

Cabinet Resolution No. (119) of 2022 Concerning the Executive Regulation of Federal Law No. (14) of 2021 on the Creation and Regulation of Owners Association

The Cabinet:

- Having reviewed the Constitution;
- Federal Law No. (1) of 1972 concerning the Competencies of Ministries and the Powers of Ministers, as amended;
- Federal Law No. (14) of 2021 concerning the Creation and Regulation of Owners Association:
- Based on the proposal of the Minister of Energy and Infrastructure and the approval of the Cabinet.

It is hereby resolved:

Article (1)

Definitions

The definitions provided in the Federal Law No (14) of 2021 referred to shall apply to this Resolution; otherwise, the following words and phrases shall have the meanings assigned to each of them, unless the context otherwise requires.

Law : Federal Law No. (14) of 2021 concerning the Creation and Regulation of Owners Association.

Article (2)

Cooperation and Coordination Between the Ministry and the Competent Authority

The Ministry shall, in coordination with the Competent Authority, provide facilities for the Real Estate established by the Ministry, and the Ministry shall provide the best means of investment and development of the Common Areas that are fit for investment, and allocate

their revenues for the benefit of the Owners Association.

Article (3)

Adoption of the Common Areas Management System and the Articles of Association of the Owners Association

The Ministry, in coordination with the Competent Authority, shall approve the Common Areas Management System and the Articles of Association established by each Owners Association in accordance with the provisions of the law.

Article (4)

Improvement of Common Areas by One Owner

1. The Owner may, at his own expense, improve the Common Areas or any part thereof without altering their allocation or causing harm to others, as determined by the Common Areas Management System.
2. Before making improvements, the Owner shall obtain the approval of the BOD of the Owners Association by a majority of votes, and in the absence of the BOD, shall obtain the approval of the majority of the shares of the Real Estate Owners. If the Owner does not obtain approval, the Owner may request the Court having jurisdiction of the Real Estate to authorize the Owner to make improvements.

Article (5)

Real Estate Unit Maintenance

The Real Estate Unit Owner shall maintain and restore it, even if he does not benefit from it to pay damages on behalf of others or Common Areas.

Article (6)

Common Areas Use

1. Each Owner has the right to use the Common Areas as they were established for, provided that this does not prevent the use of the rest of the Owners. The Owner may not do any work that threatens the safety of the building or changes its shape or external appearance or add any buildings to it.
2. No modification in the Common Areas is allowed, even when renovating the building or in everything that is necessary for the formation and consistency of the building, even if it is among the Non-Common Areas such as entrance doors, windows, etc., except by a resolution issued by the BOD of the Owners Association by a majority of at least three quarters of the votes.

Article (7)

Common Areas Assignment

The Real Estate Owner unit may not assign their share in the Common Areas in order to get rid of the joint costs necessary for its preservation, maintenance or restoration.

Article (8)

Residential Districts Owners Association

Five Real Estate Owners in Residential Districts may establish Owners Association for the Residential District. The Owners who approve the establishment of the Owners Association shall select the Founding Committee to complete the incorporation and publicity procedures, provided that this Committee shall not be less than (3) three of the members who approve the establishment of the Owners Association.

Article (9)

1. The entity that establishes the Owners Association in the Residential Districts or the Ministry, the Competent Authority, or one of the Owners of the Real Estate Units in the

same district shall invite all the Owners of the Real Estate Units in the same district to meet for establishing the Owners Association, in accordance with the procedures stipulated in this resolution.

2. The invitation provided for in Clause (1) of this Article shall be made by any means of communication that confirms the actual knowledge of the person to be announced.

Article (10)

The Founding Committee of the Owners Association shall prepare the Articles of Association of the Residential Owners Association and submit it for approval by voting on it at the first meeting of the General Assembly of the Owners Association. The Committee shall register the Owners Association with the Ministry and the Competent Authority in accordance with the procedures approved by each of them.

