

Ministry of Housing

Ministerial Decision No. 191/2007

**Issuing the Executive Regulations for Real Estate Ownership
in Integrated Tourism Complexes Act.**

Pursuant to Royal Decree No. 12/2006 on the Act of Real Estate Ownership
in Integrated Tourism Complexes,

Royal Decree No. 2/98 on the System of the Real Estate Register,

Royal Decree No. 47/98 issuing the Financial Law,

Royal decree No.16/95 issuing the Aliens Residence Law,

The Executive Regulations of the Aliens Residence Law issued by the
Inspector General of Police and Customs No. 63/96,

The General Secretariat of the Council of Ministers' Letter No. GSCM/102/183
dated 10 Feb. 2007,

And

In accordance to public interest, it has been decided:

Article One: The provisions of the attached Executive Regulations shall apply
to Real Estate ownership in integrated tourism complexes.

Article Two: The Executive Regulations shall annul all that contravenes or
contradicts it.

Article Three: This decision shall be published in the official gazette and shall
take effect from the day following the day of its publication.

Issued on: 19 September 2007

Saif Mohammed Saif Al-Shabibi
Minister of Housing

The Executive Regulations for the System of Rules of Real Estate Ownership in Integrated Tourism Complexes

Chapter One

Definitions & General Provisions

Article (1):

Whenever in this Executive Regulations the following words and phrases are used, they shall have the meanings respectively ascribed to them; unless otherwise required by the context.

- **The Ministry:** The Ministry of Housing
- **The Minister:** The Minister of Housing.
- **System of Rules:** The System of Rules ownership of real estates in integrated tourism complexes promulgated by Royal Decree No. 12/2006
- **The Integrated Tourism Complex:** A piece of land designated to setting up an integrated tourism complex that offers all or some of tourism property services; whether such a designation is made on the basis of usufruct or proprietary rights depending on the license issued by the government licensing committee.
- **The Developer:** Any person natural or juristic who owns the land or acquires the right of usufruct for the land, to setting up an integrated tourism complex, and develop the same pursuant to the license issued by the government licensing committee.
- **The Ministerial Committee:** The Tourism Ministerial Committee stipulated in Royal Decree No. 117/2006
- **The Purchaser:** The person who acquired a plot of land or a built unit but has not completed it registration formalities.
- **The Owner:** A natural or juridical person who owned a property, whether a built unit or a plot prepared for building or exploitation by way of one of the legally recognized forms of ownership; and that such an ownership has been recorded in the real estate register consequent to the payment of standard fixed fees.
- **The upgrade levy “marriage values”:** The amount collected by the ministry from the developer who acquired

government land with usufruct properties for upgrading the usufruct right into a freehold.

- **The built up unit:** The unit with complete boundary and inside walls, roof, doors and windows even if it has not yet taken the finished appearance in the interior just as the norm.
- **The Committee:** The government committee entrusted with selling by auction as stipulated in article (5) of the system of rules.
- **The Government Licensing Committee:** The government committee entrusted with licensing integrated tourism complexes as stipulated in article (9) of the system of rules.

Article 2:

Non-Omani natural or juridical personalities may own built-up property or plots of land, prepared for building or exploitation, in integrated tourism complexes, within the intent of accommodation or investment purposes, in accordance to the system of rules and this executive regulation.

Article 3:

The Ministerial Committee – pursuant to the public interest – may advise the Government Licensing Committee to withhold the title of integrated tourism complex from certain sites wherein the Committee deems to restrict ownership to Omani nationals only.

Article 4:

Two natural first-degree relatives may jointly own a built unit or a land plot prepared for building but shall severally and jointly be subject to the rules & provisions of this executive regulation.

Article 5:

The following conditions will have to be met in order to obtain a license for setting up an integrated tourism complex:

- A. The minimum project land area shall be 200 thousand square meters. However, in case a Tourism Complex requires, for the erection of its facilities, an area of government land greater than the stipulated minimum limit, then such an area shall be determined by the Tourism Ministerial committee subject to the approval of the Council of Ministers.
- B. The Land must be designated for commercial, commercial/residential or tourism use.
- C. The developers shall produce a conceptual plan to be approved by the Ministry of Tourism.
- D. The percentage of land exploited for building shall not exceed 30% of total land area. (30% foot-print)
- E. The ratio of land used for setting up non-tourism properties shall not exceed 50% of the total area of land exploited for building.
- F. The developers shall satisfy all planning and environmental requirements of integrated tourism complexes.
- G. The distance between the site of the integrated tourism complex and the nearest international boundaries of the Sultanate of Oman shall not be less than 20 kilometers.
- H. The proposed site of the tourism integrated complex must be free from any restrictions.

