

Law No. (6) of 2019
Concerning
Ownership of Jointly Owned Real Property in the Emirate of Dubai¹

We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai,

After perusal of:

Federal Law No. (5) of 1985 Issuing the Civil Code of the United Arab Emirates and its amendments;

Law No. (3) of 2003 Establishing the Executive Council of the Emirate of Dubai;

Law No. (7) of 2006 Concerning Real Property Registration in the Emirate of Dubai;

Law No. (27) of 2007 Concerning Ownership of Jointly Owned Real Property in the Emirate of Dubai;

Law No. (13) of 2008 Regulating the Interim Real Property Register in the Emirate of Dubai and its amendments;

Law No. (7) of 2013 Concerning the Land Department;

Decree No. (22) of 2009 Concerning Special Development Zones in the Emirate of Dubai;

Decree No. (17) of 2013 Concerning Licensing and Classification of Hotel Establishments in the Emirate of Dubai;

Decree No. (26) of 2013 Concerning the Rental Disputes Settlement Centre in the Emirate of Dubai; and

The legislation establishing and regulating free zones in the Emirate of Dubai,

Do hereby issue this Law.

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¹Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict, the Arabic text will prevail.

Title of the Law
Article (1)

This Law will be cited as "Law No. (6) of 2019 Concerning Ownership of Jointly Owned Real Property in the Emirate of Dubai".

Definitions
Article (2)

The following words and expressions, wherever mentioned in this Law, will have the meaning indicated opposite each of them unless the context implies otherwise:

Emirate:	The Emirate of Dubai.
Government:	The Government of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
DLD:	The Land Department.
RERA:	The Real Estate Regulatory Agency.
RDSC:	The Rental Disputes Settlement Centre in the Emirate.
Competent Authority:	The authority in charge of issuing building permits and approving community plans in the Emirate.
Director General:	The director general of the DLD.
CEO:	The chief executive officer of RERA.
Real Property Register:	The register regulated pursuant to the above-mentioned Law No. (7) of 2006.
Master Developer:	A Person who is licensed to conduct Real Property development business in the Emirate and to dispose of Real Property units to others, and who is classified as a master developer in accordance with the legislation in force in the Emirate.
Sub-developer:	A person who is licensed to conduct Real Property development business in the Emirate and to dispose of Real Property units to others; who is granted by a Master Developer the right to develop

part of a Master Project, in accordance with the provisions of a Master Community Declaration; and who is classified as a sub-developer in accordance with the legislation in force in the Emirate.

Developer:	A Master Developer or a Sub-Developer.
Master Project:	A project which involves developing vacant land, constructing infrastructure and common service facilities thereon, subdividing that land for the purpose of sale, and constructing residential, commercial, or mixed-use multi-storey buildings or compounds; and which is classified by RERA as a master project in accordance with the relevant criteria approved by the Director General.
Jointly Owned Real Property:	A building, including the parts and appurtenances allocated for common use, and the land on which that building is constructed; or land which is subdivided into Units or land plots intended for individual ownership.
Major Project:	Any Jointly Owned Real Property designated as a major project in accordance with the relevant criteria approved by the Director General.
Hotel Project:	Any Real Property whose Units are intended for joint ownership, and which is licenced for use as a Hotel Establishment by the Competent Authority. This includes hotels, hotel villas, hotel apartments, and hotel rooms.
Unit:	A flat, shop, office, warehouse, floor, whole or part of a land plot, town house, or independent house that constitutes part of Jointly Owned Real Property and is intended for residential, commercial, industrial, or any other use.
Master Plan:	A set of plans and design and engineering drawings of a Master Project which are prepared by the Master Developer and approved by the DLD and the Competent Authority.
Site Plan:	A map prepared by the Developer, and approved by the DLD and the Competent Authority, which delineates the boundaries of a building in Jointly Owned Real Property.
Plans:	These include Master Plans and Site Plans.

Common Facilities:	The areas and spaces demarcated on a Master Plan as common facilities which are owned by the Developer, subject to ownership limitations, and are designated for common use and for serving the Master Project. This includes gardens, landscape areas, fountains, streets, ponds, swimming pools, playgrounds, public areas, public car parks, pedestrian walkways, beaches, and other facilities.
Common Parts:	The parts of Jointly Owned Real Property, as shown on the Site Plan, designated for common use by the Owners and Occupants of Units.
Designated Common Parts:	The Jointly Owned Real Property parts, connections, fittings, equipment, or facilities designated for exclusive use by certain Owners rather than others.
Developer-owned Areas:	The areas and spaces, other than Common Facilities and Common Parts, that are specified on a Master Plan or a Site Plan, owned by the Developer, and designated by him for private, commercial, or investment use.
Owner:	A Person registered in the Real Property Register as an Owner of a Unit, including the holder of a usufruct or long-term lease right pursuant to the above-mentioned Law No. (7) of 2006; or a Developer in respect of unsold Units.
Master Community Declaration:	The conditions and provisions governing the development and operation of a Master Project and the Jointly Owned Real Property and Common Facilities therein, including the planning and construction standards of the Master Community.
Building Management Regulation:	A document prepared in accordance with the relevant bylaws issued by the DLD, and entered in the Jointly Owned Real Property Register, which states the procedures for maintenance of Common Parts, including equipment and services in any part of another building, and the percentages of contribution of Owners in the relevant costs.
Owners Committee:	A committee constituted from amongst Owners in accordance with the provisions of this Law.

