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Section One

Law No. 47 of 1993

Concerning Housing Welfare

Law No. 47 of 1993
Concerning Housing Welfare

Having seen:

- The Constitution;
- Law No. 15 of 1960 Promulgating Corporate Act;
- Law No. 30 of 1964 Establishing State Audit Bureau;
- Law No. 33 of 1964 Concerning Expropriation for Public Benefits;
- Law No. 37 of 1964 Concerning Public Tenders, as amended;
- Law No. 30 of 1965 Establishing Credit and Saving Bank;
- Law No. 15 of 1972 Concerning Kuwait Municipality, as amended;
- Law No. 15 of 1974 Establishing National Housing Authority, as amended;
- Law Decree No. 31 of 1978 on Rules for Preparation of General Budget, Monitoring of the Implementation thereof and the Final Account;
- Law No. 67 of 1980 Promulgating the Civil Law;
- Law No. 105 of 1980 Concerning Regulation of State Domains, as amended;
- Law No. 37 of 1983 Concerning Establishing the Public Authority of Minors' Affairs;
- Law Decree No. 20 of 1992 Concerning Exemption from Loans of Credit and Saving Bank Loans and Government House Installments; and
- The Council of Ministers' Resolution No. 1116 of 1989 Concerning Housing Welfare Scheme;

The National Assembly has approved, and we have sanctioned and promulgated the following text of law:

Chapter One

Public Authority for Housing Welfare

Chapter One

Public Authority for Housing Welfare

Article (1)

An independently budgeted body corporate public authority shall be established under the name "Public Authority for Housing Welfare", and supervised by the minister concerned with housing affairs, hereinafter referred to them both as the minister and PAHW.

Article (2)

PAHW capital shall consist of two shares; cash shares and Real Estate (Land):

First: Cash Share:

It amounts 1,600,000,000 (Kuwaiti Dinars One Billion Six Hundred Millions), which the Minister of Finance shall be authorized to pay the increase therein at one payment or payments. The necessary finance may be provided through assistance from governmental bodies, public agencies and authorities.

Second: Real Estate (Land):

It consists of the lands currently allocated and also those to be allocated in future for housing welfare purposes.

Article (3)

The PAHW resources shall include the following funds and revenues:

1. Proceeds of selling plots and installments of owning houses and apartments offered to housing welfare beneficiaries;
2. National Housing Authority entitlements with third parties and monies resulting from Liquidating up NHA;
3. The monies borrowed by PAHW from, or secured under, government funds, and also the monies appropriated by the state in PAHW budget for supporting building materials and requirements thereof;

4. Donations, gifts and bequests decided to be accepted by PAHW Board of Directors;
5. The monies appropriated by the state to meet the deficit in PAHW budget;
6. The percentage to be taken from the profits earned by Kuwait Fund for Arab Economic Development as determined under Law No. 31 of 2003;
7. Payment for use or rent determined to be collected from residents of low-cost houses allocated for eligible persons as per the rules and conditions to be issued under a resolution from the minister after the board of directors so approves;
8. Proceeds of selling real estates in public auction as per the provisions of Law No. 1995 referred to;
9. Proceeds of PAHW investment of its own funds.

Article (4)

The PAHW shall apply the Housing Welfare Scheme stated herein. To do so, PAHW shall:

1. Prepare/Design of housing neighborhoods and units for purposes of housing welfare of citizens, and coordinate with the concerned authorities according to state policies and plans;
2. Cooperate with the concerned authorities to provide public services and utilities for housing quarters referred to, and cooperate with the agencies specialized in the scopes of building, reconstruction and housing;
3. Supply the appropriate number of housing alternatives stated herein to those who satisfy the requirements;
4. Build houses and apartments by itself, or through companies specialized in doing so;
5. (cancelled);
6. Seek assistance of other countries experience in housing fields, and experienced international companies;
7. Prepare studies and researches relating to housing and to financing of associated projects;
8. Propose an appropriate support policy to supply building materials and requirements thereof to those eligible for housing welfare;
9. Provide rent allowance;
10. Invest its funds (In Housing Projects) in a manner that would help PAHW honor its obligations in achieving the objectives of housing welfare.

Article (5)

To achieve its objectives, PAHW shall have the right to own and to dispose of real estates and chattels. The objectives of housing welfare shall be considered an act of public utility in applying the provisions of Law No. 33 of 1964 referred to in respect of expropriation and temporary capture of public utility.

The funds appropriated to housing welfare shall be deemed as public money.

Article (6)

Cancelled

Article (7)

Cancelled

Article (8)

The contribution of international companies involved in offset transactions program in housing welfare projects shall be regarded as performance of a part of its obligations under this program.

Article (9)

The PAHW shall, in cooperation with the concerned authorities, prepare and pursue international scientific studies and researches in respect of structural designs and technical practices thereof, according to the standard specifications applicable in the developed countries, taking into consideration the nature of soil and weather, in order to reduce, to the minimum possible, the cost of building for citizens who are eligible to housing welfare, without jeopardizing the safety and security of building.

A resolution shall be passed from Kuwait Municipality, in agreement with PAHW, in respect of the standard specifications of structures and buildings based on studies and researches achievement of the objectives stated in the preceding paragraph.

The PAHW shall approve the land use plans for its housing projects, according to the general practices and criteria applicable in Kuwait Municipality.

Article (10)

The PAHW shall have a board of directors formed by a resolution from the Council of Ministers, chaired by the minister and comprised of each of the following members:

1. Director-General of PAHW;
2. Six members ranking not less than assistant undersecretaries, representing ministries and authorities related to housing;
3. Three members of related experience.

The PAHW Board of Directors may invite any specialist it deems to attend its meetings without giving him a countable vote.

The board meeting shall not be considered as duly convened, unless attended by the majority of its members, including the chairman.

Article (11)

The Board of Directors shall be outlined the general policy and objectives of PAHW within the state general development plan and in particular:

1. Lay down short, medium and long term housing plans and policies in the light of housing growth, and pursue their implementation, assessment and development in the way to achieve PAHW objectives.
2. Propose laws, which would achieve PAHW objectives, and make views on anything proposed in this regard.
3. Decide the construction of housing units in areas allocated for housing welfare purposes.
4. Approve the draft budget and final account before they are submitted to the relevant authorities.
5. Approve the annual report on PAHW business.
6. Issue the resolutions necessary for regulating financial and administrative affairs, including the required regulations for investments, supplies, and contracts, also resolutions necessary for projects and tenders, and biddings, issue the regulations relating to employees schemes and designation of their salaries and all rules relevant to their employment affairs after the Civil Service Board so agrees.

Article (12)

The PAHW shall be run by a director-general who shall have one deputy or more, and they shall be appointed by a decree for four years, renewable term.

The Director-General shall represent PAHW in its relationship towards third parties and before the courts of law. The PAHW lawyers or others authorized by the Director-General shall have the right to attend on behalf of PAHW before all judicial authorities, and the right to appeal against judgments before all grades of litigation. The Director-general shall be liable for implementing the policy designed by the Board of Directors, empowered to manage the PAHW,

and also to carry out all powers stated by a law or regulation to fall within his jurisdiction. Further, he may delegate Deputy Directors-General to carry out some of his powers.

Article (13)

PAHW Director-General shall furnish the Board of Directors in three months following the expiry of financial year with the following:

- a) PAHW Final Budget, accompanied with detailed information on items of assets and liabilities.
- b) General Account of Revenues and Expenses.
- c) General Report on PAHW Business and Financial Status.

Part Two
General Provisions

Part Two

General Provisions

Article (14)

Housing welfare shall be provided to Kuwaiti families, according to the priority registration of applications at PAHW, depending on the type of housing welfare, including plots, houses and apartments.

In implementing the provisions of this law, the priority registration of applications to PAHW shall be considered before this law becomes operative, and after these applications are classified depending on the type of housing welfare and as desired by applicants.

After PAHW Board of Directors so agrees, a resolution shall be passed by the minister on the terms, conditions, rules, circumstances and procedures required to be completed for registering applications for different types of housing welfare, the conversion thereof from one type to another, and how to state the desire referred to.

In exclusion to the provisions of paragraph one, the PAHW shall provide the appropriate house to the handicapped Kuwaiti female who has been married to a non-Kuwaiti citizen and has got children from him by way of enjoying housing welfare benefits according to the conditions and standards issued by a resolution from the Board of Directors.

Article (15)

In exclusion to the provisions of the preceding article, the following classes shall have a special priority in housing welfare:

1. Martyrs' families.
2. Prisoners of War families and so deemed civilian hostages.
3. Minor orphans' families.
4. The handicapped's families.

After PAHW Board of Directors so agrees, a resolution shall be passed from the minister on the terms, conditions, rules and procedures required to be available to avail oneself from the priorities stated in this article, and to define the concept of handicappedness and the concept of families who shall avail themselves from these priorities.

The priority of those who have obtained Kuwaiti nationality by foundation after putting this law into operation shall be calculated from the date they satisfy the requirements for applying for housing welfare before they obtain such nationality.

Subject to the preceding paragraph and without prejudice to the conditions to be available for accepting the application, the priority of applications, made by Kuwaiti females married to non-Kuwaiti males who have obtained Kuwaiti nationality after the formers had their applications accepted and registered in or before 1989, for obtaining housing welfare shall be calculated with effect from the date on which the male spouse has obtained Kuwaiti nationality.

Article (16)

To obtain the housing welfare stated in this law, the head of family must not own or co-own a real estate, which provides appropriate housing welfare to his family. In application of this provision, the real estate shall be considered as owned by the head of family, if it passes through him in any way either directly or indirectly to his wife or to either one of his dependent children.

The rules and conditions for applying the provisions of the preceding paragraph shall be designated under a resolution passed from the minister after the PAHW Board of Directors so agrees.

Article (17)

The PAHW shall provide housing welfare to eligible persons in not later than five years from the date of registration of the application for obtaining this welfare.

In exclusion to the provisions of the preceding paragraph, housing welfare shall be provided in not later than eight years from the date this law becomes operative to eligible persons, whose applications are registered on the date of putting this law into operation. As to the eligible persons whose applications are registered during this period, housing welfare shall be provided to them during the same, or subject to the period stated in the preceding paragraph, whichever is greater.

Ministries and concerned public authorities shall provide key services to these lands and remove, at their own expense, obstacles that might appear in the times synchronizing with offered housing projects according to the provisions of this law.

