

by-Law No. (85)/ of 2006
Regarding the Regulation of Real Estate Brokers' Register in the Emirate of Dubai

Head of Lands & Property Department

After perusal of Law No. (7)/ of 2006 Regarding Real Estate Register in the Emirate of Dubai, pursuant to Articles (6) paragraph (6), and (28) of the said law and according to the proposal by the Department's General Director, We issued the following by- law:

Chapter (1)
Definitions & General Provisions

First: Definitions

Article (1)

This by- law is called (by- Law No. () of 2006 Regarding the Regulation of Real Estate Brokers' Register in the Emirate of Dubai)

Article (2)

The words and phrases contained in this By- Law shall have the meanings shown against each of them unless the context requires otherwise:

Country: United Arab Emirates
Emirate: Emirate of Dubai
Department: Lands & Property Department
Chairman: Chairman of the Department
Director: Department's General Director
Committee: Permanent Committee of the Real Estate Brokerage
Council: The Competent Arbitration Council to consider Brokers' disputes.
Division: Division of the Real Estate Brokerage in the Department
Competent
Authorities: The Competent Licensing Governmental and Semi Governmental Authorities

Real Property: Anything immovable fixed within its boundaries which cannot be moved without damaging or changing its features.
Register: The Electronic or Documentary Register of the Real Estate Brokers
List: The list of the certified Brokers from Class (A) prepared by the Committee

- Broker: It also means (bidder), the person who carries on the Brokerage activities as per the provisions of this by- law.
- Brokerage: a contract by which the Broker undertakes to another person to look for a second party to enter into a certain contract through mediation in the contracting negotiations in consideration of a fee.
- Person: The natural or legal person.

Second: General Provisions

Article (3)

A person may not carry on the Brokerage activity in the Emirate unless he is licensed by the competent authorities and registered in the registry.

Article (4)

A record to register the Brokers, who are licensed to carry on the Brokerage activity in the Emirate, shall be established and every change or amendment made on this information shall be recorded therein.

Article (5)

The Brokers shall be from two classes:

Class (A): The people of expertise who are registered in the list, unlicensed by the competent authorities and are exempted from the registration conditions.

Class (B): The people who carry on the Brokerage activity under a license issued by the competent authorities.

Chapter (2)

Conditions of Registration in the Brokers' Register

Article (6)

Subject to what was stated in Article (5-A) the people from Class (B) who wish to carry on the Brokerage activity in the Emirate shall submit an application on the form to be registered in the registry. The application shall include the following documents:

- 1- A valid trade license issued by the competent authorities.
- 2- A membership certificate in Dubai Chamber of Commerce & Industry.
- 3- A copy of the license applicant's/applicants' passport with regard to the sole proprietorships or companies.
- 4- An identical copy of the ownership certificate of the Brokerage shop or its lease contract.
- 5- A certificate of good conduct for the establishment's owner and the senior manager or senior managers of the company.

- 6- None of the company's directors or the partners authorized to run the company shall be from those who have previously declared bankruptcy or were convicted with a crime violating honor or trust.
- 7- Obtaining certificates in courses specialized in the real estate field from educational institutions accredited by the Department.
- 8- Passing the Brokerage profession test prepared by the Department.

Article (7)

The Department shall examine the application. Within seven days from submitting the application, the Department shall request the applicant in writing to complete the documents or information it deems necessary.

Article (8)

The Department shall take all the procedures to verify that the registration application, updating or cancelling the requirements of the by-law provisions and decisions issued in accordance therewith, are fulfilled.

Article (9)

The Department shall present the registration application to the Committee within 7 business days from the date of submitting the application or completing the documents and information required by the Department, as the case may be.

Article (10)

The Committee shall have the right to approve the registration or reject the same. The issued decision in this regard shall be informed to the applicant. The decision to reject the registration shall be justified.

Article (11)

If the Committee rejects an application of registration, updating or cancellation, the concerned party shall file a grievance against the decision of rejection with the Director, within 7 days of being informed of the decision. The Director's decision in this regard shall be final.

Article (12)

The Department shall issue a Broker card bearing his name and address, in addition to his registration No.. The Broker shall enclose his name with his registration No. in the registry in all the correspondence and reports issued by him.

Article (13)

Every Broker registered in the registry shall come to the Department for annual renewal of his registration in the registry. The renewal application shall be submitted

to the Department on the form assigned for this, at least (30) days prior to the expiry date of the registration certificate. The Department shall renew the Broker's registration in the registry after verifying the availability of the renewal conditions.

