

Law No. (6) of 2019 on Ownership of Jointly Owned Properties in the Emirate of Dubai

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

Having examined the Civil Transactions Law promulgated by Federal Law No. 5 of 1985 and its amendments;

Law No. (3) of 2003 on the establishment of an Executive Council for the Emirate of Dubai;

Law No. (7) of 2006 on real estate registration in the Emirate of Dubai;

Law No. (27) of 2007 on ownership of Jointly Owned Properties in the Emirate of Dubai;

Law No. (13) of 2008 on the organization of the initial land registry in the Emirate of Dubai and its amendments;

Law No. (7) of 2013 on the Department of Lands and Property;

Decree No. (22) of 2009 on special development zones in the Emirate of Dubai;

Decree No. (17) of 2013 on licensing and classifying hotel establishments in the Emirate of Dubai;

Decree No. (26) of 2013 on the Center for Rent Dispute Resolution in the Emirate of Dubai;

Legislation establishing and regulating the free zones in the Emirate of Dubai;

We promulgate the following law:

Article (1) The Name of the Law

This Law shall be called the **Law (6) of 2019 on Ownership of Jointly Owned Properties in the Emirate of Dubai**.

Article (2) Definitions

The following words and expressions, wherever mentioned in this law, shall have the meanings indicated against each of them, unless the context indicates otherwise:

Emirate: The Emirate of Dubai

Government: Government of Dubai

Executive Council: The Executive Council of the Emirate

Department: Land Department

Agency: Real Estate Regulatory Agency

The Center: Rental Disputes Center in the Emirate

Competent Authority: The competent authority to issue building permits and approve the district plans in the Emirate

The Director General: The Director General

Executive Director: Executive Director of the Agency

Land Registry: The registry organized under the aforementioned Law No. (7) of 2006

Master Developer: Any person licensed to engage in real estate development and the disposal of real estate Units to third parties and categorized as a Master Developer according to the applicable regulations in the Emirate.

Sub-Developer: Any person licensed to engage in the real estate development business and the sale of Units to third parties and granted by the Master Developer the right to

develop part of a Master Community in accordance with the provisions of the Master Community and categorized as a Sub-developer according to the applicable regulations in the Emirate.

Developer: includes the Master Developer and Sub-Developer.

Master Community: Project for the development of vacant land, the construction of infrastructure and common services facilities and its division into several plots for sale, and the construction of multi-storey buildings or complexes for residential, commercial, industrial or mixed purposes, which the Agency classifies as a Master Community according to the standards approved by the Director General in this regard.

Jointly Owned Property: includes the building, its parts and accessories for common use, including the land on which it is situated, as well as land that is divided into units or land for independent ownership.

Large Scale Projects: Are determined in accordance with the criteria adopted by the Director General in this regard.

Hotel Project: Any property where Units are attached to Jointly Owned Property, which is licensed by the competent entity for use as a hotel establishment, including but not limited to hotels, hotel villas, hotel apartments, and hotel rooms.

Unit: Any apartment, shop, office, warehouse, floor, land or part of land or house connected to another house or detached house which is part of Jointly Owned Property, whether for residential, commercial, industrial or other uses.

Project Plans: A set of plans and drawings prepared by the Master Developer of the Master Community, approved by the Department and the competent authority.

Site Plan: The identification map prepared by the Developer for the boundaries of the building within the Jointly Owned Properties, approved by the Department and the Competent Authority.

The Plans: Include the Project Plan and the Site Plan.

Common Facilities: Zones and areas defined in the Project Plans, owned by the Developer in restricted ownership, intended for common use and service of the Master Community, including parks, green spaces, fountains, streets, lakes, swimming pools, playgrounds, public squares, public parking, footpaths, beaches and others .

Common Areas: The parts of Jointly Owned Property designated for the communal use of the Owners and Occupants of the Units indicated in the Site Plan.

Exclusive Use Areas: Areas, connections, equipment, fixtures or facilities within Jointly Owned Property designated for the exclusive use of some Owners (and Occupiers) but not others.

Developer Owned Areas: The sites and areas specified in the Project Plan or Site Plan other than the Common Facilities or Common Areas, owned by the Developer, which are reserved for private, commercial or investment use.

Owner: Any person who is registered in the Land Registry as the owner of the Unit, including those who have the right to use it or the right to lease it under the long term lease covered by the aforesaid Law No. 7 of 2006, as well as the Developer with respect to unsold units.

Master Community Declaration: The terms and conditions governing the development and operation of the Master Community and Jointly Owned Property and Common Facilities, including the planning and construction standards of the community..

Building Management Statement: The document prepared in accordance with the regulations issued by the Department and recorded in the register of Jointly Owned Properties, which shows the procedures for maintenance of the Common Areas, and the percentage share of Owners in the related costs, including equipment and services located in any part of another building.

Owners' Committee: a committee established, from amongst the Owners, in accordance with the provisions of this law.

Constitution: The rules and provisions governing the Owners' Committee, which shall be drawn up and adopted in accordance with the provisions of this Law.

Services Charge: The annual financial allowance collected from the Owner to cover the expenses of managing, operating, maintaining and repairing the Common Areas.

