

**Royal Decree
No. 32/2015
Promulgating the System (Law) of the Public Establishment for Industrial
Estates (PEIE)**

We, Qaboos bin Said, Sultan of Oman

After perusal of the Basic Law of the State issued by Royal Decree 101/96,
The Commercial Companies Law No. 4/74,
The Law Regulating Usufruct of Lands of the Sultanate issued by Royal Decree 5/81,
The System of Public Authorities and Establishments issued by Royal Decree 116/91,
The Royal Decree 4/93 establishing the Public Establishment for Industrial Estates,
The Law of Foreign Capital Investment issued by Royal Decree 102/94,
The Financial Law issued by Royal Decree 47/98,
The Law on Free Zones issued by Royal Decree 56/2002,
The Tender Law issued by Royal Decree 36/2008,
The State Audit Law issued by Royal Decree 111/2011,
The Law on the Protection of Public Funds and Avoidance of Conflict of Interests issued by Royal Decree 112/2011,
And as per the exigencies of the public good,

Decreed as follows

Article (1)

The Public Establishment for Industrial Estates (PEIE) shall be under the jurisdiction of the Minister of Commerce and Industry and the enclosed System to this Decree shall apply to it.

Article (2)

The headquarters of the PEIE shall be in Muscat Governorate and it may establish branches or offices within the Sultanate or abroad.

Article (3)

The PEIE shall have a legal capacity and enjoy financial and administrative independence. In order to achieve its objectives, it shall have the authority to own

and dispose of fixed and moveable assets, perform all disposals and actions necessary for the accomplishment of its objectives and conduct any action deemed necessary, related or complementary to their achievement.

Article (4)

The PEIE shall collect the fees for municipal services it offers to companies, establishments or commercial representative offices or their Omani or foreign branches licensed to practice the approved activities within the PEIE estates.

Article (5)

After the approval of the Council of Ministers, the PEIE Board of Directors shall designate sites within PEIE-affiliated estates for the bodies concerned with provision of necessary services to licensed investment activities. This shall include the services related to issuing licenses, approvals or visas, registration of activities or other services. One or more employees shall undertake the prescribed specializations as per the laws, Royal Decrees or regulations on these services within the purviews of the estate. The functioning of these parties shall be in line with a decision issued by the Minister of Commerce and Industry after liaising with them.

Article (6)

According to a from the Council of Ministers in accordance with the PEIE board's recommendation, it is permissible to exempt some PEIE-affiliated estates or some investments therein from all or some provisions of the Foreign Capital Investment Law and the Commercial Companies Law abovementioned, as well as the prescribed Omanisation percentage in accordance with rules in force. These estates/investments may also receive other exemptions or incentives not stated in this Decree.

Article (7)

Exempted from the provisions of the Tender Law shall be the PEIE and PEIE-owned companies established within its estates for implementing or managing service and public utility projects or any other basic projects therein.

Article (8)

The Chairperson of Board of Directors of the PEIE shall issue the bylaws and decisions necessary for the implementation of provisions of this decree and the enclosed System after the approval of the Minister of Commerce and Industry. Until the Minister has issued such bylaws and decisions, the current regulations, bylaws,

decisions and systems shall remain applicable without prejudice to the provisions of this decree or the enclosed System.

Article (9)

Cancelled shall be the Articles of Association of the PEIE enclosed with Royal Decree 4/93 along with all that contradicts or contravenes this decree or the enclosed System.

Article (10)

Published shall be this Decree in the Official Gazette and come into force on the day following its publication.

