

Family Ownership Management as Per the UAE Civil Transaction Law & Dubai Law No. 9 of 2020

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Abstract

Family ownership is a special form of common property, in which owners are relatives who belong to one family. The United Arab Emirates Legislator, for example, has regulated common ownership in Articles (1183 – 1188) of the UAE Civil Transaction Law. Management of family ownership is a main aspect that aims to protect the property, and meanwhile, to suitably exploit its funds. In other words, all necessary actions shall be taken to achieve the required benefits. Accordingly, Management rules of common property except the ones stipulated in the UAE Civil Transactions Law, Article No. 1186, Para. 1 & 2 are fully applied on family ownership. Preservation work, being another element of management, has also been organized with the rules that govern the total expenses. The current study aims to investigate the procedures required for organizing and administering family ownership within a comprehensive legal frame. We are obliged to note that the study has come up with a number of conclusions, comprising the one, which confirms that the general rule controlling the common funds, including that of a family, is a consensus procedure or guideline. As a matter of fact, the UAE Civil Transactions Law has permitted partners to appoint a manager or even more to administer the family ownership. As for the recommendations, there is an urgent need to legally regulate the family ownership in an independent Federal Law, similar to that of Dubai. The latter, in fact, is of great importance, especially in the field of family businesses and real estate. We have also recommended that the “Single Family” term shall be changed so as to refer to all family members, in addition to those who are connected to the family through business or any type of interest.

Key Words: Family Ownership, Family Ownership Aspects, Board of Directors, Co-Owner

Introduction

Inheritance System might be considered as a main reason for the wide spread of family ownership in the Arab Society. Whenever a person dies, all his fortune and properties shall transfer to the heirs. Indeed, social habits and conventions have maintained this type of ownership for a long time. This could also be attributed to the fact that inherited properties have moral values that might exceed the materialistic issues. Simply, because such property is related to the deceased person, who undoubtedly reflects good and dear memories in the heirs' lives. Such fortune, therefore, represents a strong bond among the family members. Consequently, inherited properties, being under the effect of honour and respect may remain undivided. However, survival of common property could be traced sometimes to modesty and shyness that may prevent heirs to claim division of property.

Nevertheless, it has been noticed that some prominent family companies in the countries of Gulf Cooperation Council might be exposed to the risk of liquidation due to family

disputes. It is posited that the challenges confronting family businesses are attributed to several factors. Some of these considerations are the relative modernity of most companies in the region that are still in their first generation, in addition to frailty of governance systems, and the dangers of fragmentation that are often raised when these businesses are transferred from one generation to another.

This status has prompted the Emirati legislator to intervene, permitting members of the same family, being united by work or interest to agree in writing to establish family ownership, which often results either from an inheritance, or sometimes from other sources. However, in case of inheritance, the heirs may determine that all or some of the inherited property could be utilized in the family project.

We may realize hereafter the importance of this legislative attempt, which mainly intends to establish a legal regulation that could ensure safe transfer of ownership from one generation to another, and thus maintaining the unity of ownership within the same family.

It is quite obvious that family ownership is one form of common property, being distinctive from other types that its owners are relatives, belonging to one family. Besides, it is remarkable to note that the Emirati Legislator has organized common property, including family ownership in specific texts stipulated in Articles 1183 – 1188 of the UAE Civil Transactions Law, in addition to what has been approved in the Dubai Family Ownership Law No. 9 of 2020 with more details that widely conform to social life and traditions in the United Arab Emirates. We should note as well that all rules of common property are applied on family ownership management except the rules stipulated in Article No. 1186, Para 1 & 2 of the UAE Civil Transactions Law. This Article specifically focuses on Family Ownership Management.

There is no doubt that common property is invested for the purpose of attaining certain benefits, and for his part, the Emirati Legislator has established special rules for managing this type of property in order to ensure proper exploitation that shall lead to achieve the interests of its owners. Indeed, both the Emirati as well as the Comparative Legislators have specified special rules related to administrating common property.

Research Problem

The current research has focused on the wide spread phenomenon of family companies in the United Arab Emirates as well as in the other countries of the Gulf Cooperation Council. The eminent rise of this phenomenon has obligated an urgent need to develop an integrated legal regulatory framework for Single-Family Ownership.

Two main problems to be addressed in the current study, and these are

1. The procedures that can be used in the management of family ownership, and whether they are similar to those of common property.
2. Status of Common Property administration, and to what extent it is different from that of Family Ownership.

Accordingly, this study concentrates on the method adopted in the Management of Family Ownership as per the UAE Civil Transactions Law.

Research Questions

A number of questions do arise from the research problem, already stated above, and these questions can be summarized as follows:

- How can we define “Family Ownership”, and what are its features and aspects?
- To what extent are the rules governing “Family Ownership” adequate, and as stipulated in the UAE Civil Transactions Law No. 5 of 1985, Articles 1183 - 1187?
- What is the method adopted in the management of “Family Ownership”, and who shall be the administrator?

We shall attempt to suitably answer these questions, as well as others that might arise later, and in a way that all related issues will be uncovered and deeply investigated so as to finally come up with our conclusions and recommendations.

Significance of Research

We may classify the research significance into two main types, theoretical and applied.

Theoretical Significance

Significance of the current research is derived from its topic, i.e. Family Ownership Management as per the rules stipulated in the UAE Civil Transaction Law, and this can be clarified as follows:

- Status of Family Ownership, being one of the issues that have been significantly considered by all jurists, whether in the past or at the present time as it might play an effective role in bringing the family members together.
- Disputes do prevail among partners regarding the use and management of common property, and these disputes have to be legally addressed in order to come up with appropriate solutions.

Applied Significance

The current study is practically important due to the following:

- Being obligated towards “Family Ownership” is quite beneficial and constructive, with which we might avoid fragmentation of this property among the family members.
- Ensuring the continuity of “Family Ownership”, enhancing meanwhile, the influential role played by family businesses, and their impact on the social as well as economic growth of the country.
- Achieving social cohesion, and thus avoiding anything that might provoke disputes among family members.
- Unifying family members in solid partnerships that could enable them to compete in all economic activities, and accordingly being highly motivated to serve their community.
- Disputes and rivalries among family members shall be minimized, and in this way, social stability might be established.

Research Objectives

The current research aims to achieve a number of objectives, and they are as enlisted below:

1. Addressing and investigating the rules of Family Ownership Management as stipulated in the UAE Civil Transactions Law.
2. Getting acquainted with the Legal System of Family Ownership Management.
3. Clarifying the general rules that regulate Family Ownership Management.
4. Identifying the private regulations of Family Ownership Management.

