

Abu Dhabi Administrative Decision No. 245/2015
On the Issuance of the Implementing Regulation of the Common Property
of Real Estates and Owners' Unions 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,

After perusal of:

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

Abu Dhabi Law No. 3/2005 on the regulation of the real estate registration in the Emirate of Abu Dhabi; and

Abu Dhabi Law No. 19/2005 on real estate property and its amendments; and

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

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

Based on the documents presented to the Executive Board and its approval thereof,

Has issued the following Decision:

Chapter 1 - General Provisions

Article 1 - Definitions

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

Emirate: Emirate of Abu Dhabi.

Department: Department of Municipal Affairs.

Municipality: Abu Dhabi Municipality or Al Ain Municipality and Western Region Municipality and any municipality that may be established in the future in the Emirate.

Law: Abu Dhabi Law No. 3/2005 on the Regulation of the Real Estate Registration in the Emirate of Abu Dhabi.

Common Areas: the common parts of the Joint Property designated for common use by Real Estate Units Owners and Occupiers as shown on the Recurring Floor Plan or the Site Plan in accordance with the provisions of the Law and this Regulation.

Site Management System: the regulation determining the conditions and obligations relating to the management and use of the property, subject of the Site Plan.

Building Management System: the regulation determining the conditions and obligations relating to the management of the building and land, subject of the Volumetric Plan.

Floor Management System: the system determining the conditions and obligations relating to the management of the property, subject of the Recurring Floor Plan.

Statute of the Owners' Association: the rules and provisions governing the Owners' Association.

Supply Agreement: the agreement concluded between the Owners' Association and the supplier for the supply of goods or services, including utilities, to the Owners' Association independently or as subject to the provisions of the Building Management System.

Board of Directors: the Board elected by the Owners, according to the provisions of the Law and this System for the management of the Owners' Association.

Site Plan: the plan that divides the property horizontally into two Real Estate Units or more or into common areas.

Recurring Floor Plan: the plan that divides vertically the building or any part thereof and the land where the building is established into two units or more or into common areas, with reference to the floors, walls and ceilings.

Volumetric Plan: the plan that divides vertically the building or any part thereof and the land where the building is established into two Volumetric Spaces or more, without such partition resulting in the creation of any common areas for the relevant building or land.

Public services: Any of the following services:

1-Water networks or supply.

2-Gas networks or supply.

3-Electric networks or supply.

4-Air conditioning.

5-Water Cooling.

6-Telephone service.

7-Computer data or television service.

8-Security services.

9. Sewage system.

10-Rainwater drainage.

11-A system for the removal or disposal of waste.

12-A system for the delivery of mail, parcels or goods.

13-Any other system or service dedicated to enhance improve the facilities in units or common areas.

Developer: the Main Developer or Sub-Developer licensed in the Emirate to carry out real estate development activities.

Person: a physical person or a juristic person.

Owner: a person registered according to Law No. (3) of 2005 referred to, as Owner of the property or holder of any property rights.

Occupier: anyone who rents or resides or works in a Real Estate Unit except for Unit Owners or any Property Rights Holders.

Owners' Association: the Owners' Association formed under the provisions of the Law for the management and operation of Joint Properties including repair, maintenance and good use thereof.

Acting Agent / Agent acting on behalf of the Owners' Association: the Developer or the Person appointed by a decision of the Chairman of the Department, after presentation thereof to the Executive Council, to implement the tasks of the Owners' Association, take the responsibility and carry out the management and operation of Common Areas, public services and utility services in accordance with the provisions of this Regulation.

Manager of the Owners' Association: the person appointed by the Developer or the Owners' Association to manage the daily work of the Association.

Share: the Real Estate Unit's share in Common Areas, and the Owner's rights and obligations arising therefrom.

Property: Various types of real estate, including land, buildings, facilities and real estate by destination including the Real Estate Unit.

Real Estate Development Project: Project of construction of multi-storey buildings or sites for residential or commercial or mixed-use purposes, in addition to their facilities, or construction of infrastructure and services facilities in the event of sale of vacant lands.

Property Right: the original rights in rem, the Musataha right, the usufruct right and the long-term lease.

Real Estate Unit/Unit: Any apartments, storeys and shops or any part of the house (Villa) attached to another house or detached therefrom or a vacant land within a common property, whether existing or proposed on the Recurring Floor Plan or the Site Plan and allocated for a commercial or residential or mixed-use purpose.

Volumetric Space: the Volumetric Space shown in the Volumetric Plan and determined in three dimensions through the use of spatial coordinates.

Existing Real Estate Development Project: the real estate development project, where a Real Estate Unit or more was sold by the Developer to the Purchaser before the effective date of this Regulation, or the one with regard to which the Developer has obtained permits from the concerned authorities to initiate the sale of the project's units.

Chapter 2 - Registration of the Plans

Article 2 - Requirements of the Survey

1-The requirements of survey shall be determined pursuant to the Department's instructions and shall comprise the following:

a-Method used for the conduct of the survey and equipment to be used therein.

b-Accuracy requirements for the survey process.

c-Method of development of plans and contents thereof.

d-Requirements of submission of plans and data attached thereto.

e-Any other requirements that the Department considers necessary for the ensuring of the Survey's highest accuracy standards, and the preparation and registration of the plan.

2-The Surveyor shall conduct and supervise the survey, and shall accurately produce the plan and comply with the instructions issued by the Department.

Article 3 - Property Rights and Plans

1-The Property Rights Holder may register a plan on such rights, provided that he submits the certificate of registration of holder-ship of such rights.

2-The Holder of the Original Rights in Rem on the land may do the following:

a-Register the Recurring Floor Plan or the Site Plan associated therewith in accordance with the provisions of this Regulation.

b-Grant or transfer the Original Rights in Rem in an off-plan Real Estate Unit referred to in paragraph (a) above, taking into account the following:

1-The Holder of the off-plan Property Right shall be deemed the Owner of the Real Estate Unit for the purpose of this Regulation except as determined by the Statute of the Owners' Association.

2-When the off-plan Property Right expires or the building is completed, the Holder of the Original Rights in Rem shall become the Owner of the Unit, for the purposes of this Regulation and the Statutes of the Owners' Association.

Article 4 - Registration of the Development Plans

1-For the purposes of registration, the Main or Subsidiary Development Plan shall meet the following requirements:

a-It shall be approved by Abu Dhabi Urban Planning Council.

b-It shall be produced in accordance with the form specified by this Regulation and the instructions issued by the Department in this respect.

c-It shall be signed by the Owner and any mortgagee of Original Rights in Rem in the land, subject of the Main Development Plan.

d-It shall be signed by the Owner and any mortgagee of Property Rights, subject of the Main Development Plan, if the Original Right in Rem is not the subject of the Main Development Plan.

e-In the case of Subsidiary Development Plan, the plan shall be approved by the Main Developer.

f-The plan shall show the method of amendment of the Main or Subsidiary Development Plan, as the case maybe, including the consultation with the Holders of Property Rights.

g-The plan shall show the procedures of delivery, use and request for payment of costs of the utilities services provided with, at the main or subsidiary development level, as the case may be.

h-The plan shall show the details of the management of waste, water and energy, or any other environmental conditions to be complied with, at the Main or Subsidiary Development Plan level, as the case may be, by the holders of the Property Rights or beneficiaries therefrom.

i-Submission of the Floor Management System, Site Management System and Building Management System in accordance with the requirements set out in this Regulation.

2-The Department may require the attachment of any documents, information or data to the application for registration of the Main or Subsidiary Development Plans.

Article 5 - Contents of the Plans' Model

The Main or Subsidiary Development Plan shall be produced according the model adopted by Abu Dhabi Urban Planning Council and shall include the following data:

1-Developer's name.

2-Details on the land where the Real Estate Development Project is established as per the Real Estate Register.

3-Property Rights to which the plan pertains.

4-A statement describing the purpose of the land referred to in clause (2) of this Article.

5-A plan illustrating the basic infrastructure that will be established by the Main Developer or the Sub-Developer, and will be made available for use by Owners and Property Rights Holders.

6-Details on the method of the basic infrastructure's maintenance and renovation and the parties bearing costs thereof.

7-In the case of contribution of the Holders of the Property Rights, subject of the Main or Sub-Development, or beneficiaries therefrom, to the cost of maintenance and renovation of the basic infrastructure mentioned in the preceding clause, the following shall be stated:

a-The budget set for such costs and the Property Rights Holders' contribution thereto.

b-The manner by which such costs are apportioned between Property Rights Holders.

c-Calculation, imposition and audit of such costs.

d-Authorisation of use of the basic infrastructure by Property Rights Holders.

e-The rules of use of the basic infrastructure and the manner by which such rules can be altered.

