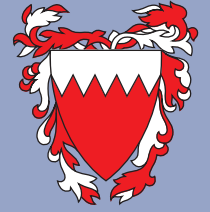


مملكة البحرين
وزارة الصناعة
والتجارة

قانون إنشاء وتنظيم
المناطق الصناعية
واللائحة التنفيذية



THE KINGDOM OF BAHRAIN
MINISTRY OF INDUSTRY
& COMMERCE

DECREE-LAW WITH RESPECT TO
THE ESTABLISHMENT & ORGANISATION
OF INDUSTRIAL AREAS AND
IMPLEMENTATION REGULATIONS



H.H. Shaikh Khalifa Bin Salman Al Khalifa
The Prime Minister



His Majesty King Hamad Bin Isa Al Khalifa
The King of Kingdom of Bahrain



H.H. Shaikh Salman Bin Hamad Al Khalifa
The Crown Prince and Commander-in-Chief
of the Bahrain Defence Force

I am pleased to advise that the Ministry of Industry & Commerce decided to republish Law by Decree number (28) with respect to “The Establishment and Organisation of Industrial Areas” (the year 1999) in English.



Management and development of Industrial areas are continuing processes. They include the provision of infrastructure, of services and of amenities.

The Law governs all aspects of Industrial Investment in the various Industrial areas in the kingdom, including provisions for different services, installations and administration.

It is important to note that extensive consultation with the Private Sector and industrialists preceded the adoption and ratification of this Law.

I hope this brochure can provide a valuable and relevant information to all would-be industrial investors in the Kingdom of Bahrain.

Dr. Hassan A. Fakhro

Minister of Industry & Commerce

May 2004

**DECREE-LAW NO. (28) FOR 1999
WITH RESPECT TO**

(THE ESTABLISHMENT AND ORGANISATION OF INDUSTRIAL AREAS)

We, Hamad bin Isa Al-Khalifa, the Amir of the State of Bahrain ;

In Pursuance of the constitution.

Amiri Order No. (4) for 1975,

Decree-Law No. (7) for 1970 with respect to the Provisional Law of the Organisation and Development of Land,

Decree-Law No. (13) for 1977 with respect to the Regulation of Building, as amended,

Decree-Law No. (18) for 1983 with respect to the Requirement for Owners of Land to Incur the Expenses of the Reclamation of Their Land,

Decree-Law No. (6) for 1984 with respect to the Regulation of Industry,

Decree-Law No. (11) for 1985 with respect to the Support and Protection of National Industries, as amended,

Decree-Law No. (6) for 1989 with respect to the Protection of Industries of National Origin,

Decree-Law No. (9) for 1994 with respect to the Issue of the International Business Arbitration Law,

Decree-Law No. (2) for 1994 with respect to Urban Planning and the Implementation Regulations thereof,

Decree-Law No. (16) for 1996 with respect to the Regulation of Governorates,

Decree-Law No. (21) for 1996 with respect to the Environment,

Decree No. (23) for 1997 with respect to the Reorganisation of the Ministry of Oil & Industry,

(Cabinet Resolution No. (3) for 1998 with respect to the Specification of the Regulatory Conditions for Construction Throughout Bahrain, and

In accordance with recommendation by the Minister of Oil & Industry, Consulting Shura Council, and after the approval of. Cabinet Council;

WE HEREBY enact the following Law:

CHAPTER I

DEFINITIONS

Article -1-

In this Law, except where the context otherwise requires, the following terms shall have the meanings duly assigned to each of them:

"the Ministry", means the Ministry of Oil & Industry.

"the Minister", means the Minister of Oil & Industry.

"the Authorities concerned", means the Ministries or other authorities concerned with the development of industrial areas and the provision of such Areas with services and utilities.

"Industrial Areas Directorate", means the organisation entrusted with implementation of this Law within the implementation rules, regulation and instructions issued by the Minister.

"Industrial Areas", means the areas, including the land, the installations and the utilities erected thereon, which are allocated for industrial purposes and which are defined by a resolution of the Cabinet the recommendation of the Minister.

"Industrial, Craft & Related Activities", means the activities defined by a decision of the Minister.

"Movable and Immovable Industrial Installations", means the installations erected in the industrial Areas under statutory terms and conditions.

"Industrial Areas Committee", means the Committee set up under the provisions of this Law and the implementation regulations thereof.

