

Administrative Resolution No. (27) of 2023
Determining the Dubai Municipality Markets and Prescribing the Rules and
Requirements for Disposition of the Leased Property Therein¹

The Director General of the Dubai Municipality,

After perusal of:

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

Law No. (12) of 2020 Concerning Contracts and Warehouse Management in the Government of Dubai;

Law No. (27) of 2021 Concerning the Dubai Electricity and Water Authority;

Decree No. (34) of 2022 Establishing the Agencies Affiliated to the Dubai Municipality and Determining their Functions;

Executive Council Resolution No. (50) of 2016 Regulating Dubai Municipality Markets and its amendments;

Executive Council Resolution No. (43) of 2022 Approving the Organisational Structure of the Dubai Municipality;

Administrative Resolution No. (411) of 2016 Requiring the Tenants of Dubai Municipality's Real Property to Pay the Consumption Fees for Electricity and Water;

Administrative Resolution No. (104) of 2021 Forming the Committee for Disposition of the Dubai Municipality Assets by Auction;

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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.*

Administrative Resolution No. (110) of 2021 Forming the Committee for Disposition of the Dubai Municipality Assets by Negotiation and Direct Agreement; and

The letter of His Excellency the Director General of the Department of Finance Ref. (DOF-OUT-2021-0000696), dated 12 April 2021, stating the DOF approval of the charges and fees to be collected within the Dubai Municipality Markets,

Does hereby issue this Resolution.

Definitions

Article (1)

The words and expressions mentioned in this Resolution will have the same meaning assigned to them in the above-mentioned Executive Council Resolution No. (50) of 2016. Additionally, the following words and expressions, wherever mentioned in this Resolution, will have the meaning indicated opposite each of them unless the context implies otherwise:

Department: The Markets Department at the Public Facilities Agency of the DM.

Competent Committee: The Committee for Disposition of the Dubai Municipality Assets by Auction formed pursuant to the above-mentioned Administrative Resolution No. (104) of 2021, or the Committee for Disposition of the Dubai Municipality Assets by Negotiation and Direct Agreement formed pursuant to the above-mentioned Administrative Resolution No. (110) of 2021.

Determining the Markets

Article (2)

- a. The Markets to which the above-mentioned Executive Council Resolution No. (50) of 2016 applies are as follows:
 1. Central Fruit and Vegetable Market;
 2. Auto Market;

3. Trucks and Heavy Equipment Market;
 4. Birds and Pets Market;
 5. Al Hamriya Central Market;
 6. Al Rashidiya Central Market;
 7. Naif Souk;
 8. Al Fahidi Souk;
 9. Livestock and Feed Market;
 10. Hatta Market;
 11. Al Tay Livestock Yards;
 12. Building Materials Market;
 13. Al Ayas Market;
 14. Traditional Souq;
 15. Furniture Market; and
 16. any other Market affiliated to the DM, as determined pursuant to a resolution of the Director General.
- b. The geographical locations and respective areas of the Markets referred to in paragraph (a) of this Article will be demarcated on the relevant maps approved by the DM.

Disposition of Leased Property Article (3)

The types of permitted dispositions of Leased Property, and the requirements and rules governing these dispositions, are as follows:

I. Assignment of a Leased Property Tenancy Contract to a Third Party

- a. The assignment of a tenancy Contract of Leased Property to a third party will be subject to the following conditions:
1. The Leased Property tenancy Contract to be assigned must be valid.
 2. At least one (1) year must have passed since the lease of the Leased Property to the assignor. Throughout this period, the Leased Property must have been actively occupied and must not have been closed down without a valid reason acceptable to the DM.
 3. The assignor, the assignee, and the Leased Property subject to the assignment must be free from any legal obligations or financial liabilities towards the DM.
 4. Unless otherwise decided by the Competent Committee, the assignee must meet the same requirements initially prescribed for applicants to the DM for leasing the Leased Property.
 5. An assignment document duly attested by a Notary Public must be provided.
 6. The activity which the assignee intends to conduct at the Leased Property must be one which is permitted by the DM in the Market where the Leased Property is located.
 7. Ten percent (10%) of the annual rent specified in the tenancy Contract of the Leased Property to be assigned, or of the annual rent of similar real property in the Market, whichever is higher, must be paid to the DM.

b. Rules for Assignment of Leased Property Tenancy Contracts

1. Upon approval of the assignment application, the Competent Committee may amend the tenancy Contract assigned to the assignee in respect of the Leased Property. This includes amending the rent.
2. The Department will notify the assignor and the assignee of the DM's approval of the assignment within ten (10) working days from the date of issuance of the Competent Committee's approval of the application.

