

Dubai's New PPP Law

Dubai Law No 22 of 2015, came into effect in late November 2015, formalising Dubai's intention to engage with the private sector for the development of Dubai. While undeniably positive, there is still some work to be done in adding detail (through regulations and guides) to this framework law.

Key implications for PPP participants:

- Electricity and water PPPs are excluded; BOT projects are not expressly captured; unsolicited bids are possible.
- Meeting "public interest" is central – subject to specific limitations, the PPP committee may amend the PPP contract if public interest so requires.
- While consortium-led bids are allowed, no member of a consortium may also submit a competing bid – this may affect developers which are contractors under one bid and consortium members under another.
- It is not clear whether free zone-based SPVs will be permitted. If not, foreign ownership of PPPs will be limited to 49%, which is in line with Dubai's current IPP model.
- Term of the PPP (not to exceed 30 years) is calculated from date of signing of the PPP contract – there is, however, room for the PPP committee to determine a different start date.
- Restrictions that will apply to share transfer, subcontracting and realisation of security under PPPs will require careful consideration.



As the law develops, our team of PPP and projects experts will keep you informed of all of the issues and implications for your business.

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This publication does not necessarily deal with every important topic or cover every aspect of the topics with which it deals. It is not designed to provide legal or other advice.

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