Article (11)

Everyone who agrees to its establishment shall become a member of the Residential District Owners Association. The rest of the Unit Owners in the Residential District may join the Association if they express their desire to do so. The General Assembly shall compose of all members in the Residential District, and in the event of multiple Owners of one unit, they have one representative in that Association.

Article (12)

Owners Association in Residential Buildings

Five (5) and more Real Estate Owners in Residential Buildings may establish Owners Association for the Residential District. The Owners who approve the establishment of the Owners Association shall select the Founding Committee to complete the incorporation and publicity procedures. The Committee shall not be less than (3) three of the members who approve the establishment of the Owners Association.

Article (13)

The Founding Committee shall propose the Articles of Association for the Owners Association of Residential Buildings in accordance with the law and this resolution. The Founding Committee shall present it for approval by the General Assembly by the majority of its members votes.

Article (14)

In the event of disagreement between the Owners on the establishment of the Association by mutual consent, any of the Owners of the Residential Building may resort to the Court of First Instance within the jurisdiction of which the Real Estate is located, by requesting permission to proceed with the procedures for establishing the Owners Association. The Court shall decide on the application and select the Founding Committee if it is accepted.

Article (15)

The Founding Committee undertakes the registration of the Association with the Ministry and the Competent Authority. All Owners of Real Estate Units in the building shall become members of the Owners Association, as soon as it is declared by a resolution of the Ministry.

Article (16)

Joint Owners Association Among a Group of Associations

A joint Owners Association may be established from several Owners Associations that own Common Areas between them, if those associations agree on the need to establish a joint entity to preserve, maintain and invest those Common Areas.

Article (17)

The Joint Owners Association shall be established based on a resolution issued by the BOD of each of its Founding Associations approving the establishment of the Association and nominating a member from the General Assembly or the BOD to be a member of the BOD of the Joint Owners Association.

Article (18)

The BOD members of the Joint Owners Association, or one of them, shall undertake all necessary procedures for registering the Joint Owners Association with the Ministry and the Competent Authority in accordance with the controls specified by them. The Joint Association shall enjoy an independent legal personality, legal capacity, and financial liability independent of the Founding Associations, within the limits of the purpose for which it is established.

Article (19)

Termination of the Owners Association and the Liquidation of its Assets

In the event of the termination of the Owners Association for any of the reasons mentioned in the law, the Ministry or the Competent Authority shall select a Committee of not less than (3) three of the Owners to carry out the liquidation of the Association assets and settle all its rights and obligations. The Committee Work shall be approved by the Ministry or the Competent Authority, as the case may be.

Article (20)

The General Assembly Meeting

The General Assembly shall consist of all Real Estate Owner. In the event of multiple persons who jointly own one Unit in the Real Estate, they are considered with regard to the membership of the Owners Association as one Owner. They have to delegate someone to represent them. If they do not agree, then the Court may base on the request of one of them or the request of the BOD Owners Association Chairman may appoint someone to represent them in the General Assembly.

Article (21)

Each Owner has a number of votes in the General Assembly proportional to his share in the Common Areas. However, if the share of the Owner exceeds half of the total number of votes,

his number of votes shall be reduced to equal to half of the total number of votes. The Common Areas Management System and the Articles of Association shall specify the number of votes for each Area sorted according to the provisions of the law and this resolution.

Article (22)

1. The Owner may authorize other Owners or his first-degree relatives to attend and vote in the meetings of the General Assembly, whether this person is from inside or outside the Owners Association, by a written power of attorney delivered to the BOD Owners Association Chairman prior to the convening of the General Assembly.
2. A single member of the Owners Association may not be an agent for more than (3) three members, provided that the total percentage of their votes does not exceed (10%) ten per cent of the total votes determined for all Owners. A member who has a number of votes equal to the votes of the rest of the members may not be an agent for others.
3. Neither the Owners Association Director nor any of his assistants nor their spouses or children may be agents for other members. A member may not participate in voting when a resolution is made to contract with him.

