



EMPIRE TOWER - LEGAL FAQ (Provided by Clyde & Co)

Q: Can I own property in Abu Dhabi?

A: Current Abu Dhabi law provides that nationals of the United Arab Emirates and corporate bodies wholly owned by them may own land anywhere in Abu Dhabi.

Nationals of other Gulf Cooperation Council States (namely the Kingdom of Saudi Arabia, Kuwait, Bahrain, Qatar and Oman) and corporate bodies wholly owned by them may own land within designated "Investment Areas" in Abu Dhabi, such as Reem Island and Al Raha Beach.

Nationals of other countries and corporate bodies owned by them may invest in property in an Investment Area.

Q: What is an "Investment Area"?

A: An Investment Area is an area designated as such by the relevant authorities. Existing Investment Areas include Reem Island and Al Raha Beach.

Q: What is a musataha?

A: A musataha is a type of ground development lease provided for under UAE law. Essentially, it is a lease of land with a right to build. The terms of the musataha can provide that the building will be owned by the musataha holder.

Q: What are my common obligations as a buyer?

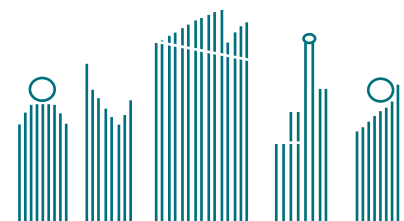
A: The particular obligations of a buyer will depend on the terms of the relevant sale contract. Typically, a sale contract will have rules and regulations relating to the use of the property, and provision for ongoing and special service charges payable to the owner of the building, the master developer and any applicable authority. Also, in the case of leases, the lease will typically provide that any transfer of the lease will require the landlord's consent.

Q: What is my position in respect of inheritance?

A: The law provides that in the event of a death of a registered owner of a property or lease, the property or lease shall be registered under the name of the deceased's heirs, after the latter's submission of legal documents proving their right of inheritance of the property or lease.

Q: What fees are payable on registration?

A: The registration fee payable on a transfer of real property is 2% of the value of the real estate. The registration fee payable on registration of a lease is 1% calculated according to the rental of one year, except where the lease is of government owned land in which case the registration fee is AED 1,000.





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Q: Do I have to pay any tax on a sale of my property?

A: Currently, there are no taxes applicable on any capital gains made upon a sale of a property, nor on any rental income derived by a property owner.

Q: Can I take out a loan to buy my property?

A: Yes. There are many lenders which provide mortgage finance to buyers. These include local banks, financial companies and international banks. There is a registration fee payable on a mortgage equal to 0.001% of the value of the mortgage.

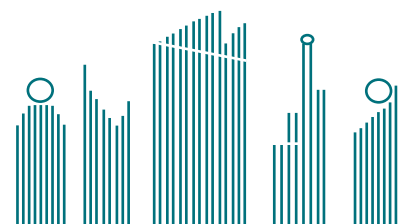
Q: Do I need a lawyer to buy a property?

A: Strictly speaking no, although a buyer may feel more comfortable having a lawyer or legal consultant explaining the buying and selling process and reviewing the transaction documents.

Q: Will I be entitled to a residence visa when buying a property?

A: The issue of visas is a matter for the relevant Federal immigration authorities. Buying a property in Abu Dhabi will not automatically entitle you to a residence visa in Abu Dhabi. There is a variety of visit and tourism visas either granted on arrival or subject to prior application.

Note: The advice set out in this FAQ is intended as a general summary of the law as at 5 April 2007. In some cases, gazetted copies of the law have not been released, so the above summary is based on unofficial translations of the law. Individual readers should contact a legal consultant for legal advice relating to their particular circumstances.



Disclaimer: All information on this fact sheet is accurate at the time of publication and is subject to change or revision without notice. The contents do not form part of or constitute a representation or warranty and should be treated as a guide only.

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