In addition to what has been stated above, the study intends to come up with specific recommendations that could be somehow beneficial to family businesses, in addition to the progress and flourishing of Emirati Economy.

Methodology

The current study has adopted the following approaches:

Inductive & Descriptive Approach

It is inductive through the process of collecting the topic details as per the title of our research, along with some writings related to the same topic, and it is descriptive through the descriptions that are delivered about the family ownership.

Analytical Approach

It is an approach based on collecting, comparing and analysing facts and information so as to elicit certain rules related to the subject, and to determine whether they agree or disagree with the general codes and provisions. This process shall be implemented through the familiar procedures of discussing and analysing “Family Ownership Management” as per the UAE Civil Transactions Law.

Research Plan

The current study has been divided into three main parts and as follows:

1. Introducing Family Ownership
 - 1.1 Definition of Family Ownership
 - 1.2 Aspects of Family Ownership
2. Rules Regulating Family Ownership Management
 - 2.1 The Board Authority in the Management of Family Ownership
 - 2.2 The Director’s Authority in the Management of Family Ownership
3. Organizing Mechanisms of Family-Run Business
 - 3.1 Essence of Preservation Endeavours
 - 3.2 Expenses of Family Ownership Management & Preservation

Conclusions & Recommendations

Introducing Family Ownership

Family ownership is established by an agreement concluded between the members of a family,¹ and as per specific texts stipulated in Articles 1183-1188 of the UAE Civil Transactions Law, No 5 of 1985 with its amendments.² However, we should note that Dubai

¹ Al-Abaji, Bassam Majid Suleiman (2009). Family Ownership: Comparative Study. Dar Al-Hamid for Publishing & Distribution, Amman, Jordan. P. 13.

² The UAE Civil Transactions Law No. 5 of 1985 was issued on 15th December, 1985, becoming into force on 29th March, 1986 after being published in the Official Gazette, Issue No. 185, Volume 12, P. 13813, and it was amended as per Law No. 1 of 1987, published in the Official Gazette, issue No. 172, 28th February, 1987, becoming into force on 29th March 1987.

Family Ownership Law No. 9 of 2020 shall be another focus of the current study.³ According to the stated above laws, the members of the same family may agree in writing to establish a family business, provided that the capital is an inheritance, or some other fortune owned by them, and they have agreed to use all or part of this property in a family business.⁴

Definition of Family Ownership

Legislative Definition of Family Ownership

While attempting to define “Family Ownership”, we have taken into consideration the Emirati Law in addition to the Jordanian and Egyptian Laws

Emirati Law

It is remarkable to note that the UAE Legislator has not stated a definition to “Family Ownership”, but instead, he has reviewed its provisions in Articles 1183 -1188 of the Federal Civil Transactions Law No. 5 of 1985. On the contrary, Dubai Legislator has come up with a definition in the Family Ownership Law No. 9 of 2020. Article No. 2 of the Law in question defines Family Ownership as “any movable or immovable properties, or any rights that can be the subject of a family ownership contract, such as copyright, industrial property rights, patents, industrial designs, and trademarks.”⁵

Jordanian Law

The Jordanian legislator has referred to Family Ownership in Article No. 1061 of the Jordanian Civil Law No. 43 of 1976 AD, considering it be among members of the same family unified by a unit of business or interest, provided that a written agreement shall be concluded for this purpose.⁶

Egyptian Law

The Explanatory Memorandum of the Egyptian Civil Code No. 131 of 1948 has confirmed that “Family Ownership already exists and it only requires to be organized, and this is what the Legislator has done”, when regulating Family Ownership in Articles 851 – 855 of the Egyptian Civil Code.⁷

It might be confirmed, however, that the three definitions stated above do agree in content, and they merely differ in wording.

Clerical Definition of Family Ownership

Jurists have come up with several definitions of “Family Ownership”, and we shall select here three of these definitions.

In the first definition, it is confirmed that “Family Ownership” is a form of Common Property, which is established according to an agreement among specific members who represent one family, and they are unified by a unit of business or interest”. The second definition, however, states that it is similar to any type of ownership established by a legal procedure that leads to a documented agreement among the members of one family who are

³ Dubai Family Ownership Law No. 9 of 2020 was issued on 13th August, 2020, and becoming into force after being published in the Official Gazette, Issue No. 483, 19th August, 2020.

⁴ Article No. 1183 of the UAE Civil Transactions Law, No. 5 of 1985 stipulates that “members of the same family, being unified by work or interest, may agree in writing to establish a family business, which consists of an inheritance, or some other fortune owned by them, and they have agreed to use all or part of it in a family business

⁵ Article No. 2 of Dubai Family Ownership Law No. 9 of 2020 stipulates that it includes “movable and immovable properties, copyright and related rights, industrial property rights to patents, industrial designs, trademarks and other rights that are subject to a family property contract”.

⁶ Article No. 1061 of the Jordanian Civil Law No. 43 of 1976 stipulates that “the members of one family unified by a unit of work or interest can agree in writing to establish a family business, which consists of an inheritance, or some other fortune owned by them, and they have agreed to use all or part of it in this business”.

⁷ Al-Abaji, Bassam Majid Suleiman (2009). IBID, P. 52.

unified by business or interest, in which the partner has a proper share in the joint fortune. A third group of jurists has come up with another definition, arguing that a family ownership is considered a common property determined as per an agreement among the members of one family, and not to be established by law. Accordingly, such agreement is deemed temporary and not permanent though still a special type of common property.⁸

Based on these definitions, the researcher has come up with certain observations, and they are listed below:

1. Family Ownership System depends on a main concept according to which a group of relatives or members of a family owns the fortune, whether being movable or immovable, or any other rights, such as copyright, industrial property rights, patents, industrial designs, and trademarks.⁹
2. This status arises due to a number of reasons, including the strong bond that combines the family members on the basis of business or interest. It should be noted, however, that those members are not limited to relatives by lineage, but they also incorporate the husband and wife and in-laws as well.¹⁰
3. Legal Term Discrepancies for the family ownership status, or temporary consensual common ownership, and both represent a type of joint property.¹¹

Aspects of Family Ownership

Article No. 1183 of the UAE Civil Transactions Law has identified the family ownership aspects. It stipulates that the parties shall be members of the same family, unified by one business or joint interest, and there shall be a written agreement between them for establish this business.

