healthcare services and establishing Dubai as a preferred home for current and future residents by ensuring that the cost of living is globally competitive;

- *Rich Cultural Experience and Globally Distinctive Entertainment*: Ensuring that a diverse set of cultural and recreational services are provided to meet the needs of the population by, among other measures, developing green spaces, beaches, sporting facilities, entertainment options and cultural experiences, and making the city attractive and entertaining for residents and a popular destination for visitors; and

- *Secure Place*: Ensuring that Dubai is a safe and secure place to be and that any personal security concerns are dealt with efficiently and transparently by law enforcement authorities.

The Government

The Dubai Plan 2021 provides that the Government is an authority for the people and not over them. The Dubai Plan 2021 dedicates a theme to this principle, whereby people's satisfaction with Government services and policies are the primary measures for the Government's success. This theme also addresses the need to enhance Government efficiency and transparency in all aspects. In particular, these aims and strategies focus on:

- *Proactive and Creative in Meeting the Needs of Individuals and Society*: Strengthening the Government's strategic and forward-looking focus by engaging all stakeholders, to ensure that its policies and services meet the needs of society as a whole, in the present and the future. This strategy also aims to develop high quality Government services reflecting the individual activities and institutional requirements.

- *Sustainable and Innovative in the Management of its Resources*: Enhancing the Government's efficiency to ensure a culture of innovation and excellence in its approach to the management of public finances and the development of an integrated strategy across all Government entities to ensure the accumulation and continuity of knowledge and experience for the Government.

- *Transparent and Reliable*: Developing transparent Government processes and policies to ensure a fair and reliable application of all laws and regulations in order to preserve the rights of individuals and institutions.

The Economy

The Dubai Plan 2021 envisages Dubai enhancing its standing as a global business centre and to position Dubai as one of the top five centres globally for the trade, logistics, finance and tourism sectors. These sectors were identified based on their then current status, international competitiveness, Dubai's capacity to develop them and the availability of necessary enabling factors. The specific strategic approaches designed to achieve the Dubai Plan 2021's economic development goals are briefly described below:

- *Sustainable Economic Growth*: Moving Dubai to a new growth path that is resilient to disruptive shocks due to a diversified base of economic activity, innovation in business models and increasing productivity of labour and capital, while maintaining the focus on high value-added sectors that can boost overall economic growth;

- *Leading Business Centre Globally*: Develop Dubai's reputation as the trading centre at the heart of the Islamic economy by continuing to raise the productivity of economic sectors and maintaining high production quality standards; and

- *Business Friendly City and a Preferred Investment Destination*: Establishing Dubai as a preferred investment destination for foreign capital.

The Place

The Dubai Plan 2021's strategic focus for this sector is to build a fully connected and integrated infrastructure that ensures easy mobility for all residents and tourists, and provides easy access to all economic centres. Within this context, the Government aims to provide a sustainable, balanced infrastructure that ensures availability of clean energy sources while protecting natural resources such as soil, water, and air. In particular, these aims and strategies focus on:

- *Smart, Integrated and Connected City*: Developing an efficient infrastructure that supports the economic and social life of Dubai, and that allows for future growth of the city;

- *Sustainable with Resources*: ensuring that Dubai uses resources sustainably and in accordance with international best practice levels;

- *Clean, Healthy and Sustainable Environment*: Maintaining Dubai as a clean, attractive and sustainable environment; and

- *Safe and Resilient Environment*: Updating and developing safety standards across a number of sectors, including, but not limited to, building and transport safety codes and emergency services and crisis and disaster response capabilities.

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 will take the lead in six sectors: (i) the economy; (ii) services for citizens; (iii) governmental development; (iv) infrastructure; (v) justice and security; and (vi) health and knowledge. The Dubai Council will lead change in Dubai, oversee the economic and social governance in and ensure Dubai's global competitiveness, economic leadership and attractiveness to become among the best cities in the world. The Dubai Council has announced that it has approved the development of a plan of 50 goals for Dubai for the next five years, which will be announced in due course.

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 first and second deputy chairs, respectively. The deputy chairs will oversee the vision of the Dubai Council and establish the developmental agenda to ensure the best quality of life for citizens and residents of Dubai and visitors to Dubai. Additionally, six commissioners-general have been appointed to oversee the strategic growth pillars.

The Dubai Council will oversee the launch of major projects in the emirate, work on introducing new development sectors and foresee future global opportunities. The Dubai Council will also oversee the governance of the government and semi-government companies. In the meantime, the Executive Council will remain responsible for following up on the implementation of strategies, managing Government performance and ensuring high-quality services.

Each Dubai Council member will monitor the progress of a group of government entities and departments and follow up the status of implementation of objectives. Advisory boards comprising seven members (from the public and private sector) shall be set up for each pillar, and will present ideas and suggestions and report observations to the Dubai Council on the work of each pillar to ensure transparency, consolidate the sense of responsibility and involve expertise in the decision-making process. Agreements shall be signed with Directors-General of Government departments in Dubai and approved by the Dubai Council, which will state the objectives and projects of every Government department.

Measures taken in the UAE in response to the COVID-19 pandemic

Since December 2019, a significant increase in the number of cases of COVID-19 has been reported worldwide. Initially reported in China, COVID-19 has spread across other countries, resulting in reported infections and deaths in numerous countries. On 30 January 2020, the WHO declared COVID-19 a public health emergency of international concern and, on 11 March 2020, the WHO declared COVID-19 a global pandemic. The COVID-19 pandemic has caused significant disruption to the global economy and Dubai's economy and may cause further disruption. See "*Risk Factors— Risk factors relating to the Government and the UAE—The COVID-19 pandemic has caused significant disruption to the global economy and Dubai's economy and may cause further disruption*". As a result of the COVID-19 pandemic, the Government has also revised its 2020 budget, resulting in a revised budget deficit of AED 11.9 billion for 2020 (see further "*Public Finance—Budget 2020 details*").

In response to the COVID-19 pandemic, the UAE Federal Government and the Government implemented a number of measures with the aim of minimising the adverse impact and mitigate the overall loss to the economy of the UAE and Dubai. To prevent community spread of the virus, the UAE Federal Government and the Government initially implemented necessary strict measures to restrict social gatherings and to maintain social distancing, including closing of all government offices, schools, colleges and universities, limiting shop opening hours, and imposing curfews. The UAE Federal Government also initially implemented a travel ban on non-Emirati residents, other than certain limited repatriation flights. A number of these precautionary and preventative measures have since been partially lifted and/or relaxed, including a gradual reopening of businesses and workplaces and the lifting of travel restrictions. On 21 June 2020, the Government announced that Dubai residents would be permitted to return to Dubai from 22 June 2020, Dubai residents would be permitted to travel abroad from 23 June 2020 and visitors and tourists would be permitted to enter Dubai from 7 July 2020, in each case, subject to certain precautionary measures, such as mandatory COVID-19 testing.

Commencing from 26 March 2020, the UAE Federal Government implemented a National Disinfection Programme, during which all residents of the UAE were required to stay at home, other than for essential services such as food and medicines, medical emergencies and testing for COVID-19. From 24 April 2020, the UAE Federal Government began to ease restrictions on individuals and businesses, opening shops and restaurants, shortening curfews, and permitting limited movement between households. Under the eased restrictions, malls and restaurants are permitted to operate at reduced capacity and subject to certain restrictions. The Government has also implemented a framework for the gradual return to normalcy in Dubai, under which the Government sector and certain private-sector businesses and services have already returned to full capacity and other sectors are gradually returning to full capacity in a phased manner. In the meantime, the Government has imposed strict operational guidelines across all sectors, including airports, transport, hotels, restaurants, retail, leisure and entertainment, in order to prevent, detect, isolate and monitor new cases of COVID-19.

The UAE health authorities have implemented extensive preventative measures to protect public health in line with the WHO's rules and regulations, including temporary field hospitals and the introduction of advanced testing capabilities. The Government has also established the Centre for Coronavirus Control, which is mandated to prepare strategic plans and recommendations to combat pandemics, including COVID-19, and develop a rapid intervention plan in coordination with competent bodies in the public and private sectors.

While the UAE Federal Government is working to support UAE nationals and residents abroad, it is also providing humanitarian assistance to other countries to help contain the spread of COVID-19. The UAE also launched the "10 Million Meals" campaign, the nation's largest food distribution drive, to support low-income families and individuals affected by COVID-19. In addition, the UAE Federal Government has passed a new law with the objective of organising food supplies in the event of crises, emergencies and disasters, and achieving food sustainability.

On 15 March 2020, the UAE Central Bank introduced a AED 100 billion Targeted Economic Support Scheme (**TESS**) stimulus package, with the aim of providing temporary relief from the payments of principal and interest in respect of outstanding loans for all private sector companies. The TESS stimulus package comprises (i) an AED 50 billion fund distributed through zero per cent. interest collateralised loans for banks operating in the UAE, and (ii) freeing up AED 50 billion from banks' capital buffers to encourage further lending to private sector businesses in need of credit. The UAE Central Bank has also introduced a number of measures since the onset of the pandemic in order to mitigate the negative impact on the UAE banking and financial system. For additional information on measures introduced to support the banking and financial services sector, see "*Monetary and Financial System—Banking and Financial Services—UAE Central Bank Response to COVID-19 Pandemic*". The federal authorities in the UAE have also published new guidance and legislation to support private sector employers against the backdrop of the COVID-19 pandemic, including two UAE ministerial resolutions covering redundancy, restructuring and remote working in March 2020.

On 12 March 2020, the Government announced its own AED 1.5 billion, three-month stimulus package for Dubai, comprising 15 key initiatives intended to aid Dubai's businesses navigate the potential impact of COVID-19, including reducing customs fees and municipality fees. On 29 March 2020, the Dubai Free Zones Council announced a AED 3.3 billion stimulus package, which included temporary rebates and/or deferments on licencing, registration and visa fees and rental payments in Dubai's free zones. On 11 July 2020, the Government announced an additional AED 1.5 billion stimulus package for Dubai, comprising 18 key initiatives including the waiver and/or reduction of certain penalties, the return of financial guarantees for construction sector activities, and a temporary 50 per cent. refund of municipality and tourist fees to restaurants and hotels. Together, these three stimulus packages for Dubai amount to an aggregate of AED 6.3 billion.

As a result of the COVID-19 pandemic, the World Expo's governing body's member states voted to confirm a one-year postponement to Dubai Expo 2020. The event will now run from 1 October 2021 to 31 March 2022 (see "*Economy of Dubai—Tourism—Dubai Expo 2020*").

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. There can be no assurance as to when diplomatic relations will be restored or when air, land and sea connections will be reopened with Qatar.

ECONOMY OF DUBAI

Introduction

Dubai has a diversified economy which has demonstrated consistent growth in recent years, with real GDP increasing by 3.1 per cent. in 2016, 3.1 per cent. in 2017, 2.1 per cent. in 2018 and 2.2 per cent. in 2019. 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 (which includes oil and gas activity) sector accounting for only 1.6 per cent. of Dubai's real GDP in 2019.

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 (which includes automotive repair) sector has been the principal contributor to GDP in recent years, accounting for 26.6 per cent. of Dubai's real GDP in 2019 (representing 2.7 per cent. growth from the sector's contribution to Dubai's real GDP in 2018).

Other significant sectors for Dubai in recent years have been the transportation and storage, financial and insurance activities, manufacturing, real estate activities, construction, accommodation and food service activities, and public administration and defence sectors, representing 12.8 per cent., 9.9 per cent., 8.9 per cent., 7.2 per cent., 6.3 per cent., 5.1 per cent. and 5.0 per cent. of Dubai's real GDP in 2019, respectively. Of these sectors, significant growth has been seen in: (i) the transportation and storage sector (which grew by 5.9 per cent. as compared with its contribution to Dubai's real GDP in 2018, largely attributable to an increase in airport transport, handling and support activities); (ii) the accommodation and food service activities sector (which grew by 3.6 per cent. as compared with its contribution to Dubai's real GDP in 2018, largely attributable to an increase in international visitors and growth in the number of guest nights, which led to an increase in overall food and beverage activities); and (iii) the real estate activities sector (which grew by 3.3 per cent. as compared with its contribution to Dubai's real GDP in 2018, owing in large part to an increased number of the residential unit contracts due to the rise in organic growth of Dubai's population and the correction in real estate prices).

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 initiatives include specific high profile developments initiated by the Government, 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 the adoption of the new FDI Law (see "*—Foreign Direct Investment and Free Zones*" below), new visa rules, such as the "golden card" and long-term investor visa schemes (see "*—Accommodation and Food Services—Tourism*" below), the introduction of electronic business licenses by the DED, 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 2019, a number of banks in the UAE have announced increases in their foreign ownership limits, including First Abu Dhabi Bank (from 25 per cent. to 40 per cent.), Dubai Islamic Bank (from 25 per cent. to 40 per cent.), Abu Dhabi Islamic Bank (from 25 per cent. to 40 per cent.), Emirates NBD (from 5 per cent. to 20 per cent.), Mashreqbank (from 25 per cent. to 49 per cent.) and Commercial Bank of Dubai (from 0 per cent. to 40 per cent.). Along with the adoption of the new FDI Law, 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 in this respect 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 2016 to 2019.

	2016	2017	2018	2019
UAE Nominal GDP (*AED millions*)	1,311,248	1,416,136	1,550,585	1,546,645
UAE Nominal GDP Growth Rates (*per cent.*)	(0.3)	8.0	9.5	(0.3)
Dubai Nominal GDP (*AED millions*)	395,835	411,589	421,201	432,347
Dubai Nominal GDP Growth Rates (*per cent.*)	1.8	4.0	2.3	2.6

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 2016 to 2019.

	2016	2017	2018	2019
UAE Real GDP (*AED millions*)	1,411,057	1,417,983	1,461,737	1,486,281
UAE Real GDP Growth Rates (*per cent.*)	3.0	0.5	3.1	1.7
Dubai Real GDP (*AED millions*)	378,765	390,543	398,559	407,424
Dubai Real GDP Growth Rates (*per cent.*)	3.1	3.1	2.1	2.2

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

The real GDP of Dubai in 2019 equalled 27.4 per cent. of the real GDP of the UAE in the same year. In 2018, 2017 and 2016, the equivalent proportions were 27.3 per cent., 27.5 per cent. and 26.8 per cent., respectively.

The FCSA has estimated that real GDP in the UAE for 2019 was AED 1,486.3 billion, representing a real GDP growth rate of 1.7 per cent. In 2018, according to the FCSA, real GDP in the UAE was AED 1,461.7 billion, representing a real GDP growth rate of 3.1 per cent.

Dubai's real GDP grew by 3.1 per cent., 3.1 per cent., 2.1 per cent. and 2.2 per cent. in 2016, 2017, 2018 and 2019, respectively, reaching AED 407.4 billion in 2019. Dubai's real GDP per capita in 2019 was approximately U.S.$33,058, based on an assumed population of 3,355,900 and an exchange rate of U.S.$1.00 = AED 3.6725.

Within Dubai, no single economic sector contributed more than 30 per cent. to total real GDP in the years 2016 through 2019, with the largest sector being the wholesale and retail trade sector, which contributed AED 108.5 billion, or 26.6 per cent., of the emirate's real GDP in 2019. Other significant contributors to real GDP in 2019 include the transportation and storage sector, which contributed AED 52.1 billion, or 12.8 per cent., to real GDP, the financial and insurance activities sector, which contributed AED 40.3 billion, or 9.9 per cent., to real GDP, the manufacturing sector, which contributed AED 36.2 billion, or 8.9 per cent., to real GDP, the real estate activities sector, which contributed AED 29.4 billion, or 7.2 per cent., to real GDP, the construction sector, which contributed AED 25.6 billion, or 6.3 per cent., to real GDP, the accommodation and food service activities sector, which contributed AED 20.8 billion, or 5.1 per cent., to real GDP, and the public administration and defence sector, which contributed AED 20.3 billion, or 5.0 per cent., to real GDP. Together, these eight sectors contributed 81.8 per cent. of Dubai's total real GDP in 2019.

In terms of growth, the strongest principal sectors in Dubai in recent years have been (i) the arts, entertainment and recreation sector, with a compound annual real GDP growth rate of 7.2 per cent. between 2016 and 2019; (ii) the human health and social work activities sector, with a compound annual real GDP growth rate of 6.4 per cent. between 2016 and 2019; (iii) the transportation and storage sector, with a compound annual real GDP growth rate of 5.7 per cent. between 2016 and 2019; (iv) the accommodation and food services with a compound annual real GDP growth rate of 5.6 per cent. between 2016 and 2019; and (v) the construction sector, with a compound annual real GDP growth rate of 4.6 per cent. between 2016 and 2019.

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 2016 to 2019:

	2016			2017		
	Amount	Contribution	Growth	Amount	Contribution	Growth
	(AED millions)	*(per cent.)*	*(per cent.)*	*(AED millions)*	*(per cent.)*	*(per cent.)*
Wholesale and Retail Trade	102,759	27.1	0.6	103,712	26.6	0.9
Transportation and Storage	44,118	11.6	2.8	47,806	12.2	8.4
Financial and Insurance Activities	40,492	10.7	2.4	40,193	10.3	(0.7)
Manufacturing	36,067	9.5	4.5	36,901	9.4	2.3
Real Estate Activities	25,681	6.8	9.8	26,818	6.9	4.4
Construction	23,653	6.2	(3.4)	24,292	6.2	2.7
Accommodation and Food Service Activities	17,638	4.7	2.5	19,235	4.9	9.1
Public Administration and Defence	19,412	5.1	3.4	19,987	5.1	3.0
Information and Communication	15,514	4.1	7.0	16,186	4.1	4.3
Professional, Scientific and Technical Activities	13,660	3.6	7.4	14,127	3.6	3.4
Administrative and Support Service Activities	11,406	3.0	9.2	11,593	3.0	1.6
Electricity, Gas, Steam and Air Conditioning Supply(1)	9,861	2.6	11.1	10,499	2.7	6.5
Mining and Quarrying	6,514	1.7	(2.6)	6,733	1.7	3.4
Human Health and Social Work Activities	3,659	1.0	2.1	4,026	1.0	10.0
Education	2,695	0.7	8.8	2,734	0.7	1.5
Activities of Households as Employers / Undifferentiated Goods and Services	1,984	0.5	3.7	2,052	0.5	3.4
Other Service Activities	1,830	0.5	18.7	1,836	0.5	0.3
Arts, Entertainment and Recreation	1,127	0.3	8.9	1,316	0.3	16.7
Agriculture, Forestry and Fishing	480	0.1	1.3	498	0.1	3.7
Water Supply, Sewerage, Waste Management and Remediation Activities(1)	217	0.1	34.5	—	—	—
Total Real GDP	378,765	100.0	3.1	390,543	100.0	3.1

Note:

(1) The Water Supply, Sewerage, Waste Management and Remediation Activities category was merged with the Electricity, Gas, Steam and Air Conditioning Supply category from 2017 onwards.

	2018			2019		
	Amount	Contribution	Growth	Amount	Contribution	Growth
	(*AED millions*)	(*per cent.*)	(*per cent.*)	(*AED millions*)	(*per cent.*)	(*per cent.*)
Wholesale and Retail Trade	105,675	26.5	1.9	108,506	26.6	2.7
Transportation and Storage	49,195	12.3	2.9	52,105	12.8	5.9
Financial and Insurance Activities	39,980	10.0	(0.5)	40,251	9.9	0.68
Manufacturing	36,090	9.1	(2.2)	36,173	8.9	0.2
Real Estate Activities	28,466	7.1	6.1	29,414	7.2	3.3
Construction	25,495	6.4	5.0	25,635	6.3	0.5
Accommodation and Food Service Activities	20,046	5.0	4.2	20,773	5.1	3.6
Public Administration and Defence	20,261	5.1	1.4	20,297	5.0	0.2
Information and Communication	16,868	4.2	4.2	16,711	4.1	(0.9)
Professional, Scientific and Technical Activities	14,657	3.7	3.8	15,076	3.7	2.9
Administrative and Support Service Activities	12,043	3.0	3.9	12,215	3.0	1.4
Electricity, Gas, Steam and Air Conditioning Supply	10,605	2.7	1.0	10,653	2.6	0.5
Mining and Quarrying	6,384	1.6	(5.2)	6,387	1.6	0.0
Human Health and Social Work Activities	4,168	1.0	3.5	4,412	1.1	5.9
Education	2,814	0.7	2.9	2,871	0.7	2.0
Activities of Households as Employers / Undifferentiated Goods and Services	2,123	0.5	3.4	2,184	0.5	2.9
Other Service Activities	1,853	0.5	1.0	1,874	0.5	1.1
Arts, Entertainment and Recreation	1,337	0.3	1.6	1,389	0.3	3.9
Agriculture, Forestry and Fishing	499	0.1	0.3	498	0.1	(0.3)
Total Real GDP	398,559	100.0	2.1	407,424	100.0	2.2

Source: Dubai Statistics Centre

An overview of each of the sectors contributing 5 per cent. or more of Dubai's real GDP in 2019 is set out below.

Wholesale and Retail Trade

The wholesale and retail trade sector accounted for AED 108.5 billion, or 26.6 per cent., of Dubai's real GDP in 2019, making it the largest contributing sector to the emirate's economy.

In real terms, this sector experienced growth of 0.6 per cent., 0.9 per cent., 1.9 per cent. and 2.7 per cent. in 2016, 2017, 2018 and 2019, respectively. The sector has experienced year on year growth over this period as a result of generally increased economic activity and increased demand for goods and services, mainly on account of Dubai Expo 2020 and an increased number of visitors to Dubai.

The following table sets out the contribution to Dubai's real GDP of the wholesale and retail trade sector for each of the years 2016 to 2019.

Wholesale and Retail Trade	2016	2017	2018	2019
Real GDP (*AED millions*)	102,759	103,712	105,675	108,506
Percentage of Total Real GDP	27.1	26.6	26.5	26.6

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 80 million visitors in each of 2016 and 2017, 83 million visitors in 2018 and 84 million visitors in 2019. As at 31 December 2019, the Dubai Mall reported an occupancy rate of 92 per cent. (*source*: Emaar Malls).

In December 2019, the Cabinet approved a new consumer protection law aimed at protecting consumers from potential price hikes and strengthening regulations surrounding the rapid growth of e-commerce. Once brought into force, the law will regulate the work of suppliers, advertisers and commercial agents, control price increases and ensure customers have guarantees over the quality of goods and services.

Real Estate Activities and Construction

The real estate activities sector accounted for AED 29.4 billion, or 7.2 per cent., of Dubai's total real GDP in 2019. This sector demonstrated growth of 9.8 per cent., 4.4 per cent., 6.1 per cent. and 3.3 per cent. in 2016, 2017, 2018 and 2019, respectively.

