

Royal Decree No.

88/82

**To Endorse the Executive Regulation of the Law Regarding
Organization of Usufruct over the Sultanate's Lands ¹**

We, Qaboos bin Said, Sultan of Oman,
Having perused Royal Decree No. 26/75 to promulgate the law
organizing the State's Administrative Apparatus and the amendments
thereto; and
Royal Decree No. (5) of 1981 to organize usufruct of the Sultanate's
lands by foreigners and companies; and
Pursuant to the public interest exigencies,

Decreed as follows:

Article (1) : The provisions of the attached Regulation shall be
applicable as regards the implementation of the aforesaid
Royal Decree No. 5/81.

Article (2) : This Decree shall be published in the official gazette and
shall come into force from the date of its publication.

Issued on : 21 Muharram 1403 AH

Corresponding to: 8 November 1982 AD

Qaboos Bin Said

Sultan of Oman

¹ Amendments contained in Royal Decree No. (76/2010) were incorporated into the Decree.

**Executive Regulation of Royal Decree No. 5/81
to Organize Usufruct over the Sultanate's Lands**

Section One

On Usufruct Conditions

Article (1) : The Minister of Land Affairs and Municipalities may grant usufruct over the Sultanate's lands in accordance with the provisions of the aforesaid Royal Decree No. 5/81 as per the following conditions:

- The purpose of the usufruct shall be directed towards achieving one of the objectives of the economic or social development, whether the purpose is commercial, industrial, or agricultural or such other purposes which lead to the realization of this objective.
- The purpose of usufruct shall come in line with the planning of the land in accordance with the enforceable laws, regulations and resolutions. Land use shall not be changed except for purposes that are consistent with the planning.
- Usufruct applicant shall obtain the prior approval of the competent government authorities which prove that the project is expected to achieve one of the objectives of the economic or social development and that the applicant meets the other conditions prescribed by the laws .² _____

² This Article was amended by Royal Decree No. (76/2010).

Article (2) : The land subject matter of usufruct shall not be partitioned regardless of the purpose of the said partition.

Article (3) : The area of the land granted shall be proportionate with the needs of the project which are determined by the competent authorities ³.

Article (4) : The period of usufruct shall be within the limits of the needs of the project and shall not exceed 50 years; which period shall be renewable based on the application of the Owner, as far as Omani nationals' lands are concerned, and the application of the Usufructuary if the lands are owned by the Government. Renewal shall be made pursuant to the provisions of Article (1) of Royal Decree No. 5/81 regarding organization of usufruct of the Sultanate's lands ⁴.

³ Conditions were amended under Royal Decree No. (24/95)

⁴ Article was amended under Royal Decree No. (24/95)

Section Two
On Procedures of Filing Applications
and Determination thereof

Article (5) :Filing of usufruct applications in respect of lands owned by the state shall be subject to the following rules and procedures:

First :

1. The Application shall be filed in the name of the Minister of Land Affairs and Municipalities and shall contain the name of the Usufructuary, whether a natural or juristic person, his/her/their address, nationality, and profession. Age must be included only in case of natural persons.
2. The Application shall indicate the required area of land and usufruct period.
3. Approval of the authorities referred to in Article One of this Regulation shall be attached to the Application.
4. The master plan of the project shall be attached to the Application.
5. A report on the purposes of the project and the means of achieving the same shall be attached to the Application.

Second: The Minister shall refer the Application to the

planning and legal bodies at the Ministry in order to review the Application from both planning and legal perspectives. The said bodies may summon the Applicant so as to discuss with him/her/them the subject matter of the Application and to obtain from him/her/them all data necessary to complete the Application.

Third: The Application shall be put up to the Minister with the opinion of the bodies referred to in the above paragraph appended thereto within a period not exceeding one month from the date of referral.

Fourth: The Minister may reject the Application if it is established that it does not meet the conditions of the right stipulated in Paragraphs (a), (b) and (c) of Article One of this Regulation. The rejection decision shall be justified. The Applicant may appeal to such decision before the Committee stated in Article Nine of Decree No. 5/81.

Should the Application fulfill the conditions referred to in the beginning of the Article, the Minister may decide to refer the Application to the Council of Ministers for approval.

Article (6) : Filing of Usufruct Applications in respect of lands owned by Omani nationals shall be subject to the following rules and procedures:

First: The Owner shall file the Application in the name of the Minister

of Land Affairs and Municipalities.