Article (18)

The types of housing welfare may be exchanged among their beneficiaries themselves or between the beneficiaries and PAHW, where and according to the conditions, rules, circumstances and procedures based on a resolution passed by the minister, after the PAHW Board of Directors so agrees.

Article (19)

The head of family shall be eligible to a monthly rent allowance of Kuwaiti Dinars one hundred fifty to be monthly paid by PAHW until he obtains housing welfare, effective from day one of the month following the expiry of one month from the date he applied for housing welfare.

Such allowance shall not be given to a head of family who enjoys ex-officio a house or a cash rent allowance. However, if the allowance he receives becomes less than the rent allowance prescribed under the preceding paragraph, the PAHW shall pay him the difference between both allowances, according to the provision of the preceding paragraph.

In all events, the head of family shall not be eligible to any financial differences for the past period preceding the date of putting into force the provision of this article.

Article (20)

A family covered with housing welfare may avail itself from the new advantages or excess in advantages prescribed by this law, according to the conditions and rules specified by a resolution from the minister, after the PAHW Board of Directors so agrees.

This provision shall apply to the advantages and excess therein in respect of which one of the resolutions referred to in this law shall be passed, and as is in conformity with the provisions stated therein.

Part Three

Provision of Plots, Houses and Apartments

Part Three

Provision of Plots, Houses and Apartments

Article (21)

PAHW shall distribute the plots on beneficiaries at a nominal price to be designated by the Board of Directors.

Areas of plots may not vary within the same area, except to the extent required under technical necessities.

Article (22)

To become eligible for a plot, the following conditions must be fulfilled:-

1. A head of family shall not have a real estate been estimated at a price exceeding Kuwaiti Dinars two hundred thousand. The real estate shall be deemed as owned by the head of family, even if it has passed through him by any means either directly or indirectly unto his wife or unto either one of his dependent children.
2. A head of family should be able to build the plot. The same applies to every person who becomes eligible to a housing welfare loan as stated in this law, or he has a real estate been estimated at a price not less than the value of the loan referred to at the time of estimation.

The rules and conditions for applying the provisions of the two preceding clauses and increasing the limit stated in clause (1) shall be specified under a resolution passed by the minister after the PAHW Board of Directors so agrees.

Article (23)

A person becoming eligible to a plot shall:

1. Pay the plot price prior to the date fixed for name listing of eligible persons at the lot draw statements, otherwise the decision for allotment shall be deemed null and void, provided the eligible person shall be given notice of the decision of allotment and the date fixed for listing the names of eligible persons in these statements by a registered letter with acknowledgement of receipt at least two months prior to this date.
2. Start construction within a year from the date the plot is handed over to him, provided and finish construction not later than three years from this date.

Article (24)

PAHW shall distribute the houses and apartments to the families whose applications registered for this type of housing welfare on eligible persons, according to the actual cost, and subject to the nominal price per square meter of land referred to in article (21) of this law, provided the house or apartment price shall not exceed the maximum amount of loan stated in this law.

A person eligible to an apartment may incur, only to the extent of its share in the price of land, foundations and common utilities, depending on the size of apartment compared to the total size of building and the advantages pertaining to the apartment or other apartments.

Article (25)

Any person who is allotted a government house or apartment as being a head of family shall not have owned a real estate, which had been appropriated and estimated at a price exceeding the maximum value of loan stated in article (28) of this law. In application of this provision, the real estate shall be deemed as owned by the head of family, if it has passed through him by any means either directly or indirectly unto his wife or unto either one of his dependent children.

The house or apartment price shall be paid on installments according to the conditions and rules to be specified under a resolution passed from the minister after the PAHW Board of Directors so agrees.

Article (26)

The ownership of apartments and floors of units distributed in accordance with the provisions of this law shall be governed by the regulation stated in the civil law for this type of ownership, consistently with the provisions of this law. The allotment decision shall stand as title deed of apartment or floor in forming and registering real estate administration and maintenance union, according to the provisions of article (859) of Civil Law.

Article (27)

The plot size or land size of a government house must not fall below 400 m² (square meters four hundred).

All houses, apartments and plots, including the plots reclaimed as per the provisions of Law No. 27 of 1995 referred to, must be allotted to the persons eligible to housing welfare according to

the provisions of this law and of Law No. 27 of 1995 referred to and under the conditions stated therein.

Any impoundment to any of such houses, apartments or plots for whatever reason, allotment thereof to any entity, or disposition thereof in any way in conflict with the provisions of the preceding paragraph shall become entirely invalid, void and null.

Section Three *bis*

Housing Cities

Added under Law No. 50 of 2010

Section Three *bis*

Article (27) *bis*

PAHW shall, within three years from the operative date of this article, endeavour to provide lands enough for setting up a number of housing cities of at least ten cities and housing units of at least two hundred thousand housing plots (200,000 plots), exclusive of the lands allotted before to PAHW, and without prejudice to the implementation of the housing projects directly undertaken by PAHW.

The State Minister for Housing Affairs shall furnish Both National Assembly and Council of Ministers in January and July every year with a report on the areas made available of these lands.

The PAHW shall, within a year from the date of handing over the lands necessary for setting up housing cities, establish a Kuwaiti public joint stock company, provided there will be a Kuwaiti joint stock company for each city.

Further, PAHW shall offer a public bidding for establishing a joint stock company to implement Alkhairan Housing City within nine months from the operative date of this article. It shall also offer a public bidding for establishing a joint stock company to implement Almetla Housing City within a year from the operative date of this Part and according to the provisions thereof.

Article (27) *bis* – (a)

The stocks of the companies referred to in the preceding article shall be distributed as follows:

- a) Forty percent (40%)
To be offered by the PAHW in a public bidding between the joint stock companies listed at Kuwait Stock Exchange Market and other companies agreed by the Council of Ministers to participate in bidding, provided the capital of any one of them shall not be less than the minimum capital allowed for a company to be registered at Kuwait Stock Exchange Market. The bid shall be awarded to the participant who provides the highest price of stock in excess of its nominal value, plus the establishing expenses, if any. The company who has been awarded the bid shall have priority to buy stocks inuring to the state as per the provisions of article 27 *bis* (c) of this law at the same price on the basis of which the bid has been awarded. In case it does not show its intention, these stocks shall be offered in public auction as per the provisions of this clause.

- b) Ten percent (10%) to the government and its affiliated bodies.
- c) Fifty percent (50%) to be allocated for public shares for Kuwaiti citizens.
- d) The excess resulting from selling stocks as per the provisions of clause (a) of this article shall be transferred to State General Reserve.
- e) The term of contract for each of the companies referred to in article 37 *bis* of this law shall be forty five calendar years, effective from the date of making the contract.

Article (27) *bis* – (b)

PAHW shall fix the capital of each of the companies referred to in article 27-*bis* of this law and distribute all stocks allocated for public subscription equally among all Kuwaiti citizens whose names are registered at the Public Authority for Civil Information on the day of subscription and without allocation of stock fractions, provided the value of these subscriptions shall be paid by citizens to the state as per the procedures and in the manner specified by PAHW without incurring any interests or fees or any excess over the price of stock in subscription in not later than the day at the end of which a year shall lapse, counting from the first day of the month following the month in which PAHW invites citizens through Kuwaiti mass media, readable, audio and video, to pay the value of subscription owed by them.

Article (27) *bis* – (c)

Fractions of stocks unallocated to citizens shall revert to the state. Further, all stocks with their value timely unpaid by citizens to the state for whatever reason shall revert to the state, effective from the day following the expiry of time fixed for payment by citizens of value of subscriptions as per the provisions of the preceding article.

The state shall sell them to the company who has been awarded the bid, when such company shows its willingness to do so at the same price on which basis the bid has been awarded. However, if the company does not show its willingness to do so, the stocks shall be offered in a public auction in accordance with the provisions of clause (a) of article 27 *bis* (a) of this law.

Article (27) bis – (d)

The PAHW shall specify, in the documents of every project, all requirements therein and components thereof, in particular, the number of housing units and the size of each, the rate of commercial and investment use and other uses, everything relating to the company obligations, including design, implementation, operation and maintenance of project, and the transfer of the right of use enjoyed by it to the state after the expiry of contract.

With the exception of anything relating to regulatory issues, no modification may be made to the components of project, after the stocks are offered in public auction as per the provisions of clause (a) of article 27 bis-(a) of this law, either by increase or decrease in spaces allocated for commercial, investment or housing units use or other uses, or to any of the utilities and services in any way affecting the basics under which the company stocks are offered in public auction as per clause (a) of article 27 bis-(a) of this law.

The infrastructure, public utilities and the likewise must be implemented and completed as is specified by PAHW in the conditions brochure. Moreover, all housing units, either being houses, apartments or plots, shall be handed over to PAHW, fit and ready for housing or building, under the circumstances, in not later than six years from the date of making the contract.

Article (27) bis – (e)

The executive bylaw of this Part shall be issued under a Decree within three months from the operative date of this Part, upon the proposal of both the Minister of Finance and the Minister of State for Housing Affairs, and before the rate prescribed under clause (a) of article 27 bis-(a) of this law is offered in public auction, particularly, inclusive of the procedures for registering all components of each of the cities referred to in article (27 bis) in the name of the state and the form of agreement to be concluded by PAHW with every company, and specifying the employment rate of Kuwaiti citizens to become not less than seventy percent (70%) of the total number of those employed at the company, the conditions for training and qualifying them, in addition to all technical, environmental, financial and economic, safety and security requirements and the components which the company shall have the right to use throughout the term of contract, and other conditions governing the relationship between the parties and specifying their obligations.

The company shall submit to the Minister of State for Housing Affairs within three months from the expiry of every financial year a list of names, numbers and jobs of Kuwaiti citizens in the company, and also the numbers and names of those trained during the financial year ended and their percentage compared to the total numbers of Kuwaiti citizens in the three years preceding the said financial year. The minister shall send a copy of this list to both the National Assembly and the Council of Ministers, accompanied with PAHW comments on the contents stated therein.

Section Four

Provision of Loans

Section Four
Provision of Loans

Article (28)

The Credit and Saving Bank shall provide loans to those eligible for housing welfare to build, buy, increase by expansion or rise-over the use of, repair and renovate houses.

Housing welfare loans shall be paid interest-free to those eligible and the amount of loan granted to build or buy a house shall be fixed at Kuwaiti Dinars seventy thousand, and may be increased by a decree, after taking the opinion of Bank board of directors.

