

Decree No. (56) of 2009
Establishing a Special Tribunal for the Settlement of Cheque Disputes
Relating to Real Estate Transactions¹

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

After perusal of:

Law No. (3) of 1992 Establishing Dubai Courts and its amendments;

Law No. (1) of 1994 Concerning Court Fees and its amendments;

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

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

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

Do hereby issue this Decree.

Article (1)

By virtue of this Decree a special tribunal known as “Tribunal for the Settlement of Cheque Disputes Relating to Real Estate Transactions” (the “**Tribunal**”) will be established and will be comprised of:

1. a judge from the Court of Appeal, Dubai Courts as President;
2. a judge from the Court of First Instance, Dubai Courts as member; and
3. a representative from the Land Department as member.

Article (2)

Before assuming his duties, each member who is not a judge will take the following oath before the Director of H.H. the Ruler’s Court:

“I swear by Allah the Almighty that I will administer justice, respect the law, and discharge my duties with integrity and honesty.”

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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.

Article (3)

The Tribunal will have exclusive jurisdiction to settle complaints related to dishonoured cheques which are issued by a purchaser and made payable to a real estate developer, or those cheques issued by those with usufruct rights or with long-term leasehold rights, whose rights are preserved pursuant to the above mentioned Law No. (7) of 2006.

Article (4)

For the purpose of settlement of cheque-related complaints referred to it, the Tribunal may:

1. cancel the dishonoured cheque payable to a real estate developer if it is proven that such developer is not entitled to the amount of the cheque;
2. order the cheque issuer to write a new cheque that will replace the cheque which is the subject of the complaint payable on a date determined by the Tribunal;
3. refer the dishonoured cheque to the competent judicial authority to take the appropriate legal action against the cheque issuer if the real estate developer is entitled to the amount of the cheque; and
4. seek the assistance of real estate experts and specialists as it deems appropriate.

Article (5)

- a. Judicial police officers including the police must refer to the Tribunal all cheque-related complaints that fall under the scope of this Decree.
- b. The Public Prosecution and the Courts may not investigate dishonoured cheques that fall under the scope of this Decree or settle any dispute related to such cheques before such disputes are referred to and considered by the Tribunal. Moreover, they must suspend their consideration of any complaint or penal action related to such cheques, and refer these to the Tribunal for consideration in accordance with the provisions of this Decree.

Article (6)

The judgement rendered by the Tribunal will be final, irrevocable, and not subject to appeal, and will be executed by the Execution Department of Dubai Courts.

Article (7)

Subject to the provisions of this Decree, the Tribunal will exercise its powers in accordance with:

1. the laws in force in the Emirate of Dubai;

2. Islamic Sharia principles;
3. customs, provided that such customs are not in conflict with the law, and public order and morals; and
4. principles of natural justice, and rules of right and fairness.

Article (8)

This Decree 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 1 November 2009
Corresponding to 13 Thu al-Qidah 1430 A.H.