

Undeveloped Commercial Land Regulations 2026

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UNDEVELOPED COMMERCIAL LAND REGULATIONS 2026

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The Board of Directors of the Abu Dhabi Global Market, in exercise of its powers under Article 6(1) of Law No. (4) of 2013, as amended, concerning the Abu Dhabi Global Market issued by His Highness the Ruler of the Emirate of Abu Dhabi, hereby enacts the following Regulations:

PART 1 - SCOPE AND CLASSIFICATION

1 Application

- (1) These Regulations apply to all plots of land within the jurisdiction of Abu Dhabi Global Market that meet the following criteria:
 - (a) the plot of land is designated for commercial use in accordance with section 2;
 - (b) the Critical Infrastructure has been established for the plot of land; and
 - (c) the plot of land is classified as undeveloped within the meaning of section 3.
- (2) A plot of land that meets all of the criteria set out in section 1(1) is a "Relevant Plot" for the purpose of these Regulations.

2 Meaning of commercial use

- (1) A plot of land is designated for "commercial use" if the land use designation assigned by the Competent Authority states that the primary use of the land is commercial, including land designated for retail, office, hospitality or mixed-use development where commercial use is designated as the primary use of the plot.

3 Meaning of undeveloped

- (1) A Relevant Plot shall be classified as "undeveloped" and shall remain subject to the applicable Undeveloped Land Fee unless and until the Plot Owner provides the Registrar with satisfactory evidence that:
 - (a) a Permit Application has been submitted to the Competent Authority in accordance with section 5(2);
 - (b) a Notice of Commencement has been obtained from the Competent Authority following issuance of a Building Permit in accordance with section 6(2); and
 - (c) physical construction works on the Relevant Plot have commenced within sixty (60) days of the Notice of Commencement in accordance with section 7(1).
- (2) A Relevant Plot that has met the requirements in section (1)) shall be reclassified as "undeveloped", and shall be subject to the Undeveloped Land Fee, where:
 - (a) the Building Permit lapses, expires or is revoked prior to the Notice of Completion in accordance with section 6(4); or

- (b) the Plot Owner fails to comply with the continuous progress obligations in accordance with section 8).
- (3) An Undeveloped Land Fee may arise on one or more occasions during any period in which a Relevant Plot is classified as undeveloped, and each occurrence of a circumstance giving rise to an Undeveloped Land Fee shall constitute a separate Undeveloped Land Fee trigger for the purposes of these Regulations.

PART 2 - GRACE PERIOD AND PERMIT APPLICATION

4 Grace Period

- (1) The Grace Period is the period within which a Plot Owner must submit a Permit Application to the Registrar. It begins on the date a plot of land becomes a Relevant Plot and ends six (6) calendar months after that date. Where a plot of land is a Relevant Plot on the Effective Date, the Grace Period begins on the Effective Date.

5 Permit Application

- (1) Each Plot Owner must submit a valid and complete Permit Application to the Competent Authority within the Grace Period.
- (2) The Plot Owner must provide the Registrar, in such form, manner and timing that may be prescribed from the Registrar from time to time, with written evidence that the Permit Application has been submitted to the Competent Authority. The Plot Owner is responsible for demonstrating compliance with section (1)).
- (3) The Registrar may verify any information provided by the Plot Owner with the Competent Authority. In the event of any discrepancy between the evidence provided, the information provided by the Competent Authority shall prevail.
- (4) Where a Plot Owner fails to satisfy the Registrar that a valid and complete Permit Application was submitted to the Competent Authority within the Grace Period, the Undeveloped Land Fee shall be triggered on the calendar day immediately following the expiry of the Grace Period. The Undeveloped Land Fee shall continue to apply until the Plot Owner satisfies the Registrar that a valid and complete Permit Application has been submitted to the Competent Authority.

PART 3 - BUILDING PERMIT AND NOTICE OF COMMENCEMENT

6 Building Permit and Notice of Commencement

- (1) The Plot Owner must submit the Building Permit to the Registrar within seven (7) calendar days of the date on which it is issued by the Competent Authority.
- (2) The Plot Owner must submit the Notice of Commencement to the Registrar within thirty (30) calendar days of its issuance by the Competent Authority. If the Competent Authority does not issue a separate Notice of Commencement, the Plot Owner must submit such evidence of commencement approval or authorisation as the Registrar may require within thirty (30) calendar days of that approval or authorisation being granted or from the date of the issuance of the Building Permit from the Competent Authority.