Pursuant to a resolution from the board of directors of the bank, there shall be specified the conditions, terms and procedures for granting loans and classes thereof for other purposes stated in this article, and also the conditions for deferment or value reduction of certain installments.

In all events, the loan for a citizen eligible to housing welfare shall be KD 5000 (Kuwaiti Dinars five thousand) higher than the loan allocated to his non-handicapped fellows in order to build his needed specifications as a handicapped, if such citizen is a handicapped or a natural guardian of a handicapped person. However, if a family includes more than one handicapped, the loan shall be KD 10000 (Kuwaiti Dinars ten thousand) higher.

Subject to other loan terms of payment, the paid amount of loan may not be reduced nor may the amount of monthly installment be increased, in case the loan beneficiary sells his house for first time.

Article (28) bis

Except for the provisions of the preceding article and without prejudice to the conditions required to be satisfied by the person eligible to a housing loan, the Credit and Saving Bank shall provide interest-free loans not to exceed the amount of loan stated in the said article in order to supply an appropriate house for both the irrevocably divorced Kuwaiti woman and the widow Kuwaiti woman, with children begotten by each, if they do not satisfy the conditions required

for a family to become eligible to housing welfare, as per the provisions of this law, provided that neither of them shall have enjoyed the right to housing, unless she waives such right.

At the request of Kuwaiti female citizen who satisfy the conditions for obtaining the loan according to the provisions of the preceding paragraph, the Credit and Saving Bank shall grant any of them an appropriate house at a reduced rental payment in lieu of provision of loan.

Article (28) bis (a)

The Credit and Saving Bank shall, as per the conditions specified by the decree referred to in article 28 bis (b) of this law, supply the appropriate house at a reduced rental payment to each of the following classes:

1. A Kuwaiti woman, who is married to a non-Kuwaiti citizen and begot children,
2. A Kuwaiti woman, who is married to a non-Kuwaiti resident of Kuwait and begot no children, provided she has been married for five years.
3. A Kuwaiti woman, who is irrevocably divorced, a Kuwaiti woman, who is widowed and neither of them has begotten children, and a Kuwaiti woman, who is unmarried, if any of them has reached the age of forty, provided the number of those who are supplied with appropriate shelter per house according to this clause shall be two related women up to the third degree.

Article (28) bis (b)

The conditions, rules and procedures for granting these loans shall be specified under a decree issued upon the proposal of the minister within three months from the operative date of the two preceding articles and the present article, and so shall the conditions for granting the appropriate housing at a reduced rental payment, the information and documents to be submitted for registering applications.

The Credit and Saving Bank shall advise the applicant for loan or for a reduced rental payment housing of the decision in writing to accept or reject his own application, and the reasons for rejection within three months from the date of submission of application which is fulfilling all requirements thereof.

Article (28) bis (c)

In all cases, the house allocated at a reduced rental payment as per the provisions of articles 28 bis and 28 bis (a) of this law may not be sublet, used for other than the purpose allocated for,

assigned, or exchanged. In case of breach, the Credit and Saving Bank shall notify the party in breach to remedy the reasons for breach within three months from the date of given notice. However, if the party in breach does not remedy the reasons for breach during the fixed period of time, the bank shall evict the house by administrative means, needless of taking any court action.

The minister shall submit to both the National Assembly and the Council of Ministers during October every year a report on the breaches referred to in the preceding paragraph and the actions taken in respect thereof.

Article (29)

A resolution from the board of directors of the bank shall be issued in respect of the rules and conditions according to which the loans become payable in the following cases:

1. If plots, houses and apartments are bought, even though ownership installments and loans have been forfeited, including real estates of whatever space or size covered under the Law Decree No. 20 of 1992 referred to.
2. If existing houses are built, risen over or expanded, provided that it is so permitted by building foundations and designs and by rise-over allowed in the area according to the rules so prescribed.
3. If the real estate is demolished for wider rebuilding, allowing the provision of a better housing welfare for family and its other members who formed new families.
4. If the loan is payable to every common owner eligible to housing welfare, even though some common owners are ineligible to this welfare.
5. The other cases to be designated by a resolution passed from the bank board of directors.

In all events stated in the preceding clauses, the owner must agree to mortgage the real estate for securing the amount of loan, if it is not owned by the applicant for loan.

Article (30)

If the head of family owns a real estate appropriated, appraised or sold at less than KD 300,000 (Kuwaiti Dinars three hundred thousand), the loan stated in article 28 of this law shall be granted, provided the amount of loan and the quantum of appropriation, appraisal or sale shall not exceed KD 300,000 (Kuwaiti Dinars three hundred thousand). In application of this

provision, the real estate shall be considered as owned by the head of family, if it has passed through him, in any way whatsoever, either directly or indirectly, onto his wife and dependent children, without prejudice to the children's right to obtain housing welfare, as per the procedures laid down by the board of directors of Credit and Saving Bank, whenever they satisfy the conditions for eligibility thereto.

Section Four *bis*

Low-Cost Houses

Added under Law No. 45 of 2007

Section Four *bis*

Low-Cost Houses

Article (30)

The PAHW shall, within a year from the operative date of the provisions of this article, establish a Kuwaiti public joint stock company, which shall, according to “build, operate and transfer to the state method”, design, perform, operate and maintain low-cost houses not to exceed the number of popular houses existing at both Jahra and Sulaibiya and are to replace them at the locations allocated by Kuwait Municipality for this purpose, including all components of investment-yield producing housing units and service buildings and nonprofitable buildings for serving the project, an investment commercial zone, locations allocated for public utility bodies, in addition to roads and infrastructure and likewise as laid down in detail by the Public Authority of Housing Welfare, provided the company stocks shall be distributed as follows:

- a) Fifty percent (50%) of stocks
They shall be offered by the PAHW in a public auction between the joint stock companies listed at Kuwait Stock Exchange Market and other companies agreed by the Council of Ministers to participate in bidding, provided the capital of any one of them shall not be less than the minimum capital allowed for a company to be registered at Kuwait Stock Exchange Market. The bid shall be awarded to the participant who provides the highest price of stock in excess of its nominal value, plus the establishing expenses, if any.
- b) Fifty percent (50 %) of stocks:
They shall be offered for public subscription by Kuwaiti citizens and to be allocated to each as pro rata the number of stocks subscribed to by him. However, if the number of subscribed stocks exceeds the number of offered stocks, all offered stocks shall be allocated equally between all subscribers. But, if the subscription does not fully cover the offered stocks, the unsubscribed stocks shall be offered in public auction as per the provisions of clause (a) of this article.

The excess resulting from selling stocks in public auction as per the provisions of clause (a) of this article shall be transferred to State General Reserve.

The term of contract for this project shall be forty five calendar years, commencing from the first day of state financial year following the expiry of three years from the date of making the contract.

Article (30) *bis/a*

The PAHW shall specify in project documentation all requirements therein and components thereof, in particular, the number of housing units and the size of each, the percentage of commercial and investment use, other uses and everything relating to other conditions and company obligations in building and operating the project and transferring it to the state, after the completion of contract.

Article (30) *bis/b*

With the exception of anything relating to regulatory issues, no modification may be made to the components of project, after the stocks are offered in public auction as per the provisions of clause (a) of article 30 bis of this law, either by increase or decrease in areas allocated for commercial, investment or housing units use or other uses, or to any of the utilities and services in any way affecting the basics under which the company stocks are offered in public auction as per the provisions of article 30 *bis* of this law.

Article (30) *bis/c*

Neither the PAHW nor any public body shall pay any rents for such units or make any other cash or noncash payments to the company at any time before entry into contract or throughout the duration of contract.

Article (30) *bis/d*

Rent allowance for housing units throughout duration of contract shall be fixed at Kuwaiti Dinars fifty per month to be collected by the company directly from the occupants of units. The relationship between the company and occupants of housing units shall be that of leaser to tenant.

Article (30) *bis/e*

Housing units may not be let to other than the persons to be named by resolutions passed by the respective minister, and any act carried out by the company against the provision of this article shall be entirely invalid.

Article (30) bis/f

Housing units may not be sublet or used for other than the purpose allocated for. In case of breach, PAHW shall notify the party in breach to remedy the reasons for breach within three months from the date of given notice. However, if the party in breach does not remedy the reasons for breach during the fixed period of notice, the PAHW shall evict the house by administrative means, needless of taking any court or further administrative action.

The company shall, throughout the validity of contract, submit to both PAHW and Kuwait Municipality written reports to be turned in within the first week of every month on all breaches committed by the tenants in conflict with the provision of this article.

Article (30) bis/g

Immediately upon giving notice of the breaches referred to in paragraph two of the preceding article, Kuwait Municipality shall immediately remove the breach through administrative means, immediate implementation and collection of removal fee from the tenant who has committed the breach, needless of getting a court order issued.

Article (30) bis/h

The PAHW shall, according to the procedures applicable with PAHW and in not later than two years from the date of electric current connection to housing units and movement of residents thereto, remove the rural houses at both Jahra and Sulaibiya, after having the necessary licenses issued from the concerned authorities, and prepare both sites and clear them from any obstacles to get ready for implementing housing welfare projects thereon, as per the provisions of this law and Law No. 27 of 1995.

Article (30) bis/i

No amendments may be made to the contract of this project. Further, it may not be extended or renewed. Upon the expiry of the term of contract, there shall revert to and become owned by the state without any compensation or return for the entire project which was built according to the provisions of article 30 *bis* of this law and any agreement or action to the contrary of this article shall be totally invalid, void and null.

Article (30) *bis/j*

After the project reverts to the state, as per the provisions of the preceding article, the Ministry of Finance shall offer its management one year prior to the reversion thereof to the state in a public. The public auction shall be announced in mass media, video and audio, in the official gazette and in two daily Kuwaiti Arab newspapers at least, provided the period fixed for collection of the project documentation and submission of bids shall not be less than ninety days from the date of publication in the official gazette and the same shall not be prejudicial to the right of state to directly manage the project.

The project documentation must include an audited budget for the last three financial years. The term of contract made to manage the project may not exceed ten years in the new contract.

A resolution from the Minister of Finance shall be issued to state the details of procedures for bidding and award. Priority of award shall be given to the investor who produces the highest income to the state, provided such investor shall abide by all requirements stated in the resolution of the Minister of Finance. The investor whose contract has expired shall have precedence to get award, if he participates in the bidding and his bid becomes equal to the best bid.