Article 6 - Contents of the Plans

The Main or Subsidiary Development Plans shall include the following:

a-Codes, including architectural codes and gardens organisation, regulating the land development project, subject of the Main development or Subsidiary Development Plan.

b-Restriction of use of the Land or Property Rights.

c-Duties and obligations of Property Rights Holders.

d-Rights of easement or covenant or restriction associated with Property Rights.

e-Policies and control measures in the management of the main or subsidiary site.

f-Obligations of the Main Developer or Sub Developer.

Article 7 - Obligations of Units Owners and the Owners' Association

1-The relevant Property Rights Holders, Units Owners and Owners' Association shall comply with the Main Development or Subsidiary Development Plans.

2-Easements, including the restrictions associated with Property Rights in the Main Site's land, shall take effect as per the date mentioned in the Main or Subsidiary Development Plan and shall be binding to the Property Right Holder. Provisions of the Main Development Plan may not be contrary to the Law or this Regulation or any other provision in the legislation in force.

Chapter 3 - Partition Plans (Partition)

Article 8 - Partition Plans

1-Repartition of the sub-developed property and amendment of the Recurring Floor Plan, Site Plan, Volumetric Plan or Typical Floor Plan, are subject to the approval of the Municipality.

2-The Municipality may compel the Developer to submit the Recurring Floor Plan, Site Plan, and Volumetric Plan when it deems it more convenient than the plan proposed to be submitted by the Developer, and if it appears to it that the use of equipment, utilities or services can be shared.

3-The plan dividing the property into Recurring Floor Plan, Site Plan, Volumetric Plan or Typical Plan, shall be prepared in accordance with the instructions and directives issued by the Department.

4-The Developer shall deposit the plans provided for in this Article before the Municipality, to be noted in the Real Estate Register after providing the Real Estate Development Project with the infrastructure services and issuance of the property completion certificate.

Article 9 - Registration of the Site Plan or the Recurring Floor Plan

1-For the purposes of registration, the Recurring Floor Plan or the Site Plan shall meet the following requirements:

a-The Recurring Floor Plan shall pertain to a building licensed by the Municipality.

b-The Site Plan shall pertain to the partition of the Property Right in the land, approved by the Municipality where the land is located.

c-The Recurring Floor Plan and the Site Plan shall take into account the following requirements:

-They shall be prepared according to the form defined by this Regulation and the instructions issued by the Department.

-The Floor Management System or the Site Management System shall be attached thereto as the case may be.

-The plans shall be signed by the Owner or any mortgagee of Original Rights in Rem in the land, subject of the plan.

-The plans shall be adopted by the Main Developer or the Sub-Developer.

2-The Floor Management System and Site Management System shall contain all the necessary information in accordance with the form determined by the Department.

3-For the purpose of access, use, or usufruct of any land or part thereof or any building or part thereof or the Recurring Floor Plan or the Site Plan relating to another land or building, the required rights of occupancy or usufruct shall be established in the plans being part of the Common Areas.

4-The provisions of clause (1) of this Article shall not apply to the basic infrastructure.

5-The Department may require the attachment of any documents to the application for registration of the plans or submission of any other data therewith.

Article 10 - Areas of Mosques and Future Development Regions

1-Any space that has been allocated in the Recurring Floor Plan or Site Plan as a mosque or have been reserved for the purpose of building a mosque shall be deemed a part of the land covered in the plan and shall not be taken into account for the purpose of calculation of the land gross area in the plan, or imposition of any type of service charges in favour of the Owners' Association and membership thereof.

3-Any space that has been allocated in the Recurring Floor Plan or Site Plan as a proposed future development region shall be deemed a part of the land covered in the plan, and despite the Developer's responsibility to bear the services fees imposed on the buildings, it shall not be taken into account for the purpose of calculation of the gross area of the land in the plan, or imposition of any type of service charges in favour of the Owners' Association and membership thereof.

Article 11 - Floor Management System and Site Management System

1-The Floor Management System or Site Management System shall be produced pursuant to the model adopted by the Department and shall include the following:

a-The name of the compound or building, subject of the Site Plan or Recurring Floor Plan, as the case may be.

b-Description of the land where the building or any part thereof is established in the Recurring Floor Plan or the land relating to the Site Plan as per the Real Estate Register.

- c-Real Estate Rights on the land.
- d-Name of the Owners' Association.
- e-Method of numbering of Real Estate Units.
- f-A table determining the number of each Real Estate Unit and its contribution ratio.
- g-Standards and methods used to determine and apportion contribution ratios between units as determined by this Regulation and description of such methods.
- h-Arrangements for the delivery and use of public services and request for the payment of costs thereof.
- i-Details of any of the Owners' Association or Owners or Occupiers' obligations related to waste, energy, water or environment.
- j-The Site rules in accordance with the Statute of the Owners' Association.
- k-Where the Owners' Association is a part of another Owners' Association, the structure thereof together with the method of its operation and management shall be stated.
- l-If the project is staged, the following shall be considered:
 - The project land plan shall illustrate the existing Real Estate Units and Common Areas and the development areas proposed in the future.
 - Description of the project stages, including other Common Areas that are supplied and any changes proposed to the Recurring Floor Plan or Site Plan.
- 2-The Department may require the attachment of any documents, information or data to the application for registration the Recurring Floor Plan or the Site Plan.

Article 12 - Contents of the Site Management System

- 1-The Site Management System shall include the following:
 - a-Restrictions with regards to the use of Real Estate Units in the Site.
 - b-Architectural standards of Real Estate Units, subject of the Site Management System.
 - c-Restrictions with respect to the use of specific parts of Common Areas.
 - d-Any rights or obligations pertaining to easement rights or obligations or restrictions related to the Common Areas or Real Estate Units.
 - e-Allocations to specific units of rights of exclusive use over specified parts of Common Areas including conditions attaching those rights.
 - f-Any special administrative arrangements where the Owners' Association is a party.
 - g-Duties and functions of Owners, Occupiers, and Owners' Association.
 - h-Duties and functions of the Developer.
 - i-Any other matters determined by the Department.
- 2-The Property Rights applicable to the Floor Management System or the Site Management System pertaining to a Property Right other than the original right in rem shall comprise the Common Areas and Real Estate Units.
- 3-The Lease Contract, Usufruct Contract or Musataha Agreement with respect to Units shall be identical (i.e. a single document shall be applicable to all Units) and shall expire upon expiration of the relevant benefit in Common Areas.
- 4-The title deed of the Real Estate Unit or Volumetric Space on the plan registered under the Law shall include a reference to any Main Development Plan or Subsidiary Development Plan or Recurring Floor Management System or Site Management System or Building Management System lodged in the registers with respect to the Real Estate Unit or the Volumetric Space.
- 5-The title deed of the Real Estate Unit or the Volumetric Space on the plan registered under the Law shall include the plan of the Real Estate Unit or Volumetric Space or a reference to the number of the plan lodged in the registers where the Real Estate Unit or Volumetric Space falls.

Article 13 - Validity of the Floor Management System or the Site Management System

- 1-The easements rights, including restrictions associated with Property Rights shall be applicable pursuant to the conditions contained in the Floor Management System or Site Management System and according to the date specified.
- 2-In accordance with the Floor Management System or Site Management System or Building Management System, obligations may be imposed on persons bound to these regulations in favour of the Main Developer or Sub-Developer.
- 3-Provisions of the Floor Management System or Site Management System shall not be contrary to the following:
 - a-Any former and registered Main Development Plan or Subsidiary Development Plan or Recurring Floor Management System or Site Management System in respect of the land itself.
 - b-The Law or this Regulation or any legislation in force.
- 4-Provision of the Recurring Floor Management System shall not be contrary to any provisions of the Building Management System registered in respect of the land itself and shall be deemed ineffective to the extent of contradiction thereto.

Article 14 - Contribution Ratio

1-A contribution ratio shall be allocated to each Real Estate Unit, to be identified with regards to the Real Estate Unit in the Recurring Floor Plan or Site Plan according to the following:

a-If the Real Estate Unit is within a building, the Unit area shall be measured as a percentage of Gross Real Estate Units' Area in the building.

b-If the Real Estate Unit is in a land, the land area shall be measured as a percentage of the gross land area in the Site Plan.

c-In both cases above mentioned, the following shall be observed:

-The value of the Real Estate Units.

-The extent of the Real Estate Units' benefit from other financial resources of the Owners' Association.

2-The contribution ratio may be modified by any of the following procedures:

a-The Owners' Association's submission of a request to the Department for the change of the contribution ratios.

b-Appointment of an independent expert to determine the extent of need for the change or otherwise and the proposed percentage of such change.

3-The Owners' Association shall bear the fees and costs of the expert appointed by the Department.

Article 15 - Amendment of the Development Plans and Management Systems

1-Main Development Plan may be amended subject to the approval of the Department and the consent of the two-thirds majority of the Owners of the land subject of the Main Development Plan.