Statute:	The rules and provisions governing an Owners Committee, which are established and approved in accordance with the provisions of this Law.
Service Charges:	The annual charges collected from Owners to cover the cost of management, operation, maintenance, and repair of Jointly Owned Real Property.
Usage Charges:	The annual charges collected from Owners or Sub-developers in return for the management, operation, maintenance, and repair of Common Facilities.
Occupant:	Any person using a Unit for its intended purposes, including an Owner, a tenant, or any other person authorised by the Owner to use the Unit.
Management Company:	A sole proprietorship or a company recognised by RERA and specialised in managing Common Facilities, Jointly Owned Real Property, or Common Parts, as the case may be.
Hotel Project Management Company:	A sole proprietorship or a company recognised by RERA and specialised in managing Hotel Projects and their Common Parts in accordance with the provisions of this Law.
Management Entity:	An entity in charge of managing Common Facilities, Jointly Owned Real Property, or Common Parts in accordance with the provisions of this Law. This includes Developers, Management Companies, or Hotel Project Management Companies, as the case may be.
Utility Services:	These include water connection or supply; gas connection or supply; electricity; air conditioning; telephone; computer, television, and telecommunication cables; sewerage; rain water drainage; garbage and waste removal or disposal; mail, parcel, or cargo delivery; and horticulture and agriculture services, as well as any systems or services intended for improving Common Facilities or Common Parts.

Scope of Application
Article (3)

The provisions of this Law will apply to all Master Projects and Jointly Owned Real Property in the Emirate, including those in Special Development Zones and in free zones.

Jointly Owned Real Property Register
Article (4)

- a. The DLD will maintain a special register of Jointly Owned Real Property, which contains the following:
 1. details of the land plots owned by Developers on which Jointly Owned Real Property are to be constructed;
 2. details of Units that are intended for individual ownership in Jointly Owned Real Property and sold by Developers, and names of Owners of these Units;
 3. details of members of Owners Committees;
 4. Building Management Regulations;
 5. Plans;
 6. details of Management Entities;
 7. the contracts for management of Jointly Owned Real Property or Common Parts;
 8. statement of the total area of Common Parts and Designated Common Parts, and its ratio to the total area of Units in Jointly Owned Real Property; and
 9. details of Developer-owned Areas in Jointly Owned Real Property.
- b. Upon the request of concerned parties, the DLD will issue the certificates, deeds, or other documents related to Units or Jointly Owned Real Property based on the information in the register referred to in paragraph (a) of this Article. Any interested party will have the right to access that register.

Ownership Rules

Article (5)

The rules and conditions stipulated in the above-mentioned Law No. (7) of 2006 will apply to the ownership of Jointly Owned Real Property.

Jointly Owned Real Property Title Deeds

Article (6)

- a. The Plans, Master Community Declaration, Statute, and Building Management Regulation will constitute part of the title deed of Jointly Owned Real Property. The DLD will maintain an original copy of each of these documents.
- b. An Occupant will be under an obligation towards the Developer, the Owner, the Occupants of other Units, and the Owners Committee to comply with the Master Community Declaration, Statute, and Building Management Regulation to the extent that their provisions apply to that Occupant.
- c. A Developer must, upon completing the construction of the Jointly Owned Real Property and obtaining a completion certificate from the Competent Authority, file the documents referred to in paragraph (a) of this Article with the DLD within sixty (60) days from the date of issue of the completion certificate. The DLD may extend this time limit for a period not exceeding thirty (30) days, provided that the Developer provides valid reasons for the extension that are acceptable to the DLD.
- d. The Developer's obligation under paragraph (c) of this Article does not include filing the Building Management Regulation where it is prepared by RERA.
- e. Where the Developer fails to submit the documents referred to in paragraph (a) of this Article within the time limit stated in paragraph (c) thereof, the DLD may request any entity, as it deems appropriate, to file and maintain these documents with the DLD; in which case, the Developer will be held liable for all the expenses and costs incurred in this regard.
- f. The DLD will issue and update the maps of Common Parts, Designated Common Parts, and Common Facilities in accordance with the provisions of this Law.

Components of Common Parts

Article (7)

- a. The Common Parts of a building include, without limitation, the following:

1. the structural components of the Jointly Owned Real Property, including the main supports, foundations, columns, structural walls, ceilings, ceiling joists, staircases, stairwells, façades, and roofs;
 2. unless otherwise indicated on the Site Plan, thresholds; halls; parking aisles; entrances; emergency exits; and windows in external walls;
 3. unless otherwise indicated on the Site Plan, watchmen rooms; recreational facilities and equipment; swimming pools; gardens; storage facilities; offices; and car parks designated for use by the Management Entity, the Owners Committee, or visitors;
 4. equipment and systems of main utilities, including electricity generators; lighting systems; gas, cold and hot water, and heating and cooling systems and equipment; air conditioning systems; and waste collection and treatment facilities;
 5. elevators, tanks, pipes, generators, chimneys, ventilation fans and ducts, air compressor units, and mechanical ventilation systems;
 6. water mains; sewer pipes; gas pipes and chimneys; and electrical and telecommunications towers, wiring, and conduits serving the Owners of more than one (1) Unit;
 7. equipment used for measuring the provision or supply of Utility Services;
 8. any other parts outside the boundaries of Units which are necessary or required for the existence, maintenance, sustainability, safety, or operation of the Jointly Owned Real Property; and
 9. any other Common Parts indicated on the Site Plan.
- b. The Common Parts of a land plot include, without limitation, the following:
1. roads, roundabouts, intersections, pathways, pavement edges, median strips, viaducts, drainage systems, and all related structures;
 2. unless otherwise indicated on the Site Plan, lakes; ponds; canals; parks; fountains; water features; and other waterways, including all equipment related thereto;
 3. unless otherwise indicated on the Site Plan, landscape areas; public areas; playgrounds; rest areas; and car parks designated for use by the Management Entity, the Owners Committee, or visitors;

4. the wires, cables, pipes, drains, ducts, machinery, and equipment used to supply Units or Common Parts with various services;
5. equipment used for measuring the provision or supply of Utility Services; and
6. any other Common Parts indicated on the Site Plan.

