

Law No. (14) of 2007
Establishing the
Dubai Real Estate Corporation¹

We, Mohammed bin Rashid Al Maktoum, Ruler of Dubai,

After perusal of:

The Development Law of 1975 and its amendments;

Regulation No. (1) of 1975 Concerning the Development Board;

Law No. (7) of 2006 Concerning Real Property Registration in the Emirate of Dubai; and

Law No. (18) of 2006 Concerning Management and Realisation of the Public Funds of the Government of Dubai,

Do hereby issue this Law.

Article (1)

This Law will be cited as “Law No. (14) of 2007 Establishing the Dubai Real Estate Corporation”.

Article (2)

The following words and expressions will have the meaning indicated opposite each of them unless the context implies otherwise:

Ruler:	His Highness the Ruler of Dubai.
Emirate:	The Emirate of Dubai.
Government:	The Government of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
DREC:	The Dubai Real Estate Corporation.

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¹*Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict the Arabic text will prevail.*

Board of Directors:	The board of directors of the DREC.
CEO:	The chief executive director of the DREC.
Public Treasury:	The public revenue account of the Government of Dubai.

Article (3)

Pursuant to this Law, a public corporation named “Dubai Real Estate Corporation” is established. The DREC will conduct its business on a commercial basis, and have legal personality, financial and administrative autonomy, and the legal capacity required to undertake all acts and dispositions that ensure the achievement of its objectives. The DREC may enter into contracts with third parties, sue and be sued in its own name, and appoint any other person to represent it for these purposes. The DREC will be affiliated to the Executive Council.

Article (4)

The head office of the DREC will be located in Dubai. The DREC may establish branches inside and outside of the Emirate.

Article (5)

The DREC aims to own and manage the Real Property registered in the name of the Government or any of its departments, including to:

1. own, develop, invest, use, and exploit the commercial and industrial Land and Real Property existing in the Emirate;
2. provide construction, implementation, marketing, and management services for buildings, and commercial and Real Property; and
3. construct, purchase, lease out, and manage the Real Property registered in the name of the DREC.

Article (6)

For the purpose of achieving its objectives, the DREC may:

1. participate in providing the infrastructure, buildings, and management services and any other services required for the achievement of its objectives;

2. enter into partnerships and agreements with corporations, persons, companies, and entities for any projects, related to the areas of specialisation of the DREC, within or outside of the Emirate; and
3. participate in urban planning and organisation with the concerned entities in the Emirate.

Article (7)

The DREC will be managed by a Board of Directors comprised of a chairman, vice chairman, and a number of competent and specialised members appointed pursuant to a decree of the Ruler. The Board of Directors will be appointed for a renewable term of three (3) years.

Article (8)

The Board of Directors will manage and generally supervise the administrative, technical, and financial affairs of the DREC and take, as it may deem appropriate, all decisions and actions required for the achievement of the objectives of the DREC, including to:

1. set the general policy and the project plans of the DREC;
2. approve the draft budget of the DREC and submit it to the Executive Council for approval;
3. authorise the CEO to exercise certain powers of the Board of Directors;
4. prepare the organisational structure and the bylaws regulating the administrative, financial, and technical affairs of the DREC, and submit these to the Executive Council for approval; and
5. appoint auditors and determine their remuneration at the beginning of each financial year.

Article (9)

The Board of Directors will be convened at the invitation of the chairman at least once every three (3) months. A meeting will be valid if attended by a quorum of two thirds of members including the chairman of the Board of Directors. Resolutions of the Board of Directors will be passed by majority vote of attending members, and in the event of a tie the chair of the meeting will have the casting vote. These resolutions will be recorded in minutes of meetings signed by the chair of the meeting and attending members.

Article (10)

1. The Board of Directors may form temporary or permanent sub-committees to assist in the performance of its duties. The Board of Directors will determine the functions and powers of, and may delegate some of its powers to, such sub-committees.
2. In the performance of its functions, the Board of Directors may, as it deemed appropriate seek the assistance of experts and specialists by inviting them to attend its meetings provided that they may not vote.