2-Subsidiary Development Plans may be amended subject to the approval of the Department and the consent of the two-thirds majority of the Owners of the land subject of the Subsidiary Development Plan.

3-The Recurring Floor Management System or the Site Management System may be amended by a decision of the Owners' Association, subject to approval of the Department.

4-For the purposes of this Article, the majority mentioned in clauses (1 and 2) of this Article shall be calculated on the basis of the area of the land owned by persons voting in favour of the proposal, as a percentage of the gross area of the land, subject of the Main or Sub-Development Plan.

5-The Recurring Floor Management System or the Site Management System that includes provisions relating to a phased development for the purpose of completion of its specific stages in the Development Plan may be amended without need for a decision by the Owners' Association to this effect.

6-Changes in the Recurring Floor Management System or Site Management System shall not affect any right of exclusive use over Common Areas without the written consent of the Owner of the Real Estate Unit to which the right pertains.

7-If the Developer votes in accordance with the Statute of the Owners' Association to amend the Recurring Floor Management System or the Site Management System, any Owner who voted against such decision and suffered therefrom may claim compensation from the Developer.

8-The Amendment of the Main or Subsidiary Development Plan or the Recurring Floor Management System or the Site Management System or the Building Management System shall become effective after the issuance of a registration notice or approval of the amendment in the form determined by the Department.

Article 16 - Partition under a Volumetric Plan

1-The Developer may divide the building and the land on which the building is established under a Volumetric Plan, and he shall register the Building Management System at the Department before proceeding with the partition of any other Volumetric Space according to the Recurring Floor Plan; where the Volumetric Space is subject to the Recurring Floor Plan, the Owners' Association shall be considered Owner of the Volumetric Space for the purposes of management and implementation of the Building Management System.

2-The Building Management System shall include all provisions and obligations related to the management of the building and land on which the building is established and subject to the volumetric division, and all the necessary data, in accordance with the model set by the Department.

3-Landlords, Tenants and Occupiers of any Volumetric Space or Real Estate Unit, subject to the volumetric division, shall implement the provisions and the terms of the Building Management System.

Article 17 - Registration of the Volumetric Plans

1-The plan may be registered as a Volumetric Plan if it vertically divides the Property Right in the building and the land where it is located into two or more Volumetric Spaces, in accordance with the instructions and decisions issued by the Department.

The Volumetric Plan may be registered according to the following:

a-The Plan shall pertain to a building licensed by the Municipality.

b-It shall be prepared according to the form determined by this Regulation, and the instructions and decisions issued by the Department.

c-It shall be attached to the Building Management System unless the partition of a Property Right in a Volumetric Space in said plan is not intended by the Recurring Floor Plan.

d-It shall be signed by the Owner and any mortgagee of the Original Right in Rem on the land, subject of the Volumetric Plan.

e-It shall be signed by the Owner and any mortgagee of Property Rights, subject of the Volumetric Plan if the original right in rem on the land is not subject of the Volumetric Plan.

f-It shall be approved by the Main Developer or Sub-Developer of that land.

g-It shall meet the other requirements determined by the Department.

Article 18 - The Building Management System

The Building Management System shall be in accordance with the model approved by the Department provided that the following is taken into account:

a-Identification of the name of the building subject to volumetric schema.

b-Identification of the land on which the building is located.

c-Statement of the Property Right on the land.

d-Determination of Volumetric and Common Areas.

e-Identification of Volumetric Spaces' Owners possessing different Common Areas.

f-Determination of the rights of access, including Utilities Services, to the Volumetric Space where such rights exist on or through another Volumetric Space.

g-Determination of the rights of support or protection of Volumetric Spaces.

h-Determination of the methods of maintenance of the Common Areas and the party responsible thereof.

i-Determination of the method adopted for the apportionment of the maintenance costs, including the renovation and replacement costs by Owners of Volumetric Spaces.

j-Development of insurance arrangements related to the building, including the rule on the basis of which the insurance cost is shared between Owners of Volumetric Spaces.

k-Any other information determined by the Department.

Article 19 - Contents of the Building Management System

The Building Management System shall include the following provisions:

a-Restrictions in respect of the methods of use of private Volumetric Spaces.

b-Architectural standards for Volumetric Spaces subject of the Building Management System.

c-Rules for the use of Common Areas.

d-Description of Volumetric Spaces Owners' obligations with regards to the waste, energy, water or environment.

e-Any rights or obligations or conditions associated with easements, covenants or restrictions concerning Volumetric Spaces.

f-Establishment and operation of the management group.

g-Imposition of costs to finance the promotion of commercial facilities and retail stores in the building and calculation and recovery thereof.

h-Administrative arrangements and record keeping.

i-Rules and procedures for the settlement of disputes.

Article 20 - Provisions of the Building Management System

1-The Building Management System shall allow the following:

a-Opening a bank account in the name of the building.

b-Determining the method adopted for the operation of the bank account by the authorized signatories, and any restrictions thereon.

c-Authorizing the bank to open such account and to operate the same in accordance with the Building Management System.

2-Owners of relevant units, Holders of Property Rights and the Owners' Association shall comply with the Building Management System.

3-Any easements including restrictions relating to the Property Rights shall take effect according to the date set in the Building Management System and shall be binding to Owners and Occupiers of Volumetric Spaces.

4-For the purposes of this Article, the Owners' Association shall be deemed the Owner of the Volumetric Spaces.

5-The Department may refuse to register the Building Management System in the event of conflict with the following:

a-Any registered Main or Subsidiary Development Plan or Site Management System on the land itself.

b-The law or this Regulation or any legislation in force; any provisions to the contrary shall be deemed null and void.

6-Any party affected by the Department's decision, issued in accordance with this Article may appeal said decision before the Competent Court within sixty days.

Chapter 4 - Property Rights

Article 21 - Division of the Rights Related to the Land and Property

1-Except for the original right in rem, the Partition Plan shall apply to Property Rights related thereto throughout the period of their validity, and for the purposes of membership of the Owners' Association, the holder of the Property Right in the Real Estate Unit shall be deemed the last Property Right Holder registered in the Real Estate Register.

2-Subject to the provisions of clause (1) of this Article, holders of Property Rights, subject of the Partition Plan may arrange any other Property Rights, including Musataha, Usufruct and long lease term over the property, in accordance with the provisions of the Law, and the right in joint Ownership shall be transferred to the last Property Right Holder registered in the Real Estate Register.

3-Upon expiration or termination of any Property Rights on the property subject of the Partition Plan, the holder of said right shall pay all outstanding financial obligations on the Real Estate Unit at the date of expiry or termination thereof, to the Owners' Association.

Article 22 - Rights of Musataha / Usufruct / Long-Term Lease on the Property

1-Upon registration of the Recurring Floor Management System or the Site Management System concerning a Property Right, other than Original Rights in Rem, the following provisions shall apply:

a-The Long-Term Lease or Usufruct Contract or Musataha Agreement relating to Common Areas shall apply on such parts.

b-The Long-Term Lease or Usufruct Contract or Musataha Agreement relating to Real Estate Units shall apply on each Unit as being a document separately registered with respect to each Real Estate Unit.

2-Upon transfer of a Property Right, other than Original Rights in Rem, in a Real Estate Unit, the Long-Term Lease or Usufruct Contract or Musataha Agreement relating to Real Estate Units shall be deemed allocated to the new Real Estate Unit Owner upon registration of such transfer at the Department without the need for another assignment.

3-The Long-Term Lease or Usufruct Contract or Musataha Agreement relating to Real Estate Units and Common Areas may not be disposed of and in the case of disposal thereof, the right continue to exist until its expiry.

4-The Property Right Holder last granted registration in the Real Estate Register may mortgage such right.

5-The provisions of this Article shall not apply to Long-Term Lease or Usufruct Contract or Musataha Agreement relating to Real Estate Units if the Property Right in the Recurring Floor Plan or the Site Plan is an Original Right in Rem.

Article 23 - Repeated Repartition

1-A parcel of land may be partitioned and re-partitioned in the Main or Subsidiary Development Plan through the submission of a suitable plan and registration thereof in accordance with the requirements established in the Emirate.

2-The Real Estate Unit may be divided in the Site Plan according to the following:

a-Repartition thereof through another Site Plan.

b-Division thereof through a Recurring Floor Plan.

c-Division thereof through a Volumetric Plan.

3-The Real Estate Unit in the Recurring Floor Plan may be divided through another Recurring Floor Plan.

4-An additional Owners' Association may be formed if the subdivision plan referred to in the previous plan indicates so.

5-The Volumetric Space in the Volumetric Plan may be repartitioned by way of:

a-A Volumetric Plan for the creation of two Volumetric Spaces or more.

b-A Recurring Floor Plan for the creation of Units, Common Areas and establishment of an Owners' Association.

