

Abu Dhabi Administrative Decision No. 251/2015
On the Issuance of the Implementing Regulation of Licensing Pursuant to
Abu Dhabi Law No 3/2015 Concerning the Regulation of the Real Estate
Sector in the Emirate of Abu Dhabi

The Chairman of the Department of Municipal Affairs,

Pursuant to the perusal of Abu Dhabi Law No. 1/1974 on the Reorganisation of the Government Apparatus in the Emirate of Abu Dhabi and its amendments;

Abu Dhabi Law No. 9/2007 on the establishment of the Department of Municipal Affairs;

Abu Dhabi Law No. 3/2015 concerning the regulation of the Real Estate Sector in the Emirate of Abu Dhabi; and

Based on the proposal made to the Executive Council and its approval by said Council,

Issued the following Decision:

Article 1 - Definitions

In application of the provisions of the present Regulation, the following terms and expressions shall have the meanings assigned thereto unless the context requires otherwise:

Department: Department of Municipal Affairs.

Municipality: Municipality of Abu Dhabi City, Al Ain City Municipality, Western Area Municipality and any Municipality that would be established in the Emirate in the future.

Law: Abu Dhabi Law No. 3/2015 concerning the regulation of the Real Estate Sector in the Emirate of Abu Dhabi.

Licensees: Persons who work in the real estate sector and who are licensed by the Department under the provisions of the Law. Those persons are: the developer, the broker, the broker's employee, the auctioneer, the owners' association manager, the appraiser and the surveyor.

License: Authorisation issued by the Department to permit the licensees to exercise their activities in accordance with the provisions of the Law.

Person: Natural or juridical person.

Broker: Person who, by virtue of a brokerage contract, seeks finding a second party to conclude a certain contract through brokerage in contracting negotiations in return for a commission.

Broker Employee: Natural person who works for the Broker and in his name to act as broker.

Auctioneer: Person registered at the Department and authorised to sell real estates at auction.

Surveyor: Person who, in return for remuneration, determines the dimensions and limits of any real estate to present same for registration at the Department, with the exception of any person who performs the same work for any government body.

Appraiser: Person who takes charge, in return for remuneration, of appraising and estimating the value of a real estate or any other property rights on said real estate and giving opinion thereon.

Real Estate Development Project: Project of construction of multi-story buildings or compounds for residential or commercial purposes or for both purposes and their outbuildings or the construction of infrastructures and service facilities in case of sale of vacant lands.

Developer: Main Developer or sub-developer.

Main Developer: Person licensed to practice the activities of development, sale, management and lease of real estates as main developer of the real estate development project.

Sub-Developer: Person licensed to practice the activities of development, sale, management and lease of real estates in a part of a main compound by virtue of an agreement between him and the main developer or another sub-developer.

Owners' Association: Owners' association formed by virtue of the provisions of the Law for the management and operation of the common parts including their reparation and maintenance, proper exploitation.

Owners' Association Manager: Person appointed by the developer or the owners' association to manage the daily activities of the owners' association.

Chamber: Abu Dhabi Chamber of Commerce and Industry.

Statutes of the Owners' Association: Rules and provisions regulating the Owners' Association.

Article 2 - Categories of the Licensees

1- The Department may issue a licence based on a request submitted by the concerned party according to the form adopted by the Department for the categories covered by the licensees' definition as per the Law and the present Regulation.

2- The issuance of licences to each of the main developer and the sub-developer shall be limited to the juridical persons.

3- The licences related to the broker, the auctioneer the owners' association manager and the surveyor may be issued to juridical and natural persons.

4- The licence applicant shall undertake not to submit any incorrect, misleading or incomplete data to the Department in relation to the licence application as per the Law and the present Regulation.

5- The licence applicant shall pay the fees prescribed according to the implementing regulation concerning the fees.

6- Being licensed according to the provisions of the present Regulation does not exempt the licensee from the requirement of obtaining any other licences, authorisations or approvals required by any other government body to enable him to perform his works according to the applicable legislations.

Article 3 - Developer's licence

1- The application for obtainment of a developer's license shall be submitted to the Department along with the following documents:

- a- A commercial licence that shall be valid on the date of submission of the application or a preliminary licensing approval authorising the concerned party to work in the real estate development projects.
- b- Certificate of membership in the Chamber, which shall be valid on the date of submission of the application for the existing licence.

