

Decree No. (22) of 2022
Approving the Grant of Privileges to Real Estate
Investment Funds in the Emirate of Dubai¹

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

After perusal of:

Federal Law No. (5) of 1985 Issuing the Civil Code of the United Arab Emirates and its amendments;

Federal Law No. (4) of 2000 Establishing the Emirates Securities and Commodities Authority and Market and its amendments;

Federal Law by Decree No. (32) of 2021 Concerning Commercial Companies;

Law No. (3) of 2003 Establishing the Executive Council of the Emirate of Dubai;

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

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

Law No. (7) of 2013 Concerning the Land Department;

Law No. (1) of 2016 Concerning the Financial Regulations of the Government of Dubai and its Implementing Bylaw;

Law No. (4) of 2019 Concerning the Real Estate Regulatory Agency;

Law No. (6) of 2019 Concerning Ownership of Jointly Owned Real Property in the Emirate of Dubai;

Law No. (5) of 2021 Concerning the Dubai International Financial Centre;

Decree No. (22) of 2009 Concerning Special Development Zones in the Emirate of Dubai;

©2022 The Supreme Legislation Committee in the Emirate of Dubai

¹Every 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.

Decree No. (4) of 2010 Regulating the Transfer of Title to Granted Industrial and Commercial Land in the Emirate of Dubai;

Regulation No. (3) of 2006 Determining Areas for Ownership by Non-UAE Nationals of Real Property in the Emirate of Dubai and its amendments;

Executive Council Resolution No. (30) of 2013 Approving the Fees of the Land Department;

Executive Council Resolution No. (37) of 2015 Regulating the Real Property Valuation Profession in the Emirate of Dubai; and

The legislation establishing and regulating free zones in the Emirate of Dubai,

Do hereby issue this Decree.

Definitions

Article (1)

The following words and expressions, wherever mentioned in this Decree, will have the meaning indicated opposite each of them unless the context implies otherwise:

Emirate:	The Emirate of Dubai.
Ruler:	His Highness the Ruler of Dubai.
Government:	The Government of Dubai.
Executive Council:	The Executive Council of the Emirate of Dubai.
DLD:	The Land Department.
Director General:	The director general of the DLD.
Competent Entity:	The authority in charge of licensing and regulating Funds in accordance with the legislation applicable by it. This includes the Securities and Commodities Authority and the Dubai Financial Services Authority of the Dubai International Financial Centre.
Committee:	The Real Estate Investment Funds Committee formed pursuant to this Decree.

Fund:	A fund licensed by the Competent Entity to conduct the Activity of investing in Real Property assets in the Emirate.
Real Property:	Anything which is fixed and cannot be moved without damage or alteration of its structure. For the purposes of this Decree, this does not include vacant land.
Real Property Register:	The Real Property register regulated pursuant to the above-mentioned Law No. (7) of 2006.
Register:	The electronic record maintained by the DLD for registering Funds, and enabling them to avail of the privileges prescribed under this Decree.
Areas for Ownership by Non-UAE Nationals of Real Property:	The areas designated by the Ruler in which non-UAE nationals may acquire freehold ownership rights over Real Property without time restriction, or usufruct or lease rights for up to ninety-nine (99) years.

Scope of Application Article (2)

This Decree applies to:

1. all Funds which are regulated by a Competent Entity and licensed by it to operate in the Emirate, including in Special Development Zones and free zones, such as the Dubai International Financial Centre; and
2. all Real Property in the Emirate, including those in Special Development Zones and free zones, but excluding those existing within the Dubai International Financial Centre.

Objectives of the Decree Article (3)

This Decree aims to:

1. promote the Emirate as a global Real Property investment destination;
2. award incentive privileges to encourage Funds to invest in various Real Property projects in the Emirate;

3. attract international real estate investment funds to conduct their investment activities in the Real Property sector of the Emirate; and
4. increase investments in the Real Property market in the Emirate by achieving long-term capital returns for the shareholders of Funds.