6-The Real Estate Unit or Volumetric Space may not be repartitioned through any category of the plans if the registration thereof will lead to the establishment of more than three Owners' Associations.

7-Common Areas in the Recurring Floor or Site Plan may not be repartitioned if:

a-The re-partition of the Recurring Floor Plan of a Real Estate Unit is included in another Recurring Floor Plan.

b-The re-partition of the Site Plan of the Real Estate Unit is included in another Site Plan.

c-The partition leads to the creation of additional Common Areas within the Recurring Floor Plan or the original Site Plan.

8-The re-partition under this Article shall be made in accordance with the instructions and decisions issued by the Department and provisions relating to the Recurring Floor Plans and Site Plans and the percentage of contribution contained in the Law and this Regulation.

Article 24 - Common Areas in the Recurring Floor Plan

Unless otherwise indicated in the Recurring Floor Plan, Common Areas in the Recurring Floor Plan shall include without limitation:

- 1-Structural components of the Real Estate Unit including the Main supports, foundations, columns, structural walls, thresholds, ceilings, ceiling joists, halls, staircases, stairwells, emergency exits, entrances, windows in the external wall, facades and roofs;
- 2-Parking areas, watchman rooms, recreational facilities and equipment, swimming pools, gardens, storage facilities and areas intended for the use of the Owners' Association or whomever it appoints or contracts to manage the Real Estate Unit;
- 3-Equipment and systems of main utilities, including electricity generators, lighting systems, gas systems and equipment, cold and hot water systems, heating and cooling systems, air conditioning systems and waste collection and treatment facilities;
- 4-Elevators, tanks, pipes, generators, chimneys, ventilation fans and ducts, air compressor units and mechanical ventilation systems;
- 5-Water mains, sewer pipes, gas pipes and chimneys, and electrical wiring and conduits serving the Owners of more than one Unit;
- 6-Fittings, connections, equipment and amenities used by Owners of more than one Unit;
- 7-Equipment used for measuring the provision or supply of public services allocated for the common use by the Owners and Occupiers of the Units;
- 8-Any other parts outside the boundaries of any Unit which are necessary or required for the existence, maintenance and safety of the real property
- 9-Utility Services that serve other Common Areas or Units located within the boundaries of any Real Estate Unit.

Article 25 - Common Areas in the Recurring Floor Plan

Unless otherwise indicated in the Recurring Floor Plan, Common Areas in the Recurring Floor Plan shall include without limitation:

- 1-Roads, roundabouts, intersections, pathways, pavement edges, drains, median strips, viaducts, drainage systems, and all related structures;
- 2-Lakes, ponds, canals, parks, fountains, water features and other waterways, including all related equipment;
- 3-Landscaping, public areas and playgrounds;
- 4-Wires, cables, pipes, drains, ducts and the machinery and equipment used to supply Units or Common Areas with Utility Services.
- 5-Equipment used for measuring the provision or supply of Utility Services dedicated for common use by the Owners and Occupiers of Units;
- 6-Utility Services that serve other Common Areas or Units located within the boundaries of any Real Estate Unit.

Article 26 - Boundaries of the Units in Buildings

1-Unless otherwise indicated in the Recurring Floor Plan, each Unit in a building or a part thereof shall include without limitation:

- a-Floors and floor materials and components down to the base of the joists and other structures supporting the floor of the Unit;
 - b-Plaster ceilings and all other types of ceilings, additions that form part of the interior area of the Unit and the spaces between such ceilings, the ceilings above the support walls and structures inside the Unit, and walls separating the Unit from other parts of the Joint Property and any adjacent Units or Common Areas;
 - c-Non-load bearing walls and non-support walls inside the Unit;
 - d-windows, glass and fixtures that form part of the internal windows, lighting systems, doors, door frames, and all equipment and fixtures serving the Unit;
 - e-Internal connections serving exclusively the Unit;
 - f-Fixtures and fittings installed by the Owner or Occupier of the Unit;
 - g-Additions, modifications and improvements made to the Unit from time to time;
 - h-For the purposes of this clause, the Real Estate Unit shall not include Utility Services in the Unit that serve the Common Areas or any other Unit;
 - (i-Owner or Occupier of each Unit is entitled to appropriate services and rights of way from other Units and Common Areas;
- 2-The dividing walls between two adjacent Units will be shared by the Owners of both Units provided that these walls are part of the Common Areas.

Article 27 - Rights and Obligations relating to Common Areas

1-The Developer shall be responsible for the management, maintenance, operation and repair of the Common Areas pending the establishment of the Owners' Association.

2-Obligations of the Developer in Common Areas and referred to in clause (1) of this Article shall devolve to the Owners' Association that shall become responsible for their management, operation, repair and maintenance, upon its formation.

3-The Site Plan, Recurring Floor Plan, Site Management System, Recurring Floor Management System, and Statute of the Owners' Association will form part of the property title deed.

4-A Unit Occupier shall be under an obligation towards other Unit Owners and Occupiers and the Owners' Association to comply with the provisions of the Statute of the Owners' Association to the extent their provisions apply to the Occupier or Owner.

5-Subject to the Statute of the Owners' Association, the Owner and Occupier of a Unit and their visitors shall use the Common Areas as permitted, and in such a way that does not prejudice the rights of others to use these areas, disturb them, or endanger their safety or the safety of the Joint Property.

6-The Owners' Association may not sell any of the Common Areas or properties or movables, or mortgage or burden the same with debt.

Article 28 - Owners and Occupiers

1-The Owner shall be under an obligation towards all Owners and the Owners' Association to comply with the provisions of the Site Management System or Floor Management System or Building Management System which apply to their Units, respectively.

2-A Unit Owner shall have an obligation towards other Unit Owners and Occupiers and to the Owners' Association to comply with the provisions of Site Management System, Recurring Floor Management System or Building Management to the extent of their applicability on the Owner.

3-A Volumetric Space Owner shall have an obligation towards other Volumetric Spaces Owners in the same building to comply with the provisions of the Building Management System applicable thereto.

4-A Volumetric Space Occupier shall have an obligation towards other Volumetric Space Owners and Occupiers in the same building to comply with the provisions of the Building Management System applicable thereto.

5-A Unit Owner or Occupier may not make any alterations or additions to the Unit without the written consent of the Owners' Association, and in the absence of any explicit clause authorising to do so in the Site Management System, Recurring Floor Management System or Building Management as the case may be.

6-A Unit Owner or Occupier may not use his Unit or Common Areas in a manner inconsistent with the way of use of other Units Owners and Occupiers of their Units or Common Areas.

Article 29 - Protection of Common Areas

1-The Owners' Association shall have an obligation towards the Main Developer or the Sub-Developer to comply with the provisions of the Main Development Plan or Subsidiary Development Plan applicable to Common Areas.

2-The sub-Developer shall have an obligation towards the Main Developer to take into account the Main Development Plan applicable to his land.

3-Any obligation imposed and enforceable under this Article shall be deemed a commitment to the person benefiting therefrom.

4-Subject to the provisions of the Site Management System or the Recurring Floor Management System or the Building Management System, a Unit Owner or Occupier may use the Unit and Common Areas and benefit therefrom without any interference from other Units Owners or Occupiers, or any other person using Common Areas legally.

Chapter 5 - Owners' Association

Article 30 - Establishment of the Owners' Association

1-Subject to the provisions of Article (64) of the Law and this Regulation, an Owners' Association may be established upon registration of the sale of the first Unit in the Real Estate Register before the concerned Municipality, after completion of the registration requirements.

2-The Owners' Association shall comprise the Units Owners, and the Main Developer or Sub-Developer in their capacity as Owners of unsold Units.

Article 31 - Registration of the Owners' Association

1-The Municipality shall accept the application for registration of the Owners' Association submitted by the Developer provided that it is accompanied by the following:

a-The application form for registration.

b-The address of the Owners' Association for the purposes of notification.

c-A copy of the Recurring Floor Plan or Site Plan.

d-A copy of the Recurring Floor Management System or Site Management System or Building Management System as the case may be.

e-Information on the Real Estate Development Project as required by the Municipality.

e-Payment of the prescribed fees.

g-Any other documents or information requested by the Municipality.

2-The Municipality may allow the completion of all or part of the registration procedures through electronic services.

3-After the application for registration is completed, the Municipality shall register the Owners' Association by noting the same in the Real Estate Register.

4-Upon registration, the Owners' Association shall bear the name of the "Owners' Association and the name of the building or Site and the number allocated thereto by the Municipality."