Developer-owned Areas **Article (8)**

When obtaining the approval of a Master Plan or Site Plan for the first time, the Developer may, subject to the approval of the DLD and the Competent Authority, designate areas owned by the Developer on the Master Plan or Site Plan for private, commercial, or investment use. This approval may only be granted, and the Developer-owned areas may only be used, subject to the provisions of the Master Community Declaration and the rights of Owners.

Unit Components **Article (9)**

- a. Unless otherwise indicated on the Site Plan, each Unit in a building or part of a building includes, without limitation, the following:
 1. floors and flooring materials and components down to the base of the joists, and other structures supporting the floor of the Unit;
 2. plaster ceilings and all other types of ceilings, additions that form part of the interior of the Unit, spaces between such ceilings, ceilings above the support walls and structures inside the Unit, and walls separating the Unit from other parts of the Jointly Owned Real Property or any adjacent Units or Common Parts;
 3. the internal area, non-support internal walls, and surrounding walls of the Unit;
 4. windows, glass, fixtures that form part of the internal windows, lighting systems, doors, door frames, and all equipment and fixtures serving the Unit;
 5. bathrooms and other integral parts of the Unit, such as balconies and other ancillary parts allocated to the Owner;
 6. facilities attached or allocated to the Unit, such as gardens, car parks, storage rooms, or watchmen rooms, even if such facilities are not adjacent to the unit, provided that these facilities are attached to the Unit and their area is not included in the net area of the Unit;

7. internal connections serving the Unit;
 8. fixtures and fittings installed by the Occupant;
 9. additions, modifications, and improvements made to the Unit from time to time; and
 10. any other components indicated on the Site Plan.
- b. For the purposes of application of the provisions of paragraph (a) of this Article, a Unit does not include the Utility Services therein which serve the Common Parts or any other Unit.
 - c. Unless otherwise indicated on the Site Plan, each Unit in any Jointly Owned Real Property comprising land, rather than a building or part of a building, will include, without limitation, everything within the boundaries of the Unit other than the Utility Services that serve the Common Parts or any other Unit.
 - d. Each Unit intended for individual ownership is entitled to the right of way in other Units or land plots, and in Common Parts.
 - e. The dividing walls between two (2) adjacent Units will be shared by the Owners of both Units, provided that these walls are part of the Common Parts.

Car Parks designated for Units
Article (10)

- a. The car parks allocated or designated to a Unit under the legislation applicable by the Competent Authority will be deemed an integral part of the Unit, and may not be separated, or sold independently, from that Unit.
- b. A Developer must register Units and their designated car parks in the names of respective Owners in accordance with the relevant instructions issued by the Director General. In all events, a Unit may not be sold or disposed of without the car parks designated to it.
- c. An Owner may purchase additional car parks, provided that such car parks are in excess of those designated for all Units in the Jointly Owned Real Property under the legislation and instructions referred to in paragraphs (a) and (b) of this Article. The Director General may prescribe the cases in which Owners may purchase additional car parks.

Ownership of Interest in Common Parts
Article (11)

An Owner, or a Developer in respect of unsold Units, will own an undivided interest in Common Parts. This interest will be determined based on the ratio of the Unit area to the total area of the Jointly Owned Real Property.

Disposing of Jointly Owned Real Property Units
Article (12)

A Unit Owner may sell or dispose of his Unit in any legal manner, and may mortgage his Unit to any bank or financing institution licensed to operate in the Emirate.

Subdivision of Jointly Owned Units
Article (13)

A Unit jointly owned by two (2) or more Persons may not be subdivided amongst them unless that subdivision is permitted under the Master Community Declaration; the DLD approval is obtained; and the necessary licenses are granted by the Competent Authority.

Pre-emption Rights
Article (14)

- a. A co-owner of a Unit will have a pre-emption right to purchase another co-owner's share in the Unit if that share is offered for sale or disposition to a non-Owner. Where more than one (1) co-owner exercises this right, each of them will be entitled to purchase a share proportional to his existing share in the Unit.
- b. The pre-emption right prescribed under paragraph (a) of this Article will not be established in case of sale or disposition of the co-owner's share to any ascendants, descendants, spouse, relatives up to the fourth degree, or in-laws up to the second degree.

Exercise of Pre-emption Rights
Article (15)

- a. A pre-emption right may not be divided and may only be exercised or waived in whole. In case of multiple co-owners, each of them may exercise his pre-emption right in proportion to his share in the relevant Unit; and if any of them waives his right, it will be transferred to the other co-owners in proportion to their existing shares.

- b. A pre-emption right will be forfeited if the co-owner offering to sell or dispose of his share serves on the other co-owners, through a notary public, a written notice that states the name and address of the third-party purchaser and the terms of sale, but none of these co-owners agrees to such terms of sale within thirty (30) days from receipt of that notice.
- c. Where a co-owner agrees to purchase the offered share, he must notify his intention to the co-owner offering to sell or dispose of his share, through a notary public, within the notice period referred to in paragraph (b) of this Article; and must finalise the sale procedures with the DLD within no later than ten (10) working days from the date of expiry of that notice period.
- d. If it is proven that the sale made pursuant to this Article is concluded under terms that are more favourable to the purchaser than those mentioned in the notice sent to the co-owners having the pre-emption right, these co-owners may file, with the RDSC, claims against the seller for compensation for the damage they have sustained.

