
Law No. 2 of 2003
Regulating the Lease of Property
In the Emirate of Dubai

I, **Maktoum bin Rashid Al Maktoum**, Ruler of Dubai

Taking cognisance of Federal Law No. 5 of 1985 promulgating the UAE Civil

Transactions Code, as amended;

Dubai Economic Department Law No. 1 of 1992, as amended; and

Decree No. 2 of 1993 appointing a special judicial committee to resolve landlord-tenant disputes

Issue the following Law:

Article (1)

Wherever they appear in this Law, the following words and expressions shall have the meanings assigned to them hereunder, unless the context indicates otherwise:

Emirate: Emirate of Dubai

Department: Department of Economic Development in the Emirate

Person: Individual or corporate entity

Committee: The judicial committee on the resolution of landlord-tenant disputes

Profession: Managing or leasing property for the purpose of letting

Article (2)

A Person shall not practice the Profession in the Emirate except under a licence from the Department

Article (3)

Subject to other conditions for licencing individuals and companies in the Emirate, the applicant must file a bank guarantee in the sum of AED 5 million in favour of the Department when applying for a licence to set up a professional practice

This guarantee shall be valid for 1 year and shall be automatically renewed during the period of validity of the licence and for a period of 1 year thereafter. The guarantee shall be unconditional and irrevocable and shall be capable of being drawn down by the Department

In the event of cancellation of the professional licence, the guarantee shall be returned only after 6 months have passed from the date of cancellation

Article (4)

The bank guarantee referred to in the preceding article shall be applied towards the satisfaction of monetary awards which the Committee has made against the provider of the guarantee to the exclusion of other claims including Court awards

Article (5)

a. The Committee may at any stage of tenancy proceedings decide to deduct, from the bank guarantee referred to in Article 3 of this Law, an amount equivalent to the amount being claimed, fees and costs

b. The Committee shall notify its decision to the Department which would then proceed to draw down bank guarantee issued in its favor by the amount of the Committee's award

Article (6)

The Department shall pay the amounts awarded under a decision from the Committee bearing the text authorising enforcement, out of the sum of the bank guarantee that has been provided by the judgment debtor. Where such deduction is made, the provider of the bank guarantee shall, within 15 days of receiving relevant notice from the Department, replenish the guarantee up to the level stated in this Law. Failing this, the Department shall halt all his transactions with the Department and notify Dubai Municipality, the Ministry of Labour and Social Affairs and the Naturalisation and Residence Department accordingly

The Department may grant the provider of the bank guarantee an additional grace period of 15 days. If he still fails to replenish the bank guarantee, the premises where he carries on business will be closed down

Article (7)

For the purpose of the preceding Article, the Committee shall annotate its decisions with text authorising enforcement and enforce them in accordance with this Law. This procedure shall be

charged the fee stated in Law No. 1 of 1994 regarding court fees, as amended, which fee shall be paid to the Committee's account

Article (8)

The bank guarantee requirement under this Law shall be waived for:

1. Public joint stock companies engaged in the field of property in the Emirate
2. Private joint stock companies engaged in the field of property in the Emirate with a capital of at least AED 5 million

Article (9)

An individual would be eligible for a licence to set up an office to lease and manage his/her property or the property of his/ her kin up to twice removed without having to present a bank guarantee provided he/ she owns property worth at least AED 8 million

Property allocated to him and his family in the form of private housing shall not figure in this computation

Article (10)

Persons practicing the profession as at the date of coming into force of this Law and person engaged in the lease and management of their property or the property of their kin up to twice removed shall have up to 2 months from the date of coming into force of this Law to reconcile their position in accordance therewith

Article (11)

Subject to any severe penalties provided for in any other law, the penalty shall be imprisonment and a fine not exceeding AED 500,000 or either for anyone who breaches this Law

Article (12)

The Director General of the Department shall issue the decisions necessary to enforce this Law

Article (13)

This Law shall be published in the Official Gazette and shall take effect from 1st March 2003

MAKTOUM BIN RASHID AL MAKTOUM
RULER OF DUBAI
Issued in Dubai on 24th February 2003
Corresponding to 23 Dhu Al Hija 1423 AH