On the other hand, Article No. 6 of Dubai Family Ownership Law No. 9 of 2020 has added other aspects.¹² For example, the share of each partner shall be resolved in the contract, and the funds are owned by the partners, or they have the right to dispose of it, provided that it has to be approved by the Notary, and without violating Public Order.

It is quite obvious from both texts that the establishment of a family ownership contract requires the availability of three main aspects. The first is related to the partners; the second concerns the agreement to establish a family business, and the third addresses the contract period.¹³ We shall investigate the three aspects in the forthcoming sub-sections.

Partners shall be Family Members

⁸ Islamic Jurisprudence has not used the familiar term of Family Ownership as utilized in Man-Made Laws. Instead, it has used the term "Shared Ownership", which is somehow equivalent to "Common Property"

⁹ Murad, Abdul Fattah (1991). Apartment Ownership & Union of Owners. Dar Al-Nahdha Al-Arabia, Cairo, P. 31; Yousef, Khalid Hamdi (2005). Explanation of the Legal System Provisions of the Owners' Union & the Ownership of Floors and Apartments: Comments on the Latest Provisions of Cassation. Dar Al-Kutub Al-Qanuniyah, Al-Mahala Al-Kubra, Cairo, P. 9.

¹⁰ Al-Attar, Abdul Nasir Tawfiq (1990). Ownership of Apartments & Floors. Second Edition. Cairo. P. 5; Khalil, Ahmed Mahmoud (2007). Management & Disposal of Common Property. Modern University Office, Alexandria, PP. 9 – 11.

¹¹ Al-Jarhi, Mustafa Abdul Sayid (1998). Apartments Ownership. Dar Al-Nahdha Al-Arabiya, Cairo, P. 8.

¹² It is identical to Article No. 1061 of the Jordanian Civil Code, which stipulates that "1. The family members who are unified by a unit of business or interest, may agree in writing to establish a family business for a period that does not exceed 15 years, and no partner can plea at the Court for permission to take out his share of this property before the agreed-upon term expires unless there is a strong justification for such procedure. 2. If the aforementioned ownership does not have a fixed term, then each partner may take out his share after six months from the day that partner expresses his desire to take out his share." Similarly, Article No. 852 of the Egyptian Civil Code states that "1. It is permissible to agree on the establishment of family ownership for a period not exceeding fifteen years, provided that each partner may plea at the Court to take out his share of this ownership before the expiry of the agreed period if there is a strong justification for that. 2. "If the aforementioned ownership is not confined to a specific period, each partner has the right to take out his share after six months from the day he expresses his desire for that."

¹³ Al-Qadhi, Rana Adnan (2012). Provisions of Family Ownership in the Jordanian Civil Code. A Master Degree Research. College of Law, Al-Esraa University. P. 14 & afterwards.

Article No. 1183 of the UAE Civil Transactions Law stipulates that “the members of one family...”, and Article No. 6 of Dubai Family Ownership Law No. 9 of 2020 states that “the parties shall be members of one family...”.¹⁴

The two texts stated above do confirm that partners shall be the members of one family. As a matter of fact, any family is constituted of different types of kinship, and intermarriage is one of these types, especially the relation between spouses (Article No. 34 of the Jordanian Civil Code). However, the degree of kinship does not matter as long as the family members are unified by a unit of business or interest, i.e. there is a written agreement according to which the family property is invested in one way or another.¹⁵

One main objective of organizing a family ownership is to strengthen and reinforce social bonds among family members and their relatives. Meanwhile, such project shall contribute in solving many economic and social problems. Nevertheless, we may claim that kinship alone is not enough to establish a family ownership. There should be a unit of business or interest that unifies the members in order to achieve a favorable outcome.¹⁶

Article No. 1 of Dubai Family Ownership Civil Code No. 9 of 2020 has defined the ‘family’ as a social unit, which “includes the husband and relatives by blood or lineage up to the fourth degree”.

Some jurists¹⁷ believe that “family ownership cannot be established between one of the spouses and the relatives of the other spouse, nor between the husband and his wife, stipulating the unity of origin.”

It should be noted that the researcher supports the first viewpoint, which states that family ownership is established between relatives by affinity and lineage. Simply, because the objective of establishing family ownership is to strengthen bonds among family members on the basis of a unit of business or interest.

A Written Agreement

It has been confirmed that “there should be a written agreement to establish a family business. This agreement could be in the form of an official document or a customary one. It is argued that a written agreement is required because such establishment often lasts for maybe fifteen years, and for such a long period, it becomes quite necessary to have a written agreement that partners can refer to when needed. Besides, it is unnecessary to write the agreement on a legal document, and an ordinary one is totally sufficient. But if a real estate is included in the Family Business, the document in question shall be listed in the Land Registry.”¹⁸

According to Article No. 1183 of the UAE Civil Transactions Law, “the members of one family, unified by a unit of business or interest, may agree in writing to establish a Family Ownership. In addition, Article No. 5 of Dubai Family Ownership Law No. 9 of 2020 stipulates that “establishment of a family ownership is implemented by a contract, and regulated by the provisions of this Law as well as what is agreed upon among partners.

¹⁴ Article 1061 of the Jordanian Civil Code stipulates that “the members of one family unified by a unit of business or interest...”.

¹⁵ Mansour, Mohammad Hussein (2007). *Original Rights: Ownership and Subsequent Rights - Reasons for Acquiring Ownership*. Dar Al-Jami'a Al-Jadida, Alexandria, Egypt, P. 208.

¹⁶ Al-Qadhi, Rana Adnan (2012). *IBID*. P. 15.

¹⁷ Tulba, Anwar (2004). *Common Property*. Modern University Office, Alexandria, P. 310.

¹⁸ Al-Qadhi, Rana Adnan (2012). *IBID*, P. 19.

The texts of both Articles stated above do confirm that the agreement for establishing a family ownership shall be in writing. Although the Jordanian Legislator has not stipulated a specific form of writing, every phrase indeed reflects the intended meaning, and after conclusion, it might be taken as an evidence for its occurrence. It is not requisite that the document must be written by the person who signs it. It is acceptable if it is written by a foreign person or on a typewriter. It is quite permissible even if it is written in any language, or by specific symbols agreed upon by both parties.¹⁹ After all, writing is totally different from other types of evidence, as it is prepared in advance and before occurrence of any dispute. Moreover, it can be preserved through time with the information it includes.²⁰

Article No. 1 of Dubai Family Ownership Law No. 9 of 2020 has defined the Family Ownership Contract as “an agreement concluded by the members of one family, unified by a unit of business or interest, according to which, a family ownership is regulated as a common property. The method of management is determined as well.

