

# Landlords must return security fund



## LEGAL VIEW Ashish Mehta

*My real estate agent is refusing to return the security deposit even after I moved to another flat. I had completed two years of my contract and the company used to collect security deposit amounting Dh2,600 per annum. The former real estate agent is refusing to pay back the amount citing 'cheque bounce' on two occasions. The cheque bounce happened because it was deposited back to my account. However, the payment was done the same day. I have e-mails and other proof to show that I had sufficient fund in the account. Another cheque bounce happened when my signature was not recognised, but again the amount was deposited electronically the same day. All this happened during the second year of my contract. There were absolutely no issues in the first year with the agent.*

*The real estate simply mentions 'as per contract because of A9.a'.*

*The clause seems to be a tactic as the real estate agent can intentionally make a "cheque dishonor" for anyone who does*

*not go for legal actions. Is this clause binding? What are my legal options?*

It is assumed that the residential flat is situated in the emirate of Dubai. The agent representing your landlord must return your security deposit amount upon termination of your tenancy contract in accordance with Article 20 of Law No. 26 of 2007 Regulating the Relationship between Landlords and Tenants in the Emirate of Dubai, which states: "When entering into a lease contract, the landlord may obtain from the tenant a security deposit to ensure maintenance of the real property upon the expiry of the lease contract, provided the landlord undertakes to refund such deposit or remainder thereof to the tenant upon the expiry of the lease contract."

The terms and conditions mentioned in the contract should be in accordance with the provision of the prevailing laws of the emirate of Dubai, failing which such terms shall be null and void.

The real estate agents in Dubai are regulated by bylaw No 85 of 2006 regulating the Real Estate Brokers Register in the Emirate of



### KNOW THE LAW

Without prejudice to any penalty prescribed by applicable laws, the committee may impose any of the following penalties on any real estate broker who violates this bylaw or the resolutions or instructions issued – notice, warning, suspension of activities for up to six months, or blacklisting

Dubai (the 'Real Estate Agent Law'). Further, the agent should refund your security deposit amount to you in accordance with Article 21 of the Real Estate Agent Law, which states that: "A real estate broker will be deemed the trustee of any amounts, securities, bonds or any other items delivered to him by any of the parties for safekeeping or for delivery to the other party.

"The broker must deliver such items as agreed and will be bound

by the relevant trusteeship rules." In the event the agent does not refund your security deposit, you may approach the Real Estate Regulatory Agency and the Rental Dispute Centre in Dubai to file a complaint against the agent.

And if the decision by the said authorities is pronounced in your favour, the said agent would have to bear the consequences as mentioned in Article 39 of the Real Estate Agent Law which states: "Without prejudice to any penalty prescribed by applicable laws, the committee may impose any of the following penalties on any real estate broker who violates this bylaw or the resolutions or instructions issued – notice, warning, suspension of activities for up to six months, or blacklisting."

### Ban is legal if mentioned in contract

*I am a Dubai Taxi driver. I joined this company four months ago. But I submitted my resignation since I have a back problem. I cannot drive as of now and my visa is from RTA Dubai Taxi for three years and my contract is also for three years. Will there be a ban on me for one year, and should I have to pay the visa cost to my employer? Further, the com-*

*pany holds my passport and I am still undergoing treatment in Dubai under the health insurance issued by them.*

As your visa is issued by the General Directorate of Residency and Foreigners Affairs in Dubai (the Immigration Department), the Federal Law No. 8 of 1980 regulating Employment Relations in the UAE, shall not be applicable. However, the terms of contract signed between you and the RTA shall be applicable on you. In the event your employment contract states that there would be an employment ban imposed on you for quitting the employment before the completion of one year of continuous employment, then a ban may be imposed at the discretion of your employer. In accordance with the prevailing regulations in the UAE, visa costs are to be borne by the employer and the employer should not retain the passport of the employee without the consent of the employee.

Ashish Mehta is the founder and Managing Partner of Ashish Mehta & Associates. He is qualified to practise law in Dubai, the United Kingdom, Singapore and India. Full details of his firm on: [www.amalawyers.com](http://www.amalawyers.com). Readers may e-mail their questions to: [news@khaleejtimes.com](mailto:news@khaleejtimes.com) or send them to Legal View, Khaleej Times, PO Box 11243, Dubai.