

شعبة الترجمة الرسمية
Official Translation Department

Law of Eminent Domain and Temporary Taking of Property

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Translation of Saudi Laws

NOTE:

The translation of Saudi laws takes the following into consideration:

- Words used in the singular form include the plural and vice versa.
- Words used in the masculine form include the feminine.
- Words used in the present tense include the present as well as the future.
- The word “person” or “persons” and their related pronouns (he, his, him, they, their, them) refer to a natural and legal person.

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Law of Eminent Domain and Temporary Taking of Property

Chapter 1: Taking Property for Public Use

Article 1

Ministries, government agencies, and other public corporate entities may take private property for public use upon payment of just compensation, after establishing the non-availability of state-owned land and real property required for the project. The taking of property may only be for the execution of projects approved in the Budget.

Article 2

No compensation shall be made under this Law if the property to be taken, in whole or part, is conditional upon reclamation but was not, at the time of planning the project, reclaimed in accordance with applicable reclamation conditions, provided that the Appraisal Committee referred to in Article 7 considers offering the owner just compensation for any damage incurred.

Article 3

Compensation shall be made for property taken for constructing main road networks or planning, in accordance with the following:

First: Lands within the development-protection zone:

a) In case of lands from which the free statutory deduction percentage had been taken, the owner shall be compensated for any further taking beyond said percentage.

b) In case of lands from which part of the statutory percentage had been taken, the owner shall not be compensated for any further taking if the total area of previous and later takings does not exceed the statutory percentage, and the remainder thereof, after both takings, is 10,000 square meters or more; otherwise, the owner shall be compensated for the difference if the remainder thereof is less than that.

c) In case of lands from which the statutory percentage had not been taken, the owner shall not be compensated for any taking not exceeding said percentage, provided that the remainder thereof, after the taking, is 10,000 square meters or more; otherwise, the owner shall be compensated for the difference if the remainder thereof is less than that.

d) If a landowner requests the subdivision or planning of a land in accordance with applicable laws and directives, the owner shall not be compensated for any taking made for that purpose, provided that the total area of previous, if any, and later takings does not exceed the statutory percentage for the whole area, unless exceeding said percentage was carried out upon the owner's request.

e) If the owner of a parceled out lot of previously planned land requests subdivision of said lot into smaller pieces thus requiring one or more roads to be laid in service thereof, said owner shall not be compensated.

f) There shall be compensation for land areas expropriated of buildings and farms regardless of the area thereof, as well as for the buildings and plants. If the owner of said lands requests the subdivision or planning thereof in accordance with the laws and directives, said owner shall not be compensated for expropriations within the statutory percentage, nor for expropriations exceeding said percentage if so requested by the owner.

Second: Lands outside the development-protection zone:

a) As for lands of areas not exceeding 10,000 square meters as well as buildings and farms, regardless of their areas, there shall be compensation for expropriated parts of said lands as well as for the buildings and plants. No compensation shall be offered for parts expropriated from said lands for the purpose of subdivision in accordance with laws and directives if so requested by the owner. This shall be within the statutory percentage set for real property within the development-protection zone, unless exceeding said percentage is so requested by the owner.

b) As for lands of areas exceeding 10,000 square meters, there shall be no compensation for parts expropriated, within the 12% limit, for the purpose of constructing main roads, provided that the remaining area after expropriation is 10,000 square meters or more. If the remaining area is less than that, the difference in area shall be compensated for. If said land is planned in accordance with laws and directives, paragraphs (b, d, and e) of clause (First) shall apply.

Third: Cities, villages, and rural settlements with no development-protection zones:

The Ministry of Municipal and Rural Affairs shall establish regulations with regards to planning and building in said areas. Said directives shall specify the development-protection zone thereof to be used as a basis for the aforementioned distinction.

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Article 4

Without prejudice to Article 3, public utility lines shall be constructed within roads and their right-of-ways or within state-owned lands. If that is infeasible and the public utility lines have to be constructed within private properties, said construction shall be carried out with the least amount of damage possible, subject to the payment of just compensation in accordance with this Law upon agreement with the Ministry of Municipal and Rural Affairs and the Ministry of Transport on the routes of said utility lines so that they coincide with the routes of future streets and roads as public interest may require. Title deeds and records pertaining to properties where said lines are constructed shall be endorsed accordingly.

Article 5

1. The decision approving commencement of expropriation of real property for public use shall be issued by the competent minister, head of the relevant government agency, or board of the relevant public corporate entity, or whomever they designate; provided that the decision is attached with a copy of the plan of the project whose execution requires expropriation. Municipalities, notaries public, and other competent agencies shall be notified of said decision. The decision shall include an invitation to the agencies referred to in Articles 6 and 7 to name their representatives within a period not exceeding 15 days.
2. The approval decision shall be published in the Official Gazette and two daily newspapers circulated in the relevant province. Copies of said announcement shall be posted in the premises of the agency owning the project, the project site, the court, the governorship of the province, county, or district, and at the premises of the relevant municipality.

