Regulation No. (2) of 2006
Concerning the Municipality Fee on
Sales of Hotel Establishments
in the Emirate of Dubai

We, Hamdan bin Mohammed bin Rashid Al Maktoum,
Chairman of the Executive Council,

After perusal of Law No. (3) of 2003 Establishing the
Executive Council of the Emirate of Dubai;

Law No. (18) of 2006 Concerning the Management and
Realisation of Public Funds of the Government of Dubai;

Local Order No. (2) of 2003 Concerning the Municipality Fee
Imposed on Hotel Establishments;

Local Order No. (3) of 2002 Concerning Evasion of
Municipality Fee;

Local Order No. (3) of 2000 Concerning the Municipality Fee
on Hotel Apartments and Guest Houses in the Emirate of
Dubai; and

Resolution No. (7) of 1998 Concerning Collection of a
Municipality Fee from Hotels and Furnished Apartment
Complexes;

Do hereby issue the following Regulation:

Article (1)

This Regulation shall be cited as: “Regulation No. (2) of 2006
Concerning the Municipality Fee on Sales of Hotel
Establishments in the Emirate of Dubai”.

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1 Every effort has been made to produce an accurate and complete English version of this legislation. However, for
the purpose of its interpretation and application, reference must be made to the original Arabic text. In case of
conflict the Arabic text shall prevail.

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Article (2)

The following words and expressions shall have the meanings indicated opposite each of them unless the context implies otherwise:

State: The United Arab Emirates
dولة: دولة الإمارات العربية المتحدة.

Emirate: The Emirate of Dubai
الإمارة: إمارة دبي.

Municipality: Dubai Municipality
البلدية: بلدية دبي.

Municipality Fee: The Municipality fee imposed on the Sales of Hotel Establishments
رسوم البلدية: رسم البلدية المفروض على مبيعات المنشآت الفندقية.

Sales: Revenues of Hotel Establishments from services rendered to their guests and visitors. These shall include, inter alia, charges of rooms or hotel apartments, prices of food and beverage.
المبيعات: إيرادات المنشآت الفندقية من الخدمات التي تقدمها لزائريها، وتشمل أجرة الغرف أو السمان الفندقية وأسعار الطعام والشراب وغيرها من الخدمات الأخرى.

Hotel Establishment: Establishment required to pay the Municipality Fee as specified in this Regulation.
المشأة الفندقية: المشأة المكلفة بإئاد رسم البلدية والمحذدة في هذا النظام.

Article (3)

Pursuant to this Regulation a fee on Sales of Hotel Establishments operating in the Emirate shall be collected, which shall be called "Municipality Fee". The Municipality Fee shall be calculated at the rate of 10% of the total Hotel Establishments monthly sales to their guests and visitors.

المادة (3)

يرجى بموجب هذا النظام، سيتم جمع رسوم المنشآت الفندقية العامة في الإمارة، والتي سمي رسم البلدية. يتم حسابها على أساس 10% من إجمالي مبيعاتها الشهرية لزائريها ومشترياتها.

Article (4)

For the purpose of implementing the provisions of this Regulation, the words “Hotel Establishments” shall include:

المادة (4)

تُعتبر من المنشآت الفندقية لغاتي تطبيق أحكام هذا النظام:

1. Hotels, hotel apartments, guest houses and their various facilities;

2. Restaurants and night clubs situated within the Establishments referred to in the preceding clause, which carry out their activities under separate licences independent of the licences of the Hotel Establishments;

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3. Restaurants licensed to serve alcoholic drinks, including restaurants affiliated with clubs or any other entities;

4. Any entity whose activity includes providing or serving alcoholic drinks to others; and

5. Any entity licensed to operate the business of land tours and cruises in the Emirate and whose activity includes serving alcoholic drinks.

Article (5)

A Hotel Establishment must abide by the following:

1. Deposit the Municipality Fees collected or due to be collected with the Municipality prior to the sixteenth day of the month following the date of collecting these Fees;

2. Keep regular accounting books and records in which all operations are recorded in accordance with Generally Accepted Accounting Principles;

3. Maintain the accounting records for a minimum period of five (5) years;

4. Display the Municipality Fee and the service charge, if any, on the contract or invoice issued by the Hotel Establishment to the guest or visitor. Such Fee and charge shall be recorded in all its documents, accounting books, records and financial systems used by the Hotel Establishment;

5. Prepare a monthly statement of all sales and submit it to the Municipality at the due date;

6. Have its final accounts, at the end of each financial year, verified by an auditor licensed to practise in the State; and

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7. Provide the Municipality with the final accounts and the balance sheets no later than six (6) months starting from the end of the Hotel Establishment's financial year.