Master Community Service Charge: The annual financial allowance collected from the Owner or Sub-developer for the management, operation, maintenance and repair of Common Facilities.

Occupier: Any person who benefits from the Unit as per the intended purpose, including the Owner, the tenant and any other person authorized by the Owner.

Management Company: is the sole establishment or the company approved by the Agency specialized in the management of Common Facilities, Jointly Owned Properties or Common Areas as the case may be.

Hotel Management Company The sole establishment or the company approved by the establishment specialized in the management of hotel projects and the parts thereof in accordance with the provisions of this law.

Management: The entity that manages the Common facilities, the Common Areas, or the Jointly Owned Properties in accordance with the provisions of this law.

Utilities Services: Include water or its supply, gas or its supply, electricity, air conditioning, telephone, computer, television and telecommunication cables, drainage, rainwater drainage, removal or disposal of waste or trash, delivery of mail, parcels or goods, gardening and agriculture, and any A system or other service intended to improve Common Facilities or Common Areas.

Article (3) Scope of Application

The provisions of this law shall apply to all Master Communities and Jointly Owned Properties in the Emirate, including private development zones and free zones.

Article (4) Jointly Owned Properties Register

(a) The Department shall prepare a special register of Jointly Owned Properties, including the following:

1. Land owned by the Developers on which the Joint Owned Properties will be developed.
2. Units for independent ownership in the Jointly Owned Properties sold by the Developers and the names of the Owners of these Units.
3. Members of the Owners' Committee.
4. Building Management Statement.
5. Plans.
6. Management.
7. Management contracts for the Jointly Owned Properties or the Common Areas.
8. The size (area) of Common Areas and Exclusive Use Areas and their proportion in relation to the area of Units in the Jointly Owned Property.
9. Areas owned by the Developer in the Jointly Owned Property.

(b) The Department shall, upon the request of the concerned parties, issue certificates, deeds, and any other documents pertaining to the Unit or Jointly Owned Property, based on the data of the Register referred to in Paragraph (A) of this Article.

Article (5) Ownership Rules

The rules and conditions stipulated in the aforesaid Law No. (7) of 2006 shall apply to the ownership of the Jointly Owned Property.

Article (6) Title of the Common Areas

- (a) The Plans, Master Community Declaration, Constitution, Building Management Statement shall form part of the title deed of the Jointly Owned Property. The Department will retain the original copy thereof.
- (b) The Occupier will have an obligation towards the Developer, Owners and other Unit Occupiers, Owners' Committee, Master Community Declaration Constitution, and Building Management Statement to the extent that their provisions apply to the Occupier.
- (c) The Developer shall, upon completion of the Jointly Owned Property and obtaining the completion certificate from the competent authority, within (60) sixty days from the date of issuance of the completion certificate, submit the documents referred to in paragraph (a) of this article to the Department. The Department may extend this period by (30) thirty days, provided that the Developer gives valid reasons to the satisfaction of the Department.
- (d) The Developer's obligation under paragraph (c) of this Article shall not include submission of Building Management Statement, which shall be prepared by the Agency.
- (e) In case the Developer fails to submit the documents referred to in paragraph (a) of this article within the time limit specified in paragraph (c), the Department may, at the cost of the Developer, request any party it deems appropriate to provide and lodge the required documents with the Departments.
- (f) The Department shall, in accordance with the provisions of this Law, issue and update maps of the Common Areas, Exclusive Use Areas, and the Common Facilities.

Article (7) Components of Common Areas

- (a) The Common Areas of the building shall include, but are not limited to, the following components:
- (1) The structural parts of the Jointly Owned Property, including the main pillars, foundations, columns, structural walls, ceilings, ceiling joints, staircases, corridors, facades and roofs.
 - (2) Thresholds, corridors, parking corridors, entrances, emergency exits and windows located on the exterior walls, unless the site plan includes otherwise.
 - (3) guard rooms, recreational facilities and equipment, swimming pools, gardens, storage facilities, offices, and car parks designated for the use of the Management or Owners' Committee or visitors, unless the site plan includes otherwise.
 - (4) Equipment and systems of main utilities, including electricity generators, lighting systems, gas systems and equipment, cold and hot water systems, heating and cooling systems, air conditioning systems and waste collection and treatment facilities;
 - (5) Elevators, tanks, pipes, generators, chimneys, ventilation ducts, air compressors and mechanical ventilation systems.
 - (6) Main water pipes, sewage pipes, gas pipelines and chimneys, towers, wires, electricity and communication streams serving more than one unit.
 - (7) Equipment used for measuring the provision or supply of Utility Services;.
 - (8) Any other parts not within the limits of any Unit, which are necessary or required for the existence, maintenance, sustainability, safety and operation of the Common Areas.

(9) Any other component included in the site plan.

(b) Common Areas in case of land shall consist, without limitation, of the following components:

- (1) Roads, roundabouts, intersections, pathways, pavement edges, median strips, viaducts, drainage and related systems.
- (2) Lakes, ponds, canals, parks, fountains, water features and other waterways, including all related equipment, unless otherwise indicated on the Site Plan.
- (3) Landscaping, public squares, play areas, rest areas, and car parks designated for Management, Owners' Committee or visitors, unless otherwise indicated on the Site Plan.
- (4) Wires, cables, pipes, drains, ducts, machines, and equipment used to supply Units or Common Areas with different services.
- (5) Equipment used for measuring the provision or supply of Utility Services; and
- (6) Any other common areas included in the Site Plan.

