

## Law No (9) of 2009

### Amending Certain Provisions of Law No (13) of 2008

### Regulating the Interim Real Estate Register in the Emirate of Dubai.

We, **Mohamed Bin Rashid Al Maktoum**, the Ruler of Dubai,

Having perused Law No (8) of 2007 concerning Escrow Accounts of Real Estate Developments in the Emirate of Dubai;

Law No (16) of 2007 establishing the Real Estate Regulatory Agency; and Law No (13) of 2008 regulating the Interim Real Estate Register in the Emirate of Dubai (hereinafter the "Original Law") Do hereby issue the following Law:

#### Article 1

Articles (2) & (11) of the Original Law shall and are hereby replaced with the following texts:

#### Article 2

Unless the context otherwise requires, each of the following words and expressions shall have the meaning set out opposite it:

**Emirat:** the Emirate of Dubai "Department" : the Land Department

**Agency:** the Real Estate Regulatory Agency

**Real Estate Register:** the Real Estate Register maintained by the Department

**Interim Real Estate Register:** the set of document made or maintained in writing or electronically in the electronic register maintained by the Department in which the contracts of sale of properties and other off-plan legal transactions are recorded prior to moving the same to the Real Estate Register

**Property:** the land and the fixed establishment built thereon or any of them

**Real Estate Unit:** any designated section of the property including any designated section off plan

<b>Off-plan Sales:</b>	the sale of designated real estate units whether off-plan or those the construction thereof has not completed
<b>Master Developer:</b>	whoever is licensed to carry on the business of real estate development in the Emirate and sale of real estate units to third parties
<b>Sub-Developer:</b>	whoever develops a part of a development belonging to a Master Developer under an agreement between them
<b>Broker:</b>	whoever carries on the business of real estate brokerage in accordance with Regulation No (85) of 2006 concerning the Register of Real Estate Brokers in the Emirate of Dubai
<b>Concerned Authorities:</b>	the authorities having competence to license or register real estate projects in the Emirate.

### **Article 11**

1. In the event the Purchaser shall be in default of any of the terms and conditions of the contract for the sale of a Real Estate Unit entered into with the Developer, the Developer must notify the Department of such default. Thereupon, the Department shall give the Purchaser, by hand, registered post or e-mail, a 30-day notice to fulfill his contractual obligations.

2. If at the end of the notice period stipulated in the preceding paragraph the Purchaser has not fulfilled his contractual obligations, the following provisions shall apply:
- a. in case the Developer has completed at least 80% of the project, the Developer may keep the full amounts paid and request the Purchaser to settle the remaining amount of the contract price. If this was not possible, the Developer may request that the property be auctioned in order to collect the remaining amounts due to it.
  - b. in case the Developer has completed at least 60% of the project, the Developer may revoke the contract and deduct up to 40% of the purchase price of the Real Estate Unit stipulated in the contract.
  - c. in case of projects where construction commenced but did not reach 60%, the Developer may revoke the contract and deduct up to 25% of the purchase price of the Real Estate Unit stipulated in the contract;
  - d. in case of projects whereat construction has not yet commenced for reasons beyond the Developer's control without any negligence or omission on its part,

the Developer may revoke the contract and deduct up to 30% of the total amounts paid by the Purchaser.

3. For the purposes of paragraphs (c) and (d) of this clause 2, the term "Construction" shall refer to cases where the site of the project is handed over to the Contractor and the construction works have commenced in accordance with the designs approved by the Concerned Authorities.

4. For the purposes of paragraph (b), (c) and (d) of the foregoing clause, the Developer shall return the amounts due to the Purchaser within a period not exceeding one year from the date of revocation or within a period not exceeding sixty days from the date of resale of the Real Estate Unit, whichever comes first.

5. Notwithstanding the provisions of clauses 1 & 2 of this Article, the Agency may, following a grounded report, decide to cancel a real estate project, in which case the Developer must return to the Purchasers all the amounts paid by them in accordance with the provisions of Law No (8) of 2007 concerning Escrow Accounts of Real Estate Developments in the Emirate of Dubai.

6. The provisions contained in this Article shall not be applicable to contracts of sale of lands where sales were not made off-plan as they shall remain governed by the provisions contained in the contract entered into between the two parties thereto.

7. The provisions of this Article shall apply to all contracts entered into prior to the entry into force of this Law.

### **Article 3**

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

**Mohammed Bin Rashid Al Maktoum**

Ruler of Dubai

Issued in Dubai on 12 April 2009

Corresponding to 16 Rabi II 1430H