

Decree No. (41) of 2013
Regulating the Activity of Leasing out Holiday Homes in the Emirate of Dubai¹

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

After perusal of:

Law No. (1) of 1997 Establishing the Department of Tourism and Commerce Marketing and its amendments;

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

Law No. (9) of 2004 Concerning the Dubai International Financial Centre and its amendments;

Law No. (32) of 2008 Establishing the Government of Dubai Legal Affairs Department;

Law No. (14) of 2009 Concerning the Pricing of Government Services in the Emirate of Dubai;

Law No. (35) of 2009 Concerning Management of the Public Funds of the Government of Dubai and its amendments;

Law No. (13) of 2011 Regulating the Conduct of Economic Activities in the Emirate of Dubai;

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

Decree No. (13) of 2011 Concerning the e-Programme for Hotel and Tourism Establishments in the Emirate of Dubai;

Regulation No. (1) of 1998 Concerning Licensing and Classification of Hotels, Guest Houses, and Hotel Apartments and its amendments; and

The legislation regulating free zones in the Emirate of Dubai,

Do hereby issue this Decree.

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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.

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.
Executive Council:	The Executive Council of the Emirate of Dubai.
DTCM:	The Department of Tourism and Commerce Marketing.
Director General:	The director general of the DTCM.
Licensing Authority:	The entity legally authorised to issue tourist licences to Establishments operating in the Emirate, in Special Development Zones, and in free zones, including the Dubai International Financial Centre.
Holiday Homes:	Furnished real property units designated to conduct the Activity in accordance with the conditions and criteria adopted by the DTCM in this regard.
Activity:	Regularly, and on an ongoing basis, engaging in leasing out Holiday Homes, or renting Holiday Homes for the purpose of subletting them to Guests.
Establishment:	A corporation or company licensed to conduct the Activity in the Emirate.
Licensee:	An individual or Establishment licensed to conduct the Activity in the Emirate.
Licence:	A document issued by the DTCM stating that the DTCM authorises a Licensee to conduct the Activity in the Emirate after verifying that all conditions and requirements adopted by the DTCM in this regard are met by the Licensee.
Register:	The paper or electronic record maintained by the DTCM for the purpose of recording all information related to Licensees.
Guest:	A natural person who stays in a Holiday Home in return for payment with the intention of using it as overnight accommodation.

Scope of Application
Article (2)

The provisions of this Decree will apply to all individuals and entities conducting the Activity in the Emirate including Special Development Zones and free zones, such as the Dubai International Financial Centre.

Conducting the Activity
Article (3)

- a. No natural or legal person may conduct the Activity in the Emirate unless that person is licensed to do so by the DTCM.
- b. No Establishment may establish a branch in the Emirate without first obtaining the relevant Licence from the DTCM.
- c. The Activity will be conducted by Licensees within the Emirate in accordance with the conditions and requirements determined by the DTCM in coordination with the concerned entities.

Regulating the Activity
Article (4)

The DTCM is the competent entity in the Emirate in charge of regulating the Activity. For this purpose, the DTCM will have the duties and powers to:

1. set the technical conditions, requirements, and criteria that must be met to conduct the Activity in accordance with the best international practices in this regard, and determine the procedures that must be followed to grant a Licence;
2. determine applications for Licences, renewal of Licences, and variation of the details of individuals and Establishments;
3. determine the tasks, duties, and obligations of Licensees;
4. supervise and monitor Licensees in accordance with the provisions of this Decree and the resolutions issued in pursuance hereof;
5. supervise and inspect Holiday Homes to verify their compliance with the criteria, conditions, and requirements determined by the DTCM;

6. receive, investigate, and take the necessary action in respect of complaints filed against Licensees, or against any individual or entity conducting the Activity in the Emirate without a Licence from the DTCM;
7. impose the penalties stipulated in this Decree on violators of the provisions of this Decree and the resolutions issued in pursuance hereof;
8. create a database of the names of Licensees and Holiday Homes in the Emirate;
9. maintain the Register and determine its form and the basic information that must be entered in it; and
10. perform any other duties required for regulating the Activity in the Emirate.

Licensing Individuals and Establishments

Article (5)

The DTCM will, pursuant to the resolutions it issues, determine the conditions, requirements, and procedures for granting Licences to individuals and Establishments to conduct the Activity.

Certification of Holiday Homes

Article (6)

The DTCM will, pursuant to the resolutions it issues, determine the criteria, requirements, and conditions that must be met by the Holiday Homes managed by individuals or Establishments.

Term of the Licence

Article (7)

- a. The term of the Licence will be one (1) year, renewable for the same period. The DTCM may, upon the request of an applicant for a Licence, approve that the term of the Licence be for more than one (1) year, and up to four (4) years.
- b. A Licensee must renew his Licence with the DTCM in accordance with the conditions and requirements adopted by the DTCM in this regard.