Leasing out Units Article (16)

- a. An Owner may lease out his Unit, provided that he and the tenant remain under an obligation towards other Owners and Occupants, the Owners Committee, and the Management Entity to comply with the Statute, the Master Community Declaration, and the Building Management Regulation.
- b. Unless otherwise stipulated in the Unit lease agreement, the Owner will be liable to pay the Service Charges and Usage Charges. In all events, the Owner may not be discharged from his liability to pay the Service Charges and Usage Charges if the tenant fails to pay the same as prescribed under this Law.

Disposition of Common Parts and Common Facilities Article (17)

- a. In all events, Common Parts may neither be converted into private property; nor subdivided; nor disposed of in whole or in part, independently from the Units to which they pertain, without first obtaining the approval of the DLD and the Competent Authority. This applies even if the building to which the Common Parts belong is under construction. The Director General will issue a resolution prescribing the rules for using the proceeds generated from such a conversion, subdivision, or disposition.

- b. Unless the relevant prior approvals of the DLD and the Competent Authority are obtained, it is prohibited to dispose of Common Facilities in any manner whatsoever; or utilise, alter, redesign, or shut down these facilities in a manner that restricts their use by Owners.

Management of Common Parts

Article (18)

- a. For the purposes of management of Common Parts, Jointly Owned Real Property is classified into three (3) categories as follows:

1. Category 1: Major Projects

Projects in this category will be determined in accordance with the criteria prescribed under the relevant resolution issued by the Director General. The Developer will be responsible for the management, operation, maintenance, and repair of Common Parts and Utility Services. A Major Project will have an Owners Committee constituted of members selected by RERA from amongst Owners residing in the Jointly Owned Real Property. The duties of the Owners Committee will be determined pursuant to the Statute and the rules and conditions prescribed under the relevant resolutions of the Director General.

2. Category 2: Hotel Projects

These are projects wherein the management of Common Parts must be outsourced by the Developer to a Hotel Project Management Company in accordance with the relevant rules approved by the Director General. A Hotel Project will have an Owners Committee constituted of members selected by RERA if the Hotel Project Management Company expresses its wish that such a committee be constituted. This Owners Committee will not be authorised to participate in the management of the Hotel Project or its Common Parts.

3. Category 3: Real Property Projects Other Than Major Projects and Hotel Projects

These are Real Property projects other than those falling in Category 1 and Category 2, as referred to in this paragraph. The management of Common Parts in these projects will be undertaken by a specialised management company selected and contracted by RERA in accordance with the relevant rules and standards approved pursuant to the relevant resolution issued by the Director General. A Real Property project in this category will have an Owners Committee constituted of members appointed by RERA as prescribed under this Law.

- b. Where the Jointly Owned Real Property includes a project of Category 2 and a project of Category 3, as referred to in paragraph (a) of this Article, the Common Parts in that Jointly Owned Real Property will be outsourced to a Hotel Project Management Company. In this case, the Jointly Owned Real Property will have a single Owners Committee constituted of members appointed by RERA as prescribed under this Law.
- c. The Developer may outsource all or any of his duties, and delegate all or any of his responsibilities, under sub-paragraph (a)(1) of this Article to a Management Company in return for the fees, and subject to the conditions, agreed upon by both parties. This agreement must be approved by RERA.
- d. In case of absence of a Developer in a project that falls in Category 1 or Category 2, as stated in paragraph (a) of this Article, a Management Company will be appointed by RERA.

Management of Common Facilities

Article (19)

The Master Developer of a Master Project will undertake the management and maintenance of the Common Facilities in that project. The Master Developer must outsource such management and maintenance to a Management Company pursuant to a written agreement approved in advance by RERA.

Building Management Regulations

Article (20)

- a. A Developer will issue the Building Management Regulations of the Major Projects and Hotel Projects managed by that Developer. Building Management Regulations must be approved by RERA before making any legal disposition in respect of the Units comprising the Jointly Owned Real Property in the Major Project or Hotel Project in accordance with the provisions of this Law, the resolutions issued in pursuance hereof, and the Master Community Declaration.
- b. RERA will issue the Building Management Regulations of Jointly Owned Real Property other than the projects referred to in paragraph (a) of this Article, provided that such Jointly Owned Real Property has no Building Management Regulation. In this regard, RERA may engage any specialised company to assist it in drafting the Building Management Regulation.
- c. If a part of the Jointly Owned Real Property is developed in phases, the Building Management Regulation for that developed part must be issued.

Master Community Declarations

Article (21)

The Master Developer of a Master Project will issue the Master Community Declaration of that project before making any legal disposition in respect of the land, buildings, or Units of the project. The Master Community Declaration must be approved by RERA. Any amendment to that Master Community Declaration, affecting in any way the rights of purchasers, may not be made without first obtaining the relevant approval of RERA.

Owners Committees

Article (22)

- a. The Owners Committee of a Real Property project that falls in Category 1 or Category 3, as stated in paragraph (a) of Article (18) of this Law, will be constituted of a maximum of nine (9) members appointed by RERA, including the committee chairman and vice chairman.
- b. An Owners Committee will be constituted upon the registration of at least ten percent (10%) of the total Units of the Jointly Owned Real Property on the Real Property Register in the names of their respective Owners.
- c. A member of an Owners Committee must:
 - 1. be of full legal capacity;
 - 2. be an Owner residing in the Jointly Owned Real Property;
 - 3. be of good character and repute;
 - 4. pay the Service Charges and Usage Charges; and
 - 5. attend, and actively participate in, the meetings of the Owners Committee.
- d. A Developer may be a member of the Owners Committee only if he owns unsold Units in the Jointly Owned Real Property.
- e. An Owners Committee will elect from amongst its members the chairman of that committee, who will represent it before the Management Entity and RERA.
- f. The provisions and conditions stipulated in this Law, the resolutions issued in pursuance hereof, and the Statute will apply to Owners Committees.