[Article \(8\) Developer Owned Areas](#)

When seeking approval of the Project Plan or Site Plan for the first time, the Developer may, after obtaining approval of the Department and the Competent Authority, and provided that such approval does not conflict with the Master Community Declaration and the rights of Owners, specify Developer Owned Areas in the Project Plan or Site Plan, which are intended for private, commercial or investment use.

Article (9) Components of the Unit

(a) Unless otherwise indicated on the site plan, each Unit in a building or part of a building shall comprise the following, without limitation:

- (1) Flooring, flooring materials and parts up to the base of the joists, and structures supporting the floor of the Unit.
- (2) Plaster ceilings, all other types of ceilings, additions that form part of the interior of the Unit and the spaces between those ceilings, as well as ceilings above the supporting walls and structures within the Unit, the walls that separate the Unit from the Jointly Owned Property, any adjacent Units or Common Areas.
- (3) Internal area, non-load bearing walls located inside and around the Unit.
- (4) Windows, glass and fixtures that form part of the interior windows, lighting systems, doors and their frames and all equipment and installations serving the Unit.
- (5) Bathrooms and complementary parts of the Unit, such as balconies and other parts attached to the Unit.
- (6) Utilities attached or allocated to the Unit, such as the garden, parking lots, warehouses and guard rooms even if these are not physically connected to the Unit, provided that the area of these utilities is attached to the Unit but not included in the net area.
- (7) Internal connections serving the Unit.
- (8) Fixtures and fittings installed by the Occupier.
- (9) Additions, modifications and improvements made to the Unit from time to time.

- (10) Any other component included in the Site Plan.
- (b) For the purposes of applying the provisions of paragraph (a) of this Article, the Unit shall not include Utility Services located within the Unit that serve Common Areas or any other Unit.
- (c) Unless otherwise indicated on the Site Plan, each Unit in a Jointly Owned Property comprising land as opposed to a building, shall include, without limitation, everything within the boundaries of the unit, except for Utility Services serving Common Areas or any other Unit.
- (d) Each Unit intended for independent ownership is entitled to appropriate services and right of way from other Units and Common Areas.
- (e) Dividing walls between two adjacent units shall be shared by both owners, if they are within the Common Areas.

Article (10) Parking for Unit

- (a) Parking lots, which are required by regulations and approved by the Competent Authority to be provided or allocated to the Unit, shall be considered an integral part of the unit and may not be separated from or sold separately.
- (b) The developer shall register the Unit and the designated parking lots in the name of the Owner in accordance with the instructions issued by the Director General in this regard. In all cases, the unit may not be sold or disposed of separately from the designated parking lots (specified in paragraph a).
- (c) The Owner may purchase additional parking if such parking is in excess of the parking lots allocated to all Units in the Jointly Owned Property in accordance with the regulations and instructions referred to in paragraphs (a) and (b) of this Article. The Director General may specify the cases in which the Owner may purchase additional parking.

Article (11) Ownership of shares in common areas

The Owners, and Developer with respect to unsold units, own an undivided share of the common areas, which is determined on the basis of the Unit Area out of the total area of the Jointly Owned Property..

Article (12) Disposal of Units in Jointly Owned Property

The Owner may sell or dispose of his Unit any form of legal disposal, and may mortgage it to any of the banks or financial institutions licensed to operate in the Emirate.

Article (13) Division of Units Owned by More Than One Person

No Unit owned by two or more persons may be divided between themselves into separate Units unless the Master Community Declaration allows so, and after obtaining the approval of the Department and the necessary licenses from the Competent Authority.

Article (14) Right of First Refusal

- (a) The (partner) Owner shall have the first right of refusal, in proportion of their existing shares, if another (partner) owners wishes to sell or dispose of his share in the same Unit to another person other than the partners.
- (b) The right of first refusal established under paragraph (a) of this Article shall not arise if the share of the (partner) Owner is sold or disposed of between the ascendants and descendants or between the spouses or relatives up to the fourth degree or in-laws to the second degree.

Article (15) Use of The Right of First Refusal

- (a) The right of first refusal shall be indivisible. It shall not be used or abandoned except in full, and in the case of multiple (partner) Owners, each one shall use his right to the proportion of shares owned in the Unit, and if one or some of them forfeit their

right, accordingly the right will be transferred to to the rest of the (partner) Owners in proportion to the existing quotas of each of them.

- (b) The right of first refusal priority shall be forfeited in case the (partner) Owner wishing to sell or dispose of his share shall give written notice to the other (partner)owners through the notary public, stating the name and address of the person wishing to purchase and the conditions of sale, and the (partner) Owners did not agree to the stated conditions within (30) thirty days from the date of the notice.
- (c) If any of the (partner) Owners agrees to buy or dispose of the share of the (partner) Owner wishing to sell, he shall notify the seller of his desire to purchase through the notary public within the period of notice referred to in paragraph (b) of this article, and complete the sale procedures with the Department within a period not exceeding (10) ten working days from the date of expiry of the notice period.
- (d) If it is proved that the sale made in accordance with the provisions of this article has been done on terms more favourable to the buyer than the conditions set forth in the notice sent to the (partner) Owners who had the right of first refusal, the (partner) Owners may seek compensation before the Center from the seller for the damage caused to them.

