

Law No. (19) of 2017
Amending Law No. (13) of 2008
Regulating the Interim Real Property Register in the Emirate of Dubai¹

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

After perusal of:

Law No. (8) of 2007 Concerning Escrow Accounts for Real Property Development in the Emirate of Dubai;

Law No. (16) of 2007 Establishing the Real Estate Regulatory Agency; and

Law No. (13) of 2008 Regulating the Interim Real Property Register in the Emirate of Dubai and its amendments,

Do hereby issue this Law.

Superseded Article
Article (1)

Article (11) of the above-mentioned Law No. (13) of 2008 is hereby superseded by the following:

Article (11)

- a. Where a purchaser fails to fulfil his contractual obligations under an Off-plan Sale agreement concluded with a Developer, the following rules and procedures will apply:
 1. The Developer must notify the DLD of the purchaser's non-performance of his contractual obligations. This notification must be submitted on the form prescribed by the DLD for this purpose and must include all details of the Developer and purchaser; a description of the Real Property Unit subject of the Off-plan Sale agreement; a detailed account of the contractual obligations breached by the purchaser; and any other details determined by the DLD.

2. Promptly upon receipt of the notification and verifying that the purchaser is in breach of his contractual obligations, the DLD must:
 - a. serve a thirty (30) days' notice on the purchaser requiring him to fulfil his contractual obligations towards the Developer. The notice must be in writing and dated; and must be delivered to the purchaser either in person or by registered mail with acknowledgement of receipt, email, or any other means prescribed by the DLD; and
 - b. where possible, mediate an amicable settlement between the Developer and purchaser, in which case such settlement must be attached as an addendum to the Off-plan Sale agreement and must be executed by the Developer and the purchaser.
3. If the notice period mentioned in sub-paragraph (a)(2)(A) of this Article expires and the purchaser fails to fulfil his contractual obligations or to reach a settlement with the Developer, the DLD will issue an official document in favour of the Developer confirming the following:
 - a. the Developer's compliance with the procedures stipulated in paragraph (a) of this Article; and
 - b. the percentage of completion of the Real Property Unit subject of the Off-plan Sale agreement, calculated in accordance with the relevant standards and rules adopted by RERA.
4. Upon receiving the official document referred to in sub-paragraph (a)(3) of this Article and based on the percentage of completion, the Developer may take any of the following measures against the purchaser without recourse to courts or arbitration:
 - a. Where the percentage of completion of the Real Property Unit exceeds eighty percent (80%), the Developer may:
 1. maintain the Off-plan Sale agreement concluded with the purchaser, retain all amounts paid by the purchaser, and claim the balance of the price of the Real Property Unit from the purchaser;
 2. request the DLD to sell the Real Property Unit, subject of the Off-plan Sale agreement, by public auction to collect the remaining amounts payable to the Developer; and hold the purchaser liable for the costs arising from the sale; or
 3. unilaterally terminate the Off-plan Sale agreement, retain up to forty percent (40%) of the value of the Real Property Unit stipulated in the Off-plan Sale agreement, and refund any amounts in excess of this to the purchaser within one (1) year from the

termination of the agreement or within sixty (60) days from the date of resale of the unit to another purchaser, whichever occurs earlier.

- b. Where the percentage of completion of the Real Property Unit is between sixty percent (60%) and eighty percent (80%), the Developer may unilaterally terminate the agreement, retain up to forty percent (40%) of the value of the Real Property Unit stipulated in the Off-plan Sale agreement, and refund any amounts in excess of this to the purchaser within one (1) year from the termination of the agreement or within sixty (60) days from the date of resale of the unit to another purchaser, whichever occurs earlier.
 - c. Where the Developer has commenced work on the Real Property project, having taken hold of the construction site and started construction works in accordance with the designs approved by the Competent Entities, and the percentage of completion of the Real Property Unit is less than sixty percent (60%), the Developer may unilaterally terminate the Off-plan Sale agreement, retain up to twenty-five percent (25%) of the value of the Real Property Unit stipulated in the Off-plan Sale agreement, and refund any amounts in excess of this to the purchaser within one (1) year from the termination of the agreement or within sixty (60) days from the date of resale of the unit to another purchaser, whichever occurs earlier.
 - d. Where the Developer has not commenced work on the Real Property project for any reason beyond his control, without negligence or omission on his part, he may terminate the Off-plan Sale agreement, retain up to thirty percent (30%) of the amounts paid to him by the purchaser, and refund any amounts in excess of this to the purchaser within sixty (60) days from the termination of the agreement.
- b. Where the Real Property project is cancelled pursuant to a reasoned decision of RERA, the Developer must refund all payments made by the purchasers in accordance with the procedures and rules stipulated in the above-mentioned Law No. (8) of 2007.
 - c. The rules and procedures stipulated in this Article do not apply to land sale agreements which do not involve any Off-plan Sale. Land sale will continue to be governed by the terms of the land sale agreements concluded by the parties thereto.
 - d. The rules and procedures stipulated in this Article will apply to all Off-plan Sale agreements concluded prior to or after the commencement of this Law.
 - e. The rules and procedures stipulated in this Article are considered part of public order, and failure to comply therewith will result in nullity of the legal act in question.

- f. The rules and procedures stipulated in this Article will not preclude the purchaser from having recourse to courts or arbitration where the Developer abuses any of his powers under this Article.

Repeals Article (2)

Any provision in any other legislation will be repealed to the extent that it contradicts the provisions of this Law.

Commencement and Publication Article (3)

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

**Mohammed bin Rashid Al Maktoum
Ruler of Dubai**

Issued in Dubai on 18 October 2017
Corresponding to 28 Muharram 1439 AH.