- g. Subject to the provisions of this Law, RERA will issue Statutes.
- h. The membership of an Owner in the Owners Committee will be terminated if he ceases to meet any of the membership requirements stipulated in paragraph (c) of this Article, in which case RERA will appoint a replacement member who meets these requirements.
- i. RERA may, at any time, reconstitute an Owners Committee, provided that the new members meet the Owners Committee membership requirements.

Meetings of Owners Committees **Article (23)**

- a. An Owners Committee will be regularly convened every three (3) months, i.e. four (4) times a year; and its first meeting will be convened within thirty (30) days from the date of its constitution. Meetings of the Owners Committee will be valid if attended by the majority of its members, provided that its chairman or vice chairman is in attendance.
- b. Where necessary, the Owners Committee may convene an extraordinary meeting, provided that it notifies RERA in advance of the date and time of this meeting and the reasons for convening the same.
- c. When voting on the resolutions and recommendations of the Owners Committee, each of its members will have one (1) vote, whether he owns one (1) Unit or multiple Units in the Jointly Owned Real Property. In the event of a tie, the chair of the meeting will have a casting vote.
- d. The Management Entity must designate a place for holding the Owners Committee meetings, and must appoint a rapporteur of the Owners Committee to prepare the reports and minutes of these meetings.

Duties of Owners Committees **Article (24)**

An Owners Committee will exclusively:

- 1. verify that the Management Entity undertakes the management, operation, maintenance, and repair of the Common Parts in accordance with this Law, the resolutions issued in pursuance hereof, and the Building Management Regulation;
- 2. review, and provide the necessary recommendations on, the annual budgets for the maintenance of the Jointly Owned Real Property; and for this purpose, request the Jointly Owned Real Property financial reports;

3. discuss the obstacles and difficulties related to the management, operation, maintenance, and repair of Common Parts; and submit the necessary recommendations on the same to the Management Entity or RERA, as the case may be;
4. receive, and notify to the Management Entity, the complaints and suggestions submitted by Owners and Occupants in respect of the management, operation, maintenance, and repair of Common Parts; and submit these complaints and suggestions to RERA if the Management Entity fails to address them within fourteen (14) days from the date of being notified of the same;
5. request RERA to replace the Management Entity of any Real Property project that falls in Category 3, as stated in paragraph (a) of Article (18) of this Law; and provide appropriate advice to RERA on the selection and appointment of a new Management Entity;
6. notify the Management Entity or RERA of any defects in the structural parts of the Jointly Owned Real Property; or any damage to, or defect in, the Common Parts that requires urgent repair;
7. coordinate with RERA, the Management Entity, or the Competent Authority with respect to any safety, environmental, security, or other matter related to the Jointly Owned Real Property; and
8. submit to the Management Entity any proposals regarding the method of use of Common Parts; or regarding amendment of the Building Management Regulation, in which case the amendment must be approved by RERA.

Service Charges **Article (25)**

- a. An Owner will pay to the Management Entity his share of the annual Service Charges to cover the Common Parts management, operation, maintenance, and repair expenses. This share will be calculated, using the relevant method approved by the Director General, based on ratio of the area of the Owner's Unit to the total area of the Jointly Owned Real Property. A Developer will pay his share of the annual Service Charges in respect of unsold Units, and in respect of the sold Units for which he undertakes, under the provisions of the sale contract or reservation agreement, to pay the Service Charges on behalf of the purchaser.
- b. For the purposes of application of paragraph (a) of this Article, the Owner's share of the Service Charges will be calculated based on the area of his Unit as recorded in the Real Property Register.

Usage Charges Article (26)

A Master Developer will be entitled to collect Usage Charges from Owners or Sub-developers in return for the management, operation, maintenance, or repair of the Common Parts in the Master Project. Such Usage Charges apply in respect of completed buildings, under-construction buildings, and vacant land. The Owner or Sub-developer's share of the Usage Charges will be calculated using the method adopted pursuant to the relevant resolution issued by the Director General, provided that this method is in compliance with the approved Master Community Declaration.

Approval of Service Charges and Usage Charges Article (27)

- a. A Management Entity must not charge Owners, or collect from them, any amounts whatsoever in return for the management, operation, maintenance, or repair of Common Parts or Common Facilities; or for any other reason, without first obtaining the relevant approval of RERA. This approval will be issued in accordance with the approved Master Community Declaration and the relevant rules and criteria approved by the Director General.
- b. For the purposes of application of paragraph (a) of this Article, RERA may not approve or ratify the Service Charges or Usage Charges budget unless it is approved by a certified audit firm recognised by RERA for this purpose.
- c. Where necessary, RERA may approve a temporary Service Charges budget until the budget referred to in paragraph (b) of this Article is approved. The temporary budget will be approved in accordance with the rules prescribed under the relevant resolution issued by the Director General.

Non-payment of Service Charges or Usage Charges Article (28)

An Owner or Sub-developer may not refrain from paying the Service Charges or Usage Charges approved by RERA. An Owner may not waive his interest in Common Parts to avoid paying the charges due from him.

