



Dubai
International
Financial
Centre

REAL PROPERTY LAW
DIFC LAW NO. [] OF 2007*

[*ISSUED FOR CONSULTATION PURPOSES ONLY]

Amended and Restated

CONTENTS

PART 1 : GENERAL	1
1. Title	1
2. Legislative authority	1
3. Application of this Law	1
4. Background to this Law	1
5. Purpose of this Law	1
6. Date of enactment	1
7. Date of commencement	1
8. Real Property governed by this Law	1
9. Non-applicability of certain other Laws	1
10. Concept of freehold ownership of Real Property	2
11. Interpretation	2
PART 2 : ADMINISTRATION.....	3
CHAPTER 1 — APPOINTMENT OF AND ROLE OF THE REGISTRAR	3
12. Appointment of Registrar and other officers	3
13. The objectives, functions and powers of the Registrar	3
14. Stamp of office	4
CHAPTER 2 — ESTABLISHMENT OF REAL PROPERTY REGISTER	4
15. Registrar shall establish and keep a Real Property Register	4
16. Contents of Real Property Register.....	4
PART 3 : THE REAL PROPERTY REGISTER.....	5
CHAPTER 1 – GENERAL	5
17. Information Registrar shall Register.....	5
18. Information Registrar may Register	5
CHAPTER 2 – REGISTRATION OF INSTRUMENTS	5
19. Duty to create Instrument and lodge for Registration.....	5
20. Registrar’s duty to Register Instruments	5
21. Order of Registration of Instruments.....	6
22. Registration after death of party executing Instrument	6
23. Priority of Registered Instruments.....	6
24. Instrument of postponement	6
25. Conclusive evidence of information in Real Property Register.....	6
CHAPTER 3 – CONSEQUENCES OF REGISTRATION.....	6
26. Need for Registration of Real Property Interests.....	6
27. Effect of Registration on Real Property Interest.....	6
28. Consideration not needed	6
29. Conclusive effect of Registration	7
30. Quality of Registered Real Property Interests	7
31. Exceptions to Article 30.....	7
32. No title by adverse possession.....	7
CHAPTER 4 — UNREGISTERED REAL PROPERTY INTERESTS AND REAL PROPERTY RIGHTS....	8
33. Nature and priority of unregistered Real Property Interests and Real Property Rights.....	8
PART 4 : INITIAL REGISTRATION OF REAL PROPERTY AND TITLES.....	9
CHAPTER 1 — GENERAL	9
34. Creation of Folios	9
CHAPTER 2 : SALE AFTER COMMENCEMENT OF THIS LAW	9
35. Sale occurring after commencement of this Law	9

CHAPTER 3 — INFORMATION TO BE INCLUDED IN FOLIO.....	9
36. Information to be included in Folio.....	9
PART 5 : JOINT HOLDERS	10
37. Registering co-owners.....	10
38. Corporate entity may own Real Property as joint tenant.....	10
39. Dissolution of corporate entity joint tenant.....	10
40. Severing a joint tenancy.....	10
41. Conversion of tenants in common to joint tenancy.....	10
PART 6 : TRANSFERS.....	11
42. Registering a Transfer.....	11
43. Effect of Registration of Transfer.....	11
44. Merger.....	11
45. Transfer of Mortgaged Lot.....	11
PART 7 : EMINENT DOMAIN.....	12
46. DIFCA to compensate on just terms.....	12
47. Transfer under statutory vesting or grant.....	12
PART 8 : LEASES.....	13
48. Lease of Real Property.....	13
49. Lease Registration.....	13
50. Requirements for Lease to be Registered.....	13
51. Variation of Registered Lease.....	13
52. Binding Nature of a Lease on a Mortgage.....	13
53. Expiry or termination of Lease.....	13
54. Rights and obligations under the Leasing Law.....	13
PART 9 : MORTGAGES.....	14
CHAPTER 1 – GENERAL.....	14
55. Right to Mortgage.....	14
56. Requirements for Mortgage.....	14
57. Mortgage as charge only.....	14
58. Submortgage.....	14
59. Registration of second or subsequent Mortgage.....	14
60. Variation of Mortgage.....	14
61. Discharge of Mortgage.....	15
CHAPTER 2 — MORTGAGEE’S POWERS AND REMEDIES.....	15
62. Powers of Mortgagees.....	15
63. Exercise of power of sale.....	15
64. Injunction to restrain power of sale.....	15
65. Effect of Transfer after sale by Mortgagee.....	16
66. Application of proceeds of sale.....	16
67. Appointment of Receiver.....	16
68. Entry into possession.....	16
69. Foreclosure.....	16
CHAPTER 3 — FURTHER ADVANCES.....	17
70. Right to make further advances.....	17
PART 10 : STATUTORY CHARGES.....	18
71. Registration of statutory charges.....	18
PART 11 : EASEMENTS.....	19
CHAPTER 1 – GENERAL.....	19
72. Easements in Gross permitted.....	19
73. Easements by prescription or implication.....	19
74. Rights to support of Real Property and structures.....	19

CHAPTER 2 — IMPLIED EASEMENTS IN DEVELOPMENTS AND SUBDIVISIONS.....	19
75. Implied Easements for services in development.....	19
76. Implied Easements of right of way and other rights shown in subdivision plan.....	19
CHAPTER 3 — REGISTRATION OF EASEMENTS	20
77. Creation of Easement by Registration	20
78. Requirements for Easement.....	20
79. Easement benefiting and burdening same Registered Owner's Lots	21
CHAPTER 4 — VARIATION OR EXTINGUISHMENT OF EASEMENTS.....	21
80. Variation or release of Easement by parties	21
81. Same person becoming Registered Owner of benefited and burdened Lots.....	21
82. Cancellation of Easement	21
83. Court order varying or extinguishing Easement.....	22
CHAPTER 5 — MEANING OF CERTAIN TYPES OF EASEMENTS	22
84. Right of way, right of footway, and party wall.....	22
CHAPTER 6 - EASEMENTS CREATED BY COURT ORDER	22
85. Easements created by Court order	22
CHAPTER 7 — CONTRIBUTIONS TO REPAIRS	23
86. Contribution to repairs.....	23
PART 12 : COVENANTS	24
CHAPTER 1 — GENERAL	24
87. Covenants in Gross permitted.....	24
88. Positive Covenants permitted	24
CHAPTER 2 — REGISTRATION OF COVENANTS.....	24
89. Creation of Covenant by Registration	24
90. Requirements for Covenant.....	24
91. Covenant benefiting and burdening same Registered Owner's Lots.....	24
CHAPTER 3 — VARIATION OR EXTINGUISHMENT OF COVENANTS	25
92. Variation or release of Covenant by parties	25
93. Same person becoming Registered Owner of benefited and burdened Lots.....	25
94. Duration of Covenant	25
95. Court order varying or extinguishing Covenant	25
PART 13 : TRUSTS	27
96. Dealing by trustee.....	27
PART 14 : DECEASED ESTATES	28
97. Registration of personal representative	28
98. Dealings without Registration of personal representative	28
99. Notice of death	28
PART 15 : INSOLVENCY	29
100. Transmission on Insolvency	29
PART 16 : WRITS.....	30
101. Request to Register Writ of Execution	30
102. How a Writ of Execution is Registered	30
103. Effect of Registering Writ of Execution.....	30
104. Cancellation of Registration of Writ of Execution	30
105. Discharging or satisfying Writ of Execution	30
106. Transfer of Lots sold under a Writ of Execution.....	30
PART 17 : CAVEATS.....	31

CHAPTER 1 — REGISTERING CAVEATS	31
107. Who may Register a Caveat	31
108. Requirements of Caveat	31
109. Registering a Caveat.....	31
110. Notifying Caveat	31
CHAPTER 2 — EFFECT OF CAVEAT	31
111. Effect of lodging Caveat.....	31
CHAPTER 3 — WITHDRAWAL, LAPSING AND REMOVAL OF CAVEATS.....	32
112. Withdrawal of Caveat.....	32
113. Lapsing of Caveat.....	32
114. Removal of Caveat by Court order.....	33
115. Further Caveat	33
116. Cancellation of Caveat by Registrar	33
117. Order for security	33
CHAPTER 4 — IMPROPER CAVEATS.....	33
118. Compensation for improper Caveat.....	33
CHAPTER 5 — GENERAL	34
119. Notices to Caveator	34
120. Right to injunction not affected	34
PART 18 : INSTRUMENTS.....	35
CHAPTER 1 — MANNER OF EXECUTION OF, AND RELIANCE ON, INSTRUMENTS	35
121. Execution of Instruments.....	35
122. Indicating consent when required for dealing.....	35
123. Execution of Instruments by corporations and natural persons	35
124. Execution of Instrument under power of attorney	35
125. Registrar’s discretion to reject an Instrument.....	35
CHAPTER 2 – SUITABILITY OF INSTRUMENTS FOR REGISTRATION.....	35
126. When Instrument capable of Registration	35
127. Address for service to be provided	36
CHAPTER 3 — THE PROCESS OF REGISTERING INSTRUMENTS	36
128. Lodgement of Instruments by electronic or other means.....	36
129. Registrar’s power to correct obvious errors in Instruments.....	36
130. Registrar’s requisitions.....	36
131. Rejecting Instrument if requisitions not complied with.....	36
132. Requiring plan of survey to be lodged.....	37
133. Protection of persons under disability	37
134. Minors	37
CHAPTER 4 — STANDARD TERMS INCORPORATED INTO INSTRUMENTS	37
135. Standard Terms Documents	37
136. Prescribed standard terms	37
CHAPTER 5 — OBLIGATIONS IN REGISTERED INSTRUMENTS.....	38
137. Obligations in Registered Instruments: successors in title implied	38
138. Registration does not impute validity or enforceability.....	38
PART 19 : SUBDIVISIONS	39
139. Subdivision approval before dealing with part of Lot	39
PART 20 : POWERS OF AND PROCEEDINGS AGAINST REGISTRAR	40
CHAPTER 1 : POWERS.....	40
140. General powers of the Registrar	40
141. Registrar may correct Real Property Register	40

142.	Registrar may prepare and Register a Caveat	40
143.	Registrar may state a case.....	40
144.	Registrar may demand Prescribed Fees	40
145.	Registrar may issue Approved Forms	40
CHAPTER 2 : PROCEEDINGS AGAINST REGISTRAR		41
146.	Registrar may be summoned for refusal to perform duty	41
147.	Protection from liability	41
PART 21 : COMPENSATION FOR LOSS.....		42
148.	The Assurance Fund	42
149.	Compensation from Assurance Fund	42
150.	Time limit on claims against Assurance Fund.....	42
151.	Court order about deprivation, loss or damage.....	42
152.	Matters for which there is no compensation	43
153.	Subrogation	43
PART 22 : SEARCHES		44
154.	Entitlement to search Folio and Instruments.....	44
155.	Evidentiary effect of Documents issued by Registrar	44
PART 23 : OFF PLAN SALES.....		45
156.	Off Plan Register	45
157.	Developer license	45
158.	Off Plan Development Registration	45
159.	Off Plan Sales Agreements.....	46
160.	Disclosure Statement	46
161.	Escrow Account	47
162.	Construction Defect Rectification	48
163.	Mortgagee's priority.....	48
PART 24 : MASTER COMMUNITY ADMINISTRATION.....		49
164.	Registered Owners and Occupiers Bound by Master Community Declaration.....	49
165.	Registrar may Issue Orders	49
166.	Form and Variation of Master Community Declaration.....	49
PART 25 : MISCELLANEOUS		50
167.	Words and expressions used in Instruments under Law	50
168.	Reference to Instrument is reference to Instrument completed in Approved Form.....	50
169.	Service of notices	50
170.	Deemed receipt in certain cases.....	50
171.	Registrar's Directives	50
172.	Contraventions of this Law	51
173.	Orders by Registrar in relation to breaches of this Law	51
174.	DIFCA may make Regulations.....	51
SCHEDULE 1		52
1.	Rules of Interpretation	52
2.	Legislation in the DIFC.....	52
3.	Defined terms.....	53

PART 1: GENERAL**1. Title**

This Law may be cited as the “Real Property Law DIFC Law No. 4 of 2007”.

2. Legislative authority

This Law is made by the Ruler.

3. Application of this Law

This Law applies to all Real Property within the jurisdiction of the DIFC.

4. Background to this Law

- (1) On 17 March 2003 His Highness Sheikh Mohamed Bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai, transferred to the DIFCA certain Real Property on which the DIFC was to be situated in accordance with the Federal and Dubai Laws to be later enacted to establish the DIFC as a financial free zone within Dubai.
- (2) The DIFCA subsequently transferred such Real Property to the Master Developer which has sold, or intends to sell or lease, parts of that Real Property.

5. Purpose of this Law

The purpose of this Law is to establish a system of registration for Real Property within the jurisdiction of the DIFC, and in particular:

- (a) to guarantee title to Real Property;
- (b) to facilitate dealings with Real Property including the Registration of Real Property Interests and Real Property Rights; and
- (c) to define the powers and functions of the Registrar in relation to Real Property.

6. Date of enactment

This Law is enacted on the date specified in the Enactment Notice in respect of this Law.

7. Date of commencement

This Law comes into force on the date specified in the Enactment Notice for the Law.

8. Real Property governed by this Law

- (1) From the date on which this Law comes into force, all Real Property from time to time within the jurisdiction of the DIFC is governed by this Law.
- (2) Real property within the jurisdiction of the DIFC includes:
 - (a) the Real Property referred to in Article 4(1); and
 - (b) any Real Property later brought within the jurisdiction of the DIFC, by any method.

9. Non-applicability of certain other laws

- (1) Dubai Real Estate Laws do not apply to Real Property governed by this Law unless expressly stated in such law that it has application in the DIFC.
- (2) Nothing in the Law of Security DIFC Law No. 8 of 2005 affects Real Property governed by this Law.

10. **Concept of freehold ownership of Real Property**

Subject to any other provision of this Law, freehold ownership of Real Property carries with it the same rights and obligations as ownership of an estate in fee simple under the principles of English common law and equity.

11. **Interpretation**

- (1) For the purposes of this Law, "Real Property" includes land, buildings, and items placed in, on or under the land comprising a Lot with the intention that such buildings and fixtures should remain in position permanently or indefinitely.
- (2) Unless the context indicates otherwise, a reference in this Law to Real Property is a reference to Real Property within the jurisdiction of the DIFC governed by this Law and which forms part of a Lot for which a Folio has been created under the provisions of this Law.
- (3) Schedule 1 contains:
 - (a) interpretative provisions which apply to this Law; and
 - (b) a list of defined terms used in this Law. Terms that are capitalised in this Law have the meanings as so ascribed in Schedule 1 and if not defined in Schedule 1, have the meanings as so ascribed in the Regulations and/or the Strata Title Law.

PART 2: ADMINISTRATION**CHAPTER 1 — APPOINTMENT OF AND ROLE OF THE REGISTRAR****12. Appointment of Registrar and other officers**

- (1) The office of Registrar is created as a corporation sole.
- (2) The Board of Directors of the DIFCA shall appoint a person to serve as Registrar and may dismiss such person from the office of Registrar for proper cause.
- (3) The Board of Directors of DIFCA shall consult the President prior to appointing or dismissing the Registrar.
- (4) In exercising the Registrar's powers and performing the Registrar's functions, the Registrar shall act in an independent manner, notwithstanding that the Registrar is an agency of the government of the Emirate of Dubai.
- (5) A person dealing with the Registrar's office may assume that acts done or records made by the Registrar have been done or made within the Registrar's authority under this Law.

