

Decree No. (23) of 2020
Regulating the
Sale by Heirs of Residential Property 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. (11) of 1992 Issuing the Civil Procedure Code, its Regulatory Bylaw, and its amendments;

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

Law No. (9) of 2007 Establishing the Awqaf and Minors Affairs Foundation;

Law No. (4) of 2011 Establishing the Mohammed bin Rashid Housing Establishment and its Implementing Bylaw;

Law No. (4) of 2013 Concerning Notaries Public in the Emirate of Dubai;

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

Law No. (8) of 2015 Concerning the Community Development Authority in Dubai;

Law No. (13) of 2016 Concerning the Judicial Authorities in the Emirate of Dubai;

Decree No. (31) of 2016 Concerning the Mortgage of Granted Land in the Emirate of Dubai;

The Instructions Issued on 20 September 1994 Concerning Land Granted by the Government to UAE Nationals in the Emirate of Dubai;

The Order Issued on 20 September 1994 Prohibiting Notaries Public from Attesting Contracts, Agreements, or Documents Related to the Disposition of Granted Land; and

©2021 The Supreme Legislation Committee in the Emirate 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.*

Decree No. (23) of 2020 Regulating the Sale by Heirs of Residential Property in the Emirate of Dubai

The Order Issued on 12 July 2004 Concerning Residential Land Granted to UAE Nationals 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.
Government:	The Government of Dubai.
DLD:	The Land Department.
MBRHE:	The Mohammed bin Rashid Housing Establishment.
Director General:	The director general of the DLD.
Residential Real Property:	A vacant land plot, or a dwelling constructed in the Emirate on a granted or freehold land plot, which is co-owned in undivided shares by heirs to whom a certificate of freehold title is issued by the DLD, whether it was originally granted by the Government to their legator or was owned by him through any other means of acquisition of ownership.
Tribunal:	A special tribunal formed to consider and determine the applications, claims, disputes, and appeals filed with it in respect of the sale of Residential Real Property.

Scope of Application

Article (2)

- a. The provisions of this Decree apply to Residential Real Property which any of the heirs wishes to sell, in accordance with the provisions, procedures, rules, and requirements stipulated in this Decree.

- b. The provisions of this Decree do not apply to move-in ready dwellings granted by the MBRHE and governed by the above-mentioned Law No. (4) of 2011 and its Implementing Bylaw.

Requirements and Procedures for Sale of Residential Real Property

Article (3)

- a. An heir, or his legal representative, may submit to the DLD an application for approval of Residential Real Property sale, in accordance with the procedures and requirements adopted by the DLD in this respect.
- b. The DLD will conduct a case study in respect of the application submitted to it pursuant to paragraph (a) of this Article, in coordination with the concerned Government entities in the Emirate, particularly the MBRHE, the Community Development Authority in Dubai, and the Awqaf and Minors Affairs Foundation. When conducting the study, the following must be verified:
 - 1. that one of the following cases applies to all the heirs:
 - a. they have another dwelling or a land plot, whether granted or owned, that is allocated for constructing a dwelling;
 - b. the Residential Real Property does not meet their needs for any reason whatsoever, including that the area of the Residential Real Property is disproportionate to the number of heirs; or
 - c. any other cases accepted by the DLD, in coordination with the concerned Government entities in the Emirate.
 - 2. that there are no legal impediments or third-party rights that preclude the sale of the Residential Real Property; and
 - 3. that none of the heirs will suffer any harm as a result of the sale of the Residential Real Property, whether it is granted or owned, especially the elderly and minors; unmarried, divorced, and widowed female heirs; and persons with disabilities. This includes the unavailability of an alternative dwelling that is suitable in terms of value, location, and area.

- c. The DLD will, upon verifying the validity of the application and the authenticity of submitted supporting documents, and upon completing the case study referred to in paragraph (b) of this Article, notify the rest of the heirs, using the notification methods specified by the relevant resolution of the Director General, that one of them has applied for sale of the Residential Real Property. The heirs must either consent to or decline the application for sale of the Residential Real Property within thirty (30) days from receiving the notification.

