

**Decision No. 2 of 2012**  
**Concerning licensing of hotel owners and operators in the Dubai Technology and Media Free Zone**

I, Ahmad Binbyat, Director General of the Dubai Technology and Media Free Zone Authority

After perusal of the Dubai Technology and Media Free Zone Licensing Regulations 2003 and Regulation 3.2 there under and Decision No. 1 of 2012 concerning licensing categories, hereby issue the following decision regarding the licensing of hotel owners and operators in the Dubai Technology and Media Free Zone.

This Decision replaces Decision No. 2 of 2006 and shall be read together with Decision No. 1 of 2012 (as amended).

## ARTICLE ONE SCOPE AND COVERAGE

1.1 Licenses for owners and operators of Hotel Establishments may be issued by the Authority for each of Dubai Internet City ("DIC"), Dubai Media City ("DMC"), Dubai Knowledge Village ("DKV"), Dubai International Academic City ("DIAC"), International Media Production Zone ("IMPZ"), Dubai Outsource Zone ("DOZ"), Dubai Studio City ("DSC"), Dubai Biotechnology and Research Park ("DBT") and Energy and Environment Park ("ENPARK").

## ARTICLE TWO DEFINITIONS AND INTERPRETATION

2.1 Capitalized and abbreviation words in this Policy shall have the meaning as indicated below:

"Authority"	means the Dubai Technology and Media Free Zone Authority.
"Article"	means any or all the articles mentioned in this Decision including all the clauses herein.
"Classification" and "Classified"	means the guest accommodation rating system used by the DTCM from time to time.
"DNRD"	means the Dubai Naturalization and Residency Department.
"DTCM"	means the Department of Tourism and Commerce Marketing of the Government of Dubai.
"Employment Regulations"	means the Dubai Technology and Media Free Zone Employment Regulations 2004 (as amended).
"Free Zone"	means the Dubai Technology and Media Free Zone, being the zone which is regulated by the Dubai Technology and Media Free Zone Authority from time to time.
"Guest"	means any person who checks in at a Hotel Establishment for the purpose of being lodged against a financial consideration.
"Guest House"	means a building or part of a building which comprises less than 10 rooms which provides lodging services against a financial consideration
"Hotel"	means a building or independent part of a building comprising not less than ten (10) rooms available for board and lodging services against a financial consideration.
"Hotel Apartment "	means a complex comprising not less than eight serviced and furnished villas or apartments leased to clients on a daily, weekly or monthly basis.

Hotel Apartment do not necessarily provide food and beverage services.

<b>"Hotel Establishment"</b>	means any of a Hotel, Hotel Apartment or Guest House in the Free Zone regulated and licensed by the Authority.
<b>"Hotel Licence"</b>	means a license granted to an Owner pursuant to Article 6.3 of this Decision and Activity 25.4.3 and 25.4.4 of the Licensing Decision.
<b>"Hotel Licence Fee"</b>	means the annual license fee payable by the Owner in relation to the ownership of a licensed Hotel Establishment, as regulated by the Authority and specified in Article 11 of this Decision.
<b>"Licensing Decision"</b>	means Decision No. 1 of 2012 (as amended).
<b>"Licensing Regulations"</b>	means the Dubai Technology and Media Free Zone Licensing Regulations 2003.
<b>"Liquor Licence"</b>	means an alcoholic drinks licence issued by the Dubai Police under the Dubai Alcoholic Beverage Control Law of 1972.
<b>"Operating Agreement"</b>	means an agreement between a Parent or an Owner and a hotel operating company in relation to the operation of a Hotel Establishment.
<b>"Owner"</b>	means the Free Zone limited liability company incorporated by the Parent for the purposes of having a Registered Interest in the Hotel Establishment, or any Free Zone limited liability company having such an interest which is a successor in title or assignee of that company.
<b>"Parent"</b>	means the legal person or entity which applies for name approval for the Hotel Establishment and which incorporates the Owner, which person or entity must also hold all of the shares in the Owner.
<b>"Preliminary Name"</b>	means the name which the Parent proposes to use in respect of the Hotel Establishment.
<b>"Registered Interest"</b>	means an ownership or leasehold interest, in the form of either a title deed, sale and purchase agreement or lease, which has been registered with the Dubai Land Department or the Real Estate Regulatory Agency, as appropriate.
<b>"R&amp;L"</b>	means the Registration and Licensing Department of the Authority.
<b>"Tourism Licence"</b>	means a licence issued by DTCM to allow the holder to provide services as a Hotel Establishment.
<b>"Zoning Division"</b>	means the Zoning Division of the Authority.

- 2.2 Unless the context otherwise requires, any reference in this Decision to a "person" includes a reference to a natural person, and to a corporate body, limited liability company, association or partnership and to the legal or personal representatives, legal successors and lawful assigns of any such person.
- 2.3 A person who wishes to submit an original document or a photocopy of a document written in a language other than English or Arabic must also submit a notarized translation of that document in English or Arabic, prepared by a translation service acceptable to the Authority.

