

**Law No. (2) of 2007**  
**Concerning the amendment of some provisions of**  
**Law No. (19) of 2005 on Real Estate Ownership**

**We, Khalifa bin Zayed Al Nahyan, Ruler of Abu Dhabi;**

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. (2) of 1971 concerning the National Advisory Council, 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;
- Law No. (20) of 2006 concerning lease of premises and the regulation of landlord-tenant relationship in the Emirate of Abu Dhabi;
- Federal Law No. (5) of 1985 concerning the issuance of the Civil Transactions Law of the United Arab Emirates, and its amendments;
- Federal Law No. (10) of 1992 promulgating the Law of Evidence in Civil and Commercial Transactions;
- Law No. (11) of 1992 concerning the issuance of the civil transactions law and its amendments;
- Law No. (18) of 1993 concerning the Commercial Transactions Law,
- And acting upon what was presented to and approved by the Executive Council,

**Issued the following Law:**

**Article (1)**

The definition of (disposition) in Article (1) of the aforementioned Law No. (19) of 2005 shall be amended, by omitting the phrase (pursuant to the provisions of the Civil Transactions Law), and the definition of (nationals) stated in Article (1) of the above-mentioned real estate ownership Law shall be also amended to read as follows:

Nationals and the like:

1. Any natural person holding, as per the prevalent laws, the nationality of the United Arab Emirates, and companies and establishments wholly owned by them.
2. The Government of the UAE and governments of other emirates.
3. Government, agencies, bodies, entities, corporations, institutions, funds, and councils wholly owned by it.

**Article (2)**

The texts of Articles (3), (4), (6), (7), (12), of Law No. (19) of 2005 shall be replaced by the following articles:

**Article (3)**

The right of ownership of real properties shall be confined to nationals and the like, as well as persons, companies, and entities that are designated by virtue of an Executive Council resolution.

1. GCC nationals- and legal persons wholly owned by them in accordance with the Executive Council regulations- may own real property, provided that it is located in investment zones, and may dispose or acquire any original or subordinate real rights thereon.
2. The Executive regulations shall set the conditions, provisions, and terms of Musataha contracts for real properties located outside investment zones.

**Article (4)**

1. Non-nationals whether natural or legal persons shall have the right to own floors without the land in Investment Zones and may entail any rights thereon. The executive regulations or the Executive Council resolutions shall determine the scope of ownership, as well as its provisions and conditions.
2. Non-UAE nationals can also hold usufruct or Musataha rights for the real properties located within investment zones with a long-term usufruct contract (up to 99 years), or with a long-term Musataha contract (up to 50 years) renewable for a similar period by mutual consent of parties.
3. An Executive Council resolution shall set the bylaws of Investment Zones, as well as the means of service provision therein, without contravening the provisions of the said Law.
4. Holders of a 'usufruct' or Musataha, may, without the consent of the landlord, make a disposition on the real property, including its mortgage. The landlord may not mortgage the property without the consent of usufruct or Musataha holder. In both cases parties may agree otherwise.
5. The executive regulations shall set the conditions, provisions and terms of usufruct and Musataha contracts on real properties located inside and outside Investment Zones.

**Article (6)**

Conveyance of real property, or of any real rights entailed thereon, or subordinate rights of the ownership right shall not be transferred except by registration, be that between the two contracting parties or a third party. Registration shall take place in the Register

set forth in Law No. (3) of 2005 and shall be binding and serve as a decisive proof of ownership of real property and of subordinate real rights or rights entailed on ownership right and long-term lease rights.

#### **Article (7)**

The real property, usufruct right, or Musataha right shall be registered in the name of the heirs, after submitting a decree of distribution that proves their right in the legacy of the real estate owner, usufructuary or holder of Musataha Right.

For real properties registered in the name of natural persons or corporations located outside the Investment Zones , if it is proved that one of the heirs is non-national, any of the heirs or all of them collectively may purchase the non-national heir's share at the market value. If they fail to do so, they shall have the right to resort to legal proceedings to obtain a court order to sell his share or the whole Real Estate and to distribute the respective shares from the sale amount.

The executive regulations shall determine the conditions and provisions for registering titles of real properties located outside Investment Zones in case of legacy.

#### **Article (12)**

All dispositions on real properties in the Emirate of Abu Dhabi, including the provisions and conditions of Musataha and Usufruct contracts mentioned in this Law, as well as contracts concluded between parties shall be subject to the provisions of this Law, its executive regulations, and its implementing decisions.

The registration of any transactions or dispositions shall be subject to the provisions of Law No (3) of 2005 and its implementing decisions.

#### **Article (13)**

Any provision contrary to the provisions of this Law shall be repealed.

#### **Article (14)**

This Law shall be published in the Official Gazette and shall become effective from the date of its issuance.

**Khalifa bin Zayed Al Nahyan**  
**Ruler of Abu Dhabi**

Issued by us in Abu Dhabi:

On: 6 February 2007

Corresponding to: 18 Muharram 1427 Hijri