2- If the applicant is a developer who was a practitioner before the enforcement of the present Regulation, the application for the licence shall be submitted along with the following documents:

- a- The statements of the adopted real estate development projects, whether existing or proposed.
- b- Main plans and architectural designs for the adopted real estate development projects.
- c- Property deeds of the lands of the adopted real estate development projects.
- d- Feasibility study for the real estate development project that shall be issued by an accredited auditor.
- e- Sale and purchase agreements with real estate sub-developers as for the main developer.
- f- Any other documents or data requested by the Department.
- g- Models of sale and purchase agreements of the real estate unit purchaser, that are listed in the adopted real estate development projects as for the sub-developer or main developer in case the sale is made directly through the latter.
- h- Project marketing agreement concluded with the brokers, if any.

Article 4 - Licence of the Owners' Association Manager/the Appraiser/the Surveyor

1- A natural person who applies for a licence to work as Owners' Association manager, appraiser or surveyor shall fulfil the following conditions:

- a- Be a resident of the State.
- b- Not have been convicted of any offence involving moral turpitude or dishonesty or declared bankrupt.
- c- Shall have successfully passed the training session and the tests set for the licence subject matter of the application according to the standards adopted by the Department.
- d- Shall have previous experience of no less than 3 years in the works related to the licence subject matter of the application, as the case may be.

2- The licence application shall be submitted along with the following documents:

- a- Copy of a valid ID.
- b- Copy of a valid residence visa.
- c- 2 copies of a personal photo having appropriate size.
- d- Any other documents or data requested by the Department.

3- A juridical person that submits an application for the obtainment of a licence to work as Owners' Association manager, appraiser or surveyor, shall be a company registered according to Federal Law no. (2) of 2015 on Commercial Companies, provided that the commercial company meets the following conditions:

- a- Be licensed and registered in the Emirate.
- b- Have a licensed branch in the Emirate should it be licensed in any other Emirate of the UAE.
- c- Have a financial capacity that meets the standards set by the Department.
- d- Neither the manager of the company nor any member of a board of managers thereof shall have been declared bankrupt or convicted for an offence involving moral turpitude or dishonesty.
- e- Shall have a professional risks insurance accepted by the Department.
- f- Copies of the following documents shall be submitted:
 - Commercial licence that shall be valid on the date of submission of the application and a certificate of membership in the Chamber that shall be valid on the date of submission of the application.
 - A lease agreement or property deed for buildings that are used as principle headquarters of the company.
 - Any other conditions or documents required by the Department.

Article 5 - Broker's Licence

A natural person who submits an application to obtain a licence to work as a broker shall fulfil the following conditions:

- a- Shall be a national of the State.
 - b- Shall not have been convicted of any offence involving moral turpitude or dishonesty or declared bankrupt.
 - c- Shall have successfully passed the training session and the tests set for the developer's licence subject matter of the application according to the standards adopted by the Department.
 - d- Shall have previous experience of no less than 2 years in the brokerage works.
 - e- Shall obtain the appropriate educational qualification as specified by the Department.
- 2- The licence application shall be submitted along with the following documents:
- a- Copy of a valid ID.
 - b- 2 copies of a personal photo having appropriate size.
 - c- Any other documents or data requested by the Department.
- 3- A juridical person that submits an application for the obtainment of a licence to work as broker shall be a company registered according to Federal Law no. (2) of 2015 on Commercial Companies, provided that the commercial company meets the following conditions:
- a- Be licensed and registered in the Emirate, or
 - b- Have a licensed branch in the Emirate should it be licensed in any other Emirate of the UAE.
 - c- Have a financial capacity that meets the standards set by the Department.
 - d- Neither the manager of the company nor any member of a board of managers thereof shall have been declared bankrupt or convicted for an offence involving moral turpitude or dishonesty.
 - e- Shall have a professional risks insurance accepted by the Department.
 - f- Copies of the following documents shall be submitted:
 - Commercial licence that shall be valid on the date of submission of the application and a certificate of membership in the Chamber that shall be valid on the date of submission of the application.
 - A lease agreement or property deed for buildings that are used as principle headquarters of the company.
 - Any other conditions or documents required by the Department.
- 4- A natural person who works as broker at the brokerage company may not practice brokerage activities on his own behalf.

Article 6 - Licence of the Broker's Employee

A natural person who submits an application to obtain a licence of broker's employee shall fulfil the following conditions:

- a- Shall be a resident of the State.
 - b- Shall not have been convicted of any offence involving moral turpitude or dishonesty.
 - c- Shall have successfully passed the training session and the tests set for the broker's employees, which are adopted by the Department.
- 2- The licence application shall be submitted along with the following documents:
- Copy of a valid passport and a valid ID.
 - Copy of a valid residence visa.
 - 2 copies of a personal photo having appropriate size.
- c- Any other conditions, documents or data required by the Department.