The records and statements prepared and submitted by these Hotel Establishments shall be regarded as conclusive evidence against them in respect of the data and information set out therein.

Article (6)

A Hotel Establishment shall be considered in evasion of the Municipality Fee if it commits one or more of the following acts:

1. Failure to pay the due Municipality Fee within the period specified under Article (5) of this Regulation;

2. Failure to collect or pay the Municipality Fee on any of its Sales;

3. Failure to submit the approved final accounts and balance sheet within the specified time;

4. Failure to include all its sales in the accounting books and records;

5. Failure to keep accounting books and records in accordance with Generally Accepted Accounting Principles or failure to maintain its accounting records for a minimum period of five (5) years;

6. Manipulation of accounting data or providing incorrect, incomplete or forged information, records or statements;

7. Hindering or preventing the authorised Municipality officers from conducting audit; and

8. Any other act which would lead to evasion of the Municipality Fee.

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Article (7)

If a Hotel Establishment completely or partially suspends its activity, it shall not be charged the Municipality Fee provided that the Hotel Establishment gives immediate notification to the Municipality that it has suspended its activity and give the reason therefore. The notification must be in writing and accompanied by supporting documents.

If a Hotel Establishment resumes its activity, it shall notify the Municipality in writing no less than three (3) days prior to the date on which its activity is resumed.

Article (8)

Without prejudice to a higher penalty prescribed by any other legislation, a Hotel Establishment which violates the provisions of this Regulation or its implementing resolutions shall be subject to a fine in the amount which is specified in accordance with the attached Table of Violations and Fines. The amount of the Fine shall be doubled upon repetition of the same violation within one year from the date of the previous violation. However, it shall not exceed the maximum limits set out in the attached Table.

In addition to the prescribed fine, the Municipality may, in coordination with relevant authorities, take one or more of the following actions against the violating Establishment:

1. Close the Establishment for a period not exceeding three (3) months at a time; and

2. Cut off the water and electricity from the Establishment for a period not exceeding three (3) months.

Article (9)

The Municipality Officers assigned by the Director General of the Municipality shall have the capacity of Law Enforcement Officers to prove the acts committed in violation of the provisions of this Regulation and its implementing

المادة (7)

لا يستوفي رسم البلدية من المنشأة الفندقية في حال توقيتها كليًا أو جزئيًا عن ممارسة نشاطها، شريطة قيامها بإبلاغ البلدية فورًا بهذا التوقف وأسبابه بموجب كتاب حيوي معزز بالأوراق والمستندات التي تؤدي ذلك.

وفي حالة استئناف المنشأة الفندقية لمزاولة نشاطها، فإنه يجب عليها إخطار البلدية بذلك خطأ قبل ثلاثة أيام على الأقل من تاريخ استئناف نشاطها.

المادة (8)

مع عدم الإخلال بأية عقوبة أشد يقصدها أي تجريم آخر، تعاقب المنشأة الفندقية التي تخالف أحكام هذا النظام أو القرارات الصادرة تنفيذاً لأحكام مالية تحدد مقدارها وفقاً لجدول المخالفات والغرامات الملحقة بهذا النظام، وبدعاء مقدر الغرامة في حال ارتكاب ذات المخالفة خلال سنة واحدة من تاريخ ارتكاب المخالفة السابقة لها فيما لا يتجاوز الحدود القصوى المبينة في الجدول المذكور.

وبالإضافة إلى عقوبة الغرامة المقررة، يكون للبلدية بالتنسيق مع الجهات المعنية إتخاذ واحد أو أكثر من الإجراءات التالية بحق المنشأة المخالفة:

1. الإغلاق لمدة لا تزيد على ثلاثة أشهر في المرة الواحدة.

2. قطع خدمات المياه والكهرباء عنها لمدة لا تزيد على ثلاثة أشهر.