CHAPTER II

ESTABLISHMENT OF INDUSTRIAL AREAS

Article -2-

Industrial areas shall be established and defined by a Prime Ministerial Edict on a recommendation of the Minister, in co-ordination with the authorities concerned.

Article -3-

The industrial areas shall be divided into two sub-areas and the sub-areas into plots. Such division shall be pursuant to the provisions of Cabinet of Resolution No. (3) for 1998 with respect to the Specification of the Regulatory regulations thereof. An investor may be allocated with the necessary plot of land in the light of the estimation by the Industrial Areas Directorate based on the relevant study submitted.

Article -4-

Maps in the scales determined by the implementation regulations of this

Law shall be made. The maps shall define the boundaries of the industrial areas, the sub-areas, the plots within each area, the spaces occupied by installations indicating the required service facilities, development plans and the reclamation required of such Lands.

Article -5-

The industrial areas shall be utilised for the industrial, craft and other activities related to industry as may be determined by a decision of the Minister. An investor shall undertake to commence his project for which a licence has been issued within a year from receiving the plot.

Implementation, however, shall be in accordance with the specifications, conditions and drawings on the basis of which the licence has been issued. Under no circumstances shall, without prior written consent of the Ministry, the investor change or alter his approved project.

Article -6-

The Ministry, in co-operation with the authorities concerned, will be responsible for the management of and investment in the industrial areas.

Article -7-

The Industrial Areas Directorate shall maintain appropriate records of the industrial lands as may be specified by the implementation regulations.

Any person concerned may have access to the maps and records and may have true copies thereof after paying the fees determined by a decision of the Minister upon approval of the Cabinet.

Article -8-

Industrial Lands granted to an investor will not be cancelled or reallocated nor may any industrial installation and equipment thereon be acquired without a Cabinet Resolution and against payment of fair compensation to the investor.

CHAPTER III

UTILISATION OF INDUSTRIAL AREAS

Article -9-

There shall be set up in the Ministry an (Industrial Areas Committee)

which shall be responsible for the various affairs of the industrial areas, including the supervision of the implementation of construction or expansion plans. Such responsibility shall be exercised in the manner set forth in this Law and in its implementation regulations.

The committee shall be formed by a decision of the Minister which decision shall form the Committee and shall specify the functions and the terms of reference thereof.

Article -10-

The utilisation of land in the industrial areas shall be effected by a decision of the Minister on the recommendation of the Industrial Areas Committee. Such utilisation shall be under the terms and conditions set forth in the implementation regulations hereof.

The rent of an industrial plot shall be effective only from the day the land is delivered to the lessee.

Article -11-

Applications for industrial plots shall be made on the forms specifically designed by the Industrial Areas Directorate at the Ministry. Application's must be forward with supporting documents.

The Industrial Areas Directorate shall, after examining the documents, refer the applications for industrial plots to the Industrial Areas Committee. The Industrial Areas Committee shall, within a period of thirty days from the date of such referral, consider the applications and issue its recommendations in respect of each application and forward it to the minister for approval or rejection of such applications.

Article -12-

Entrepreneurs may apply for provisional reservation of industrial plots against a monthly charge determined by a decision of the Minister. However, such reservation may not exceed three months, extendable for a similar period once only. An application for reservation shall become invalid at the end of such period should no licence have been obtained.

The implementation regulations shall specify the reservation procedure, conditions and the monthly charge. A special register shall be maintained for the purpose of reservation and priority thereto. The form and details to be entered in the register records shall be specified in the implementation regulations.

Article -13-

Banks of investment institutions and companies may, upon the approval of the Industrial Areas Committee be permitted to construct industrial complexes at the Industrial Areas for rental to private sector investors. The implementation regulations shall specify the terms and conditions for the construction of such complexes and the manner in which they may be invested.

Article -14-

The land located within the industrial areas is Government property and shall be utilised in the manner specified herein. No natural or juristic person may possess or otherwise acquire any property within the industrial areas save under the provisions of this Law. Any act of disposal or determination of any right in rem in contrary to the provisions of this law shall be deemed to be null and void and may not be notarised.

Article -15-

The utilisation of the industrial areas shall be by leasing subject to this Law and in accordance with the terms and conditions specified in the implementation regulations.

The lease agreement of such areas shall be concluded through the Industrial Areas Directorate at the Ministry on the forms specifically made under the provisions of the implementation regulations.

A lease agreement must provide for the referral of and dispute arising therefrom for arbitration with the consent of both parties.

The Minister, where required, may conclude lease agreements of special terms within the provisions of the implementation regulations.

