

Sultan Bin Mohamed Al Qasimi
Supreme Council Member
Ruler Of Sharjah



سُلطان بن محمد القاسمي
عضو المجلس الأعلى للإتحاد
حاكم الشارقة

AMIRI DECREE NO. (٤٦) OF 2017

ON LAND REGISTRATION DECREE,

We, Sultan Bin Mohamed Al Qasimi, Ruler of the Emirate of Sharjah,

Pursuant to the perusal of:

Law No. 2 of the year 1999 on the Establishment the Executive Council of the Emirate of Sharjah,

Law No.3 of the year 1998 on the Establishment and Organization of the American University of Sharjah, its By-Laws and Amendments thereto,

Amiri Decree No. (95) for the year 2015 on Establishment of the American University of Sharjah Enterprise L.L.C,

Amiri Decree No. (38) for the year 2016 on Establishment of Research, Technology and Innovation Park “ Free Zone Authority” and Amendments thereto ,

Resolution of the Executive Council No (26) of 2014 establishing The Real Estate Registration Department ;

And for the public interest purposes,

Hereby issued the following decree:

1. DEFINITIONS

In application of the provision of this Decree, the following terms and expression shall have the meaning assigned against each, unless the context require otherwise;

The State: United Arab Emirates

The Emirate: The Emirate of Sharjah

The Ruler: The Ruler of the Emirate

Authority: Means designated legal authority appointed by the Ruler, by Amiri Decree No. 95 of 2015 establishing AUS Enterprise LLC (AUSE), and person to whom the powers are lawfully delegated by the such Authority.

Department: means any department designed by the Authority with all the powers and functions to implement this Decree. .

SRTI Park Free Zone: Sharjah Research, Technology and Innovation Park Free Zone, established pursuant to Decree passed by the Ruler.

AUS : American University of Sharjah

AUSE : American University of Sharjah Enterprises

Decree: The Decree passed by the Ruler.

Regulation: Regulation passed by the Ruler.

Unit: Means a separate, distinct parcel of real property, which is assigned with a Unit number situated in the RTI Park Free Zone and disposed by way of sale, leasehold rights in accordance with this Decree to a natural person or any corporate body.

Long -Term Lease: Any Lease of Unit for the period exceeding 5 years and not more than 100 years.

Short-Term Lease: Any Lease of Unit for a period not exceeding 5 years, provided however that no such Lease shall be entered into between the Lessor and the lessee by creating any Usufruct thereunder.

Lease: Means any Long- Term Lease and Usufruct. For avoidance of the doubt, the term Lease shall not applicable for Short – Term Lease.

Lessor: A natural or a corporate person who holds the Unit by way of Long- Term Lease or owning the right to the Usufruct.

Usufruct: A right in rem for the Usufructuary to utilize and take benefit of the Unit assigned to the Lessor as long such right doesn't affect the interest or right of the RTI Park Free Zone.

Usufruct System: A system to deal with Units under this Decree.

Usufructuary: A natural or a corporate person who uses, utilizes and disposes off such Usufruct of the Unit, without owning such Unit by way of Lease, within a specific period of the Usufruct.

Record of Register: A record shall include any book, report, register, document, accounts or any other document of relevance to the Land, its location and the rights over Land, stored and maintained in any form including the Electronic Documents by the Authority.

2. APPLICATION OF DECREE

- 2.1 Provision of this Decree shall be applicable to the Unit situated in the jurisdiction of RTI Park Free Zone.
- 2.2 Subject to the approval of the Authority and registration with Department, the Department may grant the Unit to the person with any one of below rights:
- (a) The right by way of Lease to the Units for an appointed duration.
 - (b) The right to acquire usufruct or to create any security thereof.
- 2.3 Authority may at its discretion adopt any provision governing the Usufruct which deals with any development, mortgage, sale and closure of the Unit

3. POWER OF DEPARTMENT

- 3.1 The Department has the power to register a Lease, granted by the Department to an applicant in accordance with the provisions of this

Decree, with or without Usufruct. The Department, exercising the power under this Decree may do any of the following:

- (a) Maintain Record of Register of the Unit;
- (b) Provide sign with an accredited name and distinctive number to the Unit;
- (c) Determine the areas to be surveyed or re-surveyed and certify the Maps drawn therefore;
- (d) Prescribe rules in relation to surveying and inspection, as well as in relation to issuance of Maps relating to Units;
- (e) Prepare model forms of contract for transacting the Unit;
- (f) Prescribe rules with regard to organizing, archiving and destruction of documents pertaining to transactions of Units;
- (g) Prescribe rules in relation to collecting, storing or recording any information or data, either electronically or in any other form, as it may deem fit;
- (h) Prescribe rules in relation to evaluation of Unit;
- (i) Subject to order of a competent Court in the Emirate, lay down rules in relation to voluntary sales of Unit by public auction and supervision of such sales;
- (j) Determine the fees payable for different services rendered by the Department.