**Register
Article (4)**

- a. A register known as the "Real Estate Investment Funds Register" will be maintained by the DLD for registering the Funds which meet the registration requirements, and which are eligible for availing of the privileges prescribed under this Decree.
- b. The Director General will determine, pursuant to a resolution he issues in this respect, the form of the Register and the information that must be entered in it.

**Requirements and Procedures for Registration on the Register
Article (5)**

- a. The registration of a Fund in the Register is subject to the following requirements:
 1. The Fund must be licensed by the Competent Entity, and its licence must be valid.
 2. The value of the Real Property assets owned by the Fund at the time of submitting the application for registration on the Register must not be less than one hundred and eighty million dirhams (AED 180,000,000.00).
 3. At the time of submitting the application for registration on the Register, the Fund must not be suspended from trading its shares in the financial markets in the Emirate.
 4. A fee of ten thousand dirhams (AED 10,000.00) for registration on the Register must be paid to the DED.
- b. The DLD will, in coordination with the concerned entities, regularly verify that all the requirements stipulated in paragraph (a) of this Article, including those related to the value of the Real Property assets owned by the Fund, continue to be met throughout the validity of registration of the Fund on the Register, as evidenced by the annual financial reports audited by an external auditor and submitted to the Competent Entity.

- c. The procedures for registration on the Register and the relevant documents that must be provided to the DLD will be determined pursuant to the relevant resolution issued by the Director General for this purpose.

Striking Funds off the Register Article (6)

- a. A Fund will be struck off the Register in any of the following cases:
 - 1. where it ceases to meet any of the requirements stipulated in sub-paragraphs (a)(1), (a)(2), or (a)(3) of Article (5) hereof;
 - 2. where it is declared bankrupt pursuant to a definitive court judgment;
 - 3. where it is dissolved and its assets are liquidated; or
 - 4. where its activities are restricted pursuant to a definitive court judgment.
- b. Striking a Fund off the Register will result in suspension of all the privileges granted to it under this Decree. However, the enjoyment of all privileges by the Fund prior to the date of striking it off the Register will be deemed valid and legally effective.

Period of Enjoyment of Privileges Article (7)

A Fund will enjoy the privileges granted pursuant to this Decree as of the date on which it is registered on the Register. The enjoyment of these privileges will continue throughout the validity of the Fund registration.

Privileges Related to Ownership, Usufruct, and Lease Rights Article (8)

- a. A Fund registered on the Register may acquire ownership rights over Real Property existing in the Areas for Ownership by Non-UAE Nationals of Real Property.
- b. A Fund registered on the Register may acquire freehold ownership rights, without time restriction, or usufruct and lease rights for up to ninety-nine (99) years, in Real Property existing outside of the Areas for Ownership by Non-UAE Nationals of Real Property, as designated by the Committee formed pursuant to Article (9) hereof.

Committee Article (9)

- a. Pursuant to this Decree, a committee named the "Real Estate Investment Funds Committee" is formed. The Committee will be responsible for determining the areas and Real Property, existing outside of the areas designated for ownership by non-UAE nationals, in which non-UAE nationals may acquire freehold ownership rights without time restriction, or usufruct or lease rights for up to ninety-nine (99) years.
- b. The Committee chairman and members will be appointed, and its terms of reference determined, pursuant to the relevant resolution issued by the Chairman of the Executive Council.
- c. In determining the aforementioned areas or Real Property existing outside of the Areas for Ownership by Non-UAE Nationals of Real Property, the Committee must verify that:
 1. the market value of the Real Property to be owned is not less than fifty million dirhams (AED 50,000,000.0);
 2. the Real Property to be owned generates a return on investment, as per the relevant criteria prescribed by the DLD;
 3. the provisions of the above-mentioned Decree No. (4) of 2010 are complied with, in case of granted Real Property; and
 4. any other requirements prescribed pursuant to the relevant resolutions of the Director General are met.
- d. A Fund may not assign the ownership of any Real Property existing within the areas determined by the Committee without first obtaining its approval. Any assignment of ownership made in contravention of this Article will be deemed null and void.