3. Within fifteen (15) days from the date of being notified as per the provisions of sub-paragraph (b)(2) of this Article, the assignor and assignee must complete the assignment procedures, including payment of the prescribed assignment fee, and signing a document releasing the DM from any liabilities arising from the tenancy Contract concluded between the DM and the assignor.

II. Subleasing Leased Property

a. Subleasing Leased Property will be subject to the following conditions:

1. The tenancy Contract of the Leased Property to be subleased must be valid.
2. The landlord, Tenant, and the Leased Property to be subleased must be free from any legal obligations or financial liabilities towards the DM.
3. Unless otherwise decided by the Competent Committee, the subtenant must meet the same requirements initially prescribed for applicants to the DM for subleasing Leased Property.
4. The activity of the subtenant to be conducted at the Leased Property must be one which is permitted by the DM in the Market where the Leased Property is located.
5. Ten percent (10%) of the annual rent specified in the tenancy Contract of the Leased Property to be subleased, or of the annual rent of similar real property in the Market, whichever is higher, must be paid to the DM. This percentage applies whether the Leased Property is to be subleased in whole or in part.

b. Rules for Subleasing Leased Property

1. Upon approval of a sublease application, the Competent Committee may amend the tenancy Contract concluded with the original Tenant in respect of the Leased Property. This includes amending the rent.
2. The Department will notify the Tenant and the subtenant of the DM's approval of the sublease within ten (10) working days from the date of issuance of the Competent Committee's approval of the application.

3. Within fifteen (15) days from the date of being notified as per the provisions of sub-paragraph (b)(2) of this Article, the Tenant and subtenant must complete the sublease procedures, pay the prescribed fee, and sign a document releasing the DM from any liability, towards them or towards third parties, arising from its approval of the sublease contract of the Leased Property.
4. The DM's approval of the sublease does not prejudice the original Tenant's liability towards the DM for all his obligations under the tenancy Contract concluded with him. Additionally, the approval does not preclude the DM from taking recourse against the subtenant for the breach of any of the obligations encumbering the Leased Property or for any violations committed therein. The original Tenant and the subtenant will be deemed jointly and severally liable towards the DM for these obligations and violations.

III. Exchange of Leased Property

The exchange of Leased Property will be subject to the following conditions:

1. The Leased Property to be exchanged must be of the same kind and located within the same Market, unless otherwise decided by the Competent Committee based on the nature of the Market and the economic activities conducted therein. For the purpose of this sub-paragraph, the phrase "of the same kind" means that the Leased Property to be exchanged falls in same planning use class. Therefore, a commercial shop may not be exchanged for a warehouse, and a shop designated and categorised as a retail outlet may not be exchanged for a shop categorised as a wholesale outlet, under the planning use classification.
2. Both parties to the exchange, and the Leased Property to be exchanged, must be free from any legal obligations or financial liabilities towards the DM.
3. Five percent (5%) of the annual rent specified in the tenancy Contract of the Leased Property to be exchanged, or of the annual rent of similar real property in the same area, whichever is higher, must be paid to the DM.

Occupancy of Pavements, Yards, and Pathways within Markets
Article (4)

- a. A permit to occupy a pavement, yard, or pathway within a Market will be issued subject to the following conditions:
 - 1. The applicant for occupancy must be a Tenant at the Market in which the space to be occupied is located.
 - 2. The space to be occupied must not include emergency or public safety facilities.
 - 3. The occupancy of the required space must not obstruct traffic flow; negatively affect the sight lines of drivers; violate any health, safety, or environmental requirements; or affect the urban planning and architectural character or the overall appearance of the Market.
- b. Rules for Occupancy of Pavements, Yards, and Pathways within Markets
 - 1. The Department will determine the activities and occupancies to be permitted on pavements, yards, and pathways within a Market based on the activities permitted in that Market or based on the added value of the required occupancy to the Market's activity.
 - 2. If the required space is part of a pavement, a minimum distance of one (1) metre of the pavement width must be left unoccupied for pedestrian traffic, with the possibility of increasing this distance at any time during the occupancy permit term as deemed appropriate by the Department based on the pedestrian traffic volume.
 - 3. An occupancy permit issued by the Department will be deemed temporary, and may be revoked by the Department at any time prior to its expiry without any liability towards the permit holder or any third party.
 - 4. A permitted occupancy space must be used exclusively by the permit holder and his staff and may only be used for the purpose for which the permit is issued. The occupancy permit may not be assigned to any third party; and no third party may be allowed to use or occupy the permitted occupancy space, or any part thereof, without the relevant prior approval of the Department.

