

The Council of Ministers

This regulation was issued according to provisions of item (third) of article (80) of the Constitution and paragraph (a) of items (second) and (fourth) of article (10) and article (30) of Investment Law No. (30) For 2006 (as Amended):-

Regulation No. (7) For 2010 Sale and Lease of Real Estate and Landed Property of the State and Public Sector for Investment Purposes (as Amended)

Article –1—Provisions of this Law shall be enforceable upon the Iraqi and foreign investor holding an investment license according to provisions of Investment Law No. (13) For 2006 (as Amended).

Article –2—This Regulation aims to: -

First—Encourage investment in investment projects in general and housing projects in particular.

Second—Reduce the cost to the Iraqi citizen to enable him to own the property and contribute to solving the housing crisis.

Third—Enable investors to carry out investment projects in Iraq, particularly housing units of different styles of housing in order to cover the needs of categories of citizens in the light of their financial capacity.

Fourth—Regulate the basis for determining the sale return, assessing the lease value for the state's real estate and landed property to investors and/or determining the state's revenue from investment projects installed thereon.

Article –3—

First—The Ministries of Finance and Municipalities & Public Works, the Mayoralty of Baghdad, governorate municipalities, authorities and departments not attached to ministries shall be obligated to provide landed properties and real estate suitable for the establishment of investment projects and inform the National Investment Commission of their numbers, areas, ownership, type and usage.

Second—The National Investment Commission, in coordination with the investment commission in a region or the investment commission in a governorate not integrated in a region, shall determine the real estate and landed properties suitable for the establishment of decided investment projects.

Article –4—¹ The value of land and property owned by departments of the state and public sector for the purposes of investment projects, except housing projects, shall be assessed by committees formed as follows:-

a- For investment projects of value exceeding (250) million US\$ committees shall be formed by the National Investment Commission as follows:-

– Chairman of the National Investment Commission, president

1- The above article was amended according to Regulation No. (1) For 2011 (Regulation of First Amendment to the Regulation for Sale and Lease of Real Estate and Landed Properties of the State and Public Sector for the Purposes of Investment No (7) For 2007 published in AL Waqayia AL Iraqia in issue no 4182 on 28/3/2011.

- Head of the investment commission of the concerned governorate, member
 - Director General of General Tax Authority, member
 - Director General of Real Estate Registration Department, member
 - Representative of the authority that owns the real estate or land property, member.
- b- For investment projects of value below (250) million US\$ committees shall be formed by the National Investment Commission as follows:-
- Head of the investment commission of the concerned governorate, president
 - Representative from the National Investment Commission, member
 - Representative of the General Tax Authority in the governorate, member
 - Representative of the Real Estate Registration Department in the governorate, member
 - Representative of the authority that owns the real estate or land property, member.

Article –5—²

- First—The National Investment Commission, for the purposes of housing, may transfer the ownership of land to the investor free of charge, and the land price shall not be computed in the value of the housing unit sold to the citizen.
- Second—Committees formed according to article (4) above shall determine the value of land for the purposes of investment, except housing; they may seek the assistance of specialist experts for this purpose.

Article –6—

- First—The mark for non-disposition shall be placed on the ownership deed until the investor meets his obligations, as corroborated by the investment commission granting the license.
- Second—The Iraqi or foreign investor shall be committed to the purpose for which ownership of the land or real estate was transferred and to not speculate therein.
- Third—In case the Iraqi or foreign investor who was put in possession of land or real estate according to this Law fails in carrying out his obligations within the period stipulated in the agreement concluded with the investment commission granting the license, the department of real estate, based on the request of the commission mentioned, shall revoke the registration and return the land or real estate to their previous owner.
- Fourth—The Iraqi or foreign investor shall be obligated to construct the housing units within the period stipulated in the agreement and sell them to citizens

2- This article above was amended according to Regulation No. (1) For 2011 (Regulation of First Amendment to the Regulation for Sale and Lease of Real Estate and Landed Properties of the State and Public Sector for the Purposes of Investment No (7) For 2007 published in AL Waqayia AL Iraqia in issue no 4182 on 28/3/2011.

according to directives to be issued for this purpose from the National Investment Commission. The Iraqi or foreign investor may dispose of the remaining parts of the housing project throughout the license period according to the conditions of the agreement concluded with him.