Privileges Related to the Fees Prescribed for Real Property Dispositions

Article (10)

- a. Notwithstanding the provisions of any other legislation, the following rules will apply to the fees prescribed for the registration of Real Property Dispositions undertaken by a Fund:

1. In case of the purchase of Real Property by the Fund, and registration of the same under its name, the DLD will collect a fee of two percent (2%) of the market value of the Real Property. Unless otherwise agreed, this fee will be paid in equal shares by the seller and the purchaser.
 2. In case of the sale of Real Property owned by the Fund as part of its Real Property portfolio to another party, and registration of the same in the name of that party, the DLD will collect a fee of four percent (4%) of the market value of the Real Property. Unless otherwise agreed, this fee will be paid in equal shares by the seller and the purchaser.
 3. In case of registration by the Fund of a usufruct or long-term lease right regulated by the above-mentioned Law No. (7) of 2006, the DLD will collect a fee of two percent (2%) of the market value of the Real Property. Unless otherwise agreed, this fee will be paid in equal shares by the owner or landlord, and the tenant or holder of the usufruct right, as the case may be.
 4. In case of assignment by the Fund of a usufruct or long-term lease right regulated by the above-mentioned Law No. (7) of 2006, the DLD will collect a fee of four percent (4%) of the market value of the Real Property. Unless otherwise agreed, this fee will be paid in equal shares by the Fund, and the new tenant or holder of the usufruct right, as the case may be.
- b. The fees prescribed by paragraph (a) of this Article will be collected if the subject of the Real Property disposition is related to any of the Real Property of the Fund, rather than to the dispositions by shareholders of their Real Property shares in the Fund.

Additional Privileges Article (11)

The Chairman of the Executive Council will be authorised, upon the recommendation of the DLD, to modify any of the privileges granted to Funds under this Decree, or to add new privileges to the same.

**Privileges to be Enjoyed by Funds Operating within the
Dubai International Financial Centre
Article (12)**

The President of the Dubai International Financial Centre is hereby authorised to prescribe the privileges to be enjoyed by the Funds operating within the centre, and the conditions and procedures for availing of these privileges.

**Registration of Real Property of Funds
Article (13)**

- a. Notwithstanding the provisions of any other legislation, where the Fund is under incorporation within the jurisdiction of a Competent Entity, the founders of the Fund may provide any Real Property they own as an in-kind contribution to the Fund's share capital and register that property on the Real Property Register. In this case, the DLD must create an entry on the Real Property registry folio to denote that the Owner of the Real Property is a Fund which is under incorporation.
- b. Upon completion of the Fund's incorporation process and issuance by the Competent Entity of the licence required for conducting its activity, the DLD will amend the entry on the Real Property registry folio to denote that the Owner of the Real Property is the Fund.
- c. Upon completion of the process stated in paragraph (b) of this Article, the DLD will collect a fee of fifty thousand dirhams (AED 50,000.00) in return for transferring the ownership of each Real Property from a founder to the Fund; and will issue a title deed of that Real Property in the name of the Fund.

**Valuation of In-kind Contributions
Article (14)**

For the purpose of valuation of the Real Property assets of a Fund, the DLD will appoint a Valuer accredited by the Real Estate Regulatory Agency. The Valuer will conduct a Real Property Valuation of the Real Property assets of the Fund in accordance with the Valuation standards adopted by the DLD.

Payment of Fees
Article (15)

The fees collected pursuant to this Decree will be paid to the Public Treasury of the Government.

Issuing Implementing Resolutions
Article (16)

With the exception of the resolutions which the Chairman of the Executive Council is exclusively authorised to issue under this Decree, the Director General will issue the resolutions required for implementing the provisions of this Decree. These resolutions will be published in the Official Gazette.

Repeals
Article (17)

Any provision in any other legislation is hereby repealed to the extent that it contradicts the provisions of this Decree.

Publication and Commencement
Article (18)

This Decree 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 7 July 2022
Corresponding to 8 Thu al-Hijjah 1443 A.H.