Second: The Application shall contain the following data:

1. Name of the Owner, his/ her tribe and address.
2. Declaration stating that the Owner is an Omani national.
3. Declaration stating that the Owner's age is not less than 21 years, otherwise the Application may be filed by his/ her legal guardian.
4. Detailed Statement indicating the location of the land and specifying its total area, the borders surrounding it, the type of agricultural products existing and the buildings erected thereon in addition to the required usufruct period.
5. Name of the Usufructuary, whether a natural or juristic person. Age shall be specified in the case of a natural person.

Third: Approval of the concerned authorities shall be attached to the Application as per the provision of Paragraph (c) of Article One of this Regulation.

Section Three
Chapter One
Owner's Rights

Article (7) :The Owner may claim an amount of money in return for the usufruct stated in the Contract throughout the usufruct period.

Article (8) : The Owner shall reserve his/ her right to the ownership of the property.

Article (9) :The Owner may dispose of the land in any way during the period when the same is given in usufruct.

Article (10) :The Owner shall be entitled to restore the land and its dependencies upon the expiration of the usufruct.

Chapter Two
Owner's Obligations

Article (11) : The Owner undertakes to hand over the land to the Usufructuary in accordance with the conditions provided for in the Contract.

Article (12) : The Owner guarantees that neither the Owner nor third parties would cause nuisance to the Usufructuary throughout the usufruct period.

Article (13) : The Owner undertakes to hand over the land and its dependencies free from any rights that contradict the usufruct such as mortgage, seizure, or any other usufruct.

Chapter Three

Usufructuary's Rights

Article (14) : The Usufructuary shall have the right to use and exploit the land subject to usufruct and its dependencies, in the same manner that the Owner would exploit his/her property; provided that the provisions of the Usufruct Contract were not violated.

Article (15) : The Usufructuary may exploit the land subject to usufruct and its dependencies by himself or through a third party.

Article (16) : The Usufructuary may assign the usufruct, in which case the usufruct ceases on the death of the original Usufructuary rather than the Assignee. In all cases, the Assignee shall be entitled only to the rights guaranteed to the Usufructuary until the expiration of the usufruct or the right of the Assignee, whichever is nearer.

Article (17) : The Usufruct Contract may stipulate that the usufruct would continue to be valid for the remaining period of the Contract upon the death of the Usufructuary and provided that the nature of the project so required.

Article (18) : The Usufructuary may dispose of the usufruct in any manner including by way of sale, mortgage and the like without the same being in contradiction with the purposes of the land subject to usufruct and its dependencies; provided that such disposal is in favor of the project financing entity and the approval of the Ministry is obtained.

Article (19) : Disposing of the usufruct right in any of the ways referred to in the above Article except for sale is contingent upon attaching a certificate to the Application for Disposal to prove that the Usufructuary already started the project. The Ministry may verify this through its different bodies

Article (20) : The usufruct may not be disposed of by means of sale unless after the completion of the project and commencement of exploitation.

Article (21) : In the event of termination or nullification of the usufruct prior to expiration of its period or prior to the death of the Usufructuary due to any reasons, the right of the third party shall be considered.

If the land was subject to mortgage, the mortgagee shall reserve his/her right thereto. Accordingly the property shall be returned to the Owner encumbered with the mortgagee's right for the remaining period of the Contract.

The mortgagee may seize the usufruct for the remaining period and deduct the amount due to him/her/them from the usufruct price after selling the same by public auction.

Article (22) : If the land subject to usufruct happens to be occupied and cultivated at the time that the usufruct ceases by the expiration of the period for which it was executed or by the death of the Usufructuary, the land will be left to the Usufructuary or his heirs until the crops grow provided that they pay a rent for the land during that period of time.

Section Four

Usufructuary's Obligations

Article (23) : The Usufructuary shall use the land subject to usufruct and its dependencies in the same manner that the Owner uses his/her property and shall observe such restrictions as may be imposed by the law regarding the use of land.

Article (24) : The land may be withdrawn from the Usufructuary by a Minister's decision if works on the project did not commence within six months from the date of the handover of the land.

Article (25) : The Usufructuary undertakes to abide all the laws and regulations applicable in the Sultanate as well as the procedures required thereby.

Article (26) : The Usufructuary undertakes not to dispose of the land in any way after the expiration date of the usufruct.