Article 6

1. As of the date of notification of the decision approving commencement of expropriation procedures, no land in the plan of the project for which expropriation is proposed may be subdivided nor a property merged with another, nor may licenses be granted to build thereon.
2. The condition of the land at the publication date of the decision approving commencement of expropriation procedures shall constitute the basis for assessing compensation. Any later alterations, additions, improvements, building, reclamation, planting, and the like shall not be considered.
3. The agency owning the project shall form a committee comprising representatives of the relevant governorship and municipality. Said committee shall be responsible for entering real property within the project plan in the presence of relevant owners and occupants, or either of them, as the case may be, or representatives thereof, and said committee shall draft minutes stating the type and general description of the real property as well as the buildings, walls, trees, plants, wells, dams, and barriers thereon and anything affecting relevant compensation, in addition to the names of the real property owners, occupants thereof, and other stakeholders, based on deeds and documents provided to said committee; along with explanatory drawings and sketches, if necessary. Said minutes shall be signed by committee members as well as relevant owners and occupants or representatives thereof. If any committee member or stakeholder declines to sign, the same shall be recorded in the minutes along with reasons therefor. Signing shall not preclude the correction of any error once established. Objections, if any, shall also be recorded. The committee shall complete its duties within 60 days from the date of the decision approving commencement of expropriation procedures.

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Article 7

The agency owning the project shall form a committee to assess compensation for real property to be expropriated or adversely affected by the project, as follows:

First: Five representatives of government agencies to be designated by their respective agencies as follows:

1. A representative of the agency owning the project.
2. A representative of the Ministry of Justice.
3. A representative of the Ministry of Municipal and Rural Affairs.
4. A representative of the Ministry of Interior.
5. A representative of the Ministry of Finance and National Economy.

Second: Two persons with expertise in real property nominated by the Chamber of Commerce and Industry in the relevant province. Said members shall be experienced Saudi nationals known for their integrity. Government representatives shall be of a rank not lower than 'Grade Six'. The representative of the Ministry of Justice shall, in addition to the previous requirements, have the qualifications required for appointment in the judiciary. No one may be eligible for committee membership if his spouse, in-laws, or relatives up to the fourth degree, have any right or interest in the real property to be expropriated or affected by the project, nor if he is the attorney-in-fact, trustee, or guardian of anyone with a right to the real property.

Article 8

The Appraisal Committee provided for in Article 7 shall commence assessment of the compensation within 60 days from the date of the decision approving commencement of expropriation procedures, and shall complete said assessment no later than 90 days from the date of such decision, unless the Committee determines that there are obstacles, which must be recorded in special minutes to be approved by the agency owning the project.

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Article 9

1. The Appraisal Committee may seek the assistance of experts and employees from the competent agencies as it deems necessary.
2. The Committee shall, for the purpose of performing its duties, enter relevant real property in the presence of their owners and occupants, or either of them, as the case may be, or representatives thereof. Said parties shall enable the Committee to perform all actions necessary to fulfill its duties.
3. The Committee shall convene with all members present, and its decisions shall be passed by majority vote. Said decisions shall be submitted to the agency owning the project for approval. The agency and the Ministry of Finance and National Economy may, within 30 days from the date of the assessment decision, request reassessment by another committee subject to the same membership requirements, except that the representatives of

government agencies must be of a rank not lower than “Grade 10”. This Committee shall be formed within 30 days from the date of the reassessment request, and its decisions shall be passed by majority vote. It shall complete its duties within 60 days from the date of the reassessment request; otherwise, the decision of the original committee shall prevail.

Article 10

The Appraisal Committee shall undertake the following:

1. Inspect the real property to be expropriated and verify the information stated in the minutes prepared by the committee referred to in Article 6.
2. Assess the real property to be expropriated in terms of land, buildings, trees, plants, and any other constructions or rights based on the following:
   a) Assessment of compensation for the real property shall be based on its value at the time of inspection by the Appraisal Committee.
   b) Assessment of compensation for trees shall be based on their value at the time of inspection by the Appraisal Committee, with due consideration to the type, age, and harvest of said trees.
   c) Assessment of compensation for plants and fruits shall apply if expropriation thereof could not be delayed until after harvest, as the Appraisal Committee deems fit.
   d) Assessment of compensation for lands designated for public use beyond the statutory percentage set for private land subdivisions, two years after designation thereof, shall be in accordance with the provisions of this Law.
3. Assessment of compensation paid to the owners of real property affected by a project without expropriation of any parts thereof, shall be based on the difference in value of said real property before and after the execution of the project.