المادة (9)

يكون لموظفي البلدية الذين ينتمون إليها العام صفة أمورى الضبط القضائي في إثبات الأفعال التي تقع بالمخالفات لأحكام هذا النظام أو القرارات الصادرة

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resolutions. For this purpose, the Municipality officers may have access to Hotel Establishments; review their books, records, statements, documents, and financial systems; prepare in this respect the necessary auditing and violations reports; and keep safe any of these records and documents which are the subject matter of violation.

Article (10)

The Municipality may, for the purpose of implementing the provisions of this Regulation and its implementing resolutions, seek the assistance of government departments, public authorities and corporations in the Emirate, including police personnel. Such entities shall provide assistance upon request.

Article (11)

Nationals of the State shall be exempt from the Municipality Fee prescribed under this Regulation when holding their wedding parties in halls owned by Hotel Establishments.

Article (12)

Fees and Fines collected under this Regulation shall accrue to the Municipality treasury.

Article (13)

Effective as of the date this Regulation comes into force, Resolution No. (7) of 1998 and Local Orders No. (3) of 2000, (3) of 2002 and (2) of 2003 Concerning the Municipality Fee Imposed on Hotel Establishments, shall be repealed. In addition, any provision in any other legislation shall be repealed to the extent it contradicts the provisions of this Regulation.

Article (14)

The Director General of the Municipality shall issue the resolutions and bylaws necessary for implementation of this Regulation.
Article (15)

This Regulation shall be published in the Official Gazette and shall come into force three (3) months after the date of publication.

Hamdan bin Mohammed bin Rashid Al Maktoum

Chairman of the Executive Council

In case of any discrepancy between the Arabic and English texts, the Arabic text shall prevail.

Issued in Dubai on 25 Ramadan 1427 A.H.
Corresponding to 18 October 2006.