4. RECORD OF REGISTER

- 4.1 The Record of Register shall have all details pertaining to the Unit and any changes that might take place thereto from time to time.
- 4.2 Record of Register shall contain:
- (a) Every instrument registered under this Decree, at the time of registration;
 - (b) The name of each present and past Lessor and the nature of their interest.
- 4.3 The Record of Register may also include any other detail regarding the Unit that needs to be recorded or included in the Record of Register.

5. REGISTRATION

- 5.1 In this Article, a reference to disposing of Unit is a reference to dealing with the Unit by way of any sale, any lease with or without Usufruct or creation of any mortgage on the Unit.
- 5.2 If any person intending to dispose a Unit in accordance with this Decree and approaches the Department, the Department shall do the needful to register such instrument in all cases except in cases where the registration is impermissible under Article 7 of this Decree, the

Department can only register a Unit after ensuring that the necessary instrument has been executed in the appropriate form and manner prescribed by Decree for such disposal.

- 5.3 The Department registering such disposal should also ensure that he/she has obtained all requisite consent or prior approval required for registration and also that the applicant has duly complied with Article. 6 of this Decree.
- 5.4 Based on order passed by the competent Court in the Emirate, only the legal heirs can dispose off the estate of a deceased.

6. CONDITIONS FOR GRANTING REGISTRAION

- 6.1 A registration of an Unit in favour of any natural person or Corporate body can be effected after obtaining prior approval of the Authorities, for the purpose of any sale, Lease (with or without Usufruct) or any mortgage.
- 6.2 The Authority may require a natural person or a body corporate who is desirous of obtaining any registration under this Decree on its rights arising under sale, Lease with or without Usufruct, or mortgage, to have a valid residence permit or a valid legal presence as an incorporated or unincorporated entity within the State.

- 6.3 The maximum period of Lease in accordance with Usufruct Systems can extend up to a period of 100 years from the date of signing the Usufruct contract before the Department.
- 6.4 Upon registration of the Unit, the Lessor is entitled to market and sell for his real estate project according to the Usufruct system.
- 6.5 The Natural person or a body corporate who is an applicant for the registration of any Unit, shall sign the necessary undertaking, form or other documents as required by the Department for this purpose. .

7. DEPARTMENTS POWER TO DENY REGISTRATION OF INSTRUMENT

The Department is entitled to deny registration of an instrument of disposal, if proved to the satisfaction of the Department that:

- (a) The said instrument is not executed in good faith and is executed based on misrepresentation, coercion or fraud.
- (b) The details set out in the instrument of execution are not correct.
- (c) The instrument has included any terms contrary to the provisions of this Decree.
- (d) The person acquiring the interest over the Unit has any legal disability or has not properly obtained the requisite consent or prior approval.

- (e) The person divesting his/her interest, title and rights over the Unit is not entitled to divest his/her interest or have any legal disability.

8. ALTERATION OF RECORD OF REGISTER

The Department may, under the following circumstances, carry out any alteration in the registration:

- (a) On an application of any party having any interest, title or right over the Unit;
- (b) Upon issuing notification to the concerned person, under the circumstances where the Authority is of opinion that such alteration or amendment is necessary, owing to any circumstances such as change control or change in shareholding of any applicant owner or otherwise.

9. EFFECT OF REGISTRATION

- 9.1 Subject to the provisions of this Decree, an instrument does not create any interest, title or right over the Unit until the instrument is registered;
- 9.2 Subject to the provisions of this Decree, the registration of a person as the Lessor , of a Unit is conclusive evidence that:

- (a) The person is the registered Lessor of that Unit; and
 - (b) The person's right as a Lessor to that interest is indefeasible.
- 9.3 No other person does not acquire any right or title to the Unit by any length of adverse possession.
- 9.4 Upon registration of the Unit in the name of any person as Lessor, the Department will issue a letter addressed to the Authority. Upon the issuance of the same, the Authority shall record the right in the name of the person mentioned by the Department.

10. LEASE

- 10.1 Any person holding any Unit in accordance with the provision of this Decree will be entitled to Lease out the said Unit upon the terms agreed with the Lessor.
- 10.2 The parties shall fix the term of Lease by entering into required instrument of Lease and the same shall be subject to approval of the Authority.
- 10.3 The instrument of Lease shall only be registered in accordance with the provision of this Decree, if the duration of Lease expires only after one year from the date of its execution. The Department shall include all the details pertaining to Lease in the Record of Register. Once the Lease

is registered with the Department, the Authority may issue a Certificate to the Department whereupon said department shall register the Lease in their record.