The construction sector accounted for AED 25.6 billion, or 6.3 per cent., of Dubai's total real GDP in 2019. This sector demonstrated a decline of 3.4 per cent. in 2016 and a return to growth of 2.7 per cent., 5.0 per cent. and 0.6 per cent. in 2017, 2018 and 2019, respectively.

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 2016 to 2019.

Real Estate Activities	2016	2017	2018	2019
Real GDP (AED millions)	25,681	26,818	28,466	29,414
Percentage of Total Real GDP	6.8	6.9	7.1	7.2
Construction Real GDP (AED millions)	23,653	24,292	25,495	25,635
Percentage of Total Real GDP	6.2	6.2	6.4	6.3

Source: Dubai Statistics Centre

Real Estate

RERA, which was established pursuant to Dubai Law No. 16 of 2007 Establishing the Real Estate Regulatory Agency as the regulatory arm of the Dubai Land Department, assists developers, contractors and investors in resolving outstanding disputes related to real estate in Dubai and has taken proactive steps to strengthen Dubai's real estate market.

During 2013, various new laws were implemented in Dubai with the aim of strengthening the Emirate's real estate market amidst ongoing recovery in the sector. In July 2013, a special legal committee was established for the liquidation of cancelled property projects and the settlement of rights disputes between property developers and investors related to such projects. In September 2013, a new decree was issued establishing the Rental Disputes Settlement Centre, which facilitates the settlement of all residential and commercial rental disputes for properties in Dubai and its free zones. The Rental Disputes Settlement Centre functions as a judicial arm for the real estate sector, complementing RERA's operations on the regulatory side. From October 2013, the Government increased freehold property registration fees in Dubai from 2 per cent. to 4 per cent. in order to discourage speculative buying and therefore avoid unsustainable increases in the property market, and also required that such fees should be collected from both the seller and the buyer equally, unless otherwise agreed by them. In relation to the property leasing sector, Dubai Decree No. 43 of 2013 on Determining Rent Increases for Real Property in the Emirate of Dubai was issued in order to regulate the maximum percentage of rent increase for real property in the Emirate as well as to institute the "Rent Index of the Emirate of Dubai" approved by RERA as a central resource to determine the average rental value in certain areas and to stabilise rental increases across the Emirate. In March 2017, the Dubai Land Department announced the launch of its mandatory Unified Lease Form contracts to outline and define the roles and responsibilities of all parties involved in the contract, especially the landlord and tenants, and including all related requirements such as licensing and guarantees.

Other recent measures implemented by RERA to strengthen the real estate regulatory framework in Dubai include the adoption of standard form marketing agreements that are required to be entered into between property owners and real estate brokers in order to ensure the rights of landlords, investors and brokers with respect to property marketing and advertisements. Further, pursuant to Dubai Law No. 19 of 2017 amending Article 11 of Law No. 13 of 2008 (which was previously amended by Law No. 9 of 2009), new requirements and procedures were introduced relating to purchasers who are in breach of off-plan property sale agreements, as well as the rights of the purchasers for a full refund of all payments in case of cancellation of the project by a resolution from RERA. This law was promulgated with the aim of facilitating increased transparency with respect to the applicable procedures for the enforcement of off-plan property developers' and buyers' rights in case of a breach.

In November 2019, two new laws aimed at boosting investor confidence in the Dubai real estate sector came into force; Dubai Law No. 6 of 2019 (the **Joint Ownership Law**) and Dubai Law No. 4 of 2019 (the **RERA Law**). The Joint Ownership Law implements major changes to the regulation of joint-owned properties by RERA and how common areas are managed. The RERA Law amends and restates competencies and the responsibilities of RERA, in particular transferring the jurisdiction to regulate matters related to lease contracts (including the registration of lease contracts) from RERA to the Dubai Land Department and providing RERA with the express power to investigate and review complaints filed against persons conducting real estate activities. In September 2019, the Higher Real Estate Planning Committee was established, with the aim of further regulating the real estate sector in Dubai and further developing a clear and deliberate strategy to enhance the competitiveness of Dubai's real estate sector as a whole. The Real Estate Higher Committee will be responsible for overseeing the real estate supply and demand balance and ensuring that new projects add value to Dubai's economy.

According to RERA, 84 new real estate projects were registered in 2018 compared to 163 new projects registered in 2017, and 62 real estate projects were completed in 2018, compared to 80 projects completed in 2017. The current demand in the real estate sector has principally originating from end-users.

The principal developers in Dubai are all owned (wholly or partially, directly or indirectly) by the Government and/or the ruling family of Dubai. These include Emaar Properties PJSC (**Emaar**) (27.5 per cent. owned by ICD as at 31 December 2019), Nakheel PJSC and Jumeirah Golf Estates LLC, which are 100 per cent. owned by the Dubai Financial Support Fund, and Dubai Properties Group LLC and Meraas Holding LLC, which are majority owned by the Ruler of Dubai.

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 2016 to 2019, together with the corresponding year on year percentage growth in such transaction volumes and values.

	2016	2017	2018	2019
Total Real Estate Sale Transactions	60,341	69,044	53,553	57,337
Percentage Growth in Total Real Estate Sale Transactions	(7.4)	14.4	(22.4)	7.1
Total Value of Real Estate Sale Transactions (AED millions)	268,710	284,523	223,513	119,430
Percentage Growth in Total Value of Real Estate Sale Transactions	(2.6)	5.9	(21.4)	(46.6)
Total Value of Mortgage-Related Transactions (AED millions)	138,484	137,355	119,900	67,972
Percentage Growth in Mortgage-Related Transactions	9.1	(0.8)	(12.7)	(43.3)

Source: Dubai Land Department

For the year ended 31 December 2019, the Dubai Land Department reported 57,337 sale transactions, compared to 53,553 sale transactions in 2018, an increase of 7.1 per cent. During this same period, the total value of real estate transactions decreased by 46.6 per cent. In 2019, there were AED 67.9 billion of mortgage-related transactions, representing an decrease of 43.3 per cent. compared to AED 119.9 billion of such transactions in 2018.

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 2016 to 2019:

	2016	2017	2018	2019
Land Sale Transactions	15,987	14,990	12,608	10,019
Land Sale Transactions (AED millions)	202,505	204,956	165,447	87,684
Building Sale Transactions	4,086	6,055	4,040	7,116
Building Sale Transactions (AED millions)	11,359	15,127	10,882	5,158
Unit Sale Transactions	40,268	47,999	36,905	40,202
Unit Sale Transactions (AED millions)	54,846	64,439	47,184	26,588

Source: Dubai Land Department

According to Dubai Land Department, land, building and unit sale transactions accounted for 17.5 per cent., 12.4 per cent. and 70.1 per cent., respectively, of the total real estate sales transactions in 2019. During the year 2019, 10,019 land, 7,116 building and 40,202 unit sale transactions were recorded, representing a decrease of 20.5 per cent. and increases of 76.1 per cent. and 8.9 per cent., respectively, compared to 2018. During the same period, the value of the land, building and unit sale transactions decreased by 47.0 per cent., 52.6 per cent., and 43.7 per cent., respectively, compared to 2018.

Transportation and Storage

The transportation and storage sector accounted for AED 52.1 billion, or 12.8 per cent., of Dubai's total real GDP in 2019. This sector demonstrated growth of 2.8 per cent., 8.4 per cent., 2.9 per cent. and 5.9 per cent. in real terms in 2016, 2017, 2018 and 2019, 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 following table sets out the contribution to Dubai's real GDP of the transportation and storage sector in each of the years 2016 to 2019.

Transportation and Storage	2016	2017	2018	2019
Real GDP (AED millions)	44,118	47,806	49,195	52,105
Percentage of Total Real GDP	11.6	12.2	12.3	12.8

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 40.3 billion, or 9.9 per cent., of Dubai's total real GDP in 2019. This sector grew by 2.4 per cent. in real terms in 2016, experienced declines of 0.7 per cent. and 0.5 per cent. in 2017 and 2018, respectively, and grew by 0.7 per cent. in real terms in 2019.

The following table sets out the contribution to Dubai's real GDP of the financial and insurance activities sector in each of the years 2016 to 2019.

Financial and Insurance Activities	2016	2017	2018	2019
Real GDP (AED millions)	40,492	40,193	39,980	40,251
Percentage of Total Real GDP	10.7	10.3	10.0	9.9

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 2019, there were 677 national bank branches (inclusive of head offices) in the UAE. As at 31 December 2019, 40 per cent. of national bank branches were located in Dubai, 33 per cent. were located in Abu Dhabi (including Al Ain) and 14 per cent. were located in Sharjah. As at 31 December 2019, there were 106 foreign bank branches (inclusive of head offices) in the UAE. As at 31 December 2019, 43 per cent. of foreign bank branches were located in Dubai, 35 per cent. were located in Abu Dhabi (including Al Ain) and 13 per cent. were located in Sharjah. See "*Monetary and Financial System—Banking and Financial 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.

In April 2016, the Government issued Dubai Law No. 4 of 2016 on the Dubai Economic Security Centre (the **DESC Law**) establishing the Dubai Economic Security Centre (the **DESC**). The key objectives of the DESC Law are to maintain Dubai's position as a global financial and economic hub, ensure its financial stability and protect its investments from crimes that could harm its economy. The DESC Law also aims to ensure the proper implementation of international best practices in Dubai's financial markets, protect investors from risks, combat illegal and harmful activities, and predict and manage risks and negative economic trends. The DESC will also assist in the implementation of policies intended to enhance investors' trust in Dubai's financial markets and encourage them to use Dubai as a hub for their businesses, contribute to ensuring the integrity of procedures related to financial operations, and encourage market participants to actively combat activities that can affect economic security and increase awareness about threats that such activities might pose.

Manufacturing

The manufacturing sector accounted for AED 36.2 billion, or 8.9 per cent., of Dubai's total real GDP in 2019. This sector demonstrated growth of 4.5 per cent., 2.3 per cent., a decline of 2.2 per cent. and a return to growth of 0.2 per cent. in real terms in 2016, 2017, 2018 and 2019, respectively. The manufacturing sector has generally grown in recent years principally due to increased construction activities (as the manufacturing sector provides the basic materials used in construction), growth in the export of manufactured products such as chemicals, machinery, transport and communication equipment during these periods.

The following table sets out the contribution to Dubai's real GDP of the manufacturing sector in each of the years 2016 to 2019.

Manufacturing	2016	2017	2018	2019
Real GDP (*AED millions*)	36,067	36,901	36,090	36,173
Percentage of Total Real GDP	9.5	9.4	9.1	8.9

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 (formerly known as DuBiotech) and the National Industries Park (formerly known as Dubai Techno Park), which is a Government initiative for the commercial development of technology.

In addition, to help expand the manufacturing sector in Dubai, the Government established the 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 ICD and Mubadala Development Company PJSC (**Mubadala**), 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 SENAAT General Holding Corporation of Abu Dhabi, 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 20.8 billion, or 5.1 per cent., of Dubai's total real GDP in 2019. This sector demonstrated growth of 2.5 per cent., 9.1 per cent., 4.2 per cent. and 3.6 per cent. in real terms in 2016, 2017, 2018 and 2019 respectively.

The following table sets out the contribution to Dubai's real GDP of the accommodation and food services sector in each of the years 2016 to 2019.

Accommodation and Food Services	2016	2017	2018	2019
Real GDP (AED millions)	17,638	19,235	20,046	20,773
Percentage of Total Real GDP	4.7	4.9	5.0	5.1

Source: Dubai Statistics Centre

The accommodation and food services activities comprises restaurants and hotels, which is a measure of Dubai's tourism sector.

Tourism

Dubai has sought to position itself as an important 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 Dubai Department of Tourism and Commerce Marketing (the **DTCM**) there were 741 hotels, guest houses and hotel apartments in Dubai at the end of 2019. Dubai's hotels, guest houses and hotel apartments accommodated 17.5 million guests in 2019, compared to 16.2 million guests in 2018, 15.8 million guests in 2017 and 14.9 million guests in 2016. Hotel occupancy rates were 78.0 per cent. in both 2016 and 2017, 76.5 per cent. in 2018 and 76.0 per cent. in 2019. The number of hotel rooms and hotel apartments increased to 126,120 in 2019, compared to 115,967 in 2018, 107,431 in 2017 and 102,845 in 2016. The DTCM reported a 2.8 per cent. decrease in annual revenues for Dubai's hotels and hotel apartments in 2019, from AED 22.8 billion in 2018 to 22.2 billion in 2019.

Recent developments since 2016 in Dubai's tourism sector include:

- In February 2016, the DTCM announced new holiday home regulations, aimed at providing greater transparency, safety and standardisation of Dubai's holiday home sector. The new regulations set forth specific criteria in order for homeowners to apply for a holiday home licence, including quality standards, amenities, health and safety, insurance, code of conduct and wider community integration.

- In January 2016, the UAE Ministry of Interior announced that visa-holders of all types would be able to modify the status of their entry and residency permits while remaining within the UAE, meaning that visit visa-holders would no longer be required to leave the country to amend the status of their visa to a residency permit.

- In April 2016, the UAE Federal Government announced the new "UAE Vision" visa system, which is intended to facilitate visa and residency-related transactions by enabling individuals to apply for visas, renew their residency, apply for new residency and cancel visas at approved typing services centres, whereas previously they would have been required to visit the General Directorate of Residency and Foreigners Affairs headquarters.

- In September 2016, the UAE Federal Government announced that Chinese visitors to the UAE would be granted visas on arrival. To help strengthen relations with China and boost tourism and trade between the two countries, the UAE now permits holders of Mainland China passports to avail a 30 day visa-on-arrival upon entry. This development is expected to greatly increase the number of Chinese visitors entering the country; according to DTCM estimates, the number of Chinese nationals visiting the UAE in 2019 increased by 15 per cent. as compared to 2018.

- In June 2018, the Cabinet announced a number of new visa rules, including exempting transit passengers from all entry fees for 48 hours (which can be extended for up to 96 hours, for a fee of AED 50). A new six-month visa was also introduced for jobseekers that have overstayed their visa but wish to work in the UAE.

- In July 2018, the Cabinet announced a decision to exempt accompanying dependents of foreign tourists under the age of 18 from visa fees during the period from July 15 to September 15 every year.

- In September 2018, the Cabinet approved a law to grant retired residents over the age of 55 a long-term visa for five years. For a retiree to be eligible, he must fulfil one of the following criteria: (i) invest in a property worth AED 2 million; (ii) have financial savings of no less than AED 1 million; or (iii) have an active income of no less than AED 20,000 per month. The visa may be renewed if the eligibility criteria is met.

- In October 2018, the UAE Federal Tax Authority announced the introduction of a tax refund scheme for tourists, allowing eligible tourists to request refunds of VAT incurred on their purchases in the UAE. The minimum spend amount for a tax refund is set at AED 250, and tourists can claim the refund within 90 days of their purchase.

- In October 2018, the Cabinet announced that visitors and tourists to the UAE would be able to apply for a 30-day visa extension twice (for a total of 60 days), without having to leave the country. The visa extension fee is set at AED 600 for each additional 30-day period.

- In March 2019, the Cabinet announced various new family visa rules:

    - All male expatriate residents earning at least AED 4,000 per month (or AED 3,000 per month with company-provided accommodation) may sponsor their wives and children to live in the UAE. Category of profession is no longer a condition for an expatriate worker to be able to sponsor his family members, provided that the resident continues to satisfy the minimum monthly income requirement.

    - Female expatriate residents working as engineers, teachers, doctors, nurses or any other profession related to the medical sector earning at least AED 10,000 per month (or AED 8,000 per month with company-provided accommodation) may sponsor their husband and children to live in the UAE. Female expatriate residents satisfying the minimum monthly salary requirement but not employed in the above categories may also apply for special permission from the General Directorate of Residency and Foreigners Affairs to sponsor their husbands and children.

    - Expatriate residents earning at least AED 20,000 per month (or AED 19,000 per month with company-provided accommodation) may sponsor their parents to live in the UAE for a year, subject to certain conditions.

    - Expatriate residents may apply for a renewable one-year residence visa for their sons from either the date of completion of the boys' secondary education or upon reaching the age of 18 years. This rule is also applicable to sons who have just graduated from university, whether inside the UAE or abroad.

- In May 2019, the UAE Federal Government announced a new "golden card" scheme, introducing a ten-year residency visa for certain investors and "special talents" (including doctors, researchers, specialists, scientists, and inventors) and a five-year residency visa for certain real-estate investors and high calibre and outstanding students. These visas are renewable so long as the residents continue to satisfy the terms and conditions under which they were granted.

- In January 2020, the Cabinet unveiled a multi-entry five-year tourist visa that would allow tourists multiple entries into the UAE over a period of five years. The details and implementation relating to this visa are expected to be outlined in full during the second half of 2020.

- In March 2020, the DTCM 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.

The following table sets out certain statistics in relation to tourism in Dubai in each of the years 2016 to 2019:

	2016	2017	2018	2019
Number of hotels, guest houses and hotel apartments	681	681	716	741
Number of hotel guests / international visitors (millions)	14.9	15.8	16.2	17.5
Number of hotel rooms	102,845	107,431	115,967	126,120
Occupancy (per cent.)	78.0	78.0	76.5	76.0
Total hotel revenue (AED billions)	23.0	23.3	22.8	22.2
Revenue per available room (AED)	397	383	354	312
Average daily rate (AED)........	511	492	465	415

Source: Dubai Statistics Centre

According to the DTCM, 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 resort 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.

A number of new attractions have also recently opened in Dubai in 2017, 2018 and 2019, including the Dubai Opera House, the Dubai Water Canal, the Dubai Parks and Resorts and IMG Worlds of Adventure theme parks, the Dubai Frame, and the Dubai Safari Park and Etihad Museum. Other attractions under development in Dubai include the Dubai Eye (which is expected to be the world's largest Ferris wheel when completed), the Mohammed bin Rashid Library and the Museum of the Future.

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, 90 exhibitions were held in 2019, with 54,390 companies participating, a 1.0 per cent. decrease compared to 2018, and visitor numbers reached 1,732,618, a 1.9 per cent. increase compared to 2018. In addition, 2019 saw 238 meetings and conferences held in Dubai with 104,473 delegates attending.

The following table sets out certain statistics in relation to exhibitions and conferences held in Dubai in each of the years 2016 to 2019:

	2016	2017	2018	2019
Number of exhibitions held	101	103	93	90
Number of companies participating in exhibitions	51,711	56,457	54,917	54,390
Number of exhibition visitors	1,854,012	1,992,549	1,700,557	1,732,618
Number of meetings and conferences held	182	230	253	238
Number of delegates attending meetings and conferences	90,588	94,682	110,561	104,473

Source: Dubai Statistics Centre

In addition to its headquarters in Dubai, DTCM operates a network of 20 offices worldwide in New York, London, Paris, Frankfurt, Stockholm, Milan, Bern, Moscow, Johannesburg, Jeddah, Riyadh, Mumbai, Beijing, Guangzhou, Shanghai, Chengdu, Hong Kong, Tokyo, Sydney and Sao Paolo.

Vision for Tourism 2022-25

In October 2018, DTCM 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, 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 will retain its name but will now run from 1 October 2021 to 31 March 2022, a delay that allows all participants to safely navigate the impact of COVID-19. See "*Overview of the Emirate of Dubai—Measures taken in the UAE in response to the COVID-19 pandemic*".

Dubai Expo 2020 will be 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.

Dubai Expo 2020 will be 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. Dubai Expo 2020 is expected to attract 25 million visitors, 70 per cent. of whom will be from overseas, as well as 94,400 jobs during the course of the event, more than half of which are expected to be in the hospitality sector. The Expo site covers 4.4 km^2 and is located in Dubai South, halfway between Dubai and Abu Dhabi. It will be 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). Following completion of the event, the Dubai Expo 2020 site will transition into a mixed-use development called District 2020, with a focus on sustainability and innovation to support growth in key industries including transport and logistics, tourism and education.

In November 2015, the BIE officially ratified the UAE's registration dossier and the UAE was formally registered as the host nation of Dubai Expo 2020. The comprehensive document details the plans for the site, the theme and its subthemes, financial structure, plans for the pavilion sites, infrastructure, facilities and use of structures once Dubai Expo 2020 ends. In June 2016, Dubai presented a progress update on the Dubai Expo 2020, including key milestones and timelines for delivery of the event to the BIE General Assembly. Following the one-year postponement of Dubai Expo 2020 agreed in May 2020, the target date for all major construction activities to be completed on site is 31 December 2020.

Dubai Expo 2020 is divided into four phases: Design, Construction, Event and Legacy. The Design phase highlights innovation that provides a representation of the UAE's culture and architecture. Construction of infrastructure for Dubai Expo 2020 commenced during 2016. All shell and core construction has been completed and certain on-site assets have been handed over to the operational team running the event. Complete handover is expected to be completed during the first quarter of 2021.

The Dubai Expo 2020 master plan contains the following main attractions:

- Conference and Exhibition Campus: This 35,000 m^2 area is being developed by Dubai World Trade Centre and will serve as a major event and exhibition venue. In the Legacy phase, it will become an event and exhibition venue that will be operated by Dubai World Trade Centre.

- Sustainability Pavilion: This pavilion is being developed by Emaar and has a floor area of 17,000 m^2. The pavilion will aim to be energy efficient and sustainable by harvesting energy and water from solar panels and a humidity harvesting system. In the Legacy phase, this pavilion will become a Science Exploratorium.

- Mobility Pavilion: This pavilion will have a floor area of 15,000 m^2, including 4,000 m^2 of exhibition space. In the Legacy phase, this building will be converted by Emaar into high-end office space.

- Thematic Districts: These three petal shaped districts, with a total plot size of 145,000 m^2, will host more than 120 pavilions, which includes rented and service pavilions.

- Culture Plaza: This space will be dedicated to local and Arab identity and culture. The plaza will exhibit UAE and Arab values, traditions, religion, heritage and ecosystems. This area will showcase the evolution of Dubai, celebrating the wildlife of the UAE, and the impact Islam has had on humanity.

- UAE Pavilion: This pavilion will have a floor area of 8,500 m^2 and is being developed by Masdar on behalf of the National Media Council. This pavilion will include special visitor lounges and exhibition areas showcasing the UAE to Expo visitors. The future use of the pavilion in the Legacy phase is in the process of being determined by the National Media Council.

- Al Wasl Plaza: This will be at the heart of the Expo site. This area will function as the main point of orientation for visitors coming to the Expo site. This will be an entertainment hub and staging area for concerts, performances and other events. The plaza will accommodate national day celebrations for the countries that are participating in Dubai Expo 2020. Additionally, the plaza will be used for opening and closing ceremonies.

