



Monthly Electronic Newsletter

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23 July is a glorious day in the history of the Sultanate



Yahya Al-Jabri: His Majesty thought inspires our plans to develop the Region and make it a pillar of economic diversification

Muscat - July 22, 2015

His Excellency Yahya bin Said bin Abdullah Al-Jabri, Chairperson of the Special Economic Zone Authority Duqm (SEZAD), commended the achievements of the Sultanate in terms of developmental renaissance in various fields under the reign of His Majesty Sultan Qaboos bin Said - may God protect him - the builder of the renaissance of Oman and reformer of its glory and history.

In an exclusive interview with (Duqm Economist) in its first issue dated 22 July 2015, His Excellency stated that His Majesty the Sultan is the symbol of national unity. July 23, 1970 is a glorious historical day on which the modern renaissance of the Sultanate emanated to illuminate the various cities and villages of the country. Since the first day of the blessed renaissance, His Majesty the Sultan laid the foundations of a modern state that pays attention to all life details of the citizens and provides them with welfare, daily needs, and what helps them achieve their ambitions and hopes and enable them to live in dignity on this good land.

His Excellency stressed that SEZAD is one of the ambitious projects that target the prosperity and happiness of Omanis. SEZAD shall continue its endeavors to achieve the objectives of the region inspired by the thought of His Majesty Sultan Qaboos bin Said for the development of the region and attract various investments pursuant to an ambitious strategic plan aimed at not only the present generation but also extends to the future generations. This shall be the case, as the projects included in the development plan of the region is of a long-term nature in light of their size and the required investments.

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Coinciding with Oman blessed Renaissance Day

AL – Duqm Special Economic Zone Authority (SEZAD) launches a specialized quarterly Magazine

Muscat – July 21st 2015

Marking the 45th anniversary of Oman's blessed Renaissance, The Special Economic Zone Authority of AL Duqm (SEZAD) launched (Tuesday July 21st 2015) the first issue of its quarterly magazine "Duqm Economist", the first magazine of its kind in the Sultanate to be specialized in economic & free zones affairs.

The magazine which is issued in Arabic & English aims at highlighting the projects that are being implemented in AL Duqm Economic Zone, observing the progress of these projects & showcasing the available investment opportunities by energizing local investments & attracting foreign investments. It also aims at creating awareness of the importance of the Economic Zone in supporting the national economy, creating job opportunities for Omanis & enhancing social & economic growth at Al Wuste governorate while shedding lights on SEZAD role in this sector.

The magazine edited by Mohamed bin Ahmed AL Shezawi, manager of Media department & chief editor of the magazine, sought to enrich knowledge of Economic & Free Zones in the Sultanate & various parts of the world & provide information about the nature, activities & challenges of economic zones through specialized surveys & reports.

In a statement, H.E Yahya bin Said bin Abdullah AL Jabri, Chairman of SEZAD and the general supervisor of "Duqm Economist" magazine said that issuing the first edition of "Duqm Economist" magazine coincides with a very valuable occasion, the 45th anniversary of the modern renaissance, which begun on July 23rd 1970 & made our dreams and ambition a reality.

In the editorial of the first issue, Al Jabri hailed the achievements of the Sultanate under the wise



reign of His Majesty Sultan Qaboos bin Said, pointing out that the Sultanate has early realized the importance of diversifying sources of national income & infrastructure all over the Sultanate. He also pointed out that the Special Economic Zone of AL Duqm is one of the government plans towards economic diversification in view of the potentials that the region is enjoying, emphasizing that SEZAD is working towards founding an integrated modern city that meet new generation's aspirations & make the Sultanate vision of economic diversification a reality.

The first issue which comes in (116) pages included a number of articles, one of which is a dialogue with SEZAD deputy CEO, Ismail bin Ahmed AL Balushi, about SEZAD effort in promoting the region and a dialogue with Eng. Yahya bin Khamis Al Zedjali, in charge of planning and follow-up of engineering projects, about the planning studies of AL Duqm and its role in the development of ALWusta governance.

In implementation of the Royal Decrees and to complete investment stimulation legislation

SEZAD issues regulations on organizing investment environment, urban planning, land usufruct and environmental permits

July 2015, the Special Economic Zone Authority at Duqm (SEZAD) began to apply four regulations concerning the organization of the investment environment in the Zone, organization of urban planning and building permits, regulation of the use of state-owned land in the area, and the organiza-

nization of environmental permits.

The issuance of these four regulations was to implement the Royal Decrees related to SEZAD and to complement the legislation that would encourage investment and organize the various aspects of work at SEZAD.