Accordingly, Family Ownership arises due to a written agreement concluded among the members of one family, whereas in other types common property, reasons could be totally different. For instance, a common property may arise without the consent of its parties as in the case of inheritance.

It should be noted that writing here is a condition for convening and not for confirmation.²¹ Simply, because writing in this case is deemed a formal aspect of the legal act, and its absence might lead to a status of invalidity.²²

Finally, the researcher concludes that there should be a written agreement in the case of establishing a family business, otherwise an unwritten agreement shall be deemed void even if the contracting parties do acknowledge it.

Family Ownership Duration shall be limited

According to Article No. 1184 of the UAE Civil Transactions Law,²³ a family ownership duration should not exceed 15 years. Dubai Family Ownership Law stipulates a similar text in Article. No. 8.²⁴ Thus, Family Ownership is different from other types of common property where the duration should not exceed five years.

The two texts stated above do confirm clearly that a family business cannot be established unless there is an explicit agreement among the family members provided that the contract duration does not exceed 15 years. However, it can be renewed after the duration expires. But if the partners agree on a new period before the current one comes to an end, it shall be calculated from the time of agreement. On the other hand, if the duration is not renewed after its expiry, and nobody pleads for division, it becomes a common property and not a family ownership.²⁵ In other words, a family ownership can be renewed several times, but this renewal cannot be counted until the end of the valid period.

¹⁹ Al-Quthat, Miflih Awad (2007). Evidence on Civil & Commercial Articles: Comparative Study. Dar Al-Thaqafa for Publishing & Distribution. P. 93.

²⁰ Al-Aboudi, Abbas (1997). Interpretation of Evidence Law. Dar Al-Kutub for Printing & Publishing, P. 50.

²¹ Al-Quthat, Miflih Awad (2007). IBID, P. 76.

²² Al-Aboudi, Abbas (1997). IBID, P. 101.

²³ Article No. 1184 stipulates that “1. It is possible to establish a family business that does not exceed 15 years, and every partner can plea at the Court for permission to take out his share of this property before the agreed-upon term expires if there is a strong justification for such procedure; 2. If the aforementioned ownership does not have a fixed term, then each partner may take out his share after six months from the day that partner expresses his desire to take out his share”.

²⁴ Article No. 8/1 of Dubai Family Ownership Law No. 9 of 2020 stipulates that “the duration of a family business is determined as per an agreement among partners, provided that it does not exceed 15 years, and it is permissible to renew the duration of the family ownership contract by the approval of all partners, provided that it does not exceed 15 years every time the contract is renewed”.

²⁵ Al-Sadda, Abdul Mun'im Faraj (1982). Original Rights: A study on the Lebanese & Egyptian Laws. Dar Al-Nahdha Al-Arabia. P. 260.

It is not permissible for a partner to ask for division before the agreed-upon period expires. Nevertheless, the legislator has permitted any of the partners to plea at the court for permission to take out his share before the agreed-upon period comes to an end if he submits a strong justification for that, such as, for example, a dispute that cannot be settled arises among the family members.²⁶ A family ownership in this case is totally different from a common property in which division is obligatory after five years.²⁷

If no duration is specified for a family ownership contract, each partner has the right to take out his share after six months, starting from the day he expresses his desire to do that,²⁸ and there is no need for a special form to be utilized in this announcement. It could be a warning by a reporter, through a letter, whether registered or not. It might be even implemented by verbal message. However, evidence provision will be the responsibility of the splitting partner.²⁹ If this partner has taken out his share due to force majeure, or because ownership duration is not specified, the situation cannot be considered a common property, and therefore, judicial division rules are not applied.³⁰

If an agreement to establish a family business has been signed for a duration exceeding fifteen years, this period shall be reduced to the stipulated time, i.e. fifteen years, which can be renewed several times after the expiry of each period, otherwise the new period might be calculated from the renewal time.³¹

Article No. 8/2 of Dubai Family Ownership Law No. 9 of 2020³² has permitted the partner of a family ownership to submit a request to the committee,³³ asking for permission to take out his share before the contract period comes to an end. It is believed, however, that such split is an exception to the rule, and it can be attributed to force majeure, such as the arise of unsettle dispute among the family members. On the other hand, if there is no determined duration for the family business contract, any partner can take out his share after six months from the date in which he expresses his wish to split from the ownership. Other partners can be notified by a letter of credit, or any other official method. It should be noted as well that the six-month period starts from the date in which the letter in question is received by the other family members. As for Agricultural Family Ownership, the partner may not take his share until the crop is harvested even if the period extends more than six months.

Rules Regulating Family Ownership Management

The general rule, which controls Family Business Management is the rule of unanimity. In other words, all partners shall meet and discuss every act of their business, unless they authorize one of them to unilaterally do the job.³⁴

²⁶ Al-Sadda, Abdul Mun'im Faraj (1982). *IBID*. P. 240.

²⁷ Badrawi, Abdul Mun'im (1968). *Rights of Ownership: Reasons for Acquisition*. Sayid Abdallah Wahba Bookshop, Cairo. P. 240.

²⁸ Kira, Hassan (1995). *Original Rights: Provisions & Sources*. Dar Al-Maarif, Alexandria, P. 240. Surour, Mohammad Shukri (2009). *Summary of Regulating Ownership Rights in the Egyptian Civil Code*. Dar Al-Nahdha Al-Arabia for Publishing & Distribution. P. 400.

²⁹ Al-Amrousi, Anwar (2012). *Ownership & Reasons of Acquisition in Civil Law*. Mahmoud Press for Publishing & Distribution. P. 471.

³⁰ Al-Sadda, Abdul Mun'im Faraj (1982). *IBID*. P. 260.

³¹ Al-Qadhi, Rana Adnan (2012). *IBID*, P. 20.

³² Article No. 8/2 of Dubai Family Ownership Law stipulates that "if the duration has not been assigned in the family business contract, any partner may submit a request to the committee, asking for permission to take out his share after six months from the date in which he expresses his wish to split from the ownership".

³³ As per Article No. 1 of Dubai Family Ownership Law No. 9 of 2020, the committee here refers to "the Special Judicial Committee formed by the Judge to settle disputes arising among the members of family business".