- (3) If the Plot Owner fails to comply with section (2)), the Undeveloped Land Fee shall be triggered on the calendar day immediately following expiry of the relevant period. The Undeveloped Land Fee shall continue to apply until the Plot Owner provides the Notice of Commencement or such other evidence as the Registrar may require.
- (4) If a Building Permit expires, lapses or is withdrawn for any reason prior to the Notice of Completion, the Undeveloped Land Fee shall be triggered or re-applied on the date of the expiry, lapse or withdrawal. The Undeveloped Land Fee shall continue to apply until the Plot Owner provides evidence satisfactory to the Registrar that the Building Permit has been renewed, reinstated or replaced, or a new Building Permit has been issued.

7 Commencement of construction

- (1) The Plot Owner must commence physical construction works of a Building or Buildings on the Relevant Plot within sixty (60) days of issuance of the Notice of Commencement. Where a Notice of Commencement was issued before the Effective Date and physical construction works had not commenced before the Effective Date, the sixty (60) day period shall commence on the Effective Date.
- (2) If the Plot Owner fails to comply with section 7(1), the Undeveloped Land Fee shall be triggered on the calendar day immediately following expiry of the applicable sixty (60) day period referred to in section (1)). The Undeveloped Land Fee shall continue to apply until the Plot Owner provides evidence satisfactory to the Registrar that physical construction works have commenced.
- (3) For the purposes of section (1)), physical construction works shall be interpreted as commencing on the first day on which construction workers are mobilised and physical construction activities begin on the Relevant Plot. The Registrar may require the Plot Owner to provide evidence that construction has begun pursuant to section 7(1).

8 Continuous progress

- (1) Following commencement of construction, the Plot Owner must ensure that the construction of a Building or Buildings proceeds with reasonable diligence. The Registrar may require the Plot Owner to submit progress reports, supported by inspection certificates issued by inspectors authorised by a Competent Authority or the Registrar, to verify compliance with these Regulations.
- (2) If construction works on a Relevant Plot cease for a period of ninety (90) consecutive days, the Plot Owner must notify the Registrar in writing within fourteen (14) days of such cessation and confirm:
 - (a) the reason(s) for the cessation;
 - (b) the expected duration of the cessation; and
 - (c) the steps being taken to recommence construction works.
- (3) Upon receipt of a notice under section (2)), the Registrar shall determine whether the cessation of construction works is justified. A cessation may be justified where it results from among other things:

- (a) a Competent Authority Delay;
 - (b) site safety issues;
 - (c) replacement of a contractor responsible for the construction works;
 - (d) an extraordinary, unforeseeable, and unavoidable event or circumstance beyond the Plot Owner's reasonable control; or
 - (e) any other circumstance supported by evidence provided by the Plot Owner and accepted by the Registrar. The Registrar may require the Plot Owner to provide such further information or evidence for the purposes of making such determination.
- (4) Where the Registrar determines that a cessation is justified in accordance with section (3)), the Registrar may direct that no Undeveloped Land Fee is payable in respect of the cessation for such period as the Registrar determines is appropriate to allow construction works to recommence.
- (5) Where the Registrar determines that a cessation is not justified in accordance with section (3)), the Undeveloped Land Fee shall be triggered or re-applied on the ninety-first (91st) consecutive day of cessation. The Undeveloped Land Fee shall continue to apply until the Plot Owner provides evidence satisfactory to the Registrar that construction works have recommenced.

PART 4 – UNDEVELOPED LAND FEE

9 Undeveloped Land Fee

- (1) The Undeveloped Land Fee is a fee applied or reapplied to a Relevant Plot in accordance with these Regulations and shall be calculated in accordance with section 9(2).
- (2) The Undeveloped Land Fee is calculated as two (2) percent of the Fair Market Value of the Relevant Plot.
- (3) The Undeveloped Land Fee is payable in full and is not subject to any reduction, apportionment or discount where any part of the Relevant Plot is used for a non-commercial purpose.
- (4) Where an Undeveloped Land Fee remains unpaid for thirty (30) calendar days after its due date, the Registrar may recover the outstanding amount as a debt due to it, subject to any direction of the ADGM Courts.