- 10.4 For an instrument of Lease to be registered in accordance with the provision of this Decree, it shall include description of the Unit sufficient to identify the any portion thereof to be leased.
- 10.5 An instrument of Lease may include terms for renewal. The Department shall include all details regarding such terms in the Record of Register.
- 10.6 Subject to approval of the Department, the lessee is also entitled to sub Lease the Unit to any third party.
- 10.7 A registered Lease shall stand terminated under following circumstances;
- (a) Upon expiry of the Lease term;
 - (b) If proved to the satisfaction of the Department that the lessee in case of a Lease or Short-term Lease has breached any terms stipulated in the Lease agreement;
 - (c) If rent from the lessee is for 3 consecutive months overdue;
 - (d) If the person to whom the Lease has been granted has surrendered the leased Unit before expiry of the Lease period.
 - (e) If the Authority or the Department requires the a specific Unit leased out for any purpose, as it may deem fit.

- 10.8 A Usufructuary will not be decreed to be in default in accordance with Decree, if the Usufructuary pays any rent as agreed and fulfills other terms mentioned in the Lease agreement, and performing its obligations towards its mortgagee if the Unit is subject to any mortgage in favour of any mortgagee.
- 10.9 The Lessor shall not be held liable under any circumstance for any loss incurred by the Lease in case of a Short- term Lease, by reason of any impediments arisen by virtue of any legal or regulatory promulgation or compliance of the Authority disrupting the activities of the lessee.

11. UNREGISTERED LEASE

- 11.1 If the Short Term Lease period is less than one year then the lessor is not bound by this Decree to register the same. However, the lessor shall inform the same to the Department by including all the relevant details with regard to such Lease within 28 days from the date of entering into Lease.
- 11.2 If the lessor fails to comply with the Article. 11.1 then the lessor will be contravening the provisions of this Decree.

12.LESSOR'S RIGHTS ON USUFRUCTUARY SYSTEM

12.1 The Lessor shall receive the Usufruct consideration as stated in the contract during the agreed Usufruct period.

12.2 At the expiry of the Usufruct period, the Lessor shall have the right to restitute the property, its annexes, anything built, added or planted by the Usufructuary.

13.LESSOR'S OBLIGATION

13.1 The Lessor shall handover the Unit to the Usufructuary or the lesse in case of a Short Term Lease as per the terms of the contract entered into between the parties.

13.2 The Lessor shall handover the agreed Unit and annexes free of any contradictory rights to the Usufructuary or the lessee in case of a Short Term Lease on the agreed time.

13.3 The Unit handed over shall be in good condition at the time of delivery of the Unit.

14.USUFRUCTUARY RIGHTS

14.1 The Usufructuary shall have the right to use and utilize the Unit and annexes as if utilized by the Lessor without any breach to the usufruct contract terms.

14.2 The Usufructuary shall have the right to dispose of the Usufruct in any manner, provided that there shall not be any discrepancy to the designated usage of the Usufruct Unit, annexes and such disposal shall not exceed the Usufruct period, upon registering with the Department.

15. USUFRUCTUARY OBLIGATIONS

- 15.1 The Usufructuary shall be obliged to return back the Unit upon the expiry of the Usufructuary period, or on the basis of any grounds mentioned in this Decree for terminating the Usufruct.
- 15.2 The Usufructuary is not entitled to dispose of the Unit in any manner.
- 15.3 The Usufructuary may not introduce any essential amendments to the Usufructuary Unit without prior consent of the Lessor or the competent authorities.

16. MORTGAGE

- 16.1 Any person having a title or right over a Unit, subject to the prior approval of the Authority, entitled to mortgage the said Unit as a whole or in part by executing an instrument of mortgage.
- 16.2 In order for an instrument to be registered as a registered mortgage deed, the following are the requirements:
- a) A description sufficient enough to identify the Unit or its portion thereof; intended to be mortgaged.

- b) A description as to the debt or liability expected to be incurred by the mortgagor.
- c) A copy of the Map in accordance to the Article. 20 of this Decree.

16.3 A separate instrument varying the terms of mortgage needs to be registered for effectuating any variation within the priorly registered mortgage.

16.4 Any variation of registered mortgage shall only be effectuated if it is proved to the satisfaction of the Authority that no such variation will affect the interest created by the prior registered mortgage or any subsequent registered mortgage, if any.

16.5 Neither the mortgagor nor the mortgagee is entitled under this Decree to make any variations by adding any party to or removing any party from any mortgage.

17.DISCHARGE OF MORTGAGE

17.1 Registering the discharge of mortgage may discharge a mortgage registered by an instrument.

17.2 On a discharge being effectuated:

- a) The mortgage stands discharged; and
- b) The Unit is released from the mortgage to the extent it is mortgaged by the registered instrument.