13. The objectives, functions and powers of the Registrar

- (1) In performing the Registrar's functions and exercising the Registrar's powers, the Registrar shall pursue the following objectives:
 - (i) to promote good practices and observance of the requirements of this Law;
 - (ii) to administer this Law in an effective and transparent manner;
 - (iii) to prevent, detect and restrain conduct which is, or may be, in contravention of this Law; and
 - (iv) to maintain a reliable and up-to-date Real Property Register.
- (2) The Registrar has such powers and functions as may be conferred, or expressed to be conferred, on the Registrar:
 - (a) by or under this Law ; and
 - (b) by or under any other law, decree or direction made by the Ruler,and shall exercise such powers, and perform such functions, only in pursuit of the Registrar's objectives under those laws, regulations, decrees and directions, as applicable.
- (3) Without limiting the generality of Article 13(2), such powers and functions of the Registrar shall include, so far as is reasonably practicable:
 - (a) preparing or causing to be prepared in a timely and efficient manner:
 - (i) draft Regulations to be adopted pursuant to this Law;
 - (ii) draft standards or codes of practice; and
 - (iii) Guidance,reasonably required to enable the Registrar to perform the Registrar's statutory functions;
 - (b) submitting such draft Regulations and draft standards or codes of practice to the Board of Directors of the DIFCA for approval and advising the Board of Directors of the DIFCA of any Guidance that has been issued;
 - (c) issuing or prescribing forms to be used for any of the purposes of this Law or any other Legislation administered by the Registrar;

- (d) issuing or prescribing procedures and requirements relating to this Law or any other Legislation administered by the Registrar;
- (e) employing or appointing persons on such terms as the Registrar considers appropriate to assist the Registrar in the exercise and performance of its powers and functions;
- (f) where the Registrar considers it appropriate to do so, delegating such of the Registrar's functions and powers as may more efficiently and effectively be performed, either generally or in relation to any particular matter, by the Registrar's officers or the DIFCA employees, or by any other person:
 - (a) to such officers or employees; or
 - (b) with the approval of the Board of Directors of the DIFCA, to any such other person; and
- (g) exercising and performing such other powers and functions as may be delegated to the Registrar by the Board of Directors of the DIFCA pursuant to the provisions of this Law or any other Legislation administered by the Registrar.

(4) Subject to Article 13(5), neither the Registrar nor any delegate or agent of the Registrar can be held liable for anything done or omitted to be done in the performance or purported performance of the functions of the Registrar (including any function delegated to the Registrar) or in the exercise or purported exercise of any power or discretion of the Registrar (including any power delegated to the Registrar).

(5) Article 13(4) does not apply if the act or omission is shown to have been in bad faith.

14. Stamp of office

- (1) The Registrar has a stamp of office, bearing the words "Registrar of Real Property, DIFC".
- (2) Unless the contrary is shown, a Document purporting to be issued by the Registrar and bearing the Registrar's stamp is to be taken to be issued by the Registrar's direction.

CHAPTER 2 - ESTABLISHMENT OF REAL PROPERTY REGISTER

15. Registrar shall establish and keep a Real Property Register

The Registrar shall establish and keep a Real Property Register.

16. Contents of Real Property Register

- (1) The Real Property Register shall record details of:
 - (a) each Folio;
 - (b) each Instrument that creates a Real Property Interest or records a Real Property Right Registered under this Law;
 - (c) any Document or information the Registrar is required to Register in accordance with Article 17; and
 - (d) any Document or information the Registrar permits to be Registered in accordance with Article 18 that is not required to be Registered.
- (2) The Real Property Register may be kept in any form (documentary or otherwise) the Registrar considers appropriate.
- (3) The Registrar may change the form in which the Real Property Register or any part of the Real Property Register is kept.

PART 3: THE REAL PROPERTY REGISTER**CHAPTER 1 – GENERAL****17. Information Registrar shall Register**

- (1) The Registrar shall Register:
 - (a) every Folio;
 - (b) every Instrument that creates a Real Property Interest or grants a Real Property Right that is required to be Registered under this Law, and the time and date when such Instrument was Registered; and
 - (c) the name of each present and past Registered Owner and the nature of their Real Property Interest.
- (2) The Registrar shall also Register anything else required to be Registered by this or any other law subject to the applicant complying with the requirements of the Registrar as to the form of such Document or Instrument that is to be Registered.

18. Information Registrar may Register

- (1) The Registrar may Register anything the Registrar is permitted to Register by this or any other law.
- (2) The Registrar may also Register any Document or information the Registrar considers should be Registered to ensure that the Real Property Register is an accurate, comprehensive and useable record of Real Property Interests and Real Property Rights.

CHAPTER 2 – REGISTRATION OF INSTRUMENTS**19. Duty to create Instrument and lodge for Registration**

- (1) A person who Transfers a Real Property Interest shall ensure that:
 - (a) the Transfer is embodied in a Transfer Instrument; and
 - (b) the execution of such Transfer Instrument is in accordance with this Law.
- (2) A person acquiring a Real Property Interest shall ensure that:
 - (a) the application for registration of the Transfer is embodied in a Transfer Instrument;
 - (b) the execution of the Transfer Instrument by that person is in accordance with this Law; and
 - (c) all necessary consents or approvals required for Registration are obtained from the Registrar and the applicable Relevant Authorities;
 - (d) following the obtaining of such consents and approvals, the Transfer Instrument is lodged for Registration as soon as practicable after completion of the transaction that gave rise to the Transfer; and
 - (e) the Prescribed Fee is paid to the Registrar in respect of the registration of such Transfer.
- (3) This Article 19 applies to all Transfers of Real Property Interests, unless the Registrar grants an exemption and the Transfer is not required to be Registered.
- (4) A person who breaches an obligation under this Article 19 is in contravention of this Law.

20. Registrar's duty to Register Instruments

- (1) Subject to Article 20(2), if a person lodges an Instrument for Registration that Transfers or an Instrument that creates a Real Property Interest or Real Property Right, the Registrar shall Register such Instrument.
- (2) No Transfer Instrument shall be Registered unless and until the Registrar has been satisfied by the parties that, if consideration is payable in respect of the Transfer, the Registered Owner has confirmed to the Registrar that the entire consideration has been paid in full by the Purchaser to the

Registered Owner, directly or indirectly, and has been effected with the involvement of at least one duly licensed UAE or DIFC bank or bank that is duly licensed in a Recognised Jurisdiction.

- (3) Nothing contained in this Article 20 in any way limits the Registrar’s power to register Transfer Instruments under this Law upon such conditions as the Registrar considers appropriate.

21. Order of Registration of Instruments

- (1) Instruments shall be Registered in the order in which they are lodged for Registration.
- (2) For the purposes of Article, 21(1) an Instrument that is lodged for Registration but is later withdrawn before Registration or rejected by the Registrar, is not lodged until it is re-lodged correcting, if applicable, any error or omission.
- (3) Despite Article 21(1), if an Instrument (the "second Instrument") affecting a Lot is lodged after another Instrument (the "first Instrument") affecting the Lot, the second Instrument may be Registered before the first Instrument if the Register considers that Registration of the second Instrument cannot affect any Real Property Interest or Real Property Right that a person might claim under the first Instrument.

22. Registration after death of party executing Instrument

The death of a person after signing an Instrument but before the Instrument is Registered, does not, of itself, prevent Registration of the Instrument.

23. Priority of Registered Instruments

Registered Instruments have priority according to the time and date they were Registered, not according to when the Instruments were executed.

24. Instrument of postponement

- (1) A Real Property Interest or a Real Property Right may, by a Registered Instrument of postponement executed by all parties to the Real Property Interest or the Real Property Right, be postponed to any other Registered Real Property Interest or Real Property Right (“Instrument of postponement”).
- (2) On Registration of the Instrument of postponement, the parties' Real Property Interests or Real Property Rights rank in priority in the order expressed in the Instrument of postponement.
- (3) An Instrument of postponement binds only the parties to it.

25. Conclusive evidence of information in Real Property Register

Registration of an Instrument is conclusive evidence of:

- (a) the time and date when the Instrument was Registered; and
- (b) the contents of the Instrument.

CHAPTER 3 – CONSEQUENCES OF REGISTRATION

26. Need for Registration of Real Property Interests

Subject to this Law, an Instrument does not transfer or create a Real Property Interest in the Real Property until the Instrument is Registered.

27. Effect of Registration on Real Property Interest

On Registration of a Transfer of a Real Property Interest, the Real Property Interest:

- (a) is transferred or created in accordance with the terms of the Transfer Instrument; and
- (b) vests in the person identified in the Transfer Instrument as being entitled to the Real Property Interest.

28. Consideration not needed

The benefits of Registration apply to a Transfer Instrument whether or not valuable consideration is given.

29. Conclusive effect of Registration

Subject to this Law, the Registration of a person as the owner of a Real Property Interest is conclusive evidence that:

- (a) the person is the owner of that Real Property; and
- (b) the person's title to that Real Property Interest is indefeasible under the principles of English common law and equity.

30. Quality of Registered Real Property Interests

- (1) Subject to this Law, a Registered Owner holds its Real Property Interest subject to all prior Real Property Rights Registered in the Folio for the Lot but free from all other unregistered Real Property Interests or Real Property Rights.
- (2) In particular, the Registered Owner:
 - (a) is not affected by actual or constructive notice of any trust or unregistered Real Property Interest or Real Property Rights affecting the Real Property;
 - (b) is not affected by any Real Property Interest or Real Property Right that, but for this Law, might be held to be paramount or to have priority;
 - (c) is not affected by any error or informality in any application or proceedings; and
 - (d) is not liable to proceedings for possession unless the proceedings are brought by a person claiming a Registered Real Property Interest or a Real Property Right.
- (3) However, Articles 30(1) and 30(2) do not apply:
 - (a) to a Real Property Interest or Real Property Right or matter mentioned in Article 31;
 - (b) if there has been Fraud by the Registered Owner in acquiring or holding the Real Property Interest; or
 - (c) if the Registrar has reasonable suspicion that either the motivation or intent of either Purchaser or the Registered Owner in engaging in the underlying transaction was to participate in or further any money laundering or terrorism financing scheme.
- (4) For the purpose of this Article 30, knowledge that a trust or unregistered Real Property Interest or Real Property Right is in existence is not of itself to be regarded as Fraud.

31. Exceptions to Article 30

A Registered Owner does not obtain the benefit of Article 30 in relation to the following Real Property Rights affecting the Real Property:

- (a) any exceptions, reservations, obligations or conditions that are customarily imposed on, or that are contained in, any disposition or grant (including any granted land) by the Ruler;
- (b) any exceptions, reservations, Easements, Covenants, obligations or conditions contained in the sale, or in any relevant lease, by the DIFCA;
- (c) any Easement or public right of way in existence when the Real Property became governed by this Law;
- (d) any right (whether created before, on or after 17 March 2003) in favour of a Relevant Authority under any law;
- (e) any Easement implied under Articles 75 and 76;
- (f) any statutory charge under Article 71; and
- (g) the Real Property Right of a Lessee in possession under a Lease for a term not exceeding six (6) months.

32. No title by adverse possession

A person does not acquire any right or title to Real Property by any length of adverse possession under the

Confidential

principles of English common law and equity.

CHAPTER 4 — UNREGISTERED REAL PROPERTY INTERESTS AND REAL PROPERTY RIGHTS

33. Nature and priority of unregistered Real Property Interests and Real Property Rights

Nothing prevents an unregistered Instrument from operating as a contract between the parties or being otherwise enforceable according to its terms.

PART 4: INITIAL REGISTRATION OF REAL PROPERTY AND TITLES**CHAPTER 1 — GENERAL****34. Creation of Folios**

This Part sets out the circumstances in which Folios are created in relation to Real Property.

CHAPTER 2 — SALE AFTER COMMENCEMENT OF THIS LAW**35. Sale occurring after commencement of this Law**

Where, after this Law comes into force, the Master Developer sells Real Property, the Registrar shall, immediately following the sale, create a Folio for each Lot comprised in the Real Property.

CHAPTER 3 — INFORMATION TO BE INCLUDED IN FOLIO**36. Information to be included in Folio**

- (1) When creating a Folio, the Registrar shall Register in the Folio:
 - (a) the person or persons entitled to be Registered as the Registered Owner; and the person or persons whom the Registrar considers to be entitled to be Registered as a Beneficiary of a Real Property Right affecting that Lot.
- (2) Further, when creating a Folio, the Registrar shall Register in the Folio that the ownership of the Lot:
 - (a) is subject to the benefits and burdens created under the Master Community Declaration and any Strata Management Statement or similar document applying to the Lot, as applicable; and
 - (b) if the Lot is located within a Strata Development, includes the proportionate interest in the Common Property within the Strata Scheme under the Strata Title Law.
- (3) In addition to the information in Article 36(1), the Registrar:
 - (a) shall, in the case of a Registered Owner who is a natural person, Register the owner's date of birth; and
 - (b) may Register any other information the Registrar considers appropriate.
- (4) If, after an application for Registration of a Real Property Interest is made but before the Folio is created, the person who is entitled to be Registered as the Registered Owner dies, the Registrar shall nevertheless Register that person as the Registered Owner unless otherwise ordered by the Court.

PART 5: JOINT HOLDERS**37. Registering co-owners**

- (1) When Registering persons as co-owners of a Lot, the Registrar shall Register whether the co-owners hold their respective Real Property Interests as tenants in common or as joint tenants under the principles of English common law and equity.
- (2) Unless the Registrar records otherwise, tenants in common are presumed to hold in equal shares.
- (3) If an Instrument does not show whether co-owners hold as tenants in common or as joint tenants, the Registrar shall Register them as tenants in common in equal shares.

38. Corporate entity may own Real Property as joint tenant

A person that is a corporate entity is capable of owning a Lot as joint tenant or as tenants in common with another person, including another person that is a corporate entity.

39. Dissolution of corporate entity joint tenant

Where a corporate entity is a joint tenant of a Lot at the time of its dissolution, the Lot devolves on the other joint tenant or joint tenants.

40. Severing a joint tenancy

- (1) A person that is a joint tenant of a Lot may unilaterally sever the joint tenancy by a Registered Transfer to itself whereby the co-ownership shall revert to that of tenants in common in equal shares.
- (2) The Registrar shall not Register the Transfer Instrument unless satisfied that a copy of the Transfer Instrument was served on all other joint tenants at least ten (10) days before the Transfer Instrument was lodged for Registration.
- (3) On Registration of the Transfer Instrument, the joint tenancy is severed as regards the Real Property Interest so transferred.
- (4) This Article 40 does not limit other ways in which a joint tenancy may be severed.

41. Conversion of tenants in common to joint tenancy

- (1) Persons who are the owners of a Lot as tenants in common may mutually agree to merge their ownership interests into that of a joint tenancy by a Registered Transfer to themselves whereby the co-ownership of a Lot shall convert to that of joint tenancy.
- (2) Upon payment of the Prescribed Fee, and the payment of any Freehold Transfer Fee under the Regulations in respect of any change in the proportional ownership of a Lot in the event that the persons did not own a Lot as tenants in common in equal shares at the time of Transfer, the Registrar shall Register the Transfer Instrument whereby the tenancy in common shall convert to a joint tenancy as regards the Real Property Interests so transferred.
- (3) This Article 41 does not limit other ways in which a tenancy in common may be converted to a joint tenancy by the Registrar.

PART 6: TRANSFERS**42. Registering a Transfer**

A Registered Real Property Interest, may be Transferred by Registering a Transfer Instrument.

43. Effect of Registration of Transfer

On the Registration of a Transfer Instrument, all the transferor's rights, powers, privileges and liabilities as Registered Owner in relation to the Real Property Interest shall vest in the transferee.