Section Five

Closing Provisions

Section Five
Closing Provisions

Article (31)

The housing welfare stated in this law may be used only for the purpose allocated for.

After the PAHW board of directors so agrees, a resolution shall be passed by the minister to define the different obligations imposed by the Housing Welfare Scheme on the beneficiaries thereof, the penalty for breach of these obligations, or of the obligations stated by this law, the rules for allocation of new house for the citizen whose house is located at the state project, and the conditions for renting the government house.

In case of breach of allocation terms, the party in breach shall be given notice from PAHW at his address as registered therewith to remove the breach in sixty days as stated in the notice. Such notice shall be published in a Kuwaiti Arab daily newspaper and in the official gazette, together with a poster being affixed on the house, stating the type of breach and term of notice. If the term of notice expires and the breach continues, the PAHW may administratively recover the house, if the title thereof has not passed to the person allocated for, after the completion of at least thirty days from the date of re-service upon him, as per the same procedures, and the amounts he paid shall be regarded in return for use.

Article (32)

In case either Kuwaiti spouse, who has got no children, dies, before the title deed is issued, the title deed shall be given in the name of the other spouse. This deed shall be accompanied with a real estate mortgage determination, whenever the installment of ownership or loan continues to exist after the date of issue, according to the disciplines to be issued by a resolution from the minister, after the approval of PAHW board of directors.

Moreover, if the Kuwaiti mother, who is married to a non-Kuwaiti citizen and enjoys housing welfare, dies, her children shall have the right, after her death, to remain in the house until the girls get married or the boys attain the age of twenty six.

Article (33)

Title deeds shall be issued to citizens who are allocated plots and houses, according to the provisions of this law, after completion of periods and conditions, and as per the rules and procedures to be issued under a resolution from the minister, after PAHW board of directors so agrees. Period requirement shall exclude the citizens who were covered under the Emiri noble deed and got relieved from house installments, whether they are limited income, or they got plots. Thus, they shall get these title deeds issued without complying with the period requirement.

Without prejudice to the provisions of the preceding paragraph, the house prices to be allocated for those who are eligible to housing welfare shall be surety by government, until the issuing date of title deeds, accompanied with a real estate mortgage determination, whenever ownership installment or loan remains to exist after the said date.

Article (33) bis

A committee shall be formed to resolve disputes relating to housing welfare. It shall be formed by a resolution from the Council of Ministers for three years, chaired by a justice from the Court of Appeal to be delegated by the Supreme Council of Judiciary, and co-chaired as members by each of:

1. Two judges from the Court of First instance;
2. A representative for Legal advise and Legislation, who occupies a job not to rank below assistant advisor;
3. A representative from Experts Department;
4. A representative from Kuwait Municipality;
5. A representative from PAHW.

The dispute must first be brought to the committee to settle the dispute, before it is resorted to courts of law. However, if the committee is not successful in settling the dispute within three months from the request date of submission, the party concerned may resort to the court and the committee award shall be enforceable, unless the competent court orders to stay the execution thereof and a resolution from the minister is passed on the modus operandi of the committee.

Article (34)

The government shall submit a report on a yearly basis to the National Assembly on implementing housing plans and policies, and these reports shall be half-yearly during the five years following the operative date of this law.

Article (35)

A resolution on PAHW statute shall be passed by the Council of Ministers within a year from the operative date of this law. This resolution shall specify how the rights and obligations of each of National Housing Authority, and Credit and Saving Bank, and their employees shall be transferred to PAHW and to the body to which the deposits and savings done at the said bank shall be transferred, without prejudice to the right of depositor and saver to recover them from the bank or body to which the deposits and savings were transferred.

The resolution shall also specify the body to which the rights and obligations of the bank in respect of agricultural credit and spousal loans shall be transferred.

Article (36)

The National Housing Authority and the Credit and Saving Bank shall each remain to enjoy its own juridical personality and appended or independent budget. The board of directors of each shall be formed, and its modus operandi shall be specified, according to Law No. 30 of 1965 and law No. 15 of 1974 referred to together, until the resolution of the Council of Ministers referred to in the preceding article shall be passed. Each shall exercise the authorities and powers stated in this law within the objectives it has been established for. The PAHW resources and capital, powers and authorities passed to each shall be specified by a resolution from the Council of Ministers, until the statute referred to is issued.

The Director-General of the National Housing Authority shall be committed during this period to prepare the statute, regulations, rules and resolutions required for the PAHW to commence its full powers, according to the provisions of this law. To do so, he may at his discretion seek the assistance of any employee at NHA or elsewhere.

Article (36) bis

The provisions of Law No. 15 of 1960 and Law No. 7 of 2008 referred to together, shall, according to circumstances, apply to both Part Three *bis* and Part Four *bis* of this law, unless otherwise specifically stated or provided herein.

The first Board of Directors of the company to be established as per the provisions of both article 27 *bis* and article 30 *bis* of this law shall be excepted from the condition for percentage,

which specifies the number of stocks to be held by a board director, as per the provisions of Law No. 15 1960 referred to.

Article (37)

Law No. 30 of 1965 and Law No. 15 of 1974 and every text contrary to the provisions of this law shall be abrogated, without prejudice to the provisions of the preceding article.

Article (38)

The regulations and resolutions applicable before issuing this law shall apply until the regulations and resolutions stated therein are issued, subject to the provisions of article 36 of this law.

Article (39)

This law shall be published in the official gazette, and becomes operative, with effect from the first day of the month following the expiry of three months from the date of publication, save the provisions of articles 1, 12, 11, 10, 13 of this law, which shall become operative from the date of issuing the Council of Ministers' resolution referred to in article 35 of this law.

Article (40)

The prime minister and the ministers, each as concerned, shall implement the provisions of this law.

Amir of Kuwait

Jaber Al Ahmad Al-Sabah

Issued at Bayan Palace, on Rabia Awwal 25th, 1414 Ah

Corresponding to September 11th, 1993 AD

**Explanatory Note to
Law No. 47 of 1993 Concerning
Housing Welfare**

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Law No. 47 of 1993 Concerning
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The Constitution was keen to state within the basic constituents of Kuwaiti society that family is the basis of society and is founded on religion, good manners and patriotism. The Constitution put confidence in the lawmaker to safeguard entity of family and strengthen its ties, and protect motherhood and childhood thereunder. So, this imposes full responsibility upon the lawmaker in adopting family issues and requirements, most importantly, housing welfare, and in timely providing such welfare by removing the significant material obstacles, which prevents all this.

The first statute faced the housing problem was Law No. 40 of 1960 incorporating the Credit Bank to cover within its objectives: facilitating real estate credit to citizens. Then, it was replaced by the Credit and Saving Bank established by Law No. 30 of 1965, and covers within its objectives: contributing in setting up reconstruction projects, and providing real estate loans to Kuwaiti families, societies and bodies legally licensed to establish accommodation for their members. In 1974 Law No. 15 of 1974 was issued on establishing the National Housing Authority, which has taken over the responsibility for setting up houses for citizens.

Notwithstanding various housing welfare provided by the state, including the allocation of plots, loans, government houses and apartments, the housing problem still aggravates, as a result of high costs of building and rarity of lands offered for sale, as the owners thereof are desirous to speculate on their prices and exploit the citizens need for getting appropriate housing, due to the lengthy period of waiting, and as certain conditions required to be provided for achieving housing welfare have become inconsistent with recent developments. Further, the practical application of housing welfare scheme has resulted in certain shortages and shortcomings, which led to depriving some citizens from certain types of housing welfare, rather than the fact that citizens suffer from multiplicity of authorities carrying out responsibilities of this welfare, and hence there have arisen multiple resolutions and regulations governing them.

Therefore, the accompanying draft law has been prepared to process all this, where article one thereof states for establishing a public authority for housing welfare, likewise the Public Institution for Social Security, where all bodies concerned with housing welfare scheme shall be incorporated. It shall alone apply this scheme, have an independent body corporate and separate budget and be supervised by the minister concerned with housing affairs, provided the state shall bear incorporation expenses of this PAHW.

Article two of the draft law fixed PAHW capital into two shares; the first is a cash share of Kuwaiti Dinars two thousand million, which the Minister of Finance shall be authorized to pay in one payment or more. The amounts already paid to Credit and Saving Bank shall be considered as parts of PAHW capital, pursuant to Law No. 30 of 1965, as amended, for real estate credit purposes, and so will the outcome of winding up the financial standing of the bank in respect of these objectives, and the necessary finance may be provided through assistance from governmental bodies, public agencies and authorities, and the like; but the second is a real share comprised of the lands currently allocated to PAHW.

In addition, there are other resources for PAHW stated by article three of this draft. They include proceeds of selling plots and installments of owning houses and apartments to be distributed on those eligible to housing welfare, and the National Housing Authority entitlements with third parties and monies resulting from winding up NHA.

Gathering these resources of income and money, PAHW shall, under this draft, replace National Housing Authority with respect to the responsibilities vested in it. Thus, it replaces NHA in the rights thereof and obligations thereon.

These resources also include loan premiums granted by PAHW to those eligible to housing welfare and the amounts entered by the state into PAHW budget for paying rent allowance marriage loans and donations, and anything borrowed by PAHW from or secured by the government.

All these resources and revenues agree that they result from PAHW subrogation to Credit and Saving Bank with respect to all rights thereof and obligations thereon.

PAHW revenues also include the amounts borrowed by PAHW from or secured by the government, and the monies entered by the state into PAHW budget to support building materials and requirements thereof, where it was noticed that hike in prices of building materials is one of the obstacles confronting citizens and provision of housing welfare for themselves and for their families, or completion of this welfare. This hike in prices also wastes the loans granted to them.

Further, PAHW resources include the donations PAHW board of directors decides to accept and the amounts allocated by the state to meet deficit in PAHW budget.

Article four of the draft clearly put PAHW objectives and all-inclusively stated the objectives for which NHA had been established, in addition to the objectives for which Credit and Saving Bank had been established and the mechanisms to be used by them for achieving these objectives. These objectives also included seeking the assistance of other countries experience in housing areas, prepare studies and researches relating to housing and to financing of associated projects, proposing the appropriate support policy to supply building materials and requirements thereof to those eligible for housing welfare, providing rent allowance and PAHW investing its funds in a manner that would help PAHW achieve the objectives of housing welfare.

