

Contract should have actual rental amount



LEGAL VIEW ASHISH MEHTA

Q: I am a Sharjah resident. My tenancy contract will be expiring soon and I'm searching for a new apartment. I am facing a peculiar issue as some landlords want to make a tenancy contract with an annual rent that is higher than the actual rent. For example, they will give me a flat with an annual rent of Dh50,000, with a tenancy contract that states the rent as Dh55,000. I would have to pay only Dh50,000 for the first year. If the "market conditions improve", I would have to pay Dh55,000 from the following year. Is this legal? Further, the real estate agency will be charging two types of commission — one as 'office commission' and the other as 'agent commission'. To whom should I complain against such practices?

A: Pursuant to your queries, the relation between the landlord and the tenancy in the emirate of Sharjah is governed by the Sharjah Law No. 2 of 2007 regulating the relationship between landlord and tenant in the Emirate of Sharjah (the 'Sharjah Rent Law'). It should be noted that the actual rent to be paid and the rent mentioned in the contract should be the same. The said proposal of mentioning higher amount in the tenancy contract may be due to the prevailing rental laws in the

emirate of Sharjah whereby the rent cannot be increased for first three years of tenancy contract in accordance with Article 13 of the Sharjah Rent Law, which states, "a) The landlord may not for any reason whatsoever increase the rent agreed upon before the expiration of three years from the date of signature of the lease contract.

b) The increase in the rent after the expiry of the period referred to above shall be of equivalent value.

c) The rent increase agreed upon may not be increased even once until after the expiration of two years as of the date of the first increase."

Further, a real estate agency cannot collect its commission under separate heads as 'office commission' and 'agent commission'.

You may approach Rental Dispute Committee based in Sharjah Municipality and file a complaint against the landlord if he is pressing on to add higher value of rent in tenancy contract and against the real estate agency for demanding higher commission as stated hereinabove.

Liquidate company before leaving UAE

Q: My son is an investor in a company registered in Dubai and holding a partner visa from the firm. The business is not doing well and is in a bad shape. My son wants to exit Dubai. If he stays in his home country for more than six months, will his visa get cancelled automatically? His name appears on the licence of the company, too. Will that also get cancelled? He is also an authorised signatory to the company's bank account. What will be the best thing to do here to avoid any

Know the law



A person, who is an investor in a company here and is leaving the UAE, can transfer and sell his shares to other partner(s) or to a third party.

legal consequences? Can he enter UAE again without any issues.

A: Your son may liquidate the company and close the bank account and cancel his visa, before travelling to his home country. Alternatively, if the entity is a limited liability company, he could transfer and sell his shares to other partner(s) or to a third party, if such other partner(s) or a third party. Upon transfer of his shares, the company could change the signatory of the bank account of the firm.

Further, if he does not liquidate the company before his departure, he could give power of attorney to any person to liquidate it. If he leaves the country without liquidating and continuously stays outside the UAE for more than 6 months, his visa should automatically be cancelled. In the event he leaves the UAE without cancelling his visa and it is not automatically cancelled, he will have to get it done at the office of General Directorate of Residency and Foreigners Affairs, upon his return to the UAE.

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