44. Merger

(1) The doctrine of merger under the principles of English common law and equity applies on the Registration of a Transfer Instrument to give effect to a contract for the sale of the Real Property.

(2) Where on Registration the rights and obligations of Lessor and Lessee vest in the same person, no merger occurs until a surrender of the Lease is Registered.

45. Transfer of Mortgaged Lot

(1) If a Lot that is subject to a Registered Mortgage is Transferred with the consent of the Mortgagee:

(a) the transferee is liable to comply with the terms of the Mortgage; and

(b) the transferee shall fully indemnify the transferor against liability under the Mortgage subject to the contractual arrangements between the transferee and the transferor.

(2) This Article 45 does not apply to a Transfer by a Mortgagee in exercise of a power of sale.

PART 7: EMINENT DOMAIN**46. DIFC Authority to compensate on just terms**

If a Lot is acquired from a Registered Owner by a Relevant Authority or under a law, and that law does not provide the Registered Owner with compensation on just terms, then the DIFCA is to provide the Registered Owner with compensation on just terms.

47. Transfer under statutory vesting or grant

- (1) If a Lot has become vested in a person or public authority by or under a law, the Registrar:
 - (a) shall Register any entries in relation to the Lot that the Registrar considers necessary in connection with the vesting; and
 - (b) may cancel or create Folios as the Registrar considers appropriate in consequence of the vesting.
- (2) The Registrar may exercise the powers conferred by Article 47(1):
 - (a) on application; or
 - (b) on the Registrar's own initiative.

PART 8: LEASES**48. Lease of Real Property**

- (1) Real Property may be leased subject to the provisions of this Law and the Leasing Law.
- (2) A Lease may relate to one or more Lots or parts of Lots.
- (3) Where the term of the Lease (including any option to renew, whether or not exercised) exceeds six (6) months, the Lease must be Registered as a Real Property Right by the Lessor. A Lease for any lesser term may (but need not) be Registered as a Real Property Right by the Lessor.

49. Lease Registration

- (1) A Lessor shall, in respect of any Lease required to be Registered under Article 48(3), within twenty (20) days of the date on which the Lease is entered into, Register the Instrument in respect of such Lease.
- (2) If the Lessor fails to comply with Article 49(1), then the Lessor commits a contravention of this Law.
- (3) A Lessor complies with Article 49(1) if the Instrument for Registration of the Lease is lodged for Registration within twenty (20) days of the date on which the Lease was entered into by the Lessor and Lessee.

50. Requirements for Lease to be Registered

- (1) In order to be Registered, an Instrument for Registration of a Lease shall include a description sufficient to identify each Lot or part Lot to be leased and be accompanied by a Lease Plan.
- (2) Article 50(1) does not limit the matters that the Registrar may require to be included in the Instrument.

51. Variation of Registered Lease

- (1) A Registered Lease may be varied by Registering an Instrument that varies the Lease executed by the Lessor and the Lessee.
- (2) However, the Instrument that varies the Lease shall not:
 - (a) add or remove a party to the Lease; or
 - (b) be lodged after the term of the Lease (including as extended by any option to renew) has expired.
- (3) A Lease as varied by Registration of an Instrument continues in force according to its terms and is not surrendered by virtue of the variation.
- (4) This Article 51 does not limit other ways in which a Lease may be varied.

52. Binding Nature of a Lease on a Mortgage

- (1) A Lease, or a variation of a Lease, executed or Registered after the Registration of a Mortgage, does not bind the Mortgagee unless the Mortgagee consents to the Lease or variation.
- (2) The Registrar may require evidence of the Mortgagee's consent and may Register such consent in the Folio.

53. Expiry or termination of Lease

The Registrar may remove from a Folio a Registered Lease that has expired or been terminated provided that such termination is lodged for Registration in the appropriate Instrument.

54. Rights and obligations under the Leasing Law

In addition to the rights and obligations under this Law, a Lessor and Lessee of Real Property have the rights and obligations under the Leasing Law.

PART 9: MORTGAGES**CHAPTER 1 – GENERAL****55. Right to Mortgage**

- (1) A Lot, a Registered Real Property Interest or a Real Property Right (including a Registered Lease) may be Mortgaged by Registering a Mortgage as a Real Property Right by the Mortgagee.
- (2) Except as provided in this Law or any other law, a part only of a Lot cannot be mortgaged.

56. Requirements for Mortgage

- (1) In order to be Registered, an Instrument for Registration of a Mortgage shall include the following:
 - (a) a description sufficient to identify the Lot;
 - (b) a description sufficient to identify the Real Property Interest or Real Property Right to be Mortgaged; and
 - (c) a description of the debt or liability secured by the Mortgage.
- (2) Article 56(1) does not limit the matters that the Registrar may require to be included in the Instrument for Registration of a Mortgage.

57. Mortgage as charge only

- (1) A Mortgage operates only as a charge on the Lot for the debt or liability secured by the Mortgage.
- (2) For the avoidance of doubt, the Mortgagor is taken to have an equity of redemption under the principles of English common law and equity.

58. Submortgage

- (1) In this Part, submortgage means the further Mortgage of an existing Mortgage or portfolio of Mortgages (and the further Mortgage of any submortgage) granted by the existing Mortgagee (as submortgagor) to a further submortgagee.
- (2) On the Registration of a submortgage, and during the currency of the submortgage, all the powers and rights that the Mortgagor of the Mortgage could previously have exercised:
 - (a) may be exercised by the Registered submortgagee; and
 - (b) may not be exercised by the Mortgagee of the Mortgage (as submortgagor).
- (3) A submortgage does not affect the rights or liabilities of the Registered Owner until the submortgage is Registered and the Registered Owner is given notice of the granting of the submortgage by the Mortgagor to the Registered Owner.
- (4) Upon the Registration of a submortgage, and receipt of notification of the granting of the submortgage by the Mortgagor, the Registered Owner shall continue to perform its obligations under the Mortgage in favour of the submortgagee for the term of the submortgage.

59. Registration of second or subsequent Mortgage

- (1) The Registrar shall not Register a second or subsequent Mortgage unless all prior Registered Mortgagees consent to such Registration.
- (2) The Registrar may require whatever information the Registrar considers necessary to demonstrate that the prior Registered Mortgagees have consented to the second or subsequent Mortgage.

60. Variation of Mortgage

- (1) A Registered Mortgage may be varied by Registering an Instrument varying the Mortgage.
- (2) A variation cannot add a party to, or remove a party from, the Mortgage.
- (3) A variation does not affect prior or subsequent Registered Mortgagees unless they consent.

61. Discharge of Mortgage

- (1) A Registered Mortgage or submortgage may be discharged by Registering an Instrument for the discharge of a Mortgage.
- (2) A discharge of Mortgage may discharge the debt or liability secured for:
 - (a) all or part of the Mortgage;
 - (b) one or more of the Mortgagors; and/or
 - (c) the Lots comprising the Real Property which are the subject of the Mortgage.
- (3) The Registrar shall Register a discharge of Mortgage to the extent shown in the Instrument.
- (4) On an Instrument for the discharge of a Mortgage being Registered:
 - (a) the Mortgage is discharged; and
 - (b) the Lot released from the Mortgage, to the extent shown in the Instrument.

CHAPTER 2 — MORTGAGEE'S POWERS AND REMEDIES**62. Powers of Mortgagees**

- (1) Subject to the provisions of this Law including the interests of any prior ranking Registered Mortgagee, a Registered Mortgagee has the following powers on default by the Mortgagor:
 - (a) to sell the whole or part of a Lot or a Real Property Interest in such Lot by whatever means the Mortgagee, acting reasonably, considers appropriate, including by tender, public auction or by private contract;
 - (b) to sever and sell fixtures apart from the balance of the Real Property;
 - (c) to sell any Easement, right or privilege of any kind over or in relation to the Lot;
 - (d) to enter into possession of the Lot and receive the Rents and profits from it; and
 - (e) to obtain an order of the Court for foreclosure under Article 69.
- (2) The powers may only be exercised in accordance with the provisions of this Chapter, but otherwise (and subject to Article 62(3)) may be supplemented, varied or removed by express provision in the Mortgage.
- (3) A Mortgagee may not exercise a power under Article 62(1) without first serving on the persons in Article 62(4) a notice giving the Mortgagor sixty (60) days in which to remedy the default. If within that time the default is remedied, then the Mortgagee may not exercise a power for that default.
- (4) The persons on whom the notice shall be served are:
 - (a) the Mortgagor;
 - (b) any guarantor or surety of the Mortgagor;
 - (c) any other Registered Mortgagee; and
 - (d) the Registrar.

63. Exercise of power of sale

In exercising a power of sale, the Mortgagee shall take reasonable care to obtain the market value for the Lot at the time of the sale.

64. Injunction to restrain power of sale

- (1) The Mortgagor is entitled to seek an injunction to restrain the exercise of the power of sale.
- (2) The Court may make the order it considers appropriate, including (if it considers it appropriate) that the sale may be restrained, without the Mortgagor having to offer to redeem the Mortgage.

65. Effect of Transfer after sale by Mortgagee

- (1) If a Transfer Instrument in a purported exercise of a power of sale by a Registered Mortgagee is lodged for Registration, the Registrar need not enquire whether the power of sale was validly exercised.
- (2) On Registration of the Transfer Instrument, the Mortgagee's Real Property Interest vests in the transferee, free from liability under:
 - (a) the Mortgage and (except where the transferee is the Mortgagor) any Mortgage Registered after it; and
 - (b) any other Real Property Interest or Real Property Right Registered after it, except a Real Property Interest or Real Property Right to which the Mortgagee has consented in writing, or to which the Mortgagee is a party, or which for some other reason binds the Mortgagee including the rights of Prospective Owners under an Off Plan Sales Agreements entered into with Developers with the consent of the Mortgagee.
- (3) Subject to the provisions of this Law, Registration of the Transfer Instrument under the purported exercise of a power of sale by a Registered Mortgagee is not prevented by a Caveat, if the Caveat relates to a Real Property Interest over which the Mortgage has priority.

66. Application of proceeds of sale

- (1) A Mortgagee who has exercised a power of sale shall apply the money received from the sale:
 - (a) by paying into Court a sum to meet any prior Registered Real Property Rights; or
 - (b) to discharge any prior Registered Real Property Rights to which the sale is not made subject with the consent of the Beneficiary of the Registered Real Property Rights.
- (2) Subject to Article 66(1), the Mortgagee holds the money on trust:
 - (a) first, to pay all costs and expenses properly incurred in the sale or any attempted sale;
 - (b) second, to discharge the principal, interest, costs, and any other money and liability secured by the Mortgage;
 - (c) third, to pay later Registered Real Property Rights in the order of their priority; and
 - (d) fourth, to pay any residue to the Registered Owner or the person who appears from the Real Property Register to be entitled to any such residual from the proceeds of such sale.

67. Appointment of Receiver

- (1) If a Mortgage (whether Registered or not) entitles the Mortgagee to appoint a Receiver, and the Mortgagee appoints a Receiver, the Receiver:
 - (a) may do anything in relation to the Lot that the Mortgagor could have done; and
 - (b) may act as the Mortgagor's agent.
- (2) However, if the Receiver sells the Lot, the Receiver is subject to the same duties and responsibilities as if the Mortgagee were selling the same.

68. Entry into possession

- (1) In exercising the power to enter into possession of the Lot and receive the Rents and profits from them, the Mortgagee has the same remedies as a Lessor has against a Lessee whose Rent is in arrears or for any other breach of Lease.
- (2) Where the Mortgagee exercises the power under Article 68(1), the Mortgagee's receipt in writing is sufficient evidence for a Lessee that the Mortgagee is entitled to receive the Rents under a Lease, and the Lessee is not bound to inquire whether the Mortgagee has properly exercised the power.

69. Foreclosure

- (1) On application by a Registered Mortgagee, the Court may make an order for foreclosure.
- (2) If the Court makes an order for foreclosure, the Registrar shall notate the order on the Folio to

which it relates if requested by a party to the proceedings or directed by the Court.

- (3) On notation of the order, the Mortgagor's Real Property Interest in the Lot vests in the Mortgagee, free from all liability under Mortgages or other Real Property Interests Registered after the Mortgage, except for Leases and other Real Property Rights that bind the Mortgagee under this Law or contractually with the respective parties.

CHAPTER 3 — FURTHER ADVANCES

70. Right to make further advances

- (1) Despite any other provision of this Law, a Mortgagee under a prior Registered Mortgage against a Lot may make further advances to the borrower under such Mortgage which shall rank in priority to later Registered Mortgages provided:
 - (a) the prior Registered Mortgage expressly authorises the making of further advances (and regardless of whether the prior Mortgagee has notice of any later registered Mortgage); or
 - (b) the prior Registered Mortgage does not expressly authorise the making of further advances, if the later Mortgagee agrees in writing to further advances being made.
- (2) For the purposes of Article 70 (1), "further advance" includes the provision of further credit or accommodation (including on a current, revolving or continuing account), regardless of whether the Mortgagor is a debtor or guarantor or surety for the further advance.

PART 10: STATUTORY CHARGES**71. Registration of statutory charges**

- (1) A person or public authority with the benefit of a statutory charge over a Lot may apply to the Registrar to have the charge Registered in the Folio.
- (2) On receiving the application, the Registrar shall Register the charge.
- (3) The Registrar shall give notice of the Registration of all charges to all persons who have a Registered Real Property Interest or Real Property Right in such Lots.
- (4) In this Article 71, "statutory charge" means a charge on Real Property established by or under a Law in force in the DIFC that:
 - (a) imposes a restriction on the use of or dealing with the Real Property; or
 - (b) gives a right to a person to deal with the Lots, including the right of sale.

PART 11: EASEMENTS

CHAPTER 1 – GENERAL

72. Easements in Gross permitted

- (1) This Law permits the creation of Easements in Gross under the principles of English common law and equity.
- (2) In the construction of this Part, a reference to an Easement includes a reference to an Easement in Gross, unless the contrary appears.

73. Easements by prescription or implication

- (1) Except as provided in this Law, Easements cannot be acquired over Real Property by prescription or implication.
- (2) Article 73(1) shall not apply to ancillary rights implied into an Easement that are necessary for the effective enjoyment of the Easement.

74. Rights to support of Real Property and structures

- (1) A person shall not excavate or develop a Lot in a way that adversely affects the stability of an adjoining Lot or structures on it.
- (2) A person who breaches Article 74(1) is liable to any person who suffers loss or damage as a result of the breach.

CHAPTER 2 — IMPLIED EASEMENTS IN DEVELOPMENTS AND SUBDIVISIONS

75. Implied Easements for services in development

- (1) Where two (2) or more Lots form part of the same development, there are implied under this Article 75 Easements for services that benefit and bind each Lot as set out further in Articles 75(2) and (3) below.
- (2) The Easements implied under this Article 75 are Easements for the passage of water, electricity, drainage, gas and sewerage through or by means of installations (including sewers, pipes, wires, cables or ducts), to the extent to which the installations are required to adequately and effectively service the Lot.
- (3) The Easements implied under this Article 75 include the right for the Registered Owner of the benefited Lot to enter the burdened Lot at all reasonable times, and upon giving reasonable notice, to repair or renew the installations (but subject to the obligation to repair any damage caused to the burdened Lot in the process of doing so).
- (4) The Registered Owner from time to time of the benefited Lot shall contribute a reasonable proportion of the cost of maintaining the installations, unless able to establish a legal entitlement to enjoy the Easements free from the liability to contribute.
- (5) Article 75 does not make a person liable to contribute to expenditure incurred at a time before becoming, or after ceasing to be a Registered Owner.
- (6) Unity of ownership of two (2) or more Lots does not affect the Easements implied under this Article 75.
- (7) The Easements implied under this Article 75 are Real Property Rights enforceable without any need for Registration. However, the Registrar may (but need not) Register such Easements.
- (8) This Article 75 applies to Real Property in respect of which a Folio may not yet have been created.

