# Law No. (4) of 2011
# Concerning the
# Mohammed bin Rashid Housing Establishment[1]

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

After perusal of:

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

Law No. (20) of 2006 Establishing the Mohammed bin Rashid Housing Establishment and its amendments;

Law No. (27) of 2006 Concerning Management of the Government of Dubai Human Resources and its amendments; and

Law No. (35) of 2009 Concerning Management of the Public Funds of the Government of Dubai,

**Do hereby issue this Law.**

## Title of the Law
## Article (1)

This Law will be cited as "Law No. (4) of 2011 Concerning the Mohammed bin Rashid Housing Establishment".

## 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:

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|---|---|
| Emirate: | The Emirate of Dubai. |
| Ruler: | His Highness the Ruler of Dubai. |
| Government: | The Government of Dubai. |



[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.*

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|---|---|
| Executive Council: | The Executive Council of the Emirate of Dubai. |
| MRHE: | The Mohammed bin Rashid Housing Establishment. |
| Board of Directors: | The board of directors of the MRHE. |
| Chairman: | The chairman of the Board of Directors. |
| CEO: | The chief executive officer of the MRHE. |
| Housing Services: | The various housing solutions provided by the MRHE. This includes granting land plots; constructing dwellings; giving loans or financial grants for the purpose of constructing dwellings, covering the costs of their maintenance, or reconstructing or extending existing dwellings; allocating move-in ready dwellings located within the residential compounds owned by the MRHE; renting out dwellings; and providing any other housing solutions determined by the Board of Directors. |
| Beneficiary: | A person who receives a Housing Service pursuant to this Law. |

**Scope of the Law**
**Article (3)**

The provisions of this Law will apply to the Mohammed bin Rashid Housing Establishment established pursuant to Law No. (20) of 2006 as a public corporation having legal personality, and the capacity required to undertake all acts and dispositions that ensure the achievement of its objectives.

**Head Office of the MRHE**
**Article (4)**

The head office of the MRHE will be located in the city of Dubai.

**Objectives of the MRHE**
**Article (5)**

The MRHE aims to contribute to providing eligible Beneficiaries with Housing Services based on the established priorities and in line with the Beneficiaries' needs in order to guarantee them a decent living, and to maintain the characteristics and features of the residential compounds the MRHE builds.

## Duties of the MRHE
## Article (6)

For the purpose of achieving its objectives, the MRHE will have the duties and powers to:

1. grant residential land plots to Beneficiaries;
2. construct dwellings and residential compounds and allocate them to Beneficiaries;
3. rent out dwellings to Beneficiaries;
4. provide soft loans and financial grants for the purpose of constructing or buying dwellings; covering the costs of their maintenance; or extending or reconstructing existing dwellings;
5. refurbish the dwellings of UAE nationals located in old areas of the Emirate in order to encourage residents to settle in such areas and improve Housing Services therein; and perform any act it deems appropriate in these areas, including buying, owning, reconstructing, or restoring dwellings, in coordination with the competent Government Entities;
6. own, build, lease, and rent out land plots and other real property;
7. design and construct, by itself or through corporations and companies contracted for this purpose, residential units and compounds to accommodate Beneficiaries; and design and implement the utility works related to these residential units and compounds in coordination with the competent Government Entities;
8. establish corporations and companies that support the MRHE in achieving its objectives, including those related to dwelling construction, maintenance, and restoration;
9. manage the financial operations related to housing loans by itself or through any financial or banking institutions contracted for this purpose; and
10. provide any other Housing Services the Board of Directors deems conducive to achieving the objectives of the MRHE.

## Capital of the MRHE
## Article (7)

The MRHE will have a capital of twelve billion Dirhams (AED 12,000,000,000.00) paid up by the Government.

## Board of Directors
## Article (8)

The MRHE will be supervised by a Board of Directors comprised of a Chairman, a vice chairman, and a number of members appointed for a renewable period of three (3) years pursuant to a decree of the Ruler.

