Annex D

In this document, underlining indicates new text and striking through indicates deleted text

Dubai International Financial Centre

Real Property Regulations

Consolidated Version [insert]

In force on [insert]
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The Dubai International Financial Centre Authority, in exercise of its powers under Article 173 of the Real Property Law, being DIFC Law No. 4 of 2007 issued by the Ruler, and of all other enabling powers, makes the following Regulations:

1. Introduction

1.1 These Regulations are the Real Property Regulations.

1.2 Application and interpretation

1.2.1 A reference in these Regulations to a law is a reference to that law as amended from time to time.

1.2.2 A reference in these Regulations to a Schedule is a reference to a Schedule in these Regulations, unless the contrary intention appears.

1.2.3 In these Regulations and the Schedules, unless the contrary intention appears:

(a) “the Law” means the DIFC Real Property Law (DIFC Law No. 4 of 2007);

(b) “Registrar’s Directives” means the Directives made by the Registrar of Real Property under Article 171 of the Law;

(c) terms defined in the Law have the same meaning in these Regulations and Schedules as they have in the Law;

(d) a reference to these Regulations includes a reference to the Schedules in these Regulations; and

(d) the Rules of Interpretation contained in the Schedule 1 of the Law apply to the interpretation of these Regulations and Schedules.

1.3 In these Regulations and the Schedules:

“freehold transaction” means any act or transaction by which a legal, equitable, beneficial and/or registered interest in the freehold in real property within the jurisdiction of the DIFC a Real Property Interest is claimed or enjoyed, sold, transferred, or disposed of, as of the close of business in the DIFC on 21/06/2007, and thereafter whether

1.3.1 directly; or

1.3.2 indirectly, such as (but not limited to) by means of a transfer (including a Change in Control), assignment, allotment or dealing by which a person acquires one or more shares in a body corporate, (or one or more units in a unit trust) which owns a legal or beneficial interest in the freehold interest in Real Property.

1.4 For the purposes of Regulation 1.3.2:
1.4.1 “shares” includes a right to shares;

1.4.2 “transfer” includes an assignment and an exchange;

1.4.1 “unit”, in a unit trust “Shares” means shares in any incorporated or unincorporated body corporate (including a company, partnership and unincorporated association) which includes a right of ownership with respect to such Shares notwithstanding the legal ownership in such Shares is held by another Person;

1.4.2 a “Unit”, in a Unit Trust, means a right or interest (whether described as a unit, sub-unit, or otherwise) of a beneficiary under the trust Unit Trust, and includes a right of ownership with respect to any such right or interest notwithstanding the legal ownership in such Unit is held by another Person;

1.4.3 “unit trust” means a scheme of arrangement that has the purpose or effect of allowing persons to participate, as beneficiaries under a trust, in any profits, income or distribution of assets arising from the acquisition, holding, management or disposal of any property under the such trust.

1.5 To remove For the avoidance of doubt, a freehold transaction Freehold Transaction includes a transaction by which a person Person acquires for value a legal or equitable and/or beneficial interest (whether that interest is a freehold or leasehold interest) under a unit sale and purchase agreement Sale and Purchase Agreement or otherwise, but does not include any other lease transactions Lease or a transaction by way of mortgage Mortgage nor does it include any of the following transactions where there is no change in beneficial ownership;

1.5.1 the Transfer into the name of a company where the party or parties transferring the interest Real Property are the sole shareholder(s) of the company and, in the case where there is more than one party, the shareholding in the transferee company is held in the same proportions as the prior ownership of the Real Property by the parties;

1.5.2 the Transfer from a company to a party or parties where the beneficiary transferee is the shareholder(s) of the company, and, in the case where there is more than one shareholder, the ownership of the Real Property by the parties is held in the same proportions as the prior shareholding in the transferor company;

1.5.3 Buyingthe buying and selling of shares of a publicly listed company through a regulated stock market;

1.5.4 a Transfer of the Real Property as part of an Islamic financing scheme;

1.5.5 A person who inherits the estate of another by law or by the terms of a will recognised by law.

1.6 In these Regulations:

1.6.1 “Freehold Transfer Fee” means the fee payable by the Transferee in respect of a Freehold Transaction in accordance with Schedule 2.