- Shade Structure: This will consist of 6,000 meters of shaded walkways across a 200,000 m^2 area.

- Public Realms: These public spaces will contain hospitality facilities, rest areas, parks, exhibitions, water features, performance areas and landscaping features. It will also be connected the new the new extension to the Dubai Metro system. In addition, approximately 30,000 car parking spaces will be created around the entrances of the Expo site.

Public Administration and Defence

The public administration and defence sector accounted for AED 20.3 billion, or 5.0 per cent., of Dubai's total real GDP in 2019. This sector demonstrated growth of 3.4 per cent., 3.0 per cent., 1.4 per cent. and 0.2 per cent. in real terms in 2016, 2017, 2018 and 2019 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 2016 to 2019.

Public Administration and Defence	2016	2017	2018	2019
Real GDP (AED millions)	19,412	19,987	20,261	20,297
Percentage of Total Real GDP	5.1	5.1	5.1	5.0

Source: Dubai Statistics Centre

The public administration and defence sector comprises the various departments of the Government and includes compulsory social security. The growth in the public administration and defence sector from 2016 until 2019 was due to increased capital expenditures by the Government during these years, principally on account of Dubai Expo 2020 and its related road and rail infrastructure networks. The statistics related to the public administration and defence sector do not include GREs (see "*Public Finance*").

Inflation

UAE

The UAE inflation rate was 1.6 per cent. in 2016, 2.0 per cent. in 2017, 3.1 per cent. in 2018, a negative inflation rate of 1.9 per cent. in 2019 and a negative inflation rate of 2.7 per cent. (year-on-year) for May 2020.

The following table sets out the consumer price index (**CPI**) and the percentage change, year on year, of consumer prices in the UAE for each of the years 2016 to 2019 and for May 2020.

	2016	2017	2018	2019	May 2020
CPI Index	105.8	109.4	111.1	109.0	106.9
CPI Inflation (year-on-year)	1.6	2.0	3.1	(1.9)	(2.7)

Source: FCSA

Dubai

The calculation of a separate CPI for Dubai started in 2007.

In 2017, the Dubai inflation rate fell to 2.1 per cent., which was principally attributable to lower inflation in the costs of (i) housing, water, electricity, gas and other fuels; and (ii) food and beverages; however, this was partially offset by an increase in the cost of (i) miscellaneous goods and services; (ii) tobacco; (iii) transportation; and (iv) clothing and footwear.

In 2018, the Dubai inflation rate fell to 1.5 per cent., which was principally attributable to a decrease in the cost of housing, water, electricity, gas and other fuels, as well as lower inflation in the costs of (i) education and (ii) miscellaneous goods and services; however, this was partially offset by increases in the cost of (i) food and non-alcoholic beverages; (ii) transportation; and (iii) restaurants and hotels.

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; (iv) clothing and footwear, as well as lower inflation in the cost of food and non-alcoholic beverages.

In the first six months of 2020, the Dubai inflation rate was negative 2.4 per cent., which was principally attributable to a decrease in the cost of (i) housing, water, electricity, gas and other fuels, (ii) transport, and (iii) recreation and culture; however, this was partially offset by increases in the cost of (i) food and non-alcoholic beverages; and (ii) education.

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 beverages; and (iii) transportation, which showed inflation levels of 4.5 per cent., 1.2 per cent. and minus 2.3 per cent. respectively in 2016, 0.9 per cent., 0.5 per cent. and 6.1 per cent. respectively in 2017, minus 2.9 per cent., 4.0 per cent. and 10.5 per cent., respectively in 2018, minus 6.0 per cent., 0.2 per cent. and minus 3.9 per cent., respectively in 2019 and minus 5.8 per cent., 3.9 per cent. and minus 4.6 per cent., respectively, in the first six months of 2020.

The housing, water, electricity, gas and other fuels group constituted 43.6 per cent. of the Dubai CPI in 2019. The cost of housing rental constitutes 86.8 per cent. of this group and 37.9 per cent. of the total Dubai CPI.

The food and beverages group has a 13.1 per cent. weighting in the Dubai CPI. 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 constitutes 10.6 per cent. of the Dubai CPI. The main contributors in this group are passenger transport, fuel and oil and the repair and maintenance of modes of transportation. In July 2015, the UAE Ministry of Energy passed a zero subsidy regime for fuel and gasoline prices, with effect from 1 August 2015. As a result, petrol and diesel prices are now deregulated and linked to global market prices, although domestic fuel prices will be set on a monthly basis by the Gasoline and Diesel Prices Committee formed by the UAE Federal Government.

The following table sets out details of the Dubai CPI in 2019 and the rate of inflation in Dubai for each of the years 2016 to 2019 and the first six months of 2020.

			Rate of Inflation				
Expenditure Groups	Weight	CPI 2020	2016	2017	2018	2019	H1 2020
		2014=100			(per cent.)		
General Index Number	**100.0**		**2.9**	**2.1**	**1.5**	**(3.0)**	**(2.4)**
Housing, Water, Electricity, Gas and Other Fuels	43.6	43.7	4.5	0.9	(2.9)	(6.0)	(5.8)
Food and Beverages	13.1	11.1	1.2	0.5	4.0	0.2	3.9
Transportation	10.6	9.1	(2.3)	6.1	10.5	(3.9)	(4.6)
Miscellaneous Goods and Services	5.6	6.2	2.6	11.2	0.2	(1.9)	(0.2)
Communications	5.2	6.0	(0.3)	(0.3)	5.5	(0.1)	0.0

Clothing and Footwear	2.1	5.5	0.7	4.4	0.3	(4.6)	(4.8)
Restaurants and Hotels	4.0	5.5	1.7	2.7	10.9	2.0	0.2
Recreation and Culture	2.3	4.2	2.3	(8.6)	(1.2)	2.1	(7.3)
Education	8.5	4.1	6.4	4.9	2.7	0.5	1.8
Furnishings, Household Equipment and Routine Household Maintenance	3.8	3.3	4.1	(0.7)	3.1	1.0	0.4
Health	0.9	1.1	0.8	(0.1)	0.2	(0.1)	0.0
Tobacco	0.4	0.2	0.0	9.0	53.5	2.4	15.0

Source: Dubai Statistics Centre

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 Plan 2021 and the Dubai Council are 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 2016, 2017, 2018 and 2019:

Economic Sectors	2016	2017	2018	2019
Agriculture, forestry and fishing	7,248	7,413	7,324	7,430
Mining and quarrying	4,942	5,588	5,395	5,593
Manufacturing	263,653	262,959	260,160	262,513
Electricity, gas, and water supply; waste management activities	13,277	14,262	14,297	15,333
Construction	556,195	598,773	645,411	644,549
Wholesale and retail trade; repair of motor vehicles and motorcycles	570,257	584,105	603,223	614,402
Transportation and storage	272,884	283,843	300,429	317,377
Accommodation and food service activities	205,460	211,651	224,573	231,540
Information and communication	33,232	36,715	39,998	39,602
Financial and insurance activities	46,607	46,283	40,026	45,939
Real estate activities	46,995	46,344	37,015	39,260
Professional, scientific and technical activities	89,401	94,312	103,424	104,676
Administrative and support service activities	218,062	254,232	297,532	286,732
Public administration and defence	102,738	101,014	102,040	101,973
Education	24,723	28,476	28,585	30,069
Human health and social work activities	22,071	23,262	24,594	25,814
Arts, entertainment and recreation	13,066	16,183	18,735	18,982
Other service activities	30,586	30,641	33,284	32,544
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	127,671	132,199	136,165	140,395
Total	**2,649,069**	**2,778,255**	**2,922,210**	**2,964,724**

Source: Dubai Statistics Centre

According to the Dubai Statistics Centre, unemployment in Dubai is low, with an unemployment rate of 0.46 per cent. in 2019. The number of UAE Federal Government employees in Dubai decreased by 4.0 per cent. between 2018 (28,266 employees) and 2019 (27,125 employees) and the number of local Government employees in Dubai decreased by 0.7 per cent. during the same period (92,752 employees in 2018 compared to 92,075 employees in 2019).

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, financial savings of AED 1 million, or 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.

Business Licences

The DED 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 DED 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 94 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 Law No. 2 of 2015) (the **CCL**) was introduced and came into effect in July 2015. Among other things, the 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, (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 DED for each category of business licence in each of the years 2016 to 2019:

	2016	2017	2018	2019
Commercial licences	14,428	12,600	12,803	14,931
Professional licences	5,922	5,532	6,484	22,261
Industrial licences	205	170	248	212
Tourism licences	211	226	231	594
Intilaq licences	380	369	363	380
Total	**21,146**	**18,897**	**20,129**	**38,378**

Source: Dubai Statistics Centre

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 a separate Dubai agency known as the Roads and Transport Authority (the **RTA**).

In 2019, the total length of roads in Dubai was 17,920 km, an increase of 4.1 per cent. per cent. compared to 2018. The following table sets out the total length of roads in Dubai as at 31 December in each of the years 2016 to 2019:

Dubai Roads by Length	2016	2017	2018	2019
Total length of roads (km)	13,594	16,806	17,215	17,920

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 other 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 2019 and 2020 to date, the RTA announced and launched a number of new road infrastructure projects, including the improvement of the Shindagha Corridor project, the development of Sheikh Rashid bin Saeed Corridor, the extension and construction of bus stations and multi-story car parking facilities in various areas of Dubai.

In March 2016, the Executive Council passed a resolution in respect of parking services in Dubai, in order to organise and regulate controlled public parking services in line with Dubai's economic and social plans. Pursuant to the resolution, a new tariff for select controlled public parking areas was introduced with the aim to encourage the use of public transport within the area covered by the amended tariff, while also increasing the generation rate in controlled parking facilities.

During 2019, 157 million passengers travelled using the available 1,663 buses operated by the RTA, a decrease of 6.5 per cent. in passenger volume compared to 2018. The number of bus routes increased from 120 in 2016 to 161 in 2019.

The following table sets out the use of bus services in Dubai in each of the years 2016 to 2019:

Dubai Bus Services	2016	2017	2018	2019
Number of operating buses	1,107	1,512	1,520	1,663
Bus routes	120	137	133	161
Number of bus passenger trips (thousands)	151,069	155,319	167,929	157,096

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 3.4 per cent. between 2018 and 2019. According to the RTA, the number of passengers using public transport in Dubai increased by 1.5 per cent. between 2016 and 2017 (from 543.6 million to 551.5 million), by 3.1 per cent. between 2017 and 2018 (from 551.5 million to 568.9 million) and by 4.4 per cent. between 2018 and 2019 (from 568.9 million to 594.0 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.

During 2016, 2017, 2018 and 2019 the Dubai Metro transported 191.3 million, 200.8 million, 204.4 million and 203.0 million passengers, respectively.

As at 31 December 2019, the Red Line was 52 km in length, with 28 stations operational and the Green Line was 22 km in length, with 20 stations operational. The aggregate length of the Red and Green Lines is around 74 km with 48 operational stations as at 31 December 2019.

The following table sets out the expansion and use of the Dubai Metro in each of the years 2016 to 2019:

Dubai Metro	2016	2017	2018	2019
Line length – Red Line (km)	52	52	52	52
Number of passenger trips – Red Line (thousands)	121,616	128,540	132,387	132,365
Number of stations – Red Line	28	28	28	28
Line length – Green Line (km)	22	22	22	22
Number of passenger trips – Green Line (thousands)	69,708	72,212	72,018	70,612
Number of stations – Green Line	20	20	20	20

Source: Dubai Statistics Centre

In July 2016, the RTA commenced construction of the expansion of the Red Line, known as "Route 2020" (**Route 2020**), to add 14.5 km of track with seven stations to extend the Red Line from Nakheel Harbour and Tower Station to the site of Dubai Expo 2020 and to upgrade the existing metro network. The Route 2020 metro project will cost AED 10.6 billion and was inaugurated in July 2020, with passenger operations expected to commence by the end of 2020. The project is fully financed through a U.S.$2.52 billion dual-tranche facility, consisting of a U.S.$1.1 billion commercial facility entered into in August 2017 and a U.S.$1.42 billion export credit facility entered into in January 2018, of which U.S.$978.1 million and U.S.$1.29 billion, respectively, was outstanding as at 30 June 2020 (see "*Indebtedness—Export Credit Facilities*").

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 2019, 6.5 million passengers travelled on the Dubai Tram. The Dubai Tram project was partially financed through an U.S.$675 million dual-currency facility raised in February 2012, of which the outstanding amount was U.S.$180.4 million as at 30 June 2020.

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. 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 and adjacent to DP World's Mina Rashid. It is a maritime-focused commercial and industrial park, which covers an area of 2.3 million m^2. This is in addition to Jebel Ali Free Zone (**Jafza**), 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 eleventh globally in 2019 in terms of volume throughput, according to data published by the World Shipping Council.

Jafza and National Industries Parks (**NIP**), formerly known as TechnoPark, a hub for the trading and manufacturing sectors, 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.

In February 2016, DP World announced a project to construct the new container Terminal 4 at Jebel Ali Port, the first phase of which is expected to be completed in mid-2020 and will add an additional 3.1 million TEU capacity, taking Jebel Ali Port's total capacity to 22.4 million TEU.

The following table sets out shipping container volumes handled at the Jebel Ali Port and Port Rashid in each of the years 2016 to 2019:

Dubai Shipping Containers	2016	2017	2018	2019
		(*TEU*)		
Inbound	2,739,423	2,731,637	2,572,519	2,743,755
Outbound	2,834,140	2,767,602	2,654,465	2,827,457
Trans-shipments	9,006,217	9,582,558	9,458,247	8,227,472
Restows	186,739	285,083	268,886	312,620
Total	**14,766,519**	**15,366,880**	**14,954,116**	**14,111,303**

Source: Dubai Ports Authority

Airports

Dubai has two airports, Dubai International Airport (**DXB**), which is fully operational, and Al Maktoum International Airport (**DWC**), of which Phase 1 is currently operational and Phase 2 is currently under construction.

Dubai International Airport

Dubai International Airport was established in 1959 and is operated by the Government-owned Dubai Airports Corporation (**DAC**). Dubai International Airport covers over 25 km^2, with a total built up area of 2.1 million m^2, and was ranked first globally in terms of total international passenger traffic and fourth globally in terms of international freight traffic handled in 2019, according to data published by Airports Council International, an airports association established in 1991 (and the only global trade representative of the world's airports) which has 668 members operating in 1,979 airports in 176 countries as at January 2020.

Dubai International Airport handled approximately 86.4 million passengers in 2019, a decrease of 3.1 per cent. compared to the 89.1 million passengers handled in 2018. The total volume of cargo handled at the airport during 2019 was 2.51 million tonnes, a decrease of 4.8 per cent. from 2.64 million tonnes in 2018. During 2019, Dubai International Airport handled an average of approximately 1,022 aircraft movements and 237,000 passengers per day. The number of aircraft movements at Dubai International Airport decreased by 8.6 per cent. in 2019 compared to 2018, primarily due to the closure of the southern runway from 16 April 2019 until 30 May 2019. As a result of the COVID-19 pandemic, passenger numbers at Dubai International Airport are expected to significantly decrease in 2020 as compared to 2019 (see "*Overview of the Emirate of Dubai—Measures taken in the UAE in response to the COVID-19 pandemic*").

Dubai International Airport serves more than 100 airlines, connecting to over 240 destinations worldwide and currently comprises three terminals, four concourses, two runways and a number of support facilities. Its current annual passenger capacity is 90 million, increased from 75 million following the opening of the new Concourse D in February 2016. Dubai International Airport is the world's number one airport in terms of number of A380 contact stands, with a total of 37 Code F aircraft gates.

The following table sets out aircraft and passenger movement and cargo volumes at Dubai International Airport in each of the years 2016 to 2019:

	2016	2017	2018	2019
Aircraft Movements (thousands)	420	409	408	373
Passengers Handled (millions)	83.7	88.2	89.1	86.4
Arrivals (thousands)	41,452	43,960	44,549	43,210
Departures (thousands)	41,564	43,762	44,336	43,118
Cargo volume handled (tonnes)	2,592,454	2,654,542	2,641,982	2,514,918

Source: DAC

Al Maktoum International Airport

Al Maktoum International Airport, 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. Al Maktoum International Airport forms the foundation of the Government's strategy to develop Dubai South (formerly known as Dubai World Central), a 145 km^2 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 Dubai's airports (see "*Indebtedness*").

During 2019, Al Maktoum International Airport handled 911,571 tonnes of cargo, a decrease of 7.7 per cent. compared to 987,986 tonnes recorded in 2018. Al Maktoum International Airport recorded a total of 35,643 aircraft movements in 2019, an increase of 27.9 per cent. from 29,955 recorded in 2018. In 2019, passenger traffic at Al Maktoum International Airport was 1.6 million, an increase of 70.1 per cent. from 2018. The increase in aircraft movements and passenger traffic in 2019 was primarily attributable to the closure of the southern runway at Dubai International Airport from 16 April 2019 until 30 May 2019.

The following table sets out aircraft and passenger movement and cargo volumes at Al Maktoum International Airport in the years 2016 to 2019:

	2016	2017	2018	2019
Aircraft Movements	38,367	34,196	29,959	35,643
Passengers Handled	850,633	904,940	900,202	1,634,068
Cargo volume handled (tonnes)	897,998	972,295	987,986	911,571

Source: DAC

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 Dubai International Airport and Al Maktoum International Airport (together, the **Dubai Airports**). The 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 3.0 per cent. between 2018 and 2019, while rental income increased by 2.3 per cent. between 2018 and 2019. The total revenue collected by DAC increased by 1.1 per cent. between 2018 and 2019. In March 2016, the Government issued Executive Council Resolution No. 8 of 2016, pursuant to which any passenger leaving the UAE from any of the Dubai Airports, including transit passengers, will be charged AED 35 as a service fee for using the Dubai Airports' facilities.

In 2011, the Government launched a strategic plan to guide the development of the Dubai Airports and Dubai South (the **Strategic Plan 2020**), including the expansion of airspace, airfields, stands and terminal areas at Dubai International Airport. Completed projects under the Strategic Plan 2020 include the construction of Concourse A (completed in January 2013), the doubling of capacity at Terminal 2 (completed in 2014), a major runway refurbishment and upgrading project (completed in July 2014), the construction of Concourse D (completed in February 2016), an upgrade of Concourse C to accommodate Emirates as the sole user, combined with associated stand upgrades, enhancements to airfield and air traffic control facilities and technology to increase operational efficiency and air traffic capacity, as well as the upgrading of existing facilities to improve passenger experience and capacity. The implementation of the Dubai Strategic Plan 2020 has resulted in the capacity of Dubai International Airport increasing from 47 million in 2010 to 100 million passengers per year in 2020. In addition, cargo capacity at Dubai International Airport has increased from 2.2 million tonnes in 2010 to 4.1 million tonnes in 2020.

In the meantime, passenger facilities have been expanded at Al Maktoum International Airport to accommodate traffic that cannot be accommodated at Dubai International Airport. The Strategic Plan 2020 also envisages ongoing construction of Phase 2 of Al Maktoum International Airport. Once Phase 2 is fully completed, Al Maktoum International Airport is planned to become the world's largest airport with five runways, four passenger terminals that will be able to accommodate more than 240 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 and project completion timeline for Al Maktoum International Airport and other airport-related infrastructure has been delayed pending a prioritisation exercise currently being undertaken by DAC.

The Government is in the process of implementing the successor plan to the Strategic Plan 2020, which will focus on the development of Dubai International Airport during the period up to 2030 (the **Strategic Plan 2030**). The key objectives under the Strategic Plan 2030 include optimising the operational capability of the airport, improving the passenger experience and enhancing the resilience and reliability of airport facilities. Strategic Plan 2030 also envisages, among other things, the refurbishment and modernisation of Concourse C and the construction of Concourse E in order to enhance remote departure capacity.

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 (**Etisalat**), 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 39.50 per cent. held by Emirates Investment Authority, 19.75 per cent. held by Mubadala, 19.50 per cent. held by Emirates International Telecommunications LLC and 21.25 per cent. held by the public. In September 2017, du announced the launch of Virgin Mobile brand in the UAE.

According to the TRA, as at 31 December 2019 there were 2.35 million fixed lines in operation in the UAE, with 18.28 million mobile subscribers and 3.05 million internet subscribers. As at 31 December 2019, the fixed line penetration rate (being the number of lines expressed as a percentage of the estimated population) was 26.2 per cent., the mobile penetration rate (being the number of mobile subscribers expressed as a percentage of estimated population) was 204.3 per cent. and the internet penetration rate (being the number of subscribers expressed as a percentage of the estimated population) was 34.0 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 or public authorities, who are required to comply with the new framework, whether they are located in the UAE or outside of the UAE. New data protection provisions 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 is wholly owned by, and the tariffs which it sets for electricity and water are regulated by, the Government.

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 8,507 megawatts (**MW**) in 2018 to 8,516 MW in 2019 and DEWA increased its installed electricity generation capacity from 11,100 MW in 2018 to 11,400 MW in 2019. Peak load for water increased from 368 million imperial gallons daily (**MIGD**) in 2018 to 379 MIGD in 2019. DEWA's installed water desalination capacity remained flat at 470 MIGD during the period from 2016 to 2019.

In March 2020, in response to the COVID-19 pandemic, DEWA announced a 10 per cent. reduction in water and electricity bills, including those charged in the residential, commercial and industrial sector, for a period of three months.

The following table sets out the growth in demand and capacity for water and electricity in Dubai in each of the years 2016 to 2019:

	2016	2017	2018	2019
		(MIGD)		
Installed Desalinated Water Capacity	470	470	470	470
Peak Desalinated Water Capacity	347	362	368	379
		(MW)		
Installed Electricity Generation Capacity	10,000	10,200	11,100	11,400
Peak Electricity Demand	7,982	8,232	8,507	8,516

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 2016 to 2019:

	2016	2017	2018	2019
Residential Electricity Customers	557,121	593,890	634,457	699,152
Commercial Electricity Customers	185,313	192,597	199,294	204,646
Industrial Electricity Customers	2,777	2,862	2,972	3,020
Other Electricity Customers	7,294	7,415	8,197	8,805
Total Number of DEWA Electricity Customers	**752,505**	**796,764**	**844,920**	**915,623**
Residential Water Customers	539,359	573,517	614,595	675,785
Commercial Water Customers	122,888	127,558	131,646	136,328
Industrial Water Customers	1,447	1,506	1,541	1,600
Other Water Customers	2,736	2,795	2,814	2,867
Total Number of DEWA Water Customers	**666,430**	**705,376**	**750,596**	**816,580**

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.

