

Law No. (2) of 2022
Concerning Acquisition of Real
Property for the Public Benefit 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;

Law No. (5) of 1995 Establishing the Department of Finance;

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. (14) of 2008 Concerning Mortgage in the Emirate of Dubai;

Law No. (13) 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. (8) of 2019 Concerning His Highness the Ruler's Court;

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

The Order of 1961 Establishing the Dubai Municipality;

The Decree Regulating Expropriation of Property for the Public Benefit, issued on 1 January 1964;

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

Decree No. (28) of 2015 Concerning Governance of the Boards and Committees Affiliated to the Government 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. (22) of 2021 Concerning the Chairman of His Highness the Dubai Ruler's Court;
Local Order No. (2) of 1999 Concerning Classification and Regulation of Land Use in the
Emirate of Dubai and its amendments;

Local Order No. (1) of 2014 Concerning Compensation of Owners of Land Affected by Road
Setback in the Central Business District; and

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

Do hereby issue this Law.

Title of the Law

Article (1)

This Law will be cited as "Law No. (2) of 2022 Concerning Acquisition of Real Property for
the Public Benefit in the Emirate of Dubai".

Definitions

Article (2)

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

| | |
|------------------------|--|
| Emirate: | The Emirate of Dubai. |
| Chairman: | The Chairman of His Highness the Ruler of Dubai's Court. |
| DLD: | The Land Department. |
| Acquiring Entity: | Any of the entities requesting the Acquisition of Real Property under this Law. This includes, but is not limited to, the Dubai Municipality, the Roads and Transport Authority, and free zone authorities in the Emirate. |
| Acquisition Committee: | The Acquisition committee formed pursuant to the provisions of this Law. |
| Real Property: | A vacant land plot, the principal real rights in that plot, and the lease rights therein provided for by the above-mentioned Law No. (7) of 2006 and Law No. (13) of 2008. |

| | |
|-----------------|--|
| Owner: | A natural or legal person in whose name the Real Property is registered in accordance with the legislation in force in the Emirate, or who is lawfully in possession of the Real Property. This includes the holders of principal real rights or the lease rights provided for by the above-mentioned Law No. (7) of 2006 or Law No. (13) of 2008; and the universal or particular successors of Owners. |
| Acquisition: | The expropriation of Real Property from its Owner, or expropriation of the principal real rights in that property or the lease rights therein provided for by the above-mentioned Law No. (7) of 2006 or Law No. (13) of 2008. |
| Project: | A project that belongs to the Acquiring Entity, for which Acquisition is requested, and which aims at serving the public interest. |
| Compensation: | The cash or in-kind consideration to which an Owner of acquired Real Property is entitled as a result of Acquisition. |
| Escrow Account: | A bank account which is created with the DLD in the name of a Project upon obtaining the approval of the Department of Finance, and into which the cash equivalent of Compensation is deposited. |
| Valuator: | An independent entity that is responsible for the valuation of Real Property, and is selected by the Owner from the list prepared by the Acquisition Committee for the purposes of revaluation of the Real Property intended for Acquisition and estimation of the amount of Compensation in accordance with the provisions of this Law. |

Scope of Application

Article (3)

- a. This Law applies to all Acquisitions of Real Property made in the Emirate, including in Special Development Zones and free zones, such as the Dubai International Financial Centre.

- b. The procedures, rules, and requirements applicable to the Acquisition of buildings and structures constructed on Real Property in the Emirate, whether completed or under construction, and to the Compensation due in respect thereof, will be prescribed by the relevant resolution issued by the Chairman.

Objectives of the Law

Article (4)

This Law aims to:

1. ensure that private ownership is protected and not prejudiced, and that private property is not expropriated except for the public benefit and in return for fair Compensation;
2. regulate the process of expropriation of Real Property for the public benefit in the Emirate, in accordance with clear and specific procedures;
3. establish fair rules and standards for Compensation for the acquired Real Property in the Emirate, in accordance with the internationally recognised best standards in this regard; and
4. enable public and private entities in the Emirate to implement their Projects which aim at serving the public interest.

Rules for Acquisition

Article (5)

Acquisition of Real Property may be made only for the public benefit, in return for fair Compensation, and in accordance with the rules, standards, provisions, and procedures stipulated in this Law and the resolutions issued in pursuance hereof.

Acquisition De Jure

Article (6)

- a. Where the Acquisition of a part of Real Property causes the remaining part thereof to become unfit for development or for use in accordance with the planning and construction regulations in force in the Emirate, the Acquisition resolution will extend de jure to the remaining part of the Real Property. In this event, the Acquiring Entity will be liable for providing Compensation for the Acquisition of the whole Real Property as per its estimated value. However, where the Owner expresses his wish to retain this part of his Real Property to amalgamate it with another adjacent Real Property into a single Real Property fit for development or use in accordance with the planning and building regulations in force in the Emirate, the Acquisition Committee may issue a decision

limiting the Acquisition and Compensation to the part of the Real Property whose Acquisition is requested.

