



**DIFC**

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## **Hotel Operating Regulations (HOR)**

**Concerning Hotel Establishments and Hotel Operators in the  
Dubai International Financial Centre**

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These Regulations are made by the Board of Directors of the DIFC Authority pursuant to its powers under Article 6(4)(e) of Law no. (9) of 2004 in respect of the Dubai International Financial Centre on 19 June 2011.

## 1. Application and Interpretation

- 1.1 These Regulations apply to Hotel Establishments and Hotel Operators in the DIFC in relation to their classification, licensing and operation.
- 1.2 Defined terms are identified throughout these Regulations by the capitalisation of the initial letter of a word or phrase. Where capitalisation of the initial letter is not used, an expression has its natural meaning.

## 2. Definitions

The following defined terms have the meaning given below:

Classification	Means the rating assigned to a Hotel Establishment pursuant to the rating system used by the Classifier
Classifier	DTCM or any other body appointed by the DIFC Authority from time to time under these Regulations
Court	The DIFC Court as established under Dubai Law
DIFC	Dubai International Financial Centre
DIFC Authority	Means the Dubai International Financial Centre Authority
DIFC Laws	DIFC Law is made by the Ruler as applicable in the DIFC
DTCM	Means the Department of Tourism and Commercial Marketing of Dubai
Entertainment Event	Any event which includes singing, music, or dance
Government Services	Means the Government Services Office of the Government of Dubai at the DIFC



Hotel	Means a building or a part of a building which incorporates not less than ten (10) bedrooms available for board and lodging services against a financial consideration
Hotel Apartments	Means a building comprising not less than eight serviced and furnished villas or apartments leased to clients on a daily, weekly or monthly basis. Hotel Apartments do not necessarily provide food and beverage services
Hotel Establishment	Means a Hotel or Hotel Apartment, or both, established within the DIFC jurisdiction
Hotel Management Licence	Means a license granted to a Hotel Operator pursuant to DIFCA Operating Regulations
Hotel Operator	Means the entity responsible for operating and managing a Hotel Establishment pursuant to a Hotel Management Licence including an applicant for such a licence
Operational Fee	Means a fee payable by a Hotel Operator in accordance with these Regulations
Outlet	Means a separate outlet within the premises of a Hotel Establishments operated and managed by third parties
Regulations	Means these Hotel Operating Regulations
Sales Fee	Means a fee payable by a Hotel Operator in accordance with these Regulations
Schedule	A schedule to the Regulations
Total Monthly Sales	Means the total monthly sales of rooms, apartments, restaurants, nightclubs and any other activity licensed to serve alcohol including desert safaris and boat cruises calculated in accordance with applicable accounting standards



### 3. Prohibition

A Hotel Establishment must not be operated in the DIFC unless it is duly classified and a Hotel Operating Licence has been granted to a Hotel Operator for the purposes of operating the Hotel Establishment in accordance with these Regulations and any other relevant DIFC laws and regulations.

#### **Guidance**

The applicable DIFC laws and regulations may include the DIFC Companies Law 2009, the DIFC Company Regulations (COR), the DIFC Partnership laws and regulations, and the DIFCA Operating Regulations (OR).

### 4. Classification of a Hotel Establishment

- 4.1 A Hotel Establishment must be classified by the Classifier who will determine the Classification of the Hotel Establishment in accordance with its own rules and regulations.
- 4.2 The Hotel Establishment will be subject to regular inspections by the Classifier for the purposes of ensuring that the classification remains accurate.
- 4.3 A Hotel Operator must comply with applicable Classification rules and regulations of the Classifier in order to ensure that the Classification of Hotel Establishment remains accurate.
- 4.4 A contravention by a Hotel Operator of applicable Classification regulations will constitute a contravention of these Regulations.
- 4.5 The DIFC Authority may appoint any entity it deems appropriate as the Classifier.
- 4.6 The DIFC Authority must notify in writing the Hotel Operator who is the appointed Classifier.

### 5. Licensing

- 5.1 A Hotel Operator must apply for a Hotel Management Licence in the manner prescribed in the DIFCA Operating Regulations.
- 5.2 Where an Outlet is operated within the premises of the Hotel Establishment, the operator of such Outlet is required to obtain a separate licence in accordance with applicable DIFC laws and regulations.