Article (16) Unit Lease

- (a) The Owner may lease the Unit, provided that he and the tenant remain committed to adhere to the Constitution, Master Community Declaration and the Building Management Statement, towards the Owners and Occupiers of other Units, the Owners' Committee and the Management.
- (b) The Owner shall pay the Service Charge and Master Community Service Charge, unless the Unit lease stipulates otherwise. In all cases, the Owner shall remain liable

to pay Service Charge and Master Community Service Charge if the tenant fails to pay them as prescribed by this Law.

Article (17) Disposing of Common Areas and Common Facilities

- (a) In no case shall Common Areas be converted to private property, divided or disposed of in whole or in part, independently of the Units to which they relate, except after obtaining the prior approval of the Department and the Competent Authority, even if the building is under construction. The Director General shall set, by decision to be issued by him, the rules related to utilization of financial revenue which is received from such transfer.
- (b) It is prohibited to dispose of the common facilities in any way, exploit, change, re-plan or cancel them in a way that limits the use of them by the owners, except after obtaining the prior approval of the Department and the competent authority.

Article (18) Management of Common Areas

- (a) Jointly Owned Property for the purpose of managing the Common Areas is divided into three categories:
 - (1) The first category: Large Scale Projects, the projects that fall under this category are determined according to the criteria determined by a decision of the Director General in this regard. The Developer is responsible for the management, operation, maintenance and repair of Common Areas and Utilities Services. The functions of the Owners' Committee shall be determined in accordance with the Constitution and the directions issued by the Director General in this regard.
 - (2) The second category: Hotel Projects, the Developer should entrust the management of the Common Areas to the Hotel Management Company in accordance with the directions issued by the Director General in this regard. Hotel Projects shall have an Owners' Committee whose members shall be

chosen by the Agency if the Hotel Management Company so desires.

However the Owners' Committee does not have the right to interfere with the management of the Hotel Project or its components.

(3) The third category: Real estate projects other than Large Scale Projects and Hotel Projects referred to in the first and second categories of this paragraph. For this purpose, real estate projects, which fall under this category, shall constitute an Owners' Committee whose members shall be appointed by the Agency as prescribed under this Law.

(b) If the second and third categories referred to in paragraph (a) of this article happen to be in the same Jointly Owned Property, the Common Areas of such Jointly Owned Property shall be administered by the Hotel Management Company, as prescribed under this law.

(c) The Developer may entrust all or some of the duties and responsibilities prescribed to him under clause (1) of paragraph (a) of this Article, to the management company in return for fees and conditions agreed upon by both parties, provided that this agreement is approved by the Agency.

(d) In the absence of Developer the Agency may appoint a Management Company for the first and second categories of the projects described in paragraph (a) of this article.

Article (19) Common Facilities Management

The Master Developer shall manage and maintain the facilities involved in the Master Community, provided that this is entrusted to the management company under a written agreement previously approved by the Agency.

Article (20) Building Management Statement

- (a) The Developer shall establish the Building Management Statement in Large Scale Projects and Hotel Projects that he manages. Building Management Statement must be approved by the Agency prior to commencement of any legal action against any unit in the Jointly Owned Property of Large Scale Projects, and Hotel Projects in accordance with the provisions of this Law and directions issued pursuant to it, and the Master Community Declaration.
- (b) For all other Jointly Owned Property projects other than those referred to in paragraph (a) of this article, in case there is no Building Management Statement, the Agency shall establish the Building Management Statement and may seek assistance of companies specializing in this field.
- (c) If the Jointly Owned Property is to be developed in stages, the Building Management Statement for the part which is completed should be established.

Article (21) Master Community Declaration

The Master Developer shall establish the Master Community Declaration in the Master Community before concluding any legal action on the land, buildings or units in the Master Community; provided that the Master Community Declaration shall be approved by the Agency. Any modifications to the Master Community Declaration that affect the rights of the Owners, may only be made after approval of the Agency.

Article (22) Owners' Committee

- (a) The Owners Committee shall be constituted for real estate projects in the first and third categories stipulated in paragraph (a) of article (18) of this Law, provided that the number of members of the Owners' Committee does not exceed nine (9), including the Chair and Deputy Chair, and shall be selected by the Agency.

- (b) The owners committee shall be formed when at least (10%) of the total number of units in the Jointly Owned Property are registered in the name of the Owners of these Units in the Land Registry.
- (c) A member of the Owners Committee shall:
 - (1) Have full legal capacity.
 - (2) must be a resident of the Jointly Owned Property.
 - (3) Be of good conduct.
 - (4) shall be punctual in paying Service Charge and Master Community Service Charge.
 - (5) Regularly attend and actively participate in the meetings of the Owners' Committee.
- (d) The Developer may not be a member of the Owners Committee unless they own unsold units in the Jointly Owned Property.
- (e) The Owners Committee shall select from among its members a Chair to represent it before the Management and the Agency.
- (f) The terms and conditions stipulated in this Law and the directions issued pursuant to it, and the Constitution shall apply to the Owners Committee.
- (g) The Agency shall, without prejudice to the provisions of this Law, establish the Constitution.
- (h) The membership of the Owner in the Owners' Committee shall be terminated in case he/she loses any of the membership conditions stipulated in paragraph (c) of this article.
- (i) The Agency may reconstitute the Owners' Committee at any time, provided the membership conditions are fulfilled.