1.6.2 “Freehold Transaction Payment Date” means the date that the Freehold Transfer Fee is payable under these Regulations being:

(a) in respect of an Off Plan Sale, within thirty (30) days from the entering into of the Off Plan Sales Agreement.
(b) in respect of a Transfer of Shares, within thirty (30) days from the registration of the Transfer with the relevant regulatory registration body that regulates the body corporate;

(c) in respect of a Transfer of Units, within thirty (30) days from the Transfer of the Units; and

(d) in respect of any other Transfer, upon Registration of the Transfer Instrument.

1.6.3 “Unregistered Freehold Transfer Penalty” means the penalty payable by a Transferee for failing to pay the Freehold Transfer Fee on the Freehold Transaction Payment Date as specified in Schedule 1.

1.6.4 “Transferee” means a Person that receives a legal, equitable, beneficial and/or a Real Property Interest under a Freehold Transaction including a Purchaser.

2. Commencement

These Regulations commence on the date of their issuance.

3. Amending or deleting Registrar’s Directives

3.1 The Registrar may from time to time amend, add to, or delete any of the Registrar’s Directives.

3.2 If the Registrar acts under paragraph 3.1, the Registrar must:

3.2.1 maintain a current version of the Directives in their current form from time to time;

3.2.2 make a copy of the current version of the Directive available to any person who requests a copy, on payment of the fee the Registrar considers appropriate.

4. Fees payable to the Registrar, other than freehold transfer fee

4.1 The fees specified opposite the matters listed in Schedule 1 are payable to the Registrar by the applicant in respect of those matters.

4.2 A fee is payable before the provision of the service to which the fee relates, unless the Registrar agrees otherwise.

4.3 The DIFC Authority may from time to time vary the fees in Schedule 1, and may add other fees for matters not listed in that Schedule as it considers necessary or appropriate.

5. Freehold transaction return

A freehold transaction return must be lodged in the circumstances set out in Schedule 2.

6. Freehold transfer fee

5. A freehold transfer fee

Changes in Shareholding and Unit Holding
The Transferee of any Shares in a body corporate or Units in a Unit Trust must notify the Registrar of such change in shareholding or unit holding and pay to the Registrar the Freehold Transfer Fee in respect of such change in shareholding or unit holding by the Freehold Transfer Payment Date.

6. **Freehold Transfer Fee**

A Freehold Transfer Fee is payable by the Transferee in the circumstances set out in Schedule 2.

7. **Penalties for offences against the Law**

7.1 Except with respect to an offence under Regulation 6.2, the penalty for an offence against the Law is US$ 1,000.

7.2 In the event a Transferee fails to Register a Freehold Transaction on the Freehold Transfer Payment Date, in addition to paying the Freehold Transfer Fee with respect to such Freehold Transaction, the Transferee and Registered Owner shall be jointly and severally liable to pay the Freehold Transfer Fee and the Unregistered Freehold Transfer Penalty.
## SCHEDULE 1 — FEES