Article (23)

1. The General Assembly of the Owners Association shall hold a General Assembly at least once every year within a period not exceeding (30) thirty days from the end of the year. The BOD Owners Association Chairman shall read a report on the conditions of the Association for deliberation.
2. The meetings of the General Assembly shall be held based on a written invitation addressed by the Owners Association Chairman to all members of the Owners Association or based on a request signed by the Owners (25%) twenty-five per cent of the votes at least according to an invitation announced to the members in accordance with the law and this resolution.

Article (24)

The invitation to attend the meetings of the General Assembly shall include the place, date and time of the meeting, the agenda presented for deliberation, and the projects proposed to be decided upon, and when necessary, attached to it the documents that will be discussed. Resolutions will be issued in their regard, all of this before (15) fifteen days at least from the date specified in the invitation to convene the General Assembly.

Article (25)

1. In the case of an invitation to attend a General Assembly to decide on the annual accounts and to approve the estimated budget draft, the invitation to attend shall indicate how to view the documents proving the costs specified by the General Assembly and the budget papers.
2. The BOD Owners Association Chairman shall, within a period of no less than (5) five days from the date of the General Assembly meeting, place at the hands and disposal of the Owners all contracts, especially the current supply and exploitation contracts and their appendices, and documents proving the expenses related to each type of due costs.

Article (26)

1. Each member of the Owners Association may submit a request to the BOD Owners Association Chairman directly, including the matters he wishes to include in the Agenda of the General Assembly, at least (24) twenty-four hours prior to its convening date.
2. In the event that the BOD Owners Association Chairman rejects the request, the member of the Owners Association may present the request to the General Assembly in its convening meeting to vote on the inclusion of these matters in the agenda and consideration thereof.

Article (27)

The following documents shall be placed at the hands and disposal of each member of the Owners Association, at least fifteen (15) days prior to the date specified for the annual General

Assembly:

1. Statement of the financial position of the Owners Association and the general account for the conduct of its affairs in the year ended in the event of an invitation to the General Assembly for approval of accounts.
2. The draft estimated budget attached to the last estimated budget voted by the General Assembly.
3. The basic conditions of contracts or the proposed contracts on tenders, in the event that the General Assembly is invited to ratify the contracts or account statements.

Article (28)

1. The resolutions taken by the General Assembly are not considered valid unless they are related to matters listed in the agenda. The invitation to attend the meeting sent to the Owners has been made in accordance with the provisions of this resolution.
2. The General Assembly, in case of urgency, may decide on an issue not included in the agenda.

Article (29)

The BOD Owners Association Chairman or his representative shall send the Minutes of the meeting of the General Assembly to each Owner or his representative, and to the Ministry and the Competent Authority, signed by the BOD Owners Association Chairman or his representative, unless the meeting of the General Assembly is acknowledged. It shall include all resolutions taken, within a deadline not exceeding (8) eight days from the date of its adoption. The Minutes in which attendance and voting are recorded are attached.

Article (30)

1. In the case of specifying the costs that some Owners are obligated with regard to the expenses of maintaining a part of the joint Ownership allocated for their use without the rest of the Owners, voting shall be restricted to these Owners alone and not to the rest of the Owners in relation to these costs. Each Owner votes in this case according to the

number of votes pertaining to him in accordance with for the platform or Common Areas Management System.

2. If it is not possible to take a resolution in accordance with Clause (1) of this Article, the Owners Association Chairman shall present the resolution to the members of the General Assembly present to vote and take a resolution in it if that affects the integrity of the Real Estate.

Article (31)

The convening of the General Assembly meeting shall be valid with the attendance of at least half of the members or their representatives. In the event that the aforementioned quorum is not completed, a second meeting shall be held with those present from among the members or their representatives within a maximum date of (30) the following thirty days by an announcement to attend to all the Owners and at least two hours in the case of necessity and without announcement, and resolutions are taken by the majority of those present.

