

LAND LEASE AND USE REGULATIONS



Introduction

This document is intended to provide an overview of the Land Lease and Use Regulations ('Regulations'). It does not replace the Regulations in any way, nor does it remove the need for an investor to seek its own professional advice if it considers this to be prudent. It is not intended to be a comprehensive description of the Regulations.

Background

Law No. (34) of 2005, as amended by Decree-Law No. (21) of 2017 established the Free Zones Authority (the 'Authority') which in summary, is responsible for managing specific Free Zones within the State of Qatar.

The Free Zones are dedicated areas of land within the State of Qatar that have been identified as economic zones; these economic zones have been designed in way that enables investors to benefit from economic incentives over and above those available to companies investing within the State of Qatar.

Currently, there are two (2) free zones:

- 1) Ras Bufontas – known as an 'Airport Free Zone and 4 km² in size; this particular zone is some 6 km away from Hamad International Airport. This zone is intended to provide for industries such as logistics, consumer products, light manufacturing, services, technology and applications, and pharmaceuticals.
- 2) Umm Alhoul – located near Hamad Port, this zone being 30 km² in size will primarily cater for maritime industries, polymers and plastics, advances manufacturing and logistics.

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PART 1

Preliminary Rules

ARTICLE 1 CITATION

These Regulations will be cited as the Land Lease and Use Regulations.

ARTICLE 2 DEFINITIONS

Article 2 prescribes a list of definitions which apply to the Regulations.

ARTICLE 3 INTERPRETATION

Article 3 provides guidance on references to some concepts and terms used in the Regulations.

ARTICLE 4 APPLICATION

Article 4 prescribes that, These Regulations concern the leasing and use of real property in the Free Zone and the lease, occupation or use of all Real Property will be governed exclusively by the Free Zones Legislation.

PART 2

Leases and Use

ARTICLE 5 CONDITIONS OF A LEASE

Article 5 prescribes conditions that the Lease must fulfill.

A Lease may be either Master Lease or Sub-Lease, must be in writing, designed in the prescribed form, registered in the Lease Register, approved by the Authority, the permitted use of the leased property must be appropriate for the Permitted Activity, and the rent, service charge and other fees must be paid.

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ARTICLE 6 WORK

Article 6 provides that a Tenant must ensure all works to its leased Real Property are completed within the timeframe stipulated and carried out in accordance with the Free Zone Legislation, Letter of Intent, the provisions of the Lease and the requirements of the Authority.

ARTICLE 7 SUB-LEASE AND ASSIGNMENT

Article 7 deals with the conditions of share, sub-lease, assignment, transfer, novate or dispose of the Lease. A Free Zone Entity must not sub-lease the Designated Land to any other person without the prior written approval of the Authority and the Landlord. The Free Zone Entity will be jointly and severally liable and responsible (along with the sub-lessee). The sub-lease agreement must itself also be approved by the Authority.

Any assignment also requires the Authority's approval.

ARTICLE 8 LEASE REGISTER

Article 8 requires the Authority to establish and maintain the Lease Register subject to prescribed criteria.

Tenants are obliged to provide the Authority with the information it may require for the purposes of maintain the Register.

ARTICLE 9 INSPECTION OF THE LEASED REAL PROPERTY

Article 9 prescribes that the Authority has the right of inspection of any leased Real Property at any time, with or without notice, and provides the conditions upon which an inspection is to take place.

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ARTICLE 10 INSURANCE

Article 10 deals with the insurance responsibilities of the Authority, tenants and the subcontractors. Tenants are obliged to maintain their own insurance policies in accordance with the terms and conditions of their Leases.

ARTICLE 11 TERMINATION OR EXPIRY OF A LEASE

Article 11 sets out the duties of the Tenants in case of termination or expiry of the Lease; it also enables the Authority to terminate a Lease based upon material or persistent breaches of the terms of the Lease or the Free Zones Legislation.

PART 3 General Provisions

ARTICLE 12 FEES

Article 12 enables the Authority to issue a Schedule of Fees which in turn apply to Free Zone Entities.

ARTICLE 13 SANCTIONS

With Article 13, the Authority may issue a Schedule of Sanctions which can be enforced for contraventions, should the need arise.

ARTICLE 14 AMENDMENT OF THE REGULATIONS

Article 14 enables the Authority to amend the Regulations and other documentation without liability and requires the Tenant to comply with the relevant provision that is in force at the material time.

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ARTICLE 15 **REVOCATION AND REPLACEMENT**

Article 15 prescribes that The Land Lease and Use Regulations 2018 revoked and replaced by these Regulations.

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