[Article \(23\) Owners' Committee meetings](#)

- (a) The Owners' Committee shall hold its meetings periodically (3) three months, (4) four meetings per year. The first meeting shall be held within (30) thirty days from

the date of formation. Quorum for the meeting shall be presence of majority of members, including the Chair and Deputy Chair.

- (b) The Owners' Committee may hold an emergency meeting if necessary, provided that the Agency shall be notified in advance of the date and the reasons for such meeting.
- (c) Each member of the Owners' Committee shall have only one vote when voting on the decisions and recommendations of the Owners Committee, whether he owns one or more Units of the Jointly Owned Property.
- (d) The Management shall allocate a venue for the meetings of the owners committee, as well as appoint a rapporteur to prepare the reports and minutes of the meetings.

[Article \(24\) Functions of the Owners' Committee](#)

The Owners Committee shall, but not be limited to:

1. Verify that the Management manages, operates, maintains and repairs the common areas in accordance with the provisions of this law and the decisions issued pursuant thereto and the Building Management Statement.
2. Review the annual budgets prepared for the maintenance of the Common Areas and make the necessary recommendations thereon.
3. Discuss the obstacles and difficulties related to the management, operation, maintenance and repair of the Common Areas and submit the necessary recommendations thereon to the Management or Agency, as the case may be.
4. Receive complaints and suggestions submitted by Owners and Occupiers regarding the management, operation, maintenance and repair of the Common Areas and notify the Management thereof, the Owners' Committee shall submit such complaints and suggestions to the Agency if the Management does not address them within (14) fourteen days from the date of notification thereof.

5. Request the Agency to replace the Management for real estate projects that fall under the third category stipulated in paragraph (a) of Article (18) of this Law, and to advise the Agency on the selection and appointment of the new Management.
6. Notify the Management or Agency of any defects in the structural parts of the Jointly Owned Property or any damage or defects in the Common Areas requiring emergency treatment.
7. Coordinate with the Agency, the Management or the Competent Authority in all aspects related to safety, environment, security and other aspects related to the Jointly Owned Property.
8. Submitting any proposals to the Management regarding the mechanism of utilizing the Common Areas or modifying the Building Management Statement, provided that the modification of the Building Management Statement shall be approved by the Agency.

[Article \(25\) Services Charge](#)

- (a) The Owner shall pay the share of the Service Charge to the Management to cover the expenses of the management, operation, maintenance and repair of the Common Areas. Services Charge for unsold Units, as well as for Units sold in which the Developer is obliged to pay the Service Charge for the buyer in the contract of sale or attachment in accordance with the provisions agreed in the contract.
- (b) For the purposes of applying the provisions of paragraph (a) of this Article, the area of the unit registered in the Land Registry shall be relied upon when calculating the Owner's share of the Service Charge.

[Article \(26\) Master Community Service Charge](#)

The Master Developer may collect the Master Community Service Charge from the Owner or Sub-Developer for the management, operation, maintenance and repair of Common

Facilities within the Master Community whether for completed, under construction or land. The Owner's or Sub-Developer's share of the allowance shall be determined according to the directions issued by the Director General, and in accordance with Master Community Declaration

Article (27) Approval of Service Charge and Master Community Service Charge

- (a) It is forbidden for the Management to impose or collect any amount whatsoever from the owner for the management, operation, maintenance and repair of common areas or common facilities or for any other reason except after obtaining the prior approval of the Agency, and in accordance with the directions issued by the Directors General.
- (b) For the purposes of applying the provisions of paragraph (a) of this Article, the Agency shall not approve or ratify the budget allocated for the Service Charge or the Master Community Service Charge, except after it has been approved by one of the accounting firms accredited by the Agency for this purpose.
- (c) The Agency may, in cases of necessity, adopt a provisional budget for the Service Charge until the budget referred to in paragraph (b) of this article is approved.

Article (28) Non-payment of Service Charge and Master Community Service Charge

The Owner or Sub-Developer shall not refrain from paying the Service Charge and Master Community Service Charge approved by the Agency, neither shall the Owner forfeit his share in the Common Areas to avoid paying the due fees.

Article (29) Restricting the Owner to use the Unit

It is prohibited for the Developer or the Management to take any action against the Owner that prevents him from receiving or benefiting from the Unit or the Common Areas or Common Facilities, with the intention of obliging him to pay the Service Charge or Master

Community Service Charge in contravention of the procedures stipulated in this law and the decisions issued pursuant thereto.