Article 7 - Auctioneer's Licence

1- A natural person who applies for an auctioneer's licence shall fulfil the following conditions:

- a- Shall provide a copy of the commercial licence of the firm through which he practices the profession of brokerage or auction sale.
 - b- Shall have successfully passed the training session and the tests set for the auctioneers, which are adopted by the Department.
- 2- A juridical person that applies for the obtainment of an auctioneer's licence shall hold a broker's licence or at least one of the partners shall hold an auctioneer's licence.
- 3- The Department may impose other conditions and requirements for the licensing of natural and juridical persons as auctioneers.

Article 8 - Powers of the Department

- 1- The Department shall have the right either to accept or deny the licensing application and it shall decide upon such application within a period of no more than 30 days from the date of completion of all the application procedures, provided that it notifies the applicant of the matter in writing.
- 2- If it appears to the Department that any of the data or documents submitted for the obtainment of the licence are incomplete, the concerned party shall be required to complete them within a period set for him under penalty of write off of the application.
- 3- In case the Department rejects the issuance of the licence, its decision shall be justified and the concerned party shall be notified thereof.
- 4- The concerned party may file a grievance to the Chairman of the Department against the decision rejecting the licensing application or requiring him to complete the data or documents as mentioned in Clause (2) of the present Article, within 14 days from the date of notification of said decision to said party.
- 5- The Chairman of the Department shall decide upon the grievance within 30 days from the date of registration thereof at the Department. Should he fail to decide upon the grievance within the aforementioned period, it shall be deemed rejected.
- 6- The concerned party may challenge the decision issued under Clause (5) of the present Article before the competent court within 60 days from the date of notification of said decision to said party.

Article 9 - Licence's Term and Renewal Method

- 1- The term of all the licenses referred to in the present Regulation shall be of one Gregorian year starting from the date of issuance of the licence.
- 2- All licences shall be renewable on a yearly basis.
- 3- The Department may renew the licence based on the licensee's request within a period of four months at most from the date of expiry of the previous licence, after the payment of the prescribed additional fine.
- 4- The licence renewal application shall be submitted according to the form adopted by the Department, along with the documents and data required under the present Regulation.
- 5- The applicant for renewal of the licence under the provisions of the Law and the present Regulation shall pay the fees prescribed according to the implementing regulation regarding fees.

Article 10 - Renewal of the Developer's Licence

The main developer or the sub-developer shall attach the following documents to the licence renewal application:

- 1- Commercial licence that shall be valid on the date of submission of the application.
- 2- Certificate of membership in the Chamber that shall be valid on the date of submission of the application.
- 3- Information related to the adopted real estate development projects whether existing or proposed.
- 4- Any other documents or data requested by the Department.

Article 11 - Renewal of the Licence by Natural Persons

The natural person shall attach the following documents to the required licence renewal application:

- 1- Copy of a valid passport and a valid ID.
- 2- Copy of a valid residence visa.
- 3- 2 copies of a personal photo having appropriate size.
- 4- Proof of completion of any training session or training program the applicant is required, by the Department, to attend as a condition for renewal of the licence.
- 5- Any other documents or data required by the Department.

Article 12 - Renewal of the Licence by Juridical Persons

The juridical person shall attach to the required licence renewal application the documents proving the following:

- 1- Submit a financial report endorsed by an accredited auditor.
- 2- A document proving that the firm has a general manager who has obtained the required licence as the case may be.
- 3- A document proving that it has a manager or a board of managers that have not been declared bankrupt or convicted of any offence involving moral turpitude or dishonesty.
- 4- Copies of the following documents shall be submitted:
 - a- A commercial licence that shall be valid on the date of submission of the application and the certificate of membership in the Chamber, that shall be valid on the date of submission of the application.
 - b- Lease agreement or property deeds of buildings that constitute the headquarters of the firm.

- c- Auditing certificate for the project's escrow account in case of renewal of the Broker's licence.
- d- Evidence proving the requirement that the employees hold the licences of licensed broker's employees in case of renewal of the broker's licence.
- f- Any other documents or data requested by the Department.

