

Decision of the Department of Municipal Affairs Chairman

No. (251) of 2015

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

Chairman of the Municipal Affairs Department:

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. (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,

Decided:

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:

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| Department | : | The Department of Municipal Affairs. |
| Municipality | : | 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. |
| Law | : | Law No. (3) of 2015 Concerning the Regulation of the Real Estate Sector in the Emirate of Abu Dhabi. |
| Licensees | : | 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 |
| License | : | The authorization issued by the Department which allows the licensees to undertake their activities according to the provisions of this Law. |
| Person | : | The natural or juridical person |

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| Broker | : | The person who searches, pursuant to a brokerage contract, for a second party to conclude a particular contract and to mediate in the contract negotiations for a commission. |
| Brokers' Employee | : | The natural person who works for and on behalf of a broker to conduct the work of a broker. |
| Auctioneer | : | The person who is registered with the Department and authorized to sell real estates at auctions. |
| Surveyor | : | The person who in exchange for a payment demarcates boundaries and dimensions of any real estate in order to submit and register it with the department, except for any person who works for any governmental entity with the same function, |
| Valuer | : | 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. |
| Real Estate Development Project | : | The project of constructing multi-storey buildings, or complexes for residential, commercial, or mixed purposes, and their utilities or the construction of the infrastructure and service facilities in the event of selling vacant lands. |
| Developer | : | The main developer or the sub-developer. |
| Main Developer | : | The person licensed to practise development works, sell, manage and lease out real estates as a main developer of a real estate development project. |
| Sub-Developer | : | The person licensed to practise development work, sell, manage and lease out real estates in a part of a major complex pursuant to an agreement concluded thereby with the main developer or another sub-developer. |
| Owners' Association | : | The Owners' Association formed pursuant to the provisions of this law to manage and operate the common parts including the repair, maintenance and proper utilization thereof. |
| Director of the Owners' Association: | : | The person who is appointed by the developer or the Owners' Association to manage the daily work of the Owners' Association |

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| Chamber | | Abu Dhabi Chamber of Commerce and Industry |
| Articles of Association of the Owners' Association | : | The rules and provisions that regulate the Owners' Association. |

Article (2)

Licensing Categories (Licensees)

- The Department may issue a license upon a request from the stakeholder on the form approved by the department for the categories included in the definition of "Licensees" as per this Law and its executive regulations.
- The issuance of the license for the main developer and sub-developer shall be confined to legal persons.
- Licenses for broker, auctioneer, director of owners' association, valuer, and surveyor may be issued for both natural and legal persons.
- The license applicant shall be committed not to provide the department with any false, misleading, or incomplete data or documents regarding the license application by virtue of the law and the provisions of these executive regulations.
- The license applicant must pay the prescribed fees according to the executive regulations on fees.
- A person who gets licensed shall not be exempt from the obligation of obtaining any other licenses, permits or approvals required by any other governmental entity so as to be able to conduct his work according to the legislations in force.

Article (3)

Developer's License

- An application for obtaining a developer license is submitted to the department with the following documents attached:
 - a) A commercial license that is valid at the date of submitting the application or an initial approval for licensing that includes allowing its owner to work for real estate development projects.
 - b) For existing licenses, the Chamber's membership certificate valid at the date of submitting the application is required.
- If the applicant is a developer working before the entry into force of these executive regulations, the following documents shall be attached to the application for obtaining the license:
 - a) marketing agreement with brokers, if any.
 - b) Data of approved real estate development projects, whether existing or proposed.

- c) Master plans and architectural designs for approved real estate development projects.
- d) Title deeds of approved real estate development lands.
- e) Feasibility study of the real estate development project issued by an accredited auditor.
- f) Sale and purchase agreements with sub-developers related to the main developer.
- g) Any documents or other data required by the department.
- h) Examples of sale and purchase agreements of buyers who purchased real estate units enlisted in approved real estate development projects related to the sub-developer or the main developer in case the sale was directly through him.

Project Article 4

(Licenses for Director of Owner's Association, Valuer, Surveyor)

- The natural person applying for a license to work as a director of owner's association, valuer, or surveyor must fulfill the following requirements:
 - a) To be a resident of the state.
 - b) He must not have been convicted of any crime involving moral turpitude, dishonesty, or have been previously declared bankrupt.
 - c) Passed the training course and examinations prescribed for the required license according to what is approved by the department.
 - d) He must have previous experience in the work subject of license for a minimum of three years, where appropriate.
 - e) Must have obtained the appropriate educational qualification for each work subject of license according to what is determined by the department.
- To submit the license application with the following documents:
 - a) A copy of valid ID.
 - b) A copy of valid residence visa.
 - c) Two (2) personal photos of appropriate size.
 - d) Any documents or other data required by the department.
- A legal person applying for a license to work as a director of owner's association, valuer, or surveyor, is required to be a company registered in accordance with Federal Law No. (2) of 2015 on commercial companies, provided that the commercial company must fulfill the following conditions:
 - a) To be licensed and registered in the emirate.