The Minister of Tourism may, in coordination with the Minister, qualify the licensing conditions for setting up an integrated tourism complex in pursuance of public interest.

Chapter Two Rules and Procedures for Ownership

Article 6:

The developer - prior to fulfillment of registration formalities of property units or land plots – shall make available the infrastructure facilities, connect utilities to the project and complete one of the proposed tourism projects in the integrated tourism complex; in accordance to the provisions of this executive regulation and the development agreement.

Article 7:

Applications for registration shall be submitted to the Ministry in the forms prepared for this purpose and shall be accompanied by the following documents:

- a) Copies of passport or ID of the owner and the purchaser and copy of the labour card of the purchaser, if working in the Sultanate of Oman.
- b) Copy of the commercial registration of juridical persons.
- c) Declaration stating the number of the purchaser's family members, full names and addresses of first degree relatives, and also second degree relatives, if he so wishes.
- d) Statement of properties owned in the Sultanate of Oman by a non-Omani purchaser.

Article 8:

For the purpose of implementing the provisions of article (2) of the systems of rules, the calculation of the upgrade value (price per square meter) of land awarded in usufruct shall be as follow:

- a. The market value per meter of land at the time of award of the usufruct rights to be arrived at by

calculating the average of three estimates made by three real estate specialists, with the concurrence of the Ministry of Finance.

- b. A simple 6% rate of such market value shall be added per annum from the date of the award of usufruct rights to the date of registration.

The Ministerial Committee may revise this rate per cent in the interest of public benefit.

Article 9:

The developer who is granted usufruct rights over a government land shall not be allowed to transfer the title to constructed units or land plots prepared for construction in an integrated tourism complex; except if the upgrade levy of such units or plots has been paid in compliance with article (8) of this executive regulation and the standard fee has been paid to the Ministry.

Article 10:

The Ministry shall maintain a separate real estate registry for integrated tourism complexes, in which all transactions pertaining to each integrated tourism complex shall be recorded, including transactions following death. Those eligible and concerned may go through this registry and obtain legal deeds extracted from it against the payment of a fixed fee.

Article 11:

The owner commits to provide building completion on the land plot owned in an integrated tourism complex, or such a land plot shall, at least, be developed into a form of finished structure or be utilized for the designated purpose, within four years from the date of registration in the name of the owner.

Article 12:

The Ministry may, on the basis of a recommendation from the Ministry of Tourism, extend by not more than two years the period stipulated in article (11) herein for the development or exploitation of the land. The owner shall, prior to the expiry of this period, submit to the Ministry of Tourism an application for a longer timeframe with supportive justifications.

Article 13:

The extension of time given to the owner shall not be in excess of two years, commencing from the day following the expiry of the four year period stated in Article (11) herein.

Article 14:

The developer commits to inform in writing the Ministry of Tourism and the Committee of the events of default by the owners on the requirement of exploitation or development of the land within the period stipulated in articles (11) and (12) herein. This communication shall be made within the last month of such a period as applied to each owner.

Article 15:

The owner is not allowed to dispose of the land plot owned in an integrated tourism complex except by means of mortgage to finance its development; however he may dispose of it if it is developed, or developed into a form of finished structure, or exploited for the designated purpose.

Chapter Three

Procedures for inheritance and execution of other transactions

Article 16:

Without prejudice to the provisions of the civil law, the developer shall inform the Ministry and the Ministry of Tourism of any incidence of death of a residential unit owner or a plot of land owner in the integrated tourism complex as soon as they become aware of it. The Directorate General of Civil Status shall inform both ministries of any incidence of death of such owners as they become aware of it from the record maintained by them.

