

## Chairman of the Department of Municipal Affairs' Decision

No. (248) of 2015

### Issuing the Executive Regulations on Registering Real Estate Valuers Pursuant to Law No. (3) of 2015 concerning Regulating Real Estate Sector in the Emirate of Abu Dhabi

#### Chairman of the Department of Municipal Affairs:

Having reviewed:

- Law No. (1) of 1974 concerning the reorganization of the Governmental Body in the Emirate of Abu Dhabi and its amendments;
- Law No. (3) of 2005 concerning the regulation of the real estate registration in the Emirate of Abu Dhabi;
- Law No. (19) of 2005 concerning real estate ownership, and its amendments;
- Law No. (9) of 2007 concerning the establishment of the Department of Municipal Affairs;
- Law No. (3) of 2015 concerning the Regulation of the Real Estate Sector in the Emirate of Abu Dhabi .
- And acting upon what was presented to and approved by the Executive Council,

#### Issued the following Law:

#### Article (1) (Definitions)

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

<b>Emirate</b>	:	The Emirate of Abu Dhabi
<b>Department</b>	:	The Department of Municipal Affairs.
<b>Municipality</b>	:	Abu Dhabi City Municipality or Al Ain City Municipality or the Western Region Municipality and any Municipality that may be established in the future in the Emirate.
<b>Law</b>	:	Law (3) of 2015 concerning the Regulation of the Real Estate Sector in the Emirate of Abu Dhabi
<b>Licensees</b>	:	The persons who work in the real estate sector and who are licensed by the Department. They are the Developer, Broker, Brokers' Employee Auctioneer,

		Director of the Owners' Association, Valuer, and Surveyor
<b>License</b>	:	The authorization issued by the Department which allows the licensees to undertake their activities according to the provisions of this Law and its executive regulations.
<b>Person</b>	:	The natural or juridical person
<b>General manager</b>	:	General manager of the concerned municipality
<b>Division</b>	:	Real estate registration division in the municipality
<b>Manager of the Division</b>	:	Manager of the real estate registration division in the concerned municipality
<b>Real Estate Valuer</b>		The person who gets paid to assess and appraise or express an opinion on the value of a real estate and any associated property rights.
<b>Real Estate Valuation</b>		A specialized activity carried out by the real estate valuer to determine the value of the property at a specific date through a written report.
<b>Real Estate Development Register</b>		The written or electronic register prepared for keeping all the data and documents related to real estate development projects.
<b>Real Estate Valuation Standards</b>		The real estate appraisal standard approved by the Department, and deemed a professional reference for real estate valuers/appraisers, which would help real estate valuers in providing reliable valuations and comprehensive reports containing the necessary data and requirements based on scientific grounds to reach the highest possible degree of accuracy and transparency in real estate valuation in the emirate.

### **Article (2)**

#### **(Register of Real Estate Valuers)**

- An appendix to Real Estate Development Register shall be created under the name –Real Estate Valuers Register- to register licensees entitled to practise real estate valuation profession in the emirate. Any change or modification to their

data, as well as all information including disciplinary actions against them shall be included in the register.

- Whoever obtains the required license and registers his name in the register mentioned in Clause (1) of this Article and obtains a real estate valuation license card from the municipality is deemed a real estate valuer.
- No person may practice the real estate valuation profession in the emirate, or submit a report on valuation to any entity, be it private or public, unless he is licensed and registered in the register mentioned in clause (1) of this article.

### **Article (3)**

#### **(Tasks and Powers of the Real Estate Registration Division)**

In addition to the tasks and powers of the division, it will assume the following tasks and powers:

- Laying down the necessary foundations for organizing the work of real estate valuers and overseeing their compliance with the provisions of these executive regulations.
- Proposing the conditions for licensing real estate valuation companies and submitting them to the Department. The Department has the right to propose amendments to these conditions in the future as necessary.
- Registering real estate valuers in the relevant register and issuing real estate valuation license
- Issuing a bulletin incorporating the names of its approved real estate valuers.
- Reviewing the complaints submitted to the Department against the real estate valuers and taking the appropriate decision thereon.
- Supervising the training programs and tests necessary to raise the efficiency of real estate valuers.
- Proposing the necessary amendments to the real estate legislations related to real estate valuation and submitting them to the managing director to take what he deems fit regarding them.
- Suggesting real estate valuation standards and proposing the necessary amendments thereto according to the real estate sector requirements in the emirate.
- Establishing a special system to maintain the registers necessary for the work of the department.
- Preparing the code of ethics for the real estate valuation profession and proposing the necessary amendments thereto.