18.IMPLIED POWERS OF MORTGAGEE ON DEFAULT

18.1 If a mortgagor fails to honor any of the obligations undertaken by him in accordance with the terms of the registered mortgage, then the mortgagee have the following powers:

- a) Subject to the order of the competent Court in the Emirate, to sell whole or any portion thereof, of the mortgaged Unit by any means that deems appropriate and reasonable by conducting a public auction or by entering into any private contract,
- b) To sell any particular fixture within the mortgaged Unit apart from the balance of the Unit.
- c) To take possession of the said mortgaged Unit and receive any rent or other benefits and profits from such Unit.

- 18.2 A mortgagee exercising his/her powers, in case of default by mortgagor, shall be bound by this Decree to discharge any interest created by any prior registration or to pay any sum into any Court of Law for satisfying any order passed by such Court on any prior registered interest.
- 18.3 The mortgagee shall also bear all the cost with regard to all the expenses incurred by sale or any attempted sale. The mortgagee shall also discharge the principal, interest, cost and any other benefit obtained by such a mortgage.
- 18.4 A mortgagee is not entitled to exercise any of the powers under Article 18.1 without serving a notice to the mortgagor at least 30 days before. If within the said notice period the mortgagor remedy the default, the said notice stands null and void.
- 18.5 Any notice sent by the mortgagee shall include the following details:
- (a) The name of the mortgagor;
 - (b) The amount secured on creation of the mortgage;
 - (c) The default committed by the mortgagor.

PROVIDED the mortgagee is entitled under this Decree to exercise the power to the extent of satisfying the debt owed by the mortgagor to him and not more and by way of legal tender or in kind remaining after satisfying all other claims, any excess amount beyond the said interest shall be returned to the Mortgagor.

19.APPOINTMENT OF RECIEVER

A mortgage can entitle mortgagee to appoint a person as the receiver and the receiver may:

- (a) Act in the benefit and interest of the mortgagor as his/her agent; and
- (b) If the Receiver sells the Unit, then he/she shall assume all the responsibilities as if the mortgagee himself was doing for him.

20. THE MAPS

20.1 For the purpose of the registration of the Unit, the following maps shall be relied upon:

- a) Typographic master map;
- b) Map of the Unit;

20.2 Each Unit shall have its own separate Map clearly indicating its site location, boundaries, width and length, area, its features, description as to other constructions located on it and the numbers assigned to such Unit.

21. DISPUTE RESOLUTION

Any dispute arising from any Long Term Lease/ Usufruct made in pursuance of his Decree shall be referred to Mediation which is constituted by the Authority or in its absence of any such creation by the Authority, Sharjah International Commercial Arbitration Centre (the "SICAC"), as the first step. If the dispute is not settled by Mediation within thirty [30] days of the commencement of the Mediation, or such further period as the parties shall agree in writing, the dispute shall refer to SICAC. The decision of the SICAC shall be final and binding on all parties. The seat, or legal place of Arbitration, shall be in Sharjah, UAE. Unless and otherwise agreed by the parties, the language to be used in the Arbitration shall be English.

22. GENERAL PROVISIONS

22.1 Any agreement or any transaction entered into pertaining to the disposal of Unit in any manner by contravening the provisions of this Decree shall be held null and void.

- 22.2 Any such agreement or transaction held to be null and void under this Decree may be revoked by any party having any interest over such Unit, before any Court of Law.
- 22.3 Any judicial decision passed pursuant to registration and the originals of documents thereof shall be kept in the Department, and shall not be moved outside its premises. Any interested parties, judicial authorities or other experts appointed by them, as well as competent committees may access such original documents and judicial decision and obtain a certified copy thereof in accordance with the provisions of this Decree.

23. PENALTIES

- 23.1 The Authority has the right to impose penalty on any Usufruct, Lessor or such other person or Corporate body who is in breach of this Decree by:
- (a) Termination of any Usufruct Contract, Lease agreement or any sale agreement;
 - (b) Imposition of a fine prescribed by the Decree passed by the Ruler regulating fines and or any other administrative measures.

Sultan Bin Mohamed Al Qasimi
Supreme Council Member
Ruler Of Sharjah

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

سُلْطَانُ بْنُ مُحَمَّدٍ الْقَاسِمِي
عضو المجلس الأعلى للإتحاد
حاكم الشارقة

24. FINES

The Ruler may pass appropriate Decree regulating fines and other administrative measure to be applied by the Authority against individuals or Corporate body who are in breach of this Decree or any regulation passed pursuant to this Decree.

Issued on:

Wednesday : 18 Ramadan 1438
: 13 June 2017

Sultan Bin Mohamed Al Qasimi

Ruler Of Sharjah