10 Fair Market Value

- (1) A Plot Owner may challenge the Fair Market Value assessment by submitting within thirty (30) days of the date of the relevant valuation, an independent valuation prepared by a property valuer approved by the Registrar together with any supporting evidence.
- (2) Where a Plot Owner challenges the Fair Market Value assessment pursuant to section 10(1), the Registrar shall have regard to the ADGM Value assessment, the

independent valuation and any supporting evidence when determining the Fair Market Value of the Relevant Plot.

- (3) The Fair Market Value of a Relevant Plot shall be reassessed annually by the Registrar using the ADGM Value system on the anniversary of each Undeveloped Land Fee being imposed on a Relevant Plot.

PART 5 – EXEMPTIONS AND EXTENSIONS

11 Extension in connection with transfer of Relevant Plot

- (1) The Registrar may, following an application by a Plot Owner, extend the Grace Period in respect of a Relevant Plot by a period not exceeding six (6) months where the Registrar is satisfied that:
 - (a) a Relevant Plot has been transferred to a new Plot Owner; and
 - (b) the transfer was effected for a bona fide commercial purpose and not for the purpose of avoiding, delaying, circumventing, or otherwise extending compliance with these Regulations.
- (2) A Plot Owner shall not be entitled to an extension under section 11(1) where the Registrar determines that the transfer of the Relevant Plot:
 - (a) was made between related parties;
 - (b) forms part of a series of repeated or successive transfers; or
 - (c) lacks a bona fide commercial purpose.

12 Exemption for legal and administrative impediments

- (1) A Plot Owner may apply to the Registrar for an exemption from the Undeveloped Land Fee where an Undeveloped Land Fee occurs due to a legal or administrative impediment preventing the development of the Relevant Plot. The application must explain the relevant impediment, include supporting evidence, and be submitted as soon as reasonably practicable after the relevant impediment has occurred and, in any event, within ten (10) Business Days of the Undeveloped Land Fee being imposed, or such longer period as the Registrar may permit at his discretion.

13 Extension due to Competent Authority Delays

- (1) The Plot Owner must notify the Registrar within five (5) Business Days of becoming aware of a Competent Authority Delay and provide the Registrar with such supporting evidence and any other information the Registrar may require.
- (2) If a Permit Application is returned by the Competent Authority with comments after the expiry of the Grace Period due to factors beyond the Plot Owner's control, then, if the Registrar is satisfied that the delay resulted from a Competent Authority Delay, the Registrar shall extend the Grace Period by such period as the Registrar considers appropriate having regard to all relevant circumstances.

14 Registrar's discretionary power

- (1) Upon application by a Plot Owner, the Registrar may, in writing to the Plot Owner, disapply, vary, extend, or otherwise amend any obligation, fee, or deadline under these Regulations where the Plot Owner demonstrates, to the satisfaction of the Registrar, that exceptional circumstances justify such relief.
- (2) When considering whether to exercise its discretion under section 14(1) the Registrar shall have regard to all relevant circumstances including, without limitation:
 - (a) the nature of the application, including whether the circumstances giving rise to the application were beyond the Plot Owner's reasonable control;
 - (b) the steps taken by the Plot Owner to comply with these Regulations;
 - (c) the nature, extent and duration of the relief sought;
 - (d) the objective of these Regulations to discourage prolonged inactivity in the development of commercial land;
 - (e) the evidence provided by the Plot Owner; and
 - (f) any other circumstances the Registrar considers relevant.

PART 6 – CONTRAVENTIONS AND SANCTIONS

15 Contraventions and sanctions

- (1) If the Registrar considers that a Plot Owner has contravened a relevant requirement of these Regulations, it may take any or all of the following courses of action in relation to the Plot Owner –
 - (a) it may impose on the provider any enforcement actions set out in Part 8 of the Administrative Regulations in relation to such contravention; and/or
 - (b) enter into an enforceable undertaking in accordance with section 32 of the Administrative Regulations.
- (2) A contravention continues until the Plot Owner has remedied the non-compliance to the satisfaction of the Registrar, to the extent capable of remedy.
- (3) Each contravention of these Regulations is considered a separate offence and may be subject to a separate Fine which shall not exceed the amount specified for Level 9 on the Fines Scale.
- (4) Where the Registrar proposes an enforcement action under section 15 (1), it shall follow the procedure for Tier 1 or Tier 2 Contraventions (as applicable) under Part 7 of the Administrative Regulations 2025.