**Article (4)****(Real Estate Valuer Registration Number and Card )**

- The division issues, in accordance with the provisions of these executive regulations, the real estate valuation license card that authorizes its holder to practice the real estate valuation profession.
- The real estate valuation license card shall include the name of the valuer and the entity he is affiliated to, in addition to the valuer's registration number in the real estate valuation register. The valuer shall include his registration number along with his name in all his correspondences and reports.

**Article (5)****(Renewal of License and Registration in the Register)**

Without prejudice to the conditions stipulated for the license, the following is required for renewal of license, registration, and re-registration in the relevant register of the valuer:

- A certificate proving his enrollment in training courses if requested by the Department.
- He must not have been subjected to any of the disciplinary sanctions stipulated for in Article (10) of these executive regulations.

**Article (6)****(Real Estate Valuation Training)**

- An application for training on real estate valuation work for the purpose of licensing and registration in the Register to practise real estate valuation profession shall be submitted to the Department after fulfilling the following conditions:
  - a. Attach the necessary documents stated in the prescribed registration instructions.
  - b. A no-objection certificate from a licensed valuer who is registered in Register indicating his approval to train the applicant.
- The real estate valuer who is training new valuers must submit to the department a report every three months, stating the frequency of the trainee's attendance, seriousness, and commitment to training.
- The real estate valuer who undertakes the training of valuers assumes all responsibility for the reports prepared by them, and he formally signs them.

**Article (7)****(Duties of Real Estate Valuers)**

- If the real estate valuer becomes in a health condition that impedes his work, according to a report issued by a specialized medical entity, he must notify the division accordingly.
- The real estate valuer must perform the real estate valuation work only for the entity he is working for or for which he is assigned to work.
- The real estate valuer must, before proceeding with the required real estate valuation, receive a written assignment request from the valuation applicant explaining the assigned task and the purpose of the real estate valuation.
- The real estate valuer must refrain from any real estate valuation task if it becomes evident to him that the task needs specific expertise or knowledge that he does not have to be able to carry out the task efficiently.
- The real estate valuer must, after obtaining all the data and information needed for him, accomplish his task with highly professional efficiency.
- The real estate valuer must abide by the requirements of the real estate valuation standards, the code of conduct, the professional ethics, and the technical and administrative instructions of the profession that are issued by the Department.
- The real estate valuer shall abide by the international scientific methods provided for in the emirate's real estate appraisal policy to determine the value of the real property.
- The real estate valuation and work must be based on a written contract, in which the names of the contracting parties and the specifications of the real property subject of valuation shall be mentioned.

**Article (8)****(Work Method of Real Estate Valuer)**

- Where the real estate valuer uses external services to carry out his task, he must make sure that those who help him at work possess the necessary skills, and he must obtain the approval of the employer on that and must disclose those who helped him while preparing the final valuation report.
- The real estate valuer must prepare a work file in both paper and electronic form for each real estate valuation task he performs, and upon completion of this task, the file must contain correct copies in addition to all written reports, correspondences and memos for the purpose of the required real estate valuation.
- The real estate valuer must keep records of reports and files related to the properties he valued during the past five years.
- If the work of the real estate valuer requires entry to the real property subject of valuation, he must notify its owner, agent, or occupant in advance, and he has the right to enter the property during working hours with any of his assistants for this purpose.

**Article (9)****(Preparing the Report and Records)**

- The real estate valuer is obliged to prepare the required on the form approved by the Department and the Division in this regard and at the specified time, taking into account the form, main requirements and data related to the real property and rights pertaining thereto, which must be included in the report and submitted to the stakeholder, along with an e-copy therefrom to the Department.
- The chairman of the Department or his delegate may assign any employee in the department or municipality to examine the records stipulated for in Article (8) of these executive regulations to ensure that the real estate valuer abides by the provisions and instructions issued by virtue of these executive regulations.
- Each real estate valuer licensed and registered in the relevant register shall be granted the necessary powers to use his e- transaction register if it is prepared by the division for the purpose of defining the characteristics of each real estate valuation process he carries out.

