1. Is perpetual fee simple ownership of real property permitted? If not, what are the principal forms of ownership, or other principal form of ownership, of real property?

Yes. Ownership of land in Fee Simple Absolute is permitted in Dubai by virtue, *inter alia*, of Article 4 (Chapter Two) of Law No.7/2006 Concerning Land Registration in the Emirate of Dubai (the “Governing Law”),

“Foreign Persons may, subject to the approval of the Ruler, be granted in certain areas the following rights:

(a) The right to acquire absolute ownership of Land without restrictions as to time.”

The caveat to the above is that such form of ownership by foreign persons is restricted to certain areas as per Regulation number 3 of 2006 on Determination of the Real Property Areas Designated for Ownership by non-GCC nationals in the Emirate of Dubai. The regulation cites 23 “designated areas” and 45 plots where non-nationals are permitted to hold an interest over land. Foreign-owned entities may also acquire freehold interests in real estate in the various Free Zone areas.
Subject to Article 4(b) of the governing law, foreign persons may also acquire leasehold land for a period not exceeding 99 years.

On a wider spectrum, the right to own land in Dubai (freehold and in any area) is allowed for citizens of the United Arab Emirates, citizens of the Cooperation Council for the Arab States of the Gulf, the companies totally owned by any of the foregoing, and public joint stock companies (in accordance with Article 4 (Chapter Two) of the governing law).

2. **What instruments are used to convey fee simple ownership, or other principal form of ownership, of real estate?**

Transfer deed.

4. **What assurances of ownership are available to purchasers of real property (e.g., title insurance or title opinions)? What is the cost of obtaining such assurances?**

In accordance with Article 7 (Chapter 5) of the governing law a Land Register shall be maintained in the Land Department to record all rights over land and any changes that might take place in respect of them. This Register shall be conclusive evidence against all and everyone unless it is proved to be the result of fraud or forgery.

In accordance with Article 22 (Chapter 10) of the governing law, ownership documents shall be issued by the Land Department on the basis of the actual records of the Land Register. Pursuant to Article 24 (Chapter Ten) of the governing law, these documents are conclusive evidence of the rights over land contained therein and may come in the form of a hard copy written original or an electronic record. Note that electronic records shall have the same weight of evidence as that of their hard copy written originals (Article 8 (Chapter 10) of the governing law).

Crucially, pursuant to Article 24(2) of the Dubai Property Law any third party interests, conditions, undertakings, encumbrances, or any other liabilities must be registered against the property.

In order to provide assurances to a potential purchaser of real property in Dubai it should be stated that, by virtue of Article 5 (Chapter 3) of the governing law, interested parties, judicial authorities or experts appointed by them, as well as competent committees may have access to such original documents pertaining to ownership of land and obtain a certified copy thereof. This would enable title searches to be carried out in order to determine the ownership of real property.

6. **Has this jurisdiction adopted, or is it considering, legislation permitting the creation of real estate investment trusts or similar entities?**

The DIFC (Dubai International Financial Centre) has taken the lead in the UAE in terms of developing the promotion of Real Estate Investment Trusts (“REITS”) by the passage of its Investment Trust Law and its Collective Investment Law No.1 of 2006. These laws and
related regulations promulgated by the DIFC and the DFSA (Dubai Financial Services Authority) prescribe the formation and operation of REITs and the qualification criteria, as well as the rights and obligations of REIT operators and trustees.

The DIFC expects to be the domicile for REITs managing in excess of $10 billion in assets by 2011. REITs are quickly becoming a favourite method for attracting public ownership in real property investments in the UAE.

7. **What state or local transfer, stamp or similar taxes are levied generally on sellers or buyers upon the direct transfer of real estate?**

   A 2% transfer fee is payable (1% by the buyer and 1% by the seller) on the transfer of property.

8. **What state or local transfer, stamp or similar taxes are levied generally on sellers or buyers upon the transfer of interests in entities which own real estate?**

   Same response as to question 7.

9. **How significant is local regulation and taxation of real estate? How significant is the variation of real estate law among political subdivisions of this jurisdiction?**

   Both are significant. The last few years have seen the introduction of a number of significant laws which regulate property ownership from what was once a relatively unregulated jurisdiction in this regard. This has led to an increased demand from foreign investors and expatriate residents for property ownership in Dubai. As regards taxation, Dubai has become synonymous with providing a tax respite for foreigners and locals alike. Having maintained a no tax policy since its independence, freedom from paying taxes has been one of the most attractive features of property investment. From a corporate perspective, different economic zones have been set up that are entirely tax free for corporations operating within its borders.

   The UAE consists of 7 Emirates. The Constitution governing the Federation of the UAE provides that real estate comes under the banner of federal jurisdiction, but where the Federation does not legislate in this area, the individual Emirates may do so. On that basis, laws relating to ownership of real property in Dubai have developed rapidly.