Article five of the draft stated in paragraph one thereof that PAHW has the right, in the process of achieving its objectives, to own real estates and chattels and dispose thereof- a provision in contrast with that stated in article five of Law No. 30 of 1965 Establishing Credit and Saving Bank, and stated in paragraph two thereof a special provision considering the objectives of housing welfare as an act of public utility in applying the provisions of Law No. 33 of 1964 referred to in respect of expropriation and temporary capture of public utility, taking into account the concept of the provision stated in article (8) of Law No. 15 of 1974 Establishing National Housing Authority.

Article six of the draft authorized PAHW to establish alone or participate in establishing companies whose objectives are associated with those of PAHW, or to contribute in its capital.

This article permitted restriction of PAHW contribution in the capital of these companies to a real share, to wit: land required for achieving its objectives on provision of housing welfare.

Article seven of the draft permitted to PAHW to finance the companies fully owned by PAHW, State, or a public agency and institution and public subscription joint stock

companies, whose business shall include real estate business and whose objectives shall include carrying out housing welfare projects for citizens. It further permitted to PAHW to furnish these companies with lands required for carrying out these projects according to the criteria and regulations laid down by board of directors.

Article eight stated that the contribution of international companies involved in offset transactions program in housing welfare projects shall be regarded as performance of a part of its obligations under this program. It is a program based on these companies obligation to invest a certain percentage of the prices of their contracts with the state in investment fields available in the country where these contracts are implemented.

Article Nine of the draft stated that PAHW shall, in cooperation with the concerned authorities, prepare and pursue scientific studies and researches in respect of structural designs and technical practices thereof, according to the standard specifications applicable in the developed countries, and subject to the nature of soil and weather of Kuwait, in order to reduce, to the minimum possible, the cost of building for citizens who are eligible to housing welfare, in compliance with keeping the building safe and secure.

In addition, it stated that Kuwait Municipality resolution shall be passed, in agreement with PAHW, on standard specifications to be applied at structural works, as per different heights and depending on the nature of soil in every area.

Articles (10 to 13) of the draft handled provisions for forming PAHW board of directors. It has observed that the board shall include six among its directors who are ranking not less than assistant undersecretaries, and representing the competent authorities in relation to housing and three of those experienced and specialist directors (article 10). The board powers are provided in (article 11) PAHW executive management in (article 12), and the last paragraph of this article stated: "PAHW business shall not be subject to the provisions of Public Tenders Law nor to pre-audit of State Audit Bureau – a provision in contrast with article (9) *bis* of the law issued for establishing NHA, and also the annual report to be submitted by PAHW director-general at the end of every financial year is stated in (article 13).

In article (14) the lawmaker states the general practice in providing housing welfare, to wit: abiding by priority registration of applications at PAHW depending on the type of housing welfare desired for allocation by the applicant. He permits conversion of housing welfare applications from one type to another, and leaves the related rules, conditions and procedures to be specified under a resolution passed by the minister after PAHW board of directors so agrees.

In article (15) the lawmaker provides an exception to the above general practice, when he decided a special priority to certain classes, including a class given special priority in the current scheme, to wit: minor orphans.

Further, the lawmaker developed a special priority to martyrs' families and handicappeds' families; howsoever they have become handicapped, POWs' families and the like civilian hostages.

After PAHW Board of Directors so agrees, a resolution shall be passed from the minister to define the concept of handicappedness, allowing this priority to the handicapped's family and the government shall provide these families with housing welfare before any others, considering these priorities as a kind of solidarity among those eligible to housing welfare, whereby others would share the families of martyrs, prisoners of war, likewise and handicapped their painful, grave disaster.

The lawmaker left to the aforesaid resolution the issue of designating the excepted classes, the terms and rules for granting them priority and the moral periods to be added to each class.

The lawmaker was interested to assure that the housing welfare is not an absolute right to citizens, but a right restricted by conditions and rules, which need to be fulfilled. A citizen who has provided his family with appropriate housing welfare shall not avail himself of that right, particularly, article (16) of the draft stated that to obtain the housing welfare stated in this law, the head of family must not own or co-own a real estate, which provides appropriate housing welfare to his family. In application of this provision, the real estate shall be considered as owned by the head of family, if it passes through him in any way either directly or indirectly to his wife or to either one of his dependent children.

The rules and conditions for applying the provisions of the preceding paragraph shall be designated under a resolution passed from the minister after the PAHW Board of Directors so agrees.

The draft treated events of lengthy waiting for housing welfare by stating in article (17) that PAHW shall provide housing welfare to eligible persons in not later than five years from the date of registering application for this welfare.

By way of exception to the provisions of the preceding paragraph, housing welfare shall be provided to those eligible whose applications are registered on the operative date of this law in not later than eight years from the operative date thereof, while as to eligible persons whose applications are registered during this period, it shall be provided to

them during the said period, or subject to the period stated in the preceding paragraph, whichever is greater.

Article (17) dealt with three classes of eligible persons, depending on the date of registering their applications.

Class One:

It concerns a general provision, covering every person who satisfies the requirements of housing welfare in the future. The government undertakes to provide such a person with housing welfare in five years from the date of registering his application.

Class Two:

It concerns an exceptional provision, facing the large numbers of those waiting for housing welfare whose applications are registered on the operative date of this law. The government undertakes to provide them with housing welfare in eight years from the operative date of this law.

Class Three:

It is a class that registers its applications during the period of clearing out the current applications of class two, so as not to prevail over the old waiting applications, if these old ones are solely governed by the general provision. The lawmaker thought to assign this class a special provision, gathering between the general provision and the exceptional one, so that this class would have the right to avail itself from the exceptional provision, if it does not become more favorable than the individuals of this exceptional provision, otherwise it shall be governed by the general provision. So, any person of this class who registers his application within the last half of the term prescribed for class two shall avail himself from the general provision, but any person who registers his application within the first half of the term prescribed for class two shall be subject to the exceptional provision.

While fixing the dates, the lawmaker was anxious not to exaggerate in fixing them through prolonging them beyond the reasonable limit, and the citizen shall get harmed, or through shortening them back of this limit, and PAHW shall not be strong enough to implement. He is guided in this concern by the terms, whereby the current scheme compelled the citizen who obtains the plot to initiate building thereon in a year from the date of his taking delivery thereof, and complete building in three years from this date, otherwise he shall be considered unserious and in breach of the conditions imposed on him by law, which justifies taking back of this plot from him to give it to another more serious eligible person (being the provision adopted by the lawmaker also in article (23).

Article (18) of the draft states that types of housing welfare may be exchanged among their beneficiaries themselves or between the beneficiaries and PAHW, where and

according to the conditions, rules, circumstances and procedures on which a resolution is to be passed by the minister, after the PAHW Board of Directors so agrees.

Article (19) further states the head of family shall be eligible to a monthly rent according to the conditions, rules and classes on which a resolution is to be passed by the minister, after the PAHW Board of Directors so agrees.

The draft recognized in article (20) the right of persons eligible to housing welfare, whose eligibility reason has arisen or who have obtained certain advantages of housing welfare before this law enters into force, to enjoy new advantages or excess of advantages developed by the new law.

Further, article (21) recognized this provision applies as to the resolutions, to be issued in implementation of the provisions of this law, on developing new advantages and excess in advantages prescribed by this law. It permitted that these resolutions shall contain their provisions shall apply to previous incidents.

Article (21) of the draft states that PAHW shall distribute the plots on persons eligible thereto at a nominal price as is designated by the Board of Directors.

To achieve equality between citizens, and not to let plot sizes vary when distributed, article (21) stated in paragraph two that plot sizes may not vary in the same area, unless to the extent required under technical necessities of division.

Article (22) specifies the conditions to be provided for becoming eligible to a plot. It states it is provided to become eligible to obtain a plot that the head of family shall have not a real estate been estimated at more than Kuwaiti Dinars two hundred thousand, and the real estate shall be considered as owned by the head of family, if it had passed through him in any way, either directly or indirectly, unto his wife or unto one of his dependent children.

Therefore, a person who has his real estate been estimated at a sum no to exceed Kuwaiti Dinars two hundred shall be eligible to housing welfare, if such person satisfied other conditions of different housing alternatives.

The last paragraph of this article permitted increasing of this limit by a resolution passed from the minister, after PAHW Board of Directors so agrees.

Article (22) also provided that the head of family shall be able to build the plot, and so will the person who is eligible to housing welfare loan stated in this law, or who has a real estate been estimated at a sum not less than the loan referred to at the time of estimation. Stating so does not restrict financial ability to that the person eligible to

loan has obtained an estimation equal to loan price, but it is considered one of the means to prove financial ability to build, which is a basic requirement to obtain the plot.

Article (23) of the draft was keen on relating the amount of estimation to the loan price at the time of estimation. So, any person who obtained an estimation at the sum of KD 55,000 before this law enters into force satisfies the requirement for financial ability to build after the entry-into-force thereof, despite of the excess prescribed by the law as to the ceiling of current loan, that was raised to KD 70,000.

Furthermore, article (24) of the draft imposed on eligible person two obligations:

Firstly:

An eligible person shall pay plot price before comes the date fixed for name-listing of those eligible in lot draw, otherwise the allocation decision shall be deemed void and null, provided the eligible person shall be given notice of the decision of allocation and of the date fixed for putting the names of eligible persons in these lists, by a registered letter with acknowledgement of receipt at more than two months before comes this date.

Secondly:

An eligible person shall commence building on the plot in a year from the date of taking delivery of the plot, provided it is built thereon in not later than three years from this date.

Article (24) of the draft states that PAHW shall distribute the houses and apartments on the families with applications registered for this type of housing welfare on eligible persons, according to the actual cost, and subject to the nominal price per square meter of land referred to in article (21) of this law, provided the house or apartment price shall not exceed the maximum amount of loan stated in this law.

A person eligible to an apartment may incur, only to the extent of its share in the price of land, foundations and common utilities, depending on the size of apartment compared to the total size of building and the advantages pertaining to the apartment or other apartments.

Article (25) provides for the conditions required to be available for becoming eligible to a government house or apartment. It therefore states that any person who is allotted a government house or apartment on being a head of family shall not have owned a real estate, which had been appropriated and estimated at a price exceeding the maximum value of loan stated in article (28) of this law. In application of this provision, the real

estate shall be deemed as owned by the head of family, if it has passed through him by any means either directly or indirectly unto his wife or unto either one of his dependent children.

Thus, the persons, who have a real estate been estimated at a sum to exceed Kuwaiti Dinars sixty four thousand and not to exceed Kuwaiti Dinars seventy, become eligible to obtain a house or apartment, after they had been deprived of this right.

