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LEASING REGULATIONS

CONSOLIDATED VERSION

In force on [insert] 2023

~~14 January 2020~~

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The Board of Directors of the DIFCA, in the exercise of the powers conferred on them by Article 9 of the Law, hereby make these Regulations.

1. INTRODUCTION

1.1 Application and interpretation

1.1.1 These Regulations are the Leasing Regulations.

1.1.2 These Regulations apply to any person to whom the Law applies.

1.1.3 A reference in these Regulations to a law is a reference to that law as amended from time to time.

1.1.4 A reference in these Regulations to a Schedule is a reference to a Schedule in these Regulations, unless the contrary intention appears.

1.1.5 Defined terms are identified throughout these Regulations by the capitalisation of the initial letter of a word or phrase. Where capitalisation of the initial letter is not used, an expression has its natural meaning.

1.1.6 In these Regulations unless the contrary intention appears:

- (a) “Law” means the Leasing Law DIFC Law No. 1 of 2020;
- (b) terms defined in the Law have the same meaning in these Regulations as they have in the Law; and
- (c) a reference to these Regulations includes a reference to the Schedules in these Regulations.

1.1.7 The Rules of Interpretation contained in Schedule 1 to the Law apply to the interpretation of these Regulations.

2. COMMENCEMENT

These Regulations commence on the date of their issuance.

3. AMENDING OR DELETING REGISTRAR'S DIRECTIVES

3.1 The Registrar may from time to time amend, add to, or delete any Directive.

3.2 If the Registrar acts under Regulation 3.1, the Registrar must:

- (a) maintain a current version of the Directive; and
- (b) make a copy of the current version of the Directive available to any person who requests a copy, on payment of the fee the Registrar considers appropriate.

4. APPLICABILITY OF THE LAW TO LEASES ENTERED INTO PRIOR TO THE DATE OF COMMENCEMENT OF THE LAW

These Regulations contain provisions relating to the applicability of the Law to a Lease which was entered into prior to the date of commencement of the Law.

4.1 General

The Law shall apply to all Leases in the DIFC which were entered into prior to the date of commencement of the Law except where provisions in the Law that require compliance with time and notice periods are incapable of being applied to such Leases.

4.2 Security Deposits

Where a Security Deposit has been paid by a Lessee in connection with a Residential Lease entered into prior to the date of commencement of the Law, the provisions of Articles 24 to 29 of the Law shall only apply to such Lease upon the same parties entering into a new Residential Lease of the same Leased Premises.

4.3 Article 37

A Lessor's obligations in Article 37 of the Law shall not apply retrospectively to a Residential Lease entered into prior to the date of commencement of the Law.

5. PENALTIES FOR OFFENCES AGAINST THE LAW

5.1 A person to whom these Regulations apply who:

- (a) does an act or thing that the person is prohibited from doing by or under an Article of the Law or these Regulations;
- (b) does not do an act or thing that the person is required or directed to do under an Article of the Law or these Regulations; or
- (c) otherwise contravenes an Article of the Law or these Regulations.

contravenes the Law or these Regulations (as the case may be), commits an offence and is liable to a penalty as set out in Appendix 1.

5.2 In Regulation 5.1, the reference to "person" does not include the DIFCA, the Registrar or the President.

5.3 Where the Registrar considers that a person has committed an offence against the Law or these Regulations, the Registrar may, where such an offence is subject to a penalty as set out in Appendix 1, impose that penalty on the person.

**APPENDIX 1 — PENALTIES FOR AN OFFENCE AGAINST THE LAW
(INCLUDING THESE REGULATIONS)**

<u>Offences</u>	<u>Penalties (\$USD)</u>
<u>Use of the Leased Premises for any purpose that is illegal</u>	<u>10,000</u>
<u>Use of the Leased Premises that is not as per the permitted use approved by the Registrar or the Relevant Authorities</u>	<u>10,000</u>
<u>A Lessee causing nuisance or interference of the Leased Premises or common areas</u>	<u>1000</u>
<u>The Lessor disconnecting utility services</u>	<u>1000</u>
<u>The Lessor failing to provide the Lessee a repair notice in accordance with the conditions set out in Article 35(2) of the Law</u>	<u>1000</u>
<u>Entry by the Lessor to Residential Premises without complying with the conditions set out in Article 43 of the Law</u>	<u>1000</u>
<u>The Lessor failing to provide notice of entry on the lessee in accordance with Article 45 of the Law</u>	<u>1000</u>
<u>The Lessee stopping a person exercising a right of entry to Residential Premises in accordance with Part 3 of the Law</u>	<u>1000</u>
<u>The Lessor failing to account to the Lessee the proceeds of sale of the Lessee's assets as a result of the Lessor exercising a statutory lien</u>	<u>5000</u>
<u>The Lessor failing to account to the Liquidator the proceeds of sale of the Lessee's assets left at the Leased Premises in the event the Lessee has been declared insolvent</u>	<u>5000</u>