## Duties of the Board of Directors
## Article (9)

The Board of Directors is the highest authority of the MRHE. In this capacity, the Board of Directors will have the authority to:

1. set, and oversee the implementation of, the general policy of the MRHE;
2. consider Housing Service applications and issue the relevant resolutions;
3. approve the grant, withdrawal, and recovery of Housing Services in the cases prescribed in this Law and the resolutions issued in pursuance hereof;
4. approve the draft annual budget and financial statements of the MRHE;
5. determine the amounts of loans and financial grants provided by the MRHE;
6. contract companies, corporations, and other entities for the purpose of implementing housing projects or managing the financing of such projects;
7. form permanent or temporary sub-committees that will assist it in performing its duties, and determine their duties and powers. The resolutions of such sub-committees will be enforceable only upon their approval by the Board of Directors;
8. issue the resolutions and regulations that are required to regulate the work and services of the MRHE;
9. delegate any of its powers to the CEO; and
10. exercise any other duties or powers related to the MRHE objectives.

## Meetings of the Board of Directors
## Article (10)

a. The Board of Directors will convene at the invitation of the Chairman at least once every two (2) months or where necessary. Meetings of the Board of Directors will be valid if attended by the majority of its members, provided that the Chairman or vice chairman is in attendance. 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 a casting vote.

b. The minutes of meetings of the Board of Directors will be entered in records signed by the chairs of the meetings and attending members.

c. The Board of Directors may, as it deems appropriate, invite experts and specialists to attend its meetings, but they will have no vote.

## CEO
## Article (11)

a. The MRHE will be managed by a CEO, who will be appointed pursuant to a resolution of the Chairman of the Executive Council.

b. The CEO will have the duties and powers to:

   1. propose the strategic plans of the MRHE and submit the same to the Board of Directors for approval;

   2. implement the approved general policy and the resolutions issued by the Board of Directors;

   3. prepare the draft annual budget and financial statements of the MRHE, and submit the same to the Board of Directors for approval;

   4. propose the implementing bylaw of this Law, and submit the same to the Board of Directors for approval;

   5. propose the initiatives, programmes, and projects pertaining to the work and activities of the MRHE;

   6. appoint and supervise the employees of the MRHE and issue the decisions related to them;

   7. represent the MRHE before third parties;

   8. take the necessary action to manage the daily work of the MRHE; and

   9. exercise any other functions delegated to him by the Board of Directors.

c. With the exception of the powers delegated to him by the Board of Directors, the CEO may, as he deems appropriate, delegate any of his powers under this Law to any of the MRHE employees.

## Land Mortgage
## Article (12)

The MRHE must register a first ranking mortgage in its favour in respect of the land plots and other real property subject of the Housing Services it finances and in respect of the dwellings whose purchase it finances. The MRHE may also take any other legal action it deems appropriate to preserve its rights.

## Requirements for Availing of Housing Services
## Article (13)

a. The implementing bylaw of this Law will prescribe the requirements for availing of the Housing Services.

b. Pursuant to a resolution of the Ruler or the Chairman of the Executive Council, a person may be exempted from meeting any requirements for availing of the Housing Services.

## Submitting Applications
## Article (14)

Applications for Housing Services will be submitted to the MRHE on the forms prescribed for this purpose. These applications must meet the prescribed requirements and include the required information. The MRHE may request any documents it deems necessary to validate the information included in the applications. The applications will be considered and determined in accordance with the provisions of the implementing bylaw of this Law.

## Prohibition of Disposition of Housing Services
## Article (15)

a. Neither a Beneficiary nor his heirs after his death may dispose of any granted dwelling or land plot in any manner that involves transfer of ownership without obtaining the approval of the Ruler.

b. A Beneficiary or his heirs after his death may dispose of any granted dwelling or land plot in any manner that relates to its use or utilisation in accordance with the implementing bylaw of this Law.

c. Any disposition undertaken or any agreement made in breach of the provisions of this Article will be void and may not be registered or have any legal effect against the MRHE or third parties.

## Financial Loans
## Article (16)

A financial loan will be provided to a Beneficiary pursuant to a contract concluded between him and the MRHE. This contract will state the amount and purpose of the loan, as well as the collection method, instalments, term, and guarantees of the loan, and any other conditions the MRHE deems appropriate.

## Loan Collection
## Article (17)

Loans will be collected in monthly instalments whose amounts are determined in accordance with the rules and standards stipulated in the implementing bylaw of this Law. In determining the amounts of these instalments, the monthly income of the Beneficiary will be taken into consideration, and the term of the loan must not exceed twenty-five (25) years.