- b. Where mandated by work requirements, the Acquisition Committee may permit the Acquiring Entity to use the part of the Real Property which is subjected to de jure Acquisition in accordance with paragraph (a) of this Article for any other purpose that is consistent with the planning and construction regulations in force in the Emirate.

Formation and Governance of the Committee

Article (7)

- a. Pursuant to a resolution issued by the Chairman, a permanent committee named (the "**Acquisition Committee**") will be formed. The resolution will determine the membership of the Acquisition Committee, the procedures for holding its meetings and passing its resolutions, and the procedures that must be followed for filing an Acquisition application with it; and will include any other relevant provisions.
- b. The above-mentioned Decree No. (28) of 2015, or any other superseding legislation, applies to the governance of the Acquisition Committee, to the confidentiality of information, and to the duties of the chairman and members of the Acquisition Committee.

Functions of the Committee

Article (8)

- a. The Acquisition Committee will have exclusive jurisdiction to determine the Acquisition applications submitted to it. For this purpose, the Acquisition Committee will have the authority to:
 - 1. request the concerned entities to provide it with the financial appropriations allocated to the Project for which Real Property Acquisition is requested; and the approvals, engineering plans and drawings, and other documents related to that Project, in order to consider the same and determine the feasibility and significance of the Project and the extent to which it serves the public interest;
 - 2. review the Project to determine whether it is aligned with the general policy of urban planning, and whether it is in harmony with the distinctive architectural character of the area of the requested Acquisition and with the urban master plan of the Emirate; and consider the desired development benefit of the Project;

3. propose, to the applicant Acquiring Entity, appropriate planning alternatives to implement the Project without resorting to Acquisition, such as the allocation of alternative land plots for the construction of the Project;
 4. consider whether the Project requires the Acquisition of the Real Property in whole or in part;
 5. prepare a list of Valuers to re-estimate the amount of Compensation for the Real Property acquired under this Law, and present it to the Owner of the Real Property to select one of these Valuers as he deems appropriate;
 6. approve the type and amount of Compensation determined by the DLD or the Valuator, as the case may be; and notify the Acquiring Entity of the same to deposit it into the Escrow Account in addition to other expenses incurred in respect of the Acquisition, as determined by the Acquisition Committee, including service of notices and other administrative expenses; and
 7. exercise any other duties or powers assigned to it by the Chairman.
- b. Paragraph(a) of this Article does not apply to the orders issued by the Ruler concerning Acquisition of any Real Property in the Emirate. The Chairman will issue a resolution determining the functions of the Acquisition Committee in respect of Acquisition of Real Property under this paragraph.

Procedures for the Execution of Acquisition Resolutions

Article (9)

Once an Acquisition resolution is issued by the Acquisition Committee, the Acquiring Entity will:

1. notify the DLD of the Acquisition resolution to create an entry denoting its content on the registry folio of the Real Property intended for Acquisition;
2. notify the Owner of the acquired Real Property of the Acquisition resolution and the type and amount of the Compensation by registered mail with acknowledgement of receipt; by publication in one English and one Arabic widely-circulated local daily newspaper; or by any other means which is deemed appropriate by the Acquiring Entity and ensures that the Owner is duly informed of the Acquisition resolution. The notice must include a request that the Owner report to the Acquiring Entity to provide a copy of the documents proving his rights in the acquired Real Property within thirty (30) days from the date of receiving the notice or from the date of publication;

3. prepare a report confirming that the Owner has reported to the Acquiring Entity, and stating his demands and the documents submitted by him against a receipt, in addition to his declaration that the acquired Real Property has been fully vacated;
4. initiate the procedures for vacating the acquired Real Property, where the Owner does not consent to the type or amount of Compensation notified to him, or where he fails to report to the Acquiring Entity's offices within the time limit mentioned in sub-paragraph (2) of this Article. Initiating these procedures may not prejudice the Owner's right to object to the amount of Compensation before the Acquisition Committee, or to take recourse to the courts to challenge the procedures for execution of the Acquisition resolution in accordance with the provisions of this Law.

Objection to the Amount of Compensation Article (10)

An Owner of acquired Real Property may object to the amount, but not the type, of the Compensation within ten (10) working days from the date of expiry of the time limit prescribed by sub-paragraph (2) of Article (9) of this Law.