Through the issuance of the new regulations published in the Official Gazette in issue (1107) and (1108), SEZAD seeks to provide an encouraging and attracting investment environment for investors.

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In translation of SEZAD objectives to establish a modern city

Regulation on Organization of Urban Planning and Building Permits specify the requirements of buildings and construction projects in the Zone

Muscat - July 12, 2015

The Regulation on Organization of Urban Planning and Building Permits, applied by SEZAD since July 2015, identified the requirements for the construction of buildings and various projects in the Zone in translation of SEZAD objectives to establish an urban city to be a model for modern cities in the Sultanate.

The Urban Planning and Construction License Regulations

The urban planning and construction license regulations apply to all urban development lands, projects and buildings in the Special Economic Zone Authority except for projects of residential buildings constructed by natural persons on privately owned land. These regulations consist of 28 articles to regulate the construction of buildings in the Special Economic Zone Authority in Al-Duqm and the conditions governing such construction. Pursuant to the regulations, it shall be prohibited to construct any structure or urban project in the Special Economic Zone unless after obtaining the prior written approval of the Special Economic Zone Authority.

The regulations do also stipulate that main operator or developer shall be in charge of preparing the general layout for the site stipulated under the relevant development contract and the general layout shall consist of organizational drawings of all levels and in all respected such as the detailed survey plans and the general architectural plan and the detailed architectural plan. The Organizational plans shall be in accordance with the Special Economic Zone Authority's vision and approved planning criteria, and such plans shall be prepared by specialized and qualified engineering and consultation firms and chartered to operate in the Sultanate of Oman and such plans shall be prepared in accordance with Geographical Information Systems (GIS) and the AutoCAD system and using the geographical coordinates systems WGS84 which is approved by the Sultanate of Oman and the plans shall be in soft and hard copies and prepared in accordance with the environmental impact study and the applicable legislations prevailing in the Special Economic Zone while taking into consideration the technical building conditions and specifications.

The regulations stipulates that the main operator or developer shall be in charge of carrying out all the works and studies necessary to prepare the detailed survey and the Special Economic Zone Authority shall provide the main operator or developer with the required information and shall avail them a free access to the work site. The main operator or developer shall submit the detailed survey report to the Special Economic Zone Authority within the term agreed upon and shall pay the prescribed charges and the Special Economic Zone Authority shall render a resolution regarding the aforesaid report within (15) working days from the date of receiving that given report. The elapse of the aforesaid term without rendering a resolution shall mean that the Special Economic Zone Authority approves the report and in case of rejecting the report, such rejection shall be supported by the justifying reasons.

The regulations did also stipulate that in case of approving the detailed survey report, the main operator or developer shall prepare the general site layout, and which shall include the drawings showing the various utilizations of the land and the construction provisions guide proposed for each are of use and the site development and management plan. The drawing shall take into account the various usages of the land, the determination of locations, areas, corridors and which shall be allocated and kept for common use purposes, including the roads and the various organizational



levels thereof, pedestrian paths and vehicle parking lots for various categories of vehicles, public utilities, and the main and secondary infrastructure paths, landscaping spaces, green areas, places of worship, social services centers, and the percentages of the areas of such uses shall be specified in relation to the total area of the site.

The main operator or developer shall specify the locations and areas used for various economic uses including residential, commercial, residential-commercial, office space, touristic, storage, industrial areas and the percentage of each of the aforesaid uses shall be specified in proportionate to the total area of the site.

The regulations did also stipulate that in case of approving the general architectural plan, the main operator or developer shall prepare the detailed land drawings, which shall include the organization and construction provisions and conditions in a specific and detailed manner for each plot separately. The Special Economic Zone Authority may amend the general architectural layout or the detailed architectural drawings subject to an application to be submitted by the concerned parties (the main project developer or operator) using the designated form, and the application shall indicate the reasons and justifications for such amendment.

Organizational scheme shall be in accordance with SEZAD vision and its approved planning standards

Approve shall include license application by an engineering firm licensed to operate in the Sultanate

Construction of any building or project in the Zone shall be after obtaining a license from SEZAD

The developer prepares detailed plans of land after the approval of the general organizational scheme

The construction drawings shall be attached to the license application and the same shall be approved by an engineering firm or company chartered to operate in the Sultanate of Oman and approved by the Public Authority for Civil Defense and Ambulance, and the construction drawings shall conform with the organizational drawings at all levels and with the buildings architectural and technical specifications and conditions and all the other prescribed specifications as approved pursuant to a resolution rendered by the chairman of the Special Economic Zone Authority for the purpose of supervising the execution of construction works and ensuring compliance with the license drawings and the prescribed construction requirements.