The DCES 2050 includes the development of the Dubai Green Fund, which is intended to encourage investments in Dubai's clean energy sector. The DCES 2050 also envisages increases in the capacity of the Mohammed bin Rashid Al Maktoum Solar Park, the first phase of which became operational in 2013 and the second phase of which became operational in 2017. This is the largest single-site solar park in the world based on the Independent Power Producer model. The first two (of four) phases of the solar park, which are currently operational, have a combined capacity of over 200MW. Once it is complete in 2030, the total area of the solar park will be 214 km^2 and is expected to reduce Dubai's carbon emissions by 6.5 million tonnes a year. The solar park has a total planned capacity of 1,000MW by 2020 and 5,000MW by 2030, which 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.

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 of the free zones.

Historically, foreign investors (being investors of non-GCC origin) wishing to establish a company in the UAE outside of 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, has 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, which sets 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 Law, the UAE Ministry of Economy has established the Foreign Direct Investment Unit (the **FDI Unit**), which will propose foreign direct investment policies to the Cabinet and implement them following their approval. The FDI Unit is also responsible for creating a database of, and registering and licensing, foreign direct investment projects 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, unlike entities registered elsewhere in the UAE, which require various degrees of local participation. Free zone entities are exempt from paying corporate tax for 15 years, renewable for an additional 15 years, and individuals are exempt from paying income tax. 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 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 polices 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 (formerly known as Dubai Creative Clusters), the Dubai International Financial Centre, the Dubai Airport Free Zone, Dubai Silicon Oasis 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 the National Industrial Park.

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 are each 100 per cent. owned by the Government through DP World.

JAFZ is a major trade and industrial area in Dubai, which is spread across 54 km^2 between the Jebel Ali Port and Al Maktoum International Airport in Jebel Ali. As at 31 December 2019, the total number of active companies in JAFZ stood at over 7,700, including over 100 of the 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 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 2,437 companies as at 31 December 2019, compared to 2,137 as at 31 December 2018, 1,853 as at 31 December 2017 and 1,636 as at 31 December 2016. As at 31 December 2019, the number of employees working in the DIFC was 25,638, compared to 23,604 as at 31 December 2018, 22,338 as at 31 December 2017 and 21,611 as at 31 December 2016.

As at 31 December 2019, of the 504 authorised financial firms operating from the DIFC, 38 per cent. were from the Middle East, 32 per cent. were from Europe, 11 per cent. were from Asia, 9 per cent. were from the United States, and 10 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 737 entities, comprising 504 authorised firms, 25 designated non-financial businesses or professions, 88 registered auditors and 120 authorised market institutions. In June 2015, the DIFC announced its 2024 Strategy, with a target to triple in size to 1,000 financial firms and 50,000 employees by 2024.

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 four divisions: the DIFC Courts, the DIFC-LCIA Arbitration Centre, 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 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 hosts 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. Originally set up in 2008, the DIFC-LCIA Arbitration Centre is a joint venture between the DIFC and the London Court of International Arbitration (LCIA).

The DIFC has recently introduced a number of changes in order to enhance and modernise its legal and regulatory framework. These recent changes include the following:

- A new Companies Law (DIFC Law No. 5 of 2018), along with the revision of the wider corporate regulatory framework in the DIFC. The new Companies Law provides for the reclassification of corporate entity types and introduces new rules intended to provide greater flexibility for small and medium-sized private companies and reinforce corporate governance requirements for all DIFC companies.

- A new Insolvency Law (DIFC Law No. 1 of 2019) and Insolvency Regulations, which are intended to enhance and facilitate a more efficient and effective bankruptcy regime within the DIFC and adhere more closely to international best practice The new Insolvency Law introduces new concepts to provide debtors and creditors a greater range of options to deal with insolvency situations, such as rehabilitation and administration procedures.

- A new Employment Law (DIFC Law No. 2 of 2019), pursuant to which employees in the DIFC can now benefit from more progressive rules, including those relating to part-time employees, parental leave, sick leave payments, discrimination, gratuity payments, sponsorship costs and settlement agreements.

- A new Intellectual Property Law (DIFC Law No. 4 of 2019), which regulates intellectual property (**IP**) rights in the DIFC for the first time and which is intended to complement federal IP laws, providing that IP rights protected with the registries onshore in the UAE, such as patents, copyright and trademarks, are recognised as valid and enforceable in the DIFC.

- A new legal regime relating to financial collateral and security registration in the DIFC clarifying the scope, operation, priority and enforcement of security over financial collateral, and streamlining the security registration process in the DIFC.

- A new Data Protection Law (DIFC Law No. 5 of 2020), which regulates the collection, handling, disclosure and use of personal data in the DIFC, including enhanced governance and transparency obligations that mirror many of the principles of the EU General Data Protection Regulation.

Source: DIFC, DFSA

Dubai Airport Free Zone Authority (DAFZA)

The Dubai Airport Free Zone Authority (DAFZA) was established in 1996 as part of the Dubai Government's strategic plan to transform the emirate into an investment-driven economy.

As at 31 December 2019, DAFZA hosted 1,650 multinational companies from more than 220 global markets involved in more than 20 key industries, including IT and electronics, aviation, freight, logistics, and telecommunications, pharmaceuticals, engineering and cosmetics. DAFZA is home to several Fortune 500 companies, including Airbus, Boeing, GE Aviation, Panasonic Avionics, Michelin, Rolls Royce, Bentley, Audi, Volkswagen, Johnson & Johnson, Estee Lauder, Roche and Chanel. As at 31 December 2018, companies operating in the ICT sector accounted for 29 per cent. of the total number of companies operating within DAFZA, followed by the consumer products sector (9 per cent.), engineering and construction materials (8 per cent.), shipping and logistics (8 per cent.), aerospace and aviation (8 per cent.) and the investment and business development sector (7 per cent.).

In line with UAE Vision 2021 and Dubai 2021, DAFZA launched its 2017-2021 Strategy, a five-year strategic plan aiming to enable DAFZA to further support the Government's goals of improving the UAE's economic rankings and to promote the adoption of globally-recognised standards.

In 2016, DAFZA launched "DAFZA Square", a project of over 33,000 m^2 that is intended to enhance Dubai's global competitiveness and to meet the growing demand of regional, international and multinational companies, and which complies with Leadership in Energy and Environmental Design (LEED) requirements developed by the US Green Building Council.

In the third quarter of 2017, the launch of Dubai CommerCity was announced, a 2.1 million square feet joint venture between DAFZA and Wasl Asset Management Group, which is intended to capitalise on the growing e-commerce sector and the future of global trade. The project is intended to consolidate Dubai's presence as a leading platform for international e-commerce and to provide the foundation to support economic diversification and smart transformation strategies. Dubai CommerCity spans a total area of 427,000 m^2 inclusive of office spaces and logistics units covering 207,000 m^2; a total leasable area of 176,000 m^2.

In 2017, DAFZA also launched "DAFZA Industrial Park", the first expansion beyond the DAFZA's geographic boundaries, to accommodate new investors and to provide additional space for its current clients for expansion. DAFZA Industrial Park has 33 state-of-the-art warehouses, including 10 cold-storage units, with a total leasable area of 10,615 m^2. DAFZA Industrial Park aims to be the first "smart" customs free zone, which will provide security and customs services in an innovative and integrated manner through a Smart Centre that will streamline commercial activities within DAFZA's industrial area without the need for human intervention in order to automate procedures around the clock.

Source: DAFZA

Dubai Silicon Oasis (DSO)

DSO is an integrated free zone technology park that was established in 2005 and is wholly owned by the Government. It covers an area of 7.2 million m^2 and is organised across five core business pillars: industrial, commercial, education, living and residences and public facilities.

DSO principally supports and accommodates businesses and services in the technology sector. As at 31 December 2019, the number of companies operating in DSO grew to 2,668, compared to 2,480 in 2018, marking an increase of over 7.6 per cent. The number of employees working in DSO was 10,668 as at 31 December 2019. In March 2015, DSO launched the Dubai Technology Entrepreneur Centre (the **DTEC**), which is wholly owned by the Dubai Silicon Oasis Authority (**DSOA**), the regulatory body of DSO. As at December 2019, DTEC successfully attracted more than 800 start-ups from 70 countries. DTEC's aim is to develop young entrepreneurs in the technology, digital Islamic economy and Arabic content sectors.

Source: DSO

Dubai South

Dubai South (formerly known as Dubai World Central) is a 145 km^2 master-planned city (with eight integrated districts) and integrated regional logistics hub that is linked to the Jebel Ali Port.

Dubai South hosts the Al Maktoum International Airport, and is the venue of Dubai Expo 2020 and the Dubai Airshow.

The key industries at Dubai South are aviation and logistics. As at 31 December 2019, 4,268 companies with 14,448 employees were operating at Dubai South.

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 Dubai Development Authority (formerly known as Dubai Creative Clusters). TECOM's free zone business communities span over 10 million square feet of commercial space across Dubai. As at 31 December 2019, TECOM Group's free zone businesses grew to reach 6,500 businesses, with its workforce reaching 95,000 employees.

DDA

DDA oversees a group of free zones which aim to facilitate the development of creative industries and to support innovation in Dubai. The free zones overseen by the DDA operate in the following sectors: Information & Communication Technology, Outsourcing, Media & Entertainment, Human Capital Development, Higher Education, Life Science, Energy & Environment and Design. The DDA is responsible for providing the regulatory and policy framework for the DDA. The DDA comprises 10 clusters across eight creative and other knowledge-based industries. Each of the DDA's 10 clusters are owned and operated by TECOM Group, and the DDA comprised 5,621 businesses representing a total workforce of 76,995 as at 31 December 2019.

Source: TECOM Group and DDA

Media and Entertainment

The DDA's media and entertainment clusters comprise Dubai Media City, Dubai Studio City and Dubai Production City. Dubai Media City was launched in 2001 to establish Dubai as the region's leading media hub. Dubai Media City comprises a media community of over 20,000 people working in over 2,000 regional and international media companies. Dubai Studio City, which was launched in 2005, offers a technical and community infrastructure to the broadcasting, film production, television, music and entertainment industries and hosts pre-built studios, sound stages, warehouses, workshops, office spaces and stage areas. Dubai Production City, which was launched in 2003, is a business hub that is focused on the development of the graphic art, printing, publishing and packaging industries.

Information & Communications Technology

The DDA's information and communications technology cluster comprises Dubai Internet City. Its clients include multinational companies such as Microsoft, Siemens, Oracle and IBM. Dubai Internet City provides these companies with a strategic base from which to carry out their operations in the Middle East and other emerging markets such as the Indian subcontinent, Africa and Central Asia.

Outsourcing

The DDA's outsourcing cluster comprises Dubai Outsource City, which acts as a base for both domestic and third-party outsourcing operations. Dubai Outsource Zone also acts as a centre for offshore disaster recovery facilities. Its clients include du, Emirates and Jumeirah Group.

Higher Education

The DDA's higher education cluster comprises Dubai International Academic City, which was launched in 2007.

Dubai International Academic City hosts 27 academic institutions from nine countries on a 1.7 million m^2 campus, including universities such as Michigan State University, the University of Wollongong, Murdoch University, the University of Bradford and the University of Birmingham Dubai. Academic programmes offered within the zone include, undergraduate and post graduate programmes in engineering, information technology, media, business and mass communications, among others. Dubai International Academic City currently hosts approximately 27,500 students.

Human Capital Development

The DDA's human capital development cluster comprises Dubai Knowledge Park (**DKP**). DKP was established in 2003 to develop the region's talent pool and establish the UAE as a knowledge-based economy. DKP offers a wide selection of training programmes in human resource management, consultancy, training and personal development. DKP has attracted a range of educational and training institutions including prominent universities from the United Kingdom (including Manchester Business School and Middlesex University) and Australia (including the University of Wollongong and the SAE Institute).

Life Sciences, Energy & Environment

The DDA's life sciences, energy and environment cluster comprises Dubai Science Park (formerly known as DuBiotech). Dubai Science Park aims to play a significant role in the Dubai Plan 2021 by facilitating a more sustainable and self-sufficient future. As at 30 April 2020, Dubai Science Park had more than 350 registered companies employing over 3,600 people operating across the human science, plant science, material science, environmental science and energy science sectors.

Design

The DDA's design cluster comprises Dubai Design District (**d3**), which was established in 2013 as a purpose-built design district with the aim of developing emerging local talent and creating a regional centre for creative design.

Source: DDA

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 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 2019, DMCC comprised a 200-hectare development encompassing 68 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 2019, the total number of companies operating in the DMCC was 17,000 including Alcatel Lucent Middle East and North Africa, American Express, Carrera Y Carrera, Colgate-Palmolive, Dyson, Eurofin, John West Foods, Lukoil, LVMH, Nutricia Danone, Oddfjell, Rio Tinto – Dimexon and TAG Worldwide.

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 2019, DHCC had six hospitals, 162 clinics, diagnostic centres, pharmacies and laboratories with 168 clinical companies and 233 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 2019, the DWTC free zone contained 319 companies with 2,973 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 2016 to 2019.

UAE Balance of Payments:

	2016	2017	2018	2019
		(AED billions)		
Current Account Balance	**48.5**	**101.0**	**148.7**	**108.9**
Trade Balance (FOB)	251.3	246.0	314.6	274.6
Total Exports of Hydrocarbon	170.6	213.5	247.2	211.1
Total Non-Hydrocarbon Exports	380.9	391.5	410.6	415.1
Re-Exports[1]	532.9	546.5	521.2	534.1
Total Exports and Re-Exports (FOB)	1,083.5	1,151.5	1,179.0	1,160.2
Total Imports (FOB)	(832.1)	(904.7)	(864.4)	(885.6)
Services (Net)	(67.0)	(4.8)	(1.8)	(2.2)
Investment Income (Net)	7.7	10.2	5.2	7.6
Transfers (Net)	(143.6)	(151.3)	(169.3)	(171.1)
Capital and Financial Account[2]	**(71.0)**	**(62.6)**	**(126.9)**	**(73.5)**
(a) Private Capital	(68.0)	(59.6)	(116.9)	(63.1)
(i) Foreign Direct Investment (NET)	(14.7)	(13.6)	(17.2)	(7.8)
- Outward	(50.0)	(51.6)	(55.3)	(58.4)
- Inward	35.3	38.0	38.1	50.6
(ii) Portfolio Investment	4.4	4.7	4.0	4.1
(iii) Banks	(39.7)	(33.2)	(80.2)	(30.1)
(b) Enterprises of Public Sector	(3.0)	(3.0)	(10.0)	(10.3)
Net Errors and Omissions	(3.5)	(2.0)	(8.9)	—
Overall Balance	**(26.0)**	**36.4**	**13.0**	**35.4**

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 15.7 per cent. in 2016, 18.5 per cent. in 2017, 21.0 per cent. in 2018 and 18.2 per cent. in 2019. The UAE's re-exports accounted for 49.2 per cent. in 2016, 47.5 per cent. in 2017., 44.2 per cent. in 2018 and 46.0 per cent. in 2019.

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. An increase in imports was the principal cause of the reduction in trade balance in 2017 compared to 2016, despite the partial recovery in oil prices in 2017, which resulted in an increase in hydrocarbon exports in the same period. The continuing partial recovery in crude oil prices in 2018, alongside an increase in non-hydrocarbon exports and decreased imports, resulted in an increased trade balance as compared to 2017. In 2019, the trade balance declined again due to a decline in hydrocarbon exports alongside an increase in imports, notwithstanding a slight increase in non-hydrocarbon exports.

The UAE's trade balance as a percentage of its nominal GDP was 19.2 per cent. in 2016, 17.4 per cent. in 2017, 20.3 per cent. in 2018 and 17.8 per cent. in 2019.

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 declined in each of 2016, 2017 and 2018 and stayed largely flat in 2019, principally driven by lower hydrocarbon prices boosting the net travel inflow and increasing inbound tourism. Although there have been deficits on the net services balances and high levels of current transfers, these have not outweighed the trade surpluses in recent years, resulting in a positive current account balance in 2016, equal to 3.7 per cent. of the UAE's nominal GDP in 2016, which increased to 7.1 per cent. in 2017 and 9.6 per cent. in 2018 and declined to 7.0 per cent. in 2019.

In its November 2019 Article IV Mission to the UAE, the IMF notes that sustaining robust non-oil growth after Dubai Expo 2020 remains a key priority, particularly in light of slowing global oil demand. The IMF notes two key policy priorities (i) promoting the growth of the non-oil private sector, including small and medium enterprises (**SMEs**); and (ii) strengthening fiscal frameworks to ensure both sufficient saving of oil wealth and smoothing of short-term fluctuations. The IMF welcomed a number of steps taken by the UAE authorities in this regard, including the adoption of the FDI Law and the implementation of a comprehensive national SME development strategy.

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 Etisalat making significant acquisitions in order to boost their regional and international presence.

The principal factor impacting the financial account balance in the period from 2016 to 2019 was private sector bank inflows and outflows. There were outflows of AED 39.7 billion in 2016, AED 33.2 billion in 2017, AED 80.2 billion in 2018 and AED 30.1 billion in 2019. Other factors impacting the financial account balance during the period were outward flows by public sector entities, which were AED 3.0 billion in each of 2016 and 2017, AED 10.0 billion in 2018 and AED 10.3 billion in 2019, and net foreign direct investment flows, which were net outward flows of AED 14.7 billion in 2016, AED 13.6 billion in 2017, AED 17.2 billion in 2018 and AED 7.8 billion in 2019.

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 deficit of AED 26.0 billion in 2016, a surplus of AED 36.4 billion in 2017, a surplus of AED 13.0 billion in 2018 and a surplus of AED 35.4 billion in 2019, equal to minus 2.0 per cent., 2.6 per cent., 0.8 per cent. and 2.3 per cent., respectively, of the UAE's nominal GDP in 2016, 2017, 2018 and 2019.

As at 31 December 2019, the UAE's official foreign reserves (in the form of the UAE Central Bank's holdings of foreign assets) amounted to AED 397.9 billion, or 5.2 months of imports, compared to AED 362.6 billion, or 4.8 months of imports, as at 31 December 2018.

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 1,603.0 billion in 2019, reflecting an increase of 4.4 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 2016 to 2019:

	2016	2017	2018	2019
		(*AED millions*)		
Imports	694,885	946,000	898,500	915,000
Non-Oil Exports	168,633	181,000	206,000	231,000
Re-Exports	215,333	400,300	431,600	457,000
Total Trade	**1,078,851**	**1,527,300**	**1,536,100**	**1,603,000**

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 770.0 billion in 2019, an increase of 1.7 per cent. from AED 757.3 billion in 2018, principally due to a 13.9 per cent. increase in exports during the same period. Imports amounted to AED 479.2 billion, exports amounted to AED 125.0 billion and re-exports amounted to AED 165.7 billion in 2019. The following table sets out Dubai's total direct foreign trade (imports, exports and re-exports) for each of the years 2016 to 2019:

	2016	2017	2018	2019
		(AED millions)		
Imports (CIF)	535,555	518,279	470,503	479,227
Non-Oil Exports (FOB)	129,439	123,661	109,728	125,007
Re-Exports (FOB)	165,065	186,752	176,747	165,718
Total Trade	**830,059**	**828,692**	**756,977**	**769,952**

Source: Dubai Customs

In 2019, the share of imports in total trade was 62.2 per cent., compared to 62.2 per cent., 62.5 per cent. and 64.5 per cent. in 2018, 2017 and 2016, respectively. In 2019, the share of exports in total trade was 16.2 per cent., compared to 14.5 per cent., 14.9 per cent. and 15.6 per cent. in 2018, 2017 and 2016, respectively. In 2019, the share of re-exports in total trade was 21.5 per cent., compared to 23.3 per cent., 22.5 per cent. and 19.9 per cent. in 2018, 2017 and 2016, respectively.

The value of Dubai's imports grew by 4.1 per cent. in 2016, declined by 3.2 per cent. in 2017, declined by 9.2 per cent. in 2018 and grew by 1.9 per cent. in 2019. The increase in imports in 2019 was mainly due to an increase in imports of mineral products, and pearls, precious stones and metals, which was partially offset by the decrease in imports of vehicles, aircraft and vessels.

The value of Dubai's exports grew by 8.9 per cent. in 2016, declined by 4.5 per cent. in 2017, declined by 11.3 per cent. in 2018 and grew by 13.9 per cent. in 2019. The increase in exports in 2019 was mainly due to an increase in exports of pearls, precious stones and metals, and products of chemical and allied industries.

The value of Dubai's re-exports declined by 2.3 per cent. in 2016, grew by 13.1 per cent. in 2017, declined by 5.4 per cent. in 2018 and declined by 6.2 per cent. in 2019. The decrease in re-exports in 2019 was mainly due to a decrease in the re-export of vehicles, aircraft and vessels, pearls, precious stones and metals, and machinery, sound recorders, TV and electrical equipment.

Dubai's principal merchandise imports in 2019 were gold merchandise, accounting for 22.5 per cent. of total imports, followed by diamonds, accounting for 8.1 per cent. of total imports, and precious and semi-precious stones/metals and jewellery, accounting for 5.3 per cent. of total imports. These goods were principally imported from major trading partner countries such as India, China and the United States. These countries accounted for 8.3 per cent., 12.1 per cent. and 7.7 per cent., respectively, of the total imports into Dubai in 2019.

The distribution of trade by trading partner (see table below) shows that, in 2019, India was Dubai's largest trading partner (accounting for 9.9 per cent. of Dubai's total trade), followed by China (accounting for 8.1 per cent. of Dubai's total trade), the United States (accounting for 6.4 per cent. of Dubai's total trade), Switzerland (accounting for 4.1 per cent. of Dubai's total trade) and Oman (accounting for 3.5 per cent. of Dubai's total trade). In 2019, Dubai's total trade with India amounted to AED 76.5 billion, comprising AED 39.7 billion of imports, AED 14.7 billion of exports and AED 22.2 billion of re-exports.

Country	Imports	Exports	Re-exports	Total Trade	Per cent.
			(AED millions)		
India	39,729	14,651	22,150	76,530	9.9
China	57,927	2,213	2,184	62,324	8.1
United States	37,077	3,589	8,503	49,169	6.4
Switzerland	11,061	17,060	3,113	31,234	4.1
Oman	5,090	9,488	12,047	26,625	3.5
Germany	23,392	732	2,011	26,136	3.4
Hong Kong	8,165	2,736	12,878	23,778	3.1
Turkey	9,231	8,258	3,233	20,721	2.7
United Kingdom	13,074	1,255	5,235	19,565	2.5
Japan	15,925	2,834	287	19,045	2.5
Total	**220,671**	**62,815**	**71,641**	**355,127**	**46.1**

Source: Dubai Customs

The distribution of trade by region (see table below) shows that the share of Asia amounted to 53.7 per cent. of total foreign trade with Dubai in 2019. According to information published by Dubai Customs, Asia accounted for AED 413.1 billion of trade with Dubai in 2019, followed by Europe, Africa and North America with AED 156.9 billion, AED 115.8 billion and AED 57.8 billion, respectively.

