

**United Arab Emirates
The Cabinet**

**Cabinet Resolution No. 42 of 2009
Concerning Insurance Company Minimum Capital Regulations**

The Cabinet,

Having perused:

- The Constitution;
- The Federal Law No.1 of 1972 concerning the Functions of Ministries and Powers of Ministers, and the amending laws thereof;
- The Federal Law No. 8 of 1984 concerning n Commercial Companies, and the amending laws thereof;
- The Federal Law No. 5 of 1985 promulgating the UAE Civil Transactions Law, and the amending laws thereof;
- The Federal Law No. 18 of 1993 promulgating the Commercial Transactions Law;
- The Federal Law No. 6 of 2007 concerning the Establishment of the Insurance Authority and the Regulation of Insurance Business;
- The Ministerial Councils for Services Resolution No. 227/10m of 2009 concerning the Insurance Company Capital Regulations; and
- Based on the recommendation of the Minister of Economy and the Approval of the Cabinet,

Has decided:

Article (1)

In the application of the provisions of this Resolution, the following words and expressions shall have the meanings ascribed thereto below, unless the context otherwise requires:

The State/UAE	United Arab Emirates
The Law	The Federal Law No. 6 of 2007 concerning the Establishment of the Insurance Authority and the Regulation of Insurance Business.
Companies Law	The Federal Law No. 8 of 1984 concerning Commercial Companies, and the amending laws thereof or the laws

replacing it.

IA/ Authority	The Insurance Authority
The Board	The Board of Directors of the Insurance Authority
Company	An insurance company incorporated within the State and a foreign insurance company licensed to practice insurance activity in the State, wither through a branch or an agent, including companies practicing cooperative and Takaful insurance and reinsurance companies.

Article (2)

Scope of Application

The provisions of this Resolution shall apply to all companies, excluding companies operating in free zones in the State.

Article (3)

Minimum Capital of the Company

The subscribed and paid up capital of a company may not be less than AED 100,000,000 (One Hundred Million UAE Dirhams). The subscribed and paid up capital of a reinsurance company may not be less than AED 250,000,000 (Two Hundred And Fifty Million UAE Dirham).

Article (4)

At least 75% (seventy five percent) of the capital of a company incorporated in the State must be owned by natural persons of the UAE or GCC nationals or by juridical persons wholly owned by citizens holding UAE or GCC nationality.

Article (5)

Increase of the Company Capital

Subject to the provisions of the Companies Law, the company's capital may be increased under a decision of the IA based on an application submitted by the Company in this regards in accordance with the form designated by the IA for this purpose.

Article (6)

Reduction of the Company Capital

Subject to the provisions of the Companies Law and Article (3) of this Resolution, the company's capital may be reduced under a decision of the IA based on an application submitted by the Company in this regard in accordance with the form designated by the IA, provided that such application shall include a statement of the reasons for the Company's request to reduce its capital and that the capital reduction would not cause a breach of its current or future obligations. The Board may approve or reject the motion for capital reduction according to the requirements of the public interest.

Final Provisions

Article (7)

All companies existing at the time when the provisions of this Resolution enter into force must rectify their positions according to its provisions within three years as of the date the Resolution taking effect.

Article (8)

The Board shall issue the instructions and regulations necessary to implement this Resolution.

Article (9)

This Resolution shall be published in the Official Gazette and shall take effect as of the date of its publication.

Mohammed Bin Rashid Al Maktoum
Prime Minister

Issued by us on:
10 Muharram 1431
27 December 2009