

## **Law No. 17 of 2004 Regulating the Ownership and Usufruct of Real Estate and Residential Units by Non-Qatari's**

The Qatar Government's decision to open the country's real estate market to foreign investors was formalized in June of this year, to coincide with the launch of the Qatar Tourism Master Plan.

In summary, the enactment of Law No. 17 of 2004 Regulating the Ownership and Usufruct of Real Estate and Residential Units by Non-Qatari's provides for ownership of real estate of any description by Qataris and non-Qatari nationals in **The Pearl-Qatar Island, West Bay Lagoon and Al Khor developments**. It also stipulates that Qataris and other GCC nationals may own real estate of any description in investment areas, designated as such by Cabinet resolution.

Non-Qatari nationals may have the right of usufruct for a term of 99-years, renewable, in respect of real estate of any description in the above-mentioned investment areas, while non-Qatari nationals may also have the right of usufruct for a term of 99-years, renewable, in respect of one or more apartments located in multi-storey buildings in residential areas. All rights of ownership and rights of usufruct referred to above can and must be registered at the Department of Real Estate Registration of the Government of Qatar.

Usufruct refers to the right to enjoy property belonging to another person and to use it for one's own profit, utility and advantage. In real estate terms, the right of usufruct is usually granted by way of a lease. Therefore, the right of usufruct for a term of 99 years, referred to in this law may be interpreted as a 99-year lease.

### **Law No. 17 of 2004**

Issued by the Emir of Qatar on 6th June 2004

#### **Regulating the Ownership and Usufruct of Real Estate and Residential Units by Non-Qatari's**

We, Hamad Bin Khalifa Al Thani, the Emir of Qatar:

Upon a review of the amended provisional constitution, particularly Articles 23, 34 and 51 thereof;

Law No. 5 of 1963 concerning the Inability of Foreigners to Own Fixed Assets in Qatar;

Law No. 14 of 1964 concerning the Real Estate Registration System and its amendments;

Law of the Civil and Commercial Articles issued as Law No. 16 of 1971, as amended by Law No. 10 of 1982;

Law No. 2 of 1975 concerning Leasing Plots and Buildings, as amended;

Law No. 13 of 1988 concerning Temporary Expropriation and Confiscation of Real Estate for the Public Interest, as amended by the Law No. 23 of 1995;

Law No. 13 of 2000 concerning Foreign Capital Investments in Economic Activity;

Law No. 2 of 2002 concerning the Regulation of Property Ownership by GCC Nationals;

The draft law presented by the Cabinet;

And pursuant to consultation with the Advisory Council, We have issued the following law:

**Article (1)**

In implementing the provisions of this Law, and unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them hereunder:

“Real Estate “means lands, buildings and constructions thereof.

“Residential Unit” means an apartment in a multi storey residential building.

“Investment Areas” means the lands allocated for carrying out commercial, industrial, tourism, residential and educational activities and any other activities the investment in which is permitted in accordance with the applicable laws in the State.

**Article (2)**

Nationals of the Gulf Cooperation Council may own Real Estate in the Investment Areas, in respect of which a Cabinet resolution will be issued to determine their location, and the conditions and procedures of ownership therein.

**Article (3)**

A non-Qatari may own Real Estate in the Pearl of the Gulf Island, the West Bay Lagoon, and Al Khor Resort Project, in accordance with the terms and conditions issued by a Cabinet’s resolution.

**Article (4)**

A non-Qatari may have the right of usufruct over Real Estate for a term of 99 years renewable for similar terms in the Investment Areas for which a Cabinet

resolution is issued to determine their location, and the conditions and procedures of usufruct.

**Article (5)**

Without prejudice to the provisions of the abovementioned Law concerning Leasing Plots and Buildings, a non-Qatari may have the right of usufruct in respect of one Residential Unit or more in residential areas for a term not exceeding 99 years renewable for further similar terms, in accordance with the conditions and procedures determined pursuant to a Cabinet's resolution.

**Article (6)**

The right of usufruct is a right in kind that shall not arise, nor is it acknowledged, unless registered in accordance with the above-mentioned Law No. 14 of 1964. The right of usufruct shall terminate upon the expiry of its defined term, upon the mutual agreement of the parties, the destruction of the property or the expropriation thereof for the public interest.

**Article (7)**

In the event of expropriation of the building encumbered with the right to usufruct in favor of the public interest, or its destruction as a result of actions carried out by its owner, then the owner is obliged to indemnify the usufructuary for the remaining period specified in the contract, in a proportionate value to the right to usufruct.

**Article (8)**

The usufructuary shall benefit from the Residential Unit with all its facilities and common areas of the building, and may dispose of this right and utilize it without prejudice to his title, and title over the subject matter of the usufruct shall ensure to legal heirs of the usufruct upon his demise.

The owner of the building encumbered with the right to usufruct may dispose of the building without prejudice to the right to usufruct; upon the owner's demise, title over the building shall ensure to his legal heirs encumbered with the right to usufruct.

**Article (9)**

The owner of the building encumbered with the right to usufruct is obliged to hand over the Residential Unit to the usufructuary free of any rights that contravene with the right to usufruct and warrants not to interfere with the usufructuary throughout the term of the right to usufruct and undertakes to keep and maintain the other parts of the building.

The usufructuary, and his personal or public successors-in-title, shall undertake to benefit from the Residential Unit for the purpose for which it was built and to keep and maintain it and to hand it over upon the expiry of the term of the right to usufruct.

**Article (10)**

The usufructuary shall be a member of the owners' committee of the premises where his unit is located and he shall be subject to the same provisions that other owners are subject to in accordance with the law.

**Article (11)**

The provisions of this Law shall apply without prejudice to the right of the State to prohibit ownership and usufruct in certain areas for the public interest.

**Article (12)**

The Cabinet shall issue the resolutions necessary to enforce the provisions of this Law.

**Article (13)**

Any provisions contrary to the provisions of this Law are hereby cancelled.

**Article (14)**

All concerned parties, each within its competency, shall enforce this Law and implement it as of the date of its publication in the official Gazette.

Hamad Bin Khalifa Al Thani  
Emir of Qatar  
Issued at the Emiri Court  
on 18/4/1425 Hijri  
Corresponding to 6/6/2004