Article 17:

The heirs or their appointed administrator in the Sultanate of Oman shall submit to the Ministry an application for the inheritance setting forth all relevant particulars with the following supportive documents:

- a) Name, address and nationality of each heir and the share attributed to each of them according to laws prevailing in the country of the deceased owner.
- b) Name and address of the appointed administrator in the Sultanate of Oman together with the power of attorney.
- c) The death certificate.
- d) The Shari declaration (Legal Notice) according to laws prevailing in the country of the deceased owner. Copy of the application and all supportive documents shall be submitted to the Ministry of Tourism.

Article 18:

The Ministry of Tourism, in coordination with the Ministry of Foreign Affairs, shall notify the Embassy of the deceased owner within 30 days from the date of death. If one year has elapsed from

the date of this intimation and no claim has been made to the deceased owner's estate, the Ministry of Tourism shall inform the embassy concerned accordingly; and such notification shall include the name of the party entrusted with the management of the estate and shall also state that the property shall be devolved to the Government of the Sultanate of Oman if fifteen years from the date of the notification had expired and no claim to the rights of inheritance has been submitted.

Article 19:

The Ministry of Tourism may commission one agency or more than one agency engaged in the business of real estate management to manage the property in the event mentioned in the preceding article for the entire or part of the period mentioned therein.

Article 20:

Consequent to the preceding article; the management agency shall be entitled to 10% of the property rental proceeds and the balance shall be deposited with the Ministry of Finance.

Article 21:

All applications for execution of transactions subsequent to death shall be submitted to the Ministry by the beneficiary or his attorney in Oman, and thereto attached all particulars and documentations required by article (17) of this regulation. A copy of the application and attachments shall be given by the beneficiary or the attorney to the Ministry of Tourism.

Chapter Four
Closing Provisions

Article (22):

The Ministry of Tourism shall maintain a register specifically for integrated tourism complexes in which all information, particulars and transactions implemented in respect thereof shall be recorded. Parties interested in buying property in these complexes shall have the right to refer to such information and particulars.

Article (23):

A final judgment in a case of infidelity or dishonour against a property owner or an administrative decision issued by the competent authorities to deport him, shall be performed without prejudice to the owner's right to dispose of his estate within one year by an attorney to be appointed by him. If the property is not disposed of within the said period, it shall be sold by a public auction to be arranged by the Committee cited in article (5) of the aforementioned system of rules. The sale proceeds, after deduction of the administrative charges, shall be delivered to the owner or his successors.

Article (24):

Non-Omani owners of a built unit in an integrated tourism complex may be granted a residence permit for themselves and for their immediate family members subject to satisfying the following requirements:

- a) The application for the residence permit shall be submitted to the department concerned at Royal Oman Police and included therein shall be the names, nationalities and addresses of family members applying for the permit.
- b) The application shall be accompanied by relevant supportive documents and a fixed fee shall be paid.

The authorities concerned shall grant the residence permit within seven working days from the date of submission provided that the submitted application is adequate in all respects.

Article (25):

The residence permit given to the owner of a constructed unit and his immediate family members shall be valid for two years and shall be automatically renewed, without a fresh application, every two years for six years.

A two-year multiple investor visa shall be issued to owners of land plots prepared for building and their immediate family

members until construction is finished and in accordance to article (11) of this regulation.

Article (26):

Two non-relative individuals legally representing a judicial person may be granted residence permit subject to the provisions on residence herein.

Article (27):

Residence permit given to immediate family members of a deceased owner shall continue to remain valid and shall be renewed to his successors or to whom the property is alienated throughout the period of ownership.

Article (28)

The issuance of the residence permits shall be in accordance to the preceding articles without prejudice to the provisions of the expatriates residence law promulgated by Royal Decree No. 16/95 and its executive regulations issued by Ministerial Decision No. 63/96.

Article (29):

In cases of violation, by the developer or the owner, of the provisions of this executive regulations and terms of concluded agreements, the Ministry shall give notice to the violator to take immediate remedial measures, failure which, the Minister may take all or some of the following actions:

- a) Take the necessary remedial action and charge the cost to the violator.
- b) Impose a fine proportionate to the violation subject to a maximum of 50 thousand Omani Rials for the developer and 5 thousand Omani Rials for the owner.

Article (30):

Integrated Tourism Complexes issued with licenses shall commit to harmonize with the provisions of these regulations without prejudice to the terms of the Development Agreement signed with them.