Article 32 - Obligations of the Developer towards the Owners' Association

1-The Developer shall have an obligation towards the Owners' Association until the first Annual General Meeting to comply with the following:

a-Keeping and organising books and records required in accordance with the Statute of the Owners' Association.

b-Allocation of a seal for the Owners' Association use.

c-Obtaining of the required insurance documents on behalf of the Owners' Association in accordance with its Statute.

d-Organisation of all documents to be handled in the first Annual General Meeting of the Owners' Association.

e-Holding and organising the first Annual General Meeting of the Owners' Association in accordance with its Statute.

(f-Management of the Owners' Association and management, operation and repair of Common Areas.

2-The Owners' Association shall bear all expenses necessary for the implementation of the Developer's obligations provided for in this Article.

Article 33 - Management of the Owners' Association

1-The management of the Owners' Association shall be carried out by a Board of Directors elected by Owners at the Owners' Association's First Annual General Meeting in accordance with its Statute.

2-The Owners' Association's Board of Directors shall appoint a Manager for the Owners' Association to be responsible for the daily management thereof in accordance with its Statute.

3-The remunerations of the Owners' Association's Manager shall be calculated on the basis adopted under the Owners' Association Manager Agreement, provided that they are not calculated on the basis of the Unit Volumetric Space.

4-In the absence of election of the Owners' Association's Board of Directors for any reason, the Owners holding 10% of the total Owners' Association shares or more, shall have the right to appoint an independent company to carry out the functions and powers of the Board of Directors for a period not exceeding one year against a fee approved by Owners present at the meeting.

5-In the case of failure of application of clause (2) of this Article, the Developer may, subject to the approval of the Department, appoint a Manager for the Owners' Association for a period not exceeding one year against a remuneration, provided that such appointment is presented at the Owners' Association's First General Assembly Meeting for approval.

6-The Board of Directors may delegate in writing any of his powers and competences to the Manager of the Owners' Association; as well, the Board may cancel such delegation at any time, and in spite of any authorisation granted to the Owners' Association's Manager under this Article, the Board may continue to exercise any powers vested in it under Law and previously delegated to the Manager.

7-When providing any public services by a person other than government agencies, the Owners' Association shall verify the following:

1-The identity of the public services provider.

2-Whether the person is connected to the Developer or not.

3-A reasonable estimate of the annual cost of the public services for the Real Estate Unit.

Article 34 - Obligations of the Owners' Association's Manager

Subject to the provision of Article (66) of the Law:

1-The relationship between the Owners' Association's Manager and the Owners' Association that appointed him shall be deemed as a relationship between the client and its agent and shall be based on trust and honesty.

2-The Manager of the Owners' Association shall, before carrying out his activity to this effect, obtain an appointment letter issued by the concerned Owners' Association according to the form approved by the Department.

3-An appointment letter shall state the competences and powers delegated to the Manager, and the tasks and functions entrusted to him; the Manager shall deposit the appointment letter to represent the Owners' Association before the Department to lodge it in the Real Estate Development Register.

4-The Owners' Association's Manager, when practicing his activity shall comply with the provisions of the Law and this Regulation and any regulations or decisions or instructions issued thereunder.

5-The Owners' Association's Manager shall, upon termination of its employment and without any delay, hand all the books and records of the Association and any other information saved electronically or otherwise, to the Owners' Association or its new Manager.

Article 35 - Electronic Management and Accounting System

1-Upon registration, the Owners' Association shall use an electronic management and accounting system to keep accounts and other legal records and shall use the electronic forms or documents prescribed under the Law and the implementing regulations issued thereunder or the Statute or any other instructions and decisions issued by the Department.

2-The electronic management and accounting system referred to shall be approved by the Department.

3-Upon registration, the Owners' Association shall provide the Department with the relevant data in the form, manner and period determined by the Department.

Article 36 - Failure to Maintain Common Areas

1-If the Department finds out that the Owners' Association failed to maintain the Common Areas in accordance with its Statutes or the management system, it may conduct or instruct to conduct an inspection thereon.

2-If the Department establishes, after inspection, that the Owners' Association has failed in the maintenance of the Common Areas in accordance with its Statutes or the management system, it may serve the Owners' Association a notice of maintenance.

3-The notice shall specify the work to be carried out by the Owners' Association and the maximum time limit for its completion.

4-If the Owners' Association refuses or fails to comply with the notice, the Department may do all or any of the following:

- a-Appoint a Manager to control the Owners' Association in accordance with clause (4) of Article (66) of the Law.
- b-Request the competent court to issue the appropriate decision regarding the Owners' Association.

Chapter 6 - The Owners' Association's Contracts and Agreements

Article 37 - Restrictions Relating to the Duration of Supply Agreements

1-The Owners' Association shall not to enter into any Supply Agreement or renew the same for a period exceeding three years, without the approval by the Municipality and in accordance with the instructions issued by the Department in this regard; and in all cases, a Supply Agreement's duration shall not to exceed twenty-five years.

2-The Manager of the Owners' Association may not be appointed for a period exceeding three consecutive years and if the Owners' Association appoints a Manager for a period beyond that, the appointed Director-General of the Owners' Association shall carry out his duties for three years only as of the date of his last appointment.

Article 38 - Contents of the Supply Agreements

1-Supply Agreements referred to in the preceding Article shall include:

a-In the case of the supply of goods, a description of such goods and the price to be paid. The price shall be competitive with prices obtainable on the market for similar goods.

b-In the case of supply of services, the following provisions shall be observed:

-A detailed statement of the services to be procured.

-Fees to be paid for such services. The fee must be competitive with fees obtainable on the open market for similar services

-The means of monitoring and assessing the performance of the Service Provider.

-A clause to terminate the agreement for non-performance or other default.

-A clause allowing the Owners' Association, based on reasonable grounds, to vary the services or levels thereof whereupon adjustments of the fee will also take place.

-A clause preventing the Service Provider from seeking or accepting commissions or any secret incentives in respect of goods or services to be procured by other suppliers.

c-In the case of the supply of goods and / or services, the following provisions shall be taken into account:

-The goods supplier or service provider shall be holder of a valid commercial license relating to goods and services to be supplied or rendered.

-In the event of subcontracting between the original supplier and sub-supplier for the supply of goods and / or services, the following provisions shall be considered.

-The original supplier's commitment to obtain competitive supply sub-contracts in way that ensures the procurement of the best price and terms in favour of the Owners' Association, after the conduct of a tender for three bids minimum.

-The Owners' Association shall have the right to review, approve or reject the terms of the supply sub-contracts.

- The profit margin for the original supplier shall be reasonable and the duties of the original supplier and the market conditions shall be taken into consideration when contracting between the original supplier and the take into consideration.

-The original supplier remains liable to the Owners' Association in the implementation of his duties and responsibilities in case of contracting with a sub-supplier.

2-In case of failure to observe the provisions of clause (1) of this Article in the Supply Agreement, the Owners' Association may refer to the competent court to request termination of the agreement and any condition or restriction to the contrary in the agreement shall be deemed null and void.

3-Notwithstanding the provisions of clause (2) of this Article, the parties to the supply agreements may agree on alternative means of dispute settlement.

4-A supply agreement shall be drafted in writing and certified by a decision of the General Assembly of the Owners' Association.

Article 39 - Termination of the Owners' Association's Manager Agreement

1-The Owners' Association may terminate the Manager Appointment Agreement during the control period that starts upon registration of the Owners' Association and ends when the total of Association's entitlements, except for those of the Developer, becomes two-thirds or more of the total entitlements.

2-The Manager Appointment Agreement shall be terminated by a decision issued by the Owners' Association's General Assembly to this effect and by serving a notice of said decision to the Manager of the Owners' Association.

3-Upon termination of the said agreement in accordance with this Article, the following shall be observed:

a-No compensation shall be imposed on the Owners' Association.

b-All financial entitlements shall be paid to the Manager of the Owners' Association by virtue of the Agreement until the date of termination.

c-Any obligation binding the Manager and arising under the Agreement shall remain in force to the extent necessary for its implementation even after its expiry.

Chapter 7 - Management of Common Areas

Article 40 - Management of Common Areas

1-The property of Common Areas shall devolve to the Owners' Association who shall be responsible for management, operation, repair and maintenance thereof. The Site Plan, Recurring Floor Plan, Site Management System, Floor Management System, Building Management System and the Statutes of the Owners' Association shall form part of the property title deed.

2-The Department may issue a decision to assign an agent acting on behalf of the Owners' Association regarding clause (1) above for special considerations at the discretion of the Department provided that the project area, the multiplicity and uses of buildings and the location of the project, without limitation, are taken into account.

3-The Department shall put the necessary instructions to implement its decision provided for in clause (2) of this Article.

