

Royal Decree
No. 12/2006
to Promulgate the Real Estate Ownership
Act in the Integrated Tourism Complexes ¹

We, Qaboos bin Said, Sultan of Oman
Having perused the Basic Law of the State promulgated by Royal Decree No. 101/96,
The Law of Property Expropriation for Public Interest issued by Royal Decree No. 64/78 and its amendments,
The Land-Law issued by Royal Decree No. 5/80 and amendments thereto,
The Land Usufruct Law issued by Royal Decree 5/81 and amendments thereto,
The System of Entitlement to Government Lands issued by Royal Decree No. 81/84 and amendments thereto,
The aliens residence law issued by Royal Decree No. 16/95 and its amendments,
And the Law of Real Estate Register issued by Royal Decree No. 2/98
And pursuant to the exigency of public interest,

We have decreed the following:

- Article One :** The attached act shall govern the ownership of Real Estate in Integrated Tourism Complexes licensed by the competent parties.
- Article Two :** The Ministry of Housing, Electricity & Water, in coordination with the Ministry of Tourism, shall prepare the Executive Regulations of the attached Act . The Minister of Housing, Electricity & Water shall issue such Executive Regulations consequent to the approval of the Council of Ministers and shall take all actions necessary to implement this act after coordinating with the parties concerned.
- Article Three :** All that contravene with this Decree or contradict its provisions shall be abrogated.
- Article Four :** This Decree shall be published in the Official Gazette and shall take effect from the date of its publication.

Qaboos Bin Said
Sultan of Oman

Issued on : Muharram 20, 1427 A. H.

Corresponding to: February 19, 2006 AD

1 * The amendments promulgated by the Royal Decree No. (65 / 2007) is added in the text of the Royal Decree No. (12 / 2006)

Real Estate Ownership Act in the Integrated Tourism Complexes

Article (1)²: Omani and Non-Omani of natural or juridical personalities are allowed ,for the purpose of accommodation or investment by way of one of the legally recognized forms of ownership, to own lands or constructed units in integrated tourism complexes licensed by competent government authorities.

Without prejudice to the right of the government to restrict ownership to Omanis in any integrated tourism complex, the Executive Regulations shall lay down the procedures, rules, conditions and criteria of ownership in these complexes with respect to both Omanis and non-Omanis.

Article (1) Repeated³: he words and phrases used in this Executive Regulations shall have the meanings respectively ascribed to them; unless otherwise required by the context:

Development Control Plan (DCP) : The document that is prepared by the Developer and approved by the competent authorities and incorporates the primary and the detailed plans as well as the standards, specifications, measures and conditions of construction in the integrated tourism complex.

Rules and Regulations of Real estate in Integrated Tourism.

Complexes : The rules that are laid down by the Developer, approved by the competent authority and incorporate the criteria and procedures for the disposal of real estate

² This Article is amended by the Royal Decree No. (65 / 2007)

³ This Article is added by the Royal Decree No. (65 / 2007)

in integrated tourism complexes without opposing the governing laws and rules in the Sultanate.

The sanctioned Development Agreement (DA): The arrangement that regulates the relationship between the Developer and the Government and outlines the rights and duties of each party with respect to Integrated Tourism Complexes.

Article (2): Subject to the approval of the Ministry of Tourism, a natural or juridical personalities who have acquired properties in integrated tourism complexes by a usufruct and have provided it with public services and utilities, may dispose the built units or lands subdivisions prepared for building subject to the payment of an upgrade levy to the Ministry of Housing, Electricity and Water. The amount of the upgrade levy shall be proportional to the total value of the land held in usufruct. The Executive Regulations shall determine the value of the upgrade levy contingent upon the approval of the Ministry of Finance.

Article (3): It is permissible for the owner to sell built real estates at any time. However, any one who bought a plot of land in an integrated tourism complex should develop it to a finished appearance or exploit it within four years from the date of registering it in his name. No disposition of land shall be made within these four years except by mortgage to finance its development. If the land is not developed or utilized during this period, the Ministry of Housing, Electricity and Water may dispose it by sale on public auction and reimburse the owner the price of the plot at the time of

purchasing it or its price at the time of selling it , whichever is less , without prejudice to the owner's right to judicial appeal before the competent authorities

Article (4):The Ministry of Housing, Electricity and Water may extend the period mentioned in the preceding article if the purchaser submitted to Ministry of Tourism an application for extension outlining the grounds for the required extension and if the delay is deemed justifiable on the basis of the recommendation of the Ministry of Tourism. This additional period shall not exceed more than two years . The Executive Regulations shall lay down the procedures and the details of such application and the period of its submission.

Article (5) :The sale by public auction shall be performed by a government committee to be formed and its statement of the procedures and rules governing it by a decision of the Minister of Housing, Electricity and Water in coordination with the Ministry of Tourism. This Committee shall include technical, financial and legal resources as well as a representative of the Ministry of Tourism.

Article (6):This act shall not prejudice the right of the state to expropriate property for the public interest against the payment of a fair compensation pursuant to laws and rules prevailing in the Sultanate of Oman.

Article (7): Rights of inheritance, wills and all after-death dispositions of properties subject to this act shall be in accordance to the laws of the country to which the owner belongs. If one year ended after the death of the owner and the notification of the embassy of the country that the owner belong , no heir has

submitted a claim of the estate of the deceased owner, then the Ministry of Tourism shall determine who would manage the property, provided that it shall be devolved to the government of Oman after the elapse of fifteen years, save the right of any legitimate heir to compensation.

The Executive Regulations shall demonstrate the procedures for the submission of applications and claims to inheritance together with supportive documents. The Executive Regulations shall also decide the government unit which should handle the notification, the amount of the property management fees and shall establish the procedures for the execution of after-death transactions.

Article (8): A Non-Omani owner of a property built for accommodation or investment may be granted residence permit for him and his first-degree relatives. The Executive Regulations shall, after coordination with the parties concerned, establish the procedures and stipulations for granting such residence permits.

Article (9): The Minister of Tourism shall form a government committee to be entrusted with the task of licensing integrated tourism complexes in accordance with established rules and criteria. The ministerial decision forming the committee shall also determine its mandate and modus operandi.

Article (10): All dispositions and transactions carried out in respect of tourism complexes prior to the enforcement of this act shall be valid and legally binding.