### **ARTICLE THREE HOTEL NAME REGISTRATION**

- 3.1 The Parent shall make an application to R&L for approval to the Preliminary Name. The Parent may apply for R&L's approval to the Preliminary Name prior to engaging an operator for the proposed Hotel Establishment.
- 3.2 If R&L approve the Preliminary Name, R&L shall issue the "Name Reservation Certificate" to the Parent in respect of such approved Preliminary Name.
- 3.3 Upon receipt of Name Reservation Certificate, the Parent shall make an application to DTCM seeking its approval to the use of the Preliminary Name. As part of such application, the Parent shall submit the R&L Name Reservation Certificate to DTCM.
- 3.4 Once the Preliminary Name has been approved by both R&L and DTCM, the Parent may commence the process of establishing the Owner.

### **ARTICLE FOUR INCORPORATING THE OWNER COMPANY AND INITIAL LICENSING**

- 4.1 As part of the licensing process, the Parent shall initially incorporate the Owner under Activity 25.4.1 (Hotel - Administration Office) or Activity 25.4.2 (Hotel Apartment – Administration Office) of the Licensing Decision. The Owner shall be required to have a minimum paid up share capital of AED 50,000 upon incorporation under the "Hotel -Administration Office" or "Hotel Apartment – Administration Office" activity. If the proposed Hotel Establishment is yet to be constructed the Parent must incorporate the Owner prior to the commencement of construction.
- 4.2 No transfer of shares in the Owner will be permitted by the Authority during the period from incorporation up to the date of issuance of the Hotel Licence.
- 4.3 The Owner must obtain a Registered Interest in the Hotel Establishment or in the land upon which the Hotel Establishment is to be constructed.
- 4.4 A Hotel Licence shall be specific to one Hotel Establishment. If a person wishes to own more than one Hotel Establishment such person shall be required to incorporate a Free Zone limited liability company in respect of each Hotel Establishment and obtain a Hotel License for each such company.

- 4.5 The Owner shall be licensed as an "Administration Office" for the entire construction process. The activity of the Owner will only be converted to a Hotel Licence (for the purposes of Activity 25.4.3 or 25.4.4 of the Licensing Decision) once construction of the Hotel Establishment has been substantially completed, the Hotel Establishment has been Classified and a Tourism Licence has been issued to the Owner.

## **ARTICLE FIVE CONSTRUCTION PERMIT**

- 5.1 In respect of any proposed Hotel Establishment to be constructed, once the requirements of Article 3 and 4 above have been completed, the Owner shall apply for and obtain an approval from the Zoning Division in respect of the construction of the proposed Hotel Establishment.
- 5.2 Upon completion of construction of the Hotel Establishment, the Owner shall apply to the Zoning Division for a building completion certificate.
- 5.3 Having obtained a building completion certificate from the Zoning Division, the Owner may then apply to DTCM to undertake the hotel inspection and Classification.

## **ARTICLE SIX HOTEL INSPECTION, CLASSIFICATION AND FINAL LICENSING**

- 6.1 No Hotel Establishment may operate in the Free Zone without having a Classification.
- 6.2 The DTCM determines the Classification for all Hotel Establishments in accordance with its own policies and regulations. The Authority does not participate in the Classification process.
- 6.3 Once the Hotel Establishment has been Classified and the Owner has been issued with a Tourism Licence, the Owner may obtain a Hotel Licence from the Authority.
- 6.4 For the purposes of Regulation 23.1 of the Dubai Technology and Media Free Zone Private Companies Regulations 2003, the minimum paid up capital of an Owner applying for a Hotel Licence shall be as follows:

<b>Classification</b>	<b>Share Capital</b>
Guest House	AED 500,000.00
3 Star Hotel	AED 1,000,000.00
4 Star Hotel	AED 2,000,000.00
5 Star Hotel	AED 3,000,000.00
Standard Hotel Apartment	AED 1,000,000.00
Deluxe Hotel Apartment	AED 2,000,000.00

- 6.5 Classification is an ongoing process and involves regular checks and inspections of the Hotel Establishment by DTCM. During the term of any Hotel Licence, the Owner shall ensure that the relevant Hotel Establishment is compliant with all regulations, directives, policies and procedures of DTCM. Any failure by the Owner or the relevant Hotel Establishment to comply with such regulations shall, upon notification to the Authority by DTCM, constitute a breach of Regulation 10.1.2 of the Licensing Regulations.
- 6.6 The Owner of a Hotel Establishment licensed in accordance with this Decision shall not be required to obtain a separate operating licence in respect of the operation of such Hotel Establishment, nor shall any third party operator engaged by the Owner be required to obtain such a licence.