The implementation regulations shall specify the formula to be used in assessing the rent of such industrial plots, the duration of lease, manner in which the rent is payable, restraints in respect of lease agreements of special terms and any other leasing terms.

Under no circumstances shall the duration of a lease be more than (50) years unless otherwise agreed.

The Minister may issue provisional licences for the utilisation of industrial plots for an extendable period of one year for the purposes and under the terms and conditions specified in the implementation regulations.

Except for provisional licences, the lease agreements must be registered with the Notarisation Office at the Ministry of Justice & Islamic Affairs.

The lessee alone shall pay the notarisation fees.

Article -16-

Subject to the provisions of Decree-Law No. (7) for 1970 with respect to the Provisional Law, of the Organisation and Development of Land, and Decree Law No. (18) for 1983 with respect to the Requirement for Owners of Land to incur the Expenses of the Reclamation of Their Land, the Minister may exempt a lessee from the rent for an appropriate period if it is established that the lessee has reclaimed or improved his land in the manner approved by the technical committees concerned.

Article -17-

The Ministry may, on a temporary basis, exempt lessees from the rent for the purpose of encouraging certain types of industries. Such exemption shall be under the terms and conditions specified in the implementation regulations.

Such exemption shall be effected only from the date of production.

Article -18-

The land with plots shall be delivered to a lessee pursuant to the provisions hereof, together with the relevant easements, without any right of claim of compensation for such easements.

Article -19-

Rentals payable to the Government in respect to property subject to the provisions hereof shall have lien and priority over any other preference save excluding those wages and benefits payable to workers arising from employment contracts and judicial expenses and fees.

Article -20-

A lessee shall undertake to procure comprehensive insurance coverage for his installations. Such insurance must be in his favour or in favour of those who have rights therein.

It shall be established to the Industrial Areas Directorate that such insurance has been made and that the lessee is in regular payment of the insurance premiums.

Article -21-

A lessee may, with the consent of the Ministry, assign the lease to a third

party. However, the lessor shall remain jointly liable with the lessee for and financial obligations prior to such assignment.

The industrial plots may not be subleased without the written approval of the Ministry.

The occupation of property by a subsidiary, for change in corporate entity, expansion or merger with another organisation, shall not be deemed to be subleasing. In all circumstances, any assignment, lease or sublease shall be effective against the Ministry of a third party only from the date of registration of such transaction with the Notarisation Office at the Ministry of Justice & Islamic Affairs.

CHAPTER IV

CONSTRUCTION IN INDUSTRIAL AREAS

Article -22-

No movable or immovable industrial installations may be constructed in the areas subject to the provisions hereof except with permission from the authorities concerned after approval of the Ministry, subject the terms and conditions specified in the implementation regulations.

Article -23-

No demolition, alteration or improvement may be made to and industrial installation without the written consent of the Industrial Areas Directorate and in subject to the Building Regulation Law and its implementation regulations.

Article -24-

Special buildings for use as warehouses and showrooms for the relevant industrial project products may be constructed in the industrial areas.

No residential buildings for workers may be constructed, However, the Industrial Areas Committee may exceptionally allow the construction of such buildings in respect of certain projects of a special nature, as set forth in the implementation regulations.

A lessee who is permitted to construct such buildings shall abide by the special decisions with respect to the conditions governing the obtainment of permits for demolition and construction on such plots and by the conditions of construction under the Building Regulation Law.

Article -25-

Buildings constructed as industrial installations, for workers, residence of for the display of products shall be subject to the regulatory requirements for construction in industrial Areas as provided for in Resolution No. (3) for 1998 with respect to the Specification of the Regulatory Conditions for Construction Throughout Bahrain.

CHAPTER V

OBLGATIONS AND RIGHTS OF INDUSTRIAL AREAS LESSEES

Article -26-

A lessee of industrial plots shall undertake to:

- i) Pay the prescribed rent on time Repeated failure to observe this obligation, may lead to asking for a deposit in cash equivalent to the rent for a period not exceeding one year after the settlement of any outstanding rents;
- ii) Construct a fence and erect direction signs at the entrance as provided for in the implementation regulations;
- iii) Provide car parking spaces and landscaping compatible with the purposes of the project. The implementation regulations shall specify the areas required for each project and the specifications of car parking spaces;
- iv) Maintain the installations and the land in question. The Ministry, where required, may interfere to enforcing such maintenance and repairs and may appoint appropriate experts to perform such repairs. The Ministry, in case of necessity, may also request the Courts of Instant Matters to require the lessee concerned or to permit the Ministry to carry out such repairs at the lessee's expense and to recover such expenses in the manner provided for herein;
- v) Commence the construction of installations within the period specified in the lease agreement and to complete such construction and supply equipment within the time schedule predicted by the lessee and approved by the Ministry;
- vi) Remove debris regularly and abide by the Environment Law; and,
- vii) Abide by the rules and regulations of occupational health and safety within his installation.