³⁴ Hussein, Akram Mahmoud & Suleiman, Bassam Majeed (2008). *Family Ownership Management*. Al-Rafidain of Law Journal, Volume 10, Issue No. 36, P. 8.

Since it is quite difficult to realize consensus on all issues,³⁵ it has been clearly reflected on the procedures required to organize Family Business Management. Consequently, the UAE Legislator has referred to this in Article No. 1186 of Federal Civil Transactions Law No. 5 of 1985, and its amendments.³⁶ Dubai Family Ownership Law No. 9 of 2020 has also addressed this issue in Articles 16 – 21.

In order to solve this problematic situation, Dubai Legislator has resorted to stipulating rules that might ensure reconciliation of conflicting interests. These rules do enforce the necessity to appoint a director, whether to be one of the partners, or, if this option is not possible, the director could be selected from outside the family members.³⁷ Accordingly, we shall deal in this part of our research with two main subjects. They are

- 1.2 Partners' Council Authority in the Management of Family Ownership
- 1.3 The Director's Authority in the Management of Family Ownership

Partners' Council Authority in the Management of Family Ownership

Article No. 1155 of the UAE Civil Transactions Law stipulates that all decisions related to the management of common property shall be taken by the approval of all partners together. The text of this Article might tell that there are no exceptions to its content, i.e. approval of all partners is the only way for managing common property.

However, it is remarkable to note that the Emirati Legislator has come up with an exception, which authorizes a specific majority of partners to administer the common property, and such authorization has been stated in texts following Article No. 1155.

Nevertheless, the rule of consensus is justified as follows:³⁸

1. The rule of consensus is enforced by the special legal nature of common property. It is argued that the owners' rights in a common property are the same, regardless of the share of each partner, and therefore, no one is superior to the others so that he could impose his will on the remaining partners.³⁹
2. Communion is considered an unintentional status that might come into existence under specific circumstances that cannot be controlled by anybody. However, the most familiar state of communion is inheritance in which property is imposed on heirs regardless of their will. Such status, i.e. the situation of common property, might last after all for a long period of time, with the possibility of being transferred from one generation to another. Accordingly, it is somehow unfair to surrender to the inclinations of one partner, whereas all partners shall be treated equally regardless of the amount of share each one owns.⁴⁰

As for the exception to the general rule, “the majority of partners appoint one or more of them to manage the Family Property. Simply, because unanimity, due to differences in viewpoints of partners, is quite difficult to be achieved, and therefore, it might impede and

³⁵ Tulba, Anwar (2004). Common Property. IBID. P. 86; Muhammad, Mahmoud Abdul Rahman (1993). Use of Common Property Management: A Comparative Study on the Egyptian & French Positive Laws with the Islamic Jurisprudence. Dar Al-Nahdha Al-Arabia, Cairo, P. 78.

³⁶ The Emirati legislator has added the phrase “and his wife” (Article No. 76 Civil), contrary to its origin in the Jordanian law (Article No. 34), the Sudanese law (Article No. 19), and the Syrian law (Article No. 36).

³⁷ Refer to Article No. 16, Para. A of Dubai Family Ownership Law, No 9 of 2020.

³⁸ Al-Qadhi, Rana Adnan (2012). IBID, PP. 43 – 44.

³⁹ Saleem, Ayman Saad Abdul Majeed (2013). Owner's Authority in Using & Exploiting Common Property: A Comparative Study. Dar Al-Nahdha Al-Arabia, Cairo.

⁴⁰ Mansour, Mohammad Hussein (2007). IBID, P. 103.

prevent attaining the required benefits. The legislator, indeed, has found in the decision of majority the most appropriate solution for managing Family Business.⁴¹

Equality of rights, in fact, is the basis for the principle of unanimity in the management of Family Business. As for the amount of the share of each partner, it is not taken into consideration when determining their management authorities, and this is mainly attributed to the natural communion of one property, which, undoubtedly, shall lead to similarity and equality of partners' authorities. Accordingly, if one of the partners takes individual decisions in managing the property, it shall be taken as a hostile behaviour against other partners. It is necessary, hence, for all partners to unanimously agree on the way in which the common property should be managed.⁴²

The principle of equality among all partners has been adopted in order to protect their common interests without any differentiation. As a matter of fact, each partner might have divergent interests that he hopes to achieve even if they are incompatible and conflicting with the interests of other partners. Under such situation, in which every partner seeks to achieve his own interests, there is no solution but to involve all partners in the management of their common business.

Nevertheless, there is no doubt at all that implementation of unanimity in the management of common property is surrounded by lots of difficulties that made it impossible for the partners to reach the required consensus. For example, any partner may object to a decision taken by the others, and thus disrupting exploitation and leading to loss of opportunities.⁴³

Due to the problematic issues already stated above, and related to the principle of consensus in the management of common property, the Jordanian Civil Law, in a step to avoid the undesirable situation, has regulated common ownership in a very precise manner, taking into account that such type of business, i.e. the common one, shall be managed by the majority of partners.⁴⁴

Hence, it might be concluded that the Rule of Consensus is imposed by the legal nature of Family Ownership. Having similar rights shall consequently lead to identical authorities, regardless of the amount of the share of each partner. In other words, no partner is superior to the others, and therefore, he cannot impose his viewpoint in administering the property. Pre-approval of all partners is indeed obligatory in order to carry out any work within the Family Ownership Management. Furthermore, an absolute application of this rule might lead to impairing the common interests of partners despite the fact the unanimity has been originally established to protect these interests. If one partner, for instance, is somehow indifferent to the management process for some reason, his refusal or rejection to a certain decision might cause damages and displeasing losses.

As an exception to the rule of unanimity, the legislator has permitted the majority of partners to manage the family business, and this management is determined by the type of business, whether it is related to ordinary or unusual administration.⁴⁵ These two types of management shall be clarified below.

⁴¹ Rizq, Tariq Abdul Raouf Salih (2008). *Al-Waseet in the Explanation of the Kuwaiti Civil Law: Ownership Rights*. P. 78.

⁴² Muhammad, Mahmoud Abdul Rahman (1993). *IBID*. P. 73.

⁴³ Muhammad, Mahmoud Abdul Rahman (1993). *IBID*. P. 74.

⁴⁴ Swar, Muhammad Waheed Al-Deen (2019). *Ownership Right in the Civil Law*. Al-Thaqafa Bookshop for Publishing & Distribution, P. 119.

⁴⁵ Al-Abaji, Bassam Majid Suleiman (2009). *IBID*. P. 147.