76. Implied Easements of right of way and other rights shown in subdivision plan

- (1) Where the Master Developer has approved the subdivision of Real Property into two (2) or more Lots, and the approved subdivision plan sets apart a Lot for the purposes of the Easements referred to in Article 76(2), there are implied under this Article 76 in favour of each Lot, the Easements referred to in Article 76(2).

- (2) The Easements implied under this Article 76 are:
 - (a) Easements for rights of way;
 - (b) Easements for drainage;
 - (c) Easements for party wall purposes; and
 - (d) Easements for the passage of water, gas, electricity, sewerage and telephone and other services to the respective Lots,

over or under the Lots set apart for those purposes on the subdivision plan, as are necessary for the reasonable enjoyment of the Lots and of any building on it at any time.
- (3) The Registered Owner from time to time of the benefited Lot shall contribute a reasonable proportion of the cost of maintaining the infrastructure of the Easements. However, the obligation to maintain party walls binds only the Registered Owners of the Lots on which the party walls stand.
- (4) Article 76(3) does not make a person liable to contribute to expenditure incurred at a time before becoming, or after ceasing to be a Registered Owner.
- (5) Unity of ownership of two (2) or more Lots does not affect the Easements implied under this Article 76.
- (6) The Easements implied under this Article 76 are Real Property Rights enforceable without any need for Registration. However, the Registrar may (but need not) Register such Easements.
- (7) This Article 76 applies to Real Property in respect of which a Folio may not yet have been created.

CHAPTER 3 — REGISTRATION OF EASEMENTS

77. Creation of Easement by Registration

- (1) An Easement may be created over a Lot by Registering a grant or reservation of an Easement.
- (2) When Registering an Easement, the Registrar shall Register the Easement:
 - (a) in the Folio for the Lot burdened; and
 - (b) unless the Easement is an Easement in Gross, in the Folio for the Lot benefited
- (3) The Registrar may Register as an Easement a right to install and use pipes, cables or similar installations, even though the right amounts to exclusive possession or occupation of the area occupied by the pipes, cables or installations.
- (4) The Registrar may refuse to Register as an Easement that, in the Registrar's opinion, does not comply with the requirements for a valid Easement.

78. Requirements for Easement

- (1) In order to be Registered, an Instrument creating an Easement shall:
 - (a) indicate clearly the nature of the Easement, the rights granted or reserved under it, and the Lot (or part of the Lot) burdened by the Easement;
 - (b) if required by the Registrar, include a plan of survey identifying the Lot (or part of the Lot) to be burdened by the Easement, and (unless the Easement is an Easement in Gross) the Lot to be benefited by the Easement;
 - (c) in the case of an Easement in Gross, identify the persons having the benefit of the Easement; and
 - (d) contain the consents of all Registered Mortgagees and Registered Lessees of the Lot to be burdened by the Easement.
- (2) This Article 78 does not limit the matters that the Registrar may require to be included in an Instrument creating an Easement.
- (3) Where an Easement relates to underground pipes, cables or other installations the locations of

which are difficult to describe with precision, the Registrar may accept for Registration an Instrument that contains only a general description of the location.

79. Easement benefiting and burdening same Registered Owner's Lots

An Easement may be Registered even if the Lot benefited and the Lot burdened by the Easement have the same Registered Owner.

CHAPTER 4 — VARIATION OR EXTINGUISHMENT OF EASEMENTS

80. Variation or release of Easement by parties

- (1) An Easement that is Registered may be varied or wholly or partly extinguished by Registering a variation or release of Easement.
- (2) Unless the Easement is an Easement in Gross, the variation or release shall be executed by the Registered Owner of the Lot benefited by the Easement and by the Registered Owner of the Lot burdened by the Easement.
- (3) The variation or release of an Easement in Gross shall be executed by the Relevant Authority having the benefit of the Easement and by the Registered Owner of the Lot burdened by the Easement.
- (4) Subject to Article 80(5), an Easement that is Registered may be varied or released only if all Mortgagees and Lessees that are Registered on the Folio for the Lot benefited by the Easement consent.
- (5) Article 80(4) does not apply to a Lessee who, in the Registrar's opinion, does not receive a benefit from the Easement.

81. Same person becoming Registered Owner of benefited and burdened Lots

- (1) If the same person becomes the Registered Owner of the Lot benefited and the Lot burdened by an Easement, the Easement is extinguished only if:
 - (a) that Registered Owner requests the Registrar to extinguish the Easement; or
 - (b) the Registrar creates a single Folio for the Lots.
- (2) An Easement that is Registered is not extinguished merely because the Registered Owner of the Lot benefited by the Easement acquires a Real Property Interest in the Lot burdened by the Easement.

82. Cancellation of Easement

- (1) The Registrar shall cancel the Registration of an Easement on being satisfied that:
 - (a) any period of time for which the Easement was to subsist has expired; or
 - (b) an event on which the Easement was to come to an end has occurred; or
 - (c) the Easement has been abandoned.
- (2) Regardless of whether an Easement has been abandoned, if an Easement has not been used for at least twelve (12) years, then:
 - (a) the Registered Owner of the burdened Lot may apply to the Registrar to have the Easement cancelled;
 - (b) if satisfied that the evidence supports the application, the Registrar may notify the Registered Owner of the benefited Lot (or, in the case of an Easement in Gross, the Relevant Authority having the benefit of the Easement) that, unless the Registrar receives an objection to the application within one (1) month of the notice, the Registrar intends to cancel the Easement;
 - (c) if the Registrar does not receive an objection within the one (1) month, or if the Registrar does receive an objection within that time but considers it to be of insufficient merit, the Registrar may cancel the Easement; and
 - (d) if the Registrar receives an objection within that time and considers the objection to be of merit, the Registrar may not cancel the Easement and the Registered Owner of the burdened

Lot may apply to the Court for relief under Article 83.

83. Court order varying or extinguishing Easement

- (1) The Court may, on application by any person with an interest in the Lot burdened by an Easement, make an order wholly or partly varying or extinguishing the Easement.
- (2) The Court may not make an order under Article 83(1) unless satisfied that:
 - (a) by reason of a change in use of the burdened Lot, as approved by the Relevant Authority, the continued existence of the Easement will impede the development of the Lot for public or private purposes; or
 - (b) the proposed variation or extinguishment will not substantially and detrimentally harm or cause loss to a person entitled to the benefit of the Easement.
- (3) When making an order under Article 83(1), the Court may order the applicant to pay compensation to any person entitled to the benefit of the Easement.
- (4) An order under Article 83(1) binds all persons who are, or who may become entitled to, the benefit of the Easement, regardless of whether they have been notified of, or participated in, the proceedings.
- (5) The Registrar may make a notation of the Court order (and any subsequent amendment or repeal of such Court order) in the Folios for the burdened Lot and (except in the case of an Easement in Gross) the benefited Lot.

CHAPTER 5 — MEANING OF CERTAIN TYPES OF EASEMENTS

84. Right of way, right of footway, and party wall.

- (1) In the construction of an Instrument creating a right of way over Real Property, the expressions "right of way" and "right of footway" have the following meanings, subject to contrary provision in the Instrument:
 - (a) Right of way: Full right for the Registered Owner of the benefited Lot, and every person authorised by that Registered Owner, to pass and repass at all times and for all purposes, on foot or in vehicles, and with or without animals.
 - (b) Right of footway: Full right for the Registered Owner of the benefited Lot, and every person authorised by that Registered Owner, to go, pass and repass on foot, at all times and for all purposes, and with or without animals.
- (2) In the construction of an Instrument referring to a "party wall", that expression means (unless the contrary intention appears) a wall severed vertically and longitudinally with separate ownership of the severed portions, and with cross-Easements entitling each of the persons entitled to a portion of the wall to have their building supported by the whole wall.
- (3) Where a Lot is Transferred by a person entitled to create Easements in relation to a wall built on the common boundary of that Lot and adjoining Lot, and the Transfer Instrument describes the wall as a party wall, then the Transfer Instrument, when Registered, operates to create an Easement for a party wall.

CHAPTER 6 - EASEMENTS CREATED BY COURT ORDER

85. Easements created by Court order

- (1) The Court may make an order imposing an Easement over a Lot if the Easement is reasonably necessary for the effective use or development of another Lot that will have the benefit of the Easement.
- (2) The Court may make an order under Article 84(1) only if satisfied that:
 - (a) use of the Lot having the benefit of the Easement will not materially impact the use of the burdened Lot or be inconsistent with the public interest;
 - (b) the Registered Owner to be burdened by the Easement and each other person having a

Registered Real Property Interest in that Lot can be adequately compensated for any loss or other disadvantage that will arise from imposition of the Easement; and

- (c) all reasonable attempts have been made by the applicant for the order to obtain the Easement or an alternative Easement having the same effect but have been unsuccessful.
- (3) The Court order is to specify the nature of the Easement, and whatever information is required by Article 78 to enable the Easement to be Registered. The order may limit the times at which the Easement applies.
- (4) The Court order is to provide for payment by the applicant to specified persons of any compensation the Court considers appropriate, unless the Court determines that compensation is not payable because of the special circumstances of the case.
- (5) The applicant shall pay the costs of the proceedings, unless the Court orders otherwise.
- (6) The Easement may be varied or released in accordance with the provisions of Article 80.
- (7) Nothing in this Article prevents the Easement from being varied or extinguished by a Court under Article 83.

CHAPTER 7 — CONTRIBUTIONS TO REPAIRS

86. Contribution to repairs

- (1) Where an Easement contains a Covenant obliging one or more persons to contribute to the cost of constructing or repairing the subject matter of the Easement, the obligation binds not only those persons but also their successors in title as if they had been a party to the Instrument creating the Easement, for as long as the Easement subsists.
- (2) However, a person's liability under Article 86 (1) does not extend to expenditure made before the person became the Registered Owner, or after the person ceased to be the Registered Owner.

PART 12: COVENANTS**CHAPTER 1 — GENERAL****87. Covenants in Gross permitted**

- (1) This Law permits the creation of Covenants in Gross under the principles of English common law and equity.
- (2) In the construction of this Part, a reference to a Covenant includes a reference to a Covenant in Gross, unless the contrary appears.
- (3) This Part 12 does not apply to the Registration of the Master Community Declaration as a Covenant in Gross under Part 24 which shall be subject to the provisions contained therein.

88. Positive Covenants permitted

- (1) This Law permits the creation of positive Covenants as well as negative (restrictive) Covenants.
- (2) In the construction of this Part, a reference to a Covenant includes a reference to a positive Covenant, unless the contrary appears.

CHAPTER 2 — REGISTRATION OF COVENANTS**89. Creation of Covenant by Registration**

- (1) A Covenant may be created as a Real Property Right over a Lot by Registering the Instrument containing the Covenant.
- (2) When Registering a Covenant, the Registrar shall Register the Covenant:
 - (a) in the Folio for the Lot burdened; and
 - (b) unless the Covenant is a Covenant in Gross, in the Folio for the Lot benefited.
- (3) The Registrar may refuse to Register a positive Covenant that, in the Registrar's opinion, imposes an unreasonable burden on a Lot.
- (4) The Registrar may refuse to Register as a Covenant a Real Property Right that, in the Registrar's opinion, does not comply with the requirements for a valid Covenant.

90. Requirements for Covenant

- (1) In order to be Registered, an Instrument creating a Covenant shall:
 - (a) indicate clearly the nature of the Covenant and the rights created under it;
 - (b) include a description sufficient to identify the Lot to be burdened by the Covenant and (unless it is a Covenant in Gross) the Lot to be benefited by the Covenant;
 - (c) in the case of a Covenant in Gross, identify the person having the benefit of the Covenant; and
 - (d) contain the consents of all Registered Mortgagees and Registered Lessees of the Lot to be burdened by the Covenant.
- (2) This Article 90 does not limit the matters that the Registrar may require to be included in an Instrument for the Registration of a Covenant.

91. Covenant benefiting and burdening same Registered Owner's Lots

A Covenant may be Registered even if the Lot benefited and the Lot burdened by the Covenant have the same Registered Owner.

CHAPTER 3 — VARIATION OR EXTINGUISHMENT OF COVENANTS**92. Variation or release of Covenant by parties**

- (1) A Registered Covenant may be varied or wholly or partly released by Registering a variation or

release of Covenant.

- (2) Unless the Covenant is a Covenant in Gross, the variation or release shall be executed by the Registered Owner of the Lot benefited by the Covenant and by the Registered Owner of the Lot burdened by the Covenant.
- (3) The variation or release of a Covenant in Gross shall be executed by the person having the benefit of the Covenant and by the Registered Owner of the Lot burdened by the Covenant.
- (4) Subject to Article 92(5), a Registered Covenant may be varied or released only if all Registered Mortgagees and Lessees of the Lot benefited by the Covenant consent.
- (5) Article 92(4) does not apply to a Lessee who, in the Registrar's opinion, does not receive a benefit from the Covenant.

93. **Same person becoming Registered Owner of benefited and burdened Lots**

- (1) If the same person becomes the Registered Owner of the Lot benefited and the Lot burdened by a Covenant, the Covenant is extinguished only if:
 - (a) that Registered Owner asks the Registrar to extinguish the Covenant; or
 - (b) the Registrar creates a single Folio for the Lots.
- (2) A Registered Covenant is not extinguished merely because the Registered Owner of the Lot benefited by the Covenant acquires a Real Property Interest in the Lot burdened by the Covenant.

94. **Duration of Covenant**

- (1) A Covenant shall be enforceable for the period specified in the Instrument and shall cease to be enforceable once such period elapses, unless the parties Register an Instrument for the removal of the Covenant prior to the expiry of this period.
- (2) Where a Covenant ceases to be enforceable under Article 94(1), the Registrar may Register that fact in the Folios for the Lot burdened and (except in the case of a Covenant in Gross) the Lot benefited.
- (3) Despite Article 94(1), the parties may agree, before the Covenant ceases to be enforceable, to extend it by lodging with the Registrar an Instrument of extension.
- (4) The Registrar shall Register the extension of the Covenant in the Folio for the Lot burdened and the Lot benefited.

95. **Court order varying or extinguishing Covenant**

- (1) The Court may, on the application of the Registered Owner of the Lot burdened by a Covenant, make an order wholly or partly varying or extinguishing the Covenant.
- (2) The Court may not make an order under Article 95(1) unless it is satisfied that:
 - (a) by reason of a change in use of the burdened Lot, as approved by the Master Developer and any Relevant Authority, the continued existence of the Covenant will impede the development of the Lot for public or private purposes; or
 - (b) the proposed variation or extinguishment will not substantially and detrimentally harm or cause loss to a person entitled to the benefit of the Covenant.
- (3) When making an order under Article 95(1), the Court may order the applicant to pay compensation to any person entitled to the benefit of the Covenant.
- (4) An order under Article 95(1) binds all persons who are, or who may become entitled to, the benefit of the Covenant, regardless of whether they have been notified of, or participated in, the proceedings.
- (5) The Registrar may make a notation of the Court order (and any subsequent amendment or repeal of such Court order) in the Folios for the burdened Lot and the benefitted Lot.