Article (30) Depositing of The Service Charge and Disbursement Thereof

- (a) The Management should open a special account for the services allowance for each Jointly Owned Property with one of the banks licensed to work in the Emirate and approved by the Agency.
- (b) The Management shall deposit the Service Charge in the account referred to in paragraph (a) of this article within seven (7) working days from the date of payment of the Service Charge, in accordance with the rules determined by a decision of the Director General in this regard.
- (c) The amounts deposited in the special account may not be withheld for the benefit of the creditors of the Management for any reason.
- (d) The Developer shall, pending the appointment of the Management from the Agency, manage the Jointly Owned Property and retain the Service Charge paid by the Owners in the special account as prescribed by this Law.
- (e) The funds deposited in the special account shall not be disposed of except for the following purposes:
 - (1) cleaning services for Common Areas.
 - (2) Security and safety services in the Jointly Owned Property.
 - (3) Operation, maintenance, repair and improvement of Common Areas, installations, equipment and installations and maintaining them in good condition.
 - (4) Insurance premiums for the Jointly Owned Property.

- (5) Pay any fees for the audit of the accounts and budgets of the Service Charge accounts.
 - (6) Payment of the fees of the Management, the amount and payment terms of which shall be determined by the Agency.
 - (7) Cover the administrative expenses of the Developer for Large Scale Projects as approved by the Agency.
 - (8) Reserve fund allocated to cover contingencies, or to replace equipment and devices in the common areas, provided that it is deposited in a separate reserve fund account, and may not be disbursed for any other purpose without obtaining prior approval of the Agency, except for emergencies that can not afford delay.
 - (9) Paying any fees or expenses for undertaking the inspection and supervision of the management, operation, maintenance and repair of Jointly Owned Property.
 - (10) Cover any other expenses stipulated in the Constitution and approved by the Agency, which are necessary for the management, operation, maintenance and repair of Common Areas.
- (f) In the event that the reserve fund referred to in paragraph (8) of paragraph (e) of this Article is insufficient to cover the expenses of emergency cases, the Management may ask the owners to cover such expenses, after obtaining the prior approval of the Agency.

Article (31) Depositing of Master Community Service Charge and Disbursement Thereof

- (a) The Master Developer shall open a special account for each Master Community at one of the banks licensed to operate in the Emirate and approved by the Agency.

- (b) The Management shall collect the Master Community Service Charge and deposit it in the special account referred to in paragraph (a) of this article within (7) seven working days from the date of receipt, in accordance with the controls established through directions issued by the Director General.
- (c) If the Developer uses the Common Facilities for commercial purposes with financial return after obtaining the approval of the Department, they shall deposit a percentage of the net profits from such usage into the special account within (10) ten days from the date of collecting the proceeds. The percentage of net profits shall be determined by directions issued in this regard by the Director General.
- (d) The use of the funds deposited in the special account shall be exclusively for the purposes set forth in paragraph (e) of Article (30) of this Law, in respect of the Common Facilities in the Master Community.
- (e) In addition to the purposes referred to in paragraph (e) of Article (30) of this Law, the Master Developer may, after obtaining the prior approval of the Agency, use part of the funds deposited in the special account for the purposes of repairing and maintaining Developer Owned Areas in the Master Community when available, without charge, for public use.
- (f) The amounts deposited in the special account shall not be seized for the benefit of the creditors of the Master Developer for any reason whatsoever.

[Article \(32\) Collection of Service Charge and Master Community Service Charge](#)

- (a) The Management has a lien on each Unit in respect of unpaid Service Charges. The Unit may not be disposed of until after the payment of this allowance to the Management.
- (b) If the Owner fails to pay their share of the Service Charge or any part thereof, the Management shall demand them to pay this charge within thirty (30) days from the date of notifying them thereof by a written notice approved by the Agency. If this time limit lapses, the financial claim issued by the Management to the owner shall be enforceable before the execution judge in the Centre, in accordance with the rules and procedures in force in this regard.

- (c) The competent execution judge may, when necessary, sell the Unit whose Owner has not paid his share of the Service Charge, through public auction to recover the due Service Charge.
- (d) The Owner who fails to pay his share of the Service Charge shall pay the legal fees, expenses and attorneys' fees determined by the competent execution judge.
- (e) The Agency shall determine the means by which the notification referred to in paragraph (b) of this article is served.
- (f) The provisions stipulated in the article shall apply to the payment of the Master Community Service Charge due to the Master Developer.

Article (33) Control and Inspection

- (a) The Agency shall supervise and inspect the operation, management, maintenance and repair of Jointly Owned Property, Common Areas and Common Facilities. For this purpose the Agency may:
 - (1) Inspect the Jointly Owned Properties, the Common Areas and Common Facilities, and verify their fitness for the purposes for which they were prepared, without prejudice to the competences of the Competent Authority;
 - (2) Register violations and give warnings to the Developer or the Management, as the case may be, in case of any failure by them to preserve the Jointly Owned Properties, the Common Areas or the Common Facilities, and give them the necessary periods of time to correct these violations;
 - (3) Audit the revenues and expenses of the Service Charge account and Master Community Service Charge account, and for this purpose, it may request to be provided with any information, data or statements, and use a legal auditor accredited by it in this regard;
 - (4) Consider complaints against the Developer, Management, and the Owners' Committee regarding the management, operation, maintenance and repair

of the Jointly Owned Property, the Common Areas and the common facilities, and take appropriate action in relation thereto; and

(5) Check the contracts and agreements concluded by the Management with maintenance, guarding, cleaning, insurance and other establishments and companies; and

(6) Any other tasks or powers assigned by the Director General.