Chapter (3) Broker's Obligations

Article (14)

All registered Brokers must comply with the profession ethics according to the Code of Ethical Conduct prepared by the Committee in consultation with Brokers with expertise and opinion.

Article (15)

The Broker must prove in his special register all the transactions made by him and keep the relevant documents and papers. He shall also submit an identical copy of the same to any of the contracting parties who asks for it. In case of selling by map or form, he must keep the map or form until the transaction is completed.

Article (16)

The Broker shall submit all the information, data and statistics related to the Brokerage activity which are required by the Department.

Article (17)

The Broker must inform his client with all the details of negotiations, stages of mediation he is conducting and any information that is considered necessary to enable him to take the decision to enter into an agreement with the other contracting party. The Broker must also inform the other contracting party with all the substantial issues that are related to the subject of agreement and which are necessary in order be fully aware of it.

Article (18)

The Broker shall not mediate to enter a transaction in violation of the laws and regulations applicable in the Emirate.

Article (19)

The Broker shall, even if he is only authorized by one party of the transaction, give them a faithful offer and inform them with all the circumstances he knows. He shall be responsible before them for any deception or mistake he makes.

Article (20)

The Broker may not establish himself as a second party in the contract in which he mediates to sign unless the contracting party allows him to do so and in this case the Broker shall not be entitled to a fee.

Article (21)

The Broker shall be a guardian on any amounts, securities, debentures or things given to him by any of the parties to keep or to deliver to one of the parties. He must give or deliver the same according to what is agreed upon. Trust Rules shall apply to the Broker with regard to these matters.

Article (22)

The Broker shall be responsible for any losses or damages inflicted on any of the contracting parties as a result of his acts through deception, fraud or non-observance of the principles to be followed as per the provisions of this statement or in accordance with the requirements of the Code of Ethical Conduct.

Article (23)

The Broker's right in remuneration or claim to be reimbursed for the expenses he spent, shall drop if he works in favor of the other contracting party violating by this his obligations towards the party he is representing, or if he accepts from the other party a promise to obtain a benefit when such promise is prohibited by the rules of good faith and Code of Ethical Conduct.

Article (24)

If many Brokers were authorized to work on one contract, they shall be jointly responsible for the work delegated to them, unless they were licensed to work severally.

Article (25)

If many persons authorize one Broker in a joint act, they shall be jointly responsible before him for carrying out this authorization, unless they agree on otherwise.

Chapter (4) Broker's remuneration

Article (26)

The Brokerage contract shall be in writing and stating the names of the contracting parties, specifications of the Real Property and the Brokerage conditions. The contract shall be registered in the real estate registry.

Article (27)

The Broker's fee shall be determined by agreement. If there is no agreement the remuneration shall be determined according to the prevailing practice.

Article (28)

- 1- The broker shall not be entitled to a fee for his Brokerage unless this Brokerage caused a contract to be signed between the two parties. This contract shall be considered as entered when the parties agree on all the substantial issues therein.
- 2- What is important is the Broker's entitlement to his fee in signing the contract even if it was not executed unless the agreement or the practice stipulates otherwise.
- 3- If the contract was dependent on a pending condition, the Broker shall not be entitled to the fee unless this condition is met.
- 4- If signing the contract is impracticable for a reason related to the customer, then the Broker shall be entitled to a compensation for the effort he spent.

Article (29)

If the Brokerage contract is revoked, the Broker may claim his fees or keep the same if he received it, unless deception or grave mistake was proved on his part.

Article (30)

If the Broker's instructions or negotiations did not lead to signing a contract between the two parties, the Broker shall not be entitled, in consideration of his endeavor, to claim any compensations, expenses or costs he incurred unless there was a prior condition or this was done in the special practice.

Article (31)

If more than one Broker participated in the mediation or negotiation for one party in order to reach an agreement and this led to the completion of the agreement, all of them will be entitled to the remuneration as if they were one Broker and the remuneration shall be divided between them as per the conditions of the contract entered between them.

Article (32)

Subject to Article (30), if a party contracted with many Brokers independently and with regard to one subject in order to mediate for him and negotiate on his behalf in an agreement and one of them succeeded in completing the transaction, he alone shall be entitled to the full compensation.