Usual Management Business

It refers to the type of businesses that lead to achieving benefits without making any change on the property, or modifying the function / purpose for which it has been established.⁴⁶ Article No. 1156 of the UAE Civil Transactions Law stipulates that Family Property can be managed by the majority, and it is obligatory to all partners, whereas this majority is determined as per the shares value. It is quite obvious therefore, a decision taken by the majority of partners in the usual management business is mandatory to all.

Unusual Management Business

Unusual Management Business refers to any action that aims to do modifications on the purpose for which Common Property has been established in order to promote its utilization, such as converting an agricultural land into gardens, or for construction and industrial purposes. Other examples include changing a restaurant into a cafe, rebuilding a house to exploit it for investment purposes,⁴⁷ in addition to digging a well in agricultural land.⁴⁸ Unusual Management, therefore, is the type that deviates the purpose for which the property has been established.⁴⁹

Such unusual procedures have been stipulated in Article No. 1157/1 of the UAE Civil Transactions Law, clarifying that “the partners who own three quarters of the Common Property have the right to do essential changes or modifications on the purpose for which the property has been established”. Besides, Para 2 of Article No. 1157 has added procedural issues that shall be taken into consideration in order to maintain the validity of these actions, such as notifying the partners who have rejected these procedures or those who have not expressed clear viewpoint, and then waiting for two months, etc.

The Director's Authority in the Management of Family Ownership

The Emirati Legislator has allowed the majority of partners to appoint a manager who could be one or more. The required majority is of shares and not persons, and the partner who owns this majority can individually manage the common property. It should be noted here that the manager's authority is confined to only Usual Management Business.⁵⁰ However, the manager's authority in a family ownership is much wider than that of common property as his authority includes both Usual & Unusual Management Businesses.⁵¹ Article No. 1186 of the UAE Civil Transactions Law has confirmed that “partners who have the majority of shares in a Family Ownership can appoint one of them or more to administer their joint property”.⁵²

It should be noted, however, that the manager or managers in a Family Ownership shall be one or more of the partners, and it is not permissible to appoint a foreigner as it is done in other types of common property.⁵³

⁴⁶ Saleem, Ayman Saad Abdul Majeed (2013). IBID. P. 227.

⁴⁷ Khayal, Mahmoud Al-Sayid Abdul Mu'ti (2015). Original Rights in the Qatari Civil Law. Dar Al-Nahdha Al-Arabia, Cairo, P. 84; Abu Al-So'ud, Ramadhan (1997). Al-Wajeez in the Original Rights: Provisions & Sources. New Publishing University House, Alexandria, P. 89.

⁴⁸ Swar, Muhammad Waheed Al-Deen (2019). IBID, P. 373.

⁴⁹ Tulba, Anwar (2004). IBID. P. 120.

⁵⁰ Badrawi, Abdul Mun'im (1968). IBID. P. 241.

⁵¹ Al-Qadhi, Rana Adnan (2012). IBID, P. 45.

⁵² Similarly, Article No. 854 of the Egyptian Civil Code stipulates that “partners who own the majority of shares can appoint one of them or more to be the manager who may change the purpose for which the joint property has been established to promote benefit methods, unless there is another agreement between them”.

⁵³ Khalil, Ahmed Mahmoud (2007). IBID. P. 43.

Moreover, we should differentiate between two cases.⁵⁴ In the first case, the manager's authorities might be determined as per an agreement between the partners. As for the second case, if there is no such agreement, the manager's authorities shall include both usual and unusual management businesses.

As for discharging the manager, Article No. 1186/2 of the UAE Civil Transactions Law has clarified the procedures to be followed in terminating the manager, emphasizing that they are the same measures utilized in appointing him. Besides, the judge may disqualify the manager at the request of any partner if he finds a strong reason justifying that.⁵⁵

The manager's authority in a Family Ownership, after all, is restricted by two conditions. They are

1. The Manager has no authority to modify the family property itself, such as exchanging it with other property. His authority is restricted only to doing modifications on the purpose for which the property has been established.
2. Partners of simple majority cannot restrict the manager's authorities to Usual Management Businesses, or requiring the majority's approval for the unusual administration.

As a matter of fact, obtaining the partners' agreement to appoint a manager to Common Property is deemed an appropriate procedure that can be adopted to avoid lots of problems and difficulties. The manager, when appointed, becomes representative to all partners, whether being elected by them or not. In other words, a manager selected for the position by the majority of partners should work for the interest of the majority as well as the minority of partners who have objected to his appointment.

Furthermore, the majority of partners, who have appointed the manager, can disqualify him using the same procedures followed in his appointment, even if it has been agreed otherwise (Article No. 1064 of the Jordanian Civil Law & Article No. 854/2 of the Egyptian Civil Code). Meanwhile, the minority or any partner can plea at the Court asking for permission to terminate the manager if there is a strong reason for such action.

“If partners have not come to an agreement to appoint a manager, and it happens that one partner conducts the management business, and informs the others without facing any objection, this partner shall be considered as their agent. Being in the position of an agent, he is obligated to submit managerial as well as financial accounts on behalf of the other partners.⁵⁶ But if he mismanaged his business causing losses or damage to the interests of other partners, such as, for example, using the joint property for his own benefit, urgent measures shall be taken to stop his biased performance. measure to prevent him from continuing to cause harm to the partners. As an interim procedure, partners may file a receivership suit to appoint a receiver who will be in charge of managing the common property temporarily until the substantive case is determined.

⁵⁴ Abu Al-So'ud, Ramadhan (1997). IBID. P. 154.

⁵⁵ Similarly, Article No. 854 of the Egyptian Civil Code stipulates that “the manager can be terminated following the same procedures in which he has been appointed. Besides, the Court may disqualify him as per a request submitted by any partner if there is a strong reason for such termination”.

⁵⁶ Tulba, Anwar (2004). IBID. P. 113. A Decision of the Egyptian Court of Cassation 4/11/1972, S. 26, p. 687

In short, the authority of a Family Ownership Manager can be identified within two main aspects, and as follows:

1. The manager's authority is not limited to Usual Management Business, but also includes Unusual Management Business. However, any decision that concerns a change in the purpose for which the common property has been established cannot be taken without the consent of the partners who own at least three-quarters of the shares value.
2. The minority cannot plea against any action taken by the manager, concerning Unusual Management Business. Indeed, even the majority is not allowed to object to this management as long as the manager's authorities are not defined in a special agreement. However, the majority that has appointed the manager may disqualify him using the same procedures followed in his appointment. Meanwhile, the minority may plea at the Court, asking for permission to terminate manager in case there is a strong reason for that.