(b) The Agency may appoint any natural or legal person to exercise the functions and powers stipulated in paragraph (a) of this Article, in accordance with the conditions and controls adopted by the Director General in this regard.

Article (34) Conclusion of Contracts and Agreements

(a) The Management shall conclude contracts and agreements with maintenance, guarding, cleaning, insurance and other establishments and companies to the extent necessary for performing its duties and obligations as stipulated in this Law.

(b) The Management shall provide the Agency with a periodic report every six (6) months on the management of the Jointly Owned Property, the Common Areas, the Common Facilities and the maintenance works that have been performed. The Agency may, when necessary, request the Management to provide it with any information or statement of account for the revenues and expenses related to the service charge or utilization charge.

Article (35) Repair and Maintenance Work

(a) If the Agency finds that the Common Areas or Common Facilities have not been maintained or kept in good, clean and serviceable condition, it shall be entitled to request the Agency, by a written notice, to take the necessary actions or carry out the repair and maintenance work it deems appropriate in this regard.

- (b) The Agency shall determine the repair and maintenance work required in the notice referred to in paragraph (a) of this Article, and the time of commencement and completion thereof.
- (c) In case the Management fails to carry out repair and maintenance works in accordance with the provisions of paragraph (a) of this Article, the Agency may assign any other party to carry out such works or any of them, and deduct the costs and expenses arising therefrom from the Service Charge account or the Master Community Service Charge account referred to in Articles (30) and (31) of this Law.

Article (36) Maintenance Guarantee for Common Areas and Common Facilities

- (a) The Management shall provide a bank guarantee in favor of the Department, with such value as it determines, for all the Jointly Owned Properties that it manages, to secure repair of damage to the Common Areas or Common Facilities as a result of negligence or default on the part of the Management.
- (b) If the Jointly Owned Properties, its Common Areas or Common Facilities have suffered damage which has arisen from an act of the Management or because of its negligence or inaction, the Agency may, by written notice, request the Management to repair such damage within the period specified by it.
- (c) In case the Management fails to repair the damage within the period specified in the notice given to it in accordance with the provisions of paragraph (b) of this Article, the Agency may assign any other party to implement all or some of the requirements contained therein, and deduct the costs and expenses arising therefrom from the bank guarantee referred to in paragraph (a) of this article.

Article (37) Non-performance of of Developer or Hotel Management Company

- (a) In case the Developer or the Hotel Management Company is found to be incompetent or unable to manage the Jointly Owned Property or the Common Areas in the first and second categories stipulated in paragraph (a) of Article (18) of

this Law in a manner that ensures their sustainability and serviceability, the Executive Director may appoint a specialized management company to manage and operate this Jointly Owned Property or its Common Areas.

- (b) The provisions of paragraph (a) of this Article shall apply, if the Master Developer is found to be incompetent or unable to manage the Common Facilities in the Master Community in a manner that ensures their sustainability and serviceability.

Article (38) Non-performance of Management

- (a) If the Agency sees that the Management Company is incompetent, inefficient or unable to manage and maintain the Common Areas of the third category of real estate projects provided for in paragraph (a) of Article (18) of this Law, the Agency shall appoint an alternative Management Company to manage the Jointly Owned Property, provided that the Agency shall follow the following procedures:
- (1) Informing the Owners' Committee about the violations committed by the Management Company and requesting its opinion thereon;
 - (2) Issue a written warning to the Management Company indicating the errors and negative practices committed by it in the management, operation, maintenance and repair of the Common Areas, and the Management Company may respond to this written warning within fourteen (14) days from the date of being notified thereof;
 - (3) Appointing a legal auditing office to audit the Service Charge account, verify the Management Company's compliance with the Service Charge budget approved by the Agency; and
 - (4) Giving the Management Company a time limit to hand over the management of the Jointly Owned Property to the alternative Management Company within a period not exceeding thirty (30) days from the date of the issuance of the Agency's decision to appoint the alternate Management Company.

- (b) If the replaced Management Company's actions result in damage to any part of the Jointly Owned Property or the Common Areas, the value of repairing such damage shall be charged to the Management Company, provided that such value is deducted from the bank guarantee of this company, referred to in paragraph (a) of Article (36) of this Law.

Article (39) Modification to Jointly Owned Properties

- (a) The occupant may not make any substantial modifications or changes to the structure or the external appearance of the Unit or any part of the Jointly Owned Property except after obtaining the approval of the master developer, the Department and the competent authority, without prejudice to the building legislation in force in the Emirate.
- (b) An occupant who violates the provisions of paragraph (a) of this Article shall be responsible for repairing the damage arising from the change or modification at his/her own expense and in the manner prescribed by the Master Developer or the Agency.
- (c) If the Occupant fails to repair the damage in accordance with the provisions of paragraph (b) of this Article, the Agency or the Master Developer may entrust any party to repair such damage and charge the expenses and costs of the repair to the Occupant.
- (d) Subject to the provisions of the Building Management Statement, the Occupant and his/her guests shall use the Common Areas for the purpose for which they are intended and in a manner that does not prejudice the rights of others to use the Common Areas or disturb them or endanger their safety or the safety of the Jointly Owned Property.