Article (32)

A member of the Owners Association, if he is a legal person or an Owner of a Real Estate that is not an occupant of it, or multiple Owners of one unit, shall notify the BOD Owners Association Chairman of the name of the person he chooses to represent him in attending the meetings of the General Assembly and voting. In all cases, any member may, even if he is a representative of a legal person or an Owner in Real Estate or multiple Owners of one unit, he may delegate whomever he deems appropriate to attend the meetings of the General Assembly.

Article (33)

All invitations contained in this resolution shall be notified by registered mail. Notification may be pasted at the entrance of the Real Estate Unit if the person required to be notified takes a place of residence in the Real Estate Unit located in the Real Estate, or if his domicile is unknown. Owners, as may be notified in accordance with the procedures applicable in the

Federal Code of Civil Procedure in connection with the Notification.

Article (34)

Notification shall be made at least fifteen (15) days prior to the date set for the meeting of the General Assembly. Notification shall include the date, place, and subject of the meeting, and shall be accompanied by what is necessary for the meeting in accordance with the law and this resolution. Notification shall be valid before less than this period if the Owner attends and does not object.

Article (35)

The meeting of the General Assembly may not be held outside the spatial jurisdiction of the Court to which the Real Estate belongs, or the place that the Owners Association has taken as its headquarters for its meetings, except for reasons of force majeure, or with the prior approval of a majority (50%) fifty per cent of the votes at least.

This does not affect the jurisdiction of the Court of the home of the Real Estate to hear any dispute related to the resolutions of the General Assembly in accordance with the provisions of this resolution.

Article (36)

The BOD Owners Association Chairman shall manage the sessions, control the facts and procedures, and record the resolutions in Minutes in accordance with the rules, and kept in the files of the Association after being signed by the present Owners. If one of the Owners present at the General Assembly refuses to sign, this shall be indicated against his name.

Article (37)

The Owners Association may take a seat for itself and appoint from among the employees someone to assist it in carrying out its duties when needed. Expenses shall be paid from the Association's budget after obtaining the prior approval of the General Assembly by a majority vote.

Article (38)

Resolutions of the General Assembly and Voting

The Resolutions of the General Assembly shall be issued by the majority of the votes of those present. In the event of an equal number of votes, the side with which the BOD Owners Association Chairman voted shall prevail, except for the resolutions that require a described majority as stipulated in this resolution.

Those who fail to pay financial obligations shall not have a counted vote. The resolutions of the General Assembly of the Owners Association shall be binding on all Owners.

Article (39)

The General Assembly shall pass its resolutions by the majority of the votes of those present in the following matters:

1. Authorizing to take resolutions that are sufficient for the approval of the majority of votes present.
2. Authorizing one of the Owners to make modifications to the Common Areas in accordance with the provisions of this Resolution.
3. Amending the ratios of distribution of common expenses and costs stipulated in the Articles of Association, if such amendment becomes necessary.
4. Applying Conditions for carrying out works imposed by laws or regulations.
5. Renovating the building in case of total or partial destruction, and distributing its expenses to the Owners.
6. Making an amendment, change or addition to the Common Areas if that would improve the use of them within the limits of what the Real Estate has been allocated for. The General Assembly in this case shall decide with the same majority the distribution of the works it has decided as well as the operating and maintenance expenses of what has been created.
7. Investing or distributing the funds returned from leasing, etc. on an annual basis, or keeping all or part of it as a reserve in the Owners Association bank account.
8. Approving the annual budget of the Owners Association.