Article 11

If the expropriation is limited to part of a real property, the following shall apply:

1. The value of the area of land subject to expropriation shall be assessed as well as the buildings and plants thereon, if the remaining parts of said land, buildings, or plants are usable according to the technical directives applicable in the relevant province. Costs of repair and renovation of the remaining part of the buildings shall be added to said value.
2. The value of the area of land subject to expropriation shall be assessed as well as the value of all constructed buildings or plants if the remainder of any buildings or plants, after the expropriation of the part needed for the project, is usable according to the technical directives applicable in the relevant province. The agency owning the project shall be responsible for demolishing remaining parts of any buildings.
3. The value of the whole real property in terms of land, buildings, and plants, shall be assessed if the remaining part of the land, after the expropriation of

the part needed for the project, is unusable according to the technical directives applicable in the relevant province, or if the costs of repairing the remaining part of the real property is equal to or exceeds its value. Assessment of the usability of the remaining part of the real property or damage thereof shall be undertaken by a committee formed by the relevant municipality with the participation of one or more representatives of the Ministry of Agriculture and Water, if the land in question is agricultural, in order to assess the extent of usability or damage of the remaining plants.

Article 12

If expropriation is limited to part of the real property and the value of the remaining part or parts thereof depreciates as a result of the project, said depreciation shall be taken into consideration when assessing due compensation.

Article 13

Compensation for an expropriated real property, in whole or in part, may take the form of a piece of land, subject to the consent of the owner of the real property.

Article 14

If the area of a real property as stated in the title deeds differs from the actual area of said real property, assessment shall be based on the actual area or the area stated in the title, whichever is less, without prejudice to the owner's right to prove ownership of the part of the real property not included in the relevant assessment.

Article 15

If the execution of a public project involves real properties the owners of which are not identified prior to commencement of the execution of said project, or if signs or indications of ownership appear during its execution, the area of said real properties shall be determined based on the apparent signs or the signs that appear during execution. Data displayed on said signs as well as expropriated areas and assessment thereof shall be recorded and kept with the agency owning the project for reference, should any relevant claims arise in the future.

Article 16

The agency owning the project shall notify, through administrative channels, the stakeholders of real properties to be expropriated of the compensation assessed therefor. If said notification is not feasible, a note to this effect shall be published in accordance with Article 5(2), and that shall be deemed a notification.

Article 17

1. The agency owning the project shall notify owners and occupants of relevant real property to vacate said real property within a period determined by said agency, provided that said period is not less than 30 days from the date of the vacation notice. Payment procedures shall be completed prior to the specified vacation date, provided that the compensation is not delivered to the owner until the relevant real property is surrendered and notarized by a notary public or the court.
2. The request to vacate a real property may be issued, in exceptional cases, prior to the completion of procedures and payment of compensation, pursuant to a decision by the competent minister.
3. In all cases, if the agency owning the project requests the owner to vacate the real property or prevents him from using said real property prior to receiving the relevant compensation, whether in exceptional cases or otherwise, said owner shall be paid the rent for the period between said vacation and the date of receiving the compensation, unless the owner is responsible for the delay of compensation. The rent shall be determined by the committee provided for in Article 7 of this Law.

Article 18

Compensation for real property expropriated for public use shall be paid within two years from the date of the decision approving commencement of expropriation procedures. If the same is not feasible, the owner of the expropriated real property may apply for reassessment, unless he is responsible for said delay.

Article 19

If the agency owning the project no longer needs all or part of previously expropriated real property which is usable according to the technical directives applicable in the relevant province, and the same cannot be allocated for another public use project, the owner of said expropriated real property or heirs thereof shall have the right to reclaim said real property within six months from the date of notification, subject to returning the paid compensation.

Chapter 2: Temporary Taking of Property

Article 20

1. In cases of contingencies, disasters, epidemics, and the like, or for the purpose of executing an urgent public project that cannot be otherwise executed, a property may temporarily be taken subject to just compensation of not less than the rent of an equivalent property as assessed by the committee referred to in Article 7 of this Law.
2. The temporarily taking of property shall not prevent the implementation of

expropriation procedures in accordance with this Law.

3. Constructions or buildings may not be removed until after the completion of relevant compensation assessment procedures.

Article 21

The maximum period for temporary taking may not exceed three years. The taking decision shall be issued by the competent expropriation authority and shall state the period and purpose of said temporary taking.

Article 22

If the competent authority decides that the maximum period for temporary taking is not sufficient, said authority shall agree with the relevant owner on a new period within adequate time prior to the end of the original period. If they fail to reach an agreement, the property shall be vacated.

Article 23

The agency owning the project shall compensate the owner of temporarily taken property for damages resulting therefrom.

Chapter 3: Final Provisions

Article 24

Stakeholders may appeal before the Board of Grievances against all the decisions made by administrative committees and agencies in accordance with this Law within 60 days from the date of notification thereof.

Article 25

Subject to cases of expropriation provided for in other laws, this Law shall repeal the Eminent Domain Law issued by Royal Decree No. (M/65) dated 16/11/1392H, the provisions on expropriation for public use and compensation therefor provided for in the Law of Roads and Buildings issued on 1/6/1360H, the provisions set for deducting the Architectural Ell, and any provisions conflicting therewith.

Article 26

The Minister of Municipal and Rural Affairs shall propose all the regulations necessary for the implementation of this Law. Said regulations shall be issued pursuant to a resolution by the Council of Ministers.

Article 27

This Law shall be published in the Official Gazette and shall enter into force

180 days from its date of publication.

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