Article (40) Responsibility of the Developer

- (a) Subject to the provisions of the contracting works agreement stipulated in the abovementioned Federal Law No. (5) of 1985, the responsibility of the Developer to repair or correct any defects in the structural parts of the Jointly Owned Property shall continue for a period of ten (10) years, starting from the date of obtaining the certificate of completion for the real estate project developed by them.
- (b) The responsibility of the Developer to repair or replace defective fixtures in the Jointly Owned Property shall continue for one year from the date of handing over the Unit to the Owner. These fixtures include mechanical and electrical works, sanitary fittings, sewerage and the like thereof. If the Owner refuses to receive his/her Unit for any reason, that period shall be calculated from the date of obtaining the certificate of completion for the real estate project developed by the Developer.
- (c) Subject to the provisions of paragraphs (a) and (b) of this Article, nothing in this Law shall preclude or affect any rights or warranties guaranteed to the owner under any other legislation towards the Developer.
- (d) Any agreement made after the entry into force of this Law, which include any conflict with the provisions of this Article, shall be null and void.

Article (41) Insurance of Jointly Owned Property

- (a) The Management shall insure the Jointly Owned Property to ensure its maintenance or reconstruction in case it is burned, destroyed or demolished for any reason, provided that the Management is the beneficiary of this insurance for the purposes referred to.
- (b) The Management shall insure the Jointly Owned Property against liability for damages and bodily injuries sustained by the occupant or others.

- (c) The premiums payable by the Owners shall be calculated in accordance with the insurance contract concluded with the insurance company and within the cost of the Service Charge.

Article (42) Conflict Resolution

In addition to the competences entrusted to it under the legislation in force, the Center shall have exclusive jurisdiction to hear and settle all disputes and differences relating to the rights and obligations stipulated in this Law and the decisions issued hereunder, in accordance with the rules and procedures applicable by the Center in this regard.

Article (43) Fees

The Department shall collect fees for issuance of the approvals and provision of the services provided for under this Law and the decisions issued hereunder. The fees shall be determined by a decision from the Chairman of the Executive Council.

Article (44) Administrative Fines and Penalties

- (a) Without prejudice to any severer penalty stipulated under any other legislation, any person who commits any of the acts constituting a violation of the provisions of this Law and the decisions issued hereunder shall be punished by a fine not exceeding one million (1,000,000) Dirhams. The value of the fine shall be doubled in case the same offense is repeated within one year from the date of the previous offense, without exceeding two million (2,000,000) Dirhams.
- (b) The acts that constitute a violation of the provisions of this Law and the fines imposed on each of them shall be determined by a decision to be issued in this regard by the Chairman of the Executive Council

Article (45) Judicial Enforcement

The persons to be designated by a decision from the Director General shall have the capacity of judicial enforcement officers in capturing the acts committed in violation of the provisions of this Law and the decisions issued hereunder. For this purpose, they may draw up the required reports and seek the assistance of the competent governmental authorities in the Emirate, including police officers.

Article (46) Grievances

Any interested party may complain, in writing, to the Director General from any decision or action taken against him/her pursuant to this Law and the decisions issued hereunder, within thirty (30) days from the date of being notified of the decision or procedure subject of grievance. Such grievance shall be decided on, within thirty (30) days from the date of its submission, by a committee formed by the Director General for this purpose. The decision issued on this grievance shall be final, without prejudice to the right of the complainant to resort to the Center to recover their rights.

Article (47) Revenue Treatment

The proceeds from the fees and fines collected pursuant to the provisions of this Law and the decisions issued hereunder shall go to the state treasury of the Government.

Article (48) Regularization

- (a) All Developers, Managements and Owners' Committees shall regularize their status in accordance with the provisions of this Law, within six (6) months from the date of its entry into force. The Director General may extend this period for a similar period, if necessary.
- (b) The provisions of this Law shall not prejudice the contracts concluded between the Developer and the Owner before entry into force hereof as well as the statutes of

the complex approved by the Agency and filed with it, except for the formation of Owners' Committees.

Article (49) Substitution of the Owners' Association with The Management

The Management shall substitute the owners' association in the rights and obligations that have arisen before entry into force of the provisions of this Law.

Article (50) Issuing Executive Decisions

The Director General shall issue the necessary decisions to implement the provisions of this Law and they shall be published in the Official Gazette of the Government.

Article (51) Repeals

- (a) The aforementioned Law No. (27) of 2007 shall be repealed, and any provision in any other legislation shall be repealed to the extent that it conflicts with the provisions of this Law.
- (b) The regulations, rules and decisions issued in enforcing the aforementioned Law No. 27 of 2007 shall remain valid to the extent that they do not conflict with the provisions of this Law, until the issuance of the regulations, regulations and decisions that shall replace them.

Article (52) Publication and Entry into Force

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

Mohammed bin Rashid Al Maktoum
Ruler of Dubai

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