Issued on: 4 Shawwal 1436 AH

CT: 21 July 2015 AD

**Qaboos bin Said
Sultan of Oman**

System (Law) of the Public Establishment for Industrial Estates (PEIE)

Chapter One

Definitions

Article (1)

In the application of the provisions of this System, The following terms shall have the meanings mentioned before each of them unless the context requires otherwise:

Establishment (PEIE):

Public Establishment for Industrial Estates

Minister:

Minister of Commerce and Industry

Board:

PEIE Board of Directors

Chairperson:

Chairperson of the Board

Estate:

An area of land allocated for the establishment of an investment activity, operated, managed or supervised by PEIE

Investor:

A company, establishment, or a commercial representative office or its Omani or foreign branches licensed to practice the approved activities within the estate

Investment Activity:

The commercial, industrial, agricultural, real estate, tourism, service, logistic, professional, handicraft, or technical activity carried out by the investor inside the estate

Developer:

A company or an establishment, Omani or foreign, contracted to establish, manage or operate the estate or a part thereof or to implement infra- or superstructure or public utilities

Chapter Two PEIE Objectives and Prerogatives

Article (2)

The PEIE aims to contribute to the holistic and sustainable economic and social development through the effective management of the related estates.

Article (3)

In order to realize its objectives, the PEIE may exercise all the prerogatives that would enable it to do that, and in particular:

- 1- Develop plans for the creation of new estates and the development of existing ones.
- 2- See to attracting and domesticating local and foreign investments.

- 3- Provide and develop the services and establish public utilities required inside in the estates, such as electricity, water, gas, wastewater networks, filtration plants, and road in line with the applicable laws and regulations.
- 4- Issue all types of licenses, approvals and certificates related to the exercise of the investment activities in the estates in coordination with the related authorities.
- 5- Lease the lands and facilities inside the estates.
- 6- Grant investors the usufruct of all or part of the lands of the estates without abiding by the provisions of the abovementioned Law Regulating Usufruct of Lands of the Sultanate.
- 7- Set up companies as per the applicable laws or contribute to them with a view to developing the estates or manage, develop, improve or promote their main sectors.
- 8- Represent the Sultanate at the regional and international conferences and meetings related to the PEIE prerogatives.

Article (4)

The PEIE shall manage and operate the following estates:

- 1- The industrial estates in Rusayl, Sohar, Sur, Raysut, Buraimi, Nizwa, Samail, and Ibri.
- 2- Knowledge Oasis Muscat.
- 3- Al-Mazunah Free Zone.
- 4- The new estates it may create.
- 5- The estates or entities the Council of Ministers may entrust it to manage or operate.

Chapter Three PEIE Management

Article (5)

Formed shall be the Board of a chairperson and seven (7) directors/ members appointed and remunerated as indicated in a decision issued by the Council of Ministers upon the recommendation of the Minister.

Article (6)

The Board shall manage the PEIE and organize its affairs. It shall have all the authorities required for the PEIE to exercise its prerogatives and achieve its objectives, and in particular:

- 1- Develop the general policy of the PEIE and follow up its implementation after approval by the Council of Minister.

- 2- Approve the organizational structure of the PEIE and administrative subdivisions and determine their respective prerogatives.
- 3- Approve the commercial and financial regulations and other regulations required by the PEIE work needs.
- 4- Approve the plans and programs related to the development and growth of the estates in coordination with the relevant authorities.
- 5- Approve the draft annual budget and final account of the PEIE.
- 6- Approve opening branches or offices of the PEIE inside or outside the Sultanate.
- 7- Establish new estates or expand existing ones after the approval of the Council of Ministers.
- 8- Approve the tender regulations applied by the PEIE and the companies it owns.
- 9- Approve loans and credit facilities as per the rules and regulations applicable in the Sultanate.
- 10- Approve the annual report of the PEIE and refer the same to the Minister.

Article (7)

At its first meeting, the Board shall choose a vice chairperson from among its members to replace the chairperson in case of his absence or inability to exercise his functions.

Article (8)

The Board shall convene by an invitation from the chairperson or his substitute at least (4) times per year, and when the need arises. Its meeting shall be valid if attended by at least the majority of its members, provided they include the chairperson or his substitute. The deliberations of the Board shall be confidential. It shall issue its decisions by the majority of the attending members. In case of a tie, the side of the meeting chair shall prevail. The Board may take its decisions by circulation in cases of absolute necessity.

The Board may invite any of the PEIE employees or external experts it deems necessary to attend its meetings without having any vote.

Article (9)

The Board may delegate some of its prerogatives to the chairperson.

