Regulations

Council of Ministers

The following Regulation issued according to provisions of item (third) of Article (80) of the Constitution, and paragraph (a) of item (fifth) of Article (10), and item (first) of Article (30) of Investment Law No. (13) Of 2006.

No. (6) Of 2017

Regulations

Sell And Rent of Real Estate, State lands, and the Public Sector for Investment and Long Lease purposes

Article-1-

First: The National Investment Commission (NIC) with coordination with Province Investment Commission (PIC) or in a region not affiliated with a province shall determine the suitable Real Estate to implement investment projects.

Second: Coordination shall take place with the owner of the Real Estate regarding allocation of the suitable Real Estate of allocation to establish the investment project.

Third: The allocated Real Estate for the project shall be delivered to the investor totally empty of any occupants within 30 days from the date of allocation. If ministers and independent offices are not committed to deliver the allocated Real Estate within (60) sixty days from the date of NIC request, then the Council of Ministers shall have the right to transfer the ownership free and clear to NIC to be allocated to the investment project.

Article-2-

First: A committee shall be formed from:
1- Chairman Of the National Investment Commission – Head of Committee
2- Chairman of the concerned Regional Investment Commission or Provisional Investment Commission for Provinces not affiliated in a region – Member
3- Director General from the General Commission of Taxes (GCT).
4- Director General from Land Registration Department – Member
5- Representative of the owner of the property – Member

B- The committee stipulated in paragraph (A) of this item shall estimate the value of the State and Public sector owned property for the purpose of the strategic, federal and investment project with value starting from 250 million USD and more.

Second:
A- Committees shall be formed from:
1- Chairman of the Investment Commission of the Region or Province not affiliated with in a region – Head of the Committee
2- Representative of the National Investment Commission – Member
3- Representative of GCT in the Province – Member
4- Representative of Land Registration Department in the Province- Member
5- Representative of the property owner in the Province- Member

B- The committee stipulated in items (first) and (second) of this Article shall be guided by estimation procedures followed in GCT and Land Registration Department. They can have assistance from legal Legislations by estimating the property value, and get assistance from experts to estimate sell and rent allowances

Article-3-

First: Real Estate owners shall be committed to the Sale and rent allowances estimated by committees formed according to Article (2) of this regulation. If not, the National Investment Commission shall submit the minutes of estimation to the Council of Minister to issue an appropriate decision to adopt it.

Second: The owners of real estate allocated for investment projects shall be obliged to conclude contracts concerning sale and rent within 30 days from the date of allowances of sale or rent or long lease.

Third: The National Investment Commission shall follow up and correct estimation committees performance mentioned in Article 2 of this regulation and issue orders for their formulation.
Article-4-

First: The land allocated for housing projects within the basic design shall be owned with a sale allowance of 10% of the land value provided that the investor shall provide the project with infrastructure free of charge and allocate 10% of the area allocated for housing project to the owner for investment purposes.

Second: Investor, developer, and secondary developer shall be granted allocated lands for housing purposes that are outside the basic design free of charge provided not adding the land value to the housing unit price sold to citizens, also, investor shall provide the project with infrastructure free of charge and allocate 10% of the area allocated for housing project to the owner for investment purposes.

Third:

A. Land allocated for industrial projects outside the basic design shall be owned for 5% of the actual value of the land.

B. Land allocated for industrial projects within the basic design shall be owned for 15% of the actual value of the land.

Article-5 –

The owner of the property or whoever has the right to dispose the real estate in coordination with NIC to invest the lands and real estate allocated for investment projects in accordance with the percentage of the estimated annual rent for each one by the committees formed under Article 2 of this regulation, and as follows:

A. Required land to implement the project or housing projects or multipurpose housing cities such as recreational, commercial, or services complex within housing cities after apportionment, for a rent or long lease of 7% of the value of the lease estimated at 10% of the real value of the land, provided that the investor shall return the lands used for public such as parks, streets, and others to the concerned government entities within 60 days from the date of completion of the project for free.

B. Lands allocated for non-profit public services within housing complexes such as police stations, fire brigades, and worship places are excepted form provisions of paragraph A.
Second: Lands and buildings allocated for the purpose of implementing agriculture, industrial, services tourism, commercial or recreational and other investment projects as follows:
A-Lands allocated for agriculture projects that lead to increase and improve animal and plant production shall be leased through technical matrix by the Ministry of Agriculture as shown below:
1-Reclaimed arable lands and has a water share with a rent allowance of 20%.
2-Non reclaimed arable lands and has a water share with a rent allowance of 10%.
3-Non reclaimed arable lands with no water share and a rent allowance of 2%.
4-Non reclaimed arable lands with no water share and a rent allowance of 1%
B-Industrial projects established in areas allocated for industrial investment projects with a rent or long lease allowance of 2%.
C-Electrical, oil, and other projects located outside municipality boundaries implemented according to BOT (build, operate, transfer) or BOO (build, operate, ownership) to be rented or long lease of 5%.
D-Services projects such as educational, health institutions, and others to be rented or long lease of 5%.
E-tourism projects such as touristic cities, parks, and recreational areas with a rent allowance or long lease of 10%
F-Commercial projects such as commercial centers, hotels, and others to be rented or leased with a rent or long lease allowance of 10% for the first 15 years from the date of commencement of commercial operation of the project. After the mentioned period the percentage shall be 3% from the land value which is proved in the investment contract between the two parties.
Article-6-
The rent estimation stipulated in this regulation shall be reviewed every five years.
Article-7-
First: Allowance for sale, lease, or long lease shall be transferred to the Treasury provided that it is reallocated to the owner after rebate 50% to the owner of the land and the rest is allocated to the budget of governmental entities which involved in providing external infrastructure services or public utilities inside the project.
Second: 5% of housing units’ sales to be allocated for the external infrastructure required by the project.

Third: The maturity of ownership or rent or long lease allowance shall be due from the commencement date of commercial operation or production of the project provided that the investor is committed to complete the project within the period determined in the contract.

Article-8-
First: sale, rent, or long lease allowance mentioned in this regulation shall be applied on housing investment projects with a valid investment license before the issuance of the second amendment of Investment Law No. 50 of 2015 and no ownership or long lease contract were concluded exclusively.
Second: The sale, rent, or long lease allowances determined in this regulation shall not be applied to investment projects (with consideration to paragraph first) above, for which sale or rent allowances were estimated according to the provisions of regulation of sale and lease of Real Estate, state land, and public sector for investment purposes No. 7 of 2010.

Article-9-
The regulation No. 7 of 2010, concerning the sale and lease of State and public sector real estate and land for investment purposes shall be repealed.

Article -10-
This Regulation shall be effective from the date of its publication in the Official Gazette.

Dr. Haider Al Ibadi
Prime Minister