Article (33)

The Broker shall be entitled to compensation only from the party of transaction who authorizes him to mediate to sign the transaction. If the authorization was issued by both parties, each one shall be severally responsible before the Broker for paying the fee due from him, even if they agreed that one of them shall pay the full fee to the Broker.

Chapter (5) Settlement of Disputes

(Article 34)

The Department shall have a council composed of three persons, in addition to the legal consultant of the Department . They shall be appointed by a decision issued by the director. The council shall have competency to settle disputes related to mediation through arbitration.

Article (35)

The council shall not consider disputes of real estate Brokerage, unless the Brokerage contract contains the arbitration condition, or the adversaries agree subsequently to refer their disputes to the council for arbitration. The agreement on arbitration shall only be established in writing and it shall specify the subject of the dispute in the arbitration document.

Article (36)

The council shall commence his duties according to simplified procedures that seek to resolve the disputes and establish justice between adversaries, by following the general principles of the law.

The council's decision shall be in accordance with the rules of the law, unless the council was authorized to reconcile. In this case the council shall not comply with these rules except with the rules related to the public order.

Article (37)

The council shall have a secretariat to be in charge of receiving the applications, opening files, writing proceedings and correspondence, servicing the adversaries, maintaining the files and generally to do all the administrative tasks assisting the council. The secretariat shall be appointed by a decision from the director.

Article (38)

- 1- The arbitration application shall be submitted to the Committee by the party requesting arbitration according to the form prepared for this purpose. Supporting documents and sufficient copies according to the number of the disputing parties shall be enclosed with the application.
- 2- The Chairman shall order that the application is registered after the determined fee is paid. The secretariat shall announce the adversary (the respondent) in the application.
- 3- The respondent shall respond in writing to the application statement and the incidents and requests therein. He shall lodge this response and any supporting documents thereof with the secretariat within a week from announcing him.
- 4- The council shall decide in the dispute within a maximum period of (30 days) from the date of referring the case. This period may not be extended unless there are reasons justifying this.

Chapter (6)

Disciplinary Penalties and the Expiration of the Brokerage Capacity

Article (39)

Without prejudice to any penalty set by the applicable laws, the Committee shall have the right to impose any of the following measures on the Broker who violates any of the provisions of this statement, the decisions or instruction issued thereunder:

- 1- Warning
- 2- Notice
- 3- Suspension from work for a period not exceeding 6 months.
- 4- Putting the Broker's name on the black list.

Article (40)

The Broker's registration shall be cancelled if he breaches the Code of Ethical Conduct or if he commits a substantial violation of the applicable laws, regulations and instructions in the Emirate. The cancellation shall be based on a decision issued by the director according to a recommendation from the Committee, stating the reasons for cancellation. The Broker may file a grievance against the decision of cancellation with the Chairman within 15 days of being informed with it. The decision of the Chairman shall be final.

Article (41)

The Brokerage capacity shall drop from the Broker and his registration with the Department shall be cancelled in the following cases:

- 1- The Broker leaves the Brokerage business permanently, and informing the department about that.
- 2- The Broker leaves the Brokerage business for a period exceeding twelve consecutive months without a legitimate excuse acceptable to the Committee.
- 3- He loses any of the conditions which should be met as per the provisions of this by- law, any regulations or instructions issued thereunder.
- 4- If it becomes clear that his registration was based on false information that he submitted to the Department.
- 5- The Chairman issues a decision cancelling the registration as per the provisions of Article (40) of this statement.

Article (42)

The Department shall notify the competent authorities with the decision issued to discontinue the Broker's activity or cancel his registration.

Chapter (7) Final Provisions

Article (43)

The acting Brokers shall, when this statement is issued, accord their status with its provisions within 3 months from the day it was issued. The Chairman may extend this period for a period not exceeding another 3 months, if there were reasons justifying this.

Article (44)

The Committee shall be entitled, through consultation with the competent authorities, to classify the Brokers according to their area of specialization and to determine their number according to the need.

Article (45)

The Department shall receive the arbitration fees which shall be determined by a decision issued by the Chairman.

Article (46)

The Chairman shall issue the orders, decisions and instructions necessary to implement the provisions of this by- law.

Article (47)

The provisions of this by- law shall be valid from the date it is signed.

Issued by us on 30 / 5 /2006
Mohammad Bin Khalifa Al Maktoum
Head of the Land Department
Dubai