These four regions together accounted for 96.6 per cent. of Dubai's total foreign trade in 2019. The following table sets out the distribution of Dubai's foreign trade by region for 2019:

Region	Imports	Exports	Re-exports	Total Trade	Per cent.
			(*AED millions*)		
Asia	217,359	80,807	114,961	413,127	53.7
Europe	105,977	25,197	25,713	156,886	20.4
Africa	86,939	13,552	15,302	115,793	15.0
North America	44,720	4,051	9,069	57,841	7.5
South America	16,830	413	271	17,514	2.3
Oceania	7,402	988	403	8,792	1.1
Total	479,227	125,007	165,718	769,952	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 rates as a monetary tool, but does employ macroprudential measures, such as lending and exposure limits, to manage credit growth in the economy.

Liquidity and Money Supply

The following table sets out certain liquidity indicators for the UAE as at 31 December in each of the years 2016 to 2019:

	2016	2017	2018	2019
		(*AED millions*)		
Currency issued (M0)	77,551	85,386	85,839	93,729
Money supply (M1)(1)	474,054	492,365	485,699	515,061
Private domestic liquidity (M2)(2)	1,225,452	1,276,139	1,308,432	1,413,166
Overall domestic liquidity (M3)(3)	1,411,339	1,487,079	1,602,379	1,717,456
Broad money (M2) to nominal UAE GDP (per cent.)(4)	93.5	90.1	84.4	91.4
Private sector credit(5)	1,094,631	1,105,007	1,150,018	1,149,953
Private sector credit to nominal UAE GDP (per cent.)(4)	83.5	78.0	74.2	74.4
Domestic credit(6)	1,454,414	1,452,696	1,509,437	1,592,609
Domestic credit to nominal UAE GDP (per cent.)(4)	110.9	102.6	97.3	103.0

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 lending to residents and non-banking financial institutions, trade bills discounted, and loans and advances to the government, public sector and private sector (corporates and individuals) in local and foreign currency.

Private domestic liquidity (M2) grew by 8.0 per cent. in 2019 compared to 2.5 per cent. in 2018, 4.1 per cent. in 2017 and 3.3 per cent. in 2016. The growth in 2019 reflected the general trend of an improvement in overall domestic liquidity. Broad money expressed as a percentage of nominal UAE GDP decreased from 93.5 per cent. in 2016 to 90.1 per cent. in 2017 and 84.4 per cent. in 2018, principally as a result of growth in the UAE's GDP, before increasing to 91.4 per cent. in 2019.

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 borrowings under repurchase agreements) were AED 186.8 billion in 2016, 212.0 billion in 2017, AED 290.3 billion in 2018 and AED 301.3 billion in 2019, reflecting improved government finances principally driven by fiscal actions taken, higher oil prices and improved economic conditions. The increases in government deposits from 2017 to 2019 were also instrumental in supporting bank liquidity.

The availability of domestic private sector credit remained flat at AED 1,150.0 billion as at each of 31 December 2018 and 2019, while overall domestic credit increased in 2019 from AED 1,509.4 billion as at 31 December 2018 to 1,592.6 billion as at 31 December 2019.

Domestic private sector credit expressed as a percentage of nominal UAE GDP was 83.5 per cent. in 2016, decreasing to 78.0 per cent. in 2017 and 74.2 per cent. in 2018, and increasing slightly to 74.4 per cent. in 2019. In 2016, overall domestic credit expressed as a percentage of nominal UAE GDP was 110.9 per cent., decreasing to 102.6 per cent. in 2017 and 97.3 per cent. in 2018 and increasing to 103.0 per cent. in 2019.

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 2016 to 2019:

	2016	2017	2018	2019
		(*AED billions*)		
Foreign Assets Holdings	310.9	347.7	362.6	394.7

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 2016 and 2019, due mostly to an increase in current account balances and deposits with banks abroad.

Banking and Financial Services

The financial and insurance activities sector in Dubai contributed AED 40.3 billion (or 9.9 per cent. of Dubai's real GDP) in 2019.

Within the UAE as a whole, the financial and insurance activities sector was estimated to have contributed approximately 8.7 per cent. of nominal GDP in 2019, according to FCSA data.

With 48 licensed banks (comprising 21 locally-incorporated banks and 27 foreign banks) at 31 December 2019, serving a population estimated by the FCSA to be approximately 9.4 million as at 31 December 2018, the UAE could be viewed as an over-banked market, even by regional standards. However, the banking sector in the UAE has seen an increase in merger and acquisition activities since 2017, including the merger between First Gulf Bank and National Bank of Abu Dhabi, forming First Abu Dhabi Bank (completed in April 2017); the three-way merger between Abu Dhabi Commercial Bank, Union National Bank and Al Hilal Bank, forming ADCB Group (completed in May 2019); and the acquisition by Dubai Islamic Bank of Noor Bank (completed in January 2020).

The UAE's banks have faced challenges in recent years, including a slowdown in the global economy and a decline in oil prices, which has negatively impacted the UAE's fiscal position and slowed economic growth. Following its November 2019 Article IV Mission to the UAE, the IMF recommended that the UAE's financial sector should support private-sector development while continuing to mitigate risk. The IMF also recommended that the UAE's real estate and construction exposures should continue to be kept under prudential control, non-compliant large exposures brought down to below prudential limits, fintech harnessed (subject to stability considerations) to improve intermediation and financial inclusion, and a benchmark yield curve developed. The IMF welcomed the UAE authorities' proposal to implement a financial sector assessment programme once the Central Bank Law has been fully implemented (see "*—Supervision of Banks*" below).

Since 2019, a number of banks in the UAE have announced increases in their foreign ownership limits, including First Abu Dhabi Bank (from 25 per cent. to 40 per cent.), Dubai Islamic Bank (from 25 per cent. to 40 per cent.), Abu Dhabi Islamic Bank (from 25 per cent. to 40 per cent.), Emirates NBD (from 5 per cent. to 20 per cent.) and Mashreqbank (from 25 per cent. to 49 per cent.). Along with the adoption of the new FDI Law, 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 loans and advances extended to residents and non-residents of the UAE as at 31 December 2019 was AED 1,593.8 billion, compared to AED 1,509.4 billion as at 31 December 2018, AED 1,452.7 billion as at 31 December 2017 and AED 1,454.4 billion as at 31 December 2016. Of these amounts, specific and general provisions were AED 132.0 billion in 2019, AED 121.6 billion in 2018, AED 109.4 billion in 2017 and AED 107.6 billion in 2016, equating to provision rates of 8.3 per cent., 8.1 per cent., 7.5 per cent. and 7.4 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 2016 to 2019.

	2016	2017	2018	2019
Total Number of Commercial Banks	49	49	49	48
Total Number of Branches (inclusive of head offices)	980	853	823	735
Total Number of Employees[(1)]	37,547	36,367	36,629	35,637
Total Domestic Credit[(2)] (AED billions)	1,454.4	1,452.7	1,509.4	1,593.8
Total Provisions[(3)] (AED billions)	107.6	109.4	121.6	132.0
Total Assets (AED billions)	2,613.6	2,693.8	2,868.5	3,085.8
Total Deposits (AED billions)	1,562.9	1,627.3	1,755.7	1,870.2

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	Year Established	Government ownership	Assets
			(per cent.)	(AED millions)
Emirates NBD[(1)]	147	2007[(2)]	55.8	683,321
Dubai Islamic Bank[(1)]	66	1975	28.4	231,796
Mashreqbank[(1)]	32	1967	—	159,431
Commercial Bank of Dubai[(1)]	15	1969	20.0	88,069
Noor Bank[(1)]	11	2008	22.7[(3)]	47,396

Source: ICD; banks' financial statements

Notes:

(1) As at 31 December 2019, based on banks' audited financial statements.

(2) Year of merger of Emirates Bank International and National Bank of Dubai.

(3) The acquisition of Noor Bank by Dubai Islamic Bank was pending as at 31 December 2019 and was subsequently completed on 22 January 2020.

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.

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 AML/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 UAE ranked 21st on Transparency International's Corruption Perceptions Index 2019, which ranks 180 countries in terms of their perceived level of public sector corruption. In its November 2019 Article IV Consultation with the UAE, the IMF recommended that the UAE establish a track record of enforcement under the AML/CFT Framework. The IMF has also encouraged the UAE authorities to continue improving their understanding of money laundering and terrorism financing risks, including those related to non-resident financial flows, to make further refinements to the identification of the beneficial owners of deposits and loans and improve entity transparency of companies created in the UAE, and to swiftly process the backlog of suspicious reports.

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. In January 2019, the Cabinet issued Resolution No. 10 of 2019, introducing 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**).

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 Sharia 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 Sharia principles are complied with. The principal Dubai-based Islamic banks are Dubai Islamic Bank, Emirates Islamic Bank and Noor 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 2019, are required to be public shareholding companies with a minimum share capital of AED 40 million.

Licensed foreign banks, of which there were 27 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 2019, 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 a reform agenda based around five pillars: (i) risk management, (ii) Basel III, (iii) controls/compliance, (iv) bank resolution and (v) market development, along with an overarching governance framework. The risk management pillar was completed in 2018 with the issue of a new risk management framework for banks, comprising five regulations covering overall risk management, operational risk, market risk, interest rate risk and country and transfer risk. The Basel III pillar has also been completed and is discussed below, see "—*Capital*".

In addition to the new Central Bank Law, various new laws and regulations relevant to the banking sector have also been recently published. These include:

- In May 2016, the Cabinet approved the formation of the Higher Sharia Authority for Banking and Finance (the **Higher Sharia Authority**) in order to oversee and strengthen the consistency of the UAE's Islamic financial sector. The Higher Sharia Authority is responsible for setting rules, standards and general principles for banking and financial activities that comply with Islamic laws, as well as setting a general framework for Islamic governance and fatwa issuance on matters highlighted by the UAE Central Bank or other financial institutions in the UAE. The establishment and specific powers of the Higher Sharia Authority were subsequently codified in Article 17 of the Central Bank Law. Subsequently, in May 2020, a new initiative was launched by the UAE Ministry of Finance, in partnership with the Islamic Development Bank and the Dubai Islamic Economy Development Centre, to create a unified global legal and legislative framework for the Islamic finance sector.

- UAE Federal Law No. 20 of 2016 Concerning the Mortgaging of Movable Assets as Security for Debts (the **Pledge Law**) was issued in December 2016. The Pledge Law states that most forms of movable assets (including future and intangible assets) can be secured or mortgaged. The Pledge Law also expressly sets out a number of movable assets, such as wages and inheritance related funds, which may not be secured. It also requires the registration of security interests with the newly-established Emirates Movable Collateral Registry (**EMCR**), in order to secure priority against competing interests. More recently, the Pledge Law was amended pursuant to UAE Federal Law No. 24 of 2019, under which two of the key amendments include the right of an assignee under an assignment to register the assignment at the EMCR and clarification that the Pledge Law applies to mortgages by possession only. The former is a significant departure from the existing law, as previously there was no requirement to register an assignment at the EMCR.

- In October 2018, the UAE Central Bank amended its rules on loans to retail clients, in particular in relation to the transfer of personal loans or personal finance from one bank or a finance company to another. The amendment requires retail banks to allow customers to transfer their personal loan from any bank in the UAE in return for an early repayment commission not exceeding one per cent. of the remaining amount of the loan, or AED 10,000, whichever is less.

- In January 2019, UAE Federal Law No. 8 of 2018 on Finance Lease (the **Finance Lease Law**) came into effect, which sets forth a regulatory framework for conducting finance lease business in the UAE. Key aspects of the law include registration of a lease to make it binding on third parties and preserve priority, the requirement to obtain a licence from the UAE Central Bank to undertake finance lease activities, and provisions relating to ownership of the asset upon expiry of its term. The regulatory framework for finance leases was further supplemented by Ministerial Resolution No. 175 of 2019, which addresses the application of the accounting standards of the Financial Lease Law.

- UAE Federal Law No. 10 of 2018 Regarding Netting (the **Netting Law**) was issued in September 2018. The Netting Law broadly reflects the ISDA Model Netting law, with certain amendments such as the express inclusion of Sharia-compliant contracts. The Netting Law also allows for the recognition of netting agreements, close-out netting provisions and related collateral arrangements, particularly in an insolvency scenario.

- In September 2019, the UAE Central Bank's new Corporate Governance Regulations came into force, which apply to all banks in the UAE and introduce sector-wide polices in line with international best practices, such as the inclusion of independent directors in banks' boards and mandatory committees, the reinforcement of the fit-and-proper process for members of boards and senior management and the introduction of minimum disclosure requirements in banks' annual governance reports.

UAE Central Bank Response to COVID-19 Pandemic

In line with the UAE Federal Government's efforts to mitigate the negative impact of the COVID-19 pandemic on the UAE economy (see "*Overview of the Emirate of Dubai—Measures taken in the UAE in response to the COVID-19 pandemic*"), the UAE Central Bank has also introduced a number of measures since the onset of the pandemic in order to mitigate the negative impact on the UAE banking sector. On 11 March 2020, the UAE Central Bank announced that UAE financial institutions were expected to implement measures such as rescheduling of loan contracts, granting temporary deferrals on monthly loan payments, and reducing fees and commissions for affected customers. The UAE Central Bank also asked regulated institutions to ensure that banks have sufficient cash at branches and ATMs, to ensure digital channels are equipped to handle the flow of expected increased usage and to reduce fees incurred by merchants when their customers pay by debit or credit cards. On 19 March 2020, the UAE Central Bank made a further announcement encouraging banking customers to take advantage of digital and online banking services.

On 14 March 2020, the UAE Central Bank announced its AED 100 billion TESS stimulus programme, which comprises AED 50 billion in collateralised loans at zero cost to all banks operating in the UAE until 31 December 2020 (extended from 15 September 2020) and permitting banks to free up AED 50 billion from their regulatory capital buffers until 31 December 2021 (extended from 15 September 2020) to boost lending capacity and to support the UAE economy. Under the TESS stimulus programme, UAE banks will be permitted to free up a maximum of 60 per cent. of the capital conservation buffer and to use 100 per cent. of their additional capital buffer for systemic importance. The TESS stimulus programme requires participating banks to offer their retail and corporate clients affected by COVID-19 temporary relief from the requirement to make payments of principal and interest on existing loans until 31 December

2020. The TESS stimulus programme enables banks to draw down on funds provided by the UAE Central Bank at no cost. These funds can then be substituted for the payments the banks would be expecting from their clients, allowing the banks to defer the expected payments from their clients to a later date. Banks accessing the TESS stimulus programme are required to provide eligible collateral to the UAE Central Bank that is equal in value to the amount of the loan to be provided and with a maturity that is equal to or greater than the maturity of the loan to be provided. The TESS stimulus programme may not be used to assist clients in the following categories: (i) borrowers that are currently in default on their existing loans; (ii) non-UAE resident clients; (iii) clients that are unaffected by the pandemic; or (iv) Government entities.

Other measures announced by the UAE Central Bank include reducing the amount of capital that banks are required to hold for their loans to SMEs from 40 per cent. to 25 per cent.; reducing the reserves requirements for demand deposits for all banks from 14 per cent. to 7 per cent.; easing regulatory liquidity buffers, allowing banks to use a third of their current liquidity buffers and the flexibility to maintain a minimum liquidity coverage ratio (**LCR**) of 70 per cent. and a minimum eligible liquid assets ratio (**ELAR**) of 7 per cent.; and postponing the planned implementation of certain Basel III capital standards to 31 March 2021 for all banks.

The UAE Central Bank has also increased the loan-to-value ratios applicable to mortgage loans for first-time home buyers by 5 per cent. under the UAE Central Bank Mortgage Regulations, and to increase the maximum exposure banks can have to the real estate sector from 20 per cent. to 30 per cent. when the maximum has been reached (subject to holding more capital). On 26 March 2020, the UAE Central Bank also directed all banks to replenish their ATMs with new banknotes, to sanitise all ATMs on a regular basis and to issue preventive sanitation tools (such as disposable latex gloves) for all customers using ATMs. On 27 March 2020, the UAE Central Bank issued its statement that the majority of workforce in banks, financial institutions and exchange houses under their supervision should work remotely with the exception of 30 per cent. of those working in critical positions. The UAE Central Bank also introduced a remote working priority system for employees to protect those most vulnerable.

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 has 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. However, in response to the COVID-19 pandemic, the UAE Central Bank has temporarily eased regulatory liquidity buffers and postponed the planned implementation of certain Basel III capital standards (see "*—UAE Central Bank Response to COVID-19 Pandemic*" above).

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 II capital adequacy ratio of all UAE national banks was 18.9 per cent. as at 31 December 2016. The Basel III total capital adequacy ratio of all UAE national banks was 18.1 per cent., 17.5 per cent. and 17.6 per cent. as at 31 December 2017, 2018 and 2019, respectively.

The following table sets out the capital adequacy ratio of all UAE national banks as at 31 December in each of the years 2016 to 2019.

	2016	2017	2018	2019
		(*per cent.*)		
Total capital adequacy ratio	18.9	18.1	17.5	17.6
Tier I capital adequacy ratio	17.3	16.6	16.2	16.4

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 58.9 per cent. of total deposits (excluding inter-bank deposits, government deposits and commercial prepayments) of the UAE banking sector as at 31 December 2019. Government and public sector deposits contributed 29.2 per cent. of total deposits (excluding inter-bank deposits and bank drafts but including commercial prepayments) as at 31 December 2019. Non-resident and other sources contributed 11.8 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. While no bank has, so far, been permitted to fail, during the 1980s and early 1990s a number were restructured by the authorities. In addition, following the impact of the global financial crisis the UAE Central Bank and the UAE Ministry of Finance provided in aggregate AED 70 billion through a range of liquidity support facilities that banks in the UAE could avail by various means. This support included the UAE Ministry of Finance placing deposits, which were later converted into subordinated debt that qualified as Tier 2 capital. Additionally, in May 2011, Dubai Bank was taken over by Emirates NBD, a majority-owned Government banking group.

In addition, the UAE Central Bank announced a number of measures aimed at ensuring that adequate liquidity is available to banks operating in the UAE. In October 2008, in response to the global financial crisis, the UAE Federal Government announced that it intended to guarantee the deposits of all UAE banks and foreign banks with core operations in the UAE. New lending is required to be based on growth in the customer deposit base. The UAE Central Bank also 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 new 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 new 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 107.6 billion (or 4.1 per cent. of total UAE bank assets) as at 31 December 2016 to AED 109.4 billion (or 4.1 per cent. of total UAE bank assets) as at 31 December 2017, AED 121.6 billion (or 4.2 per cent. of total UAE bank assets) as at 31 December 2018 to AED 132.0 billion (or 4.3 per cent. of total UAE bank assets) as at 31 December 2019.

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.

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 borrower or a group of related borrowers, thereby safeguarding the relevant bank's solvency.

In November 2013, the UAE Central Bank issued Notice No. 300/2013 (the **Large Exposures Notice**), which set percentage limits for banks' maximum exposures relative to the size of their capital base to specified entities. These entities or groups include the UAE federal and local governments and their commercial and non-commercial entities, single borrowers or groups of related borrowers and inter-bank exposures. Large exposures include funded and unfunded exposures and unused commitment lines (based on cash conversion factors) to a single borrower or group (including government-related entities) which exceed 25 per cent. of a bank's capital base. A bank's aggregate exposure to each emirate in the UAE is not allowed to exceed 100 per cent. of its capital base. Limits for foreign interbank exposures have been fixed at 30 per cent. for a bank or banking group. Claims on the UAE Central Bank, the IMF and other similar entities, highly rated marketable bonds and sukuk issued by an emirate and deposits under lien may be excluded from large exposure calculations. Large exposures are monitored by the UAE Central Bank through quarterly returns.

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

In October 2018, UAE Federal Law No. 9 of 2018 Concerning Public Debt (**Public Debt Law**) was issued. The 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 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 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 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 borrowing 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, 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.

Credit Information

In May 2010, the Government appointed the Emirates Credit Information Company (**Emcredit**) as the official body for providing credit information services in Dubai. Emcredit is now the entity responsible for providing credit reporting services in the emirate, with responsibility for collecting, storing, analysing and disseminating credit information in Dubai. Additionally, in February 2011, the UAE Central Bank issued regulations in relation to the retail banking sector, aimed at controlling lending activities and excessive charges by banks, while also protecting banks by regulating lending and encouraging banks to carry out proper due diligence on potential borrowers.

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 October 2016, the Government announced the Dubai Blockchain Strategy, which aims to build a thriving blockchain ecosystem in Dubai and establish Dubai as a world leader in blockchain development, based on three strategic pillars: government efficiency, industry creation, and international leadership. Subsequently, in April 2018, the UAE Federal Government launched the Emirates Blockchain Strategy 2021, which aims for 50 per cent. of government transactions to be effected on a blockchain platform by 2021.

In September 2017, the UAE Federal Government launched its "Strategy for the Fourth Industrial Revolution", which aims to strengthen the UAE's position as a global hub for the Fourth Industrial Revolution and to increase its contribution to the national economy by means of advancing innovation and future technologies.

Consumer Loan Regulation and Mortgage Cap Regulation

The UAE Central Bank has introduced regulations regarding bank loans 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 rates which banks in the UAE can charge to retail customers and impose maximum loan/income and loan to value ratios for retail products such as residential mortgage loans. In March 2020, the UAE Central Bank revised the Mortgage Regulations, which increased the loan-to-value ratios applicable to mortgage loans for first-time home buyers by 5 per cent. under the Mortgage Regulations, and increased the maximum exposure banks can have to the real estate sector.

The Retail Circular requires that the amount of any personal consumer loan shall not exceed 20 times the salary or total income of the borrower with the repayment period not exceeding 48 months. The Mortgage Regulations, as updated in March 2020, provide that the amount of mortgage loans 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

In September 2016, Federal Decree No. 9 of 2016 Concerning Bankruptcy (the **Bankruptcy Law**) was issued implementing new 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 Law No. 19 of 2019 (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 Insurance Authority, which was established by UAE Federal Law No. 6 of 2007 Regarding the Establishment of the Insurance Authority and Regulation of Insurance Operations (the **Insurance Law**) as an independent authority with responsibility to organise and regulate the UAE insurance sector and to ensure implementation of international best standards in the insurance market. The Insurance Authority also monitors the solvency of insurance companies by applying laws and regulations aimed at protecting the rights of the beneficiaries of insurance policies. In September 2019, the UAE Ministry of Justice issued a resolution forming a committee to investigate the potential merger of the Insurance Authority into the Securities and Commodities Authority, to form a single financial services regulator. The committee is responsible for identifying the implications of the merger and submitting its recommendations to the Cabinet, along with the proposed legislation. The resolution does not contain a deadline for the merger.