## 6. Fines

- 6.1 If a Hotel Establishment or a Hotel Operator fails to comply with any requirement prescribed by these Regulations, it commits a contravention.
- 6.2 Where a contravention has been committed, the DIFC Authority may impose a fine by way of a written notice as prescribed in the Schedule.
- 6.3 A fine must be paid within 30 days of the imposition of the fine unless the Hotel Operator takes such action as may be prescribed in the notice or in the Regulations to remove his liability to pay the fine.
- 6.4 The Court may order, on application of the DIFC Authority, the recovery as a debt due so much of a fine is not paid in accordance with Regulation 6.3.

## 7. Entertainment Events

- 7.1 A Hotel Operator must notify in writing and in advance the DIFC Authority of any Entertainment Events it wishes to hold in its premises or elsewhere in the DIFC.
- 7.2 Should the DIFC Authority wish to object to an Entertainment Event or impose any conditions or restrictions, it must do so within two weeks of the notification being received or one week prior to the Entertainment Event taking place whichever is the earliest.
- 7.3 The DIFC Authority, or its delegate, may inspect the Entertainment Event.

## 8. Hotel Operational Fee

- 8.1 A Hotel Operator must pay the DIFC Authority an Operational Fee in the manner set out below:

Hotel Classification	Per Annum/Room fee
5 Star	1000 AED
4 Star	750 AED
Hotel Apartment	750 AED



- 8.2 The number of rooms in any Hotel Establishment is determined by the Classifier.
- 8.3 The Operational Fee may be paid by the Hotel Operator to the DIFC Authority on either an annual or pro-rata quarterly basis in advance as preferred by the Hotel Operator.
- 8.4 The Operational Fee will apply to the Hotel Operator upon granting of the Hotel Management Licence.
- 8.5 In the event of closure of any rooms of a Hotel Establishment the DIFC Authority must inspect the Hotel Establishment and, in consultation with the Hotel Operator, determine a revised number of rooms for the Hotel Establishment. The Operational Fee will only apply to the rooms which are operational.

## **9. Sales Fee**

- 9.1 The Hotel Operator must pay the DIFC Authority a Sales Fee calculated on the basis of (10%) of the Total Monthly Sales.
- 9.2 The Sales Fee must be paid on or before the sixteenth day of the next month.
- 9.3 The Hotel Operator must identify the Sales Fee on all contract or invoices issued to guests or visitors under the description of “DIFC Fee”.
- 9.4 The DIFC Authority may vary the categories of goods or services prescribed in Regulation 10.1 to which the Sales Fee applies by way of a written notice.

## **10. Inspection Powers**

The DIFC Authority, or delegate, may enter the premises of the Hotel Establishment during business hours for the purposes of inspecting the activities or the books and records of the Hotel Operator in order to verify that the Hotel Operator is complying with the requirements prescribed in these Regulations.



## SCHEDULE

### Contraventions with fines stipulated

Contravention	Fines
Regulation 4.4 - Failure to comply with a requirement of the Classifier in relation to the Classification of a Hotel Establishment	A fine up to maximum of AED 20,000
Regulation 7.1 - Failure to notify the DIFC Authority of an Entertainment Event	A fine up to a maximum of AED 20,000
Regulation 7.2 - Failure to comply with an objection or a condition or restriction imposed by the DIFC Authority in relation to an Entertainment Event	A fine up to a maximum of AED 20,000
Regulation 8.3 – Failure to pay the Hotel Operational Fee within the prescribed time	a) A fine of AED 1000 or 10% of the value of the unpaid Operational Fee whichever is higher up to a maximum of AED 50,000, for each month of delay from the date when the obligation came into force b) In case the contravention is repeated, AED 1000 or 40% of the value of the unpaid Operational Fee whichever is higher up to a maximum of AED 50,000 for each month of delay from the date when the obligation came into force
Regulation 9.2 - Failure to pay the Sales Fee within the prescribed time	a) A fine of AED 1000 or 10% of the value of the unpaid Sales Fee whichever is higher up to a maximum of AED 50,000 for each month of delay from the date when the obligation came into force b) In case the contravention is repeated, AED 1000 or 40% of the value of the unpaid Sales Fee whichever is higher up to a maximum of AED 50,000 for each month of delay from the date when the obligation came into force