Article -27-

Any natural resources such as petroleum, natural gas, underground water, etc. emerging from or thought to be hidden under an industrial plot, shall be the property of the Government. Where the Government interferes to exploit such natural resources, the lessee shall be indemnified for any loss, partly or wholly, resulting from inability to exercise his usufruct. The lessee may, with special permission from the Ministry, utilise the natural quarry resources within his leased land for the purpose of the construction of his project areas against the charge levied for similar quarries in the state of Bahrain.

Article -28-

The Industrial Areas Committee may, in its own discretion or at the request of a lessee, reserve adjacent plots for future expansion or for an industrial integration with other projects. Such reservation shall be subject to a charge and for the duration required for the land to remain reserved for the purpose.

Article -29-

No industrial area investor shall bury underground or throw at seashores, roads, squares or in front of any public or private building or allow the leakage of any of the following materials:

- a) Debris of building destruction or any other industrial waste;
- b) Discharge of sewers, rubbish or any other material that is inflammable, toxic or detrimental to health.

Article -30-

A lessee, where justifiable, may request that his plot be replaced. The implementation regulatory shall specify the conditions and procedure for such replacement.

Article -31-

In the event of any lessee being declared bankrupt, the Ministry may request that the lease agreement be terminated. The trustee of the bankruptcy may choose to terminate or carry on with the lease agreement. If it is decided by the trustee to continue with the agreement then he shall pay any rental arrears and give a sufficient guarantee for the payment of any future rents. Where such a guarantee is insufficient, the Ministry, within fif-

teen days from being notified of the trustee's desire to continue with the agreement, may request the Court to terminate the lease agreement.

CHAPTER VI

PENALTIES

Article -32-

The lease agreement of plots shall be terminated in the following circumstances: -

I. If the lessee fails to pay the rent or refrain from procuring the insurance coverage provided for in Article (26)(i) here of.

II. If the lessee, without any reason acceptable to the industrial areas Committee, fails to commence construction of the licensed project within one year from the date of receiving the plot.

III. If the lessee, without any reason acceptable to the Industrial Areas Committee, suspends work in the installation for a period of one year.

IV. If the lessee, after being warned, has used the land for purposed other than those allocated thereto.

V. If, without the approval of the Ministry, the lessee has subleased the land, assigned the rent thereof or mortgaged any right in rem.

VI. If the lessee dies before the termination date of the lease agreement and his heirs or any one of them does not desire to continue the agreement with the Ministry.

VII. If the duration of the lease agreement expires without being renewed. The termination of the agreement and the evacuation of the lessee from the property shall be effected by a decision of the Minister on recommendation of the Industrial Areas Committee. The lessee may appeal against such decision before the Civil High Court within a period of not exceeding forty-five days from the date of serving the Minister's decision by registered letter with recorded delivery.

Unless otherwise agreed, the Ministry, in the event of the cancellation or termination of the agreement without being extended, may maintain the buildings and installations against compensation to the lessee, to be determined in accordance with the relevant formulas prescribed in the implementation regulations.

Article -33-

Subject to the provisions of Article (32) of this law, if the Ministry finds no justification for terminating the agreement, the Minister may, by adminis-

trative procedure, order the closure of the installation for a period not exceeding three months.

CHAPTER VII

GENERAL

Article -34-

The Minister may, by a decision, authorise certain staff of the Industrial Areas Directorate to have access to the industrial areas for the purposes of inspection and of ensuring that the provisions of this Law and any decisions issued in implementation thereof are properly enforced. Such staff shall be authorised to record any contravention to the provisions of this Law and make the appropriate reports in this respect. Reports of this nature will be forwarded to the Industrial Areas Committee for review and for recommending and appropriate action to the Minister.

Article -35-

The Minister of Oil & Industry shall issue the implementation regulations and the necessary decision required for the enforcement of this Law.

Article -36-

The Ministers, each in his respective capacity, shall implement the provisions of this Law, which shall come into effect from the date of its publication in the Official Gazette.