In paying the house or apartment price on monthly installments, article (25) left it all to the conditions and rules to be specified under a resolution passed from the minister after the PAHW Board of Directors so agrees.

Article (26) of the draft determines that the ownership of apartments and floors of units distributed in accordance with the provisions of this law shall be governed by the regulation stated in the civil law for this type of ownership, consistently with the provisions of this law, provided that the allotment decision shall stand as title deed of apartment or floor in forming and registering real estate administration and maintenance union, according to the provisions of article (859) of Civil Law. Thus, the draft solves the problem that those eligible to housing welfare apartments could face when they intend to register this union – a problem represented in that it is required under the conditions for registration that a union member shall have owned an apartment at the time where the deed of title will not be issued, except after several years.

Article (27) obligates the companies, which PAHW establishes, contributes in their capital or financed, to offer their projects unto citizens and priority to obtain housing units shall be given to those whose applications are registered at PAHW, depending on application precedence of registration.

The said article also permitted an agreement to be made between PAHW and these companies, provided they shall deliver all housing units of these projects to PAHW for distributing them according to the provisions of this law.

PART FOUR of the draft handles the provisions pertinent to housing welfare loans. Article (28) obligates PAHW to provide loans to those eligible to housing welfare for building, buying, or increasing by expansion or rise-over the use of, repairing or renovating houses.

Housing welfare loans shall be paid interest-free to those eligible and the amount of loan granted to build or buy a house shall be fixed at Kuwaiti Dinars seventy thousand, and may be increased by a decree, after taking the opinion of PAHW board of directors.

Pursuant to a resolution from the board of directors of PAHW, there shall be specified the conditions, terms and procedures for granting loans and classes thereof for other purposes stated in this article, such as rise-over, expansion or renovation.

Article (29) of the draft developed new cases according to which loans shall become due, and they were facing problems in this matter before, to wit:

1. If the plots, houses and apartments are bought, even though the installments of ownership and loans have been forfeited, including the real estate of whatever space or size covered under the Law Decree No. 20 of 1992 on exemption from loans of Credit and Saving Bank and installments of government houses of whatever size.

Thus, the draft states for the right to obtain a loan to buy a plot or house, even if the house seller have obtained that house through housing welfare, as long as the house was cleared from any mortgage, whether such clearing happened by reason of the seller's death at the entire value of loan or due to the forfeiture of ownership installments or the loan, including the real estate covered by Law Decree No. 20 of 1992 referred to.

The draft thus permits loans to be given for buying houses or apartments of whatever size principally subjected to housing welfare scheme.

2. If the existing houses are built in, risen over or expanded, provided it is so permitted by the foundations and designs of buildings and by the heights permitted in the area according to the rules so prescribed.
3. If the real estate is demolished to rebuild it in a wider way allowing the provision of a better housing welfare for family and its other members who formed new families.
4. If the loan is payable to every common owner eligible to housing welfare, even though some common owners are ineligible to this welfare.

In all events stated in the preceding clauses, the owner must agree to mortgage the real estate for securing the amount of loan, if it is not owned by the applicant for loan- another problem solved by the draft in that any non-owner may obtain the housing welfare loan under the aforesaid clause.

Further, article (29) adds other cases to those to be designated by a resolution passed from the minister after the board of directors so agrees in order to meet other cases that might arise in the future and the text of law finds no room therefor.

Article (30) of the draft states that if the head of family owns a real estate appropriated, appraised or sold at an amount to exceed the maximum amount of loan stated in article (28) of this law, such excess shall be deducted from the amount of loan. In application of this provision, the real estate shall be considered as owned by the head of family, if it has passed through him, in any way whatsoever, either directly or indirectly, onto his wife and dependent children.

Thus, the draft gives room to obtain housing welfare loans for two classes:

First Class:

Those who have been estimated a real estate at a sum to exceed (KD 64,000) up to (KD 70,000).

Second Class:

Those who have been estimated a real estate at a sum to exceed (KD 70,000).

Thus, the persons, who have been estimated a real estate at a sum to exceed Kuwaiti Dinars seventy thousand and fall below Kuwaiti Dinars one hundred forty thousand, shall be entitled to housing welfare loan. For example, if the head of family have a real estate been estimated at the sum of Kuwaiti Dinars eighty thousand, he shall be entitled to the loan at a sum not to exceed Kuwaiti Dinars sixty thousand. For the excess in estimation at maximum shall be subtracted from this limit (KD 70,000) – (80,000 – 70,000) = KD 60,000, after he had been entirely losing his right to obtain the loan, even if the excess in estimation value does not exceed few Dinars, the draft therefore decided that he reserves his right to obtain housing welfare loan, as long as the value of excess in estimation does not fully take up the amount of loan.

While imposing rights to citizens in this law under the obligations placed on the government and on PAHW, the draft did not either miss imposing obligations on citizens as necessitated by the nature of housing welfare and by the nature of state commitment thereby, which is principally housing the citizen and his family. Therefore, it stated in article (31) that housing welfare may be used only for the purpose allocated for. It also laid down a penalty in case of breach of allocation terms, to wit: taking back the house on administrative basis, after giving notice to the party in breach and granting that party a grace period for removing the breach. The lawmaker was keen on that the period of time shall vary, depending on the type and nature of breach and the time taken for removal thereof.

To define the obligations imposed on the person eligible to housing welfare, article (31) entrusted the resolution to be passed by the minister, after the approval of PAHW board of directors to define the different obligations imposed by housing welfare scheme on the beneficiaries thereof, and the penalty for breach of these obligations or of the obligations stated in this law, cases of deferring maturity of certain installments, reducing their value or releasing therefrom, the rules for allocation of a new house to the citizen whose house is located at the state project, and the conditions for government house lease.

Whereas, Kuwaiti citizens have been enjoying housing welfare of the state, and so rightly and justly have their children. Yet, the state shall withdraw the government house from non-Kuwaiti children, if their Kuwaiti mother, who is married to a non-Kuwaiti citizen, dies. Thus, such welfare does not cover those children after their mother's death. Such uncover results in exposing those children to loss, if they happened to be young and they have been dependent on her only. Further, the state has allocated the government house to the female citizen during her lifetime. So, it is unfair these children shall be deprived of their mother's house after her death and become homeless. For this humanitarian purpose, article (32) stated that the house may not be withdrawn from the children of Kuwaiti female spouse married to non-Kuwaiti spouse, until the girls get married or become adults and the boys reach the age of twenty six.

Furthermore, being keen that the housing welfare shall become within the scope allocated for, those who are eligible to housing welfare shall not abuse the right thereto by disposition of the plots, houses or apartments, after having obtained them.

Article (33) of the draft stated that title deeds shall be issued for citizens who are allocated plots or houses, as per the provisions of this law after satisfaction of the terms, rules and conditions, and according to the procedures to be issued under a resolution from the minister after PAHW board of directors so agrees.

Further, paragraph two of the same article states that without prejudice to the provisions of the preceding paragraph, the house prices to be allocated for those who are eligible to housing welfare shall be secured by government, until the date of issue of title deeds, accompanied with a real estate mortgage determination, whenever ownership installment or loan remains to exist after the said date.

The last provision contrasts with the provision stated in article (4) of Law No. 30 of 1965 Establishing Credit and Saving Bank, stating that the loan shall be secured by the government, until the date of issue of title deeds to the borrower, accompanied with a

real estate mortgage determination, whenever ownership installment or loan remains to exist after the said date. Yet, the provision stated in the last paragraph of article (33) of the draft is more inclusive as it also handles ownership installments. However, it does prejudice over the periods, rules and conditions that must be completed for issuing title deeds.

The draft was keen on spreading the National Assembly control over how the government should implement this law by stating in article (34) of the draft that PAHW shall prepare annual reports on implementing housing plans and policies to be put forward to the National Assembly and these reports shall be half-yearly during the five years following the operative date of this law.

In view of the fact that PAHW would take some time to carry out its responsibilities in applying housing welfare scheme, until when PAHW cadres and systems are prepared and so that it would not be at the expense of solutions put by the draft for housing welfare problem and lengthy periods of waiting for those eligible to the welfare, the draft stated in article (36) that the National Housing Authority and the Credit and Saving Bank shall carry out their responsibilities imposed on them by this draft, each according to the nature of objectives established for, and using the resources achieved for these objectives in this draft, until a resolution is issued from the Council of Ministers, stating PAHW statute. Article (38) fixed a date for passing this resolution not to exceed a year from the entry-into-force of this law. It also defined the issues to be tackled by this resolution, namely; to state how the employees engaged in both bodies shall be transferred to PAHW; how the rights and obligations of National Housing Authority shall be transferred to PAHW; and how the rights and obligations of National Credit and Saving Bank shall be transferred in respect of real estate credit and spousal loans and the body to which the deposits and savings done at the said bank shall be transferred, without prejudice to the right of depositor and saver to recover them from the bank or body to which the deposits and savings were transferred.

The resolution of the Council of Ministers shall also specify the body to which the rights and obligations of the bank in respect of agricultural credit shall be transferred.

Article (37) of the draft states that Law No. 30 of 1965 and Law No. 15 of 1974 and every text contrary to the provisions of this law shall be abrogated, without prejudice to the provisions of the preceding article, so that such abrogation shall not result in holding the hands of NHA and Credit and Saving Bank away from exercising their powers as stated by the preceding article before issuing the resolution referred to and before PAHW exercises all its powers stated in this law.

Article (38) states that the regulations and resolutions applicable before issuing this law shall apply until the regulations and resolutions stated therein are issued, subject to the provisions of article 36 of this law.

Further, article (39) states that This law shall be published in the official gazette, and becomes operative, with effect from the first day of the month following the expiry of three months from the date of publication, save the provisions of articles 1, 12, 11, 10, 13 of this law, which shall become operative from the date of issuing the Council of Ministers' resolution referred to in article 35 of this law. As these articles handle PAHW board of directors, how to form such board, and the executive management and powers thereof – these are all matters to be entrusted to each of the Board of Directors of NHA and Credit and Saving Bank.

Article (40) addresses the Executive Authority to implement the provisions of this law.