Consenting to Residential Real Property Sale

Article (4)

- a. Where all heirs consent to the sale of the Residential Real Property, the DLD will take the action required for sale of the Residential Real Property, either by direct sale to a buyer at the market value estimated by the DLD; or by auction, in accordance with the rules and procedures stipulated in the above-mentioned Federal Law No. (11) of 1992 and its Regulatory Bylaw, and in the applicable legislation in force.
- b. Subject to the provisions of paragraph (b) of Article (3) of this Decree, the DLD must verify the satisfaction of the following requirements before taking the necessary action to sell the Residential Real Property:
 - 1. The buyer must be a UAE National, where the Residential Real Property exists in other than the areas designated for ownership by non-UAE nationals of Real Property in the Emirate under the above-mentioned Law No. (7) of 2006.
 - 2. All payable or deferred amounts owed to the concerned Government entities in respect of the Residential Real Property, if any, must be paid. The DLD may approve an application for deferral of the payment of these amounts until after the sale of the Residential Real Property, provided that the heir who has submitted the sale application provides valid reasons for the deferral. In this case, the payable or deferred amounts owed to the concerned Government entities will be settled out of the Residential Real Property sale proceeds prior to distribution of the same among the heirs.
 - 3. The buyer must agree to deposit the Residential Real Property sale proceeds into the DLD account to enable the DLD to distribute them among the heirs based on their respective shares in the Residential Real Property.

4. All other conditions prescribed by the DLD, in coordination with the concerned Government entities, pursuant the relevant resolutions issued by the Director General, must be met.

Provision of Alternative Housing Solutions

Article (5)

- a. If it is established to the satisfaction of the DLD, through the case study conducted in accordance with the provision of paragraph (b) of Article (3) of this Decree, that any of the heirs has no dwelling other than the Residential Real Property requested to be sold; or that any of the heirs will suffer harm as a result of the sale of the Residential Real Property, especially the elderly and minors; unmarried, divorced, or widowed female heirs; and persons with disabilities, the DLD will, in coordination with the MBRHE, provide these heirs with alternative housing solutions, in accordance with the relevant procedures, rules, and requirements prescribed by the DLD and the MBRHE.
- b. The consideration of an application for sale of the Residential Real Property will be suspended in the case referred to in paragraph (a) of this Article until an appropriate alternative housing solution is provided to the heirs by the MBRHE, or until the lapse of one (1) Year from the date of submission of the sale application, whichever is earlier.
- c. Where, after the lapse of the period referred to in paragraph (b) of this Article, the MBRHE is still unable, for any reason whatsoever, to provide the affected heirs with an alternative housing solution; and the case study conducted in accordance with paragraph (b) of Article (3) hereof confirms that the sale of the Residential Real Property will result in harm to any heir, the consideration of the application for sale of the Residential Real Property will be suspended. In this case, the application may be reconsidered only upon the availability of an alternative housing solution, and the MBRHE must endeavour to find that solution as soon as possible.

Non-Consent to the Sale of Residential Real Property

Article (6)

- a. Where the period referred to in paragraph (c) of Article (3) of this Decree lapses without receiving a response from the heirs to the notification of the Residential Real Property sale application, after verifying receipt or knowledge by the heirs of the notification; or where any of the heirs declines to consent to the Residential Real Property sale application, the

DLD will mediate an amicable settlement among the heirs, where possible, in accordance with the relevant rules, procedures, and time frames prescribed by the DLD.