Article 13 - Provisions Concerning Delay of Renewal of the Licence

- 1- The Department may close the premises of a person whose licence has ended for a period of no more than 3 months.
- 2- The Department may exempt the licensee from the licensing fees for the renewal period as long as the latter provides what proves that he has not practiced the activity throughout the suspension period.
- 3- All the preceding licensing-related provisions shall apply to the cases of acceptance or rejection of the licence renewal application, inter alia the grievance and challenge before the competent court as the case may be.

Article 14 - Cancellation or Suspension of the Licence

- 1- The Department may cancel or suspend the licence in the following cases:
 - a- Upon insolvency or bankruptcy of the licensee.
 - b- If the licensee is convicted of any offence involving moral turpitude or dishonesty.
 - c- In case the licensee violates any code of conduct applicable at the time of commission of the violation.
 - d- If the broker fails to justify the funds received for a transaction in which he has participated.
 - e- If the licensee has mixed his personal funds with those of other persons for which he works in his ordinary course of activity.
 - f- If the owners' association manager has breached any of his obligations that are set forth in the Law, the Statutes of the owners' association or the implementing Regulations.
 - g- In case of violation of any provision of the Law, the implementing regulation and the decisions issued in implementation of said Law.
- 2- Before the cancellation or suspension of the licence, the Department may send the licensee a written notice containing the reasons necessitating the cancellation or the suspension. The licensee shall have the right to reply to the aforementioned notice within (21) days.
- 3- If the Department decides to cancel or suspend the licence, it shall take into consideration the reasons stated by the concerned party in his reply to the notice, if any.
- 4- The Department shall enter the data related to the violations committed by the licensees in the Real Estate Development Register.
- 5- The person affected by the Department's decision of cancellation or suspension of the licence shall have the right to file a grievance and challenge against the Department's decision before the competent court according to the provisions prescribed in Article (8) of the present Regulation.

Article 15 - Showing the Business Name and the Licence Number

- 1- The licensees shall deliver a copy of the license when requested by the responsible official of the Department, the Municipality or the police or any agent in relation with the licensee.
- 2- The licensees shall show the business name and the licence number as well as its registration number in the real estate development register as the case may be on each of the following:
 - a- The headquarters and any branch office of the licensee.
 - b- The stationary and the business cards.
 - c- Any advertising or marketing materials.
- 3- The number of license of the broker's employee and the one of the broker employer licence shall appear on the business card of the broker employer.

Article 16 - Branch Offices

- 1- The licensee may open one or more branch offices in addition to the principal headquarters for the licensed activity.
- 2- Before opening a branch office, the licensee shall notify the Department of his desire to open a branch office according to the form adopted by the Department.
- 3- In case of a broker, the branch office shall remain at all times under effective supervision of the broker's employee.

Article 17 - Supervising the Employees

- 1- The licensee shall supervise the employees thereof on continuous basis and take all the appropriate and necessary procedures to verify that they are abiding by the Law, the regulations and the instructions issued by virtue thereof and any code of conduct related to the licensee's activity.

2- The licensee shall bear civil responsibility for any violating act or abstention from performing an act imposed by the Law or its implementing regulation or the decisions issued in implementation thereof by any of the licensee's employees when performing the duties of his job.

Article 18 - Agreement on the Licensee's Services

1- Any licensee in any of the categories mentioned in the licensees' definition according to the Law and the implementing regulation shall conclude a written contract with the client.

2- The Department shall set a model for the contract mentioned in Clause (1).

3- In all cases, the contract shall contain all the main contracting elements including the determination of the type of work required to be performed and the duties, obligations and rights of each party.

Article 19 - Distribution of Commissions or Fees

Should the principal assign more than one broker for the same work, the contractor shall conclude a main brokerage contract with said brokers and the brokers shall conclude a written brokerage subcontract between/among them according to the form adopted by the Department, where the brokers shall distribute the commission or the fees among them according to the method specified in the subcontract.

Article 20 - Code of Conduct

1- During the ordinary course of activity, all the licensees shall abide by the provisions of any code of conduct and ethics of the profession issued by the Department under the provisions of the Law or the Implementing Regulation.

2- The Department shall set a code of conduct and ethics of the profession according to the practices adopted thereat and as it deems appropriate.

Article 21

The Department shall issue the decisions, instructions, directives and models required for the application of the provisions hereof.

Article 22

The present Decision shall be published in the Official Gazette and shall come into force from the date of enforcement of the provisions of the Law.

Issued in Abu Dhabi On 26/10/2015

Corresponding to 13/01/1437H.

Saeed Ali Al Ghafali

Chairman of the Department of Municipal Affairs

The present Decision was published in the Official Gazette no. 10 dated 31/10/2015, p. 151.