Obligations of a Licensee
Article (8)

A Licensee must:

1. comply with the legislation in force in the Emirate, including the resolutions issued by the DTCM;
2. keep paper and electronic records of all information relating to Holiday Homes, maintain these for the period determined by the DTCM, and make them accessible to the DTCM employees;
3. provide an insurance policy issued by a licensed insurance company in accordance with the conditions adopted by the DTCM in this regard, with a view to ensuring that Guests are indemnified for any damage they may sustain. The insurance policy must be valid for the entire term of the Licence;
4. subscribe to the e-Programme for Hotel and Tourism Establishments in accordance with the above-mentioned Decree No. (13) of 2011, and enter the required information in this programme;
5. provide Guests with accurate and complete information on Holiday Homes and their classification categories;
6. respond to the complaints referred to it by the DTCM within the prescribed period;
7. maintain a notice board, which displays the information of the Licensee in the Arabic and English languages and the classification category of the Holiday Home, in a prominent place in each Holiday Home;
8. regularly provide maintenance services of Holiday Homes;
9. provide Holiday Homes with electricity and water services without charging Guests additional costs;
10. lease Holiday Homes to Guests on a daily, weekly, monthly, or annual basis;
11. lease out Holiday Homes in whole rather than in part as separate rooms or bed spaces;
12. abstain from acting as a broker between Guests and any entity which is not licensed by the DTCM to conduct the Activity;
13. provide the DTCM with the information, documents, papers, and statistics requested by it, and fully cooperate with it;
14. notify the DTCM of any variation of the details of the Licensee; and

15. comply with any other obligations determined by the DTCM pursuant to the resolutions issued by it in this regard.

Classification Criteria of Holiday Homes

Article (9)

- a. In accordance with the classification criteria prescribed by a resolution of the Director General, Holiday Homes will be classified into two categories: deluxe and standard.
- b. The DTCM will inspect Holiday Homes to verify that they meet the classification criteria adopted by the DTCM.
- c. The DTCM may upgrade or downgrade the classification of a Holiday Home in accordance with the adopted classification criteria and based on compliance by the Establishment with the provisions of this Decree, the resolutions issued in pursuance hereof, and any other criteria deemed necessary by the DTCM.

Fees

Article (10)

In return for the Licences and other services provided by the DTCM, the DTCM will collect the fees prescribed pursuant to a resolution of the Chairman of the Executive Council.

Penalties

Article (11)

- a. Without prejudice to any stricter penalty stipulated in any other legislation, any person who violates the provisions of this Decree or the resolutions issued in pursuance hereof will be punished by a fine of not less than two hundred Dirhams (AED 200.00) and not more than twenty thousand Dirhams (AED 20,000.00). Upon repetition of the same violation within one (1) year from the date of the previous violation, the amount of the fine will be doubled, provided that a fine does not exceed one hundred thousand Dirhams (AED 100,000.00). The Chairman of the Executive Council will determine, pursuant to a resolution issued by him in this regard, the prohibited acts and the fines to be imposed on the perpetrators of these acts.
- b. In addition to the penalty of a fine referred to in paragraph (a) of this Article, the DTCM may take one or more of the following measures against violators:

1. warning;
 2. suspending the Activity for a period not exceeding six (6) months; and/ or
 3. cancelling the Licence.
- c. Upon a written request submitted by a Licensee whose Licence has been cancelled, the DTCM may reinstate the Licence one (1) year after the date of cancellation of the Licence in accordance with the procedures and rules adopted by the DTCM in this regard.

Law Enforcement

Article (12)

Employees of the DTCM nominated by a resolution of the Director General, issued in coordination with the Director General of the Government of Dubai Legal Affairs Department, will have the capacity of law enforcement officers to record the acts committed in breach of the provisions of this Decree and the resolutions issued in pursuance hereof. For this purpose, they may inspect Holiday Homes, Establishments, or any of their facilities, and review all the records, documents, and entries maintained by the Licensees, and may issue the violation reports required in this regard.

Grievance

Article (13)

Any affected party may submit a written grievance to the Director General against the decisions, procedures, or measures taken against him under this Decree and the resolutions issued in pursuance hereof, within thirty (30) days of being notified of the contested decision, procedure, or measure. The grievance will be determined within thirty (30) days from the submission date. The decision issued in respect of the grievance will be final.

Seeking Assistance from Government Entities

Article (14)

For the purposes of implementing the provisions of this Decree and the resolutions issued in pursuance hereof, the DTCM may seek assistance from Government entities in the Emirate, including police personnel. Upon request, such entities must provide prompt support and assistance to the DTCM.

Liability of the DTCM
Article (15)

The DTCM will not be liable to third parties for any damage they may suffer as a result of a Licensee conducting the Activity.

Compliance
Article (16)

All individuals and entities conducting the Activity in the Emirate before the effective date of this Decree must comply with its provisions within three (3) months from the effective date of the Decree.

Issuing Implementing Resolutions
Article (17)

The Director General will issue the resolutions required for the implementation of the provisions of this Decree.

Repeals
Article (18)

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

Publication and Commencement
Article (19)

This Decree will be published in the Official Gazette and will come into force three (3) months after the date on which it is published.

Mohammed bin Rashid Al Maktoum
Ruler of Dubai

Issued in Dubai on 24 November 2013
Corresponding to 20 Muharram 1435 A.H.