Section Two
Law No. 27 of 1995
Concerning
Private Sector's Contribution into Reconstruction of State-Owned Land
For Housing Welfare Purposes and its Explanatory Note

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**Law No. 27 of 1995 Concerning
Private Sector's Contribution into
Reconstruction of State-Owned
Space Areas for Housing Welfare Purposes.**

Having seen:

- The Constitution;
- Law No. 15 of 1972 Concerning Kuwait Municipality, as amended;
- Law No. 67 of 1980 Promulgating the Civil Law;
- Law No. 105 of 1980 Concerning Planning of State Domains, as amended;
- Law No. 47 of 1993 Concerning Housing Welfare, as amended;

The National Assembly has approved, and we have sanctioned and promulgated the following text of law:

Chapter One

Definitions

Chapter One

Definitions

Article (1)

In application of the provisions of this law, the following terms shall have the meanings assigned to each:

1. Contractor:

Private Sector persons referred to in article 5 of this law;

2. Authority:

The Public Authority for Housing Welfare;

3. Housing Welfare:

The welfare stated by Law No. 47 of 1993 Concerning Housing Welfare;

4. Infrastructure:

Includes road networks, construction of fresh water, brackish water, sanitary sewerage and rain water drainage network lines, connections with plots and all utilities and facilities, connecting telephone lines to all plots and all utilities and facilities, construction of power transformers, with electric lines to locations of lots, and all utilities and facilities. Connecting plots facility networks and lines to main ones and connect internal roads to highways.

5. Community Facilities:

Police stations, General Fire Brigades, government schools of different stages, boys and girls, mosques, Imams' houses, Youth Care Centers, clinics, cooperative societies, petrol stations, post and telephone bureaus and any other facilities stated in tender documents;

6. Invitation:

Description of the nature and basic terms of the contract to be concluded with the contractor, banking guarantees required to be submitted, spaces desired to be reconstructed, the sites, boundaries and landmarks thereof, the number of plots required to be prepared and the size of each plot;

7. Offer:

Documents submitted by the contractor, including his own offer, acceptance of all PAHW terms, getting ready to implement the required works stated in tender documents, as per the time schedule, and terms specified in the contract documents.

8. Tender Documents:

Description of tender works, terms, specification and completion time of each stage of work and final handover date;

Chapter Two
Provision of Lands

Chapter Two

Provision of Lands

Article (2)

Kuwait Municipality shall prepare and plan the pieces of land allocated for private housing purposes, according to the structural plan and hand them over to the PAHW free of obstacles in not later than six months from the operative date of this law, provided that the area to be handed over as first lot is enough for construction (30,000) thirty thousand housing units to the provisions of article 7 of this law subject to PAHW shall receive a second lot enough for setting up another ten thousand housing units within the following six months; those parcels of land shall then continue to be handed over successively to PAHW every three months from the date scheduled for hand over the second lot under the same preceding terms and conditions; and that the area of land to handed over is enough for meeting the scheduled housing welfare requests.

Article (3)

All other government agencies are concerned, shall immediately remove the obstructions related to their agencies to the according to the dates prescribed for delivery of land as are referred to in the preceding article.

The ministries and public institutions concerned with provision of key services to these lands and associated public utilities shall abide by dates according to the housing projects schedules offered as per the provisions of this law and they shall be assigned the necessary appropriations in their budget.

Article (4)

Without prejudice to the provisions of article 34 of Law No. 47 of 1993 referred to, the chairman of PAHW shall keep the National Assembly informed of a biannual report, including a sufficient statement on the total area of lands handed over to PAHW for purposes of implementing this law, its sites, number of housing plots to be completed and the period scheduled for construction.

Chapter Three
Invitation for Private Sector

Chapter Three

Invitation for Private Sector

Article (5)

PAHW shall, effective from the date of entry-into-force of this law and in other times as specified by PAHW, offer projects for development of the lands referred to in article 2 of this law, in implementation of the provisions of clauses 4, 5 of article 1 of this law, in public tenders among the local and/or international companies and firms within nine months from the date of announcing the invitation.

In case procedures cannot be completed within the period stated in the preceding paragraph, the Council of Ministers may extend it for another three months.

The invitation shall be simultaneously published in at least two daily newspapers, and shall also be broadcasted in audio and video mass media.

The tender documents shall be prepared as determined by PAHW in this concern.

Kuwait Municipality shall pass its resolution on the land use (mass plan) submitted to it within two months maximum from the date of its receipt of plans.

Chapter Four
Decision and Award of Offers

Chapter Four

Decision and Award of Offers

Article (6)

Offers submitted by contractors shall be studied, favored, decided, contract-made, and get their implementation supervised, as per the rules and criteria applicable with PAHW.

Chapter Five
Plot Prices and Specifications

Chapter Five

Plot Specifications and Prices

Article (7)

The plot size must not be less than 400 m².

Article (8)

The plot shall be sold at sale price to be fixed on nominal rate basis by the Council of Ministers, plus the percentage of the infrastructure cost.

Every plot infrastructure cost shall be calculated by dividing the total cost by the overall size of reclaimed lands to specify the cost per square meter, and then multiply the cost per meter by the size of plot. The amount to be paid by the person eligible to plot part of infrastructure cost and will be proportional to the period of waiting for obtaining the plot, with effect from the date of his submission of application, shall be determined, according to the following rates:

- a) All plot related part of infrastructure cost of completion, if the waiting period exceeds one year;
- b) Eighty percent (80%) of plot related part of infrastructure cost of completion, if the waiting period exceeds one year, but does not go over two years;
- c) Sixty percent (60%) of plot related part of infrastructure cost of completion, if the waiting period exceeds two years and does not go over three years;
- d) Forty percent (40%) of plot related part of infrastructure cost of completion, if the waiting period exceeds three years and does not go over four years;
- e) Twenty percent (20%) of plot related part of infrastructure cost of completion, if the waiting period exceeds four years and does not go over five years;
- f) Nothing of plot related part of infrastructure cost of completion, if the waiting period exceeds five year.

PAHW shall refund to citizens all paid amounts for infrastructure for the projects preceding this law.

Plot price shall be payable to PAHW, as per the rules to be laid down by PAHW in this concern.

Chapter Six

Plot Selling

Chapter Six

Plot Selling

Article (9)

PAHW shall announce for plot selling only to those eligible to housing welfare.

Article (10)

Plot purchase shall be considered as fulfillment of right to housing welfare, without prejudice to the purchaser's right to obtain the real estate loan required for building.

Article (11)

Sale announcement, information and means and how to express willingness to buy shall be made according to the rules and regulations laid down by PAHW in this concern.

Article (12)

PAHW shall take over allocation and distribution according to registration priority of applications at PAHW and as per Housing Welfare Schemes stated in Law No. 47 of 1993 referred to.

Chapter Seven
General Provisions

Chapter Seven

General Provisions

Article (13)

Without prejudice to the provisions of this law, the housing plots shall be governed by other provisions stated in Law No. 47 of 1993 referred to.

Article (14)

Charges for construction of public buildings shall be incurred by the state.

Any public buildings, facilities and services established as per the provisions of this law shall be state owned.

Article (15)

PAHW shall lay down the penal clauses necessary for the contracts signed with contractors, according to PAHW prescribed practices.

Article (16)

PAHW board of directors shall pass the resolutions necessary for implementing the provisions of this law in three months from the date of entry-into-force thereof.

Article (17)

The provisions of Law No. 105 of 1980 referred to shall apply, where no relevant provision is specifically stated herein, or unless otherwise stated herein.

Except for those allocated for private housing purposes, if housing welfare projects done, as per the provisions of this law, or, as per the provisions of Law No. 47 of 1993 referred to, contain plots allocated for commercial, investment, industrial, trade or service use, they must be offered for sale in public auction after full completion of infrastructure.

However, if these projects contain other plots allocated for other than private housing or for other than commercial, investment, industrial, trade or service use, the Council of Ministers must pass the resolutions necessary for disposal of these plots, upon the proposals of relative ministers and Finance Minister. No plot may be allotted to third parties, if the Council of Ministers decides to sell them, unless they are offered for sale in public auction as per the provisions of the preceding paragraph.

Units allocated for private housing purposes, including plots, houses and apartments within the projects referred to in paragraph two of this article may not be dealt with in any way, unless there is surplus of these real estates, after meeting all application of those eligible to housing welfare, as per the provisions of this law and the provisions of Law No. 47 of 147 of 1993 referred to. This surplus shall then be dealt with through offering it for sale in public auction, as per the conditions stated in article 17 *bis* of this law.

If at any time it is decided to change the use of any site allocated for housing welfare, at the request of PAHW, or at the request of any other public body, to commercial or investment use, and Kuwait Municipality shall approve the master plan, all components thereof allocated for commercial and investment use must be offered for sale in public auction, as per the provisions of paragraph two of this article. Further, all proceeds of this sale shall be transferred to PAHW, according to the provisions of article 17 *bis* of this law so that the PAHW shall implement site infrastructure.

Article (17) *bis*

Subject to the provisions of applicable law, only natural persons may participate in auction on real estate's allocated for private housing purposes and offered for sale, as per the provisions of paragraph four of the preceding article. One person may not be awarded at any time more than one plot and the size thereof may not exceed one thousand square meters (1000 m²), unless the size of the plot offered for sale exceeds so, due to the planning of the project approved by Kuwait Municipality or PAHW and provided the excess in any of the plots shall in no case exceed two hundred fifty square meters (250 m²). Further, in no time these plots may be sorted out or combined.

The council of Ministers shall fix the dates for offering the land Parcels determined to be sold in public auction, as per the provisions of this article and the preceding article, and lay down a method for transferring all sale proceeds land Parcels (plots) to PAHW. It shall also state the nature of their use, the conditions for building them and other terms. After selling them, the nature of their use may not be changed or amendments may not be made to the building terms and other conditions on which basis the auction

is offered, unless doing so comes according to a new planning project. Any action contrary to the provisions of this article and the preceding article shall be deemed *ab initio* void and null, and any effects consequential thereupon shall also be invalid.

Article (18)

The Ministers, each within his area of concern, shall implement this law.