Organizing Mechanisms of Family-Run Business

The UAE Legislator has permitted every co-owner in a Family Property to do the business of funds preservation, being as one of the phenomena of Family Ownership Management, and there is no need to obtain the approval of other partners.⁵⁷

If there are cases that cannot be regulated by Family Ownership Rules, the Emirati Legislator has referred them to the rules that regulate Common Property and those of Agency. Such procedure has been confirmed by Article No. 1187 of the UAE Civil Transactions Law, which stipulates that, "except for the previous regulations, Common Property Rules, and those of Agency as well as Inheritance Provisions shall be applied to Family Ownership". Accordingly, we shall deal in this section two main issues. They are as follows:

- a. Essence of Preservation Endeavours
- b. Expenses of Preservation & Management

Essence of Preservation Endeavours

Conservation Endeavours refer to any physical act or legal action taken by a partner and aims to protect Common Property from any probable dangers without causing major harm to other partners' interests.⁵⁸ The Emirati Legislator has referred to preservation endeavours in Article No. 1158, which stipulates that, "each partner has the right to take up any procedures to preserve the common property, even if it is unapproved by the other partners". Similarly, Article No. 1036 of the Jordanian Civil Law states that, "each partner of a Common Property has the right to take up the required measures in order to preserve this property, even it is without the approval of other partners".⁵⁹

The previous texts do clarify that certain actions shall be taken in order to preserve Common Property Funds. Accordingly, the Legislator has come up with specific regulations, which permit each partner to take several actions with no need to obtain the confirmation of other partners. We may confirm therefore that neither consensus nor majority do apply as long

⁵⁷ Saleem, Ayman Saad Abdul Majeed (2013). IBID. P. 280.

⁵⁸ Al-Mansour, Anis Mansour (2011). Explanation of the provisions of the Jordanian Evidence Law as per the latest amendments with the latest jurisprudences issued by the Court of Cassation. Ithraa for Publication, Amman. P. 49.

⁵⁹ Similarly, Article No. 830 of the Egyptian Civil Code stipulates that, "The expenses of managing and preserving common property, with the imposed taxes, and all other costs resulting from common property or imposed on the property shall be paid by all partners, each according to his share, unless there is a text stipulating otherwise.

as it is a matter of saving the property. Simply, because saving the property is a legal duty imposed on every partner.⁶⁰

These regulations have been justified that each partner of a common property can do the preservation endeavours provided that there is no infringing upon the rights of other partners. Besides, the benefits attained of such actions are not limited to the partner's own share, but extends to cover the whole property. In other words, all partners shall benefit from these endeavours.⁶¹

According to Law Provisions, Preservations Endeavours & Management Businesses are different in one main point. While the latter requires the partners' approval, the former can be implemented with no need to be approved by others, simply, because they achieve general interests.⁶²

It should be noted however that preservation endeavours are physical, such as maintenance, reaping fruit before being destroyed, or it might be filing a possession lawsuit related to some funds owned by a third party. These endeavours could be taxes or fees that shall be paid, and if such action occurs with the consent of other partners, he becomes their agent as per an explicit agreement.⁶³

It is argued that if these actions have been done by a person who is not a partner in the Family ownership, he shall recourse against all partners on the claim of virtue.⁶⁴ Nevertheless, and as stated before, each partner has the right to carry put preservation endeavors regardless of the amount of his share, and whether the family property has a manager or not.⁶⁵

Expenses of Preservation & Management

Article No. 1159 of the UAE Civil Transactions Law stipulates that, "expenses of common property, preserving it as well as the taxes imposed and other costs resulting from the communion or determined on the property shall be endured by all partners, each as per his share".

Similarly, Article No. 1037 of the Jordanian Civil Code stipulates that, "expenses of common property, preserving it as well as the taxes imposed and other costs resulting from the communion or determined on the property shall be endured by all partners, each as per his share".⁶⁶

The previous texts do clarify that if a partner has done the businesses of preservation and management, or other obligations as stipulated in Article 1159 of the Emirati Civil Transaction Law and others in comparison, all partners do endure these expenses, each as per his share in the Family Property, simply because the achieved benefit includes all partners. The partner's obligation to share in the costs and expenses that results from the Family Property is a commitment attributed to their participation in the same ownership. However, it is possible that distribution of expenses could be as per another percentage, or some partners might be exempted from these expenses.⁶⁷

⁶⁰ Omran, Al-Sayid Muhammad Al-Sayid (1993). Ownership in the Egyptian Civil Code. Egypt. P. 166.

⁶¹ Saad, Nabil Ibrahim (2006). Original Rights: Provisions & Sources. Dar Al-Jami'a Al-Jadida, Alexandria, Egypt, P. 117.

⁶² Surour, Muhammad Shukri (2009). IBID. P. 315.

⁶³ Al-Sanhouri, Abdul-Razzaq (2022). Al-Waseet in the Explanation of Civil Law: Ownership Right. Beirut, Volume 8, P. 1062.

⁶⁴ Badrawi, Abdul Mun'im (1968). IBID. P. 151.

⁶⁵ Tulba, Anwar (2004). IBID. P. 113.

⁶⁶ Article No. 831 of the Egyptian Civil Law stipulates similar text.

⁶⁷ Rizq, Tariq Abdul Raouf Salih (2008). IBID. P. 90

Each partner is bound to endure his share of the common expense as he is considered one of the owners of the common property. It is quite obvious that the costs of this property should be divided among them all as per their share. These costs represent the expenses that are spent on restoring and maintaining this property, or the expenses of taxes and other costs.⁶⁸

As for the luxury expenses that one partner spends on the common property, he is not entitled to claim it due to being unnecessary, unless he obtains their consent to spend it explicitly or implicitly.⁶⁹

If the administration causes damage to the property due to fault committed by the manager, he shall be obligated to repair it physically or compensate it with funds, and such act is not considered a preservation endeavour, but rather deemed a removal of the damage. Accordingly, it is not permissible for the manager to claim the repair expenses from other partners.⁷⁰

However, every partner can get rid of expenses if he gives up his share in the common property, as the general rule permits him to do that. In this case, the partner's share shall be distributed among the other partners, each as per his share. On the other hand, if the property is real estate, there should a registered abandonment in order that the property pass to other partners. Nonetheless, it is forbidden for the partner to give up his share as an attempt to get rid of expenses that have been caused by him, and therefore, he shall bear them alone.⁷¹

Besides, we are obliged to distinguish between two types of endeavours, those of improvement and others of preservation. It should be noted that the former cannot be taken as part of the latter endeavours. Indeed, any improvements are considered as acts of extraordinary management, and accordingly it is forbidden for a partner, even if he owns the majority of the shares, to do any improvements before informing his partners about all the related details. It is not urgent, for example, to construct a swimming pool in the common house garden.⁷²

Henceforth, it is possible to conclude that Common Property Management, specifically Family Ownership is a group of businesses in which partners carry out the main objectives of these businesses, which aim to maintain and preserve the Family Property from loss or damage, in addition to monitoring and supervising all its necessities.