**Amir of the State of Bahrain
Hamad Bin Isa Al-Khalifa**

Issued at Riffa'a palace:
On 7th Rabi Al-Awal, 1420 A.H.
Corresponding to 21st June 1999.

**MINISTERIAL ORDER NO. 1/2000
IMPLEMENTATION REGULATIONS OF LAW NO. (28)
FOR 1999 IN RESPECT OF
THE ESTABLISHMENT AND ORGANISATION OF
INDUSTRIAL AREAS**

The Minister of Oil & Industry In pursuance of the Constitution, Decree-Law No.(28) For 1999 with respect to the Establishment and Organisation of Industrial Areas and, in particular, Article 35. And in according with recommendation by the Assistant Under Secretary for Industrial Affairs of Ministry of Oil & Industry. Decided the Following:

Article (1)

The provisions of the Implementations Regulations of the Law No (28) for 1999 respecting the Establishment & Organisation of Industrial Areas, attached hereto, are hereby promulgated.

Article (2)

The Assistant under secretary for Industrial Affairs shall implement the provisions of this Order, which come into effect form the date of its publication In the Official Gazette.

**Minister of Oil & Industry
Isa bin Ali Al-Khalifa**

Issued on: 3rd Three-Alquadh 1420 A.H
Corresponding to: 8th February 2000

**IMPLEMENTING REGULATION
OF LEGISLATIVE DECREE No. 28 of 1999**

Article (1)

For the purpose of implementing the provisions of this Implementing Regulation, the following words and expressions shall have the meanings assigned against each of them:

Minister:	Minister of Oil and Industry
Ministry:	Ministry of Oil & Industry
Committee:	Industrial Areas Affairs Committee

Directorate of Industrial Areas

Immovable Industrial Installations: Buildings and Installations which are constructed in accordance with the engineering standards, using permanent or traditional building materials, whose heights and specifications are in accordance with the laws and regulations applicable in this respect.

Movable Industrial Installations: Installations which are made of timber and metallic material or similar and which can be dismantled and removed from above the foundation level.

Article (2)

The Industrial Areas Affairs Committee shall undertake the responsibility of proposing the establishment of industrial areas. It shall define the location and the boundary and size of each area in co-ordination with the concerned authorities at the Ministry of Housing, Municipalities and Environment, Electricity and Water, Works and Agriculture and shall prepare a report in this respect including the necessary recommendations. Upon approval by the Minister the report shall be submitted to the Prime Minister for an appropriate decision.

Article (3)

If a resolution is issued to establish an industrial area, the process of the area's division shall be assigned to the Directorate of Industrial Areas such that the division is conducted in co-ordination with the Directorate of Physical Planning and the Environmental Affairs at the Ministry of Housing, Municipalities and Environment.

Each industrial area shall be divided into sub-industrial areas and each sub-industrial area shall be divided into plots taking into consideration the following:

- a) The provisions of the Legislative Decree No. 2 of 1994 with respect to Constructional Planning and its Implementing Regulations.
- b) The provisions of Legislative Decree No. 3 of 1994 with respect to the division of Lands Prepared for Construction and Development and its Implementing Regulations.
- c) The provisions of Prime Ministerial Edict No. 3 of 1998 with respect to

Determining Zoning Regulations in the Various Areas of the State.

Upon authorisation in accordance with the aforesaid provisions, the division project shall be forwarded to the Minister for approval.

Article (4)

The Directorate of Industrial Areas shall undertake to prepare the following plans:

- a) Drawing of A-0 size defining the area, boundary and location of the industrial area together the sub-industrial areas it contains and the boundary of each.
- b) Drawing of A-3 or A-2 size defining the area of each sub-industrial area, its boundary, location, the plots it contains together with the No., boundary and area of each plot and in addition to identify the plots occupied by undertakings and their type.

The above Directorate shall state on to each drawing Resolution No. establishing that Industrial Area. Each drawing shall be accompanied by a detailed statement identifying the services facilities and plans for site development and reclamation according to the condition of each area.

