

**Bylaw No. (85) of 2006**  
**Regulating the Real Estate Brokers**  
**Register in the Emirate of Dubai<sup>1</sup>**

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**The Chairman of the Land Department,**

After perusal of

Law No. (7) of 2006 Concerning Real Property Registration in the Emirate of Dubai;

Based on Article 6.6 and Article 28 of the above mentioned Law; and

Upon the presentation made by the Director General of the Department,

**Does hereby issue this Bylaw.**

**Chapter One**  
**Definitions and General Provisions**

**1. Definitions**

**Article (1)**

This Bylaw will be cited as "**Bylaw No. (85) of 2006 Regulating the Real Estate Brokers Register in the Emirate of Dubai**".

**Article (2)**

The following words and expressions, wherever mentioned in this Bylaw, will have the meaning indicated opposite each of them unless the context implies otherwise:

Emirate:	The emirate of Dubai.
Department:	The Land Department.
Chairman:	The chairman of the Department.
Director General:	The director general of the Department.

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*<sup>1</sup>Every effort has been made to produce an accurate and complete English version of this legislation. However, for the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of conflict the Arabic text shall prevail.*

Committee:	The Permanent Real Estate Brokerage Committee.
Council:	The body authorised to settle real estate brokerage disputes.
Division:	The Real Estate Brokerage Regulatory Division at the Department.
Competent Entities:	Governmental or semi-governmental entities responsible for licensing.
Real Property:	Anything which is fixed and cannot be moved without damage or alteration of its structure.
Register:	The electronic or paper record of Real Estate Brokers.
Roll:	The roll containing the names of certified category A Real Estate Brokers prepared by the Committee.
Real Estate Broker:	Any person who undertakes the real estate brokerage business in accordance with this Bylaw.
Brokerage Agreement:	An agreement whereby a Real Estate Broker undertakes to a client to find another party with whom to conclude a contract, and to represent the client in relevant negotiations for remuneration.
Person:	Any natural or legal person.

## **2. General Provisions**

### **Article (3)**

No Person may engage in Real Estate Brokerage activities in the Emirate unless he is licensed by the Competent Entities and entered in the Register.

### **Article (4)**

A Register shall be maintained by the Department in which the names of licensed Real Estate Brokers in the Emirate are entered and in which any variation of or amendment to relevant information shall also be entered.

## **Article (5)**

Real Estate Brokers shall be of the following two (2) categories:

Category A: Persons who have experience, are registered on the Roll, and who are certified by the Chairman, but are not licensed by the Competent Entities. Persons from this category are exempted from registration requirements; and

Category B: Persons who engage in Real Estate Brokerage activities pursuant to a licence issued by the Competent Entities.

## **Chapter Two Requirements for Registration in the Real Estate Brokers Register**

### **Article (6)**

Subject to the provisions of Article (5) regarding Category A above, Persons of Category B who wish to engage in Real Estate Brokerage activities in the Emirate must submit to the Division an application using the prescribed form for entry in the Register. The application must include:

1. a valid trade licence issued by the Competent Entities;
2. a certificate of membership in the Dubai Chamber of Commerce and Industry;
3. a passport copy of the applicant(s) for sole establishments or companies;
4. a true copy of the title deed of the Real Estate Brokerage office or a tenancy contract;
5. a certificate of good conduct and repute for the owner of the establishment and the managing director(s) of the company;
6. none of the directors or the Persons authorised to manage the company have been declared bankrupt or convicted of a crime affecting honour or trustworthiness;
7. certificates of completion of real estate training courses as part of programmes for certification of Real Estate Brokerage accredited by the Department; and
8. a certificate evidencing that the applicant passed the Real Estate Brokerage test prepared by the Department.

### **Article (7)**

The Division shall review the application and may, within seven (7) days from the date of submission thereof, request the applicant, in writing, to provide any required additional documents or information.

#### **Article (8)**

The Division may take all required actions to ensure that applications for registration, updating, or cancellation meet the requirements stipulated in this Bylaw and any resolutions issued hereunder.

#### **Article (9)**

The Division shall refer the registration application to the Committee within seven (7) working days from the date of submission of the application or of furnishing all the documentation and information, as the case may be, requested by the Division.

#### **Article (10)**

The Committee shall have the right to approve or reject the application for registration, and the relevant decision will be communicated to the applicant. Any decision to reject an application for registration must be reasoned.

#### **Article (11)**

If the Committee rejects the registration application, the applicant may re-apply upon fulfilling all requirements within fourteen (14) days from the date on which he is notified of the rejection decision.

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

The Division shall issue a Real Estate Broker card to applicant bearing his name, address, and registration number in the Register. The name and registration number entered in the Register must appear in all correspondence and reports issued by the Real Estate Broker.

