

Executive Council Resolution No. (2) of 2014

Approving the

Tourism Dirham Fee in the Emirate of Dubai¹

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

After perusal of:

Law No. (1) of 1997 Establishing the Department of Tourism and Commerce Marketing and its amendments;

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

Law No. (9) of 2004 Concerning the Dubai International Financial Centre and its amendments;

Law No. (25) of 2008 Concerning the Department of Economic Development;

Law No. (32) of 2008 Establishing the Government of Dubai Legal Affairs Department;

Law No. (35) of 2009 Concerning Management of the Public Funds of the Government of Dubai and its amendments;

Law No. (15) of 2013 Establishing the Dubai Corporation for Tourism and Commerce Marketing;

Decree No. (22) of 2009 Concerning Special Development Zones in the Emirate of Dubai;

Decree No. (17) of 2013 Concerning Licensing and Classification of Hotel Establishments in the Emirate of Dubai;

Decree No. (41) of 2013 Regulating the Activity of Leasing out Holiday Homes in the Emirate of Dubai;

Regulation No. (2) of 2006 Concerning Municipal Charges on Hotel Establishments' Sales in the Emirate of Dubai and its Implementing Bylaw; and

The Legislation regulating free zones in the Emirate of Dubai,

Do hereby issue this Resolution.

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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 will prevail.*

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Definitions
Article (1)

The following words and expressions, wherever mentioned in this Resolution, will have the meaning indicated opposite each of them unless the context implies otherwise:

Emirate:	The Emirate of Dubai.
DTCM:	The Department of Tourism and Commerce Marketing.
Director General:	The director general of the DTCM.
DCTCM:	The Dubai Corporation for Tourism and Commerce Marketing.
Hotel Establishment:	Hotels, resorts, hotel apartments, guest houses, budget hotels, floating hotels, holiday homes, and other hotel establishments as specified by the DTCM in accordance with the above-mentioned Decree No. (17) of 2013.
Tourism Dirham Fee:	The fee charged to a Guest for his stay at a Hotel Establishment.
Guest:	A natural person staying at any Hotel Establishment in return for payment.

Scope of Application
Article (2)

This Resolution will apply to all Hotel Establishments operating in the Emirate including Special Development Zones and free zones such as the Dubai International Financial Centre.

Collecting the Tourism Dirham Fee
Article (3)

For each night of occupancy of a room at a Hotel Establishment, a Guest will be charged the "Tourism Dirham Fee". The fee will be assessed according to the classification category of the Hotel Establishment and in accordance with the amounts indicated in Schedule (1) attached to this Resolution.

Obligations of Hotel Establishments
Article (4)

- a. A Hotel Establishment must:
1. collect the Tourism Dirham Fee referred to in Article (3) of this Resolution, and pay the proceeds to the DTCM before the sixteenth (16th) day of the month following collection;
 2. not collect any amounts as Tourism Dirham Fee in excess of the amounts determined in this Resolution, or collect any amounts in breach of its provisions;
 3. maintain accounting books and records in which all Tourism Dirham Fee collection transactions are recorded in accordance with the recognised accounting standards, keep such books and records for at least five (5) years, and give competent employees of the DTCM access to such books and records;
 4. inform Guests of the Tourism Dirham Fee in the manner prescribed by the DTCM, and account for such Tourism Dirham Fee in the invoice issued to the Guest;
 5. prepare a monthly account statement of room occupancy collected Tourism Dirham Fee, and provide the DTCM with such statement when the fee becomes due;
 6. at the end of each financial year, have its final accounts audited by an auditor licensed to operate in the Emirate; and
 7. provide the DTCM with final accounts and balance sheets no later than six (6) months from the end of the financial year of the Hotel Establishment;
- b. The records and statements prepared and provided by a Hotel Establishment, as well as all the information contained therein, will be deemed evidence against it.

Failure to Collect the Tourism Dirham Fee
Article (5)

- a. Where a Hotel Establishment suspends its activities, the Tourism Dirham Fee will not be collected to the extent proportionate to the suspension, whether it is partial or complete, provided that the Hotel Establishment immediately notifies the DTCM of the suspension and the reasons for such suspension by a letter accompanied by supporting documents, and provided that the DTCM approves such complete or partial suspension.
- b. Where a Hotel Establishment resumes its activities, it must notify the DTCM in writing at least three (3) days prior to resumption of the activities.

Tourism Dirham Fee Evasion
Article (6)

A Hotel Establishment is deemed to have evaded the payment of the Tourism Dirham Fee if it commits any of the following acts:

1. failure to pay the Tourism Dirham Fee within the time frame stipulated in paragraph (a)(1) of Article (4) of this Resolution;
2. failure to collect the Tourism Dirham Fee from Guests;
3. failure to maintain accounting books and records wherein Tourism Dirham Fee is recorded, or failure to include Tourism Dirham Fee collection data in such books and records;
4. failure to provide approved final accounts and balance sheet within the determined time frame;
5. manipulating accounting data or providing incorrect, incomplete, or false information, records, or statements in respect of the Tourism Dirham Fee;
6. obstructing or preventing competent DTCM employees from performing audits and inspections; and/or
7. performing any other act deemed as evasion from payment of the Tourism Dirham Fee.