Article (40)

The General Assembly shall pass its resolutions by three quarters of the votes of those present in the following matters:

1. Real Estate disposals that result in acquiring, transferring, or arranging a real right in the Common Areas.
2. Owners Association owns part of the separate parts and disposes of what it owns.
3. Loans granted by the Owners Association to one of the Owners to enable him to fulfil his obligations.
4. Remuneration to be paid by the Owners Association Director and the Chairman and members of its BOD.
5. Articles of Association and Common Areas Management System in accordance with the law and this resolution to ensure proper use of the Real Estate and its management or modification.
6. One or more existing Real Estate Units raise, or create separate parts for private use, and assign or sell to others this right to raise.
7. Works that lead to a change in the Common Areas.
8. Works or installations that result in an increase in the value of the Real Estate in whole or in part, or improving the use of it, at the expense of the Owners who request it according to the conditions set by the Owners Association, and the compensations and other obligations it imposes in the interest of the Owners when the matter requires that.

Article (41)

The General Assembly shall pass its resolutions by the unanimous vote of those present in the following matters:

1. Disposing of a part of the Common Areas if keeping it is necessary for the use of the Real Estate in accordance with the agreed allocation.
2. Converting some Common Areas into separate parts for private use.
3. The total demolition of the Real Estate.

Article (42)

An Owner who is not committed to paying subscriptions and maintenance costs may not attend the meetings of the General Assembly. He shall not be entitled to vote or object to its resolutions before the Court. He shall not be entitled to request the convening of a General Assembly in accordance with the provisions of this resolution.

Article (43)

Director of Owners Association

1. The Owners Association shall have a Director who assumes the powers specified in the Articles of Association, who is appointed by a resolution of the BOD and who performs his duties under the supervision and direction of the BOD.
2. The Owners Association Director shall do what is necessary to preserve, guard and maintain all the Common Areas. he may demand that all interested parties implement this unless there is a provision in the Articles of Association to the contrary.

Article (44)

The remuneration of the Owners Association Director shall be determined by the resolution issued for his appointment by the BOD.

Article (45)

1. The Owners Association Director may not appoint or delegate someone to carry out the tasks of managing the Owners Association without obtaining a license, and the prior approval of the BOD of the Owners Association, with an acceptable excuse and for a specified period.
2. In the event that the Director violates the provisions of Clause (1) of this Article, the BOD of the Owners Association may take a resolution to dismiss the Director and appoint someone to replace him, if the BOD of the Owners Association does not approve of what the Director has done.

Article (46)

The Owners Association Director shall be invited to attend all meetings of the General Assembly without having a vote in the resolutions it takes.

In the event that he does not attend the meetings of the General Assembly, the BOD Owners Association Chairman shall notify him of the resolutions taken in them and what is required of him to implement them within a maximum period of (5) five working days as a maximum from the date of the meeting of the General Assembly.

Article (47)

Rights and obligations of Association Owners and Members

Each member of the Owners Association has the right to view the papers and records of the Owners Association, especially those related to the financial position and the contracts concluded by the Owners Association with others to conduct its work.

Article (48)

Each member of the Building Owners Association shall pay the subscriptions and maintenance expenses to finance the budget voted on by the General Assembly or decided by the Articles of Association and the Common Areas Management System.

Article (49)

If there are more than one person who jointly own a Real Estate Unit, they shall be jointly liable among themselves for paying the share of the unit they own from the subscriptions and maintenance expenses determined under the Articles of Association of the Common Areas Management System and the resolutions of the General Assembly.

Article (50)

Each Owner causes an increase in common expenses and is responsible for it. Expenses for common services that belong to some Owners or whose utilization varies clearly, are distributed in proportion to the benefit accruing from them to each Real Estate Unit.

Article (51)

Subscriptions and maintenance expenses shall become due for payment starting from the first day of every (3) three months or starting from the first day of the period determined by the General Assembly. the current year, provided that this is presented for approval at the next General Assembly.

Article (52)

If the Owner fails to pay his share of the joint expenses or does not fulfil his obligations and pledges towards the Building Owners Association despite being assigned to fulfil them within (15) fifteen days from the date of the assignment to fulfil, then this assignment to fulfil is considered as a written document with which the BOD Owners Association Chairman or the Owners Association Director or the treasurer, as the case may be. Without obtaining the prior approval of the General Assembly of the Owners Association, may claim the Owner for his share in the joint expenses through the Court, by applying to the Summary Matters Judge to obtain an order on a petition obliging the Owner to pay his share of the joint expenses.

