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## DECREE NO. 56 OF 2009

### Forming a special judicial committee to resolve cheques related to Real Estate transactions

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We, **Mohammad Bin Rashid Al Maktoum**, Ruler of Dubai:

- Taking cognisance of the Law no.3 of 1992, forming Dubai Courts as amended;
- Law no.1 of 1994, regarding the Court Fees as amended;
- Law no. 7 of 2006, regarding Land Registration in the Emirate of Dubai;
- Law no. 8 of 2007, regarding Guarantee Accounts of Real Estate Developments in the Emirate of Dubai
- Law no. 13 of 2008, regarding the Interim Real Estate Register in the Emirate of Dubai.

Resolve the following:

#### Article 1

In accordance with this decree, a special judicial committee to be formed and called "The Committee to Resolve Cheques related to Real Estate Transactions" and constituted as follows:

- A Dubai Court of Appeal Judge: Chairman;
- A Dubai Court of First Instance Judges: Member; and
- A representative from the Dubai Land Department: Member.

Hereinafter to be referred to as the "Committee".

#### Article 2

A Member of the committee other than a Judge prior to assuming his position on the Committee shall read the following oath before the manager of the Ruler's Court: "I Swear by Almighty Allah to judge fairly and respect the laws and do my job in all honesty and sincerity".

### **Article 3**

The Committee shall have the exclusive authority to consider and decide in relation to complaints related to bounced cheques issued from a purchaser in the favor of a real estate developer, or a cheque issued from the beneficiaries and tenants of properties for extensive periods, the rights of which were covered in the provisions of the law no. 7 of 2006 referred to above.

### **Article 4**

The Committee, when deciding on the matter, shall have the following authority:

- To cancel the bounced cheque issued to the real estate developer if it is proved that the developer is not entitled to the amount of the cheque;
- Compel the cheque issuer to issue a new cheque to replace the subject cheque. The date of the new cheque will be considered by the Committee;
- Refer the bounced cheque case to the concerned judicial authorities to determine whether to commence legal proceedings against the cheque issuer if it is found that the real estate developer is entitled to the amount of the cheque; and
- Avail of the assistance of experts and consultants in the property sector.

### **Article 5**

- The Judicial Investigation Authorities including the police shall refer all the cheques complaints covered in this Decree to the Committee;
- The Prosecution Department and Courts are prohibited from investigating bounced cheques cases covered by this Decree or considering any conflict related to it before it is referred to and considered by the Committee. Such authorities are also prohibited from reviewing any complaint and criminal case related to such cheques and shall refer the same to the Committee to consider it in accordance with this Decree.

### **Article 6**

The Committee's decisions shall be final and may not be appealed and shall be enforced by the Execution Division of the Dubai Courts.

### **Article 7**

Without prejudice to the provisions of this Decree, the Committee shall exercise its powers in accordance with:

- Applicable laws in the Emirate of Dubai;

- Islamic Sharia Principles;
- The custom, unless it is against the law or public order or public morals; and
- Principles of natural justice and rules of right and equity

### **Article 8**

This Decree shall take effect from the date of issuance and is to be published in the official gazette.

**Mohammad Bin Rashid Al Maktoum**

Ruler of Dubai

Issued in Dubai on 1st November 2009

Corresponding to 13 Dhu al-qada 1430 AH

