



CONSULTATION PAPER NO. 4

December 2022

LEASING REGULATIONS

CONSULTATION PAPER NO. 4
PROPOSAL RELATING TO AN AMENDMENT TO THE LEASING REGULATIONS

Why are we issuing this paper?

1. The Dubai International Financial Centre Authority (“**DIFCA**”) proposes to amend the Leasing Regulations (“**Leasing Regulations**”). This Consultation Paper No. 4 of 2022 (“**Consultation Paper**”) seeks public comments on the amended Leasing Regulations (“**Proposed Regulations**”).

Who should read this paper?

2. This Consultation Paper would be of interest to persons leasing or intending to lease property within the DIFC and their respective legal advisers.
3. DIFCA invites interested parties to provide their views and comments on the issues outlined in the Consultation Paper, using the table of comments provided in Annex B;

How to provide comments

4. All comments should be provided to the person specified below:

Jacques Visser
Chief Legal Officer
DIFC Authority
Level 14, The Gate, P. O. Box 74777
Dubai, United Arab Emirates
or e-mailed to: consultation@difc.ae

5. You may choose to identify the organisation you represent in your comments.
6. DIFCA reserves the right to publish, on its website or elsewhere, any comments you provide, unless you expressly request otherwise at the time the comments are made.

What happens next?

7. The deadline for providing comments on the proposals in this Consultation Paper is 7 January 2023.
8. Once we receive your comments, we will consider if any further refinements are required to the Proposed Regulations. Once DIFCA considers the Proposed Regulations to be in a suitable form, they will be enacted as a new DIFC Regulation to come in to force on a date

specified and published.

9. The Proposed Regulations are in draft form only. You should not act on them until the Proposed Regulations are formally enacted. We will issue a notice on our website when this happens.

Defined terms

10. Defined terms are identified throughout this paper by the capitalisation of the initial letter of a word or of each word in a phrase and are defined in the Proposed Regulations. Unless the context otherwise requires, where capitalisation of the initial letter is not used, the expression has its natural meaning.

Background

11. The proposal to amend the Leasing Regulations stems from a review of Article 66 of the Leasing Law, DIFC Law No. 1 of 2020 (the “**Leasing Law**”) relating to contraventions of the Leasing Law.
12. Pursuant to Article 66 of the Leasing Law, a person who commits a contravention of the Leasing Law is liable to a penalty specified under Regulations or Directives. Currently the Leasing Regulations do not specify a penalty amount for contraventions under the Leasing Law, nor have any Leasing Directives been issued to this effect.
13. Accordingly, the Proposed Regulations incorporate a new Regulation 5 and Appendix 1 to identify offences against the Leasing Law which may carry a penalty and the proposed level of penalties for each offence.

Key change proposed

14. Regulation 5 and Appendix 1 of the Proposed Regulations will enhance and clarify Article 66 of the Leasing Law by setting out the applicable penalties for contraventions under the Leasing Law.

Q1. Do you agree with the level of penalties proposed by the DIFCA. If not, please provide details.

Q2. Do you have any further comments in this regard that you would like to be taken into consideration?

Legislative Proposal

15. This legislative proposal contains the following:
 - (a) the Proposed Regulations (at Annex A);
 - (b) a table of comments to provide your views and comments on the consultation paper (at Annex B).