Penalties
Article (7)

- a. Without prejudice to any stricter penalty stipulated in any other legislation, a Hotel Establishment that commits any of the violations stipulated in Schedule (2) attached to this Resolution will be punished by the fine indicated opposite that violation.
- b. Upon repetition of the same violation within one (1) year from the date of the previous violation, the amount of the fine prescribed in the Schedule mentioned in paragraph (a) of this Article will be doubled, provided that the fine does not exceed fifty thousand Dirhams (AED 50,000.00).
- c. In addition to the penalty of a fine referred to in paragraph (a) of this Article, the DTCM may take, in coordination with the competent entities in the Emirate, one or more of the following measures against the violating Hotel Establishment:
 1. closing the Hotel Establishment or any of its facilities for no more than three (3) months; and/or
 2. permanently closing the Hotel Establishment.

- d. Imposing the penalties stipulated in this Article will not preclude the collection of the fee prescribed by this Resolution.

Law Enforcement

Article (8)

Employees of the DTCM nominated by a resolution of the Director General, in coordination with the Director General of the Government of Dubai Legal Affairs Department, will have the capacity of law enforcement officers to record the acts committed in breach of this Resolution or the resolutions issued in pursuance hereof. For this purpose, they may access Hotel Establishments or any of their facilities; have access to their books, records, statements, documents, and financial systems; issue the relevant violation reports; and retain any of such documents or records.

Grievance

Article (9)

Any affected party may submit a written grievance to the Director General against any decision, procedure, or measure taken against him in accordance with this Resolution within fifteen (15) days from the date of being notified of the contested decision, procedure, or measure. The grievance will be determined by a committee formed by the Director General for this purpose, within thirty (30) days of its submission, and the decision issued on the grievance will be final.

Seeking Assistance from Government Entities

Article (10)

For the purpose of implementing the provisions of this Resolution, the DTCM may seek assistance from Government entities in the Emirate, including police personnel. Upon request, such entities must provide prompt support and assistance to the DTCM.

Repeals

Article (11)

Any provision in any other resolution will be repealed to the extent that it contradicts the provisions of this Resolution.

**Issuing Implementing Resolutions
Article (12)**

The Director General will issue the resolutions required for the implementation of the provisions of this Resolution.

**Publication and Commencement
Article (13)**

This Resolution will be published in the Official Gazette and will come into force on 31 March 2014.

Hamdan bin Mohammed bin Rashid Al Maktoum

Crown Prince of Dubai

Chairman of the Executive Council

Issued in Dubai on 24 January 2014

Corresponding to 23 Rabi al-Awwal 1435 A.H.

Schedule (1)
Tourism Dirham Fee

SN	Hotel Establishment Classification Category	Fee per Occupied Room per Night (in Dirhams)
1	Five-Star or Higher-Rated Hotel or Resort	20.00
2	Four-Star Hotel or Resort	15.00
3	Three-Star Hotel or Resort	10.00
4	Two-Star Hotel	10.00
5	One-Star Hotel/ Budget Hotel	7.00
6	Luxury Hotel Apartment	20.00
7	Deluxe Hotel Apartment	15.00
8	Standard Hotel Apartment	10.00
9	Guest House	7.00
10	Luxury Holiday Home	15.00
11	Standard Holiday Home	10.00

Schedule (2)
Violations and Fines

SN	Violation	Fine (in Dirhams)
1	Failure to pay the Tourism Dirham Fee within the prescribed time limit	Ten percent (10%) of the unpaid fee (fine must not be less than AED 1,000.00)
2	Failure to collect the Tourism Dirham Fee from Guests	Ten percent (10%) of the uncollected fee (fine must not be less than AED 1,000.00)
3	Failure to submit, within the prescribed time limit, the final accounts and balance sheet audited by an auditor licensed to operate in the Emirate	5,000.00
4	Submitting final accounts of the Hotel Establishment audited by an unlicensed auditor	3,000.00
5	Failure to include the Tourism Dirham Fee collection data in the accounting books and records	5,000.00
6	Failure to maintain accounting books and records in which the Tourism Dirham Fee is recorded	5,000.00
7	Failure to record the Tourism Dirham Fee in all accounting documents, records, and books, and the financial systems used by the Hotel Establishment	5,000.00
8	Manipulating accounting data or providing incorrect, incomplete, or false information, documents, records, or statements	15,000.00
9	Obstructing or preventing the competent employees of the DTCM from performing the audits and inspections or from collecting the Tourism Dirham Fee	5,000.00
10	Performing any act with the intention to evade the payment of an outstanding Tourism Dirham Fee	5,000.00
11	Failure to inform a Guest of the Tourism Dirham Fee as specified by the DTCM, or failure to account	1,000.00

	for the Tourism Dirham Fee in the invoices issued to the Guest	
12	Failure to prepare a monthly statement of room occupancy and collected Tourism Dirham Fee, and submit it to the DTCM when the fee becomes due	3,000.00
13	Delay in submitting the monthly statement of room occupancy and collected Tourism Dirham Fee	1,000.00
14	Failure to comply with the amount of Tourism Dirham Fee prescribed for the category of a Hotel Establishment	AED 5,000.00 (in addition to payment of the outstanding fee, if any)
15	Failure to comply with the prescribed Tourism Dirham Fee according to the number of rooms	AED 5,000.00 (in addition to payment of the outstanding fee, if any)
16	Collecting any amounts as Tourism Dirham Fee in excess of the amounts stipulated by this Resolution or in breach of its provisions	AED 5,000.00 (in addition to transfer to the DCTCM the fees wrongfully collected, if any)