Article (5)

The Directorate of Industrial Areas shall undertake to establish and maintain the following registers:

- 1) A master register with numbered pages, each stamped by the seal of the Directorate of Industrial Areas, allocating a page for each Resolution issued for the establishment and the identification of each Industrial Area with the following to be endorsed thereon:
 - a) The Resolution No. and its date of issue.
 - b) The location of the Industrial Area.
 - c) The boundary and area of the industrial area.
 - d) Number of sub-industrial areas within the industrial area.
- 2) A general register for each main industrial area with numbered pages each stamped by seal of the Directorate of Industrial Area. There shall be recorded on the first page the details provided under Paragraph (1) of this Article. The remaining pages shall be allocated according to the number of sub-industrial area taking into consideration the number of plots within each area. Each plot shall be allocated two opposite pages for the purpose of entering the following details:

- a) Plot No. and the code of the sub-industrial area in which the plot is located.
- b) Boundary of the plot.
- c) Applications made in respect thereof.
- d) Resolutions issued in respect thereof.
- e) Contracts and transactions which take place thereon.
- f) Name of the natural or legal person to whom the plot is assigned.
- g) Type of activity for which the allocation is granted.
- h) Description of buildings and installations established thereon.
- i) Licenses issued concerning the buildings and the activity.
- j) The date of commencement and completion of the project together with the production commencement date.
- k) Any other details determined by the Directorate of Industrial Area.

3) A register of applications for reservation of industrial plots with numbered pages each stamped with the seal of the Directorate of Industrial Area. It shall be recorded on this register applications for reservation and resolutions issued in their respect. Each applications shall be allocated a Serial No. according to the date it is has been submitted.

The following shall be recorded in the register:

- a) Name and particulars of the person concerned.
- b) Identification of the plots the subject of the application.
- c) Type of activity or project.
- d) Resolutions issued with respect to the application.
- e) Any other details determined by the Directorate of Industrial Areas.

The Directorate of Industrial Areas may develop a computerised dat base to include all the details provided for in this Article.

Article (6)

The use of the records and forms made in accordance with the regulation for purposes other than those designated is prohibited.

It is also prohibited to tamper, erase or delete any of the information contained therein. However, should a situation warrants the correction of any data, such a correction shall be made in red ink and shall be signed and dated by the competent employee of the Directorate. If any page or record or form is to be cancelled, it shall be marked "CANCELLED" between two parallel diagonal lines on that page or form, indicating the reason for the cancellation.

Article (7)

Persons concerned shall be permitted to examine the drawings and records

referred to in the previous Articles, and obtain official certificates therefrom, provided that an application in this respect is submitted by the person concerned or another person acting on his behalf. The application shall identify the details and documents the subject of the application and the interest in examining the document or obtaining an official certificate therefrom. The application shall be accompanied by the document which certifies the payment of the prescribed fee which shall be determined by a Ministerial Resolution after obtaining prior approval of the Council of Ministers.

Article (8)

Whoever desires to obtain a plot from the plots of the industrial areas shall be required to obtain a license for this purpose from the Minister.

Article (9)

An application to obtain a plot shall be submitted to the Directorate of Industrial Areas using the form prescribed by the Directorate for this purpose. Such application shall include the following details:

- a) Name of the business owner, his goodwill name if any, and his nationality.
- b) The Commercial Name.
- c) Name of the manager in charge.
- d) The legal address "elected domicile".
- e) Central Population Card or Passport Number.
- f) Registration Number in the commercial or industrial register, or Commercial Agents, if any.
- g) Details of the technical and financial capabilities of the business owner.
- h) Purpose of the allocation "type of business activity or the undertaking to be established"
- i) The area required to be allocated together with its location and plot No. or Nos. if the required area consists of more than one plot.
- j) The buildings necessary to establish the project and materials to be used for their construction.
- k) The allocation period.
- l) Any other details to be determined by the Directorate of Industrial Areas in co-ordination with the Industrial Area Affairs Committee.

The form referred to shall be accompanied by the supporting documents pertinent to the above details as shall be prescribed by the Directorate of Industrial Areas. The Directorate shall keep each form and its relevant documents in a file of its own, and shall record the application and its date of submission in the General Register provided for in Article 5 (2) of this

Resolution. The Directorate may request the persons concerned to submit any documents or details necessary for deciding upon the application.

Article (10)

The Directorate of Industrial Areas shall forward any application for allocation together with the documents attached thereto to the Industrial Areas Affairs Committee at its first meeting convened soon after the details and documents of the application are completed.

The Committee shall be charged with examining the application for allocation and the documents attached thereto and to ensure its compliance with all the required conditions prior to issuing a recommendation thereof.

Within thirty days after the application has been referred to the Committee, the committee shall forward the application along with its recommendation to the Minister.

Article (11)

The Minister shall issue his Resolution concerning the application for allocation within fifteen days from the date it has been forwarded to him.