- b) To have a licensed branch in the emirate, if it is licensed in any other emirate of the United Arab Emirates.
- c) To have the financial ability according to the criteria determined by the department.
- d) That its director or any member of its board has not been previously declared bankrupt or convicted of any crime involving moral turpitude or dishonesty.
- e) To have insurance against occupational hazards as required by the department.
- f) To provide copies of the following documents:
 - A valid commercial license valid on the date of application, and the Chamber's membership certificate valid on the date of application.
 - A lease contract or title deed for buildings that serve as its headquarters.
 - Any conditions or documents required by the department.

Article (5)

(Broker's License)

- The natural person applying for a broker's license must fulfill the following conditions:
 - a) To be a national.
 - b) He must not have been convicted of any crime involving moral turpitude, dishonesty, or have been previously declared bankrupt.
 - c) Passed the training course and examinations prescribed for the required license according to what is approved by the department.
 - d) He must have previous experience in the required brokerage work for a minimum of two years.
 - e) Must have obtained the appropriate educational qualification according to what is determined by the department.

- To submit the license application with the following documents:
 - a) A copy of valid ID.
 - b) Two (2) personal photos of appropriate size.
 - c) Any other documents or data required by the department.

- A legal person applying for a license to work as a broker must be a company registered in accordance with Federal Law No. (2) of 2015 on commercial companies, provided that the commercial company must fulfill the following conditions:
 - a) To be licensed and registered in the emirate.

- b) To have a licensed branch in the emirate, if it is licensed in any other emirate of the United Arab Emirates.
- c) To have the financial ability according to the criteria determined by the department.
- d) That its director or any member of its board has not been previously declared bankrupt or convicted of any crime involving moral turpitude or dishonesty.
- e) To provide copies of the following documents:
 - A valid commercial license valid on the date of application, and the Chamber's membership certificate valid on the date of application.
 - A lease contract or title deed for a building that serves as its headquarters.
 - Any conditions or documents required by the department.

Article (6)

(Broker's Employee License)

- The natural person applying for a broker's employee license must fulfill the following conditions:
 - a) To be a resident of the state.
 - b) Not to have been convicted of any crime involving moral turpitude or dishonesty.
 - c) Passed the training course and examinations prescribed for broker's employee as per what is approved by the department.
 - d) To submit the license application with the following documents:
 - A copy of valid ID and passport.
 - A copy of valid residence visa.
 - Two (2) personal photos of appropriate size.
 - Any other conditions, documents or data required by the department.

Article (7)

(Auctioneer License)

- The natural person applying for an auctioneer license must have a broker license and must fulfill the following conditions:
 - a. Submit a copy of the commercial license of the establishment through which he works as a broker or auctioneer.
 - b. Passed the training course and examinations prescribed for a real estate auctioneer that are approved by the department.

- A legal person who applies for an auctioneer license must own a broker license or at least one of the partners therein must own an auctioneer license.
- The Department may impose other conditions and requirements for licensing natural and legal persons as auctioneers.

Article 8

(Department Competencies)

- The department has the right to approve or reject the license application, and the application must be decided upon within a maximum period of thirty days from the date of completion of all application procedures, provided that the applicant is notified in writing of that.
- If the department finds that any of the data or documents submitted to obtain the license is incomplete, the stakeholder shall be asked to complete them within the period that will be set for him, otherwise the department will cancel the application.
- In the event that the department refuses to issue the license, its decision must be justified, and the stakeholder must be informed thereof.
- The stakeholder has the right to file a grievance to the chairman of the department against the decision to reject the license application, or to complete the incomplete documents or data referred to in clause (2) of this article within a period of fourteen days from the date of his notification.
- The chairman of the department decides on the grievance within thirty days from the date of its registration at the department, and if the grievance is not decided upon within this period, it is deemed rejected.
- The stakeholder has the right to appeal against the decision issued under clause (5) of this article before the competent court within sixty days from the date of his notification thereof.

Article (9)

Duration of the License and the Method of Renewing It

- The duration of all licenses referred to in these executive regulations shall be one Gregorian year, starting from the date of issuance of the license.
- All licenses are renewable annually.

- The Department may renew the license at the request of the licensee within a maximum period of three months from the date of the expiry of the previous license, after fulfilling the specified additional fine.
- The license renewal application shall be submitted on the form approved by the department, and the documents and data required under these executive regulations shall be attached thereto.
- Applicant for license renewal as per the provisions of the law and these executive regulations shall pay the fees prescribed for that according to the executive regulations on fees.

Article (10)

Renewal of Developer License

- The main developer or sub-developer must attach the following documents to the license renewal application:
 - The commercial license valid at the date of submitting the application.
 - The Chamber's membership certificate valid at the date of submitting the application.
 - Data of approved real estate development projects, whether existing or proposed.
 - Any documents or other data required by the department.