The regulations prohibit carrying out any excavations in or around public roads for the purpose connecting main infrastructure services to the site, as well as, excavation outside the limits of the land subject of the usufruct license unless after obtaining a permit from the Special Economic Zone Authority. The regulations stipulate that concerned parties shall immediately cease excavation, construction or urbanization works in case of the discovery of any archeological artifacts or landmarks at the site and to immediately notify the Special Economic Zone Authority of the same.

The regulations stipulates that concerned parties – after the completion of the construction works – shall seek to obtain a construction completion certificate from the Special Economic Zone Authority and that no building may be occupied unless after obtaining the aforesaid certificate.

Issuance of the Regulation on Organizing the Investment Environment in the Zone

Muscat - July 12, 2015

His Excellency Yahya bin Said bin Abdullah Al-Jabri, Chairperson of the Special Economic Zone Authority Duqm issued a decision to issue the Regulation on Organization of the Investment Environment in the Zone.

The decision, published in the Official Gazette in issue on Sunday, July 12, 2015 states that its effective date would be the day following its publication.

The Regulation that came in 22 articles called the projects, whether sole proprietorships, companies or a branch of a company or a foreign corporation, and professional activities and crafts in the Zone at the date the provisions of the Regulation comes into effect to adjust their positions within one year thereof.

The Investment Environment Regulatory Policy

The investment environment regulatory policy stipulated that projects, whether sole proprietorship establishment, or a company or a branch of a company or an offshore company, as well as, professional and vocational establishments existing in the Special Economic Zone Authority in Duqm at the time of the enforcement of the provisions of these regulations to legalize their status in accordance with the provisions within one year as of the date it enters into effect.

The regulations which consists of 22 clauses governs and regulates the procedures for granting the license to establish economic activities and prohibits the engagement in any economic activity projects within the Special Economic Zone Authority except after obtaining the relevant license from the authority in accordance with the provisions of these regulations. Moreover, the licensing to engage in any economic activity under the jurisdiction of any other competent body shall be subject to the approval of this body prior commencing such activity, and in case the applicant is willing to practice more than one activity within the Special Economic Zone Authority, the project must obtain a license for each activity in accordance with provisions of this policy and the relevant executive resolutions.

The regulations stipulate that the projects may not commence any preparatory activities unless after applying for a preliminary approval from the authority. Moreover, the applicant may not apply for a license to carry on any prohibited or restricted activity unless after lifting the ban or the legal restrictions enforced thereon.

The regulations stipulate that the Special Economic Zone Authority shall study the license application and verify that the application is complete in terms of all the documents and particulars as required and the issuance of the preliminary approval of the application or the rejection thereof while stating the reasons for such rejection within (15) fifteen working days as of the date of the submission of the application provided that the application is complete in terms of the documents and particulars. No economic activity may commence unless after obtaining the final license. The regulations stipulate that the preliminary interim approval of the application shall also specify the conditions that must be met until the date of the inspection of the establishment as required by the law after completion of its preparations and installations provided however that the inspection shall be carried out within the prescribed term as a preliminary step toward issuing the final license.

The regulations further stipulated that economic activities as set forth in the schedule attached to the regulations shall be inspected by



No projects may engage in any economic activity in the Zone without first obtaining a license from SEZAD

Initial approval within 15 working days after receipt of the documents and data from investors

the Special Economic Zone Authority before these activities are granted the final license and before commencing carrying on the respective economic activity. If the Special Economic Zone Authority ruled that the project does not meet the requirements to engage in such activities, or if the Special Economic Zone Authority rejected the license application, then in this case, the preliminary interim approval shall be deemed as null and void. The applicant shall - after meeting the conditions stipulated for granting the preliminary approval - notify the Special Economic Zone Authority thereof in order to obtain the final license and the Special Economic Zone Authority shall verify that the conditions are met and issue the final license within (15) days from the date of receiving statement of the license applicant. The regulations stipulated that the term for the license shall be one year from the date of issuing the license and the term shall be renewable for another term(s) and the renewal shall be pursuant to an application submitted by concerned party at least (30) thirty days before the expiry of the original term provide however that the application shall meet all legal conditions and subject to the settlement of the prescribed charges and fees.