Preventing Owners from Using Units
Article (29)

A Developer or Management Entity must not take any action against any Owner to prevent him from taking possession of, or using, his Unit or using Common Parts or Common Facilities, with the intent of forcing him to pay Service Charges or Utility Services in contravention of the procedures stipulated in this Law and the resolutions issued in pursuance hereof.

Deposit and Disposition of Service Charges
Article (30)

- a. A Management Entity must open a Service Charges account for each Jointly Owned Real Property with a bank licensed to operate in the Emirate and recognised by RERA.
- b. In accordance with the rules prescribed under the relevant resolution issued by the Director General, the Management Entity must deposit the Service Charges it collects in the account referred to in paragraph (a) of this Article within seven (7) working days from the date of collection of these charges.
- c. The amounts deposited in the Service Charges account may not, for any reason whatsoever, be subject to attachment in favour of the Management Entity creditors.
- d. Until a Management Company is appointed by RERA, the Developer must undertake the management of the Jointly Owned Real Property and maintain the Service Charges paid by Owners in the relevant Service Charges account, as prescribed by this Law.
- e. The funds deposited in the Service Charges account may not be disposed of, and may only be used for the following purposes:
 - 1. paying for Common Parts cleaning services;
 - 2. paying for security and safety services in the Jointly Owned Real Property;
 - 3. paying for the operation, maintenance, repair, and improvement of Common Parts and their fixtures, fittings, and installations; and for preserving the same in a good condition;
 - 4. paying the Jointly Owned Real Property insurance premiums;
 - 5. paying any fees for the audit of the accounts and budgets related to the Service Charges account;

6. paying the Management Company fees, as per the amount and method of payment determined by RERA;
 7. cover the Developer's administrative expenses related to Major Projects, as approved by RERA;
 8. creating a cash reserve to cover emergency expenses, or to replace equipment and devices in Common Parts, which must be deposited in an account separate from the Service Charges account and may not be disposed of for any purposes, other than in critical emergencies, without first obtaining the approval of RERA;
 9. paying any fees or costs in return for inspecting; or overseeing the management, operation, maintenance, and repair of, Jointly Owned Real Property by RERA; and
 10. covering any other costs prescribed under the Master Community Declaration and approved by RERA, as required for the management, operation, maintenance, and repair of Common Parts.
- f. Where the cash reserve referred to in sub-paragraph (e)(8) of this Article is not sufficient to cover emergency expenses, the DLD may, subject to obtaining the relevant prior approval of RERA, request Owners to cover these expenses.

Deposit and Disposition of Usage Charges

Article (31)

- a. A Master Developer must open a Usage Charges account for each Major Project with a bank licensed to operate in the Emirate and recognised by RERA.
- b. In accordance with the rules prescribed under the relevant resolution issued by the Director General, the Management Entity must collect Usage Charges and deposit them in the account referred to in paragraph (a) of this Article within seven (7) working days from the date of collection of these charges.
- c. Where the Developer uses Common Facilities for profitable commercial purposes based on the DLD approval, he must deposit a percentage of the net profits generated from that use in the Usage Charges account within ten (10) days from the date of collection of the proceeds from use of the Common Facilities. This percentage of net profits will be determined pursuant to the relevant resolution issued by the Director General.
- d. The funds deposited in the Usage Charges account will be used only for the purposes stated in paragraph (e) of Article (30) of this Law in relation to Common Facilities in the Major Project.

- e. In addition to the purposes mentioned in paragraph (e) of Article (30) of this Law, the Master Developer may, subject to obtaining the prior approval of RERA, use a portion of the funds deposited in the Usage Charges account for the purposes of repair and maintenance in the Developer-owned Areas in the Master Project, provided that these areas are available for public use without consideration.
- f. The amounts deposited in the Usage Charges account may not, for any reason whatsoever, be subject to attachment in favour of the Master Developer creditors.

Collection of Service Charges and Usage Charges
Article (32)

- a. The Management Entity will have a lien on every Unit for unpaid Service Charges in respect thereof. A Unit may not be disposed of unless these charges are paid to the Management Entity.
- b. Where an Owner fails to pay his share of the Service Charges or any part thereof, the Management Entity must request him to pay such charges within thirty (30) days from being served the relevant written notice approved by RERA. In the event of failure of the Owner to pay the charges within this time limit, the financial claim made by the Management Entity against the Owner will be enforceable by the execution judge at the RDSC in accordance with the relevant rules and procedures adopted by the RDSC.
- c. Where necessary, the competent execution judge may order that a Unit in respect of which the Owner fails to pay his share of Service Charges is sold by public auction to collect these charges.
- d. An Owner who defaults in paying his share of Service Charges must pay any court fees and costs, or advocates' fees, adjudged by the competent execution judge.
- e. RERA will determine the method of service of the notice referred to in paragraph (b) of this Article.
- f. The provisions of this Article apply to the collection of Usage Charges owed to Master Developers.

Audit and Inspection
Article (33)

- a. RERA will inspect; and audit the management, operation, maintenance, and repair of, the Jointly Owned Real Property, Common Parts, and Common Facilities. For these purposes, RERA will have the authority to:
 - 1. inspect Jointly Owned Real Property, Common Parts, and Common Facilities; and verify their suitability for the intended purposes, without prejudice to the functions of the Competent Authority;
 - 2. record violations and serve notices on Developers or Management Entities, as the case may be, where it is proven that they have failed to preserve the Jointly Owned Real Property, Common Parts, or Common Facilities in a good condition; and grant them time limits as necessary to remedy such violations;
 - 3. audit the revenue credited, and the expenditure debited, to the Service Charges account and the Usage Charges account; and for this purpose, request any information, data, or statements and engage a certified auditor recognised by RERA in this regard;
 - 4. consider the complaints filed against Developers, Management Entities, or Owners Committees in relation to the management, operation, maintenance, and repair of Jointly Owned Real Property, Common Parts, and Common Facilities; and take the necessary action in respect thereof;
 - 5. Audit the contracts and agreements concluded by Management Entities with maintenance, security, cleaning, insurance, and other corporations and companies; and
 - 6. exercise any other duties or powers assigned to it by the Director General.
- b. RERA may outsource any of its duties and delegate any of its powers under paragraph (a) of this Article to any natural or legal person in accordance with the relevant conditions and rules approved by the Director General.