Procedures for Determining Objections Article (11)

In considering and determining an objection to the amount of Compensation by an Owner of acquired Real Property, the following procedures will apply:

1. Within (5) five working days from the date of receiving the objection submitted by the Owner of the acquired Real Property, the Acquiring Entity will forward the objection to the Acquisition Committee, together with a copy of the title deed of the Real Property intended for Acquisition and the Real Property survey certificate. A copy of the objection must also be sent to the DLD.
2. Within ten (10) working days from the date of receiving the objection in accordance with the provisions of sub-paragraph (1) of this Article, the Acquisition Committee will, at the expense of the Acquiring Entity, appoint the Valuator selected by the Owner to reevaluate the acquired Real Property, determine the amount of Compensation in accordance with the internationally recognised standards, prepare a report on the same, and submit that report to the Acquisition Committee.

3. Where the amount of Compensation determined by the Valuator is lower than the amount of Compensation determined by the DLD, the amount of Compensation determined by the DLD will be approved.
4. Where the amount of Compensation determined by Valuator is higher than the amount of Compensation determined by the DLD by no more than ten percent (10%), the amount of Compensation determined by the Valuator will be approved.
5. Where the amount of Compensation determined by the Valuator is higher than the amount of Compensation determined by the DLD by more than ten percent (10%), the Acquisition Committee will, at the expense of the Acquiring Entity, appoint another Valuator to reevaluate the acquired Real Property and determine the amount of Compensation.
6. The amount of Compensation to which the Owner of the acquired Real Property is entitled under sub-paragraph (5) of this Article will be calculated by taking the average of the highest Compensation amounts estimated by the DLD and the two (2) Valuators.
7. The Acquisition Committee will issue a decision expropriating the Real Property; approving the type and final amount of Compensation; and instructing the Acquiring Entity to complete the procedures for executing the Acquisition resolution in accordance with Article (9) hereof. The decision issued by the Acquisition Committee in this respect will be final.

Challenging the Procedures for Execution of Acquisition Resolutions Article (12)

- a. An Owner of acquired Real Property may challenge the validity of the procedures for execution of the Acquisition resolution before the competent court within sixty (60) days from the date of issuance of the Acquisition Committee's decision expropriating the Real Property and approving the type of Compensation, failing which any challenge to be filed by the Owner will be inadmissible. Where the Owner files the challenge within the time limit, the amount of Compensation will be retained, deposited into the Escrow Account, and disbursed to the persons entitled to it only pursuant to a final court judgment.
- b. Courts may not hear any application or appeal in relation to any objection to the amount of Compensation; and must rule that it is inadmissible.

Execution of Acquisition Resolutions
Article (13)

The execution of an Acquisition resolution will not be affected by any objection to the amount of Compensation by the Owner of the acquired Real Property or any challenge to the validity of the procedures for execution of the resolution before a court. Moreover, the procedures for execution of the Acquisition resolution will not be affected by any legal proceedings filed by the concerned parties in respect of the acquired Real Property.

Time Limit for Vacating Real Property
Article (14)

- a. The Owner of acquired Real Property will be granted a time limit of up to one (1) year from the date of issuance of the Acquisition resolution to vacate the Real Property. The Acquisition Committee may extend this time limit for no more than one (1) year upon the request of the Owner of the acquired Real Property.
- b. Where the Project implementation is time-critical, the Acquisition Committee may, upon the request of the Acquiring Entity, shorten the time limit stipulated in paragraph (a) of this Article.
- c. Where the acquired Real Property is not vacated within the time limit prescribed by paragraphs (a) and (b) of this Article, the Acquiring Entity may take the necessary actions to vacate it through the administrative course of action. In that case, the Owner of the acquired Real Property will not be held liable for any expenses arising from the vacation. However, where it is established that the Owner of the acquired Real Property is directly or indirectly responsible for disrupting or delaying the vacation of the acquired Real Property, he will be held liable for all expenses and costs arising from vacating the acquired Real Property.
- d. Notwithstanding the provisions of paragraph (a) of this Article, and where supported by substantial grounds, the Compensation may, pursuant to a resolution of the chief official in charge of the Acquiring Entity, be delivered to the Owner of the acquired Real Property prior to the expiry of the time limit prescribed for vacating the Real Property. In this case, the Compensation will be delivered only after the Owner of the Real Property provides the relevant guarantees, as determined by the Acquiring Entity in coordination with the Acquisition Committee, which ensure that he vacates the Real Property within the time limit granted to him.

Type of Compensation
Article (15)

The Acquisition Committee will determine the type of due Compensation in any of the following cases:

1. in case of Acquisition of Real Property in whole;
2. in case of Acquisition of part of Real Property;
3. where any real rights, or any lease rights provided for by the above-mentioned Law No. (7) of 2006 or Law No. (13) of 2008, are associated with the acquired Real Property; or
4. where parcels of land, located within the Central Business District demarcated in the Master Plan of the Emirate, are excised for purposes of road setback. In this case, the Compensation will be limited to the area of the excised parcel of land.

