

***CONSULTATION PAPER
NO. 3 OF 2026***

***PROPOSED UNDEVELOPED COMMERCIAL
LAND REGULATIONS 2026***

14 SEPTEMBER 2026

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Introduction

Why are we issuing this paper?

The Abu Dhabi Global Market (“ADGM”) Registration Authority (“RA”) has issued this Consultation Paper to invite public feedback and comments on proposed Undeveloped Commercial Land Regulations 2026 (the “Regulations”).

The proposed Regulations are set out in Annexure A of this Consultation Paper.

The summaries provided within this Consultation Paper should be read as an introduction to the provisions only – the precise details and specifics are contained in Annexure A themselves.

Where terms are capitalised in this Consultation Paper, they (unless context requires otherwise) should be taken to have the definitions ascribed to such terms in the Regulations.

Who should read this paper?

The proposals in this Consultation Paper would be of particular interest to landowners of vacant commercial plots, developers, and more generally to all individuals and organisations with a presence in the ADGM and their professional advisors.

We also welcome feedback from other stakeholders, whether based in the ADGM or beyond.

How to provide comments

Comments must be submitted through RA’s Consultation Portal at <https://raconsultations.adgm.com/>. To submit feedback, individuals and entities are required to register for an account on the portal, which is one-time process.

Please note that comments submitted to ra.consultation@adgm.com may not be considered. The email address ra.consultation@adgm.com should only be used for portal-related issues, such as registration, account access, and technical difficulties.

What happens next?

The deadline for providing comments on this proposal is **4 October 2026**.

Following receipt and review of any comments, consideration will be given to whether any modifications to the proposed Regulations are required, and the ADGM Board of Directors (“Board”) and the RA will then proceed to enact the Regulations in their final form.

You should not act on the proposed Regulations until such time as the Regulations, and any guidance thereon, are published by the RA.

Scope and Approach to the Proposed Regulations

This Consultation Paper aims to explain the proposed Undeveloped Commercial Land Regulations 2026.

A. Executive Summary of proposed Regulations

The proposed Regulations relating to undeveloped commercial land within ADGM seek to encourage the timely development of commercial land, promote its efficient utilisation, and support the regulation of undeveloped commercial land across Abu Dhabi.

Without an appropriate legislative framework, undeveloped commercial plots may remain idle for prolonged periods, resulting in inefficient land use and limiting the Registrar's ability to promote development of strategically important sites within ADGM. This may adversely affect the continued growth, attractiveness and development of the ADGM ecosystem.

We have provided a high-level executive summary below with more explanatory detail under the Proposed Features section. The key features of the proposed Regulations include (without limitation) the following:

- **Scope of application:** The Regulations will apply to vacant undeveloped commercial plots within ADGM that are capable of being developed and have access to the necessary supporting infrastructure.
- **Development Requirements:** Plot Owners will be required to achieve prescribed development milestones, including obtaining the necessary development approvals from the Competent Authority and progressing construction within specified timeframes. Failure to do so would trigger the Undeveloped Land Fee.
- **Undeveloped Land Fee valuation:** A fee of 2% of the Relevant Plot's Fair Market Value is proposed for plots that remain undeveloped and do not satisfy the prescribed development requirements.
- **Exemptions and extensions:** Exemptions to the Undeveloped Land Fee and extensions to the relevant submissions to the Registrar may be available in limited circumstances, including where development cannot proceed due to infrastructure, legal or administrative constraints.
- **Exclusion for Off-Plan Projects:** Registered off-plan projects will be outside the scope of the UCL Regulations and will continue to be governed under the Off-Plan Development Regulations and related project account framework.

B. Proposed Features of the Regulations

Briefly, the proposed features of the Regulations include:

1. **Six (6) month Grace Period:** A six (6) month Grace Period for Plot Owners of vacant undeveloped commercial land which falls within the scope of the Regulations to apply for a Building Permit from the Competent Authority. Failure to provide the Registrar with evidence of the submission of the Permit Application, or failure to maintain an active Permit Application until the Building Permit is issued by the Competent Authority, on the conclusion of the Grace Period shall trigger the Undeveloped Land Fee while the plot remains classified as “Undeveloped”.
2. **Building Permit and Notice of Commencement submission:** The Plot Owner must submit the Building Permit to the Registrar within seven (7) days of issuance from the Competent Authority. The Plot Owner must also submit the Notice of Commencement within thirty (30) days to the Registrar from issuance of the Building Permit. If the Plot Owner fails to submit the Notice of Commencement, an Undeveloped Land Fee shall be applied 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 Building Permit and Notice of Commencement or such other evidence as the Registrar may require. Should the Building Permit lapse 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.