## ARTICLE SEVEN LIQUOR LICENCE

- 7.1 The Owner of any Hotel Establishment licensed in accordance with this Decision, may apply for a Liquor Licence in respect of that Hotel Establishment.
- 7.2 In order to obtain a Liquor Licence for a Hotel Establishment the relevant Owner must make an application to the Dubai Police.

## ARTICLE EIGHT EMPLOYMENT AND TOURIST VISAS

- 8.1 The Employment Regulations shall apply to all employees engaged by the Owner.
- 8.2 Upon the incorporation and licensing of the Owner under the "Administration Office" activity pursuant to Article 4.1 above, the Owner shall be entitled to a maximum of fifteen (15) employment visas under the Employment Regulations.
- 8.3 The maximum allocation of employment visas which an Owner shall be entitled to obtain in respect of any Hotel Establishment shall be determined by the Authority in accordance with the table below, based on the projected number of guest rooms within such Hotel Establishment.

	Hotel			Hotel Apartment		Guest House
	5 Star	4 Star	3 Star	Deluxe	Standard	
Employment Visa Quota (Staff per room)	1.65	1.2	0.8	0.75	0.75	0.75

- 8.4 The Owner shall be permitted to apply for the full allocation of employment visas upon completion of 70% of construction of the Hotel Establishment, as evidenced by a certificate from the Zoning Division.
- 8.5 The Owner shall submit a copy of the Operating Agreement to the Authority together with any application for employment visas. As the Hotel Establishment may not have been Classified at

the time of any such application, the Authority shall, at its sole discretion, determine both the maximum number of permissible employment visas and the number of employment visas allocated to the Owner. The Authority shall use the Operating Agreement to assist the Authority in determining the likely Classification of and projected total number of guest rooms in the Hotel Establishment.

- 8.6 At the time of issuance of the Hotel Licence, if the Classification or the final number of guest rooms in the Hotel Establishment differs from the initial projection used by the Authority pursuant to Article 8.5, the Authority may adjust the Owner's employment visa allocation.
- 8.7 Transit and tourist visas for guests of a Hotel Establishment must be arranged by the Owner through the DNRD, and not through the Authority. The Authority may assist the Owner to obtain an immigration card at the DNRD. Prior to the Authority providing any assistance to the Owner in this regard, the Hotel Establishment shall provide the Authority with a letter, on the Authority's standard form, undertaking that the Owner will only use such DNRD immigration card for transit and tourist visas and not for employment or visit visas.

#### **ARTICLE NINE FOOD, BEVERAGE AND RETAIL OUTLETS IN A HOTEL ESTABLISHMENT**

- 9.1 Outlets in Hotel Establishments which are owned and operated by the Owner shall not be required to obtain a separate Free Zone license unless such Outlet is not a pre-requisite of the Hotel Establishment's Classification.
- 9.2 Any Outlet not exempted pursuant to Article 9.1 shall be required to obtain a separate Free Zone licence, in accordance with the Licensing Regulations.
- 9.3 All outlets in a Hotel Establishment are subject to obtaining appropriate approvals and permits from Dubai Municipality and any other relevant government authorities.

#### **ARTICLE TEN WASTE DISPOSAL**

- 10.1 All Hotel Establishments within the Free Zone are mandatorily required to pay the Dubai Municipality waste management fee as per the Dubai Municipality tariff.

#### **ARTICLE ELEVEN HOTEL LICENCE FEE**

- 11.1 The Hotel Licence Fee one of the following amounts, based on the Classification of the Hotel Establishment:

Hotel – 3 Star	AED 20,000
Hotel – 4 Star	AED 30,000
Hotel – 5 Star	AED 45,000
Hotel Apartment – Standard	AED 20,000
Hotel Apartment – Deluxe	AED 25,000
Administration Office	AED 15,000

Guest House	AED 15,000
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## **ARTICLE TWELVE TELECOMMUNICATION SERVICES**

- 12.1 In order to compliment the telecommunications services offering in the Free Zone, each Hotel Establishment shall obtain telecommunication services through the Authority's designated telecommunications services provider.

## **ARTICLE THIRTEEN ENTERTAINMENT ACTIVITIES**

- 13.1 All Outlets within a Hotel Establishment that provide entertainment shall comply with the requirements of the DTCM and the Dubai Police with respect to the provision of any such entertainment and shall obtain all relevant permits, permissions and approvals as may be required for any particular entertainment activity. For the avoidance of doubt, the Authority shall not levy any additional fee with respect to entertainment conducted inside a Hotel Establishment.

This Decision shall come into effect on the date of its issuance. Nothing in this Decision shall exempt any Hotel Establishments from compliance of any relevant and applicable federal and local laws.

**AHMAD BINBYAT**

Director General of the  
Dubai Technology and Media Free Zone Authority

Issued in Dubai on August 28, 2012