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 July 2020, the Cabinet announced that the Insurance Authority would merge with the SCA, as part of a wider reorganisation of the UAE Federal Government's structure.

According to the Insurance Authority, written premiums of all types of insurance amounted to AED 44.2 billion in 2019, an increase of 1.1 per cent. compared to AED 43.7 billion in 2018.

As at 31 December 2019, 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 11,234, as well as 23 insurance agents, 165 insurance brokers (comprising 161 national brokers and four foreign brokers), 43 insurance consultants, 108 loss adjusters, 57 actuaries and 26 third-party administrators.

The following table sets out the UAE total written premiums by value for each of the years 2016 to 2019:

	2016	2017	2018	2019
		(AED millions)		
General insurance premiums	29,863	33,079	31,748	32,535
Life insurance premiums	10,146	11,745	11,971	11,643
Total premiums	**40,009**	**44,824**	**43,718**	**44,178**

Source: Insurance Authority

In November 2013, Dubai Law No. 11 of 2013 (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, in line with the principles set out in the Dubai Plan 2021 (see "*Overview of the Emirate of Dubai—Strategy of Dubai*"). 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.

Capital Markets

The capital markets in the UAE are regulated by a number of entities including the Securities and Commodities Authority (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 2019, stock markets in the UAE showed modest gains, driven by recovering international crude oil prices during the year. However, stock markets in the UAE have declined significantly since the start of 2020, primarily due to the impact of the COVID-19 pandemic and the steep decline of oil prices in the first four months of 2020.

In May 2018, the SCA issued Chairman Decision No. (20/R.M) of 2018 on the Offering or Issuance of Islamic Securities (the **ISRs**), in order to add an additional layer of disclosure and transparency to the UAE's sukuk market and strengthen investor protection. The ISRs apply to (i) domestic issuers of Sharia-compliant securities seeking to offer those securities either within or outside the UAE, and (ii) foreign issuers of certain Sharia-compliant securities seeking to offer those securities into the UAE. The ISRs outline a number of key disclosure requirements that must be included in the offering document, a number of specific requirements in respect of the fatwa as well as the continuing obligations that apply to Sharia-compliant securities, including the provision of an annual Sharia report.

In February 2019, the SCA introduced new rules allowing UAE public joint stock companies (**PJSCs**) to use technology to streamline governance procedures, including enabling shareholders to attend and vote in general meetings electronically and allowing PJSCs to call general meetings using text messages or emails. The rules also enhance rules on insider trading, directors' conflicts of interests and independence.

In March 2019, the SCA, the DFSA and the FSRA (the ADGM's financial services regulator) announced new fund passporting rules enabling UAE-wide promotion of investment funds licensed by the three financial markets regulators (both onshore and in the financial free zones of DIFC and ADGM), without the need for further authorisation or approval by any authority.

In July 2020, the Cabinet announced that the SCA would merge with the Insurance Authority, as part of a wider reorganisation of the UAE Federal Government's structure.

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 2,764 as at 31 December 2019 compared to 2,530 as at 31 December 2018, 3,370 as at 31 December 2017 and 3,531 as at 31 December 2016. However, the DFM Index has declined significantly since the start of 2020, falling to 2,064 as at 30 June 2020, primarily reflecting the impact of the COVID-19 pandemic and the steep decline in oil prices in the first four months of 2020. The total market capitalisation of the DFM Index reached AED 374.5 billion as at 31 December 2019, compared to AED 343.3 billion as at 31 December 2018, AED 394.0 billion as at 31 December 2017 and AED 337.7 billion as at 31 December 2016.

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 2016 to 2019:

	2016	2017	2018	2019
Number of Traded Shares (millions)	106,387	82,154	45,440	40,045
Value of Traded Shares (AED billions)	133,181	114,723	59,770	53,097
Number of Trades	1,305,208	1,078,744	660,280	656,674
Market Capitalisation (AED millions)	337,699	394,029	343,333	374,453
DFM Index Year-End Index Closing Price	3,531	3,370	2,530	2,764

Source: DFM

The value of traded shares on the DFM decreased by 11.2 per cent. to AED 53.1 billion in 2019 from AED 59.8 billion in 2018. The number of shares traded decreased by 11.9 per cent. to 40.0 billion in 2019 from 45.4 billion in 2018. The number of trades decreased by 0.5 per cent. to 656.7 million in 2019 from 660.3 million in 2018.

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. Following the launch of an initiative by the Ruler of Dubai in January 2013 aimed at positioning Dubai as the global capital of the Islamic economy, 99 sukuk were listed on Nasdaq Dubai as at 30 June 2020.

Equity listings on Nasdaq Dubai include DP World Limited (**DP World**), which completed the Middle East's then largest IPO in November 2007, at U.S.$5 billion, as well as Al Baraka Banking Group, Depa Limited, Emirates REIT, Orascom Construction and Emirates NBD REIT. In December 2019, Emirates NBD REIT announced plans to delist from Nasdaq Dubai. In February 2020, DP World also announced that it would be delisted as a result of the planned acquisition by its parent company, Port and Free Zone World FZE, of the 19.55 per cent. of the shares of DP World traded on Nasdaq Dubai.

In 2019, the value of equities traded on Nasdaq Dubai increased by 39.8 per cent. to AED 5.9 billion compared to AED 4.2 billion in 2018. The closing price of the Nasdaq Dubai UAE 20 Index stood at 3,184 as at 31 December 2019 compared to 3,074 as at 31 December 2018, an increase of 3.6 per cent. However, the Nasdaq Dubai UAE 20 Index has declined significantly since the start of

2020, falling to 2,521 as at 31 June 2020, primarily reflecting the impact of the COVID-19 pandemic and the steep decline in oil prices in the first four months of 2020.

The following table sets out the number of traded shares, the value of traded shares and the number of executed transactions on Nasdaq Dubai, the market capitalisation of Nasdaq Dubai and the closing price as at 31 December of the Nasdaq Dubai UAE 20 Index in each of the years 2016 to 2019:

	2016	2017	2018	2019
Number of Traded Shares (millions)	138	273	165	151
Value of Traded Shares (AED millions)	4,563	4,884	4,234	5,920
Number of Executed Transactions	22,913	29,518	26,882	40,724
Market Capitalisation(1) (AED millions)	58,118	82,822	57,495	44,220
Nasdaq Dubai UAE 20 Year-End Closing Price	3,294	3,289	3,074	3,184

Source: *Nasdaq Dubai*

Note:

(1) Primary equity listings only.

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.

Since 2014, the DoF has implemented a number of reforms under its Smart Fiscal Planning (**SFP**) programme, with the objective of strengthening fiscal controls, governance and compliance across the Government's various departments. The key reforms implemented under the SFP programme to date include the enhancement of the budget process for all Government entities, an update of the Government's resource planning system and the implementation of a new planning and budgeting system for all Government entities. The remaining phase of the SFP programme comprises the proposed transformation to a performance-based budget, which is expected to be completed by 2023. Separately, the DoF has also initiated a Government service costing programme and is in the process of implementing International Public Sector Accounting Standards (IPSAS) standards across all Government entities.

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 (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.

Airport Financing Company FZE

In June 2016, the Government incorporated a wholly-owned specific financing vehicle known as the Airport Financing Company FZE (**FINCO**), the sole objective of which is to manage the financing for the enhancement, expansion and development programmes of the Dubai Airports.

In May 2017, FINCO created a financing structure to raise funds from multiple debt markets and entered into U.S.$3 billion dual-tranche (conventional and Islamic) syndicated financing facility agreements with a consortium of banks, amortising over 3.5 years from June 2020. As at 30 June 2020, U.S.$2.8 billion was outstanding under these facilities.

The Government's obligations in relation to the financial obligations incurred by FINCO under this structure is limited to funding FINCO with the agreed passenger tariff each year, which commenced from 2017. The DoF will source revenues from Dubai Airports to fund this passenger tariff to FINCO.

Budget 2020 details

The Government originally budgeted total revenues in 2020 of AED 63.9 billion, 3.9 per cent. higher than actual revenues in 2019, and originally budgeted total expenditure of AED 66.4 billion, 20.5 per cent. higher than actual expenditure in 2019, resulting in an overall budget deficit of AED 2.5 billion compared with an actual surplus of AED 6.4 billion in 2019 (see "*—Budget Surplus or Deficit*" below).

However, following the COVID-19 outbreak, the Government revised its budget for 2020, decreasing budgeted revenues to AED 44.2 billion, 28.1 per cent. lower than actual revenues in 2019, and decreasing budgeted expenditure to AED 56.2 billion, 1.9 per cent. higher than actual expenditure in 2019, resulting in a revised budget deficit of AED 11.9 billion. See *"Overview of the Emirate of Dubai—Measures taken in the UAE in response to the COVID-19 pandemic"*.

The following table sets out the Government's actual revenues and expenditures in each of the years 2016 to 2019 and budgeted and revised budgeted data for 2020:

	2016	2017	2018	2019	2020B(1)	2020B (Rev.)(2)
			(*AED millions*)			
Non-Tax Revenue:						
Oil & Gas	2,588	3,647	4,219	4,214	3,540	2,478
Enterprise Profits	500	1,000	1,000	6,548	3,300	3,300
Other	40,062	35,983	35,015	32,696	38,576	23,146
Total Non-Tax Revenue	**43,150**	**40,630**	**40,234**	**43,457**	**45,416**	**28,924**
Tax Revenue:						
Customs	6,890	6,928	6,078	6,098	6,202	5,272
Income Tax	687	1,000	576	594	600	540
VAT & Excise	—	—	10,485	11,386	11,700	9,480
Total Tax Revenue	**7,576**	**7,929**	**17,139**	**18,078**	**18,502**	**15,292**
Total Revenue	**50,727**	**48,558**	**57,373**	**61,536**	**63,918**	**44,216**
Current Expenditure:						
Wages and Salaries	14,931	16,036	16,770	17,191	20,123	19,107
Goods and Services	13,515	10,966	11,916	12,072	12,981	10,694
Subsidies and Transfers	11,097	9,678	10,120	13,276	15,015	13,353
Special Reserves	—	—	—	—	2,300	1,500
Other	1,227	1,422	1,127	1,057	3,809	1,973
Development Expenditure	5,396	6,863	9,808	7,760	8,000	5,340
Debt Service Payment	2,036	2,026	2,260	2,577	2,990	2,990
Grants	1,200	1,200	1,200	1,200	1,200	1,200
Total Current Expenditure	**40,769**	**38,101**	**39,933**	**43,595**	**54,228**	**46,627**
Total Expenditure	**49,400**	**48,190**	**53,201**	**55,132**	**66,418**	**56,157**
Overall Balance	**1,326**	**368**	**4,172**	**6,404**	**(2,500)**	**(11,941)**

Source: DoF

Note:

(1) Original budget for 2020.

(2) Revised budget for 2020.

Revenue

Dubai's revenues are categorised as non-tax revenues and tax revenues. The Government's non-tax revenue constituted 85.1 per cent., 83.7 per cent., 70.1 per cent. and 70.6 per cent. of the total revenues in the years 2016, 2017, 2018 and 2019, respectively, and was originally budgeted to constitute 71.1 per cent. of total revenues in 2020 (currently 65.4 per cent. in the revised budget for 2020). 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 15.7 per cent. in 2018 compared to 2017, principally due to higher international oil prices during this period. Oil and gas revenues remained roughly flat in 2019 compared to 2018, declining by 0.1 per cent. Oil and gas revenues were originally budgeted to decrease by 16.0 per cent. in 2020 compared to the actual figures for 2019, principally due to conservative oil price forecasts and oil production; however, in the revised budget for 2020, oil and gas revenues are currently budgeted to decrease by 41.2 per cent. compared to the actual figures for 2019.

Revenue from enterprise profits remained at constant levels in 2018, then increased by 554.8 per cent. in 2019, principally due to an increased share of profit from DEWA and dividends received from ICD. Revenue from enterprise profits are budgeted to decrease by 49.6 per cent. in 2020 compared to the actual figures for 2019 (in both the original and revised budgets for 2020), principally due to a conservative forecast of the share of profit from Government companies.

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 decreased as a proportion of non-tax revenues, from 92.8 per cent. in 2016 to 88.6 per cent. in 2017, principally due to the exclusion of airport expenditures from the Government's budget as part of the FINCO financing structure (see "—*Airport Financing Company FZE*" above), and to 87.0 per cent. in 2018 and 75.2 per cent. in 2019, principally due to the increased contribution of enterprise profit to total non-tax revenue. These fees were original budgeted to account for around 84.9 per cent. of non-tax revenues in 2020, and 80.0 per cent. in the revised budget for 2020. Revenue from this source decreased by 6.6 per cent. in 2019 compared to 2018, principally due to the reduction in various services fees as part of the Government's fiscal stimulus measures, such as reduced hotel taxes and market fees on commercial properties. In the revised budget for 2020, revenue from this source is budgeted to decrease by 29.2 per cent. compared to the actual figures for 2019.

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 or businesses in Dubai.

Customs duties constituted 90.9 per cent., 87.4 per cent., 35.5 per cent. and 33.7 per cent. of total tax revenues in the years 2016, 2017, 2018 and 2019, respectively, and were originally budgeted to constitute 33.5 per cent. of total tax revenues in 2020 (currently 34.5 per cent. in the revised budget for 2020). The significantly decreased contribution of customs duties in 2018 is due to an increase in total tax revenues due to the inclusion of VAT revenues for the first time in 2018. Customs revenues decreased by 12.3 per cent. in 2018 compared to 2017, principally due to lower customs duty collection resulting from increased competition from local ports. Customs revenues remained roughly flat, increasing by 0.3 per cent. in 2019 compared to 2018. Customs revenues were originally budgeted to increase by 1.7 per cent. in 2020 compared to actual figures for 2019; however, in the revised budget for 2020, customs revenues are currently budgeted to decrease by 13.6 per cent. compared to the actual figures for 2019.

Revenues from the income tax category decreased by 42.4 per cent. in 2018 compared to 2017, principally due to lower profits reported by certain foreign banks during 2018. Revenues from the income tax category increased by 3.1 per cent. in 2019 compared to 2018. Income tax revenues were originally budgeted to increase by 1.1 per cent. in 2020 compared to actual figures for 2019; however, in the revised budget for 2020, customs revenues are currently budgeted to decrease by 9.0 per cent. compared to the actual figures for 2019.

Overall revenues to be collected by the Government were originally budgeted to increase by 3.9 per cent. in 2020 as compared to the actual figures for 2019; however, in the revised budget for 2020, overall revenues are currently budgeted to decrease by 28.1 per cent. compared to the actual figures for 2019.

The following table sets out a breakdown of the Government's revenues by department in each of the years 2016 to 2019 and originally budgeted data for 2020:

	2016	2017	2018	2019	2020B[(1)]
			(*AED millions*)		
Department of Finance	2,362	3,560	14,555	19,825	16,421
Department of Petroleum Affairs	2,588	3,492	4,219	4,214	3,540
Dubai Municipality	10,007	9,836	8,700	7,620	7,850
Dubai Airports	4,901	—	—	—	6,270
Ports & Customs	7,826	7,721	7,125	7,163	7,200
Dubai Police	2,572	2,430	2,426	1,808	1,800
Department of Economic Development	788	759	691	729	650
Immigration Department	2,476	2,573	2,481	2,583	2,615
Road Transport Authority	8,180	9,038[(3)]	9,262	9,723	10,000
Land Department	5,886	5,621	4,098	3,978	3,800
Department of Tourism & Commerce Marketing	666	671	642	674	708
Dubai Courts & Public Prosecution	603	704	777	774	765
Other Departments	1,871	2,153	2,395	2,443	2,298
Total	**50,727**	**48,558**	**57,373**	**61,536**	**63,918**

Source: DoF

Notes:

(1) Original budget for 2020. A breakdown of the Government's revenues by department is not currently available for the revised 2020 budget.

In terms of distribution, the four largest revenue generating departments in 2019 were the DoF (AED 19.8 billion in revenues), the RTA (AED 9.7 billion in revenues), Dubai Municipality (AED 7.6 billion in revenues) and Ports & Customs (AED 7.2 billion in revenues).

Revenues for the DoF increased by 308.9 per cent. in 2018 compared to 2017, principally due to the commencement of VAT and excise duties in tax revenue during the year. Revenues for the DoF increased by 36.2 per cent. in 2019 compared to 2018, principally due to the increased collection of enterprise profit and VAT. Revenues for the DoF were originally budgeted to decrease by 17.2 per cent. in 2020, principally due to the expected lower collection of profit from Government companies.

Revenues for the RTA increased by 2.5 per cent. in 2018 compared to 2017. Revenues for the RTA increased by 5.0 per cent. in 2019 compared to 2018, principally due to higher Salik toll fee collections and increased collection of Nol card usage fees and parking fees. Revenues for the RTA were originally budgeted to increase by 2.9 per cent. in 2020 compared to actual figures for 2019, principally due to a budgeted increase in transportation-related fees due to an expected increase in the number of passengers.

Revenues for Dubai Municipality decreased by 11.5 per cent. in 2018 compared to 2017, principally due to a reduction in various services fees as part of the Government's fiscal stimulus measures, such as reduced hotel taxes and market fees on commercial properties. Revenues for Dubai Municipality decreased by 12.4 per cent. in 2019 compared to 2018, principally due to the full-year impact of the fee reductions offered in the previous year. Revenues for Dubai Municipality were originally budgeted to increase by 3.0 per cent. in 2020 compared to actual figures for 2019, principally due to an expected increase in tourism-related fees on account of Dubai Expo 2020.

Revenues for the Ports and Customs department decreased by 7.7 per cent. in 2018 compared to 2017, principally due to lower trade activities at Dubai's ports and lower custom duty collection due to increased competition from local ports. Revenues for the Ports and Customs department remained roughly flat, increasing by 0.5 per cent. in 2019 compared to 2018. Ports and Customs revenues were originally budgeted to increase by 0.5 per cent. in 2020 compared to actual figures for 2019.

From 2017 to 2019, airport revenues were excluded from the Government's budget, as part of the FINCO financing structure. However, in 2020, airport revenues were re-introduced into the Government's budget as a result of a revised budgeting strategy.

Revenues for the Department of Petroleum Affairs increased by 20.8 per cent. in 2018 compared to 2017, principally reflecting higher international oil prices during this period. Revenues for the Department of Petroleum Affairs remained roughly flat, decreasing by 0.1 per cent. in 2019 compared to 2018. Revenues for the Department of Petroleum Affairs were originally budgeted to decrease by 16.0 per cent. in 2020, principally due to conservative oil price forecasts and oil production.

Revenues for the Dubai Land Department decreased by 27.1 per cent. in 2018 compared to 2017, principally due to a decrease in property registration fees collection resulting from lower land and property transactions. Revenues for the Dubai Land Department decreased by 2.9 per cent. in 2019 compared to 2018, principally due to a reduction in the number of land sale transactions during this period. Revenues for the Dubai Land Department were originally budgeted to decrease by 4.5 per cent. in 2020 compared to actual figures for 2019, principally due to a conservative forecast of the value of real estate sale transactions during this period.

Expenditure

Total expenditure for 2019 was AED 55.1 billion, which was 3.6 per cent. higher than total expenditure in 2018, principally due to increased current expenditure, reflecting higher spending on security, justice and safety in order to serve Dubai's increasing population. Total expenditure for 2020 was originally budgeted to be AED 66.4 billion, or 20.5 per cent. higher than total actual expenditure in 2019, principally due to an expected increase in wages and salaries due to the commencement of Dubai Expo 2020; the re-introduction of airport expenditure into the Government budget in 2020 and the introduction of special reserves in order to meet contingencies and emergencies; however, in the revised budget for 2020, total expenditure is currently budgeted to be 1.9 per cent. higher than total actual expenditure in 2019.

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 borrowings only to fund 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 82.5 per cent., 79.1 per cent., 75.1 per cent. and 79.1 per cent. of total Government expenditure in 2016, 2017, 2018 and 2019, respectively, and was originally budgeted to account for 81.6 per cent. of total expenditure in 2020 (currently 83.0 per cent. in the revised budget for 2020).

The increases in current expenditure of 4.8 per cent. in 2018 compared to 2017 and 9.2 per cent. in 2019 compared to 2018 were due to increases in (i) subsidies and transfers, to support the Government's new social initiatives, (ii) goods and services, due to the increased operational expenditure by Government departments to serve Dubai's growing population, and (iii) wages and salaries, on account of continued creation of new jobs in the Government budget, represented by compounded annual growth of 17.1 per cent., 4.9 per cent. and 3.5 per cent., respectively, during the period. Current expenditure was originally budgeted to increase in 2020 by 24.4 per cent. compared to actual figures for 2019, primarily due to an expected increase in wages and salaries in accordance with the new Human Resources Management Law (Dubai Law No. 8 of 2018); the expected commencement of Dubai Expo 2020; higher subsidies and transfers due to the addition of new Government entities; the introduction of a special reserve as part of a new budget strategy to meet contingencies; and an increase in other expenditure, mainly due to increased spending on non-infrastructure assets by Government departments in anticipation of Dubai Expo 2020 and due to the re-introduction of airport expenditures into the budget; however, in the revised budget for 2020, current expenditure is currently budgeted to increase by 7.0 per cent. compared to the actual figures for 2019.

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 8.7 per cent. in 2018 compared to 2017, principally due to an increase in operating expenditure, such as utilities and maintenance at Government departments and preparation for Dubai Expo 2020. Goods and services expenditure increased by 1.3 per cent. in 2019 compared to 2018. Goods and services expenditure were originally budgeted to increase by 7.5 per cent. in 2020 compared to actual figures for 2019, primarily due to the re-introduction of airport expenditures into the Government's budget and the expected commencement of Dubai Expo 2020; however, in the revised budget for 2020, goods and services expenditure is currently budgeted to decrease by 11.4 per cent. compared to the actual figures for 2019.

Expenditure due to subsidies and transfers increased by 4.6 per cent. in 2018 compared to 2017, principally due to the reclassification of certain Government departments into subsidised entities. Expenditure due to subsidies and transfers increased by 31.2 per cent. in 2019 compared to 2018, primarily to support the Government excellence, innovation and creativity sector, in order to enhance the standard of public services. Expenditure due to subsidies and transfers was originally budgeted to increase by 13.1 per cent. in 2020 compared to actual figures in 2019, primarily due to the supporting of social services, including health, education and housing, and the development of the Social Benefits Fund and supporting families; however, in the revised budget for 2020, expenditure due to subsidies and transfers is currently budgeted to increase by 0.6 per cent. compared to the actual figures for 2019.