## Cessation of Loan Instalment Deduction
## Article (18)

a. In case of death or partial or complete disability of the borrower which led to a decrease in his income, or in case of compelling circumstances that render him incapable of paying the loan instalments, the Board of Directors may, upon the request of the borrower or his heirs, as the case may be, cease or defer the monthly deduction of loan instalments or decrease their amounts.

b. The MRHE may, in accordance with the requirements of the public interest, insure the loans it provides to Beneficiaries to cover any risks that may arise as a result of failure by Beneficiaries to repay loans in whole or in part.

c. A Beneficiary may be exempted from paying his loan instalments in whole or in part pursuant to a resolution of the Ruler.

## Maturity of Loans
## Article (19)

Where a Beneficiary fails to settle three (3) consecutive payable instalments, the loan provided to the Beneficiary, or any outstanding balance thereof, will become immediately due for payment. Where no settlement is reached with the Beneficiary, the MRHE may, pursuant to a resolution of the Board of Directors, proceed with the execution on his property to recover the outstanding amount of the loan or payable instalments. The resolution of the Board of Directors in this respect will be deemed a writ of execution which is enforceable through the Execution Department of the Dubai Courts. The decisions of the Execution Judge in this respect will be final, and will not be subject to any form of appeal or challenge of execution by the Beneficiary.

## Withdrawal of Housing Services
## Article (20)

a. In addition to claiming from the Beneficiary any financial liabilities owed by him to the MRHE, the Board of Directors may withdraw a Housing Service from the Beneficiary in any of the following cases:

   1. where he provides false information, commits fraud, or submits forged documents when applying for a Housing Service;

   2. where he commits any act or undertakes any legal disposition stipulated in Article (15) of this Law; or

   3. where he ceases to meet any of the requirements for availing of the Housing Service.

b. A violating Beneficiary must surrender the property subject of the obtained Housing Service within thirty (30) days from the issue date of the withdrawal decision, failing which the decision will be executed through the Execution Department of the Dubai Courts as a writ of execution. The decisions of the Execution Judge in this respect will be final and will not be subject to any form of appeal or challenge of execution by the Beneficiary.

c. A Beneficiary whose Housing Service is withdrawn will forfeit his eligibility for other Housing Services for a period of three (3) years from the issue date of the withdrawal decision.

## Penalties
## Article (21)

Without prejudice to any stricter penalty stipulated in any other legislation, a contractor, an engineering consultant, or any other person who is proven to have colluded with a Beneficiary for the purpose of unlawfully obtaining a Housing Service or using such service for other than its intended purpose will be punished by imprisonment for not less than one (1) year and not more than two (2) years and a fine of not less than fifty thousand Dirhams (AED 50,000.00) and not more than one hundred thousand Dirhams (AED 100,000.00), or either of these penalties.

## Law Enforcement Officers
## Article (22)

The MRHE employees nominated by the CEO will have the capacity of law enforcement officers to record the acts committed in breach of the provisions of this Law and the resolutions issued in pursuance hereof. In this capacity, they may issue the necessary violation reports.

## Exemption from Liability
## Article (23)

The Government will not be liable for any debts or obligations arising from the operations of the MRHE or from the exercise by the MRHE of the powers and duties stipulated in this Law or its implementing bylaw.

## MRHE Property
## Article (24)

The MRHE property is deemed public property and any debts owed to the MRHE will be deemed preferential debts that have priority over any mortgage or security interest, and must therefore be collected before the payment of any other entitlements, except judicial fees.

## Financial Resources of the MRHE
## Article (25)

The financial resources of the MRHE will consist of:

1. the support provided by the Government in the form of moveable and immoveable property;
2. the revenue generated from its activities; and
3. the gifts, donations, and any other resources approved by the Executive Council.

## Financial Year of the MRHE
## Article (26)

In regulating its accounts and records, the MRHE will apply the rules and principles of commercial accounting. The financial year of the MRHE will commence on 1 January and will end on 31 December of each year.

## Issuing Resolutions
## Article (27)

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

## Repeals
## Article (28)

a. This Law supersedes Law No. (20) of 2006 Establishing the Mohammed bin Rashid Housing Establishment and its amendments.

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

c. The bylaws and resolutions that are relevant to the MRHE and applicable before the effective date of this Law will remain enforceable, to the extent that they do not contradict the provisions hereof, until new superseding bylaws and resolutions are issued.

## Commencement
## Article (29)

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 24 February 2011

Corresponding to 21 Rabi al-Awwal 1432 A.H.