PART 13: TRUSTS96. **Dealing by trustee**

Where a Registered Owner is a trustee, a person dealing with that trustee, and the Registrar:

- (a) is entitled to assume that the trustee is the legal and beneficial owner of the Lot expressly and irrevocably authorised to deal with the Lot under the Instrument to be registered without need for any further enquiry whatsoever;
- (b) need not enquire whether the trustee is acting in breach of trust;
- (c) is not affected by notice of the trust or the rights of the beneficiaries under the trust; and
- (d) is not liable under any rule relating to the knowing receipt of trust property.

PART 14: DECEASED ESTATES**97. Registration of personal representative**

- (1) A person may lodge an application to be recognised as the personal representative of a deceased Registered Owner.
- (2) If satisfied that the person is entitled to be recognised as the personal representative of a deceased Registered Owner, the Registrar may allow the person to Register a Caveat noting that the person is acting in the capacity of personal representative of the deceased prior Registered Owner and authorised to do so.

98. Dealings without Registration of personal representative

- (1) The Registrar may Register a dealing by the personal representative of a deceased Registered Owner without requiring the personal representative to be Registered, if the Registrar considers it unnecessary or impracticable to require the personal representative to be Registered.
- (2) Before acting under Article 98(1), the Registrar may require whatever evidence the Registrar considers necessary to protect the Real Property Interests of those whom the Registrar considers to be entitled to the deceased's estate.

99. Notice of death

- (1) A person entitled to Real Property on the death of a joint tenant may apply to the Registrar to Register the death.
- (2) If satisfied that the death has occurred by sighting an attested and authenticated death certificate from the relevant jurisdiction, the Registrar may make the appropriate Transfer in the Folio to indicate that the deceased's Real Property Interest has determined and that the Real Property Interest has vested in the surviving joint tenant or joint tenants entitled to the reversion or remainder.

PART 15: INSOLVENCY

100. Transmission on Insolvency

- (1) The Registrar may Register a passing of title to a Lot in any manner other than by way of a Transfer (a “transmission”) under an Insolvency Law only if a request to Register the transmission is lodged.
- (2) A person Registered by transmission under Article 100(1) is taken to be the Registered Owner for the purpose of any dealing with the Real Property.
- (3) Until Registration of the transmission under Article 100(1), no Real Property Interest vests in a person entitled under an Insolvency Law, but this does not prevent the person lodging a Caveat in respect of a Real Property Interest claimed.

PART 16: WRITS**101. Request to Register Writ of Execution**

The Registrar shall Register a Writ of Execution relating to Real Property if:

- (a) a request to Register the Writ of Execution is lodged for Registration by the judgment creditor for whose benefit the Writ of Execution was issued, together with an official copy of the Writ of Execution; and
- (b) the request is lodged within six (6) months of the date of issue of the Writ of Execution.

102. How a Writ of Execution is Registered

The Registrar Registers a Writ of Execution by Registering the Writ of Execution in the Folio of the Lot to which the Writ of Execution relates.

103. Effect of Registering Writ of Execution

(1) A Writ of Execution:

- (a) does not bind or affect a Lot until it is Registered; and
- (b) binds or affects a Lot only if it is Registered within:
 - (i) twelve (12) months after the date it is issued; or
 - (ii) an extended time allowed by the court of issuance.

(2) A Registered Writ of Execution takes effect as if it were a Registered Mortgage securing the amount payable under the Writ of Execution. A sale under the Writ of Execution is treated as if it were a sale by a Registered Mortgagee in exercise of a power of sale.

104. Cancellation of Registration of Writ of Execution

The Registrar shall cancel the Registration of a Writ of Execution if:

- (a) a request to cancel is lodged by the judgment creditor for whose benefit the Writ of Execution was issued; or
- (b) the Registrar is satisfied that the time or extended time for executing and putting the Writ of Execution into force has expired.

105. Discharging or satisfying Writ of Execution

- (1) If a Registered Writ of Execution has been satisfied or discharged, the Registrar may Register that fact in the Folio.
- (2) The Registrar will act under Article 105(1) on application by a Registered Owner.

106. Transfer of Lots sold under a Writ of Execution

If a Lot is sold under a Registered Writ of Execution, the appropriate registrar or officer of the court of issuance may effect a Transfer to the Prospective Owner or Purchaser by Registration of a Transfer Instrument.

PART 17: CAVEATS**CHAPTER 1 — REGISTERING CAVEATS****107. Who may Register a Caveat**

- (1) To the extent that a Real Property Interest or a Real Property Right may not be Registered in respect of the affected Lot, a Caveat may be Registered in relation to such Real Property Interest or Real Property Right by any of the following persons:
 - (a) a person claiming a Real Property Interest or a Real Property Right in respect of the Lot;
 - (b) the Registered Owner;
 - (c) a person who has the benefit of an injunction from the Court restraining a Registered Owner from dealing with the Lot.
- (2) A Caveat may also be Registered by the Registrar under Article 142.

108. Requirements of Caveat

- (1) A Caveat Registered under Article 107(1) shall be in the Approved Form.
- (2) In addition to any other requirements in the Approved Form, a Caveat shall state:
 - (a) the name of the Caveator;
 - (b) the Real Property Interest or Real Property Right claimed by the Caveator;
 - (c) the grounds on which the Real Property Interest or Real Property Right is claimed;
 - (d) the Lot affected by the Caveat and, if the Caveat relates to part only of such Lot, a description of the part or Lot;
 - (e) the Registered Real Property Interest or Real Property Right affected by the Caveat;
 - (f) the extent of the prohibition on dealings in the Lot;
 - (g) an address within the UAE where Documents can be served on the Caveator, including any Documents in Court proceedings relating to the Caveat; and
 - (h) unless the Registrar dispenses with it, the name and address of:
 - (i) the Registered Owner of the Lot affected by the Caveat; and
 - (ii) each person known to the Caveator whose Real Property Interest, Real Property Right, or whose claim to Registration of an Instrument may be affected by the Caveat.

109. Registering a Caveat

If a Caveat is lodged that complies with Article 108, the Registrar shall Register the Caveat in the Folio.

110. Notifying Caveat

- (1) The Registrar shall give written notice of Registration of a Caveat to each Registered Owner of the Lot that is the subject of the Caveat.
- (2) Service on the Registered Owner by the Registrar of a notice under Article 110(1) shall be deemed to have been effected upon delivery of such notice to the Registered Owner(s)'s Address or the address of the Lot if the Registered Owner(s)'s Address is not within the UAE.

CHAPTER 2 — EFFECT OF CAVEAT**111. Effect of lodging Caveat**

- (1) A Caveat prevents the Registration of an Instrument affecting the Lot in respect of which the Caveat is lodged:
 - (a) to the extent stated in the Caveat; and

- (b) from the time the Caveat was lodged.
- (2) Article 111(1) has effect until the Caveat lapses or is withdrawn, removed or cancelled.
- (3) The Registration of a Caveat does not prevent Registration of the following:
 - (a) an Instrument specified in the Caveat as an Instrument to which the Caveat does not apply;
 - (b) an Instrument to the Registration to which the Caveator consents;
 - (c) an Instrument executed by a Mortgagee pursuant to the provisions of a Mortgage, if the Mortgage was Registered before the Caveat was Registered;
 - (d) a Real Property Interest or a Real Property Right that, if Registered, would not affect the Real Property Interest or Real Property Right claimed by the Caveator; and
 - (e) an Instrument that was lodged for Registration before the Caveat was Registered.
- (4) For the purposes of Article 111(3), "Mortgagee" includes a sub-mortgagee.
- (5) Where the Registrar Registers a Transfer Instrument that does not completely Transfer the Real Property Interest of the Registered Owner to which the Caveat relates, the Caveat remains in force as to the balance of that Real Property Interest.
- (6) Subject to Article 115, the Registration of a Caveat does not prevent the Registration of another Caveat.

CHAPTER 3 — WITHDRAWAL, LAPSING AND REMOVAL OF CAVEATS

112. Withdrawal of Caveat

- (1) A Caveat may be withdrawn by lodging a request to withdraw it in the Approved Form.
- (2) The withdrawal of Caveat takes effect at the time the Approved Form of withdrawal is Registered.
- (3) The Instrument of withdrawal request may be lodged by:
 - (a) the Caveator;
 - (b) where the Caveator has died, the Caveator's personal representative recognised by the Registrar pursuant to Article 97;
 - (c) where the Caveators are joint tenants, by the surviving joint tenant or joint tenants;
 - (d) by any person properly authorised at law to act on the Caveator's behalf.

113. Lapsing of Caveat

- (1) This Article 113 applies to a Caveat unless it is Registered by the Registrar under Article 142.
- (2) A Caveatee may serve on the Caveator at any time a notice requiring the Caveator to start proceedings in the Court to establish the Real Property Interest or Real Property Right claimed under the Caveat.
- (3) Service on the Caveator by the Caveatee of a notice under Article 113(2) shall be deemed to have been effected upon delivery of such notice to the Caveator's address provided under Article 108(2)(g).
- (4) The Caveatee shall notify the Registrar of the service on the Caveator, within ten (10) days of the service of the notice.
- (5) If the Caveatee has complied with Article 112(4), the Caveat lapses sixty (60) days after notice is served on the Caveator unless one of the circumstances in Article 112(6) can be established.
- (6) Despite Article 113(5), the Caveat does not lapse:
 - (a) if the Caveator has started appropriate proceedings and the Registrar has been notified of the proceedings; or

(b) if the Caveator notifies the Registrar within twenty (20) days of being served with the notice under Article 113(2) that the Caveator does not want the Caveat to lapse and that the Caveator will start proceedings to establish the Real Property Interest or Real Property Right claimed under the Caveat.

(7) If a Caveator has notified the Registrar under Article 113(6)(b) that the Caveator will start proceedings, the Caveat lapses sixty (60) days after the notice under Article 113(2) was served on the Caveator unless, within that time, the Caveator provides the Registrar with evidence that the proceedings have been started.

114. Removal of Caveat by Court order

(1) A Caveatee may at any time apply to the Court for an order that a Caveat be removed.

(2) The Court may make the order:

(a) regardless of whether the Caveator has been served with the application; and

(b) on the terms it considers appropriate.

115. Further Caveat

If a Caveat lapses or is withdrawn, removed or cancelled, the Caveator may not lodge another Caveat for a Lot on the same, or substantially the same grounds, except with leave of the Court or the written consent of the Registered Owner.

116. Cancellation of Caveat by Registrar

(1) The Registrar may cancel a Caveat if a request to cancel the Caveat is lodged and the Registrar is satisfied that:

(a) the Real Property Interest or Real Property Right claimed by the Caveator has ceased or the Caveator's claim to it has been abandoned, settled or withdrawn; or

(b) the nature of the Real Property Interest or Real Property Right claimed does not entitle the Caveator to prevent Registration of an Instrument that has been lodged for Registration.

(2) The Registrar shall notify the Caveator of the Registrar's intention to cancel the Caveat, at least seven (7) days before cancelling it.

(3) Regardless of whether a request to cancel the Caveat has been lodged, if an Instrument that has been lodged will, on being Registered, give full effect to a Real Property Interest or Real Property Right claimed in a Caveat, the Registrar may cancel the Caveat and Register the Instrument.

117. Order for security

In proceedings in relation to a Caveat, the Court may order the Caveator to give undertakings, or lodge security, or both.

CHAPTER 4 — IMPROPER CAVEATS

118. Compensation for improper Caveat

(1) A Caveator who Registers or continues a Caveat without reasonable cause shall compensate anyone who suffers loss as a result.

(2) In proceedings for compensation under Article 118(1):

(a) the Caveator bears the onus of proving that the Caveat was Registered or continued with reasonable cause; and

(b) the Court may include in any compensation a component for damages suffered.

CHAPTER 5 — GENERAL

119. Notices to Caveator

(1) A notice to a Caveator under this Part is sufficiently served if delivered in accordance with Article

113(3) above.

- (2) If the Registrar considers that a notice will not reach the Caveator if served in the way mentioned in Article 119(1), the notice may be delivered in any other way the Registrar considers appropriate.

120. **Right to injunction not affected**

Nothing in this Part prevents a person from seeking an injunction to protect a Real Property Interest or Real Property Right in a Lot.

PART 18: INSTRUMENTS**CHAPTER 1 — MANNER OF EXECUTION OF, AND RELIANCE ON, INSTRUMENTS****121. Execution of Instruments**

An Instrument shall be executed by the parties to the Instrument and, in respect of a discharge of a Mortgage, the Mortgagee in respect of a total or partial discharge of such Mortgage if applicable.

122. Indicating consent when required for dealing

If the consent of a person is necessary for any dealing with a Lot, the consent shall be:

- (a) written or contained on, or form part of, the relevant Instrument; or
- (b) if the Registrar considers it appropriate, lodged with the relevant Instrument.

123. Execution of Instruments by corporations and natural persons

- (1) For a person which is a corporate entity, an Instrument relating to a Lot is validly executed if it is executed in accordance with the authority required in its constitutive documents.
- (2) For a natural person, an Instrument relating to a Lot is validly executed if:
 - (a) it is signed by the person who is a party to the Instrument; and
 - (b) the signature is witnessed in a manner approved by the Registrar, either for that Instrument, or for Instruments of that class, or for Instruments generally.

124. Execution of Instrument under power of attorney

- (1) An Instrument relating to a Lot may be executed by a person's attorney duly authorised under a power of attorney, if the requirements of Article 124(2) are met.
- (2) The requirements are that:
 - (a) the power of attorney shall be in writing;
 - (b) the power of attorney shall be executed by the appointor in accordance with the provisions of Article 123;
 - (c) the power of attorney, or a certified copy of it, shall be lodged with the Registrar; and
 - (d) if the power of attorney is executed outside of the UAE it shall be duly notarised and attested.

125. Registrar's discretion to reject an Instrument

Before Registering an Instrument, the Registrar may require the person who lodged the Instrument to provide information to satisfy the Registrar that:

- (a) the Instrument was made in good faith;
- (b) the matters set out in the Instrument are correct;
- (c) the person acquiring a Real Property Interest or a Real Property Right under the Instrument accepts ownership of that Real Property Interest or the grant of the Real Property Right and is not under any legal disability; and
- (d) the person divesting ownership or making the grant under the Instrument is entitled to divest the Real Property Interest or grant the Real Property Right and is not under any legal disability.

CHAPTER 2 – SUITABILITY OF INSTRUMENTS FOR REGISTRATION**126. When Instrument capable of Registration**

An Instrument is able to be Registered only if it:

- (a) complies with this Law;

- (b) appears on its face to be capable of being Registered; and
- (c) is accompanied by any form of application or other Document, and payment of any applicable Prescribed Fee, that may be required by the Registrar or by this or any other law.

127. Address for service to be provided

- (1) An Instrument lodged for Registration shall specify an address in the UAE for the service or delivery of notices for each person that is a party to the Instrument.
- (2) Each person referred to in Article 127(1) shall ensure that the Registrar is notified of any change in the address for service or delivery.
- (3) The Registrar shall Register:
 - (a) the address for service or delivery provided under Article 127(1); and
 - (b) any change of address provided under Article 127(2).

CHAPTER 3 — THE PROCESS OF REGISTERING INSTRUMENTS

128. Lodgement of Instruments by electronic or other means

The Registrar may:

- (a) permit Instruments to be executed;
 - (b) permit Instruments or Documents to be lodged for Registration; and
 - (c) correct Instruments that have been lodged,
- to be lodged for Registration, by any means, including by electronic means.

129. Registrar's power to correct obvious errors in Instruments

- (1) Where the Registrar considers that an Instrument lodged for Registration contains an obvious error, the Registrar may correct the error by noting the correction on the Instrument.
- (2) The Registrar:
 - (a) may not act under Article 129(1) unless satisfied that the correction will not prejudice the rights of a person; and
 - (b) shall, as soon as practicable after making the correction, notify the person who lodged the Instrument that the correction has been made.
- (3) An Instrument corrected by the Registrar under this Article has the same effect as if the error had not been made.