**Article (10)****(Cancellation or Suspension of the License)**

- Subject to Article (79) of the law, the Department has the right to cancel or suspend the real estate valuer's license in the following cases:
  - a) Insolvency or bankruptcy.
  - b) Conviction of a crime against moral turpitude or honour, or he is no longer of good conduct and behavior.
  - c) Upon missing any of the conditions stipulated for in the provisions of the Law and its executive regulations, and any regulations, decisions, or instructions issued pursuant thereto.
  - d) If he performs actions, practices or commits violations that make him a person unfit to continue as a licensee in real estate valuation field or make him no longer capable of performing his job efficiently.
  - e) e –Where he violates any of the provisions of this law, the executive regulations, and the decisions issued in implementation thereof, or where he violates any conduct that applies to him.
- The Department must, before cancelling or suspending any license, send a written notice to the real estate valuer, including the reasons and justifications for the said procedure.
- Subject to clause (2) of this Article, the real estate valuer has the right to respond to the above-mentioned notice within (21) days.
- If the Department decides to cancel or suspend the license, it must take into account the reasons mentioned by the stakeholder in the response to the notice, if any.
- The Department may, instead of canceling or suspending the license, issue a warning alert, taking into account the professional record of the real estate valuer.
- The Department shall record the data related to real estate valuers' violations and disciplinary sanctions in the Real Estate Development Register.
- The real estate valuer harmed by the Department's decision to cancel or suspend the license or to issue a warning shall have the right to challenge the department's decision before the competent court within sixty days from the date of the department's decision.

**Article (11)****Notification of Decisions Regarding Real Estate Valuers**

- The Department shall notify the relevant authorities, which include banks and financial corporations, the Ministry of Justice, the Judicial Department, and other

relevant authorities of the decisions issued regarding real estate valuers, including disciplinary sanctions taken against real estate valuer.

- The department or division shall notify the official authorities such as the Ministry of Interior, the Ministry of Labor, the Economic Development Department and the Judicial Department / Experts Division in the event that any person is seized practicing valuation profession without being licensed and registered in the relevant register to take the necessary actions against him.

### **Article (12)**

#### **Real Estate Valuation Standards**

Based on the recommendation of the Division, the Department shall issue the regulatory instructions for real estate valuation standards, considered a professional reference for all real estate valuers in the emirate.

The real estate valuation standards must include the rules and provisions for directing all real estate valuers to work according to scientific principles to reach the highest possible degree of accuracy and transparency in practicing their work, which in turn leads to enhancing the position of the real estate market in the emirate.

- Real estate valuation/appraisal standards should positively contribute to the following:
  - a) Establish a reliable real property price database, deemed a historical documentation to be consulted in case of needing to find out information about a specific zone.
  - b) Depict a true picture of property prices in the emirate to give the real estate valuer/appraiser useful experience on the real estate market by knowing the correct values of real properties.
  - c) Apply a world real estate valuation system in line with modern and agreed-upon standards in accordance with international practices based on the standards of the International Valuation Standards Counsel (IVSC).
  - d) Promote confidence in real estate valuers/appraisers, and in turn avoid haphazard and unsystematic appraisal, and achieve the principle of transparency in dealing with market partners and safeguarding their rights.

### **Article (13)**

#### **(Adjusting the Status)**

Subject to Article (84) of the law, the person who is engaged in real estate valuation activity in the Emirate shall adjust his status as per the provisions of these executive regulations.



**Article (14)**

The Department shall issue the decisions, instructions, directives and forms necessary to implement the provisions of these executive regulations.

**Article (15)**

This decision shall be published in the Official Gazette and shall become effective from the date of enforcement of the provisions of the Law.

**Saeed Eid Al Ghafli**

**Chairman of the Department of Municipal Affairs**

Issued in Abu Dhabi

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