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

Each Real Estate Broker who is entered in the Register must apply to the Division for registration renewal on a yearly basis. The renewal application must be submitted to the Division on the relevant form at least thirty (30) days prior to expiry of the registration certificate. The Division must renew the registration of the Real Estate Broker in the Register after verifying compliance with the renewal requirements.

**Chapter Three**  
**Obligations of Real Estate Brokers**

**Article (14)**

All registered Real Estate Brokers must observe the professional ethics stipulated in the code of conduct prepared by the Committee in consultation with qualified and expert Real Estate Brokers.

**Article (15)**

A Real Estate Broker must record in his private register all the transactions that he has conducted, keep all the relevant documentation, and deliver a true copy of such documentation to the contracting parties upon their request.

In case of an off-plan sale or a sale according to a model, the Real Estate Broker must keep such plan or model until the transaction is concluded.

**Article (16)**

A Real Estate Broker must provide all information, data, and statistics relating to the Real Estate Brokerage activity as requested by the Department.

**Article (17)**

A Real Estate Broker must disclose to his client all negotiation details, the stages of the brokerage process, and any other required information that will enable his client to make the right decision in respect of concluding a contract with the other party. The Real Estate Broker must also disclose to the other contracting party all substantial matters relating to the subject matter of the agreement, which are deemed necessary to avoid uncertainty.

**Article (18)**

A Real Estate Broker may not facilitate any transaction that violates the laws or regulations in force in the Emirate.

**Article (19)**

Despite the fact that a Real Estate Broker represents only one of the parties to the transaction, he must faithfully disclose the transaction details and conditions he is aware of. The Real Estate Broker shall be held responsible for any fraud or mistake he may commit.

#### **Article (20)**

A Real Estate Broker may not hold himself out as second party in the contract he facilitates unless he is so authorised by one of the contracting parties, in which case the Real Estate Broker shall not be entitled to any remuneration.

#### **Article (21)**

A Real Estate Broker shall be deemed the trustee of any amounts, securities, bonds, or any other items delivered to him by any of the parties for safekeeping or for delivery to the other party. The Real Estate Broker must deliver such items as agreed and shall be bound by the relevant trusteeship rules.

#### **Article (22)**

A Real Estate Broker shall be held liable for any loss or damage suffered by the contracting parties as a result of his fraudulent act or deceit or as a result of failure to observe any relevant rules stipulated in this Bylaw or the code of professional ethics.

#### **Article (23)**

A Real Estate Broker shall forfeit his right to remuneration or to claim refund of expenses if he breaches his obligations to his client by acting in the interest of the other party or by accepting a promise of a benefit from the other party, where such actions are inconsistent with good faith or the code of conduct.

#### **Article (24)**

If a number of Real Estate Brokers are engaged to carry out one contract, they shall be jointly liable unless they are authorised to work severally.

#### **Article (25)**

If a number of Persons engage a single Real Estate Broker for the same transaction, they shall be held jointly responsible for implementing the engagement unless otherwise agreed.

**Chapter Four**  
**Real Estate Broker Remuneration**

**Article (26)**

A Brokerage Agreement must be in writing and must state the names of the contracting parties, the specifications of the Real Property, and the brokerage terms. The Brokerage Agreement will be entered in the record of the Real Property Register .

**Article (27)**

The Real Estate Broker's remuneration will be determined by agreement, and in absence of agreement, remuneration will be determined according to prevailing practice.

**Article (28)**

1. A Real Estate Broker shall be entitled to remuneration for his brokerage services only if a contract is concluded between both parties. A contract will be deemed concluded if all parties agree on all the conditions provided for in the Brokerage Agreement.
2. A Real Estate Broker shall be entitled to remuneration upon signing the sale contract and registering it with the Department unless the Brokerage Agreement stipulates otherwise.
3. If the sale contract is conditional upon fulfilment of a term which is agreed in the Brokerage Agreement, the Real Estate Broker shall be entitled to his remuneration only once that term is fulfilled.

**Article (29)**

If the Brokerage Agreement is terminated, the Real Estate Broker shall be entitled to claim his remuneration as agreed in the Brokerage Agreement, except where he is proven to have committed fraud or gross negligence.

**Article (30)**

If a Real Estate Broker's instructions or negotiations fail to lead to the conclusion of a contract between the parties, the Real Estate Broker shall not be entitled to claim any compensation or refund of expenses and costs he incurred unless the Brokerage Agreement stipulates otherwise.

### **Article (31)**

If more than one Real Estate Broker participates in the brokerage or negotiation process on behalf of one party for the purpose of concluding an contract and such contract is in fact concluded, the fee will be partitioned amongst them as if they were one Real Estate Broker in accordance with the terms of the contract they concluded.

### **Article (32)**

Subject to Article (30) above, if one party enters into an agreement with a number of Real Estate Brokers severally in respect of a single brokerage or negotiation matter, and only one Real Estate Broker succeeded in concluding the transaction, then that Real Estate Broker shall be exclusively entitled to the whole remuneration.