- b. Where all heirs accept the amicable settlement mediated by the DLD in accordance with the provisions of paragraph (a) of this Article, the settlement will be documented in a contract executed by all the heirs or their legal representative(s), and will be attested by the DLD in accordance with the legislation in force. In this case, the DLD will proceed with the procedures for sale of the Residential Real Property, in accordance with the provisions of Article (4) hereof.
- c. Where any of the heirs persists in declining to consent to the Residential Real Property sale application in spite of the DLD amicable settlement endeavours undertaken in accordance with the provisions of paragraph (a) of this Article, the DLD will issue an official document in favour of the applicant heir stating that an amicable settlement among the heirs cannot be reached, in order to enable that applicant to file a claim before the Tribunal for the sale of the Residential Real Property.

Appeals against Decisions of the DLD

Article (7)

Any affected party may file an appeal with the Tribunal against any decisions issued, or actions taken, by the DLD or the MBRHE under this Decree. The appeal must be filed within ten (10) working days from the date on which he becomes aware of the contested decision or action. The appeal will be considered and determined by the Tribunal in accordance with the relevant procedures, time frames, rules, and conditions prescribed by the Tribunal.

Formation of the Tribunal

Article (8)

- a. The Tribunal will be formed pursuant to a resolution of the Ruler; and will be comprised of experts and specialists in the legal, financial, and real property fields. The Tribunal will consider all applications, claims, or disputes that arise among heirs in respect of the sale of Residential Real Property in accordance with the provisions of this Decree, including appeals against the decisions issued, or actions taken, by the DLD or the MBRHE under this Decree.

- b. The Tribunal will have exclusive jurisdiction, within the Emirate, to consider and determine the applications, claims, disputes, and appeals referred to in paragraph (a) of this Article. The Tribunal formation resolution must provide for the method of selecting its members; its functions and powers; and the legal effect, and method of execution, of its judgements; and will include any other relevant provisions.

Sale of Residential Real Property by the Tribunal

Article (9)

- a. The Tribunal will deliver a judgement to sell the Residential Real Property by auction, where it cannot be partitioned in kind or where the in-kind partition would result in any prejudice or significant decrease in the value of the Residential Real Property, in which case the plaintiff must litigate against all the heirs. Where the Tribunal decides to sell the Residential Real Property by auction, it may restrict the auction to the heirs if they request this unanimously.
- b. In issuing a decision to sell the Residential Real Property, in accordance with the provisions of this Article, the Tribunal must ensure that none of the heirs will suffer any harm as a result of the sale, especially the elderly and minors; unmarried, divorced, and widowed female heirs; and persons with disabilities.
- c. The Tribunal may not admit any application or claim in respect of the sale of Residential Real Property in accordance with the provisions of this Decree, unless the applicant or plaintiff submits the official document referred to in paragraph (c) of Article (6) of this Decree.
- d. The Tribunal must deposit the Residential Real Property sale proceeds, in accordance with the provisions of this Article, into the DLD account.
- e. In any event, the Tribunal must, in issuing its decision to sell the Residential Real Property, take into consideration the case study conducted in accordance with the provisions of paragraph (b) of Article (3) of this Decree, and comply with the rules and procedures stipulated in the above-mentioned Federal Law No. (11) of 1992 and its Regulatory Bylaw.

Provision of Support
Article (10)

All Concerned Entities in the Emirate must, each within its own jurisdiction, provide the necessary support to the DLD to enable it to perform the duties assigned to it under this Decree, and take all necessary actions to implement the resolutions issued in implementation hereof.

Invalidity of Violating Dispositions
Article (11)

Any disposition undertaken in breach of the provisions of this Decree will be void and may not be registered or have any legal effect as against the Government, the DLD, or third parties.

Applicability of the Civil Code
Article (12)

The provisions of the above-mentioned Federal Law No. (5) of 1985 and its amendments, relating to property co-owned in undivided shares, will apply to all matters not provided for in this Decree.

Issuing Implementing Resolutions
Article (13)

The Director General will issue the resolutions required for the implementation of this Decree. These resolutions will be published in the Official Gazette.

Repeals
Article (14)

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

Publication and Commencement
Article (15)

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 13 August 2020

Corresponding to 23 Thu al-Hijjah 1441 A.H.