Non-entitlement to Compensation
Article (16)

No Compensation will be due in respect of:

1. Real Property possessed by persons unlawfully or without a legal justification;
2. structures constructed on Real Property without a permit or in violation of the relevant legislation in force; and
3. Utility Lines belonging to local Government Entities, where it is possible to relocate these Utility Lines without causing any malfunction or damage of the same. In this case, the Acquiring Entity must pay the costs of removing and relocating these Utility Lines, and installing them at the location specified by the entity to which they belong.

Deposit of Compensation Amount
Article (17)

- a. An Acquiring Entity must, within the time limit prescribed by the Acquisition Committee, deposit the Compensation amount due in respect of the acquired Real Property into the Escrow Account, in order for the DLD to disburse that amount to the persons entitled to it.
- b. Where an Owner of acquired Real Property fails to claim the Compensation for a period exceeding three (3) years from the date of its deposit into the Escrow Account, the DLD

may, upon expiry of that period, withdraw the Compensation amount from the Escrow Account and transfer it to the Public Treasury of the Government.

- c. Without prejudice to the time bar periods prescribed by law for Compensation claims, the transfer of the Compensation amount from the Escrow Account into the Public Treasury of the Government under paragraph (b) of this Article will not prejudice the right of the Owner of the acquired Real Property or his heirs to claim the Compensation to which they are entitled under this Law.

Settlement of Encumbrances upon Real Property from Compensation Amounts Article (18)

Where the acquired Real Property is subject to a lien created for any reason, or a principal or ancillary real right is created over that Real Property, the Acquiring Entity must coordinate with the DLD to deduct, from the Compensation amount deposited into the Escrow Account, an amount equal to the value of the lien or right; and must not pay the said amount to any entity or person without a final court judgement.

Use of Acquired Real Property Article (19)

Upon the request of an Acquiring Entity, the Acquisition Committee may, in accordance with the relevant rules it adopts, approve the use of the acquired Real Property to implement any Project other than the Project for which Acquisition is made.

Acquisition Disputes Article (20)

Where a dispute arises between the Acquisition Committee and the Acquiring Entity in respect of an Acquisition application, the dispute will be referred to the Chairman for determination. Where the expropriation of the Real Property is approved, the Acquisition application will be redirected to the Acquisition Committee to issue the Acquisition resolution and complete the procedures stipulated in this Law in relation to execution of the same.

Seeking Assistance from Government Entities

Article (21)

For the purpose of implementing the provisions of this Law, the Acquiring Entity and the Acquisition Committee may seek assistance from the concerned Government Entities in the Emirate, including police personnel. Upon request, these entities must provide support and assistance.

Government Real Property Affected by Acquisition

Article (22)

Where an Acquisition affects Real Property owned or designated for any federal government entity or local Government Entity, the Compensation for that Real Property will be regulated by the legislation in force, and the relevant rules, standards, and procedures adopted by the Acquisition Committee.

Incomplete Acquisitions

Article (23)

This Law applies to Real Property Acquisition procedures which are not completed by the effective date of this Law. All procedures taken in respect of the Acquisition of such Real Property will be deemed valid as if made in accordance with the provisions of this Law.

Compliance

Article (24)

- a. Any person whose Real Property was acquired prior to the effective date of this Law, but has not completed the Acquisition procedures or received the Compensation to which he is entitled in accordance with the legislation in force at the time of Acquisition, must report to the competent Government Entities in the Emirate to complete all the procedures for receiving the Compensation owed to him within a period of not exceeding one (1) year from the effective date hereof. The Chairman may, where required, extend this time limit for up to six (6) months.
- b. Where the Owner of the acquired Real Property fails to complete the procedures for the Acquisition and receipt of the due Compensation within the time limit prescribed by paragraph (a) of this Article, any decisions issued concerning entitlement to the Compensation will be deemed null and void. In this case, the due Compensation will be determined pursuant to the provisions of this Law. The type and amount of

Compensation must be determined based on the market value of the Real Property on the date of the Acquisition.

Issuing Implementing Resolutions

Article (25)

The Chairman will issue the resolutions required for the implementation of the provisions of this Law.

Repeals

Article (26)

The provisions of the Decree Regulating Expropriation of Property for the Public Benefit, issued on 1 January 1964, are hereby repealed to the extent that they contradict the provisions of this Law. Any provision in any other legislation is also hereby repealed to the extent that it contradicts the provisions of this Law.

Publication and Commencement

Article (27)

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 3 January 2022

Corresponding to 30 Jumada al-Ula 1443 A.H.