(OTHER THAN FREEHOLD TRANSFER FEES/FREEHOLD TRANSFER FEES)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount ($US)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodgement of form or instrument Instrument for registration or recording Registration</td>
<td>100</td>
</tr>
<tr>
<td>Request to alter Register</td>
<td>100</td>
</tr>
<tr>
<td>Lodgement of caveat Caveat</td>
<td>100</td>
</tr>
<tr>
<td>Request for search of Register Official Search Certificate</td>
<td>100</td>
</tr>
<tr>
<td>Request for official search copy of Register Instrument</td>
<td>200</td>
</tr>
<tr>
<td>Lodgement of primary application to bring land under the Law</td>
<td>500</td>
</tr>
<tr>
<td>Request for issuing of each title deed on an initial application for individual strata titles US$100 per title deed sought Lots in a Strata Development</td>
<td>100 per Lot</td>
</tr>
<tr>
<td>Application for replacement title deed Folio certificate</td>
<td>273</td>
</tr>
<tr>
<td>Application for lapping of a caveat Caveat</td>
<td>545</td>
</tr>
<tr>
<td>Application for cancellation of a caveat by the registrar</td>
<td>273</td>
</tr>
<tr>
<td>Application for Transfer under Regulation 1.5.1, 1.5.2, 1.5.3 or 1.5.4 or 1.5.5</td>
<td>273</td>
</tr>
<tr>
<td>Application for registration of a conventional Mortgage</td>
<td>100</td>
</tr>
<tr>
<td>Application for registration of a Mortgage involving Islamic financing provisions</td>
<td>200</td>
</tr>
<tr>
<td>Lodgement of Lease with a term exceeding 6 months and less than 5 years</td>
<td>100</td>
</tr>
<tr>
<td>Lodgement of Lease with a term of 5 years or more and less than 10 years</td>
<td>200</td>
</tr>
<tr>
<td>Lodgement of Lease with a term of 10 years or more</td>
<td>300</td>
</tr>
<tr>
<td>Unregistered Freehold Transfer Penalty</td>
<td>5% of consideration or market value at time of registration (whichever higher)</td>
</tr>
</tbody>
</table>
SCHEDULE 2 — FREEHOLD TRANSACTION RETURNS FREEHOLD TRANSACTIONS AND FREEHOLD TRANSFER FEES FREEHOLD TRANSFER FEES

1. Purpose of this Schedule

1.1 The purpose of this Schedule is to impose an obligation on the Transferee to Register a freehold transaction return Freehold Transaction and to pay a freehold transfer fee Freehold Transfer Fee in relation to freehold transactions in real property within the jurisdiction of the DIFC such Freehold Transaction.

1.2 The purpose of the freehold transfer fee Freehold Transfer Fee is to help defray the cost of guaranteeing title to real property within the jurisdiction of the DIFC.

2. Freehold transfer fees Freehold Transfer Fees

2.1 Subject to this Schedule 2, a freehold transfer fee Freehold Transfer Fee is payable in relation to each freehold transaction Freehold Transaction.

2.2 A freehold transfer fee Freehold Transfer Fee is payable in relation to a freehold transaction Freehold Transaction regardless of whether the transaction is in writing, or is effected by the conduct or act of the parties, by order of court or other authority, under statutory authority, by operation of law, or otherwise.

2.3 If a freehold transfer fee is paid in relation to a freehold transaction (“the earlier transaction”), then no additional freehold transfer fee is payable in relation to a later transaction that merely completes the earlier transaction.

Example: Assume that a contract for sale of real property is entered into. A freehold transfer fee is payable in relation to the contract, because the buyer acquires an equitable or beneficial freehold interest. However, no additional freehold transfer fee is payable in relation to the formal transfer of title on completion of that contract.

5. Consideration as basis of freehold transfer fee Freehold Transfer Fee

3.1 The freehold transfer fee Freehold Transfer Fee on the direct Transfer of a Real Property Interest is based on the amount of the consideration paid or payable for the interest, or an amount that is 15% below Real Property Interest, or the market value of the interest Real Property Interest, whichever is the greater.

3.2 The Freehold Transfer Fee on the indirect Transfer of a Real Property Interest by way the transfer of Shares or Units is based on the amount of the consideration paid or payable for the Shares or Units, or the market value of the proportional share of the Real Property Interest to which the Shares or Units relate, whichever is the greater.

3.23.3 Where the amount of the consideration is contingent on the occurrence of an event that may or may not occur, the amount of the consideration is to be calculated as if the contingency were satisfied.
3.3.4 Where the amount of the consideration cannot be ascertained, it is to be determined on a reasonable estimate of the market value of the Real Property Interest by the DIFC Authority.

6.4. **Calculating the freehold transfer fee**

The freehold transfer fee is calculated at the rate of 5% of the amount of the consideration referred to in clause 3.1 or 3.2.