It was affirmed in the policy that in the license application or the license renewal appli-

cation is rejected, the rejection decision shall cite the reasons for the dismissal and the relevant parties may appeal against the rendered the dismissal decision.

Obligations and Prohibitions

The projects licensed to operate in the Zone shall:

- 1- Abide by the obligations of the Sultanate under the international agreements related to the economic activity licensed to them.
- 2- Abide by the laws applicable in the Sultanate and the regulations and decisions issued by SEZAD.
- 3- Abide by the conditions of their licenses.
- 4- Keep the required registers and submit the data and information set by SEZAD.
- 5- Pay the legally due fees and taxes on time.
- 6- Cooperate with SEZAD officers who have the judicial arrest capacity, enable them to practice their legally stipulated prerogatives and facilitate their performance of their tasks.
- 7- Inform SEZAD immediately of any amendments to the data of the license issued to them or their headquarters.
- 8- Abide by the stipulated Omanisation percentages.

The projects licensed to operate in the Zone shall not:

- 1- Practice any activity other than that set in their licenses.
- 2- Assign the license without the written approval of SEZAD.
- 3- Amend their legal form without the written approval of SEZAD.
- 4- Take any action that would impede work at the Zone, contradicts its purposes, or threatens the security of installations, investors, employees or residents of the Zone.
- 5- Acquire goods whose origin is a country economically boycotted by the Sultanate.
- 6- Acquire corrupt, damaged or expired goods or those that have negative impact on the environment.
- 7- Acquire goods that carry writings, drawings or signs that contradict the beliefs, doctrines and concepts of the Divine religions or the morals or public morals.
- 8- Acquire goods that violate the laws on the protection of intellectual, industrial, commercial, literary, and technical property applicable in the Sultanate.
- 9- Acquire goods prohibited to enter the Sultanate.
- 10- Violate the conditions and requirements of public health, safety and environment conservation.

It stressed the importance of preserving the environment in various projects

SEZAD issues the Regulation of Environmental Permits in the Zone



Muscat - July 26, 2015

His Excellency Yahya bin Said bin Abdullah Al-Jabri, Chairperson of the Special Economic Zone Authority Duqm issued decision 326/2015 to issue the Regulation on the Organization of Environmental Permits in the Zone in implementation of the Royal Decrees related to the Zone.

Environmental Permits Regulation

The Regulation of Environmental Permits confirmed the importance of preserving the environment to all projects that are being set up at SEZD, and confirmed that SEZAD is the only authorized party to issue environmental permits and to take all necessary measures pertaining to the environment. The Regulation explained that projects should not commence

or modify their operations before obtaining an environmental permit from SEZAD, and emphasized that SEZAD shall only issue environmental permits to projects after verifying the projects' fulfillment of all obligatory requirements according to the Law and this Regulation.

SEZAD – according to the provisions of this Regulation – shall issue a preliminary environmental permit, which is granted prior to the commencement of construction, this permit is valid for one year subject to renewal for a similar period or periods. Additionally, SEZAD shall issue the final environmental permit after the completion of construction activities; this permit shall be valid for a period of two calendar years, subject to renewal for a similar period or periods. Moreover, SEZAD may issue temporary environmental permits for temporary projects and infrastructure projects, and their supplementary projects,

and these permits shall be valid for one year subject to renewal.

This Regulation stated that SEZAD has the right to conduct required on-site inspections in all stages of the project, in order to verify adherence to prescribed environmental requirements and standards.

The Regulation also stipulate that SEZAD has the right to conduct field inspections on projects to verify their adherence to the Law, this regulation and any other environmental standards and requirements specified by SEZAD. The project must be notified three days prior to conducting periodic inspections and follow-up inspections which are conducted to verify the correction of environmental violations recorded in the periodic report within the period specified by SEZAD, however, spot checks are to be decided by SEZAD.

In the event wherein a project

violates its specified obligations according to the Law, this Regulation or any other decisions and directives issued by SEZAD, the Regulation stipulates that SEZAD may take one or more of the following measures:

- 1- Warn and notify the project to correct the situation within a specified period.
- 2- Impose an administrative fine not exceeding (200,000) O.R.
- 3- Suspend the project's operations for a period not exceeding (6) months.
- 4- Cancellation of the environmental permit.