Article (11)

Except in cases of fraud and gross fault, neither the Board of Directors, nor its chairman, nor its members may, in the course of managing the DREC or its operations, be liable towards third parties for any act or omission committed in respect of such management. The DREC will be solely liable towards third parties for such act or omission.

Article (12)

The executive body of the DREC will be comprised of a CEO, appointed pursuant to a resolution of the Chairman of the Executive Council, and a number of administrative and technical employees.

Article (13)

The CEO will undertake the general supervision of the work and activities of the DREC, and will represent it before third parties. This includes but is not limited to:

1. setting the strategic plan of the DREC and submitting it to the Board of Directors for approval;
2. implementing the general policy set by, and the resolutions of, the Board of Directors;
3. proposing the initiatives, programmes, and projects pertaining to the work and activities of the DREC;
4. preparing the annual budget of the DREC and submitting it to the Board of Directors;
5. investing the funds of the DREC in projects that are in line with the general policy of the DREC;
6. supervising the work of the executive body of the DREC and appointing competent and specialised employees;

7. proposing the organisational structure and the financial, administrative, and technical bylaws regulating the work of the DREC; and
8. exercising any other powers delegated by the Board of Directors to the CEO or stipulated in any resolution issued in pursuance hereof.

Article (14)

- a. Subject to the provisions of Article (15) of this Law, the ownership of the following Real Property will be transferred to the DREC:
 1. vacant Land registered in the name of any Government department and used for commercial purposes;
 2. commercial Real Property and buildings, whether leased or not, registered in the name of Government departments;
 3. Government Land and Real Property, whether completed or under construction, registered in the name of the Development Board or the Department of Government Real Property;
 4. Hyatt Regency Hotel, Grand Hyatt Hotel, Hyatt Galleria, Hyatt Hotel Apartments, Grand Hyatt Hotel Apartments, and Cineplex Cinemas, including the Land on which this Real Property is constructed; and
 5. any other Real Property owned by the departments, entities, and corporations affiliated to the Government and managed on a commercial basis.
- b. For the purposes of this Article, all contracts, rights, and obligations arising from the projects implemented on the said Land and Real Property will be transferred to the DREC.

Article (15)

The provisions of this Law will not apply to the Land and Real Property existing within free zones in the Emirate.

Article (16)

1. Pursuant to this Law, the Department of Government Real Property and the Development Board will be dissolved and all their assets, rights, and obligations will be transferred to the DREC.
2. All employees of the Development Board and the Department of Government Real Property will be transferred to the DREC. The DREC will have the right to transfer to its

employment, as it may deem appropriate, the employees of any other department who are in charge of Real Property affairs, without prejudice to their existing rights.

Article (17)

In regulating its accounts and records, the DREC will follow the rules and principles of commercial accounting. The financial year of the DREC will commence on 1 January and will end on 31 December of each year, except that the first financial year will commence as of the date this Law comes into force and will end on 31 December of the following year.

Article (18)

The financial resources of the DREC will consist of:

1. profits and proceeds generated from the activities of the DREC;
2. fees and charges for services provided by the DREC to the public; and
3. any other resources approved by the Executive Council.

Article (19)

The DREC will present its financial statements to the Department of Finance prior to approval by the Board of Directors in order to determine the Government's share of the surplus of its financial activities, for such share to be paid to the Public Treasury. Any revenues generated from the sale or privatisation of any company or business of the DREC will be paid to the Public Treasury.

Article (20)

The Land Department, Dubai Municipality, and all concerned entities must take inventory of all property and Real Property registered in the name of the entities to which this Law applies, and must register the same in the name of the DREC.

Article (21)

The Chairman of the Executive Council will issue the resolutions and regulations required for the implementation of this Law.

Article (22)

The Development Law of 1975 and Regulation No. (1) of 1975 Concerning the Development Board are hereby repealed. Any provision in any other legislation will also be repealed to the extent that it contradicts the provisions of this Law.

Article (23)

This Law will be published in the Official Gazette and will come into force on the day on which it is published.

Mohammed bin Rashid Al Maktoum

Ruler of Dubai

Issued in Dubai on 17 June 2007

Corresponding to 2 Jumada al-Thaniyah 1428 A.H.