

**Ajman Law No. 1/2025**  
**On Regulating the Real Estate Contribution in the Emirate of Ajman**

**We, Humaid bin Rashid Al Nuaimi, Ruler of the Emirate of Ajman,**

After perusal of:

Constitution of the United Arab Emirates;

Federal Law No. (5) of 1985 promulgating the UAE Civil Transactions Law, and its amendments;

Federal Decree-Law No. (20) of 2018 on Anti-money Laundering and Combating the Financing of Terrorism and the Financing of Unlawful Organizations, and its amendments;

Federal Decree-Law No. (32) of 2021 on Commercial Companies;

Federal Decree-Law No. (35) of 2022 on the promulgation of the Law of Evidence in Civil and Commercial Transactions;

Federal Decree-Law No. (42) of 2022 promulgating the Civil Procedure Law;

Federal Decree-Law No. (50) of 2022 on the promulgation of the Commercial Transactions Law;

Law No. (3) of 2023 on Real Estate Registration in the Emirate of Ajman;

Emiri Decree No. (14) of 2006 on the Reorganization of the Municipality and Planning Department in Ajman, and its amendments;

Emiri Decree No. (11) of 2011 promulgating the Financial Law of the Government of Ajman;

Emiri Decree No. (4) of 2014 re-organizing the Executive Council of the Emirate of Ajman, and its amendments;

Emiri Decree No. (7) of 2017 concerning the Department of Land and Real Estate Regulation in Ajman;

Emiri Decree No. (12) of 2017 concerning Real Estate Offices in the Emirate of Ajman;

Emiri Decree No. (2) of 2018 concerning the Legislative Committee in the Emirate of Ajman;

And upon the approval of the Legislative Committee;

**We hereby enact the following Law:**

### **Article (1)**

#### **Definitions**

The following words and expressions, wherever they appear in this Law, shall have the meanings assigned to each of them respectively, unless the context indicates otherwise:

<b>State</b>	: The United Arab Emirates.
<b>Emirate</b>	: The Emirate of Ajman.
<b>Ruler</b>	: The Ruler of the Emirate.
<b>Crown Prince</b>	: The Crown Prince of the Emirate.
<b>Government</b>	: The Government of the Emirate.
<b>Department</b>	: Department of Land and Real Estate Regulation in Ajman.

<b>Economic Department</b>	:	Department of Economic Development in Ajman.
<b>Chairman</b>	:	The Chairman of the Department.
<b>Property (Real Estate):</b>	:	Anything fixed and immovable in its location that cannot be transferred without damage or alteration of its form, including property by designation.
<b>Real Estate Office</b>	:	Any office in the Emirate owned by a natural or legal person, operating in its own name and legal capacity, engaged in one or more of the real estate activities stipulated in Emiri Decree No. (12) of 2017 concerning Real Estate Offices in the Emirate of Ajman.
<b>Real Estate Register</b>	:	A collection of documents and records, kept in paper or electronic form by the Department, indicating the property's description, legal status, related rights, and any legal disposition affecting it.
<b>Completion Certificate</b>	:	The document issued by the Municipality and Planning Department in Ajman upon completion of all construction works in accordance with approved plans, technical, and engineering specifications.
<b>Title Deed</b>	:	The document issued by the Department, in paper or electronic form, proving ownership of the property.
<b>Owner</b>	:	Any natural or legal person registered in the Real Estate Register as the legal owner of any property referred to in Article (2) of this Law, which is contributed to a Real Estate Contribution Project.
<b>Disposition</b>	:	Any legal act that affects existing rights over a property or creates new rights thereon, in accordance with applicable federal or local legislation.
<b>Real Estate Contribution</b>	:	A real estate investment project that allows participants to collectively invest in constructing and selling a property with the purpose of making profit. It includes all related stages from the date of obtaining the license, offering the contribution for subscription, executing and marketing the project, up to the liquidation of the Real Estate Contribution.
<b>Real Estate Contribution Trustee</b>	:	The Real Estate Office responsible for managing the Real Estate Contribution Project.
<b>Contributor</b>	:	A person who owns an undivided share in the Real Estate Contribution.
<b>Escrow Account</b>	:	The bank account designated for the Real Estate Contribution.
<b>Escrow Account Trustee</b>	:	The bank or financial institution registered in the Escrow

Account Trustees Register maintained by the Department, authorized to manage the escrow account of the Real Estate Contribution in accordance with the provisions of this Law.