SEZAD may not suspend the project's operations or cancel its environmental permit until after the project has been warned and notified of the recorded violations, provide the project with a specified period to correct these violations, and the expiration of said period

SEZAD shall consider and decide the application within 40 days after meeting the required data and inspections

Projects may not operate before obtaining an environmental permit from SEZAD

SEZAD may conduct on-site inspections for the project in all stages

Date of the environmental record of the project are confidential and SEZAD staff may only disclose as per the law

No person or entity shall usufruct Lands in the Zone without prior authorization from SEZAD

Muscat - July 26, 2015

The Regulation on Organization of Usufruct of State-Owned Lands in the Special Economic Zone Authority Duqm states that only SEZAD shall license the usufruct of State-owned lands in the Zone. No person or entity shall usufruct these lands without a prior license from SEZAD.

The Regulation, issued pursuant to the Chairperson's decision No. 327/2015, states that usufruct license for the projects shall be for a fee determined by the Board after the approval of the Ministry of Finance for commencement or expansion of activity or erecting accommodation buildings for workers. Usufruct license for governmental entities, worship houses, non-profit organizations and charities shall be for nominal fee or free according to a SEZAD board decision after the approval of the Ministry of Finance.

Usufruct of State-owned lands in the Zone shall be subject to the provisions of this Regulation and the conditions stipulated in the usufruct agreement concluded between SEZAD and the usufructer as per the form set by SEZAD without contradiction to the provisions of this Regulation.

Usufruct of State-owned lands in the Zone shall be a temporary in-kind right that expires after its designated period or the termination of the project, whichever is earlier.

The usufruct agreement concluded between SEZAD and the usufructer shall contain the following: location and area of the usufruct land and the nature of its use; fee of annual usufruct, annual increase thereof over the agreement period and the payment method; financial guarantee provided by the usufructer; usufruct period; description of project and its various components, stages of its implementation and the schedule of its establishment; project documents to be submitted to SEZAD and the related procedures; obligations of both parties; cases for termination of the agreement; and consequences of violation of obligations and termination of agreement.

Divided shall not be the usufruct land regardless of the purpose of this division. In determining the area of the lands the projects are licensed to usufruct, the nature of the activity and its actual needs shall be considered. The purpose of usufruct under the provisions of this Regulation shall match the scheme of the land.

The usufruct of State-owned lands in the Zone shall be for the period that the project continues its practice of activity provided this does not exceed (50) calendar years renewable upon the request of the usufructer and the approval of SEZAD.

Procedures for Obtainment of Usufruct License

Submitted shall be the application for usufruct license by the stakeholders or their legal representatives as per the form prepared for this purpose accompanied by the documents and data mentioned in the said form. SEZAD may request additional documents and data to decide on the licensing application. SEZAD shall review and



“The right to usufruct the state-owned land in the Zone is temporary and in kind that ends with the period specified or upon the expiry of the project, whichever is earlier”

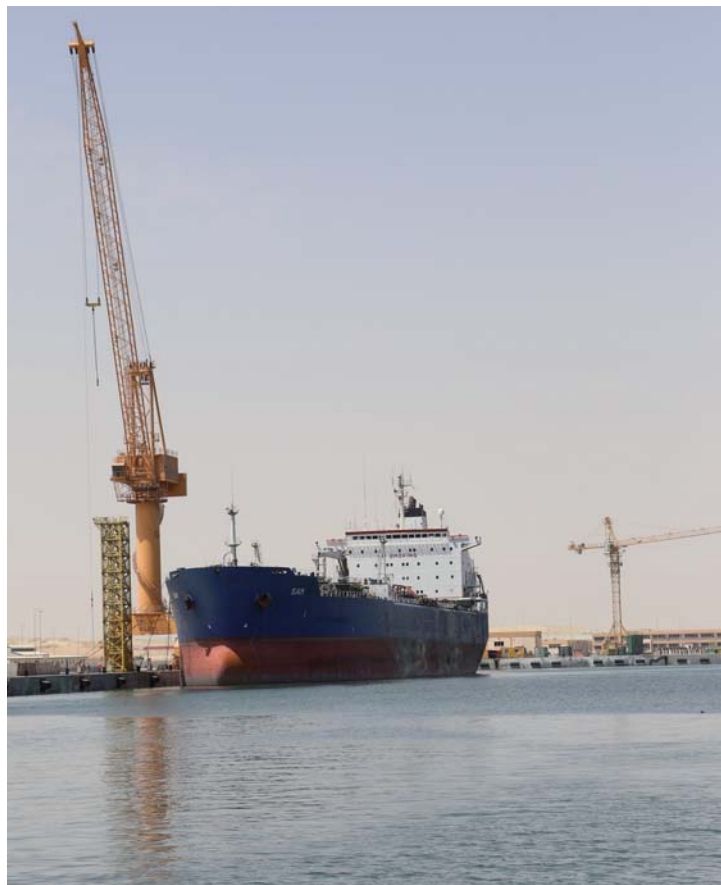
Usufruct shall not exceed 50 calendar years, subject to renewal”