130. Registrar's requisitions

- (1) Before Registering an Instrument, the Registrar may serve on the person who lodged it a notice requiring:
 - (a) the Instrument to be re-executed, completed or corrected, if the Registrar considers it to be defective, incomplete or incorrect; or
 - (b) the person to supply information or produce Documents the Registrar considers necessary or appropriate in order to Register the Instrument.
- (2) The Registrar may require any information supplied or Document produced under Article 130(1)(b) be verified by statutory declaration or other form of sworn statement.

131. Rejecting Instrument if requisitions not complied with

- (1) If within twenty (20) days of service of the notice under Article 130, or any extended period the Registrar considers appropriate, the person does not comply with the notice, the Registrar may reject the Instrument and any Instrument that depends on it for Registration.
- (2) An Instrument rejected under Article 131(1) loses its priority under Article 21.

- (3) Where the Registrar rejects an Instrument under Article 131(1), the Registrar shall return it to the person who lodged it, and may endorse a note on the Instrument that it has been rejected.
- (4) This Article 131 does not prevent a rejected Instrument being re-lodged after the notice has been complied with.

132. Requiring plan of survey to be lodged

- (1) If the Registrar considers that it is necessary or appropriate, the Registrar may require a person who lodges an Instrument for Registration to lodge a plan, map or diagram of the Lot or part of the Lot to be affected by the Instrument.
- (2) The plan, map or diagram shall comply with the Registrar's Directives as to dimensions, scale and contents.

133. Protection of persons under disability

- (1) Where it appears to the Registrar that a Registered Owner is under some other legal disability, the Registrar shall Register a Caveat noting the disability in the Folio.
- (2) Where a Caveat noting a disability is Registered under Article 133(1), the Registrar shall not Register an Instrument executed by that Registered Owner, unless:
 - (a) the Court has authorised the execution of the Instrument; or
 - (b) the Registrar considers that execution of the Instrument is within the Registered Owner's legal capacity.

134. Minors

- (1) Where it appears to the Registrar that a proposed Registered Owner is a Minor as at the date of the Transfer Instrument, the Registrar shall not Register the Minor as the Registered Owner in the Folio and shall Register the Minor's appointed guardian as the Registered Owner and shall Register a Caveat noting the beneficial ownership interest of the Minor.
- (2) Where a Caveat noting the beneficial ownership interest of the Minor is Registered under Article 134(1), the Registrar shall not Register an Instrument in respect of the Real Property, unless:
 - (a) the Court has authorised the execution of the Instrument; or
 - (b) the Minor has attained the age of eighteen (18) years and consents in writing to the Registration of the Instrument.
- (3) In the event the Minor reaches the age of eighteen (18), the Registrar shall upon receiving a Transfer Instrument transferring the Real Property Interest in the Lot to the Minor, Register the same without delay.

CHAPTER 4 — STANDARD TERMS INCORPORATED INTO INSTRUMENTS

135. Standard Terms Documents

- (1) The Registrar or another person may lodge a standard terms document and may amend the Document by lodging a further standard terms document.
- (2) The Registrar shall give each standard terms document a distinguishing reference.
- (3) All or part of a standard terms document lodged under Article 135(1) forms part of a Registered Instrument if the Instrument says that it forms part of the Instrument.
- (4) In this Article, "standard terms document" means a document containing provisions that are intended to be incorporated into a Registered Instrument.

136. Prescribed standard terms

Where the DIFCA has made Regulations under Article 174 prescribing standard terms and conditions for Instruments, the terms and conditions are taken to be incorporated into Instruments executed after the date the Regulations come into operation, unless varied or removed by express provision in the Instrument.

CHAPTER 5 — OBLIGATIONS IN REGISTERED INSTRUMENTS**137. Obligations in Registered Instruments: successors in title implied**

In an Instrument relating to a Lot, unless a contrary intention is expressed, obligations in such an Instrument:

- (a) are deemed to be made by the parties to the Instrument and their respective successors in title; and
- (b) have effect as if those successors in title were expressly referred to in such Instrument.

138. Registration does not impute validity or enforceability

- (1) The Registration of an Instrument does not in itself impute or imply the validity or legal enforceability of the subject matter of the Instrument which at all times remains subject to the contractual and statutory rights and obligations of the parties to the Instrument.
- (2) The Registrar may, for information purposes only, require the parties to an Instrument provide supporting documentary evidence of the subject matter of such Instrument for the purpose of determining the Prescribed Fee or for such other purposes at the Registrar may consider appropriate from time to time. Nothing contained in this Article 138(2) obliges the Registrar to request, collect or retain any supporting documentary evidence of the subject matter of an Instrument.
- (3) The Registrar is not obliged to confirm the correctness of an Instrument, or any supporting documentary evidence of the subject matter of such Instrument, which obligation remains at all times solely on the parties to the Instrument.

PART 19: SUBDIVISIONS

139. Subdivision approval before dealing with part of Lot

The Registrar shall not Register an Instrument affecting part only of a Lot unless the Registrar is satisfied that in relation to the part:

- (a) the Master Developer or the Relevant Authority has certified that its requirements relating to subdivision have been met; and
- (b) the boundaries and dimensions of the part accord with the boundaries and dimensions shown in a plan for that part lodged with and approved by the Registrar.

PART 20: POWERS OF AND PROCEEDINGS AGAINST REGISTRAR**CHAPTER 1 — POWERS****140. General powers of the Registrar**

The Registrar has the power to do whatever the Registrar deems necessary, for or in connection with, or reasonably incidental to, the exercise and performance of his powers and functions, inclusive of the power of delegation, subject to the applicable decision making procedures.

141. Registrar may correct Real Property Register

- (1) The Registrar may correct the Real Property Register if satisfied that:
 - (a) the Real Property Register is incorrect; and
 - (b) the correction will not prejudice the rights of a Registered Owner, Beneficiary or Caveator.
- (2) The Real Property Register as corrected by the Registrar has the same effect as if the error had not been made.
- (3) For the purposes of determining whether a correction will not prejudice the rights of a Registered Owner, Beneficiary or Caveator of Article 141(1)(b), the rights of such Registered Owner, Beneficiary or Caveator are not prejudiced if the Registered Owner, Beneficiary or Caveator acquired or has dealt with a Registered Real Property Interest or Real Property Right with actual or constructive knowledge that the Real Property Register was incorrect.
- (4) Before taking action under this Article 141, the Registrar may give notice of the proposed action to any person the Registrar considers should be notified of it. However, no action lies against the Registrar for failure to give notice.

142. Registrar may prepare and Register a Caveat

- (1) The Registrar may prepare and Register a Caveat over a Lot:
 - (a) to prevent a dealing that, in the Registrar's opinion, may prejudice a person who has a Real Property Interest or Real Property Right in the Lot; or
 - (b) whenever the Registrar considers it appropriate to do so to protect the integrity of the Real Property Register.
- (2) The Registrar will prepare and Register a Caveat over a Lot to give effect to a Court order directed to the Registrar.
- (3) The Caveat may be in the form the Registrar considers appropriate.

143. Registrar may state a case

- (1) Whenever a question arises concerning the performance of Registrar's duties or the exercise of the Registrar's functions, the Registrar may state a case for the opinion of the Court.
- (2) The Court's decision binds the Registrar and any other parties to the case.
- (3) If the Court considers that the question is of public importance, the Court may order that the costs of the proceedings, or the costs of some of the persons appearing in the proceedings, be paid out of the Assurance Fund.

144. Registrar may demand Prescribed Fees

- (1) The Registrar may demand and receive Prescribed Fees and charges.
- (2) The Registrar shall pay the Prescribed Fees and charges to the DIFCA.

145. Registrar may issue Approved Forms

The Registrar may issue, amend, substitute and remove any redundant Approved Forms and Instruments from time to time in the Registrars absolute discretion.

CHAPTER 2 — PROCEEDINGS AGAINST REGISTRAR

146. **Registrar may be summoned for refusal to perform duty**

- (1) A person who considers that the Registrar has refused to perform a duty under this Law may require the Registrar to state in writing the grounds of the refusal.
- (2) The Registrar shall state the grounds within thirty (30) days of receiving the request.
- (3) On receiving the grounds, or if no grounds are received within the thirty (30) days, the person may commence proceedings against the Registrar to substantiate those grounds or the refusal.
- (4) The Court may make the order it considers appropriate, and may give any directions it considers necessary for performance of the order.
- (5) The Court may make the order as to costs and expenses it thinks appropriate. Any costs or expenses payable by the Registrar are to be paid out of the Assurance Fund.

147. **Protection from liability**

The Registrar, or any person acting under the Registrar's authority, is not liable for anything done in good faith in the exercise or purported exercise of a power under this Law.

PART 21: COMPENSATION FOR LOSS**148. The Assurance Fund**

- (1) The DIFCA shall establish an Assurance Fund for the purposes set out in this Part 21.
- (2) The DIFCA shall determine the manner in which claims for compensation against the Assurance Fund are funded which may be by way of prescribing a proportion of the Prescribed Fees to be paid into the Assurance Fund or by such other means as determined by the DIFCA.
- (3) If the amount to the credit of the Assurance Fund is inadequate to meet a claim, the deficiency is payable by the DIFCA.

149. Compensation from Assurance Fund

- (1) A person who is deprived of, or suffers loss or damage in relation to, Real Property because of the circumstances in Article 149(2), may make a claim against the Assurance Fund.
- (2) The circumstances are:
 - (a) an error in the Real Property Register;
 - (b) tampering with the Real Property Register; or
 - (c) loss, destruction or improper use of a Document lodged or deposited with the Registrar or held by the Registrar.
- (3) Despite Articles 149(1) and 149(2), a claim against the Assurance Fund may not be made by a person who is able to recoup their loss or damage by an action for the recovery of:
 - (a) a Lot;
 - (b) the proceeds of sale of a Lot;
 - (c) moneys secured by a Registered Mortgage;
 - (d) Real Property Interests or Real Property Rights protected by a Caveat Registered in the Folio.

150. Time limit on claims against Assurance Fund

Any claims pursuant to the terms of Article 149 shall be made before the expiry of the earlier of:

- (a) two (2) years from the date of the cause of loss; or
- (b) six (6) months from the date of the claimant becoming aware of the cause of the claim.

151. Court order about deprivation, loss or damage

- (1) A person may apply to the Court for an order:
 - (a) determining whether compensation is payable from the Assurance Fund under Article 149, and the amount of the compensation; or
 - (b) directing the Registrar to take action in relation to the deprivation, loss or damage.
- (2) The Court may make the order it considers appropriate.
- (3) In considering the amount of compensation to be paid from the Assurance Fund, the Court shall take into account any contributory neglect, default or lack of caution by or on behalf of the claimant. Compensation shall be calculated on the basis of the lesser of:
 - (a) actual direct loss; and
 - (b) the current value of the property.

Any compensation payable shall not take into account any consequential or indirect loss.

- (4) Without limiting Article 151(2), the Court may direct the Registrar to:
 - (a) cancel or correct a Folio or other information in the Real Property Register;

- (b) create a new Folio; or
- (c) do anything else.

152. **Matters for which there is no compensation**

A person is not entitled to compensation from the Assurance Fund for deprivation, loss or damage occasioned by:

- (a) a breach of a trust or fiduciary duty (whether express, implied or constructive), including a breach of duty arising in the administration of the estate of a deceased person;
- (b) any incorrect description of boundaries;
- (c) any incorrect description of parcels or the dimensions of any Lot; or
- (d) the Registrar's act in lodging a Caveat under Article 142.

153. **Subrogation**

- (1) When compensation is paid from the Assurance Fund, the Registrar, acting on behalf of the DIFCA, is subrogated to the claimant's rights against the person responsible for the deprivation, loss or damage.
- (2) Without limiting Article 153(1), the Registrar has rights of subrogation against persons (including legal practitioners, conveyancing agents and surveyors) who in the course of their professional duties have prepared Documents for Registration that have, in whole or in part, led to the loss, deprivation or damage.
- (3) If the Registrar exercises the right of subrogation under this Article 153, the Registrar shall pay any moneys recovered into the Assurance Fund.

PART 22: SEARCHES**154. Entitlement to search Folio and Instruments**

- (1) The Registrar shall provide an Registered Owner, Beneficiary or an Interested Party an Official Search Certificate where the request is on the Approved Form from such party and accompanied by the Prescribed Fee.
- (2) An Official Search Certificate may be provided by way of certificate, statement, computer print-out or any other means the Registrar considers appropriate.
- (3) A person for whom an Official Search Certificate is obtained, and who suffers loss or damage by reason of any error in it, may recover compensation from the Assurance Fund.
- (4) A legal practitioner acting for a person for whom an Official Search Certificate is obtained is not liable for any loss or damage that may arise from reliance on it.
- (5) During normal business hours, the Registrar shall provide a Registered Owner, and to any party to whom the Registered Owner consents in writing, a copy of any Instrument Registered against the Registered Owner's Folio.
- (6) The Registrar shall provide a copy of an Instrument where the consent is in writing from the Registered Owner in the Approved Form and accompanied by the Prescribed Fee.

155. Evidentiary effect of Documents issued by Registrar

- (1) A Document issued by the Registrar conveying information relating to a Lot is to be taken to be correct, unless the contrary is shown.
- (2) A Document issued by the Registrar purporting to be a certified copy of a Registered Instrument is to be taken to be an accurate copy, unless the contrary is shown.

PART 23: OFF PLAN SALES**156. Off Plan Register**

- (1) The Registrar shall as part of the Real Property Register establish an Off Plan Register to Register:
 - (a) all Developers;
 - (b) all Off Plan Developments; and
 - (c) all Off Plan Sales.
- (2) A Developer shall not enter into any Off Plan Sales Agreement until the Developer:
 - (a) is licensed as a Developer in accordance with Article 157;
 - (b) has Registered the Off Plan Development in accordance with Article 158;
 - (c) has complied with the Directives of the Registrar (if any) with respect to the form of Off Plan Sales Agreement in accordance with Article 159;
 - (d) has provided the Prospective Owner with a Disclosure Statement in accordance with Article 160;
 - (e) has established an Escrow Account in accordance with Article 161;
 - (f) has paid to the Registrar the Prescribed Fee; and
 - (g) complied with all and any further Directives and requirements of the Registrar.
- (3) Article 156(2) does not limit the matters that the Registrar may require a Developer to undertake to be entitled to conduct Off Plan Sales.
- (4) A Developer must lodge for Registration each Off Plan Sale in the Off Plan Register no later than twenty (20) days after the entering into of an Off Plan Sales Agreement with the Prospective Owner.
- (5) A Developer who breaches an obligation under Article 156(2) commits a contravention of this Law.
- (6) Any person that seeks to circumvent, or assist the Developer in circumventing, directly or indirectly, the Developer's obligations under Article 156(2) commits a contravention of this Law.

157. Developer license

A Developer shall not enter into any Off Plan Sales Agreement until the Developer has been licensed by the Relevant Authorities to undertake development activities in the DIFC with respect to an Off Plan Development.