**Real Estate Contribution Register** : A register in which the name of the Real Estate Contribution Project, the Contribution Trustee, the names and shares of contributors, details of the property subject of the contribution, its total area, and any amendments thereto are recorded and preserved in paper or electronic form.

## **Article (2)**

### **Scope of Application**

- a. This Law shall apply to the areas determined by a resolution issued by the Ruler.
- b. Subject to paragraph (a) of this Article, this Law shall apply to the following properties:
  1. Vacant land that is developed through a Real Estate Contribution.
  2. A dilapidated building that is reconstructed through a Real Estate Contribution.
  3. A building under construction that is completed through a Real Estate Contribution.

## **Article (3)**

### **Objectives of the Law**

The objectives of this Law are as follows:

1. To contribute to the establishment of a sustainable real estate environment that supports the Government's vision of attracting investment.
2. To provide incentive advantages to encourage real estate contributions.
3. To regulate real estate contribution activities in the Emirate.
4. To protect the rights of participants in real estate contributions.
5. To enhance the level of transparency and disclosure in real estate contribution activities.

#### **Article (4)**

##### **Preliminary Approval**

The Department shall be responsible for granting a licensed Real Estate Office, registered with the Economic Department, the preliminary approval to engage in real estate contribution activities and for supervising the exercise of such activities, in accordance with the conditions and regulations determined by the Department.

#### **Article (5)**

##### **Establishment of the Register**

a. A register titled "Real Estate Contribution Register" shall be established at the Department, in which shall be recorded the name of the real estate contribution project, the contribution trustee, the names and shares of contributors, the details of the property subject of the contribution, its total

area, and any amendments thereto. The register shall be maintained in paper or electronic form.

b. The Chairman shall issue a resolution determining the form of the register and any additional data to be recorded therein.

## **Article (6)**

### **Types of Real Estate Contributions**

Real estate contributions shall be classified as follows:

1. **Public Real Estate Contribution:** A type of contribution whereby a property owner enters into an agreement with a Real Estate Office to execute a real estate contribution project and offer shares for public purchase in order to attract contributors to finance the project.
2. **Private Real Estate Contribution:** A type of contribution whereby a property owner enters into an agreement with a Real Estate Office and a number of persons to provide funds for the execution of a real estate contribution project, without offering shares for public purchase.

## **Article (7)**

### **Conditions for Registering a Real Estate Contribution**

To register a Real Estate Contribution with the Department, the following conditions must be met:

1. The existence of a title deed and a site plan for the property designated for the Real Estate Contribution.

2. The written consent of the property owner to allocate his property for the Real Estate Contribution.
3. The Real Estate Contribution Trustee who will offer the contribution must be a Real Estate Office licensed by the Economic Department and registered with the Department.
4. The Real Estate Contribution shall be divided into a specific number of shares of a defined value.
5. The appointment of a financial auditor for the Real Estate Contribution Project, who must be among the auditors registered with the Department.
6. The Real Estate Contribution Trustee who will offer the contribution must contribute not less than 15% of its total shares.
7. An escrow account shall be opened for the Real Estate Contribution in one of the banks or financial institutions registered with the Department, to deposit therein the financial value of the contributors' shares and the proceeds of the sale of the completed property developed under the Real Estate Contribution Project.
8. The financial amounts shall be deposited directly by the contributor into the designated escrow account through a bank transfer or certified manager's cheque. The Real Estate Contribution Trustee is prohibited from receiving any cash amounts from contributors or buyers upon the sale of the Real Estate Contribution Project.
9. Any other conditions or requirements that may be determined by a resolution issued by the Chairman of the Department.