The Government's development expenditure accounted for. 10.9 per cent., 14.2 per cent., 18.4 per cent. and 14.1 per cent. of total expenditure in the years 2016, 2017, 2018 and 2019, respectively, and was originally budgeted to account for 12.0 per cent. of total expenditure in 2020 (currently 9.5 per cent. in the revised budget for 2020).

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 increased by 42.9 per cent. in 2018 compared to 2017, principally due to an increase in the number of infrastructure projects in preparation for Dubai Expo 2020 (such as road networks and bus depots); the completion of Jebel Ali Sewage Treatment Plant Phase II and additional city-wide infrastructure projects (such as a traffic management centre, dedicated bus lanes and enhancement and improvement of selected Dubai Metro stations). Development expenditure decreased by 20.9 per cent. in 2019 compared to 2018, principally reflecting the completion of major infrastructure projects in 2018, such as Mohammed Bin Rashid Library, the Airport Road Corridor, the Dubai Government Workshop, and the Tripoli and Etihad road expansion projects. Development expenditure was originally budgeted to increase by 3.1 per cent. in 2020 compared to actual figures for 2019, principally due to the expected completion of Dubai Expo 2020 site development and related infrastructure networks; however, in the revised budget for 2020, development expenditure is currently budgeted to decrease by 31.2 per cent. compared to the actual figures for 2019.

Expenditure in the loan and equity category increased by 11.5 per cent. in 2018 compared to 2017, principally due to an increase in indebtedness of the Government on account of ongoing infrastructure financings and due to the overall widening of benchmark rates. Expenditure in loan and equity increased by 14.0 per cent. in 2019 compared to 2018, principally due to the increase in indebtedness as a result of financing the Route 2020 metro project and Dubai Expo 2020, and the continued widening of benchmark rates. Expenditure in this area is budgeted to increase by 16.0 per cent. in 2020 (in both the original and revised budgets for 2020), principally due to an expected increase in indebtedness to meet various infrastructure projects and budget deficits.

The following table sets out a breakdown of the total actual expenditure of the following Government departments in each of the years 2016 to 2019 and originally budgeted data for 2020:

	2016	2017	2018	2019	2020B(1)
			(AED millions)		
Department of Finance	15,134	13,164	14,131	15,362	22,146
Dubai Health Authority	5,310	5,669	5,648	5,642	5,918
Dubai Police	4,799	5,709	6,098	5,602	5,627
Dubai Airports	3,104	—	—	—	3,078
Dubai Municipality	3,996	4,988	5,573	5,963	5,684
Road Transport Authority	6,956	8,441	8,139	8,780	9,317
State Security	1,897	1,792	1,868	1,797	1,841
Ports & Customs	1,266	1,096	1,119	1,198	1,180
Immigration Department	1,283	1,500	1,715	1,670	1,662
Department of Tourism and Commerce Marketing	798	726	845	779	789
Dubai Courts and Public Prosecution	492	575	615	1,055	1,081
Other Departments	4,365	4,530	7,452	7,284	8,095
Total	**49,400**	**48,190**	**53,201**	**55,132**	**66,418**

Source: DoF

Note:

(1) Original budget for 2020. A breakdown of the Government's expenditure by department is not currently available for the revised 2020 budget.

Expenditure by the DoF increased by 7.3 per cent. in 2018 compared to 2017, principally due to spending on Dubai Expo 2020 and higher debt service payments. Expenditure by the DoF increased by 8.7 per cent. in 2019 compared to 2018, principally due to the increase in subsidies and transfers to support the Government Excellence, Innovation and Creativity Sector, in order to enhance the standard of public services, and higher debt service due to the financing of the Route 2020 metro project and Dubai Expo 2020. Expenditure by the DoF was originally budgeted to increase by 44.2 per cent. in 2020 compared to 2019, principally due to an expected increase in subsidies and transfers to support social services, including the Social Benefits Fund, the introduction of a special reserve, expected spending on Dubai Expo 2020, and the expected increase in debt service due to various infrastructure project financings and budget deficits.

Expenditure by the RTA decreased by 3.6 per cent. in 2018 compared to 2017, principally due to the completion of the Airport Road Corridor and the Tripoli and Etihad road expansion projects. Expenditure by the RTA increased by 7.9 per cent. in 2019 compared to 2018, principally due to the extension and construction of bus stations, increased spending towards road infrastructure for Dubai Expo 2020. Expenditure by the RTA was originally budgeted to increase by 6.1 per cent. in 2020 compared to actual figures for 2019, principally due to increased allocation for the Shindagha Corridor project, the upgrade of Dubai–Al Ain Road and the development of the Sheikh Rashid Bin Saeed Corridor.

Expenditure by Dubai Municipality increased by 11.7 per cent. in 2018 compared to 2017, principally due to ongoing construction of the drainage tunnel project at Al Maktoum International Airport, Jebel Ali Sewage Plant Phase II and Mohammed Bin Rashid Library. Expenditure by Dubai Municipality increased by 7.0 per cent. in 2019 compared to 2018, principally due to the development of various irrigation systems in connection with Dubai Expo 2020 and pump stations in newly-developed areas of Dubai. Expenditure by Dubai Municipality was originally budgeted to decrease by 4.7 per cent. in 2020 compared to actual figures for 2019, principally due to the completion of various staff housing complexes and sub-sewage pumping stations in 2019.

Expenditure by the Dubai Health Authority stayed roughly flat, decreasing by 0.4 per cent. in 2018 compared to 2017 and 0.1 per cent. in 2019 compared to 2018. Expenditure by the Dubai Health Authority was originally budgeted to increase by 4.9 per cent. in 2020 compared to actual figures for 2019, principally due to planned new health centres and the expansion of emergency units at Latifa Hospital and modification works at Dubai Hospital.

Expenditure by the Dubai Police Department increased by 6.8 per cent. in 2018 compared to 2017, principally due to spending on the Reaya healthcare programme and higher operational expenditure to meet the requirements of Dubai's growing population.

Expenditure by the Dubai Police Department decreased by 8.1 per cent. in 2019 compared to 2018, principally due to completion of the Reaya healthcare programme. Expenditure by the Dubai Police Department was originally budgeted to increase by 0.5 per cent. in 2020 compared to actual figures for 2019.

From 2017 to 2019, airport expenditures were excluded from the Government's budget, as part of the FINCO financing structure. However, in 2020, airport expenditures were re-introduced into the Government's budget as a result of a revised budgeting strategy.

Budget Surplus or Deficit

In 2017, an actual surplus of AED 0.4 billion was recorded, principally due to lower goods and service expenses as a result of the exclusion of airport expenditures from the Government's budget as part of the FINCO financing structure (see "—*Airport Financing Company FZE*" above) and lower subsidies and transfers due to the reclassification of certain subsidised entities into Government departments and increased income tax collection from foreign banks resulting from increased profit.

In 2018, an actual surplus of AED 4.2 billion was recorded, principally due to greater collection of VAT and excise tax than originally budgeted.

In 2019, an actual surplus of AED 6.4 billion was recorded, principally due to higher enterprise profits and increased collection of VAT.

In 2020, the budgeted deficit was originally AED 2.5 billion, principally due to an increase in the "other" expenditure category and the planned creation of special reserves to meet contingencies and emergencies. However, in the revised budget for 2020, the budgeted deficit is AED 11.9 billion, principally due to a budgeted decrease in all categories of revenue as a result of the COVID-19 pandemic, notwithstanding a budgeted decrease in goods and services expenditure and development expenditure.

Subsidies provided to Emirates National Oil Company (ENOC) and Emirates Petroleum Products Company (EPPCO)

ENOC and EPPCO supply petrol to retail consumers at a price that is set by the UAE Federal Government. Both ENOC and EPPCO incurred cash losses in the past years as a result of the imposition of a fixed petrol price. To compensate for such losses, the Government provided subsidies to both of these companies. In July 2015, the UAE Ministry of Energy passed a zero subsidy regime for the fuel and gasoline prices, with effect from 1 August 2015. As a result, petrol and diesel prices are deregulated and linked to global market prices, although domestic fuel prices will be set on a monthly basis by the Gasoline and Diesel Prices Committee formed by the UAE Federal Government. As at 31 December 2019, the total amount payable to ENOC and EPPCO towards the subsidies incurred prior to the zero subsidy regime amounted to approximately AED 4.1 billion.

Principal Investments

The Government owns all of the shares in two separate holding companies, ICD and Dubai World, as well as the Dubai Real Estate Corporation.

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 (see "*Dubai Financial Support Fund—Dubai World Restructuring*" below).

Dubai Real Estate Corporation (DREC)

DREC was established in June 2007 by the Ruler of Dubai 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.

Investment Corporation of Dubai

ICD is the principal investment entity of the Government. It was incorporated on 3 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 contributes a portion of its profits 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	ICD / Government Ownership	ICD / Government Ownership Value
	(AED millions)(1)	(per cent.)(3)	(AED millions)(1)
Emirates NBD PJSC(1)	82,116	55.8	45,786
Dubai Islamic Bank(1)	36,234	28.4	10,279
Emaar Properties PJSC(1)	28,782	27.5	7,914
Commercial Bank of Dubai(1)	11,211	20.0	2,242
Abu Dhabi Commercial Bank(1)	55,102	2.4	1,300
National Bank of Fujairah(1)	9,232	8.7	807
Brookfield Property Partners L.P. (2)	68,031	1.1	779
Dubai Investments PJSC(1)	5,528	11.5	638
Dangote Cement(2)	24,370	1.4	348

Source: ICD

Notes:

(1) These values reflect market capitalisation based on DFM/ADX quoted prices as at 31 December 2019.

(2) These are international quoted securities and values reflect market capitalisation as per relevant stock exchange where these are listed as at 31 December 2019.

(3) ICD's ownership percentage as at 31 December 2019.

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
	(AED millions)(1)	*(per cent.)*(2)	*(AED millions)*
Emirates Group (includes dnata)	38,606	100.0	38,606
Emirates National Oil Company Ltd LLC	21,267	100.0	21,267
Dubal Holding LLC	17,962	100.0	17,962
Borse Dubai Limited	16,048	89.7	14,395
Dubai Aerospace Enterprise	11,184	100.0	11,184
Dubai Duty Free Establishment	10,423	100.0	10,423
Dubai World Trade Centre Corporation	9,716	100.0	9,716
Dubai Airport Free Zone Authority	5,865	100.0	5,865
Dubai Silicon Oasis Authority	4,949	100.0	4,949
ICD Hospitality and Leisure LLC	4,707	100.0	4,707
Deira Waterfront Development Holdings LLC	2,763	100.0	2,763
Kerzner International Holdings Limited	2,222	99.998	2,222
One Za'abeel LLC	1,965	100.0	1,965
Atlantis The Palm 2 Holding LLC	1,763	100.0	1,763
EMARATECH (emarat technology solutions) FZ-LLC	1,566	100.0	1,566
Dubai Cable Company (Private) Limited	2,154	50.0	1,077

Source: ICD

Notes:

(1) Unless otherwise indicated, these figures reflect net equity value (attributable to shareholders) based on financial reports received from entities as at 31 December 2019.

(2) ICD's ownership percentage as at 31 December 2019.

The above tables do not represent all of the companies in which the Government holds shares.

As at 31 May 2020, ICD had outstanding indebtedness of AED 17,628 million (at holding company level only), which is due to mature in the period from 2020 to 2027. The Government has not provided any guarantees and does not have any other contingent liabilities in respect of this indebtedness.

In November 2019, the Government, through the DoF, provided AED 3.6 billion as a capital contribution to ICD, which was used towards subscription to ENBD's rights issue.

Major ICD Investments

Emirates NBD PJSC

ENBD is the result of a merger in October 2007 between Emirates Bank International and National Bank of Dubai. As at the date of this Base Prospectus, ENBD is the largest banking entity in the UAE across a range of metrics, including by shareholders' equity, deposits and loans. ENBD is also one of the largest banking entities in the GCC by assets. ENBD had total assets of AED 683 billion (U.S.$186 billion), a loan portfolio (including Islamic finance receivables) of AED 437 billion (U.S.$119 billion) and a capital adequacy ratio of 18.5 per cent. as at 31 December 2019.

ENBD has a significant presence in the UAE retail, corporate and commercial banking markets with 967 branches and 4,323 automatic teller machines (**ATMs**) and cash deposit machines spread across the UAE and overseas. 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 six business segments 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. In addition to its property development business, Emaar is developing new competencies in hospitality and leisure, malls, education, healthcare and other business segments.

Emaar's flagship property, the Dubai Mall, which received 84 million visitors in 2019, 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. Emaar's hospitality and leisure business, Emaar Hospitality Group, operates three major hotel brands in Dubai: The Address Hotels and Resorts, Vida Hotels and Resorts, and Rove Hotels (developed jointly in partnership with Meraas Holding).

Source: Emaar

Emirates Group

The Emirates Group is an organisation with business interests in the aviation, travel, tourism and leisure industries.

Employing more than 105,000 people across 50 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 270 aircraft as at 31 March 2019. Emirates is the world's biggest operator of wide-bodied jets, flying the largest fleets of both the Airbus A380 and Boeing 777 and, as at 31 March 2020, Emirates flew to 158 destinations in 85 countries/territories, on six continents and it transported 58.6 million passengers during the financial year ended 31 March 2020. Since October 2008, Emirates has had its own dedicated terminal at Dubai International Airport, 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 five continents. dnata has a global footprint across nearly 45 countries. In Dubai, dnata handles all flights at Dubai International Airport and Al Maktoum International Airport, 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 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. On 21 May 2020, Emirates resumed regular passenger flights to nine destinations. On 21 June 2020, the Government announced that Dubai residents would be permitted to return to Dubai from 22 June 2020, Dubai residents would be permitted to travel abroad from 23 June 2020 and visitors and tourists would be permitted to enter Dubai from 7 July 2020. Since this announcement, Emirates announced the gradual resumption of scheduled flights to destinations in its international network during the course of July and August 2020.

On 31 March 2020, the Government announced its full support to Emirates and committed to provide an equity injection during the COVID-19 pandemic, 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. As at the date of this Base Prospectus, the Government has provided AED 7.3 billion as part of this commitment. Any further support will be subject to the airline's requirements and will depend on the impact and duration of the ongoing COVID-19 situation.

Source: Emirates

Emirates National Oil Company Limited (ENOC) LLC

ENOC was established in 1993 for the development, production, chemical storage and marketing of petroleum and petrochemical products. As at 31 December 2019, ENOC had a refinery capacity of 140,000 barrels of oil per day and a processing capacity of 675,000 ktpa.

ENOC directly and indirectly owns more than 30 subsidiaries, including EPPCO, which operates across a variety of sectors including petroleum retailing, aviation refuelling and lubricants manufacturing and Dubai Natural Gas Limited, an exporter of liquid natural gas products. ENOC also owns Horizon Terminals Limited that operates liquid terminaling facilities in Dubai and Fujairah in the UAE, Saudi Arabia, Singapore, South Korea, Djibouti and Morocco.

Additionally, ENOC's services include real estate and retail through its network of over 136 ENOC and EPPCO service stations across Dubai and the Northern Emirates that offer fuel retailing, convenience stores, car wash and automotive service facilities.

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 2.6 million tonnes per annum, ranking EGA among the four largest primary aluminium producers in the world.

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 2019, EGA produced 2.6 million tonnes of aluminium, of which around 89 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 1.7 million tonnes of bauxite ore in 2019. EGA also owns an alumina refinery in Al Taweelah, Abu Dhabi, which began operations in April 2019 and produced 1.1 million tonnes of alumina in 2019.

Source: EGA

Borse Dubai Limited

Borse Dubai is the holding company for the Government's two stock exchanges, DFM (in which it holds a 79.7 per cent. ownership stake) and Nasdaq Dubai (in which it holds an 86.4 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.$17.7 billion as at 31 December 2019.

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 2019 was AED 374.5 billion (U.S.$102.0 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 100 customers in 56 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 356 aircraft at 31 March 2020.

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 Dubai International Airport and Al Maktoum International Airport. Established in 1983, DDF has grown to become the largest single airport retail operation in the world, with annual sales turnover of AED 7.5 billion (U.S.$2.0 billion) in 2019.

DDF offers a wide range of products in a modern shopping environment. DDF occupies 36,000 m^2 across the three terminals of Dubai International Airport, having increased from 26,000 m^2 following the opening of Concourse D in February 2016. DDF's operation at Al Maktoum International Airport currently covers 2,500 m^2. As at 31 December 2019, DDF employed 6,100 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. Along with the Atlantis resort on the Palm and a significant stake in Kerzner International Holdings Limited, the international resort and hotel developer and operator, ICD H&L has expanded its investments into the United States and South Africa to include the W Hotel in Washington DC, and stakes in the Mandarin Oriental in New York and the One&Only in Cape Town.

Source: ICD

Dubai Cable Company Limited

DUCAB is a cable manufacturing company jointly owned by the governments of Dubai and Abu Dhabi. DUCAB operates five 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 590,000 m^2 in Jebel Ali, Dubai and nearly 330,000 m^2 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 aluminum alloy rods, wires, and bare overhead conductors.

Source: DUCAB

Dubai Financial Support Fund (DFSF)

In response to the significant deterioration in the global and local financial markets during 2008 and into 2009, the Government established the DFSF in July 2009, an autonomous entity to provide support to strategic entities which require financial assistance but are able to demonstrate sustainable business plans, ongoing support of their existing financial creditors and realistic prospects of fulfilling their repayment obligations. Assistance provided by the DFSF is 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 DFSF continues to remain accountable to the SFC. The DFSF has been capitalised through the proceeds of the Government's U.S.$20 billion five-year unsecured borrowing programme, which was launched in March 2009 and refinanced in March 2014. See "*Indebtedness—Related Party Debt – Abu Dhabi Government and UAE Central Bank (U.S.$20 billion facility)*" for further details.

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. To date, the principal beneficiaries of DFSF funding have been Dubai World and Nakheel.

Dubai World Restructuring

In March 2011, the restructuring of the indebtedness of Dubai World and certain of its subsidiaries (the **Dubai World Group**) was completed. Dubai World's post-restructuring financial indebtedness was approximately U.S.$14.4 billion in total, comprising two tranches of U.S.$4.4 billion and approximately U.S.$10.0 billion, with five- and eight-year maturities, respectively. The Government had agreed to: (i) recapitalise Dubai World through the equitisation of the U.S.$8.9 billion debt owed by Dubai World to the DFSF; (ii) commit up to a further U.S.$1.5 billion in new funds; and (iii) provide a stop-loss guarantee of U.S.$2.2 billion in respect of certain of Dubai World's post restructuring financial indebtedness. By March 2015, Dubai World had fully repaid the U.S.$4.4 billion five-year tranche.

In March 2015, Dubai World entered into a supplemental agreement with its creditors, pursuant to which the final maturity date of its outstanding U.S.$10.0 billion tranche (the **Previous Dubai World Facility**) was extended to September 2022, with cumulative prepayment targets of U.S.$1.5 billion, U.S.$3.5 billion, U.S.$4.5 billion by the end of 2016, 2018 and 2020, respectively. The residual balance of the facility was to be paid on the final maturity date. As part of the supplemental agreement, the Government agreed to increase its existing commitment from U.S.$1.50 billion to U.S.$1.95 billion (of which U.S.$53 million remained available for drawing as at 1 July 2020); and extend the maturity of its stop-loss guarantee of U.S.$2.2 billion until the final maturity date.

As at the date of this Base Prospectus, the Previous Dubai World Facility has been fully prepaid and, accordingly, the Government's stop-loss guarantee in respect of this facility has been fully extinguished.

In February 2020, Dubai World entered into a U.S.$3 billion two-year Murabaha facility, to be repaid in full by way of a single instalment in February 2022 (the **New Dubai World Facility**). As at 30 June 2020, U.S.$3 billion was outstanding under the New Dubai World Facility. The Government has provided a payment guarantee for the entire amount under the New Dubai World Facility.

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 123.5 billion as at 30 June 2020. This debt includes funds borrowed by the Government to finance (i) the expansion of Dubai International Airport; (ii) the first phase of the construction of Al Maktoum International Airport; (iii) other infrastructure projects in Dubai; (iv) related party debt from the Abu Dhabi Government and the UAE Central Bank for the DFSF and the restructuring of the Dubai World Group; and (v) development of the Dubai Expo 2020 site and related infrastructure.

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
	(*AED millions*)	
U.S.$5 billion Euro Medium Term Note Programme (Unrated)		
U.S.$750 million Notes due 2020	2,754.4	2020
U.S.$500 million Notes due 2021	1,836.3	2021
U.S.$500 million Notes due 2043	1,836.3	2043
U.S.$6 billion Trust Certificate Issuance Programme (Unrated)		
U.S.$650 million Trust Certificates due 2022	2,387.1	2022
U.S.$750 million Trust Certificates due 2023	2,754.4	2023
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.$750 million Trust Certificates due 2029	2,754.4	2029
U.S.$700 million Trust Certificates due 2029	2,570.8	2029
U.S.$1 billion Wakala Trust Certificate Issuance Programme (Unrated)		
U.S.$569 million Trust Certificates due 2025	2,089.7	2025
U.S.$300 million Trust Certificates due 2026	1,101.8	2026
Bilateral and Syndicated Facilities	26,530.2	2020-2034
Related Party Debt (U.S.$20 billion facility)		
UAE Central Bank – U.S.$10 billion Notes	36,725.0	2024
Government of Abu Dhabi – U.S.$10 billion Facility	36,725.0	2023
Total Direct Debt	123,452.3	

Source: DoF

Note:

(1) Unless otherwise stated, the figures provided in this table are as at 30 June 2020.

All figures contained in this section are unaudited figures prepared by the DoF. Such figures are subject to change once the consolidated Government accounts for the year ending 31 December 2020 are audited.

U.S.$5 billion Euro Medium Term Note Programme

In April 2008, the Government, acting through the DoF, 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.

In September 2010, the Government issued under the EMTN Programme U.S.$750 million fixed-rate notes, with a 10-year tenor and a coupon of 7.75 per cent. (paid semi-annually in arrear), maturing on 5 October 2020.

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. In June 2011, the Government issued under the EMTN Programme U.S.$500 million fixed-rate notes with a 10-year tenor and a coupon of 5.591 per cent. (paid semi-annually in arrear), maturing on 22 June 2021.

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. 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 Dubai International Airport.

The EMTN Programme was updated in October 2013, supplemented in April 2014, updated in September 2014, June 2016, February 2018 and January 2019. Since the update in January 2019, no further issuances have taken place under the EMTN Programme.