Article 41 - Role of the Owners' Association

1-The Owners' Association shall provide opinion and advice to the Agent acting on its behalf as the case may be, concerning the management, operation, maintenance and repair of Common Areas, according to the Main Site Regulation, and in this case, the Owners' Association shall do the following:

a-Study and examine the problems and difficulties related to the management, operation, maintenance and repair of Common Areas and notify the Agent thereof.

b-Notify the Agent acting on its behalf of any defects in the structural parts of the Joint Property.

c-Coordinate with the Agent acting on its behalf in all matters relating to the safety, environment, security and other aspects of the Joint Property.

d-Discuss the annual budget proposed by the Acting Agent to the Department only with respect to projects it runs.

e-The Owners' Association shall elect a member among its members to represent it before the Acting Agent.

2-If the Agent fails to manage, operate, maintain, or repair Common Areas, the Owners' Association shall notify the Department thereof, and the Department shall have the right to apply the procedures provided for in Article (36) of this Regulation.

3-Except as provided for in this Article, the Owners' Association shall not intervene in any way in matters relating to the management, maintenance and operation and repair of Common Areas, and in particular the ballot, the vote or meetings held to discuss any of these matters.

Article 42 - Services Charges

1-Each Unit Owner shall pay to the Owners' Association his share of the annual service charges to cover the expenses of management, operation, maintenance, and repair of the Common Areas. Such share will be determined as per the Unit Volumetric Space's percentage of the Gross Area of the Joint Property. The Main Developer or Sub-Developer shall pay his share of the annual service fees in respect of unsold Units.

2-A Unit Owner may not waive his share in the Common Areas to avoid payment of his share of annual services fees.

3-The Owners' Association may not impose any service charge on the Owner for the management, operation, maintenance and repair of Common Areas prior to the approval of the Department. The Department may amend such charges from time to time.

Article 43 - Service Charges' Deposit and Disposal thereof

1-The Owners' Association shall deposit the services charges collected from Owners to cover the expenses of management, operation, maintenance and repair of the Common Areas, in an account allocated for this purpose before a bank licensed in the Emirate.

2-Services charges referred to in clause (1) of this Article shall be allocated to cover the expenses of management, operation, maintenance and repair of Common Areas.

3-The Department may, when necessary, request the Owners' Association to access or to be provided with any information or an account statement of revenues and expenses related to services charges.

4-The Owners' Association or its Acting Agent shall have a lien on every Unit for unpaid service fees and other liabilities payable by the Unit Owner in accordance with the provisions of this Law. This lien will continue to be valid even if the title of the Unit is transferred to another person.

5-If a Unit Owner fails to pay his share of the annual service fees, the financial claim issued by the Owners' Association against the Owner shall be enforceable by the execution judge of any competent court, after the lapse of a period of three (3) months from notification to the Unit Owner thereof by registered mail with acknowledgment of receipt.

Article 44 - Modifications of the Structure or External Appearance of the Joint Property

1-A Unit Owner or Occupier may not make any alterations or modifications to the structure or external appearance of his Unit or any part of the Joint Property, except after obtaining the consent of the Owners' Association, and without prejudice to the existing construction legislation in force in the Emirate.

2-A Unit Owner or Occupier who breaches the provisions of clause (1) shall be liable to repair the damage resulting from the change or modification at his own expense and in the manner requested by the Acting Agent. If the Unit Owner or Occupier fails to meet this obligation, the Acting Agent shall repair the damage and recover the repair costs from the Owner or Occupier as the case may be.

3-A Unit Owner or Occupier and visitors shall use the Common Areas for the purpose set for them and in a way that does not affect the rights of others in the use of such parts or bother them or endanger their safety or the safety of the Joint Property.

Article 45 - Management of Common Areas

1-The Owners' Association shall comply with the Main Site Regulation and controls and requirements issued in this regard by the Department.

2-The Owners' Association may, subject to the approval of the Department, entrust some of the tasks prescribed under this Article to any person or company for a fee and under the terms of agreed upon, and shall adopt the fees resulting therefrom, if any, by the Department.

Chapter 8 - Finance and Fees

Article 46 - Finance

1-The Developer shall be bound to all costs and expenses, including annual service charges, related to the building or the Site and arising prior to the registration of the Real Estate Unit in the name of the Owner before the Municipality, unless otherwise agreed in the contract between the Developer and the Purchaser of the Real Estate Unit, for contracts in force at the effective date of this Regulation.

2-Upon division of the building or compound under the Recurring Floor Plan or Site Plan and deposit thereof before the municipality and establishment of the Owners' Association, the Association shall be liable for all costs and expenses related to the plan and arising under the Law, the Statute of the Association or this Regulation.

3-The Developer may impose the Site fees after obtaining the approval of the Department, in accordance with the provisions of the Law and this Regulation, otherwise, the Site fees shall be considered illegal and ineffective, and the Developer may not impose or collect or recover them.

Article 47 - Annual Budget

1-The annual budget of the Owners' Association shall consist of service charges, which include estimates of income and expenditure accompanied by an allocation of goods and services, including management and maintenance costs, the necessary updates and any major basic equipment.

2-The annual budget may not include the following:

a-Any fees related to the agreements that are contrary to the provisions of this Regulation.

b-Any fees related to public services imposed in contravention of the provisions of this Regulation.

c-Any fees directly or indirectly relating to the recovery of the costs of provision of any major basic equipment.

c-Any fees directly or indirectly related to the recovery of the costs of any capital expenses finance.

3-The annual budget may include the contribution to the reserve bank account for the renewal and replacement of the main basic equipment in accordance with the Statute of the Owners' Association.

4-The annual budget shall be annexed with a detailed and complete list of goods and services provided by the Developer.

5-Each beneficiary shall be handed a full copy of the annual budget, and if said beneficiary has given his e-mail or fax number for this purpose, he shall be delivered an electronic copy.

Article 48 - Rejection of the Annual Budget

1-Any Owners' Association or thirty individual beneficiaries or more may reject the annual budget within thirty (30) days as of receipt of a copy thereof by a written notice addressed to the Developer. The notice shall include the detailed reasons for rejection.

2-The Developer shall meet with the beneficiaries signatories to the notice or their representatives for the purpose of finding a remedy to their rejection, within (14) days as of the his receipt of the rejection notice.

3-If a remedy for the rejection is not found in said meeting or any adjourned meeting, within (14) days as of the meeting date, the beneficiaries, signatories to the notice, or their representatives may request the Department to take a decision on the annual budget rejection issue.

4-The Department, in considering the request referred to in clause (3) of this Article, may ratify the annual budget as presented or request amendments thereto as it deems appropriate.

5-Services fees may be charged in the following cases:

a-Failure to submit any request to the Department under clause (3) of this Article at the end of the fourteen day period referred to in clause (2) of this Article.

b-Submission of a request to the Department under clause (4) of this Article, after issuance of a final decision on this request by the Department.

6-Annual service fees are payable in the form of monthly or quarterly instalments and the Developer may insist on their payment as a one fee annual.

7-The beneficiary shall pay the fees imposed on him in accordance with the provisions of this Regulation; and the Developer may collect them as a debt.

Article 49 - Goods and Services Supply Agreement

1-The Developer may not enter into agreements relating to the supply or use of goods or the provision of public services which costs would directly or indirectly affect the fees prescribed for services, or lead to the gain of special profits.

2-The Developer shall obtain the approval of the Department on any agreement of supply of goods or provision of services, mentioned in clause (1) of this Article.

3-Any fees paid to the Developer contrary to the provisions of this Regulation are deemed undue, and shall be returned to the person who paid them.

4-The Department shall set principles and rules of the supply of goods or services set forth in this Article.

Article 50 - Conditions and Restrictions of Public Service Charges

1-The imposition of public services charges and increase of their specified amount shall not be permissible after being approved by the Department.

2-The Department shall determine the principles and rules of calculation of public service charges.

3-Any public service fees imposed and collected in violation of the provisions of this Article shall be deemed null and void and their payer shall have the right to recover them.

4-The Agreement concluded between the provider of public services and the beneficiary therefrom shall not include the obligation to pay illegal public services fees, and shall comprise explanatory provisions concerning the following:

- a-The basis on which the public services are provided.
- b-The availability of the services that are rendered.
- c-The circumstances in which the supply may cease.
- d-A statement of the commissions or incentives offered to other parties and the identity of such parties.

Article 51 - Share of the Contribution Rate

Taking into account the provision of Article (15) of this Regulation and the Statute of the Owners' Association, a share of contribution ratio must be allocated to each Unit imposing upon its Owner, with regards to the Owners' Association, the following rights and obligations:

- a-A common share in the assets of the Owners' Association without the Unit Owner acquiring any original rights in-kind in the land that is part of the Common Areas.
- b-The right to vote in the General Assembly of the Owners' Association subject to the exceptions contained in this Regulation or the Statute of the Owners' Association.
- c-Payment of his share of the service charges imposed by the Owners' Association.
- d-His entitlements in the event of liquidation of the Owners' Association under the provisions of the Law and this Regulation.