## **Article (8)**

### **Cancellation of Real Estate Contribution Registration and Consequences Thereof**

a. The registration of a Real Estate Contribution shall be cancelled from the Register upon the request of the Real Estate Contribution Trustee, before commencing the implementation of the project, by virtue of a decision issued by the Chairman in any of the following cases:

1. Failure of the property owner to transfer ownership of his property in the name of the Real Estate Contribution Project within the period specified in paragraph (a) of Article (13) of this Law.
2. Failure to cover the full value of the shares corresponding to the estimated cost of the Real Estate Contribution within the subscription period, after taking the measures stipulated in paragraph (c) of Article (12) of this Law.
3. Delay in commencing the implementation of the Real Estate Contribution Project beyond the period specified in Article (21) of this Law, without justified reasons for such delay.
4. Issuance of a final judgment by the competent court.
5. Expropriation of the property subject of the Real Estate Contribution by decision of the competent authority.

b. The cancellation of a Real Estate Contribution shall result in the following:

1. Without prejudice to the rights of the Department, the amounts deposited in the escrow account shall be refunded to the depositors within thirty (30) days from the date of cancellation of the Real Estate Contribution registration.

2. The ownership of the property designated for the Real Estate Contribution shall be re-registered in the name of the owner within a period not exceeding thirty (30) days from the date of cancellation of the contribution.
3. The party responsible for the cancellation shall bear the costs and expenses incurred in relation to the Real Estate Contribution, in accordance with the conditions and procedures determined by the Department.

## **Article (9)**

### **Legal Personality**

A Real Estate Contribution shall, in accordance with the provisions of this Law, acquire a legal personality as of the date of its registration with the Department, and shall continue to exist until its liquidation. It shall be represented by the Real Estate Contribution Trustee.

## **Article (10)**

### **Real Estate Contribution Trustee**

- a. The Real Estate Contribution Trustee shall be obligated to:
  1. Be responsible for all matters related to the Real Estate Contribution towards the contributors, the Department, any concerned government entities, and third parties.

2. Except for the disposition of contributors' shares, act as the representative of the contributors in completing and supervising the transactions related to the Real Estate Contribution Project.
  3. Refrain from admitting any contributor to the Real Estate Contribution Project if aware that the funds contributed are of an unlawful source, or in violation of the Anti-Money Laundering and Combating the Financing of Terrorism legislation.
  4. Provide all information, data, and statistics requested by the Department.
  5. Fulfil any other obligations determined by a resolution issued by the Chairman.
- b. In the event of the bankruptcy or failure of the Real Estate Contribution Trustee to fulfil his obligations in accordance with the provisions of this Law, the contributors may replace him with another trustee, in accordance with the rules and procedures determined by a resolution issued by the Chairman.
- c. The Real Estate Contribution Trustee must at all times retain ownership of not less than fifteen percent (15%) of the total shares until the Real Estate Contribution is liquidated.

## **Article (11)**

### **Capital, Number of Contributors, and Shares**

- a. The capital of the Real Estate Contribution shall be determined based on the estimated cost of the project, upon which the number and value of the shares shall be calculated.

b. The estimated cost of implementing the Real Estate Contribution Project shall be determined by the Real Estate Contribution Trustee and approved by the Department.

c. The estimated cost of the Real Estate Contribution Project shall include the following:

1. The value of the property contributed by its owner to the Real Estate Contribution Project, as approved by the Department.
2. The expenses, costs, fees, and commissions necessary for the execution of the Real Estate Contribution Project.
3. A contingency allowance of five percent (5%) of the estimated total cost.

d. The number of contributors, the number of shares, and the minimum and maximum limits of the capital of the Real Estate Contribution shall be determined in accordance with the standards and regulations set by a resolution issued by the Chairman.

e. The contributors' shares may not be mortgaged or sold by public auction, and creditors' rights shall be transferred to the proceeds of such shares after the liquidation of the Real Estate Contribution Project.