158. Off Plan Development Registration

- (1) A Developer shall not enter into any Off Plan Sales Agreement until the Registrar has approved and recorded the Off Plan Development in the Off Plan Register.
- (2) The Registrar may issue Directives from time to time specifying the information and Documents that a Developer must produce to the Registrar when seeking approval of the Off Plan Development which may include:
 - (a) a detailed business plan and financial costing;
 - (b) details of proposed financing arrangements;
 - (c) details of sales plan and forecast; and
 - (d) the proposed construction program.
- (3) The Registrar may refuse to approve an Off Plan Development if:
 - (a) the Developer fails to provide the information specified in Article 158(2);
 - (b) the Developer (or its affiliate) is not the Registered Owner or has not fully paid for the Lot upon which the Off Plan Development is to be constructed; or

- (c) the Registrar considers that the Developer does not have sufficient resources to complete the Off Plan Development without relying upon Off Plan Sales; or
 - (d) the Developer does not have sufficient experience or expertise in property development.
- (4) Article 158(2) does not limit the information that the Registrar may request and Article 158(3) does not limit the basis upon which the Registrar may refuse to approve the Off Plan Development.

159. **Off Plan Sales Agreements**

- (1) A Developer shall not enter into any Off Plan Sales Agreement that does not comply with this Law and any Directives of the Registrar.
- (2) The Registrar may issue Directives from time to time specifying the information and Documents that a Developer must include in an Off Plan Sales Agreement which may include the:
 - (a) form of the finishes specification;
 - (b) form of the Lot layout plan;
 - (c) proposed car parking arrangements;
 - (d) proposed payment plan; and
 - (e) proposed construction completion and handover date.
- (3) Article 159(2) does not limit the information that the Registrar may require to be included in an Off Plan Sales Agreement.

160. **Disclosure Statement**

- (1) A Developer must provide each Prospective Owner a Disclosure Statement prior to the Prospective Owner entering into the Off Plan Sales Agreement.
- (2) A Developer shall not enter into any Off Plan Sales Agreement until the Registrar has approved the form of the Disclosure Statement.
- (3) The Registrar may issue Directives from time to time specifying the information and Documents that a Developer must include in the Disclosure Statement which shall include, where applicable, the following:
 - (a) a copy of the draft plan clearly depicting the Off Plan Lot prepared by a Licensed Surveyor;
 - (b) the area of the Lot which shall include a statement specifying the internal area of the Lot, the balcony and any Accessory Lot calculated by a Licensed Surveyor in accordance with the Directives of the Registrar;
 - (c) a copy of the proposed Strata Plan or Strata Plans identifying the Common Property;
 - (d) a copy of the proposed Strata Management Statement or Strata Management Statements disclosing the proposed management structure and rules;
 - (e) details of the shared facilities that will be provided in the Common Property and the materials and finishes to be installed;
 - (f) details of the Permitted Uses in the Lots and Common Property;
 - (g) a copy of the Master Community Declaration;
 - (h) the estimated service charge rate including general fund and reserve fund contributions, and including the Prospective Owners proportionate share of the Master Community Service Charges;
 - (i) details of the proposed management arrangements including any special management arrangement and brand standards;
 - (j) details of the proposed arrangements for the supply of utility services including any mandatory utility arrangements;
 - (k) the project anticipated construction commencement and handover dates; and

- (l) such other disclosures that the Registrar may require from time to time.
- (4) The Registrar may refuse to approve the form of the Disclosure Statement if:
 - (a) the Developer fails to provide the information specified in Article 160(3); or
 - (b) the Registrar considers that the Disclosure Statement has not been prepared to an appropriate standard.
- (5) Article 160(3) does not limit the information that the Registrar may require to be included in the Disclosure Statement and Article 160(4) does not limit the basis upon which the Registrar may refuse to approve the form of the Disclosure Statement.
- (6) Should the Developer fail to provide a Prospective Owner with a Disclosure Statement prior to the Prospective Owner entering into the Off Plan Sales Agreement, the Prospective Owner may elect, but is not obliged, to terminate the Off Plan Sales Agreement at any time prior to the date being twenty (20) days after the date that the Developer provides the Prospective Owner a Disclosure Statement.
- (7) If a Prospective Owner terminates an Off Plan Sales Agreement pursuant to Article 160(6), the Developer shall within twenty (20) days refund to the Prospective Owner all moneys paid by the Prospective Owner to the Developer prior to the date of termination.
- (8) The Developer is deemed to warrant to the Prospective Owner that the information and disclosures specified in the Disclosure Statement is accurate and complete.
- (9) If a Developer fails to deliver the Off Plan Development substantially in accordance with the Disclosure Statement and such failure results in a materially and detrimental change to the Off Plan Development, the Prospective Owners may, individually or collectively, raise a claim against the Developer for any loss arising from such material and detrimental change.

161. Escrow Account

- (1) A Developer shall not enter into any Off Plan Sales Agreement until the Developer has established an Escrow Account with an Approved Escrow Agent in accordance with an Approved Escrow Agreement.
- (2) A Developer must deposit all Sales Revenue into the Escrow Account no later than five (5) days after receipt of such payments from the Prospective Owners.
- (3) All Sales Revenue deposited into the Escrow Account must first be used exclusively for the construction of the Off Plan Development and shall be released by the Escrow Agent directly to the nominated Contractors substantially in accordance with in accordance with construction progress as verified by an Approved Project Assessor.
- (4) Following Building Completion, subject to the retention under Article 161(7), any surplus held in the Escrow Account may be released to the Developer.
- (5) The Registrar may issue Directives from time to time specifying the criteria for the release of the Sales Revenue from the Escrow Account which Directives shall be strictly followed by the Escrow Agent.
- (6) The Escrow Agent shall provide the Registrar with regular statements as to the Sales Revenue and released funds from the Escrow Account.
- (7) The Escrow Agent shall retain in the Escrow Account an amount equivalent to five (5) percent of the Project Costs for a period of twelve (12) months commencing on the date of Building Completion as security for the Developer's obligation to rectify construction defects in accordance with Article 162(1).
- (8) A Developer must not charge, pledge or offer as security its Escrow Account in any manner whatsoever and any purported charge, pledge or security is void and of no effect. Nothing contained in this Article 161(8) shall prevent a Developer assigning its interest in any monies payable to the Developer from the Escrow Account following the satisfaction of the Developer's construction obligations.

162. Construction Defect Rectification

- (1) A Developer is responsible for repairing, rectifying or replacing all defective building works, materials, equipment and installations (including mechanical, electrical, sanitary and drainage works and the like) in the Off Plan Development of a non-structural nature for a period of one (1) year from the date of Building Completion, as notified to the Developer by the Registered Owners (or the Body Corporate on their behalf) within such one (1) year period, including all non-structural defective building works, materials, equipment and installations in the Lots and the Common Property where applicable.
- (2) The Developer is responsible for repairing, rectifying or replacing all defective building works, materials, equipment and installations (including mechanical, electrical, sanitary and drainage works and the like) in the Off Plan Development of a structural nature for a period of ten (10) years from the date of Building Completion, as notified to the Developer by the Registered Owners (or the Body Corporate on their behalf) within such ten (10) year period, including all structural defective building works, materials, equipment and installations in the Lots and the Common Property where applicable.
- (3) Upon receipt of notification from the Registered Owners (or the Body Corporate on their behalf) of the defects under Article 162(1) and Article 162(2), the Developer shall promptly rectify such defects in accordance with industry standards.
- (4) The effect of this Article 162 shall survive the Transfer of any Lot and apply notwithstanding any contractual provision between the Developer and the Prospective Owner to the contrary.
- (5) The Developer must provide disclosure to any Purchaser of a Lot prior to entering into a binding sale and purchase agreement with respect to the Transfer of such Lot, whether the defect liability periods under Article 162(1) and Article 162(2) have expired, and if not expired the dates that each defect liability period Under Article 162(1) and Article 162(2) are to expire.
- (6) If the Developer fails to comply with its obligations under Article 162(1) or Article 162(2) the Registered Owners (or the Body Corporate on their behalf) may apply to the Registrar for an Order against the Developer enforcing the Developer's obligations Article 162(1) and/or Article 162(2) as applicable including an Order for the release of the retention amount retained under Article 161(7) to the appointed Contractor towards the cost of undertaking such defect rectification works.

163. Mortgagee's priority

- (1) If a Mortgagee consents to a Developer conducting Off Plan Sales, the Mortgagee's right to take possession or exercise any step in rights under the Mortgage or exercise its power of sale under Article 62 is subject to the Mortgagee or transferee, as the case may be, remaining liable to perform the obligations of the Developer to the Prospective Owner under the respective Off Plan Sales Agreements entered into by the Developer with the consent of the Mortgagee.
- (2) For the avoidance of doubt, if a Mortgagee consents to a Developer conducting Off Plan Sales, the Mortgagee is estopped under the principles of English common law and equity from exercising its rights under the Mortgage or elsewhere under this Law in a manner that defeats the interests of the Prospective Owner under their respective Off Plan Sales Agreements, and if the Mortgagee, or transferee following the exercise of the Mortgagee's power of sale, as the case may be, takes possession or exercises any step in rights under the Mortgage, the Mortgagee or the transferee, as the case may be, is responsible for delivering the Off Plan Lots to the Prospective Owner in accordance with the Off Plan Sales Agreements.

PART 24: MASTER COMMUNITY ADMINISTRATION**164. Registered Owners and Occupiers Bound by Master Community Declaration**

- (1) The Master Community Declaration is a statutory Covenant in Gross that is enforceable under this Law and is binding on:
 - (a) the Registered Owners;
 - (b) the Occupiers, to the extent that the provisions of the Master Community Declaration applies to Occupiers;
 - (c) the Master Developer; and
 - (d) any other party that benefit from the Master Community or any Lots within the Master Community that the Master Developer considers to be bound by the Master Community Declaration.
- (2) each party in Article 164(1) is bound by the provisions of the Master Community Declaration and must strictly comply with the provisions contained therein.
- (3) The Master Community Declaration shall be Registered by the Registrar as a Covenant in Gross on each Folio. The Registrar shall be entitled to Register the Master Community Declaration against any Folio existing as at the enactment of this Law and any Folio created thereafter, including at any time after the Folio was created.
- (4) The Master Community Declaration shall take priority over all other Registered Instruments notwithstanding the date of its Registration may be after the date of Registration of such Instruments.
- (5) The Master Developer shall raise Master Community Service Charges to fund the Operation of the Master Community Facilities and shall levy such charges on the Registered Owners in accordance with the Master Community Declaration. The Registered Owners must pay the Master Community Service Charges levied against their Lot when due and payable without set-off or reduction.
- (6) A person who fails to comply with any obligation under this Article 164 commits a contravention of this Law.

165. Registrar may Issue Orders

- (1) The Master Developer may apply to the Registrar for an Order that another party in Article 164(1) comply with such party's obligations under the Master Community Declaration and pay its Master Community Service Charges should such party be in default of its obligations under the Master Community Declaration or fail to pay its Master Community Service Charges when due and payable.
- (2) Any party that does not comply with an Order of the Registrar issued under Article 165(1) commits a contravention of this Law.

166. Form and Variation of Master Community Declaration

- (1) The form of Master Community Declaration shall be approved by the Registrar and shall be declared by the Master Developer. The Master Developer may vary, amend and replace the Master Community Declaration from time to time subject to obtaining the approval of the Registrar.
- (2) Any variation, amendment or replacement of the Master Community Declaration approved of the Registrar shall have the effect from the date of such variation, amendment or replacement.

PART 25: MISCELLANEOUS**167. Words and expressions used in Instruments under Law**

- (1) Words and expressions used in Instruments Registered under this Law have the same meanings as they have in this Law.
- (2) The application of Article 167(1) to an Instrument may be displaced, wholly or partly, by a contrary intention appearing in the Instrument.

168. Reference to Instrument is reference to Instrument completed in Approved Form

In this Law, a reference to a particular type of Instrument for which there is an Approved Form is a reference to the Instrument completed in the Approved Form.

169. Service of notices

- (1) A notice or Document may be served on, or given to, a person by delivering it to:
 - (a) the person's address for service;
 - (b) in the case of an individual, the person's place of residence; or
 - (c) in the case of a corporation, the corporation's registered office or principal place of business.
- (2) A person's address shown in any Instrument by which the person became the Registered Owner, or the address for service stated in any Caveat lodged by the person, may be treated as the person's address for service.
- (3) A notice or Document may also be served on, or given to, a person by means of fax transmission, and is to be treated as served or given on receipt of a confirmation by electronic or other means that it has been received.
- (4) This Article 169 does not limit the way in which notices may be served in court proceedings.

170. Deemed receipt in certain cases

- (1) Where a notice or Document is served or given in accordance with Article 169, on a day that is not a business day, or after five (5) pm on any day, then it is to be treated as being served or given on the next business day.
- (2) This Article 170 does not apply to notices to be served in Court proceedings.

171. Registrar's Directives

- (1) The Registrar may issue Directives, not inconsistent with this Law, relating to the requirements to be followed in relation to this Law.
- (2) In issuing the Directives, the Registrar shall have regard to:
 - (a) the purpose of this Law; and
 - (b) the principle that a Registered Real Property Interest or Real Property Right is not to be adversely affected except with the Registered Owner's or Beneficiary's consent.
- (3) Without limiting Article 171(1), the Registrar's Directives may provide for:
 - (a) the form and content of and the requirements for Instruments, Documents and plans;
 - (b) the number of copies of Instruments, Documents and plans to be lodged;
 - (c) the need for lodging consents, certificates and other Documents;
 - (d) the execution of Instruments (including in electronic form);
 - (e) the practice of carrying forward Registered Real Property Interests onto new Folios;
 - (f) the time and method of paying Prescribed Fees and charges; and
 - (g) the circumstances in which, and the methods by which, the Registrar publishes, or requires

others to publish, notifications of actions the Registrar intends to take.

- (4) The Registrar's Directives shall be complied with unless the Registrar dispenses with compliance.

172. Contraventions of this Law

A person who commits a contravention of this Law is liable to any penalty specified under Regulations or Directives.

173. Orders by Registrar in relation to breaches of this Law

- (1) If the Registrar is satisfied that a party has contravened or failed to comply with a requirement of this Law, the Registrar may make an Order:
- (a) requiring a party to take, or refrain from taking, any specified action;
 - (b) requiring a party to pay any Prescribed Fees or penalties levied against the party under this Law any other amount the Registrar considers is validly due and payable by such party to the Registrar or another party; or
 - (c) requiring a party to pay monetary compensation (not exceeding a Prescribed Fee, if an amount is Prescribed) to the Registrar or another party.
- (2) An Order:
- (a) may require immediate compliance or fix a period for compliance; and
 - (b) may be made subject to any conditions the Registrar considers appropriate.
- (3) An Order under this Article 173 may be made on an interim basis if necessary to preserve the subject matter of the application, or to prevent prejudice to a party while the application is being investigated and determined.
- (4) If an Order is made on an interim basis, it operates for a period (not exceeding three (3) months) fixed in the Order and may be renewed from time to time for a further period (not exceeding three (3) months).

174. DIFCA may make Regulations

- (1) The DIFCA may make Regulations, not inconsistent with this Law, prescribing matters that are necessary or convenient to be Prescribed for carrying out or giving effect to this Law.
- (2) Without limiting the generality of Article 174(1), the DIFCA may make Regulations:
- (a) prescribing Prescribed Fees to be charged by the Registrar;
 - (b) prescribing that a contravention of, or a failure to comply with, this Law or a Regulation is an offence; and
 - (c) regulating the Registrar's practice in relation to matters arising under this Law.
- (3) The DIFCA may also make Regulations providing for:
- (a) the Transfer, surrender or granting to the DIFCA of Real Property, or Real Property Interests or Real Property Rights in return for the grant of other Real Property, Real Property Interests or Real Property Rights, but not so as to prejudice the Real Property Interests or Real Property Rights of Registered Owners;
 - (b) the bringing under this Law of Real Property that was not within the jurisdiction of the DIFC at the time that this Law came into force;
 - (c) a duty to notify and to pay Prescribed Fees in respect of transactions with shares in companies or units in unit trusts, regardless of the location of the company or trust, where the company or trust holds Real Property Interests within the jurisdiction of the DIFC.
- (4) If there is an inconsistency between Regulations made by the DIFCA and Directives issued by the Registrar, the Regulations prevail.