Article (11)

License Renewal for Natural Persons

- The natural person must attach the following documents to the application for renewing the required license:
 - A copy of a valid passport and ID card.
 - A copy of a valid residence visa.
 - Two (2) personal photos of appropriate size.
 - A proof of completing any training course or training program required by the department as a condition for renewing the required license.
 - Any other documents or data required by the department.

Article (12)

License Renewal By Legal Persons

- The legal person must attach to the application for renewing the required company license the documents proving the following:
 - Submit a financial report endorsed by an accredited auditor.
 - To have a general manager who has the required license, as appropriate.
 - To have a director or a board of directors who were not previously declared bankrupt or were convicted of any crime involving moral turpitude or dishonesty.

- Provide copies of:
 - a. The commercial license valid on the date of submitting the application, and the Chamber's membership certificate valid on the date of application.
 - b. A lease contract or title deed for buildings that serve as its headquarters..
 - c. Certificate of audit related to the project escrow account, in case of renewing the broker's license.
 - d. Evidence that employees must have carry the licenses of licensed broker employees in case the broker's license is renewed.
 - e. Any conditions, documents or data required by the department.

Article (13)

Provisions For Delay in Renewing the License

- The Department may close the headquarters of a person whose license has expired since over (3) three months.
- The Department may exempt the licensee from licensing fees for the period of non-renewal, whenever the holder of the license provides evidence that he was not engaged in any work throughout the suspension period.
- All previous provisions related to licensing apply to cases of acceptance or rejection of a license renewal request, which includes grievance and appeal to the competent court, as appropriate.

Article (14)

Cancellation Or Suspension Of The License

- The Department may revoke or suspend the license in the following cases:
 - a) Upon the licensee's insolvency or bankruptcy.
 - b) If the licensee is convicted of a crime involving moral turpitude or dishonesty
 - c) Licensee's violation of any code of conduct in force at the time of making the violation.
 - d) d. If the broker fails to justify the funds received in connection with a deal he participated in.
 - e) e. If the licensee mixes his own money with the money of other people he works for in the course of his regular work.
 - f) If the director of the owners' association violates any of his obligations stipulated in the Law or articles of association for owners' association or the executive regulations.
 - g) Violation of any of the provisions of the law, the executive regulations, and the decisions issued in implementation thereof.

- The department shall, before revoking or suspending the license, send a written notice to the licensee, stating reasons for revocation or suspension procedure, and the licensee has the right to respond to the said notice within (21) days.
- If the department decides to revoke or suspend the license, it must take into account the reasons mentioned by the stakeholder in his response to the notice, if any.
- The Department shall record data related to violations of the licensee in the Real Estate Development Register.
- A person affected by the department's decision to revoke or suspend the license has the right to file a grievance and appeal against the department's decision with the competent court in accordance with the provisions stipulated for in Article (8) of these executive regulations.

Article (15)

Display the Trade Name and License Number

- The Licensees must deliver a copy of the license, if requested by the department, municipality, police, or any client related to the licensee.
- Licensees must display the trade name, license number and registration number in the Real Estate Development Register, as appropriate, on each of the following:
 - a. The headquarters and any branch office for his business.
 - b. His stationery and business cards.
 - c. Any advertising or promotional material.
- The license number of both the broker employee and the broker who is the employer must appear on the broker employee's business card.

Article (16)

Branch Offices

- The licensee may open one or more branch offices in addition to the headquarters related to licensed activity.
- The licensee must notify the department of his desire to open a branch office on the form approved by the department before opening the branch office.
- In the case of a broker, the branch office must at all times be under the actual control of the broker's employee.

Article (17)

Staff Supervision

- The licensee shall continuously supervise his employees and take all appropriate and necessary measures to ensure that they abide by the law, regulations, decisions, and instructions issued pursuant thereto and that they abide by any code of conduct related to the licensee's activity.

- The licensee bears the civil responsibility for any violating act or abstention from an act imposed by the Law, executive regulations, or decisions issued in implementation of that is committed by any of his employees while exercising the functions of his position.

Article (18)

Agreement on the Licensee's Services

- Any of the categories covered by the definition of the licensees in accordance with the law and the executive regulations must enter into a written contract with the client.
- The department shall prepare a standard form for the contract referred to in clause (1).
- In all cases, the contract must include all the basic elements of the contract, including specifying the type of work to be performed, the duties, obligations, and rights of each party.

Article (19)

Sharing Commissions or Fees

- If the principal appoints more than one broker for the same work, the contracting party must prepare a main brokerage contract with one of these brokers, and the brokers must prepare a written sub-brokerage contract between them according to the standard form contract approved by the department so the brokers can share the commission or fees according to the method specified in the subcontract.

Article (20)

Code of Conduct

- All licensees must, during the normal course of their work, adhere to the provisions of any professional code of conduct and ethics issued by the department pursuant to the provisions of the law or the executive regulations.
- The Department shall devise a professional code of conduct and ethics according to the practices adopted by it and as it deems appropriate.

Article (21)

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

Article (22)

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

Saeed Eid Al Ghafli

Chairman of the Department of Municipal Affairs

Issued in Abu Dhabi

On: 26/10/2015

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Hijri