Article (12)

The Directorate of Industrial Areas shall notify the person concerned with the decision issued in respect of his application by a registered letter within 15 days from the issue date of such decision. If the application is rejected, the notification shall include the reasons upon which such a decision has been made.

Article (13)

The allocation Resolution shall include the following details:

- a) The name of the person to whom the plot is allocated.
- b) The area allocated, location and boundaries.
- c) Purpose of allocation.
- d) Duration of allocation.
- e) Type of building (s) permitted.
- f) The consideration payable to the Ministry.

Article (14)

A contract shall be concluded between the Ministry and the person in

whose favour an allocation resolution has been issued or his legal representative on the form to be prepared by the Directorate of Industrial Areas, which shall contain the following items:

- a) The particulars provided for in the preceding Article.
- b) A declaration by the lessee that he has read Legislative Decree No. 28 of 1999 and its Implementing Regulations and that he undertakes to comply with their provisions and to consider these provisions as constituting an integral part of the contract.
- c) Detailed description of the lessee's obligations, particularly due payment of the rent on time, constructing a fence, installation of signboards at the entrance, provision of internal car parking facilities, commencement of construction and equipping the undertaking together with starting up of production on the due date, the lessee's obligations with respect to performing the necessary building renovations and removal of debris on a timely basis and an undertaking to respect and comply with the rules on environmental protection and occupational health and safety measures.
- d) The lessee's undertaking to refrain from burying underground or dumping on the seashore or roads or allowing leakage of wastes whether in the form of debris resulting from demolishing buildings or industrial wastes, rubbish or sewerage works, flammable, toxic or hazardous materials.
- e) Determination of how the buildings and structures are to be disposed of upon expiry of the term of the contract without it being renewed or upon cancellation for the contract.
- f) Providing for the lessee's obligation to vacate and yield the property upon expiry of the term of the contract, if not renewed, or upon cancellation of the contract, and providing that failure to do so he shall be considered a trespasser and the Ministry may have recourse to the court to cease the trespass at his cost.
- g) Incorporation of a clause providing for referral of any dispute arising in connection with the lease contract, not provided for in the above paragraph, to arbitration in accordance with applicable rules and regulations.
- h) Any other items determined by the Directorate of Industrial Areas.

Article (15)

The handing -over to the licensee of the land, the subject of the contract, shall be upon a record to be issued by the concerned employee of the Directorate of Industrial Areas in the presence of the licensee or his legal representative. The record shall state the location of the land, its area, boundary, condition, easement rights upon it, facilities connected to it,

remarks of the licensee or his legal representative and any particulars the concerned employee deems necessary.

Article (16)

Banks, investment establishments and companies may be permitted by a Ministerial Resolution to set up industrial complexes in industrial areas, for lease to investors, subject to the following terms and conditions:

- a) The undertaking is registered in the Commercial Register with one of its objectives being the carrying out of such real estate activities.
- b) The approval of the Industrial Affairs Committee to permit the setting up of the complex.
- c) The buildings are to be constructed on the land in accordance with the industrial specifications determined by the relevant Directorate.
- d) The lease shall include other elements in addition to the right to lease the plot.

Article (17)

The lease term of industrial plots shall be determined upon a proposal from the Industrial Area Affairs Committee according to the type of business activity provided that such term shall not - without a special approval by the Minister - exceed fifty years.

Article (18)

Rent categories for industrial areas shall be determined in a Ministerial Resolution upon a proposal from the Industrial Areas Affairs Committee, according to the location, connection to utilities, need for reclamation and the permitted activity to be undertaken. A basic rate per square meter for rent within an Industrial Area may be determined subject to a certain surcharges if the plot is in a special location or if it is connected to public utilities and conversely a special deduction may be applied if the plot requires reclamation or if it is not connected to public utilities.

Article (19)

The rent categories determined according to the provisions of the preceding Article shall be subject to a review every five years and may be increased by a Ministerial Resolution provided that each increment does not exceed 30% of the originally assessed rent.

Article (20)

The annual rent shall be paid in advance to the Industrial Areas

Directorate by the means to be determined by the Directorate. The lessee may pay the rent either annually or on two instalments and shall obtain receipts confirming such payment.

Article (21)

Those who reserve industrial lands shall pay the equivalent 10% of the monthly rent prescribed for such a plot for the first reservation period and 50% for the second reservation period. This amount shall be paid in advance to the Industrial Areas Directorate at the beginning of each period upon receipts to be signed by the concerned officer.

