

New Dubai Law on Unfinished and Cancelled Real Estate Projects

Client Alert | December 16, 2020

On 15 December 2020, the Ruler of Dubai issued Decree No. (33) of 2020 which updates the law governing unfinished and cancelled real estate projects in Dubai (the “**Decree**”).

Related People

[Galadia Constantinou](#)

The Decree creates a special tribunal (the “**Tribunal**”) for liquidation of unfinished or cancelled real estate projects in Dubai and settlement of related rights which will replace the existing committee (the “**Committee**”) set up in 2013 for a similar purpose. The Tribunal will be authorised to review and settle all disputes, grievances and complaints arising from unfinished, cancelled or liquidated real estate projects in Dubai, including the disputes that remain unresolved by the Committee. The Tribunal will have wide-ranging powers, including, the ability to form subcommittees, appoint auditors and issue orders to the trustees of the real estate project’s escrow accounts in all matters related to the liquidation of unfinished or cancelled real estate projects in Dubai and determine the rights and obligations of investors and purchasers.

The Decree streamlines the process for resolving disputes, grievances and complaints relating to unfinished and/or cancelled real estate projects in Dubai by granting the Tribunal jurisdiction over all unfinished or cancelled disputes relating to real estate projects in Dubai and prohibiting all courts in Dubai, including the DIFC Courts from accepting any disputes, appeals or complaints under the jurisdiction of the Tribunal - thereby creating a more efficient route for resolution. The implementation of the Decree will be of interest to clients who have transactions related to unfinished and cancelled real estate projects in Dubai and may lead to the resolution / completion of projects that have stalled in Dubai.

The Decree also details the responsibilities and obligations of the Real Estate Regulatory Agency (“**RERA**”) related to supporting the Tribunal in performing its duties and responsibilities set out in the Decree. For example, RERA will be required to prepare detailed reports about unfinished and cancelled real estate projects in Dubai and provide its recommendations to the Tribunal to assist the Tribunal in settling disputes under its jurisdiction.

Gibson Dunn’s Middle East practice focuses on regional and global multijurisdictional transactions and disputes whilst also acting on matters relating to financial and investment regulation. Our lawyers, a number of whom have spent many years in the region, have the experience and expertise to handle the most complex and innovative deals and disputes across different sectors, disciplines and jurisdictions throughout the Middle East and Africa.

Our corporate team is a market leader in MENA mergers and acquisitions as well as private equity transactions, having been instructed on many of the region’s highest-profile buy-side and sell-side transactions for corporates, sovereigns and the most active regional private equity funds. In addition, we have a vibrant finance practice, representing both lenders and borrowers, covering the full range of financial products including acquisition finance, structured finance, asset-based finance and Islamic finance. We have the region’s leading fund formation practice, successfully raising capital for our clients in a difficult fundraising environment.

GIBSON DUNN

For further information, please contact the Gibson Dunn lawyer with whom you usually work, or the following authors in the firm's [Dubai office](#), with any questions, thoughts or comments arising from this update.

Aly Kassam (+971 (0) 4 318 4641, akassam@gibsondunn.com)

Galadia Constantinou (+971 (0) 4 318 4663, gconstantinou@gibsondunn.com)

© 2020 Gibson, Dunn & Crutcher LLP

Attorney Advertising: The enclosed materials have been prepared for general informational purposes only and are not intended as legal advice.

Related Capabilities

[Real Estate](#)