7.5. **Duty to lodge freehold transaction return and caveat, and to pay freehold transfer fee**

5.1 The purchaser under a freehold transaction must lodge a freehold transaction return and a caveat with the Authority within 30 days of the effective date of the freehold transaction. However, where the freehold transaction is an Option to Purchase, the requirements of these regulations regarding dates applicable for lodging of a return and payment of the freehold transfer fee must be met on the Freehold Transaction Payment Date.

5.2 When Registering the Freehold Transaction, the Transferee must state in the Transfer Instrument:

5.7 the date of the Exercise of the Option is deemed to be the applicable date.

5.7 Subject to clause 7, the purchaser under a freehold transaction must lodge a freehold transaction return and a caveat with the Authority within 30 days of the effective date of the freehold transaction.

5.7 The freehold transaction return must:

5.3.4 include an assessment (a “self-assessment”) of the freehold transfer fee that, on the basis of the information contained in the return, is payable in respect of the transaction; and

5.3.5 be accompanied by payment of the amount so assessed.

5.15.3 The purchaser is the party to the freehold transaction who is liable to pay the freehold transfer fee.

5.25.4 If the freehold transfer fee is not paid within 30 days after the effective date of the freehold transaction, interest is payable at the rate of 5 per cent per annum until the fee is actually paid.

5.35.5 If the DIFC Authority considers that the amount of the self-assessment is less than the amount that is properly payable under this Schedule, the DIFC Authority may determine the additional amount that it considers payable, and the purchaser must pay that additional amount within thirty (30) days after the DIFC Authority notifies the purchaser of the additional amount.

5.45.6 The purchaser may appeal to the Court against the additional amount notified under clause 5.5, but cannot refuse to pay the amount on the ground that an appeal has been lodged.
5.5.7 On the appeal, the Court may make any order it considers appropriate.

8.6. **Procedures to recover freehold transfer fee**

6.1 The DIFC Authority may bring proceedings in the Court to recover from a purchaser, Transferee and/or the Registered Owner the whole or part of the freehold transfer fee and Freehold Transfer Fee, the Unregistered Freehold Transfer Penalty, any interest payable under Regulation 5.45.4 and any other moneys due and payable by the Transferee under these Regulations.

6.2 The Registrar may register a Caveat against the Folio of the Real Property Interest to record its interest within respect to any unpaid Freehold Transfer Fees, unpaid Unregistered Freehold Transfer Penalties, interest payable under Regulation 5.45.4 and any other moneys due and payable by the Transferee and Registered Owner.

9.7. **Cancelled freehold transactions**

No freehold transfer fee is refundable under any circumstance.

10.8. **Power to inspect, etc**

8.1 The DIFC Authority may authorise a person to inspect, make copies of, or take possession of, any property, records or files for the purpose of ascertaining:

8.1.1 whether a freehold transaction has occurred;

8.1.2 the market value of the interest in respect of which a freehold transfer fee is payable; and

8.1.3 any other matter that the DIFC Authority considers relevant to the payment of a freehold transfer fee.

8.2 Any person having custody or possession of the property, records or files must permit the person so authorised to inspect them, copy them or take possession of them.

8.3 Failure to comply with an obligation under clause Regulation 8.2 is punishable in the same way as an offence against the Law.

11.9. **Delegation**

The DIFC Authority may delegate to the Registrar any or all of its functions under this Schedule.

12.10. **Developers pre-registration records**

10.1 A developer who maintains a register of purchasers, sub-purchasers or assignees of purchasers (and each subsequent Purchaser) is entitled to charge each purchaser, sub-purchaser or assignee Purchaser (and each subsequent Purchaser) an administration fee to cover the
developer’s Developer’s reasonable costs of maintaining the register, not exceeding in any one case 5,000 dirhams.

10.2 A developer Developer must make the register available for inspection by:

10.2.1 any former, current or prospective purchaser Purchaser, sub-purchaser or assignee; and

10.2.2 the DIFC Authority.