16 False statements

- (1) A person contravenes these Regulations if they knowingly or recklessly:

- (a) deliver, or cause to be delivered, to the Registrar any document; or
 - (b) make a statement (directly or indirectly) to the Registrar,
- that is misleading, false or deceptive in any material respect.
- (2) A person who contravenes section (1)) shall be liable to a Fine not exceeding level 9 on the Fines Scale.

PART 7 – GENERAL

17. General Powers of the Registrar

- (1) The Registrar shall administer these Regulations and perform the functions and exercise the powers assigned to him under these Regulations and any subordinate legislation issued under these Regulations.
- (2) The Registrar may make rules with respect to the administration and application of these Regulations in the Abu Dhabi Global Market.
- (3) The Registrar has the authority to prescribe such forms as it considers necessary for the purpose of these Regulations and may approve and issue such guidance, circulars or directions as are required for the proper administration of these Regulations.
- (4) The Registrar has the power to monitor (including by means of inspections) the Relevant Plot for compliance with these Regulations, and any subordinate legislation, circulars or directions issued under these Regulations, at such time and place as may reasonably be specified by the Registrar, and to impose and enforce fines or other sanctions for contraventions.
- (5) The Registrar has the power to do whatever the Registrar determines necessary to carry out its functions under these Regulations. The Registrar will exercise its powers and discharge its responsibilities as set out in these Regulations in each case in accordance with the established principles of natural justice, ensuring that its actions are fair and transparent.

18. Interpretation

- (1) In these Regulations, unless the context indicates otherwise, the defined terms listed below shall have the corresponding meanings:

"ADGMValue" means the valuation system maintained by the Registrar for the purpose of determining the Fair Market Value of plots within Abu Dhabi Global Market.

"Board" means the Board of Directors of Abu Dhabi Global Market as constituted by Article 4 of Abu Dhabi Law No. (4) of 2013 Concerning Abu Dhabi Global Market, as amended.

"Building" or "Buildings" means a permanent structure affixed to land and constructed under a Building Permit, whether completed or under construction.

"Building Permit" means the building permit issued by the Competent Authority in respect of a plot of land.

"Business Day" means a day (other than a Saturday, Sunday, or public holiday in the United Arab Emirates) on which banks are open for general business in the Emirate of Abu Dhabi.

"Competent Authority" means any UAE or Emirate of Abu Dhabi governmental or regulatory authority.

"Competent Authority Delay" means a delay caused by a Competent Authority that is not attributable to the Plot Owner.

"Critical Infrastructure" means the roads, utilities and other infrastructure necessary to service and enable the development of a Relevant Plot.

"Effective Date" means the date on which these Regulations are published and come into force.

"Fair Market Value" means the fair market value of a Relevant Plot assessed by the Registrar in accordance with section 10.

"Fines Scale" means the standard fines scale set out at Schedule 1 of the Administrative Regulations 2025 which may be updated by the Board of Directors from time to time.

"Grace Period" has the meaning given to it in section 4(1)).

"Notice of Commencement" means the notice or approval issued by the Competent Authority confirming the commencement of construction works.

"Notice of Completion" means the notice or approval issued by the Competent Authority confirming the completion of construction works.

"Permit Application" means an application submitted to the Competent Authority for the issuance of a Building Permit in respect of a Relevant Plot.

"Plot Owner" means the registered owner of a Relevant Plot.

"Regulations" means these Undeveloped Commercial Land Regulations 2026.

"Relevant Plot" has the meaning given to it in section 1(2)).

"Undeveloped Land Fee" has the meaning given in section 9(1) and may be applied or reapplied in accordance with sections 5(4), 6(3), 6(4), 7(2) and 8(5).

19. Short title and commencement.

- (1) These Regulations shall come into force on the date of their publication.
- (2) The Board may make such transitional, transitory, consequential, saving, incidental or supplementary provisions in connection with these Regulations as it considers appropriate.
- (3) These Regulations may be cited as the Undeveloped Commercial Land Regulations 2026.