Article (10)

Without prejudice to the provisions of the abovementioned Law on the Protection of Public Funds and Avoidance of Conflict of Interests, the chairperson and Board members shall inform the Board in case of a direct or indirect interests in the contracts or agreements concluded by the PEIE. In this case, the related members shall not participate in the discussions on this contract or agreement.

The provision of the above paragraph shall apply if the member, his/ her spouse or any of his relatives to the third degree owns a share in the company with which the PEIE shall contract or if he is a director on its board.

The violation of the provision of this Article shall render the related contract or agreement invalid without prejudice to the administrative accountability of the violator.

Article (11)

The Board secretary shall be one of the PEIE employees appointed by a decision from the chairperson. The secretary shall write down the minutes of the Board meetings and send the invitations along with agendas to the Board members well before the date of convention of Board meetings.

Article (12)

The PEIE shall have a chief executive officer appointed by a decision from the Council of Ministers.

Article (13)

The chief executive officer shall represent the PEIE before the judiciary and in its connections with other parties.

Article (14)

The chief executive officer shall have all the powers established for the unit head as per the applicable laws at the State Administrative Apparatus, and in particular:

- 1- Implement the general policy of the PEIE and Board decisions.
- 2- Manage the PEIE and oversee its employees.
- 3- Prepare the draft budget and final account of the PEIE and submit the same to the Board for approval.
- 4- Prepare the draft regulations and decisions required for the implementation of this System and submit the same to the Board for approval.

- 5- Propose opening branches and offices of the PEIE inside or outside the Sultanate.
- 6- Prepare periodical and annual reports on the PEIE performance and submit the same to the Board.
- 7- Carry out any other functions allocated to him by the Board or stipulated in the regulations and systems issued pursuant to this System.

Chapter Four

PEIE Finance

Article (15)

The PEIE shall have an independent budget. Its financial year shall commence on the first day of January and end on the thirty-first day of December of the same year.

Article (16)

The PEIE resources consist of the following:

- 1- Appropriations allocated to it in the general budget of the State.
- 2- Fees and amounts it collects for the services it provides.
- 3- Proceeds of lease of lands and facilities it owns, manages or operates.
- 4- Proceeds of investment of its funds.
- 5- Loans, endowments and gifts it receives as per the laws and regulations applicable in the Sultanate.
- 6- Any other resources determined by the Board after the approval of the Council of Ministers.

Article (17)

The PEIE funds are public funds that enjoy the rights and privileges of the public treasury funds. The PEIE may collect the amounts due to it as per the provisions of Regulation on Collection of Taxes, Fees and other Amounts Due to the Units of State Administrative Apparatus issue by Royal Decree 32/94.

Article (18)

Exempted shall be the PEIE from all taxes and charges without prejudice to the provisions of the GCC Standard Customs Law issued by Royal Decree 67/2003.

Article (19)

The PEIE shall have an auditor licensed to exercise accounting and auditing profession appointed and remunerated as indicated in a decision issued by the Board without prejudice to the provisions of the abovementioned State Audit Law.

Chapter Five

Final Provisions

Article (20)

The PEIE may assign the development of any estate or part thereof to one or more developers under investment agreements in accordance to the provisions of the Regulation on Investment of Estate Investment.

Article (21)

The Board shall issue a regulation to organize all the issues related to the management of estate investment. This shall in particular:

- 1- Determine the investment activities, charges required for their exercise and charges for their issuance.
- 2- Determine the fees of services provided by the PEIE and the rent of lands and facilities in the estates without prejudice to the abovementioned Law on Free Zones.
- 3- Determine the building controls and conditions and the related licenses in the estates.
- 4- Determine the provisions related to the investment contracts and agreements the PEIE would conclude with the investors and developers.

Article (22)

The Board shall issue a regulation on administrative violations and penalties. It shall determine the violations that the investors may commit of the provision of this System and the regulations and decisions in its implementation as well as other laws and regulations applicable in the Sultanate. It shall also determine the administrative penalties and fines provides the fine is not less than OMR 100 and not more than OMR 5000.

Article (23)

The PEIE officers in whose regard the competent authorities issue a decision upon the request of the PEIE shall have the capacity of judicial arrest within the scope of implementing the provisions of this System and its implementing regulations and decisions.