Q1: DO YOU HAVE ANY CONCERNS WITH OR FEEDBACK ON THE SIX-MONTH GRACE PERIOD FOR PLOT OWNERS TO APPLY FOR A BUILDING PERMIT FROM THE COMPETENT AUTHORITY?

Q2. DO YOU HAVE ANY CONCERNS WITH OR FEEDBACK ON PLOT OWNERS PROVIDING THE REGISTRAR WITH THE BUILDING PERMIT WITHIN SEVEN 7 DAYS OF ISSUANCE AND THE NOTICE OF COMMENCEMENT WITHIN THIRTY (30) DAYS FROM BUILDING PERMIT ISSUANCE?

3. **Commencement of construction works and ongoing continuous development obligations:** Following the collection of the Notice of Commencement, Plot Owners will be required to commence physical construction works on the Relevant Plot within 60 calendar days. Failure to do so shall result in application or reinstatement of the Undeveloped Land fee from the sixty-first (61st) day (at the Registrar’s discretion). Additionally, Plot Owners will be required to ensure that construction proceeds with reasonable diligence and without unexplained interruption. Where works cease for ninety (90) or more consecutive calendar days, the Plot Owner must notify the Registrar in writing within fourteen (14) days after such cessation. If the cessation is unexplained or unjustified, the Undeveloped Land Fee shall be applied or reinstated from the date of cessation. A justified interruption may include delays caused by a Competent Authority or other authority requirements, site safety issues, contractor replacement, force majeure

events, or other circumstances accepted by the Registrar based on supporting evidence.

Q3: DO YOU HAVE ANY CONCERNS WITH OR FEEDBACK ON THE REQUIREMENTS FOR CONSTRUCTION TO COMMENCE WITHIN 60 DAYS OF THE NOTICE OF COMMENCEMENT AND FOR CONSTRUCTION NOT TO CEASE FOR 90 DAYS OR MORE?

4. Undeveloped Land Fee: The Undeveloped Land Fee shall become triggered:

- on the calendar day immediately following expiry of the Grace Period (or any approved extension);
- on the calendar day immediately following expiry of the thirty (30) day period for submission of the Notice of Commencement following issuance of the Building Permit;
- on the calendar day immediately following expiry of the sixty (60) day period for commencement of construction following issuance of the Notice of Commencement;
- on the calendar day immediately following cessation of construction works for a continuous period of ninety (90) days; or
- 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.

The Undeveloped Land Fee shall be payable within thirty (30) days of the fee notification and remain fixed at 2% of the Fair Market Value of the Relevant Plot.

For the avoidance of doubt, the Undeveloped Land Fee shall cease once the plot is no longer classified as “Undeveloped”. If the plot subsequently reverts to “Undeveloped” status, the Undeveloped Land Fee shall apply again at the fixed rate of 2% of the Fair Market Value.

- 5. Fair Market Value:** Plot Owners may challenge the Fair Market Value assessment by submitting an independent valuation from an ADGM approved valuer within 30 days of the fee notification. The Registrar shall consider both valuations and determine the final Fair Market Value. The Fair Market Value shall be reassessed annually using the ADGM Value system should the plot remain “undeveloped” twelve (12) months from the relevant Undeveloped Land Fee.

Q4: DO YOU HAVE ANY CONCERNS OR FEEDBACK ON THE TRIGGERS OF THE UNDEVELOPED LAND FEE AND ITS CALCULATION OF 2% OF THE FAIR MARKET VALUE OF THE RELEVANT PLOT?

- 6. Exemptions:** A Plot Owner may apply to the Registrar for an exemption from the Undeveloped Land Fee where (without limitation) development is prevented by a legal or administrative impediment, such as an active court order, provided that satisfactory evidence is submitted to the Registrar within the Grace Period. Examples of legal and administrative impediments include, without limitation, a court order freezing or prohibiting the Plot Owner from taking the steps necessary to comply with the Regulations or otherwise preventing development of the Relevant Plot.

Where a plot is sold or transferred to a party capable of undertaking development, a new 6-month Grace Period may apply from the date of transfer, provided the Registrar is satisfied that the transfer was made for a genuine commercial purpose and not to avoid or delay the application of the annual fee. Related-party transfers, repeated transfers, or transfers lacking a genuine commercial purpose will not automatically qualify for a new Grace Period.

Q5. DO YOU HAVE ANY CONCERNS WITH OR FEEDBACK ON THE EXEMPTIONS TO THE UNDEVELOPED LAND FEE?

*Proposed Enactment***Annexure A**

Proposed Undeveloped Commercial Land Regulations 2026