Article 52 - Service Charges

The Developer shall prepare a mechanism for the calculation of service charges and obtain the approval of the Municipality thereon until the first Annual General Meeting; he shall as well deposit before the Municipality a detailed report to which shall be attached the budget describing the mechanism for the calculation of the services fees imposed on Owners.

Chapter 9 - Final and Transitional Provisions

Article 53 - Appointment of the Manager for the Control of the Owners' Association

1-The Department shall appoint a Manager to monitor the Owners' Association for a specific period of time in any of the following cases:

- a-If the Owners' Association refuses or fails to abide by the following:
 - Decision on the dispute issued by a special arbitrator or department.
 - Order issued by a competent court, comprising the repayment of the debt.
 - Correction notice issued in the event of failure to maintain the Common Areas in accordance with these Regulations.
- b-Failure to implement the Owners' Association's tasks imposed on by virtue of the Law or the Statute of the Owners' Association or this Regulation.

2-The Department may, at any time during the term of office of the Manager appointed to monitor the Owners' Association, extend or shorten the term of his appointment.

3-When appointing a Manager to monitor the Owners' Association, the following shall be taken into account:

- a-The Department shall delegate the powers and functions of the Board of Directors to the Manager for a specified period.
- b-The Manager shall comply with the written instructions of the Department, whether contained in the nomination document or issued on a later stage.

4-The Manager appointed to monitor the Owners' Association shall convene the General Assembly in a suitable time frame before the expiry date of his appointment, in order to elect a new Board that shall be responsible of the Owners' Association's management as of the date of expiry of this period.

5-At the end of term of appointment of the Owners' Association's Manager, the Owners' Association's control shall be delegated to the Board of Directors and the General Assembly.

Article 54 - Disclosure Statement for the Purchaser's Protection

1-The Developer shall, prior to the Purchaser's signature of a contract to purchase a Real Estate Unit off-the plan, hand to the Purchaser a written statement signed by the representative of the Developer and comprising the following information:

- a-Details of the building or the project, where the Unit constitutes a part thereof, including the following:
 - 1-Land use in the building or project (such as apartments, services and retail stores).
 - 2-Any features or equipment or services included in the building or project and contributing to the sustainable environmental development.
 - 3-Measure of any sustainable environmental development applied to the building or project, including the specifics of Emirates Authority for Standardization and Metrology and the Environment Authority in the Emirate.

- 4-Any special use applied to the Unit (such as the serviced apartment).
 - 5-Utilities on Common Areas that will be available for use by Units Owners and Occupiers as of right
 - 6-Utilities within the building or project that will be available for the use of in the building or project for use by Units Owners and Occupiers on a commercial basis.
 - 7-Clauses on furniture and furnishings (if any) for the proposed Common Areas and Unit that the Developer commits to provide without any additional charges.
 - b-A copy of the Site Development Plan or sub-Development Plan that applies to the building or the project.
 - c-A copy of the Recurring Floor Management System or Site Management System.
 - d-A copy of the proposed Building Management System.
 - e-The draft Recurring Floor or Site Plan, which clearly illustrates the Unit's areas required by the instructions to be shown in the plan for the purposes of registration.
 - f-A table of materials and finishes for each proposed Common Areas and Real Estate Units.
 - g-A copy of the draft Supply Agreement that will be signed by the proposed Owners' Association.
 - h-A budget prepared on a reasonable basis with respect to the general bank account and reserve bank account for the first two fiscal years of operation of the proposed Owners' Association.
 - i-An estimate based on the budget of the Services charges payable to the Owners' Association concerning the Real Estate Unit for both general and reserve bank accounts during the first two fiscal years.
 - j-Agreements proposed for the supply of public services to the Owners' Association and the Real Estate Unit.
 - k-In the case of the Owners' Association's sale by of any of public services to Unit Owners, such sale shall be mentioned in the specifics of the Supply Agreements.
 - l-If the construction works are not yet initiated, an approximate date shall be scheduled for the commencement of work.
 - m-A reasonably estimated date on which the property will be handed over to the Purchaser.
 - n-A statement indicating the Purchaser's obligation to register the contract of the off-plan purchase of the Unit in the Interim Real Estate Register in accordance with the Law and this Regulation, including the statement explaining the consequences of non-registration.
- 2-The off plan Unit Purchaser, before the conclusion of a contract to resell his Unit, shall hand the new Purchaser a full copy of the statement delivered to him under clause (1) of this Article or the Interim Disclosure Statement in accordance with this Regulation.
- 3-In the case of the Developer's failure to provide the Statements required under clause (1) of this Article, the Purchaser of the Real Estate Unit may request to terminate the contract for breach thereof.
- 4-The provision mentioned in the previous clause shall be applied if the Purchaser of the Real Estate Unit off the plan does not submit upon resale thereof a copy of the required data according to clause (2) of this Article.
- 5-The Developer shall guarantee that the information in the Disclosure Statement submitted under clause (1) of this Article are correct and valid, and where the information is fundamentally incomplete or inaccurate, the Developer shall be liable, for a period of two years from the date where the Unit is transferred from the Developer to the Purchaser who suffered damage as a result of such transfer whether he purchased it directly from the Developer or from a previous Purchaser.
- 6-If the Real Estate Unit delivered to the Purchaser is a building or a part thereof, the Developer shall notify the Purchaser of the building's delivery date and the date of the work completion certificate issued by the Municipality.
- 7-The Purchaser may rely on the date of the building work completion certificate issued by the Municipality that have been submitted under clause (6) of this Article for the purposes of guarantees established in the Law.

Article 55 - Limitations of the Developer's Financial Liability

- 1-Subject to the terms of the contract concluded between the Developer and the Purchaser in respect of any Real Estate Unit, the Developer shall bear all costs and expenses related to the property before the subdivision under the Recurring Floor Plan or Site Plan as of the date of entry into force of this Regulation.
- 2-When subdividing the property in the Recurring Floor Plan or Site Plan, the Owners' Association shall bear all costs and expenses related to the plans attributed thereto under the Law, the Statutes and this Regulation.
- 3-The Developer shall bear all costs relating to the correction of defects in accordance with the guarantees contained in the Law and ensure the non-transfer of such costs to the Owners' Association; in the case of violation of this Article, the Owners' Association may recover such costs from the Developer who may not impose on any Owners' Association or Real Estate Unit Purchaser the costs and expenses referred to in clause (1) this Article, except for any insurance premiums or any other expenses or deposits (including expenses paid to the Department upon registration of the Owners' Association) previously paid by the Developer and relating to the insurance coverage or goods or services to be provided or delivered after the establishment of the Owners' Association, subject to the following:
 - a-If the amount paid or to be borne by the Owners' Association does not exceed the value of the insurance or deposit or other expenses if they were paid by the Owners' Association itself.

b-If the amount paid or to be borne by the Unit Purchaser does not exceed the insurance premium ratio or other expenses or deposits that the Purchaser will pay, if paid by the Owners' Association from the funds of the services fees imposed in accordance with this Regulation and the Statute of the Owners' Association.

4-When the Developer collects from the Unit Purchaser any funds as expenses of management or maintenance of the building or the compound prior to the registration of the Recurring Floor Plan or Site Plan, he shall not collect such amounts for a period of more than three months prior to the date set for their disbursement.

5-When the Developer collects the amounts referred to in clause (4) of this Article, he shall within a period of three months from the date of the founding of the Owners' Association, do the following:

a-Appoint an auditor to audit all received amounts that have been spent and where he testifies the following:

-That all amounts have been spent appropriately in accordance with the purpose for which they were collected (according to this Regulation and the Statutes of the Owners' Association), and if they were not disbursed in such form, he shall state the circumstances that caused failure thereof.

-That the balance agreed upon for unspent funds is in the possession of the Developer.

b-Pay to the Owners' Association the balance agreed upon and relating to the remaining amounts.

c-Pay to the Owners' Association all or part of any amounts not being spent appropriately if the Department ordered him so, according to the purposes for which they were collected in its favour.

6-The Department shall, before issuing the order by virtue of paragraph (c) of clause (5) of this Article, serve a notice to the Developer stating the specifics of the inappropriate agreement and the reasons why the Department has ordered the Developer to pay any amounts to the Owners' Association.

7-When the Developer collects the amounts referred to in clause (4) of this Article and spends the same for the purchase of goods and equipment, the Developer shall transfer Ownership thereof to the Owners' Association.

Article 56 - Notices

1-Any notice provided by the Law or this Regulation or the Statute to be served to the Owners' Association or from the Owners' Association to any other person, may be notified to the concerned person by a written document or electronic form to the adopted address or fax number or the e-mail address.

2-If the notice is served in a written document, it shall be sent by registered mail or handed over to the address adopted.