## **Article (12)**

### **Offering of the Real Estate Contribution**

a. The Real Estate Contribution Trustee, after obtaining the Department's approval to offer a public real estate contribution, must announce it at least once in accordance with the advertising methods and format approved by the

Department. The advertisement format, regardless of the medium used, shall not include any projected profit percentages, and must contain the following information:

1. The location of the property designated for the Real Estate Contribution, including its boundaries, area, and the number and date of its title deed.
  2. The total value of the property designated for the Real Estate Contribution, stating the price per square meter or square foot.
  3. The name of the Real Estate Contribution Trustee who will offer the contribution, along with the Department's approval number and date, and the specified percentage of his fees.
  4. The duration of the contribution offering.
  5. The number of shares offered for contribution and the value of each share.
  6. The scope of works to be carried out for the construction of the property subject of the Real Estate Contribution.
- b. The Real Estate Contribution Trustee offering the contribution shall not permit contributors to transfer funds or deposit manager's cheques into the escrow account in amounts exceeding the total value of the shares offered, nor may he dispose of any funds deposited by contributors for purposes other than those designated for the Real Estate Contribution.
- c. The duration of the Real Estate Contribution offering shall not exceed ninety (90) days. If the offering period expires without full subscription to the offered shares, the Chairman may, upon the Trustee's request, extend the offering period for an additional similar term. If the extended period also

expires without full subscription, the Real Estate Contribution Trustee may cover the remaining unsubscribed shares himself or through one or more contributors.

### **Article (13)**

#### **Transfer of Property Ownership**

- a. The owner of the property designated for the Real Estate Contribution Project shall transfer the ownership of the property in the Real Estate Register, either personally or through his agent or representative, in the name of the Real Estate Contribution Project within ten (10) days from the date of registration of the Real Estate Contribution.
- b. Shares shall be registered in the name of the property owner in the Contributors Register, equivalent to the value of the property as per the estimated value approved by the Department.
- c. The property designated for establishing the Real Estate Contribution Project may not be mortgaged.

### **Article (14)**

#### **Obligations and Rights of the Contributor**

- a. The contributor shall be obligated to:
  1. Explicitly disclose the source of the funds contributed and any material information that may affect the Real Estate Contribution Project,

including the existence of financial claims or pending legal proceedings against him.

2. Pay the full amount of his contribution into the escrow account of the Real Estate Contribution Project immediately upon signing the contract.
  3. Sign a declaration acknowledging his consent to authorize the Real Estate Contribution Trustee to dispose of the property subject of the contribution, in accordance with the conditions and procedures established by the Department.
  4. Fulfil any other obligations determined by a resolution issued by the Chairman.
- b. The contributor shall have the right to:
1. Review all stages of the Real Estate Contribution Project, including the feasibility study and any documents pertaining to the project.
  2. Dispose of his share during the project period to any party, in accordance with the conditions approved by the Department.

## **Article (15)**

### **Real Estate Contribution Certificate**

The Department shall issue to the contributor, immediately upon payment of the value of his contributed shares, a certificate proving his ownership of such shares. All certificates shall be recorded in the Real Estate Contribution Register, and each certificate shall contain the following details:

1. The certificate number and date of issuance.

2. The name of the Real Estate Contribution Project.
3. The number of shares contributed and their total value.
4. The contributor's full name, ID number, and address if a natural person; and in the case of a legal person, its registered trade name as stated in its license, license number and date of issuance, names of partners, and business address.
5. The number of the title deed of the property designated for the Real Estate Contribution, after its ownership has been transferred in the name of the Contribution.
6. The total area of the property designated for the Real Estate Contribution.
7. The name and details of the Real Estate Contribution Trustee offering the contribution.
8. The works to be executed for the construction of the property subject of the Real Estate Contribution.
9. Any other information the Department deems necessary to include in the certificate.

