

In this document, underlining indicates new text and striking through indicates deleted text



REAL PROPERTY LAW AMENDMENT LAW

DIFC LAW NO. 9 OF 2024

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PART 1: GENERAL

1. Title

This Law may be cited as the “Real Property Law Amendment Law, DIFC Law No. 9 of 2024”.

2. Legislative authority

This Law is made by the Ruler of Dubai.

3. Date of enactment

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

4. Commencement

This Law comes into force on the date specified in the Enactment Notice in respect of this Law.

PART 2: AMENDMENTS TO REAL PROPERTY LAW 2018

5. The Real Property Law 2018 is amended as prescribed in this Part.
6. The following Articles of the Real Property Law 2018 are to be amended by inserting the underlined text and deleting the struck through text as shown below:

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PART 1: GENERAL

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. 4 of 2024 ~~8 of 2005~~ affects Real Property governed by this Law.

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PART 8: LEASES

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49. Lease Registration

- (1) A Lessor shall, in respect of any Lease required to be Registered under Article 48(3), within ~~twenty(20)~~thirty (30) 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)~~thirty (30) days of the date on which the Lease was entered into by the Lessor and Lessee.

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55. Implied powers of Lessors and termination for breach

- (1) In a Lease the Lessor has the following implied powers:
 - (a) to enter the leased premises and view the state of repair (but only twice in each year of the term, at a reasonable time of the day, and on giving the Lessee at least two (2) days' prior notice);
 - (b) to enter the leased premises to carry out any repairs and the Lessee should have (but has not) carried out under the Lease; and
 - (c) to enter the leased premises to comply with any law affecting the premises, or to comply with any notice that is given to the Lessor or the Lessee by any Relevant Authority and that requires repairs or work to be done (whether by the Lessor or the Lessee).
- (2) Any repairs, work or other acts which the Lessor does under ~~paragraph Article 55(1)~~ shall be done without undue interference with the Lessee's occupation and use of the premises.
- (3) The powers implied by ~~paragraph Article 55(1)~~ and (2) may be varied by express provisions in the Lease.
- (4) In addition to the powers under ~~paragraph Article 55(1)~~ the Lessor has the implied power to re-enter the leased premises and terminate the Lease in the following circumstances:
 - (a) where any rent due under the Lease is more than thirty (30) days overdue (whether or not a formal demand for payment has been made); or
 - (b) where any other term of the Lease, whether express or implied, has been breached and the breach has continued for at least thirty (30) days after the Lessor has served notice on the Lessee requiring it to be remedied.
- (5) The thirty (30) day periods in ~~paragraph Article 55(4)~~ may be varied by express provision in the Lease, but cannot be reduced.
- (6) This Article does not prevent a Lessee from approaching the Court to seek relief against forfeiture of a Lease whether for non-payment of rent or for breach of any other term of the Lease. The Court may grant relief against forfeiture on terms that the Court considers appropriate, or may refuse relief.
- (7) This Article is subject to any law imposing restrictions on a Lessor's right to recover possession from Lessees.

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PART 9: MORTGAGES

CHAPTER 1 – GENERAL

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57. 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 57(1) does not limit the matters that the Registrar may require to be included in the Instrument for Registration of a Mortgage.
- ~~(2)~~(3) Upon payment of the Prescribed Fee, and the payment of the Mortgage Registration Fee under the Regulations, the Registrar shall Register the Instrument for Registration of a Mortgage.

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PART 18: INSTRUMENTS

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CHAPTER 2 – SUITABILITY OF INSTRUMENTS FOR REGISTRATION

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127. Address for service to be provided

- (1) An Instrument lodged for Registration shall specify an address ~~in the UAE~~ and an email address, for the service or delivery of notices for each person that is a party to the Instrument. A person's address shown in an Instrument which is the first Instrument lodged by that person, shall be treated by the Registrar as the address for the service of all notices and Documents until a person applies for an alteration of the Register in accordance with Article 127(2) below.
- (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).

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CHAPTER 5 – OBLIGATIONS IN REGISTERED INSTRUMENTS

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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 to provide supporting documentary evidence of the subject matter of such Instrument for the purpose of determining the Prescribed Fee or for such other purposes as 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.

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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 any fees ~~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.

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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 (if any); 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 Registration no later than ~~thirty (30)~~sixty (60) 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.

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160. Disclosure Statement

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- (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 of handover of the Lot being purchased within sixty (60) days of entering into an Off Plan Sales Agreement with the Developer.~~ In the event that the Developer provides the Prospective Owner with a Disclosure Statement following the parties entering into the Off Plan Sales Agreement, the Prospective Owner shall be entitled to a period of sixty (60) days to review the same from the date of receipt. ~~Following this period~~ the Prospective Owner may elect to terminate the Off Plan Sales Agreement within this sixty (60) day review period if in its sole discretion it decides that the Disclosure Statement does not accurately reflect the Off Plan Development. ~~A termination by the Prospective Owner for this reason is only effective if exercised within twenty (20) days of the expiry of the sixty (60) day review period referred to in this Article.~~

PART 25: MISCELLANEOUS

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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 Instrument Registering a Caveat, may be treated as the person's address for service.~~
- ~~(2)(3) A notice or Document may also be served on, or given to, a person by means of fax or email transmission, and is to be treated as served or given as follows: on receipt of a confirmation by electronic or other means that it has been received.~~
 - ~~(a) for fax transmissions, upon receipt of a successful transmission report generated by the sender's fax machine.~~
 - ~~(b) for email transmissions, upon receipt of a delivery receipt or read receipt, or, if no such receipt is received, at the time the email leaves the sender's server, provided that no notification of failure to deliver is received by the sender.~~
- ~~(3)(4) This Article 169 does not limit the way in which notices may be served in court proceedings.~~

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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(2), 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 any other 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.

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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 ~~fees~~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 deemed commensurate to such contravention~~(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 and other charges 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 under this Law 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 and any other charges 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

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3. Defined terms

In the Law, unless the context indicates otherwise:

Terms	Definitions
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Prescribed Fee	A fee payable to the Registrar <u>for the Registration of an Instrument</u> under this Law including any fee payable under any Regulation or Directive.
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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 <u>Registration of the Off Plan Sales</u> .
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