3-If a notice was faxed, the receipt of a transmission report confirming that it has been successfully sent shall be deemed a proof of receipt.

4-If the notice sent by e-mail the recipients shall be deemed a receiver once he read the receipt notice.

5-The necessary registers, where the date of notices' submission in addition to the fax transmission reports and notices of e-mails non-receipt are shown, shall be kept by the party concerned with the notification or by the Owners' Association, as the case may be.

Article 57 - Adjustment of Situations

1-The Main Developer or Sub-Developer shall register before the Department the Main or Subsidiary Development Plan, as the case may be, any Existing Real Estate Development Project before the effective date of the Law.

2-Developers shall register at the Department the Recurring Floor Plan or Site Plan of any Existing Real Estate Development Project before the effective date of the Law, which includes a Real Estate Unit or property jointly owned or used according to the following:

a-Registration of a project that has been completed within a period of three months from the effective date of this Regulation.

b-Registration of a project, which is still under construction at the end of the project and before the delivery of Real Estate Units.

3-For the purposes of implementation of clauses (1 and 2) of this Article, the Developer shall submit a notification in the form adopted by the Department to the Unit Owner or Occupier requesting them to enable the accredited surveyor, to enter the unit in order to carry out the survey work, and in this case, the Owner or Occupier shall allow access to the Real Estate Unit in accordance with the instructions of the Department.

4-The Department may take action it considers appropriate for the implementation of the obligation imposed under clause (3) of this Article.

5-Any three Owners or more of Units in an existing project, may collectively, and during or after the three month period referred to in clause (2) of this Article, serve a notice to the Developer requesting him to deposit the Recurring Floor Plan or Site Plan to the Department and if the Developer refuses or fails to take the basic steps to deposit the plan within thirty (30) days from the date of the notice, the following provisions shall be applied:

a-The Owners in person or their representatives shall deposit plans in addition to the existing project-related documents.

b-The Owners or their representatives shall recover the costs and expenses they incurred during the preparation and filing of plans and related documents in addition to the costs of registration of the Owners' Association.

c-The Owners' Association may recover the costs and expenses from the Developer.

6-In case the Developer has ceased his works, or in the event of his disqualification for any reason, the notice mentioned in clause (5) of this Article may be published in the concerned section of a daily newspaper issued in the Emirate.

7-The Department may refuse to register the Recurring Floor Plan or Site Plan and relevant documents that have been deposited by the Owners if it deems that the Developer did not refuse or fail to take basic steps to register the plans within thirty (30) days from the date of submission of relevant notification.

8-The provisions of this Article shall apply to the existing project, however the Disclosure Statement provisions prescribed under the present Regulation shall only apply on the existing project upon completion of its second phase.

Article 58 - Disclosure Requirements

1-within three months as of the effective date of the Regulation:

a-The Developer shall, before the Purchaser's signature of a contract to purchase Real Estate Unit in the Existing Real Estate Development Project, attach to the contract a statement to the Purchaser in the form approved by the Department, comprising the requested Disclosure Statement.

b-The Purchaser shall, before signing a contract to resell the Real Estate Unit he had bought in the Existing Real Estate Development Project, attach to the contract a statement to the new Purchaser in the form approved by the Department, comprising the requested Disclosure Statement.

c-If the Developer fails to comply with paragraph (a) above, or the Purchaser fails to comply with paragraph (b) above, the injured party may terminate the contract.

2-During the subsequent six months following the three month period as of enforcement of the Regulations:

a-The Developer shall, prior to the Purchaser's signature of a contract to purchase a Real Estate Unit in the Existing Real Estate Development Project, do the following:

-Attach to the contract a statement to the Purchaser in the form approved by the Department.

-Submit to the Purchaser a copy of the Interim Disclosure Statement in accordance with this Regulation.

b-The Purchaser shall, before entering into a contract for the re-sale of Unit he had bought from the Developer or from another person, do the following:

-Attach to that contract a statement for the new Purchaser in the form approved by the Department.

-Hand the Purchaser a copy of the Interim Disclosure Statement he had received when he purchased the Real Estate Unit.

3-In the event of the failure of the Developer or the Purchaser in fulfilling the obligation imposed on them in clause (2) of this Article, the injured party may terminate the contract.

Article 59 - Requirements of the Interim Disclosure Statement

1-The Interim Disclosure Statement shall be signed by the Developer or his representative and shall include the following data:

a-A description of the building or project, where the Real Estate Unit will be a part thereof, including:

1-The land use in the building or project (apartments, services and retail stores).

2-Any features or equipment or services included in the building or project and that contribute to sustainable environmental development.

3-Any special use applied to the building (such as serviced apartments).

4-Utilities on the Common Areas that will be available for use by Units Owners and Occupiers as of right

5-Utilities within the building or project that will be available for the use of in the building or project for use by Units Owners and Occupiers on a commercial basis.

6-Clauses on furniture and furnishings (if any) for the proposed Common Areas and Unit that the Developer commits to provide without any additional charges.

b-A preliminary plan of the unit showing the Real Estate Unit areas required to be shown in the Recurring Floor Plan or the Site Plan under the instructions for registration purposes.

c-A table of materials and finishes for each of the proposed Common Areas and Real Estate Units.

d-Whether it is necessary to enter into any Supply Agreements proposed by the Owners' Association and to state such agreements.

e-An estimate of paid services charges regarding the Real Estate Unit (if any) and statement thereof.

f-Proposed agreements for the supply of public services to the Owners' Association and Real Estate Unit.

g-When it is necessary to provide any public services by non-government agencies other than the Owners' Association, statement determining the services and methods of payment of such services fess shall be prepared.

h-In the event the Owners' Association sells any public services to the Unit Owners, the specifics of the supply arrangements agreements shall be provided.

i-Whether construction works are initiated or not, an estimate reasonable date shall be scheduled for the commencement of work

j-A reasonable estimate date for the transfer of Ownership to the Purchaser.

k-A statement indicating the Purchaser's obligation to register the contract in the Interim Real Estate Register in accordance with the Law, including a statement explaining the consequences of non-registration.

2-The Developer shall guarantee that the information in the Interim Disclosure Statement are correct and valid, and where the information are fundamentally incomplete or inaccurate, the Developer shall be liable, for a period of two years as of the date of transfer of the Unit from the Developer, for the damages the Purchaser had suffered whether the latter had purchased the Unit directly from the Developer or from a another Purchaser.

Article 60 - Powers of the Developer in Supply Agreements

1-A Developer who registers the Owners' Association may enter into a Supply Agreement on behalf of the Association being the Owners' Association's duly authorised agent, and such power shall only be applicable for a (30) day period as of the date of registration of the Association.

2-Regarding the Supply Agreement concluded in accordance with clause (1) of this Article, the following shall be taken into account:

a-The Developer shall draft a minutes for the exercise of power entrusted to him in the minutes register of the Owners' Association.

b-The Supply Agreement shall be binding to the Owners' Association.

c-Disclosure of the Supply Agreement to the Units Owners on the first Annual General Meeting of the Owners' Association.

d-Application of the provisions and procedures laid down in Article (38) of this Regulation as appropriate to the termination of the agreement concluded by the Developer during the control period.

Article 61 - Services Charges Due to the Developer

1-If a Unit Owner at the date of registration of the Owners' Association owes services charges to the Developer, the Developer may request the Department a certificate proving the service charges debt in relation with the amount due and the Department shall issue such a certificate if it is established that the amount or any other amount less than the amount agreed upon by the Developer has become outstanding.

2-Upon presentation of the certificate issued to the Owners' Association in accordance with clause (1) of this Article, the Owners' Association shall record the debt in its registers as an amount due to it by the concerned Unit Owner regarding the unpaid services fees, and upon registration of the debt, it shall become payable by the Unit Owner to the Owners' Association and shall be recovered in the same manner as other unpaid services fees, including attachment of the Real Estate Unit, pursuant to the Law.

3-If the Owners' Association has collected the debt registered in accordance with clause (2) of this Article, such amount shall be transferred to the Developer to whom the certificate was issued after deduction of any compensation or expenses recovered with respect to the debt.

4-For the purpose of this Article, services charges shall signify the fees imposed by the Developer on any Unit Owner or any Purchaser to cover the costs of management and maintenance of the building or site pending the registration of the Recurring Floor Plan or Site Plan with regards to that building or site.

5-For the purposes of application of clause (1) of this Article, the Department shall have the right to request any requirements or documents from the concerned parties.

Article 62

The Department shall issue decisions, instructions and models necessary for the implementation of the provisions of this Decision.

Article 63

This Decision shall be published in the Official Gazette and shall come into force as of the effective date of the provisions of the Law.

Issued in Abu Dhabi On 26/11/2015

Corresponding to 13/01/1437 AH

Saeed Eid Al Ghafli

Chairman of the Department of Municipal Affairs

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