Management businesses do refer to the processes maintenance, preservation and exploitation of property without any type of disposal. Indeed, property preservation is the right of every partner, and he may take any necessary measures for that, including restoration, maintenance, and filing life claims. Article No. 1158 of the UAE Civil Transactions Law states that "each co-owner has the right to take the means to preserve the joint property, even if he is not approved by other co-owners".

Preservation endeavours, that a partner does perform individually, could be physical businesses, which includes maintenance or restoration work, such as constructing a fence or a wall, if this type of preservation is required, in addition to collecting fruits that might be subject

⁶⁸ Obeidi, Ali Hadi (2008). *Al-Wajeez in the Explanation of Civil Law*. Dar Al-Thaqafa for Publication & Distribution, Amman, Jordan, P. 58.

⁶⁹ Qasim, Muhammad Hassan (2004). *Summary of Original Rights. Part One: Ownership Right*. Al-Halabi for Legal Publications, Beirut, Lebanon, P. 162.

⁷⁰ Saleem, Ayman Saad Abdul Majeed (2013). *IBID*. P. 280. & Arafa, Al-Sayid Abdul Wahab (2021). *Common Property & its division by sale or division, the division and management of Common Property, its management "usual or unusual management, and disposing of the property, common or divided, and the suit for sorting and avoidance "the division suit" in light of the provisions of the Cassation Court*.

⁷¹ Al-Sadda, Abdul Mun'im Faraj (1982). *IBID*. P. 173.

⁷² Al-Qadhi, Rana Adnan (2012). *IBID*, P. 62.

to damage. Moreover, these endeavors could take the form of legal physical businesses, such as filing a claim for entitlement if the property is under the control of a usurper, in addition to payment of due taxes to the State, or payment of secured debts, as well as a security or possessory mortgage. All these procedures might be taken so that common property is not subject to forced implementation, including the possibility of being sold at public auction.

Every partner, therefore, is considered a principal on his own behalf, and an agent on behalf of other partners in the management of the Common Property. If no partner does object to what he has done, he then is their representative, and returns to them with the claim of agency. Management actions do include maintenance, preservation or exploitation of the Common Property. However, if these actions depart from this scope, they cannot be deemed Management Businesses, and then they become as acts of disposition according to which partners might be deprived of the Common Property.⁷³

Conclusions & Recommendations

Family ownership is a special form of common property, in which owners are relatives coming from the same family. Articles 1183 -1188 of the UAE Federal Civil Transactions Law have referred to this type of ownership, organizing its provisions in line with the customs and traditions of social life in the United Arab Emirates. As a matter of fact, individuals, as per the relate provisions, have been given a space of freedom to determine and establish their own type of ownership.

Family ownership is based on a main aspect, and that is “Management”, which mainly aims to protect the Family Property and use it appropriately and effectively.

Our current research has come up with a number of conclusions & recommendations, and they are enlisted below as follows:

Conclusions

1. Family Ownership as per the Emirati Federal Civil Law and the Civil Law in the Emirate of Dubai is considered a form of Common Property.
2. The Legislator’s interest in Family Ownership and issuance of a special law in Dubai is attributed to the fact that some families constitute a supportive factor to the Emirates’ Economy, such as, for example, Al-Futtaim Family that has played an essential role in the Emirates Renaissance. It is therefore, quite necessary to care for this type of properties.
3. The general rule that governs management businesses of any Common Property, including Family Ownership, is the Rule of Unanimity as the Egyptian and Iraqi Civil Laws, whereas the Rule of Majority is deemed an exception in the Egyptian Civil Law. However, according to the UAE Civil Transactions Law, partners are permitted to appoint one or more managers to administer their property.
4. The Emirati Legislator has permitted the partners to dissociate of Family Ownership if they are not obligated to a specific period of time. Such procedure shall undoubtedly eliminate the advantage of this type of ownership since the intended purposes cannot be achieved within a short period.
5. The Emirati legislator has given the partner in a Family Ownership the right to withdraw his share from this ownership before the agreed upon period has expired.

⁷³ Tulba, Anwar (2004). IBID. P. 167.

Such action shall be based on a justified reason and in accordance with what has been stipulated in the 2nd Para of Article No. 1184 of the UAE Federal Civil Transactions Law, which takes the aforementioned reason in consideration.

Recommendations

1. There is an urgent need to legislate an Independent Federal Law that can regulate Family Ownership similar to that of Dubai Emirate due to its importance, especially, in the field of Family Businesses & Real Estate.
2. The Emirati legislator should have addressed the Provisions of Family Ownership in special texts in a broader manner. As a matter of fact, confining the subject to five Articles in the Federal Civil Transactions Law are insufficient, in addition to being featured with inaccuracy as well as ambiguity.
3. Concerning the text of “Article No. 1183 of the UAE Civil Transactions Law, it has not clarified the meaning of “the same family members”. Besides, Article No. 1185 of the same Law has permitted a Family Ownership Partner to dispose of his share to a foreigner with the consent of other partners. Thus, the scope of the family has been expanded to include the same family members with a foreigner. We do recommend therefore that the legislator should reconsider these Articles and change the term “Single Family”.
4. Article No. 1184 of the UAE Civil Transactions Law is indeed against the objective for which Family Ownership has been established. This Article permits the partner to withdraw his share from the Common property before the agreed-upon-period has expired if there is a strong justification for that. Instead, we believe that he legislator should have restricted partners to the Family Ownership duration.
5. The Emirati legislator has permitted a foreigner to become a partner in a Family Ownership. We believe that such procedure shall be denied due to simply contradicting the main principle on which Family Ownership is based.
6. The Emirati Legislator is invited to follow Islamic jurisprudence, applying its provisions, which organize the use of Common Property in the absence of one partner so that financial processes are not disrupted for any reason.

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