Article (22)

Certain projects may by a Ministerial Resolution be exempted from paying rent temporarily for a period not exceeding ten years starting from the date of the commencement of production subject to the following conditions:

- a) The project owner demonstrates his diligence and commitment during the construction stage.
- b) The project is one of those needed by the State.
- c) The project must have commenced the production stage.

Article (23)

If a person desires to retain an industrial plot which he has reserved and has been allocated to him pursuant to an Allocation Resolution, he shall submit an application for such a purpose to the Directorate concerned within fifteen days prior to the expiry of the reservation period.

He shall furnish all the details and documents necessary for a decision to be made upon his application otherwise he shall vacate the property and hand it over immediately to the Directorate once the reservation period expires.

Article (24)

The permits for constructing movable or immovable buildings at industrial areas, shall be issued in accordance with the Laws, Regulations, and Resolutions applicable in this respect provided that those concerned shall before applying to the relevant authorities for the issuance of permits, obtain a document from the Industrial Areas Directorate confirming the Minister's approval to the type of buildings and to the related drawings.

They are also required to provide to the Directorate a copy of the permit once it is issued to them together with copies of the documents and drawings upon which the permit has been issued.

Article (25)

The person concerned shall undertake to commence the execution of the building works and establish the project within one year commencing from the date of receiving the land. The execution shall be in accordance with the approved drawings and the applicable technical standards and in compliance with the conditions detailed in the permits issued in this respect. The Directorate of Industrial Areas may follow-up the construction and execution stages of the project in co-ordination with the concerned authorities.

Article (26)

The lessee may request the substitution of the plot, provided that he shall submit to the Directorate of Industrial Areas an application stating the justifications for the substitution, the particulars of the plot allocated to him and the plot that he desires to be allocated to him instead.

Upon completion of all particulars and documents and upon ensuring that the application is based on acceptable justifications, the application shall be decided upon following the same procedure as that for an allocation.

Article (27)

At least six months prior to the end of the term of the contract the lessee shall inform the Directorate of Industrial Areas of his intent to renew the contract. The Ministry shall decide whether to accept or reject the application and inform the person concerned of its decision before the end of the term of the contract. In the case of where renewal of the contract is accepted, the notification shall include the conditions for renewal.

Article (28)

In case where the property is vacated due to the cancellation of the contract or expiry of its term without it being renewed, the Ministry shall have the right to retain the buildings and installations against the payment of compensation. Without prejudice to any relevant provisions of the contract, the compensation shall take into account the expenses incurred by the person concerned in the construction of these buildings and installations, renovation, maintenance and the value of the buildings and installations at the time of assessment. A record for receipt of the plot shall be made stating the condition of the plot together with a description of any buildings or installations that exist on it. The record shall be signed by both the responsible employee and the concerned person or his representative.

Article (29)

Subject to provisions of the contract, where the contract is not renewed upon the expiry of its term or where the contract is cancelled for any reason, the plot shall be handed over to the Ministry together with all the buildings and installations constructed thereon if the Ministry desires to retain these buildings and installations, Where the Ministry does not desire to retain the buildings and installations, the person concerned shall hand over the land free of any occupations once the term of the contract expires or upon the contract being cancelled as the case may be.

Article (30)

The Directorate of Industrial Areas shall prepare the following forms to be approved by a Ministerial Resolution:

- a) A form for requesting an allocation of an industrial plot.
- b) A form for an application to reserve an industrial plot
- c) A form for a temporary permit to utilise an industrial plot.
- d) A form for a lease.
- e) A form for renewing a lease.
- f) A form for handing over a plot at the beginning of a lease period.
- g) A form for a record of taking delivery of a plot at the expiry date of the lease or upon its cancellation.

Article (31)

Without prejudice to the applicable Laws and Regulations, disputes arising from implementation of the provisions of the aforesaid Law. 28 of 1999 may be settled by arbitration and the disputing parties shall determine the arbitration tribunal together with its jurisdiction.

Article (32)

The persons concerned may appeal to the Minister against any decision issued in implementation of the above mentioned Law No. 28 of 1999 provided that the appeal shall be submitted by the person concerned or its representative to the Directorate of Industrial Areas. The Directorate shall collect the required details and documents and forward the appeal along with the documents to the Industrial Area Affairs Committee, which shall examine the appeal and propose whatever action it deems appropriate in its respect. The documents shall be submitted to the Minister, along with the committee's recommendations, who shall issue a decision concerning the appeal within thirty days from the date the appeal was referred to him.