Conclusion of Contracts and Agreements
Article (34)

- a. A Management Entity will conclude contracts and agreements with maintenance, security, cleaning, insurance, and other corporations and companies to the extent required to enable it to perform its duties and obligations as prescribed in this Law.

- b. A Management Entity must provide RERA, every six (6) months, with a periodic report on the management of, and the maintenance works performed in, Jointly Owned Real Property, Common Parts, and Common Facilities. Where necessary, RERA may request the Management Entity to provide it with any information or with a statement of the revenue and expenditure related to Service Charges or Usage Charges.

Repair and Maintenance Works Article (35)

- a. Where it is established to the satisfaction of RERA that Common Parts or Common Facilities are not duly maintained, or not preserved in a good, clean, and serviceable condition, RERA may serve a written notice on the Management Entity requesting it to take any necessary action or perform the relevant repair or maintenance works it deems appropriate.
- b. RERA must state in the notice referred to in paragraph (a) of this Article, the required repair and maintenance works and the dates of commencement and completion of such works.
- c. Where the Management Entity fails to perform repair or maintenance works in accordance with paragraph (a) of this Article, RERA may appoint any other entity to perform all or any of these works; and debit the costs and expenses incurred in this regard to the Service Charges account or to the Usage Charges account referred to in Article (30) and Article (31) of this Law respectively.

Security Deposit for Repair of Common Parts and Common Facilities Article (36)

- a. A Management Entity must provide a bank guarantee, in favour of the DLD and in the amount it determines, with respect to all Jointly Owned Real Property managed by that Management Entity. The bank guarantee will be held as a security deposit to be used to remedy any damage sustained by Common Parts or Common Facilities as a result of omission or negligence on the part of the Management Entity.
- b. Where Jointly Owned Real Property, Common Parts, or Common Facilities sustain damage as a result of any act, negligence, or omission of the Management Entity, RERA may serve a written notice on the Management Entity requesting it to remedy such damage within the time limit specified by RERA.
- c. Where the Management Entity fails to remedy the damage within the time limit specified in the notice served on it pursuant to paragraph (b) of this Article, RERA may appoint any

other entity to fulfil all or any of the requirements stated in the notice and deduct the costs and expenses incurred in this regard from the bank guarantee referred to in paragraph (a) of this Article.

**Incompetence of Developers or Hotel Project
Management Companies
Article (37)**

- a. Where a Developer or Hotel Project Management Company is proven incompetent or unable to manage Jointly Owned Real Property or Common Parts in projects that fall in Category 1 or Category 2, as stated in paragraph (a) of Article (18) of this Law, in a manner that ensures their sustainability and serviceability, the CEO may appoint a specialised Management Company to undertake the management and operation of that Jointly Owned Real Property or Common Parts.
- b. The provisions of paragraph (a) of this Article will apply if a Master Developer is proven incompetent or unable to manage the Common Facilities in a Master Project in a manner that ensures their sustainability and serviceability,

**Incompetence of Management Companies
Article (38)**

- a. Where RERA deems that a Management Company is incompetent, unqualified, or unable to manage and maintain Common Parts in Real Property projects that falls in Category 3, as stated in paragraph (a) of Article (18) of this Law, RERA may appoint a replacement Management Company to undertake the management of the Jointly Owned Real Property. In this case, RERA must adhere to the following procedures:
 1. notify the Owners Committee of the violations committed by the Management Company, and seek its opinion regarding such violations;
 2. serve a written warning on the Management Company stating its mistakes and wrong practices with respect to the management, operation, maintenance, and repair of Common Parts; whereupon the Management Company may respond to that written warning within fourteen (14) days from the date of service of the warning;
 3. appoint a certified audit firm to audit the Service Charges account and verify the Management Company's compliance with the Service Charges budget approved by RERA; and

4. grant the Management Company a time limit to hand over the management of the Jointly Owned Real Property to the replacement Management Company within thirty (30) days from the date of issue of RERA's decision appointing that replacement Management Company.
- b. Where any damage to property in the Jointly Owned Real Property or Common Parts is caused by the acts of the substituted Management Company, that company will be liable for the cost of remedy of this damage, which will be deducted from the bank guarantee provided by that company, as referred to in paragraph (a) of Article (36) of this Law.

Alterations to Jointly Owned Real Property Article (39)

- a. Without prejudice to the construction legislation in force in the Emirate, an Occupant may make substantial alterations or modifications to the structure or external appearance of his Unit, or to any part of the Jointly Owned Real Property, only after obtaining the approval of the Master Developer, the DLD, and the Competent Authority.
- b. An Occupant who violates the provisions of paragraph (a) of this Article will be liable for remedying, at his own expense and in the manner prescribed by Master Developer or RERA, any damage arising from the alterations or modifications made by him.
- c. Where an Occupant fails to remedy the damage in accordance with paragraph (b) of this Article, RERA or the Master Developer may appoint any entity to remedy such damage; and hold the Occupant liable for the remedy costs and expenses.
- d. Subject to the provisions of the Building Management Regulation, an Occupant and his guests must use Common Parts only for their intended purposes, and in a manner that does not prejudice the rights of others to use these Common Parts, disturb them, or endanger their safety or the safety of the Jointly Owned Real Property.