Article (27) : The Usufructuary undertakes to use, enjoy and properly manage the land and its dependencies according to the purpose thereof.

Article (28) : The Usufructuary undertakes to maintain the land and its dependencies at his/her/their own expenses throughout the usufruct period.

Article (29) : The Usufructuary undertakes to return the land and its dependencies at the end of the usufruct period or upon its

termination for whatever reason. The land shall be returned in the same condition as it was handed over upon the commencement of the usufruct unless otherwise agreed.

Article (30) : Concerning lands owned by the Government, the Minister may send a warning notice to the Usufructuary requiring him/her/them to remedy any violation of the terms of the usufruct within no later than one month, failing which, the Minister may issue a reasoned decision to terminate the usufruct.

Article (31) : Concerning lands owned by the Government, the Minister may terminate the usufruct by issuing a reasoned decision if it is proven that the Usufructuary has substantially violated all or part of the terms of the usufruct or has abused the usufruct right. The said decision shall be published in the official gazette.

Article (32) : Concerning lands owned by citizens, the Owner may file an application with the Minister to terminate the usufruct if it is proven that the Usufructuary has substantially violated all or part of the usufruct. In such case, the following procedures shall be carried out:

- The Application shall be referred to the concerned bodies at the Ministry to verify the correctness of its content. Special technical committees may be delegated to check the same.
- The bodies to which the Application is referred shall

submit their reports to the Minister within no later than one month from the date of referral.

- The Minister shall issue a reasoned decision within no later than one month from the date of submission of the committees' report and notify the Owner, the Usufructuary and holders of registered rights of such decision by a certified letter.

Article (33) : An appeal may be filed against the decision to terminate the usufruct. The appeal shall be submitted to the Committee stated in Article Nine of Decree No. 5/81 within no later than one month from the date of notification of the decision to the Complainant.

Article (34) : The Usufructuary shall be obliged to return the land to the Owner if it is established that the Usufructuary has violated the usufruct pursuant to the provisions of Articles 30, 31 and 32 without being paid any compensation and without enjoying the land pursuant to the provisions of Articles 30, 31 and 32 and being paid any compensation therefor; and without prejudice to the Owner's right to compel the Usufructuary to remove the buildings or crops from the land.

Article (35) : If the land subject to usufruct happens to be occupied by buildings or cultivated upon the expiration of the usufruct period or upon the death of the Usufructuary, or if the Usufructuary had incurred exorbitant amounts for the sake of preparing the land for use, the Owner shall have the

choice either to restore the land along with the crops or the buildings erected thereon provided that he/she shall compensate the Usufructuary or his/her heirs for the increase in the land value caused by such works, or to leave the land to the Usufructuary or his/ her heirs to benefit therefrom for a new period in accordance with the following procedures:

First:

- In case the Owner wants to restore the land and indemnify the Usufructuary or his/her heirs for the increase in the actual value, the Owner shall file an application in this respect with the Central Committee at the Ministry of Land Affairs and Municipalities. The said Committee will refer the application to the Valuation Committee formed at the said Ministry in accordance with Article Six of Royal Decree No. 64/78 to promulgate the Law of Expropriation of Property for Public Utility.
- The Valuation Committee will prepare a report on the extent of increase in the property price and submit the same to the Central Committee within a period not exceeding one month from the date of referral.
- The Central Committee will examine the aforesaid report and issue its decision on the value of indemnification due and notify the interested persons within a period not exceeding one month from the date of submission of the report thereto.

Second:

The Owner may leave the land for the Usufructuary in the situations referred to in the beginning of this Article for another period provided that the Usufructuary files an application in this respect with the Central Committee.

The said Committee will determine the period sufficient to indemnify the Usufructuary for the expenses he/she incurred for the sake of preparing the land for the necessary usufruct purposes. This is provided that the said period shall not exceed the period stated in Article (4) of this Regulation.

Section Five
Appeal against Decisions

Article (36) : The interested persons may file an appeal with the Committee stated in Article Nine of Royal Decree No.5/81 against the decisions issued with regard to the non-acceptance of the application or the rejection of registration of the usufruct or any action relating thereto or under circumstances when the usufruct is terminated due to violation of the same.

Article (37) :The Appeal Committee stated in Article (9) of the Decree shall notify the interested persons of its decisions within no later than one month from the issue of the decision.