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. In May 2012, the Government issued under the Trust Certificate Issuance Programme U.S.$650 million fixed rate trust certificates, with a 10-year tenor and a profit rate of 6.45 per cent. (paid semi-annually in arrear) maturing on 2 May 2022. The proceeds of the issuance were used to fund the expansion of Dubai International Airport and for repayment of other liabilities.

The Trust Certificate Issuance Programme was updated in January 2013, at which time the Government issued U.S.$750 million fixed rate certificates thereunder, with a 10-year tenor and a profit rate of 3.875 per cent. (paid semi-annually in arrear) maturing on 30 January 2023. 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 Dubai International Airport.

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 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 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 will be used for Dubai Expo 2020-related expenditures.

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. In November 2016, the Government issued under this Programme U.S.$300 million floating-rate certificates, with a ten-year tenor and a profit rate of three-month LIBOR +2.05 per cent. (paid quarterly in arrear), maturing on 12 November 2026. The proceeds of both issuances were used to refinance certificates previously issued under the Wakala Trust Certificate Issuance Programme, which matured in March and October 2016.

Bilateral and Syndicated Facilities

In February 2012, the DFSF entered into an AED 934 million bilateral term loan facility. The term loan facility is expected to be repaid in full by way of a single instalment in December 2021.

In March 2017, the DoF entered into a U.S.$535 million syndicated facility agreement with a consortium of banks. The facility is due to mature in March 2022. The proceeds of the facility were used to re-finance the existing China Construction Bank Facility which matured in March 2017. As at 30 June 2020, U.S.$131 million of this facility was prepaid and U.S.$404 million was outstanding under this facility.

In July 2017, the DoF entered into an AED 2 billion, 10-year Ijarah facility, amortising over seven years commencing in 2020. The proceeds of the facility were used to fund Dubai Expo 2020-related expenditures. As at 30 June 2020, AED 2.0 billion was outstanding under this facility.

In August 2017, the DoF entered into a U.S.$1.1 billion, 10-year conventional facility agreement with a consortium of banks, amortising over six years commencing in 2022 and to be drawn down over a period of 48 months commencing from August 2017. The proceeds of the facility are being used to fund the Route 2020 metro project (see "*Economy of Dubai—Dubai Metro*"). As at 30 June 2020, U.S.$978.1 million was outstanding under this facility.

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 30 June 2020, U.S.$334 million was outstanding under this facility.

In July 2018, the DoF entered into a U.S.$1.5 billion, 12-year bilateral term loan facility, amortising over nine years commencing in 2021 and to be drawn down over a period of 36 months commencing from July 2018. The proceeds of the facility are being used to fund Dubai Expo 2020-related expenditures. As at 30 June 2020, U.S.$1.5 billion was outstanding under this facility.

In April 2020, the DoF entered into an AED 7.7 billion, 10-year Ijarah facility, amortising over five years commencing in 2024 and to be drawn down over a period of 18 months commencing from May 2020. The facility has been partially drawn down to fund the financial support provided to Emirates (see "*Public Finance—Principal Investments—Major ICD Investments—Emirates Group*"), and the remaining amount of the facility may be used for other purposes, including Dubai Expo 2020-related expenditures. As at 30 June 2020, AED 5.0 billion was outstanding under this facility.

In April 2020, the DoF entered into a U.S.$275 million, seven-year bilateral term loan facility, to be repaid in full by way of a single instalment in April 2027. The proceeds of the facility were used to fund the financial support provided to Emirates (see "*Public Finance—Principal Investments—Major ICD Investments—Emirates Group*"). As at 30 June 2020, U.S.$275 million was outstanding under this facility.

In April 2020, the DoF entered into an AED 1 billion, eight-year bilateral term loan facility, amortising over two years commencing in 2027. The facility has been partially drawn down to fund the financial support provided to Emirates (see "*Public Finance—Principal Investments—Major ICD Investments—Emirates Group*"), and the remaining amount of the facility may be used for other purposes, including Dubai Expo 2020-related expenditures. As at 30 June 2020, AED 350 million was outstanding under this facility.

Export Credit Facilities

On 27 February 2012, the DoF entered into a facilities agreement with a consortium of banks, consisting of a U.S.$401 million conventional facility supported by comprehensive guarantees from the French export credit agency, *Compagnie Française d'Assurance pour le Commerce Extérieur* (**COFACE**) and the Belgian export credit agency, *Office National du Ducroire* (**ONDD**), amortising over 10 years commenced from 2015. The proceeds of the facility are being used to fund the Dubai Tram project (see "*Economy of Dubai—Dubai Tram*"). As at 30 June 2020, U.S$180.4 million was outstanding under the export credit agency facility.

On 8 January 2018, the DoF entered into U.S.$1.42 billion facility agreements with a consortium of banks, supported by comprehensive guarantees from the French export credit agency, Bpifrance Assurance Export S.A.S (**BPIAE**) and the Spanish export credit agency, Compañia Española de Seguros de Crédito a la Exportación, S.A., Compañía de Seguros y Reaseguros, S.M.E. (**CESCE**), amortising over 14 years commencing from 2020 to be drawn down over a period of 33 months commencing from January 2018. The proceeds of the facility are being used to fund the Route 2020 metro project (see "*Economy of Dubai—Dubai Metro*"). As at 30 June 2020, U.S.$1.29 billion was outstanding under the export credit agency facility.

Related Party Debt – Abu Dhabi Government and UAE Central Bank (U.S.$20 billion facility)

Subsequent to the establishment of the DFSF in July 2009, the DFSF was capitalised through the proceeds of a U.S.$10 billion bond issued by the Government, which was subscribed by the UAE Central Bank. At issuance, this five-year unsecured bond paid 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). 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.

On 16 March 2014, the Government of Dubai, acting through the DoF, entered into two refinancing agreements with the UAE Central Bank and the Government of Abu Dhabi, respectively, in respect of the outstanding U.S.$20 billion facility. 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.

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.

Guarantees and Contingent Obligations

The Government has provided a payment guarantee in an amount of U.S.$3 billion in support of the New Dubai World Facility. As at 30 June 2020, U.S.$3 billion was outstanding under this payment guarantee. See "*Dubai World Restructuring*".

The Government has provided shortfall guarantees in an aggregate amount of approximately AED 8.2 billion in support of the obligations of Dubai Aviation City Corporation to contractors. As at 30 June 2020, AED 3.6 billion was outstanding under these shortfall guarantees.

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 30 June 2020, AED 1.4 billion were 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 a clean coal power project.

Other than the guarantees and contingent obligations disclosed above, the Government has not guaranteed the obligations of any third parties.

Debt Management Office

In May 2010, the Government announced plans to set up a debt management office (the **DMO**) for Dubai, in line with similar steps being taken by the UAE Federal Government to set up a federal debt management office. In October 2018, the Public Debt Law was issued, pursuant to which the federal Public Debt Management Office is to be established (see "*Monetary and Financial System—Banking and Financial Services—Federal Debt Management*").

Although no date has been set for the formation of Dubai's DMO, once formed, its purpose, among other things, is expected to be to establish the bases governing public debt issuance, follow prudent policies on debt risk management and reduce costs of borrowing. The DMO is expected to be part of the DoF.

RULES FOR LISTING BONDS 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 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 Bonds with DFM

In principle, before a United Arab Emirates-based issuer can list bonds 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 issuer must produce a prospectus.

The prospectus should contain such information as is necessary for potential investors to make an informed assessment of the issuer and its securities. The prospectus should cover, at a minimum: the issuer's business activities, its financial position, management strength and future prospects, full details of the issue and the rights attaching to the Notes.

The issuer 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.

TAXATION

The following summary of certain UAE and European Union tax consequences of ownership of Notes is based upon laws, regulations, decrees, rulings, income tax conventions, administrative practice and judicial decisions in effect at the date of this Base Prospectus. Legislative, judicial or administrative changes or interpretations may, however, be forthcoming that could alter or modify the statements and conclusions set forth herein. Any such changes or interpretations may be retroactive and could affect the tax consequences to holders of Notes. This summary does not purport to be a legal opinion or to address all tax aspects that may be relevant to a holder of Notes. Each prospective holder is recommended to consult its own tax adviser as to the particular tax consequences to such holder of the ownership and disposal of Notes, including the applicability and effect of any other tax laws or tax treaties, and of pending or proposed changes in applicable tax laws as at the date of this Base Prospectus, and of any actual changes in applicable tax laws after such date.

UAE and the Emirate of Dubai

There is currently in force in Dubai legislation establishing a general corporate taxation regime (the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE or Dubai taxation in respect of payments of principal or interest on the Notes. In the event of the imposition of any such withholding, the Issuer has undertaken to gross-up any payments subject to certain limited exceptions.

The Constitution of the UAE specifically reserves to the UAE Federal Government the right to raise taxes on a federal basis for the purpose of funding its budget. It is not known whether this right will be exercised in the future.

The UAE has entered into double taxation arrangements with certain other countries.

The Proposed Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common financial transactions tax (**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 Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes 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 Notes 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 Noteholders are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in an amended and restated dealer agreement dated 29 July 2020 (the **Dealer Agreement**) between the Issuer and the Permanent Dealers, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arrangers for their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or jurisdiction of the United States and may not be offered or sold within the United States except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Accordingly, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

Bearer Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

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 or sell, any Notes constituting part of its allotment within the United States except in accordance with Rule 903 of Regulation S of the Securities Act. Accordingly, neither it, its affiliates, nor any persons acting on its or their behalf has engaged or will engage in any directed selling efforts with respect to any Notes. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes 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 or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", 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 otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA or in the UK. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

   (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   (iii) not a qualified investor as defined in the Prospectus Regulation); and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Relevant State of the EEA and the UK (each, a **Relevant State**), 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 Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes to the public in that Relevant State:

(i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(ii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Relevant State and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) in relation to any Notes 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 Notes 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 Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(ii) 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 Notes in circumstances in which section 21(1) of the FSMA does not apply to the Government; and

(iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

UAE (excluding 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 Notes 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.

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 it has not offered and will not offer the Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(i) an **Exempt Offer** in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the **DFSA**) rulebook; and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

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 Notes 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).

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 Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a **Saudi Investor**) who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 9 or Article 10 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 27 December 2017 as amended by resolution number 1-104-2019 dated 30 September 2019 (the **KSA Regulations**), made through an authorised person licensed to carry out arranging activities by the Capital Market Authority and following a notification to the Capital Market Authority under Article 11 of the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "Sophisticated Investors" under Article 9 of the KSA Regulations or by way of a limited offer under Article 10 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 Notes made by it to a Saudi Investor will be made in compliance with Article 9 or Article 10 of the KSA Regulations.

Each offer of Notes 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 the secondary market activity under Article 15 of the KSA Regulations. Any Saudi Investor who has acquired Notes pursuant to a private placement under Article 9 or Article 10 of the KSA Regulations may not offer or sell those Notes to any person unless the offer or sale is made through an authorised person appropriately licensed by the Capital Market Authority; and (a) the Notes are offered or sold to a Sophisticated Investor (as defined in Article 9 of the KSA Regulations); (b) the price to be paid for the Notes in any one transaction is equal to or exceeds Saudi Riyals 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 15 of the KSA Regulations.

Japan

The Notes 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**). Accordingly, 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, directly or indirectly, offered or sold Notes, and that it will not, directly or indirectly, offer or sell any Notes 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. 288 of 1949, as amended)), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws and regulations and ministerial guidelines of Japan.

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 Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes 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 Notes, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of 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 the Notes 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 239(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 Notes 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.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Subscription Agreement or other agreement between the Issuer and the relevant Dealers in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor.

[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 Notes has led to the conclusion that: (i) the target market for the Notes 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 Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (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 Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.][1]

FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

[date]

Government of Dubai
Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Notes*]
under the U.S.$5,000,000,000
Euro Medium Term Note 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 29 July 2020 [and the supplement[s] to it dated [●] [and [●]] ([together,] the **Base Prospectus**). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus is available for viewing [at [website]] and during normal business hours at [address] and copies may be obtained from [address].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [*original date*] which are incorporated by reference in the Base Prospectus dated [*current date*]. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus dated [*current date*] [and the supplement[s] to it dated [●] and [●]] ([together,] the **Base Prospectus**),] including the Conditions incorporated by reference in the Base Prospectus in order to obtain all the relevant information. The Base Prospectus is available for viewing [at [*website*] [and] during normal business hours at [*address*] and copies may be obtained from [*address*].

[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 subparagraphs. Italics denote guidance for completing the Final Terms.]

[If the Notes 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.]

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1 Legend to be included on the front of the Final Terms if the Notes constitute "packaged" products and no key information document will be prepared or the Issuer wishes to prohibit offers to EEA and UK investors for any other reason, in which case the selling restriction should be specified to be "applicable".

1	Issuer:		Government of Dubai
2	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ]
			(*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*).
3	Specified Currency or Currencies:		
4	Aggregate Nominal Amount of Notes:		
	(i)	Series:	[ ]
	(ii)	Tranche:	[ ]
5	(i)	Issue Price:	[ ]
	(ii)	Net proceeds:	[ ]
6	(i)	Specified Denominations:	[ ]
		(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)	*(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*
			"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")
			(N.B. If an issue of Notes is (i) NOT admitted to trading on an EEA or UK exchange; and (ii) only offered in the EEA or 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)
	(ii)	Calculation Amount:	[ ]
			(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)
7	(i)	Issue Date:	[ ]
	(ii)	Interest Commencement Date:	*[Specify/Issue date/Not Applicable]*
8	Maturity Date:		*[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9	Interest Basis:		[[ ] per cent. Fixed Rate]
			[[*specify reference rate*] +/- [ ] per cent. Floating Rate]
			[Zero coupon]
			[Other (*specify*)]
			(further particulars specified below)
10	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount
			[Other (*specify*)]

			[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
			[ ] (*Required only for DFM listed issues*)
			[ ]
11	Change of Interest Basis:		[*Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 16 and 17 below and identify there][Not Applicable*]
12	Put/Call Options:		[Investor Put]
			[Issuer Call]
			[(further particulars specified below)]
13	(i)	Status of the Notes:	Senior
	(ii)	[Date of approval for issuance of Notes obtained:	[ ]
			[(*N.B Only relevant where specific authorisation is required for the particular tranche of Notes*)]
14	Listing:		[ ] (specify)/None]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Note Provisions		[Applicable/Not Applicable]
			(If not applicable, delete the remaining sub- paragraphs of this paragraph)
	(i)	Rate[(s)] of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
			(If payable other than annually, consider amending Condition 4)
	(ii)	Interest Payment Date(s):	[ ] in each year up to and including the Maturity Date
			[specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"]/not adjusted]
			(*Amend appropriately in the case of irregular coupons*)
	(iii)	Fixed Coupon Amount[(s)] for Notes in definitive form (and in relation to Notes in global form, the Fixed Coupon Amount will be calculated on a nominal basis (see Conditions and the paragraph entitled "Promise to Pay" in the global Note)):	[ ] per Calculation Amount
	(iv)	Broken Amount(s) for Notes in definitive form (and relation to Notes in global form see Conditions):	[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]
	(v)	Day Count Fraction:	[30/360] [Actual/Actual] [(ICMA)]
	(vi)	Determination Dates:	[[ ] in each year]
			[Not Applicable]
			(Only relevant where Day Count Fraction is Actual / Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon.)
16	Floating Rate Note Provisions		[Applicable/Not Applicable]

		(*If not applicable, delete the remaining sub- paragraphs of this paragraph*)
(i)	Interest Period(s):	[ ]
(ii)	Specified Interest Payment Dates:	[ ]
(iii)	First Interest Payment Date:	[ ]
(iv)	Interest Period Date:	[ ]
		(Interest Payment Date unless otherwise specified)
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(vi)	Additional Business Centre(s):	[ ]
(vii)	Manner in which the Rate of Interest and Interest Amount is to be determined	[Screen Rate Determination/ISDA Determination]
(viii)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the [Calculation Agent]):	[ ]
(ix)	Screen Rate Determination:	
	– Reference Rate:	Reference Rate: [ ] month [LIBOR / EURIBOR / specify other Reference Rate]
	– Relevant Financial Centre:	Relevant Financial Centre: [London / Brussels / specify other Relevant Financial Centre]
	– Relevant Time:	[ ] (in the time zone of the Relevant Financial Centre)
	– Interest Determination Date(s):	(*Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR, the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR and second business day in both London and Dubai prior to the start of each Interest Period if EIBOR*)
	– Relevant Screen Page:	[ ]
		(*In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(x)	ISDA Determination:	
	– Floating Rate Option:	[ ]
	– Designated Maturity:	[ ]
	– Reset Date:	[ ]
		(*In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period*)
(xi)	Margin(s):	[+/-][ ] per cent. per annum
(xii)	Minimum Rate of Interest:	[ ] per cent. per annum
(xiii)	Maximum Rate of Interest:	[ ] per cent. per annum
(xiv)	Day Count Fraction:	Actual/Actual
		Actual/Actual (ISDA)

			Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Other (*See Condition 4 for alternatives*)
17	Zero Coupon Note Provisions		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
	(i)	Amortisation Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

18	Call Option		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub- paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[ ]/[Any Interest Payment Date from and including [ ] to but excluding [ ]]/[From (and including) [ ] to (but excluding) the Maturity Date]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[ ] per Calculation Amount
		(b) Maximum Redemption Amount:	[ ] per Calculation Amount
	(iv)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days *(N.B. When setting notice periods, the Issuer 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 Issuer and the Fiscal Agent)*
19	Put Option		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub- paragraphs of this paragraph)*

	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii)	Notice periods:	Minimum period: [ ] days Maximum period: [ ] days *(N.B. When setting notice periods, the Issuer 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 Issuer and the Fiscal Agent)*
20	Final Redemption Amount of each Note		[ ] per Calculation Amount
21	Early Redemption Amount		
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):		[ ] per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22	Form of Notes:	Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes upon an Exchange Event] [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Bearer Notes upon an Exchange Event] *[Bearer Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law 14 of December 2005]* Registered Notes: [Registered Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg]]
23	Talons for future Coupons to be attached to Definitive Bearer Notes:	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

Responsibility

[[●] has been extracted from [●].] [The Issuer 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 [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Government of Dubai:

By: ______________________ By: ______________________

Duly authorised

Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

(i)	Admission to trading:	[Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to the DFM Official List and to be 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/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. – *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 [Fixed Rate Notes only – YIELD

Indication of yield:	[ ] The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

4 OPERATIONAL INFORMATION

ISIN:	[ ]
Common Code:	[ ]
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]
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]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s):	[Not Applicable/give name(s), and number(s) [and address(es)]]
Delivery:	Delivery [against/free of] payment
Names and addresses of initial Paying Agent(s):	[ ]
Names and addresses of additional Paying Agent(s) (if any):	[ ]

5 DISTRIBUTION

Prohibition of Sales to EEA and UK Retail Invvestors:	[Applicable/Not Applicable] (*If the Notes potentially constitute "packaged" products and no key information document will be prepared, or the Issuer wishes to prohibit offers to EEA and UK retail investors for any other reason, the selling restriction should be specified to be "Applicable*")
U.S. Selling Restrictions:	[TEFRA D/TEFRA C/ Not Applicable]

GENERAL INFORMATION

1. It is expected that each Tranche which is to be admitted to the DFM Official List and to trading on the DFM will be admitted separately as and when issued, subject only to the issue of a Global Note in respect of each Tranche. Prior to official listing and admission to trading, however, dealings will be permitted by the DFM in accordance with their respective rules. However, unlisted Notes may be issued pursuant to the Programme.

2. The Issuer has obtained all necessary consents, approvals and authorisations in the UAE in connection with the establishment of the Programme. The establishment of the Programme was authorised by the Supreme Fiscal Committee, a Dubai Government department established by Decree No. 24 of 2007 of the Ruler of Dubai, on 25 March 2008. Supplemental authorisations in relation to updates to, and the issuance of Notes under, the Programme were issued by the Supreme Fiscal Committee on 6 April 2008, 20 October 2009, 31 May 2011, 13 January 2013, 9 September 2013, 10 September 2014, 20 April 2016, 5 February 2018, 10 December 2018 and 22 June 2020.

3. Other than as described in the second paragraph under "*Public Finance—Budget 2020 details*", 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 Issuer since 31 December 2019.

4. The Issuer is not nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position of the Issuer.

5. Each Permanent Bearer Global Note and Definitive Bearer Note having a maturity of more than one year, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

6. Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

   The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

7. The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

8. For so long as Notes may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection and/or collection (including by means of email distribution) at the office of the Paying Agent:

   (i) the Agency Agreement (which includes the form of the Global Notes, the Definitive Bearer Notes, the Coupons and the Talons) and the Deed of Covenant;

   (ii) the budget for the current fiscal year (as set out on page 94 of this Base Prospectus);

   (iii) each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the EEA or the UK nor offered in the EEA or the UK in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection and/or collection as aforesaid by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Fiscal Agent as to its holding of Notes and identity); and

   (iv) a copy of this Base Prospectus together with any further Base Prospectus. The Base Prospectus and the Final Terms for Notes that are listed on the DFM Official List and admitted to trading on the DFM will be published on the DFM website.

9. The Issuer does not publish audited financial accounts.

10. The business address of the Issuer is P.O. Box 516, Dubai, United Arab Emirates and its telephone number is +9714 353 3330.

11. 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 Issuer 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 loans) for their own account and for the accounts of their

customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and its affiliates routinely hedge their credit exposure to the Issuer 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 either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes 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, long and/or short positions in such securities and instruments. For the purposes of this paragraph, the term "affiliates" shall also include parent companies.

REGISTERED OFFICE OF THE ISSUER

Government of Dubai
Department of Finance
P.O. Box 516
Dubai
United Arab Emirates

DEALERS

Emirates NBD Bank PJSC
P.O. Box 777
Dubai
United Arab Emirates

First Abu Dhabi Bank PJSC
FAB Building
Khalifa Business Park – Al Qurm District
Abu Dhabi
P.O. Box 6316
United Arab Emirates

MUFG Securities EMEA plc
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

Standard Chartered Bank
7th Floor Building One, Gate Precinct
Dubai International Financial Centre
P.O. Box 999
Dubai
United Arab Emirates

FISCAL, PAYING AND CALCULATION AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

REGISTRAR AND TRANSFER AGENT

Deutsche Bank Luxembourg S.A.
2 boulevard Konrad Adenauer
L-1115
Luxembourg

LEGAL ADVISERS TO THE DEALERS

Allen & Overy LLP
11th Floor, Burj Daman Building
Al Mustaqbal Street
Dubai International Financial Centre
P.O. Box 506678
Dubai
United Arab Emirates

LEGAL ADVISERS TO THE ISSUER

Latham & Watkins LLP
Precinct Building 1, Level 3
Dubai International Financial Centre
P.O. Box 506698
Dubai
United Arab Emirates