5. A permit holder will be fully responsible for the occupancy and use of the permitted occupancy space. This includes the removal of any items, structures, or waste in the space upon the end of the occupancy period for any reason whatsoever; and reinstatement of the space to its original condition.
6. A permit holder must maintain the cleanliness of the permitted occupancy space, and must constantly and continuously meet the public safety requirements within the same.

Roles of the Department and Competent Committee

Article (5)

- a. The Department will receive any application submitted to it pursuant to this Resolution; consider the same; and submit its recommendations to the Competent Committee to make the appropriate decision in respect of that application, within no later than fifteen (15) working days from the date of submission of the application.
- b. The recommendations of the Department and decisions of the Competent Committee in respect of the submitted applications will be issued in accordance with the provisions of this Resolution, the above-mentioned Executive Council Resolution No. (50) of 2016, and the resolutions and circulars issued in pursuance thereof.
- c. The Competent Committee may delegate any of its powers under this Resolution to the Department, provided that this delegation is specific and in writing.

Service Charges

Article (6)

- a. In return for providing guarding, cleaning, and maintenance services, the DM will collect service charges from Tenants. These service charges will be calculated as a percentage of the annual rent of the Leased Property, taking into account the Market where the Leased Property is located. The service charges will be as follows:

SN	Market	Percentage
1	Central Fruit and Vegetable Market	25%

SN	Market	Percentage
2	Auto Market	10%
3	Trucks and Heavy Equipment Market	15%
4	Birds and Pets Market	5%
5	Al Hamriya Central Market (Old Shops) (New Shops)	15% 2.5%
6	Al Rashidiya Central Market	15%
7	Naif Souk	7.5%
8	Al Fahidi Souk	7.5%
9	Traditional Souq	10%
10	Livestock and Feed Market	15%
11	Hatta Market	15%
12	Al Tay Livestock Yards	10%
13	Building Materials Market	10%
14	Al Ayas Market	10%
15	Furniture Market	10%

- b. The Competent Committee will have the power to amend any tenancy Contract, by increasing or decreasing any of the percentages set out in the table included in paragraph (a) of this Article, based on the actual cost of services and the annual rent of the Leased Property. In any event, the service charges may not exceed twenty-five percent (25%) of the annual rent of the Leased Property, and the amendment must be made at the time of concluding or renewing the tenancy Contract.

Determining Water and Electricity Consumption Charges

Article (7)

For Leased Property that is not equipped with water and electricity meters, the water and electricity consumption charges will be determined as follows:

1. Where the Leased Property is not equipped with separate meters or sub-meters, the consumption charges will be determined based on an estimate made by the General Maintenance Department of the Public Facilities Agency of the DM upon conducting a technical inspection of the Leased Property.

2. Where the Leased Property is equipped with sub-meters measuring electricity and water drawn from the main DM meter, the consumption charges will be determined based on the highest consumption slab prescribed by the Dubai Electricity and Water Authority PJSC upon taking the meter reading.
3. Where the Leased Property is equipped with a shared meter, the consumption charges will be determined based on the highest consumption slab prescribed by the Dubai Electricity and Water Authority PJSC upon taking the meter reading. In that case, the water and electricity consumption charges must be divided among the Leased Property units sharing the same meter, and annual charges will be estimated for each Leased Property unit based on its total area and nature of activity.

Repeals Article (8)

The above-mentioned Administrative Resolution No. (411) of 2016 is hereby repealed. Any provision in any other administrative resolution is also hereby repealed to the extent that it contradicts the provisions of this Resolution.

Publication and Commencement Article (9)

This Resolution will be published in the Official Gazette and will come into force on the day on which it is published.

Dawood Abdul Rahman Al Hajiri
Director General
Dubai Municipality

Issued in Dubai on 25 January 2023
Corresponding to 3 Rajab 1444 A.H.