Liability of Developers Article (40)

- a. Subject to the provisions governing contractor agreements, as stipulated in the above-mentioned Federal Law No. (5) of 1985, a developer will remain liable, for a period of ten (10) years from the date of obtaining the completion certificate of the Real Property project developed by him, to remedy or rectify any defects in the structural parts of the Jointly Owned Real Property.

- b. The Developer will remain liable, for a period of one (1) year from the date of handover of the Unit to the Owner, for repairing or replacing defective installations in the Jointly Owned Real Property. These include mechanical and electrical works, sanitary and sewerage installations, and similar installations. Where an Owner refrains from taking possession of his Unit for any reason, the above-mentioned liability period will commence from the date of obtaining the completion certificate of the Real Property project developed by the Developer.
- c. Subject to the provisions of paragraphs (a) and (b) of this Article, nothing in this Law may preclude or prejudice any rights or warranties granted to Owners as against Developers pursuant to any other legislation.
- d. An agreement which is made after this Law comes into force and which contradicts, in any way, the provisions of this Article will be deemed null and void.

Insurance of Jointly Owned Real Property Article (41)

- a. A Management Entity must insure the Jointly Owned Real Property under an insurance policy that covers the maintenance and reconstruction of the Jointly Owned Real Property in case of fire, damage, or destruction for any reason whatsoever. For these purposes, the beneficiary of the insurance must be the Management Entity.
- b. The Management Entity must insure the Jointly Owned Real Property against the liability for damage and for bodily injuries sustained by Occupants or third parties.
- c. Insurance premiums payable by Owners will be calculated pursuant to the insurance contracts concluded with insurance companies, and will be included in the Service Charges.

Dispute Resolution Article (42)

In addition to the functions assigned to the RDSC under the legislation in force, the RDSC will have the exclusive jurisdiction to hear and determine all disputes and disagreements related to the rights and obligations stipulated in this Law and the resolutions issued in pursuance hereof, in accordance with the relevant rules and procedures adopted by the RDSC.

Fees
Article (43)

In return for issuing the approvals and providing the services prescribed under this Law and the resolutions issued in pursuance hereof, the DLD will collect the fees determined pursuant to the relevant resolution issued by the Chairman of the Executive Council.

Sanctions and Administrative Penalties
Article (44)

- a. Without prejudice to any stricter penalty stipulated in any other legislation, a person who commits any act constituting a violation of the provisions of this Law and the resolutions issued in pursuance hereof will be punished by a fine of not less than one million Dirhams (AED 1,000,000.00). Upon repetition of the same violation within one (1) year from the date of the previous violation, the amount of the fine will be doubled. A fine must not exceed two million Dirhams (AED 2,000,000.00).
- b. The acts constituting a violation of the provisions of this Law, and the fines prescribed for each of these acts, will be determined pursuant to the relevant resolution issued by the Chairman of the Executive Council.

Law Enforcement
Article (45)

The persons nominated by a resolution of the Director General will have the capacity of law enforcement officers to record the acts committed in breach of the provisions of this Law and the resolutions issued in pursuance hereof. For this purpose, they may issue the necessary violation reports and seek the assistance of concerned Government Entities in the Emirate, including police personnel.

Grievances
Article (46)

Any affected party may submit a written grievance to the Director General against any decision or measure taken against him under this Law and the resolutions issued in pursuance hereof, within thirty (30) days from the date of being notified of the contested decision or measure. The grievance will be determined, within thirty (30) days from the date of its submission, by a committee formed by the Director General for this purpose. Without prejudice to the grievant's right to recourse to the RDSC to seek any relief, the decision issued in respect of the grievance will be final.

Payment of Revenues
Article (47)

The fees and fines collected pursuant to this Law and the resolutions issued in pursuance hereof will be paid to the Public Treasury of the Government.

Compliance
Article (48)

- a. All Developers, Management Entities, and Owners Associations must comply with the provisions of this Law within six (6) months from its effective date. Where necessary, the Director General may extend this grace period for the same period.
- b. The provisions of this Law will apply without prejudice to the provisions of the contracts concluded before its effective date between Developers and Owners and the Master Community Declarations approved by and filed with RERA, except for the provisions related to the exemption applicable to the constitution of Owners Associations.

Succession of Owners Associations by Management Entities
Article (49)

All rights and obligations of Owners Associations, arising before the effective date of this Law, are hereby transferred to Management Entities.

Issuing Implementing Resolutions
Article (50)

The Director General will issue the resolutions required for the implementation of this Law. These resolutions will be published in the Official Gazette of the Government of Dubai.

Repeals
Article (51)

- a. The above-mentioned Law No. (27) of 2007 is hereby repealed. Any provision in any other legislation will also be repealed to the extent that it contradicts the provisions of this Law.
- b. The bylaws, regulations, and resolutions issued in implementation of the above-mentioned Law No. (27) of 2007 will continue in force, to the extent that they do not contradict this Law, until new superseding bylaws, regulations, and resolutions are issued.

Publication and Commencement
Article (52)

This Law will be published in the Official Gazette and will come into force sixty (60) days after the date of its publication.

Mohammed bin Rashid Al Maktoum
Ruler of Dubai

Issued in Dubai on 4 September 2019
Corresponding to 5 Muharram 1441 A.H.