



LAW NO. (12) OF 2023 ON REGULATION REAL ESTATE DEVELOPMENT IN RAS AL KHAIMAH

I. Introduction

On August 21, 2023, [Law No. \(12\) of 2023](#) was enacted by the Ruler of Ras Al Khaimah, establishing the criteria and responsibilities governing real estate development within the Emirate. In this comprehensive guide, we will provide you with insights into Law No. (12) of 2023 and the key provisions that are essential knowledge for any real estate developer operating in Ras Al Khaimah. The "New Law" took effect in October 2023.

II. Applicability

The provisions within this law are applicable to the entire jurisdiction of the emirate, encompassing the Ras Al Khaimah Economic Zones.

III. Key Provisions of the New Law

Law No. (12) of 2023 outlines several key provisions that every real estate developer, sub-developer, and purchaser in Ras Al Khaimah should be aware of. These provisions include:

Articles 4 and 5

The Real Estate Developers Register will maintain a list of real estate developers, and it is mandatory for anyone engaging in real estate development within the emirate to be officially registered in this list. The Real Estate Development Registry, on the other hand, serves as a record-keeping system for real estate development projects.

Article 10

This article outlines the obligations of the developer in a real estate project, encompassing five key aspects.

1. Execute the real estate project in accordance with approved engineering designs and the designated completion schedule.
2. Carry out necessary infrastructure works and services for the project.
3. Provide comprehensive information to purchasers regarding the project and the real estate units they purchase, including associated rights and limitations, and promptly communicate any alterations to these details.
4. Register the real estate units in the purchaser's name within the designated land registry managed by the Real Estate Regulatory Administration (RERA), and transfer all relevant certificates, deeds, and documents to the purchaser.
5. Deliver the real estate unit to the purchaser, complete with all services that enable them to fully utilize the property.

Article 23

The Sub-Developer must prepare a Building Management System for sub-real estate development projects and get it approved by RERA before taking any legal actions regarding the real estate units. If the sub-real estate development project is done in different phases, a Building Management System must also be created for each phase that is completed. Any changes to the Building Management System that might reduce the rights of the real estate unit owners cannot be made without RERA's approval.



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Articles 25 and 26

If the sub-developer purchases the property from the main developer in installments, it is necessary for them to clearly state in their contract that the sub-developer has the right to sell the property before it is completely finished. The developer possesses the prerogative to market real estate units within the developmental project prior to their complete construction, contingent upon obtaining requisite authorization from RERA.

Article 36

A record known as the "Escrow Account Trustees Register" will be established by RERA. Escrow Account Trustees are individuals or entities responsible for holding funds for real estate transactions. They must agree to regularly give RERA monthly financial reports or provide them upon request. These reports should contain details of all financial transactions related to the real estate units, including the names of the purchasers, any updates to these accounts, and the remaining balance of these accounts. This helps ensure transparency and financial accountability in real estate transactions.

Article 47

Should the agreed payments be tied to specific completion rates within the real estate development project, the Purchaser has the prerogative to postpone payment in the event that the developer does not meet the anticipated milestone linked to that payment. Nonetheless, it is imperative to provide notification to RERA, the developer, and Escrow Account Trustees before the scheduled due date of the payment.

Article 48

The developer is not permitted to prevent a Purchaser who has paid the entire price for a real estate unit from taking possession of that unit. However, if the Purchaser has not paid the full price as initially agreed, the developer can choose to not deliver the sold real estate unit unless there is a mutual agreement between the two parties to postpone the transfer. In the event that the developer decides to withhold the unit, the Purchaser has the option to request a Competent Judge to issue an order, compelling the developer to hand over the property. To initiate this process, the Purchaser must submit a formal request along with a report from RERA supporting their claim.

Article 55

Through a Council resolution and at the recommendation of RAK Municipality, a schedule outlining fees and another one for violations and their associated fines will be established. The revenue generated from these fees and fines will be directed into the Municipality's treasury. When there are outstanding unpaid fees and fines owed to the Municipality, the Administration Director will issue a claim that includes the debtor's name, their legal representative, and the amount of the fee or fine. This claim serves as a writ of execution, enforceable by a competent execution judge in accordance with the Civil Transactions Law.

IV. Conclusion

The real estate sector in Ras Al Khaimah has seen significant growth in recent years, primarily driven by the rising demand for a wide range of properties, with a particular focus on the residential segment. This expansion can be attributed, in part, to significant investments made by the emirate's government in infrastructure development, further enhancing its allure for real estate investors. The introduction of the New Law is a pivotal step in the ongoing transformation of the sector, aimed at harmonizing the interests of property owners, developers, and the general public. This move is expected to contribute to the establishment of a more stable and resilient real estate industry within the emirate, fostering an environment that benefits all stakeholders involved.

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