Article (53)

Every loan granted by the Owners Association to any of its members to enable it to carry out its obligations shall be secured by a lien on what it owns in the Real Estate in terms of subdivided parts and on its right in the Common Areas of the Real Estate.

Article (54)

In order to collect the financial obligations determined by the General Assembly, the Owners Association shall have the right of privilege over the Real Estate Unit and its appurtenances and its money from a common share in the land and the Common Areas of the Real Estate and its movables present in the unit if the Owner is an occupant of it or it is proven that he owns it.

The rank of this privilege shall be calculated from the date of its registration, and the

registration, renewal or cancellation of the franchise right shall be exempted from fees, taxes or expenses.

Article (55)

If the Real Estate Unit is occupied by someone other than the Owner, whether by lease or usufruct contract, or for any other legal reason, the Owners Association has the right to collect its dues at the disposal of the Owner. The seizure is under the hands of the occupant of the Real Estate Unit within the limits of what is due to the Owner in fulfilment of the debt of the Owners Association according to the rules of attachment of the debtor against others.

Article (56)

Obligation not to Prevent the Completion of Work in the Common Areas

1. Neither the Owner nor the one who occupies the Real Estate Unit may prevent the completion of works related to the Common Areas that you have decided the General Assembly, even if it is within the part allocated to it.
2. The Owners Association Director shall inform the Owner or whoever occupies the Real Estate Unit of the type of works, at least (8) eight days before commencing them, unless it is related to works of an emergency or urgent nature that would preserve the integrity of the joint Real Estate and the security of its residents.
3. In the event that one of the Owners objects to the completion of the aforementioned works, the matter shall be presented to the Summary Matters Judge in whose jurisdiction the Real Estate is located for a resolution.

Article (57)

The Owner or any person harmed by the works mentioned in the preceding Article shall have the right to obtain compensation paid to him by the Owners Association. Any person harmed shall have the right to claim against the one who caused the damage as much as the compensation paid and the expenses incurred.

Article (58)

The Owner shall carry out the internal repairs of the Real Estate Unit that he owns when failure to carry them out would harm others or harm the Real Estate Unit, and if he neglected to implement the aforementioned reforms, the Owners Association Director may, after assigning him to repair by registered letter with acknowledgment of receipt within at least (7) seven days, issue the judge of summary matters grants permission to enter the unit to carry out repairs at the expense of the Owner.

Article (59)

The general or private successor of the member of the Owners Association prior to the Owners Association shall be bound by the same established rights and duties that were owed to the predecessors prior to the transfer of the right to them.

Article (60)

The Owners Association may establish a Takaful Fund for which a budget is allocated from the resources of the Owners Association, the purpose of which is to provide financial assistance to its members from the budget surplus to enable them to fulfil their obligations towards the Association. The Articles of Association determine its work system.

Article (61)

1. The Ministry, in coordination with the Competent Authority, shall establish an annual plan for auditing and reviewing the Association papers and records, monitoring any violations therein, and proposing appropriate corrective measures.
2. The employee in charge of reviewing and auditing shall notify the Chairman of the Board of his report, and the observations contained in this report shall be answered within a month of receiving it.
3. If it is found that there are financial irregularities, the concerned authorities shall be notified for investigation.

Article (62)

Repeals

Any provision that violates or contradicts the provisions of this Resolution shall be repealed.

Article (63)

Publication and Entry into Force

This Resolution shall be published in the Official Gazette and shall enter into force as of the day following its date of publication.

Signed

Mohammed Bin Rashid Al Maktoum

Prime Minister

Issued by Us:

Issue date: 06 Jumada II, 1444 H

Corresponding to: December 30, 2022