## **Article (16)**

### **Transfer of Ownership of Contribution Shares**

- a. Ownership of contribution shares shall be transferred as follows:
  1. When the contributor transfers ownership of his shares to another person by any act transferring ownership.

2. To the heirs, in the event of the contributor's death during the implementation of the Real Estate Contribution Project.
  - b. Ownership of shares shall be transferred after payment of the prescribed fees to the Department, the issuance of a new contribution certificate to the new contributor, and his registration in the Real Estate Contribution Register, with the appropriate notation made in the Contributors Register.
  - c. The Chairman shall issue a resolution regulating the procedures and requirements for the transfer of ownership of shares in a Real Estate Contribution.

## **Article (17)**

### **Property Designated for the Real Estate Contribution Project**

- a. No disposition of the property designated for the Real Estate Contribution Project shall be permitted from the date of registration of the contribution until the registration of ownership of such property in the name of the contribution, except with the approval of the Department. A notation prohibiting disposition shall be entered in the Real Estate Register at the Department immediately upon registration of the contribution.
- b. The prohibition notation on the property designated for the Real Estate Contribution Project shall be lifted upon completion of the registration of the property ownership in the name of the contribution.

## **Article (18)**

### **Escrow Account**

a. To open an escrow account for a Real Estate Contribution, the following requirements must be met:

1. The property designated for the Real Estate Contribution must be registered with the Department.
2. The escrow account must be opened with an escrow account trustee approved by the Department.
3. The escrow account must be opened in the name of the Real Estate Contribution Project under an agreement between the Real Estate Contribution Trustee and the Escrow Account Trustee, called the “Escrow Account Agreement,” as per the template approved by the Department.

b. The cash amounts deposited by contributors in the escrow account shall become the property of the Real Estate Contribution immediately upon deposit, and shall cease to be part of the contributors’ personal assets. Each contributor’s ownership shall be transferred to the shares allocated to it in the Real Estate Contribution.

## **Article (19)**

### **Rules for Disbursement from the Escrow Account**

a. The Escrow Account Trustee may not disburse any amount from the escrow account without the approval of the Department and in accordance with the provisions and conditions set out in a resolution issued by the Chairman.

b. The Escrow Account Trustee shall withhold five percent (5%) of the total construction cost of the Real Estate Contribution Project from the deposited funds to cover the cost of repairing defects that may appear after completion

of the project. This amount shall not be disbursed without the approval of the Department and until one year has passed from the date of issuance of the project's completion certificate, and after the Real Estate Contribution Trustee submits a technical report from an engineering office accredited by the Department confirming that all necessary maintenance works have been completed or that there is no need for such works.

## **Article (20)**

### **Fees of the Real Estate Contribution Trustee**

- a. The fees of the Real Estate Contribution Trustee for supervising the implementation of the Real Estate Contribution, from its registration until the issuance of the completion certificate, shall be determined as follows:
  1. In the case of a private contribution, the fees shall be determined by agreement among all contributors.
  2. In the case of a public contribution, the fees shall be determined by agreement between the property owner contributing his property and the Real Estate Contribution Trustee, provided that the fee percentage is disclosed in the information included in the public offering announcement.
- b. In the absence of an agreement as provided for in paragraph (a) of this Article, the fees of the Real Estate Contribution Trustee shall be two percent (2%) of the proceeds from the sale of the completed property, in accordance with the rules and procedures determined by the Department.