decide the application within (30) days from its submission provided it meet the required data and documents. The lapse of the said period

without decision shall stand as approval. In case of dismissal, the decision shall be justified. SEZAD shall inform the applicant of the decision issued at the address mentioned in the application within five (5) working days. The applicant may then appeal the decision in case of dismissal before the Chairperson within (60) days of his notification or certain knowledge of the dismissal of his application. In this appeal, he shall indicate its grounds and the supporting documents. The appeal shall be reviewed and decided upon within (30) days of its submission. The appellant shall be informed of the decision. The lapse of the said period without decision shall stand as dismissal. In all cases, the decision of the Chairperson on the appeal shall be final.

SEZAD shall hand over the usufruct land to the usufructer free of any rights that may prevent the usufructer from using the same under the usufruct as agreed in the usufruct agreement. The usufructer shall register the usufruct and all disposals in its regards, whether through assignment or mortgage, with SEZAD. The Chairperson shall determine, after the approval of the Ministry of Finance, the fees SEZAD will receive in return of these services. The usufructer shall hand over the usufruct land to SEZAD after the end of the usufruct period free of any rights thereon.

the One-Stop Shop will delegate an employee or more to the Shop.





SEZAD project is a pillar of diversification: Chairman

SEZAD has prepared an integrated package of incentives, privileges and facilities

Muscat - July 26, 2015

Yahya bin Saeed al Jabri, Chairman of the Special Economic Zone Authority at Duqm (SEZAD) commended the achievements made in the Sultanate in terms of developmental renaissance in various fields under the reign of His Majesty Sultan Qaboos, the Architect of the Omani Renaissance and the Reformer of its glory and history.

In a speech published at the first issue of the Duqm Economist Magazine, Al Jabri said: "His Majesty the Sultan is the symbol of national unity and the Sultanate realised endless achievements under His Majesty's prosperous reign".

He added that the Sultanate also enjoyed regional and international appreciation due to His Majesty's wisdom in steering the country's affairs and his profound vision for the various international events and issues.

Al Jabri affirmed that the Royal thought to His Majesty the Sultan inspires SEZAD development plans and make it a pillar of economic diversification. He pointed out that SEZAD has prepared an integrated package of incentives, privileges and facilities that would encourage investors while the investment environment in the Zone is experiencing diverse projects and investors. He stressed at the same time that SEZAD is keen on attracting domestic investment and said that SEZAD is keen to provide a conducive environment for private sector investment.

The SEZAD chairman said: "These

days, the Sultanate celebrates the 45th anniversary of the modern renaissance that began on July 23, 1970 to illuminate the different parts of the country and take it from one era to another".

Al Jabri added that SEZAD is witnessing the implementation of a variety of projects. SEZAD manages and supervises some of them while major companies operating in Duqm implement some others.

He pointed out that among the prominent projects is that of Duqm Refinery. Last year, SEZAD signed a preliminary usufruct agreement with Duqm Refinery and Petrochemical Industries Company in this regard.

SEZAD is keen to provide a conducive environment for private sector investment.

Projects 'contractors' housing complex to provide accommodation for workers

SEZAD has recently floated the tender to pave the site on which the refinery shall be established.

He said: "There are also a number of infrastructure projects, such as the remaining packages of Duqm Port and Airport, roads, liquid and bulk material pier, construction of 150 housing units for the citizens, construction of SEZAD headquarters, and the new main road to the centre of the Wilayat of Duqm, in addition to many other projects".

He added that the projects implemented in Duqm also include contractors' housing complex to provide accommodation for workers instead of using mobile caravans implemented by Renaissance Services Company. He explained that this labour city will accommodate about 16,000 people and will provide various facilities to its residents.

The SEZAD Chairman further said that Duqm Development Company implements Phase II of Duqm façade while Al Madinah Real Estate Company is constructing a touristic shopping mall. "There are other investments carried out by local and foreign companies with which SEZAD signed usufruct and development agreements during the current and prior years in the educational, health, commercial, industrial, logistics and other sectors".

Al Jabri pointed out that SEZAD has been working to keep up with investors' ambitions and expectations. It has prepared an integrated package of incentives and facilities that include tax exemptions up to 30 years renewable for similar periods and land usufructs up to 50 calendar years renewable for similar periods.