SCHEDULE 1

1. Rules of Interpretation

- (1) In this Law, unless the context requires otherwise, a reference to:
 - (a) a statutory provision includes a reference to the statutory provision as amended or re-enacted from time to time;
 - (b) a person includes any natural person, body corporate or body unincorporate, including a company, partnership, unincorporated association, government or state;
 - (c) an obligation to publish or cause to be published a particular Document shall, unless expressly provided otherwise in this Law, include publishing or causing to be published in Printed or electronic form;
 - (d) a day shall be to a business day, being a normal working day in the DIFC;
 - (e) a year means three hundred and sixty five (365) days;
 - (f) a year means a year of the Gregorian calendar;
 - (g) a reference to the masculine gender includes the feminine and vice versa;
 - (h) the singular shall include the plural and vice versa; and
 - (i) this Law includes any Regulations made under this Law.
- (2) The headings in this Law do not affect its interpretation.
- (3) A reference in this Law to a Part, Chapter, Article or Schedule by number only, and without further identification, is a reference to the Part, Chapter, Article or Schedule of that number in this Law.
- (4) Reference in an Article or other division of this Law to an Article by number or letter only, and without further identification, is a reference to the Article of that number or letter contained in the Article or other division of this Law in which that reference occurs.
- (5) Unless the context otherwise requires, where this Law refers to an enactment, the reference is to that enactment as amended from time to time, and includes a reference to that enactment as extended or applied by or under another enactment, including any other provision of that enactment.
- (6) In this Law, a reference to Registering an Instrument or information in the Folio is a reference to Registering it in (or in the case of a Folio kept in paper form, on) the Folio for the Lot or Lots concerned.

2. Legislation in the DIFC

References to any legislation and Guidance in this Law shall be construed in accordance with the following provisions:

- (a) Federal Law is law made by the federal government of the United Arab Emirates;
- (b) Dubai Law is law made by the Ruler, as applicable in the Emirate of Dubai;
- (c) DIFC Law is law made by the Ruler (including, by way of example, this Law), as applicable in the DIFC;
- (d) this Law is the Real Property Law DIFC Law No. 4 of 2007, made by the Ruler;
- (e) the Regulations are legislation made by the Board of Directors of the DIFCA under this Law and are binding in nature;
- (f) the Enactment Notice is the enactment notice pursuant to which this Law is brought into force;
- (g) Guidance is indicative and non-binding and may comprise (i) guidance made and issued by the Registrar under this Law or the Regulations and (ii) any standard or code of practice issued by the Board of Directors of the DIFCA which has not been incorporated into the Regulations; and

- (h) references to “Legislation administered by the Registrar” are references to any DIFC Law and any regulations conferring functions and powers on the Registrar.

3. Defined terms

In this Law, unless the context indicates otherwise:

Terms	Definitions
Approved Escrow Agent	an escrow agent approved by the Registrar.
Approved Escrow Agreement	an escrow agreement prepared in accordance with the directives of the Registrar (if any).
Approved Form	means: (a) the approved form of Instrument that has been issued by the Registrar to be used to deal with a Lot; and (b) the approved form of Survey Plan prepared in accordance with the Directives, in each case as may be varied by the Registrar from time to time.
Approved Project Assessor	a consultant experienced in assessing construction progress as approved by the Registrar.
Assurance Fund	the fund constituted under Article 148.
Beneficiary	the beneficiary of a Real Property Right being the beneficiary under the Instrument creating such right.
Board of Directors of the DIFCA	the governing body of the DIFCA.
Building Completion	the completion of the development in accordance with the requirements of the Master Developer and the Relevant Authorities enabling occupation by Registered Owners.
Caveat	a notice to the Registrar in the Approved Form that the Caveator purports to have a Real Property Interest or Real Property Right in the Real Property (or part thereof) Registered under Part 17 of this Law.
Caveatee	the Registered Owner, or the Registered Owner of a Registered Real Property Interest described in a Caveat, as the case may require.
Caveator	the person by whom or on whose behalf a Caveat is lodged.
Change of Control	in respect of a person that is a company or other entity, any assignment or transfer of the legal and/or beneficial ownership of any shares or units in that company or other entity or any change in the voting control or effective control (whether direct or indirect) of that company or other entity.
Common Property	has the meaning as defined in the Strata Title Law.
Contractors	the contractor(s) appointed by a Developer to construct an Off Plan Development.
Court	the DIFC Court as established under Dubai Law.
Covenant	a positive or negative covenant Registered against a Lot that grants right or imposed obligations on the use and enjoyment of the Lot as specified in the Instrument creating such covenant.
Covenant in Gross	a Covenant that is granted in favour of a person that is not necessarily a Registered Owner of a Lot including a Covenant in favour of a Relevant

Terms	Definitions
	Authority including the Master Developer.
Developer	the developer of a Strata Development and by or on whose behalf a Strata Plan is lodged for Registration being the person or entity Registered as the Registered Owner of the Strata Development immediately before the Registration of a Strata Plan relating to the Strata Development.
DIFC	the master community known as the Dubai International Financial Centre as depicted on the DIFC Master Plan from time to time.
DIFCA	the DIFC Authority established under Dubai Law.
DIFC Master Plan	the master plan of the DIFC issued by the Master Developer as may be varied by the Master Developer with the approval of the Relevant Authorities from time to time.
Directive	a directive issued by the Registrar under Article 171.
Disclosure Statement	a disclosure statement prepared by a Developer of an Off Plan Development in accordance with Article 160.
Document	paper or other material (including electronic material) containing writing, words, figures, drawings or symbols.
Dubai Real Estate Laws	all laws, regulations, circulars and the like issued by the Government of Dubai or any Relevant Authority in respect of land and/or real estate rights or interests outside of the jurisdiction of the DIFC, including Dubai Law No. 7 of 2006.
Easement	an exclusive or non-exclusive right to use or occupy a Lot or part of a Lot for a specified purpose Registered against such Lot as specified in the Instrument creating such easement.
Easement in Gross	an Easement that is granted in favour of a person that is not necessarily a Registered Owner of a Lot including an Easement granted in favour of a Relevant Authority including the Master Developer.
Escrow Account	an escrow account operated by an Approved Escrow Agent in accordance with the provisions of an Approved Escrow Agreement and this Law.
Folio	a folio of the Real Property Register created for a Lot under this Law.
Fraud	a consciously dishonest act, and not mere constructive or equitable fraud.
Guidance	has the meaning given in Article 2(g) of Schedule 1 to this Law.
Insolvency	includes a proceeding under the Insolvency law relating to the liquidation of corporations in the DIFC.
Insolvency Law	the Insolvency Law DIFC Law No. 3 of 2009 and includes any law which regulates Insolvency in the DIFC.
Instrument	means: (a) a Document that relates to or may be used to deal with a Lot; (b) a Survey Plan that depicts a Lot or Lots (or the subdivision of a Lot or Lots), that creates a Real Property Interest or grants a Real Property Right that has been submitted to the Registrar in the Approved Form.

Terms	Definitions
Interested Party	<p>a person that the Registrar considers to have a valid and legitimate interest in obtaining an Official Search Certificate in respect of a Real Property Interest including:</p> <ul style="list-style-type: none"> (a) a Mortgagee or person purporting to be a Mortgagee in respect of a Real Property Interest; (b) a Caveator or person purporting to be a Caveator in respect of a Real Property Interest or Real Property Right; (c) a Purchaser; (d) a Prospective Owner; (e) a Lessee; (f) a creditor or person purporting to be a creditor in respect of a Registered Owner; and (g) such other person as the Registrar may consider to have a valid and legitimate interest in respect of a Real Property Interest or Real Property Right from time to time.
Lease	a lease under which a person lets premises. A Lease includes a sublease and any form of agreement (howsoever described) which gives a legal right of exclusive possession of premises to the occupant for a specific or ascertainable term in exchange for another consideration.
Lease Plan	a plan of the premises the subject of the Lease prepared by a Licensed Surveyor.
Leasing Law	any law enacted by the Ruler of Dubai that regulates leasing in the DIFC and any Regulations issued by the DIFCA and Directives issued by the Registrar under such law.
Lessee	the lessee under a Lease or the proposed lessee under a prospective Lease.
Lessor	the lessor under a Lease or the proposed lessor under a prospective Lease.
Licensed Surveyor	a surveying company licensed to prepare an Instrument that comprises a map, survey or diagram within the Emirate of Dubai and approved by the Registrar.
Lot	a separate, distinct parcel of Real Property allocated for separate ownership occupation and/or use and capable of being Transferred to a third party. A reference in this Law to a Lot includes a reference to an Off Plan Lot where the context requires. A reference to a Lot in the singular, where the context permits, shall be deemed to include the plural and vice versa.
Master Community Declaration	the master community declaration declared by the Master Developer and approved by the Registrar and the DIFCA as may be amended, supplemented and replaced from time to time by the Master Developer.
Master Community Facilities	the shared areas and facilities within the Master Community made available by the Master Developer to the Registered Owners and Occupiers (and in some cases the members of the public) as further defined in the Master Community Declaration.
Master Community Service Charges	the community service charges raised by the Master Developer in respect of the Master Community in connection with various services and facilities that are administered and managed by the Master Developer in accordance with the Master Community Declaration.

Terms	Definitions
Master Developer	the DIFC Investments LLC or its affiliate, nominees, assigns, transferees, successors or successors-in-title or any other entity or Relevant Authority as may assume responsibility for the development, management or control of the Master Community from time to time.
Minor	a person under the age of 18.
Mortgage	a charge on a Lot or an Real Property Interest or Real Property Right for securing a debt or any other obligation and a reference to “Mortgaged” has a corresponding meaning.
Mortgagee	the grantee or lender under a Mortgage that has taken a pledge as security over the Lot that is the subject of the Mortgage including the granting of a submortgage under Article 58.
Mortgagor	the grantor or borrower under a Mortgage that has pledged as security the Lot which is the subject of the Mortgage.
Occupier	any person using or occupying a Lot (or any part thereof) including any Mortgagee in possession) and “Occupiers” shall be construed accordingly.
Off Plan Development	a development where the Developer intends to sell Lots prior to Building Completion and/or the issuing of a Folio for the Lots within the development.
Off Plan Lot	a Lot in an Off Plan Development.
Off Plan Register	the register maintained by the Registrar for the purpose of Registering Off Plan Developments and Off Plan Sales established under Article 156 being part of the Real Property Register.
Off Plan Sale	the sale of an Off Plan Lot that is capable of being Registered in the Off Plan Register.
Off Plan Sales Agreement	any form of binding agreement between a Developer and a Prospective Owner for the sale and purchase of an Off Plan Lot including but not limited to a sale and purchase agreement, a reservation agreement and an expression of interest where the Prospective Owner forfeits any amount of deposit exceeding AED 5,000 should the Prospective Owner not proceed with the transaction.
Official Search Certificate	a certificate issued by the Registrar in respect of a Lot that states the Registered Owner of the Real Property Interest and the Registered Real Property Rights registered against such Lot.
Operation	the use, administration, control, operation, management, insurance, maintenance, repair, refurbishment, replacement and (where necessary) renovation and renewal and “Operate”, “Operating” and “Operational” shall have corresponding meanings.
Order	an order of the Registrar under this Law which is binding on the parties to whom the order applies as specified in the order.
Permitted Use	the permitted use of a Lot and/or Common Property as approved by the Master Developer and the Relevant Authorities.
Prescribed	prescribed under the Regulations made by the DIFCA under Article 174.
Prescribed Fee	a fee payable to the Registrar under this Law including any fee payable under any Regulation or Directive.

Terms	Definitions
President	the president of the DIFC appointed by a decree of the Ruler pursuant to Dubai Law.
Printed	includes typewritten and a photocopy of a Printed or typewritten Document.
Project Costs	the cost of constructing an Off Plan Development as verified by an Approved Project Assessor including all soft and hard costs and fees payable to all Relevant Authorities.
Prospective Owner	a person who has entered or intends to enter into an Off Plan Sales Agreement to purchase an Off Plan Lot.
Purchaser	a person who acquires or intends to acquire a Real Property Interest.
Real Property	has the meaning as defined in Article 11.
Real Property Interest	any ownership interest in Real Property, including any ownership interest in any permanent structure or improvement (known in English Law as a "fixture") forming part of the Real Property.
Real Property Register	the register of all Real Property in the DIFC established under Article 15 and includes the Off Plan Register where the context requires.
Real Property Right	any statutory or contractual right in respect of Real Property, including any statutory or contractual right in respect of any permanent structure or improvement (known in English Law as a "fixture") forming part of the Real Property.
Receiver	includes a receiver appointed under the Insolvency Law DIFC Law No. 7 of 2004, including an administrative receiver.
Recognised Jurisdiction	a Recognised Jurisdiction is one where a state or territory has effective anti-money laundering and anti-terrorism legislation in place which conform to the Financial Action Task Force directives.
Register	means to register an Instrument in relation to a Real Property Interest or Real Property Right in the Real Property Register, and a reference to "Registered", "Registering" and "Registration" have corresponding meanings.
Registered Owner	a person or persons Registered as owner of the Real Property Interest, whether that Real Property Interest is freehold.
Registered Owner(s)'s Address	the street address of the Registered Owner(s)'s as notified to the Registrar at the time of the Registration of the Real Property Interest as may be amended by the Registered Owner(s) by written notice to the Registrar from time to time.
Registrar	the Registrar of Real Property appointed pursuant to Article 12.
Regulations	the Real Property Regulations issued by the DIFCA under Article 174.

Terms	Definitions
Relevant Authority	as the context requires: (a) the DIFCA; (b) any authority within the DIFC charged with the duty of implementing the policies and laws of the DIFC whose subject matter falls within its authority; (c) the Dubai Creative Clusters Authority; (d) the Government of the UAE; (e) the Government of the Emirate of Dubai; (f) any other ministry, department, local authority or entity having jurisdiction over the Master Community (including any regulator appointed pursuant to any applicable laws); and (g) any service provider approved by the Master Developer and having jurisdiction over the Master Community (including but not limited to the Dubai Electricity and Water Authority).
Rent	includes any amount due under a Lease, whether or not described in the Lease as Rent.
Ruler	the Ruler of the Emirate of Dubai.
Sales Revenue	any sales revenue received directly or indirectly by the Developer under any Off Plan Sales Agreement excluding any Prescribed Fees payable in respect of the Off Plan Sales.
Schedule	a schedule to this Law.
Strata Development	a multiply-owned development which is the subject of a Strata Scheme or Strata Schemes.
Strata Management Statement	has the meaning as defined in the Strata Title Law.
Strata Scheme	has the meaning as defined in the Strata Title Law.
Strata Title Law	the Strata Title Law DIFC Law No. 5 of 2007.
Survey Plan	means a survey plan that depicts a Lot, Lots, or Lots and Common Property or the subdivision of a Lot, Lots, or Lots and Common Property prepared by a Licensed Surveyor including a Strata Plan.
Transfer	any dealing with Real Property in any way whatsoever that has the effect, directly or indirectly in the transfer of a Real Property Interest from the Registered Owner to another party or the creation of a Real Property Interest in Real Property or any part or proportion thereof. A reference to a Transfer includes a Change of Control and a reference to “Transferred” has a corresponding meaning.
Transfer Instrument	an Instrument giving effect to a Transfer.
UAE	the United Arab Emirates.
Writ of Execution	a writ or warrant of execution after judgment in a court.