## **Article (21)**

### **Implementation of the Real Estate Contribution**

- a. The Real Estate Contribution Trustee must comply with the following:
  1. Commence implementation of the public Real Estate Contribution within a period not exceeding ninety (90) days from the end of the offering period, which may be extended by a similar period by decision of the Chairman.
  2. Commence implementation of the private Real Estate Contribution within a period not exceeding ninety (90) days from the date of transfer of ownership of the property in the name of the contribution, which may be extended by a similar period by decision of the Chairman.
- b. In all cases, the implementation period of the Real Estate Contribution Project shall not exceed four (4) years from the end of the offering period or from the date of transfer of ownership of the property.
- c. If the amounts available in the escrow account are insufficient to complete the Real Estate Contribution Project, the contributors shall be required to cover the outstanding balance in proportion to their respective shares. If any contributor refuses to pay his share of the deficit, additional shares equivalent to the shortfall shall be offered to new contributors, in accordance with the provisions and conditions determined by a resolution issued by the Chairman.

## **Article (22)**

### **Liquidation of the Real Estate Contribution**

a. The Real Estate Contribution shall be liquidated by selling the property subject of the contribution after obtaining the completion certificate, and profits and losses shall be distributed among the contributors in proportion to their respective shares.

b. The Real Estate Contribution Trustee shall complete the liquidation of the Real Estate Contribution within one (1) year from the date of issuance of the completion certificate of the property, after obtaining the Department's approval. The period may be extended for a similar term by decision of the Chairman.

c. If the property is not sold within that period, it shall be disposed of in accordance with the procedures and regulations set out by a resolution issued by the Chairman.

d. The Real Estate Contribution Trustee shall submit to the Department a final report on the completion of the project, indicating the sale price of the completed property, all expenses and costs incurred, and the resulting profits or losses. The report must be certified by a financial auditor registered with the Department.

## **Article (23)**

### **Termination of the Real Estate Contribution**

A Real Estate Contribution shall terminate in the following cases:

1. The sale and liquidation of the property subject of the contribution.
2. The expiration of the period specified for implementing the Real Estate Contribution Project, in which case the project shall be disposed of in

accordance with the procedures and regulations set out by a resolution issued by the Chairman.

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

##### **Fees, Violations, and Fines**

The Crown Prince shall issue an Emiri Decree specifying the service fees provided by the Department under this Law, as well as the violations and fines applicable for breaches of its provisions.

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

##### **Judicial Officers**

The Department's employees designated by a resolution of the Minister of Justice, upon the Chairman's request, shall have the capacity of judicial officers to record and establish offences committed in violation of the provisions of this Law and the regulations and decisions issued pursuant thereto.

#### **Article (26)**

##### **Grievances**

a. Any interested party may submit a written grievance to the Department against any penalties, decisions, or measures issued against him under this Law within thirty (30) days from the date of notification of the penalty,

decision, or measure. The grievance shall be decided within a period not exceeding thirty (30) days from the date of its submission.

b. The grievance shall be reviewed by a Grievance Committee formed by the Chairman for this purpose, which shall submit its recommendations to him. The decision issued by the Chairman on the grievance shall be final.

### **Article (27)**

#### **Implementing Regulations**

The Chairman shall issue the regulatory resolutions necessary to implement the provisions of this Law.

### **Article (28)**

#### **Adjustment of Status**

Real Estate Offices with ongoing real estate contribution projects at the time of entry into force of this Law shall be granted a grace period of six (6) months to adjust their status in accordance with the provisions of this Law. The period may be extended for a similar term by decision of the Chairman.

### **Article (29)**

#### **Repeals**

Any provision in any other legislation that contradicts the provisions of this Law shall be repealed to the extent of such contradiction.

## **Article (30)**

### **Enforcement and Publication**

This Law shall come into force thirty (30) days after the date of its publication in the Official Gazette.

**Issued by us on this Tuesday, 18<sup>th</sup> of Ramadan 1446 Hijri, corresponding to 18<sup>th</sup> of March 2025.**

**Humaid bin Rashid Al Nuaimi**

**Ruler of Ajman**