### **Article (33)**

A Real Estate Broker shall be entitled to remuneration paid by the party that appoints him to conclude the transaction, and if the Real Estate Broker is appointed by both parties, each party shall be severally liable to pay his own share of the remuneration even if they agree that one of them will incur the Real Estate Broker's remuneration in full.

## **Chapter Five Settlement of Disputes**

### **Article (34)**

A Council comprising four (4) Persons and the Legal Advisor of the Department shall be established at the Department. Members of the Council shall be appointed pursuant to a resolution of the Director General. The Council shall have jurisdiction to settle disputes relating to Brokerage Agreements.

### **Article (35)**

The Council shall not consider real estate brokerage disputes unless the Brokerage Agreement provides for the amicable settlement of disputes by the Department, or unless the disputants agree at a later stage to refer their disputes to the Department. Agreement on the amicable settlement of disputes must be in writing and the subject matter of the dispute must be determined in the amicable settlement agreement document.



### **Article (36)**

The Council shall perform its duties in accordance with simple procedures whereby disputes are settled quickly, ensuring justice for disputants and following the general principles of law.

The Council's decisions must be issued in accordance with the rules of law unless the Council is authorised to conduct conciliation, in which case the Council shall not be restricted by such rules except those relating to public order.

### **Article (37)**

The Council shall have a secretariat that receives requests, opens files, drafts minutes and correspondence, sends notices to disputants, keeps files, and generally performs all administrative support tasks. The secretariat shall be appointed pursuant to a resolution of the Director General.

### **Article (38)**

1. An amicable settlement application must be submitted to the Committee on the relevant form, to be accompanied with the supporting documents in a number of copies equal to the number of disputants.
2. Upon payment of the prescribed fee, the chairman of the Committee shall authorise the registration of the application. The secretariat shall notify the respondent of the application.
3. The respondent must respond in writing to the statement of applicant and to all facts and claims included therein, and must submit such response and any supporting documents with the secretariat within one week of the notification.
4. The Council must settle the dispute within a maximum of thirty (30) days of the date of referral of the file, and this period may not be extended without valid reasons.

## **Chapter Six**

### **Penalties and Loss of a Real Estate Broker's Status**

### **Article (39)**

Without prejudice to any penalty prescribed by applicable laws, the Committee may impose any of the following penalties on any Real Estate Broker who violates this Bylaw or the resolutions or instructions issued hereunder:

1. notice;
2. warning;
3. suspension of activities for up to six (6) months; or

4. blacklisting.

#### **Article (40)**

Registration of a Real Estate Broker in the Register will be cancelled if he breaches the code of professional ethics, commits a gross violation of the laws, regulations, and instructions in force in the Emirate, or accumulates three (3) black points. Cancellation will be effected by a resolution of the Director General upon the recommendation of the Committee in which the reasons of cancellation are determined. The Real Estate Broker may, within fifteen (15) days of notification of the cancellation decision, file with the Chairman a grievance against the cancellation decision. The decision of the Chairman in this respect will be final.

#### **Article (41)**

The Real Estate Broker shall lose his status as a broker and his registration with the Department will be cancelled in the following cases:

1. The Real Estate Broker permanently ceases his brokerage business and notifies the Department of such cessation;
2. The Real Estate Broker suspends his brokerage business for more than twelve (12) successive months without a reason acceptable to the Committee;
3. The Real Estate Broker fails to fulfil any of the requirements stipulated in this Bylaw or in any resolutions or instructions issued hereunder;
4. The Real Estate Broker's registration is proven to have been granted based on false information he supplied to the Division; or
5. The Chairman issues a resolution cancelling the registration in accordance with Article (40) of this Bylaw.

#### **Article (42)**

The Division must notify the Competent Entities of the decision to suspend the Real Estate Broker's activities and to cancel his registration.

### **Chapter Seven Final Provisions**

#### **Article (43)**

Real Estate Brokers who are practising at the time this Bylaw is issued must, within six (6) months of the day on which it is issued, comply with the provisions hereof. The Chairman may extend this period by up to three (3) months if there are reasons that justify such extension.

**Article (44)**

The Committee may, in consultation with Competent Entities, classify Real Estate Brokers according to their specialty and determine the required number of Real Estate Brokers.

**Article (45)**

The Department shall charge fees for the services provided pursuant to this Bylaw and these fees will be determined pursuant to a resolution of the Chairman.

**Article (46)**

The Chairman shall issue the orders, resolutions, and instructions required for the implementation of this Bylaw.

**Article (47)**

This Bylaw will come into force on the day on which it is signed and will be published in the Official Gazette.

[Signed]

**Mohammed bin Khalifa Al Maktoum**

**Chairman of the Land Department**

Issued in Dubai on 30 May 2006  
Corresponding to 3 Jumada al-Ula 1427 A.H.