



DIFC

CONSULTATION PAPER NO. 1

2 June 2011

HOTEL OPERATING REGULATIONS

CONSULTATION PAPER NO. 1

HOTEL OPERATING REGULATIONS

Why are we issuing this paper?

1. This Consultation Paper seeks public comments on DIFCA's Hotel Operating Regulations.

Who should read this paper?

2. The proposals in this paper would be of particular interest to Hotel Operators currently operating in the DIFC or intending to operate in the DIFC.

How is this paper structured?

3. In this paper, we set out:
 - (a) the background and overview of the proposals (paragraphs 7-12); and
 - (b) the draft Regulations at Annex A.

How to provide comments?

4. All comments should be forwarded to the person specified below. You may, if relevant, identify the organisation you represent in providing your comments. DIFCA reserves the right to publish, including on its website, any comments you provide, unless you expressly request otherwise at the time of making comments.

What happens next?

5. The deadline for providing comments on the proposals is by close of business on **16 June 2011**. Once we receive your comments, we will consider if any further refinements are required to these proposals. We will then proceed to issue these Regulations. You should not act on these proposals until the relevant changes are made. We will issue a notice on our website telling you when this happens.

Comments to be addressed to:

Roberta Calarese
Chief Legal Officer
DIFC Authority
PO Box 74777
Dubai, UAE

or

e-mailed to: Roberta.calarese@difc.ae

Definitions

6. 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 Hotel Operating Regulations. Unless the context otherwise requires, where capitalisation of the initial letter is not used, the expression has its natural meaning.

Background

7. In the past year, the Ritz Carlton started operating a hotel in the DIFC. This was the first of its kind, but there a number of hotels wanting to operate in the DIFC.
8. In light of the particular nature of such business and the level of regulation required to ensure that certain standards are maintained, the DIFC Authority felt the need to issue specific regulations addressing a number of areas of concern such as classification, licensing, inspections, and fees.
9. The draft Regulations are based on: a) Dubai Bye-Law No. 1 of 1998 concerning Licensing & Classification Manual for Hotels, Guest Houses and Hotel Apartments issued by the Department of Tourism and Commerce Marketing; and b) the Regulations issued by the Municipality of Dubai concerning Hotels and Hotel Apartments.
10. The aim behind the choice of such models was to ensure that a level playing field is maintained between hotels operating in Dubai and hotels operating in the DIFC.

Legislative Proposal

11. The key features of the legislative proposal are:
 - a. A requirement for all Hotel Establishments to be classified by a Classifier. The Classifier may inspect a Hotel Establishment to ensure that the classification remains accurate.
 - b. A requirement for all hotels to be licensed in accordance with applicable DIFC laws and regulations.
 - c. A power for the DIFC Authority to impose fines where a Hotel Establishment or a Hotel Operator fails to comply with any of the requirements prescribed in the Regulations.
 - d. The imposition of a Hotel Operational Fee and a Sales Fee.
 - e. A power for the DIFC Authority to inspect the premises and books and records of the Hotel Establishment to ensure compliance.
 - f. A Schedule containing the amount of fines to be paid for contraventions of the Regulations.
12. Annex A contains the proposed Hotel Operating Regulations.