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<table>
<thead>
<tr>
<th>رقم</th>
<th>مقدار الجرامة</th>
<th>الفعل المخالف</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>عدم سداد رسوم البلدية المتاحة خلال المرصد المحلي (قبل اليوم السادس عشر من الشهر الذي يلي شهر الاستحقاق)</td>
<td>عموما لا تقل في حدها الأدنى عن (10٪) من قيمة الرسوم غير المفوع وذلك عند ارتكاب الجرامة لأول مرة ولا تزيد في حدها الأقصى عند مضاعفتها في حال معاوهة ارتكابها على (40٪) وفي جميع الأحوال يجب أن لا تقل قيمتها عن (1.000 درهم).</td>
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<tr>
<td>2</td>
<td>عدم استيام أو سداد رسوم البلدية عن أي من المبيعات</td>
<td>عموما لا تقل في حدها الأدنى عن (10٪) من قيمة الرسوم غير المفوع وذلك عند ارتكاب الجرامة لأول مرة ولا تزيد في حدها الأقصى عند مضاعفتها في حال معاوهة ارتكابها على (40٪) وفي جميع الأحوال يجب أن لا تقل قيمتها عن (1.000 درهم).</td>
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<tr>
<td>3</td>
<td>عدم تقديم الحسابات الختامية والميزانية المعمودية المعتمدة من مدقق حسابات محترف له بالعمل في الدولة في موعد أقصاه سنة أشهر من تاريخ نهاية السنة المالية للمساهمة.</td>
<td>عموما لا تقل في حدها الأدنى عن (60٪) وذلك عند ارتكاب الجرامة لأول مرة ولا تزيد في حدها الأقصى عند مضاعفتها في حال معاوهة ارتكابها على (20.000 درهم).</td>
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<td>4</td>
<td>عدم تضمين الدفائر والسجلات المحاسبية كافة مباعات المشتريات وتصدير ورسوم البلدية المستحق عليها.</td>
<td>عموما لا تقل في حدها الأدنى عن (60٪) وذلك عند ارتكاب الجرامة لأول مرة ولا تزيد في حدها الأقصى عند مضاعفتها في حال معاوهة ارتكابها على (20.000 درهم).</td>
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<tr>
<td>5</td>
<td>عدم سمك الدفاتر والسجلات المحاسبية وفقا لأصول المحاسبة المتبعة عليها أو عدم الاحتفاظ بسجلاتها المحاسبية خلال المدة المحددة.</td>
<td>عموما لا تقل في حدها الأدنى عن (60٪) وذلك عند ارتكاب الجرامة لأول مرة ولا تزيد في حدها الأقصى عند مضاعفتها في حال معاوهة ارتكابها على (20.000 درهم).</td>
</tr>
<tr>
<td>6</td>
<td>اقلاب في البيانات المحاسبية أو تقديم معلومات أو مسندات أو سجلات أو كشف غير صحيحة أو غير كاملة أو مزورة.</td>
<td>عموما لا تقل في حدها الأدنى عن (60٪) وذلك عند ارتكاب الجرامة لأول مرة ولا تزيد في حدها الأقصى عند مضاعفتها في حال معاوهة ارتكابها على (20.000 درهم).</td>
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<tr>
<td>7</td>
<td>عزلة أو منع موظف البلدية المختصين من التمرين بأعمال تنفيذ وتحصيل رسوم البلدية.</td>
<td>عموما لا تقل في حدها الأدنى عن (60٪) وذلك عند ارتكاب الجرامة لأول مرة ولا تزيد في حدها الأقصى عند مضاعفتها في حال معاوهة ارتكابها على (20.000 درهم).</td>
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<td>8</td>
<td>إدان أو فعل آخر من غير الأعمال المنصوص عليها في البنود السابقة من شأنه التهرب من دفع الرسوم المستحقة.</td>
<td>عموما لا تقل في حدها الأدنى عن (60٪) وذلك عند ارتكاب الجرامة لأول مرة ولا تزيد في حدها الأقصى عند مضاعفتها في حال معاوهة ارتكابها على (20.000 درهم).</td>
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<tr>
<td>Ser. No.</td>
<td>Violation</td>
<td>Fine</td>
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<td>---------</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
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<tr>
<td>1</td>
<td>Failure to pay the due Municipality Fee within the specified period (prior to the sixteenth day of the month following the month they become due)</td>
<td>A fine of no less than 10% of the unpaid Municipality Fee, in case the violation has been committed for the first time, and shall not exceed 40% in case of doubling the fine on repeating the same violation. In all cases, the fine amount shall be no less than 1000 Dhs.</td>
</tr>
<tr>
<td>2</td>
<td>Failure to collector pay the Municipality Fee for any Sales</td>
<td>A fine of no less than 10% of the unpaid Municipality Fee, in case the violation has been committed for the first time, and shall not exceed 40% in case of doubling the fine on repeating the same violation. In all cases, the fine amount shall be no less than 1000 Dhs.</td>
</tr>
<tr>
<td>3</td>
<td>Failure to submit the final accounts and the audited balance sheet approved by an auditor licensed to practise in the State within six (6) months starting from the end of the financial year of the Hotel Establishment</td>
<td>A fine of no less than 5000 Dhs, in case the violation has been committed for the first time, and not exceeding 20,000 Dhs in case of doubling the fine on repeating the same violation.</td>
</tr>
<tr>
<td>4</td>
<td>Failure to include all its sales and the due Municipality Fee in the accounting books and records</td>
<td>A fine of no less than 5000 Dhs, in case the violation has been committed for the first time, and not exceeding 20,000 Dhs in doubling the fine in case of repeating the violation.</td>
</tr>
<tr>
<td>5</td>
<td>Failure to keep the books and records of accounts in accordance with the Generally Accepted Accounting Principles or otherwise failure to keep the books and records of accounts within the specified time</td>
<td>A fine of no less than 5000 Dhs, in case the violation has been committed for the first time, and not exceeding 20,000 Dhs in case of doubling the fine on repeating the same violation.</td>
</tr>
<tr>
<td>6</td>
<td>Manipulating accounting statements, data or otherwise providing invalid, incomplete or forged information, documents, records or statements</td>
<td>A fine of no less than 10,000 Dhs, in case the violation has been committed for the first time, and not exceeding 40,000 Dhs in case of doubling the fine on repeating the same violation.</td>
</tr>
<tr>
<td>7</td>
<td>Hindering or preventing authorised Municipality officials from conducting audit and collecting the Municipality Fee</td>
<td>A fine of no less than 5000 Dhs, in case the violation has been committed for the first time, and not exceeding 20,000 Dhs in case of doubling the fine on repeating the same violation.</td>
</tr>
<tr>
<td>8</td>
<td>Any action other than those set out</td>
<td>A fine of no less than 5000 Dhs for</td>
</tr>
</tbody>
</table>
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