Article –7—³ The National Investment Commission shall allocate land properties required for establishing multi-purpose housing towns (housing, entertainment and other complexes) as follows: -

First—The investor shall return land properties utilised for public benefit (parks, streets and others) to government authorities within a year from the date of completing the project, free of charge.

Second—⁴ Land properties shall be allocated for the purposes of constructing service or commercial projects within the housing town to investors free of charge in exchange for a share of (7%) of the annual lease return for the land; and shall be assessed by committees indicated in article (4) of this Regulation, provided the return from the share mentioned shall be allocated to services, collected equally by the governorate and competent municipality.

Article –8—⁵ The National Investment Commission shall lease land properties required for the purposes of executing industrial, agricultural, services, tourism, entertainment and other investment projects as follows:

First—Strategic agricultural projects leading to the increase and improvement of animal and plant production as follows:-

- 1- Reclaimed arable land having water share at a lease return of (20%) of the annual lease return assessed by the committees indicated in article (4) of Law No (7) for 2010.
- 2- Non-reclaimed arable land properties having water share at a lease return of (10%) of the annual lease return assessed by the committees indicated in article (4) of Law No (7) for 2010.
- 3- Non-reclaimed non-arable land properties without a water share at a lease return of (1%) of the annual lease return assessed by the committees indicated in article (4) of Law No (7) for 2010.

Second—Industrial projects erected in areas delimited for the purposes of industrial investment projects at a lease return of (2%) of the annual lease return assessed by the committees indicated in article (4) of Law No (7) for 2010.

Third—Electrical power and oil projects located outside municipal borders and carried out in the form of build, operate, own (BOO) and build, operate, transfer to the beneficiary authority (BOT) at a lease return of (2%) of the

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4- The above paragraph was amended according to Regulation No. (5) For 2011 (Regulation of First Amendment to the Regulation for Sale and Lease of Real Estate and Landed Properties of the State and Public Sector for the Purposes of Investment No (7) For 2010 as Amended.

5- The above article was amended according to Regulation No. (1) For 2011 (Regulation of First Amendment to the Regulation for Sale and Lease of Real Estate and Landed Properties of the State and Public Sector for the Purposes of Investment No (7) For 2007 published in AL Waqayia AL Iraqia in issue no 4182 on 28/3/2011.

annual lease return assessed by the committees indicated in article (4) of Law No (7) for 2010.

Fourth—Service projects (hospitals, education centres, universities and others) at a lease return of (5%) of the annual lease return assessed by the committees indicated in article (4) of Law No (7) for 2010.

Article –9—⁶ The National Investment Commission shall allocate the required land properties for the purposes of executing investment projects indicated below as follows: -

First—Tourism projects (tourist towns, game towns, entertainment complexes, and others) in exchange for a state share of (10%) annually of the lease rate of the land assessed by the committees indicated in article (4) of this Regulation shall be allocated to the authority owning the land.

Second—Commercial projects (trade centres, hotels, and others) in exchange for a state share of (10%) annually of the lease rate of the land assessed by the committees indicated in article (4) of this Regulation shall be allocated to the authority owning the land for the first three years from commencing commercial operation of the project; the rate after the end of the period mentioned shall be (5%) of the land value assessed by the committees indicated in article (4) of this Regulation, which shall be recorded in the investment contract concluded between the two parties.

Article –10—⁷ The due date for the land return shall start on the date of commencing commercial operation of the project, provided the investor shall be obligated to complete the project within the period stipulated in the contract.

Article –11—The Chairman of National Investment Commission may issue directives to facilitate the enforcement of the provisions of this Regulation.

Article –12—This Regulation shall be published in the official gazette and shall be considered in effect from the date of its publication.

Nouri Kamil AL Maliki
Prime Minister

6- The above article was amended according to Regulation No. (5) For 2011 (Second Amendment to the Regulation for Sale and Lease of Real Estate and Landed Properties of the State and Public Sector for the Purposes of Investment No (7) For 2007 published in AL Waqayia AL Iraqia in issue no 4182 on 28/3/2011.

7- The above article was added according to Regulation No (5) for 2011 (Second Amendment to the Regulation for Sale and Lease of Real Estate and Landed Properties of the State and Public Sector for the Purposes of Investment No (7) For 2007 as Amended).