Amir of State of Kuwait

Jaber Al Ahmad Al-Sabah

Issued at Bayan Palace on Safar 10th, 1416 AH

Corresponding to July 8th, 1995 AD

**Explanatory Note to
Law No. 27 of 1995 Concerning
Private Sector's Contribution into Reconstruction of State-Owned
Areas for Housing Welfare Purposes**

**Explanatory Note to
Law No. 27 of 1995 Concerning
Private Sector's Contribution into Reconstruction of State-Owned
Areas for Housing Welfare Purposes**

Efforts have recently consolidated to achieve two goals firstly, the goal for reducing the waiting period for obtaining the housing welfare appropriate to family, which is sought by Law No. 47 of 1993 Concerning Housing Welfare, but the population problem still aggravates, because lands are rarely offered for sale, as the owners thereof are willing to speculate on them. Hence, this leads to use state-owned lands, which has remained unused for long; and secondly, the goal for privatization, which means giving a bigger role to private sector to play in investments at various, fields currently taken over by the state. It means at first instance that the private sector shall be allowed to play its role in new investments to achieve its role as stated in the Constitution, considering that ownership, capital and work are basic constituents of state social entity and national wealth, as per article 16 of the constitution, and considering that the essentials of national economy are based on fair cooperation between public business and private one aiming at achieving economic development, increased production, higher standard of living and welfare to citizens within the law in accordance with article (10) of the Constitution.

Yet, these two goals cannot make us forget the protection to be afforded to the public money according to the text of article 17 of the Constitution, stating that public money are inviolable and must be protected by every citizen. Further, article 138 of the Constitution states: "the law shall set forth the provisions for safeguarding and administering state domains, the conditions for disposal thereof and the limits where any of these properties must be relinquished.

To achieve these three aims, the accompanying draft law has been prepared to achieve the best interest of the state in protection of public money, the best interest of citizens in providing them with lands for housing welfare purposes at acceptable and reasonable prices, the best interest of private sector in the facilities prescribed by the Draft law for this sector in implementing these projects.

Article one provided several definitions, as they are repeatedly used in the draft, for the convenience of researcher. Then, article two set an obligation on Kuwait Municipality to prepare and plan the lands allocated for private housing purposes, according to structural plan and delivering them free from obstacles to PAHW in not later than six months from the entry-into-force of this law, provided that the area to be handed over as first lot shall be enough for establishing at least (30,000) thirty thousand housing units, subject to the provisions of article 7 of this law; that the second lot to be handed over to PAHW shall be enough for establishing another ten thousand housing units within the first subsequent six months. The land deliveries to PAHW shall then continue successively every three months from the date fixed for handing over of second lot under the same preceding terms and conditions; and that the lands being delivered shall be enough for meeting registered housing welfare applicants.

It goes without saying that the provisions contained in article two above aimed at laying down an urgent timetable for handing over obstacle-free lands allocated for private housing purposes to PAHW to enable it to honor its obligations towards those eligible to housing welfare at the times specified by the law, because the key solution of housing problem is to make available obstacle-free lands so that PAHW can carry on providing housing welfare.

Article (3) contained another commanding rule whereby the other governmental authorities concerned with removal of obstacles, shall, each within his area of concern, initiate to remove obstacles promptly, subject to the dates prescribed for delivery of those lands referred to in the preceding article.

Being desirous to keep the National Assembly informed of actions to be taken in this respect, article (4) states that the Director General (DG) of PAHW shall keep the National Assembly informed of a biannual report, including a sufficient statement on the total area of lands handed over to PAHW for purposes of implementing this law, its sites, number of housing plots to be completed and the period scheduled for implementation. As this report differs from that referred to in article (34) of Housing Welfare Law, which compels the government to submit an annual report to the national Assembly on the implementation of housing plans and policies; and that such reports shall be half-yearly made during the five years following the operative date of the said law, if necessary reference shall be made thereto in article (4) aforesaid.

In the scope of inviting the private sector, article (5) of the draft states for obligating PAHW within six months from the operative date of this law and at other times fixed by PAHW to invite the local and/or international companies and firms to submit their offers for developments of the lands referred to in article 2 of this law. This article was not satisfied with stating this provision, but it was also concerned with specifying a mechanism, form and means for invitation, as paragraph two stated that the invitation shall be published and offered simultaneously in at least two daily newspapers, and shall also be broadcasted in audio and video mass media. The last paragraph stated that the conditions brochures shall be made as determined by PAHW in this concern.

As concerns the processes for decision on offers and award, article (6) states that Offers submitted by contractors shall be studied, favored, decided, contract-made, and get their implementation supervised, as per the rules and criteria applicable in PAHW.

The lawmaker pays concern to state in article (7) that the plot size must not be less than 400 m²; and that plot sizes may not vary, except to the extent technically necessary for division.

Being desirous to achieve the purpose intended from the draft, to wit; deliver housing service to citizens at the least possible cost, article (8) observes that there would be criteria for fixing the price of plot, and stated that the sale price of the plot shall be fixed on nominal rate basis by the Council of Ministers, plus the plot related part of the actual total cost of preparation thereof and the plot related part of infrastructure cost of completion.

The sale price of plot shall be fully payable, immediately upon completion of selling procedures.

As concerns the mechanism for selling plots, article (9) specifies them by stating that PAHW shall announce for plot selling only to those eligible to housing welfare, after completion of infrastructure.

Article (10) considers buying plot honors the right to housing welfare, without prejudice to the buyer's right to obtain the real estate loan required for building.

Article (11) devotes itself for stating that sale announcement, information and means and how to express willingness to buy shall be made according to the rules and regulations to be laid down by PAHW in this concern.

Article (12) stated that PAHW shall take over allocation and distribution according to registration priority of applications at PAHW and as per Housing Welfare Schemes stated in Law No. 47 of 1993 referred to.

To assure that this draft has come as assistant tributary to the aforesaid Housing Welfare Law in the scope of finding decisive and fast solutions for housing welfare problem, article (13) states that without prejudice to the provisions of this law, the housing plots shall be governed by other provisions stated in Law No. 47 of 1993 referred to.

Article (14) is concerned with stating that charges for construction of community facilities shall be incurred by the state.

Any community facilities and gardens established as per the provisions of this law shall be state-owned.

Article (15) gives PAHW the authority to lay down and specify the appropriate penal clauses and incorporate them into the contracts to be made with contractors and ensures work safety and punctuality according to the agreed terms. Therefore it states that PAHW shall put the penal clauses necessary for the contracts to be made with contractors, as per PAHW prescribed practices.

Article (16) states that PAHW board of directors shall pass the resolutions necessary for implementing the provisions of this law in three months from the date of entry-into-force thereof.

Article (17) is concerned with stating that the provisions of Law No. 105 of 1980 referred to shall apply, where no relevant provision is specifically stated herein, or unless otherwise stated herein.

Section (3)

Laws Amending of Laws 47 Year 1993

Regarding Housing Welfare and Laws 27 Year 1995

Regarding Construction of Undeveloped

Lands Owned by the State for Housing Welfare.

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Law (16) year 1994

**Amending Article (33) of Law 47 Year 1993 Regarding Housing Welfare and its Explanatory
Note (Exemption of Kuwait citizens covered by the Emiri gift from the legal period of issuing
the document).**

Law no. (16) Year 1994

Amending Article (33) of Law No. (47) Year 1993

Regarding Housing Welfare.

Having perused:

- The constitution, in particular articles 8,9, 79, and 109 thereof.
- Law no. (47) year 1993 regarding housing welfare.

And being the National Assembly has approved the below mentioned law, so it has been approved and issued by us (The Emir of Kuwait).

Article (1)

Paragraph one of article (33) of the aforesaid law no. (47) year 1993 shall be amended as follow:

Article (33) first paragraph :

The ownership documents of the Kuwait citizens who have deeds of allotment of plots or houses according to the provisions of the law, after fulfilling the periods and conditions according to the regulations and procedures upon a resolution issued by the minister after the approval of the board of the directors, Kuwaiti citizens who covered by the Emiri gift and instilments of their houses have been dropped shall be from the condition of the legal period, whether they are from limited- income citizens or who have been granted plots, in this case the ownership documents shall be issued regardless fulfillment of the legal period condition.

Article (2)

Any provision contradicting with this law shall be null and void.

Article (3)

The ministries – each according to his authority - have to execute the provisions of this law.

Amir of the state of Kuwait

Jaber Al Ahmed Al-Sabah

Issued in Bayan Palace

In 5 of Moharm 1415 H

June 14th, 1994

Explanatory note

Proposing a law amending article (33) of law No. 47 year 1993

(Law No. 16 year 1994)

Whereas his Highness Emir of Kuwait has exempted low- income citizens from the installments of houses and plots, but National Housing Authority still refrain to register the houses in their names only after the elapse of (10) years from the date of handing over the house, but the reason behind this procedure became invalid since, there is no reason for fear that the citizens who received loans may do whatever they want with the houses after receiving the ownership documents, since this is part of their ownership rights.

Law no. (9) Year 1995

Amending Article (32) of law No. (47) Year 1993

Regarding housing welfare and its explanatory note

(Issuing the ownership deed in the name of a spouse in the case of the death of the other

"without children")

Law no. (9) Year 1995 Amending article (32) of the law No. (47)

Year 1993 Regarding housing welfare

Having perused:

- The constitution,
- Law no. (47) Year 1993 regarding housing welfare, emending by the law no. (16) Year 1994.

Being the National Assembly has approved the following law, so it has been approved and by us, giving orders to be issued.

Article (1)

The text of article (32) of Law No. (47) Year 1993 shall be as follow:

"In case of a Kuwaiti spouse who has not any children died before issuing the ownership deed such document shall be issued in the name of the other spouse, and that deed shall be accompanied with a pledging of real estate report, as long as the ownership installments or the loans still standing after the date of issue and according to the regulations issued by the minister after the approval of the board of directors of PAHW.

In case of a Kuwaiti mother who is married to a non- Kuwaiti husband died, and she was entitled to the housing welfare, her children, after her death, shall have the right to stay in the house, till the girls get married, or her sons reach 26 years of age.

Article (2)

Any text contradicting with the provision of this law shall be null and void.

Article (3)

The ministries – each according to his authority have to execute this law.

Amir of the state of Kuwait

Jaber Al Ahmed Al-Sabah

Issued at Bayan Palace

In 5 of Ramadan 1415

Feb., 7 , 1995

Explanatory note

To propose a law amending article (32) of law No. 47 year 1993

(Law No. 9 year 1995)

Whereas the housing welfare which has been guaranteed by law No. 47 year 1993 is fair and covered all the categories of the Kuwaiti society, yet there was a small category of the Kuwaiti citizens have not received the housing welfare which has been guaranteed by the law. This category is Kuwaiti windows (male, female), who granted housing welfare then one of the spouses died without any children behind him, and the other is still alive. It is fair enough in this case to register the government house in the name of the latter, whom the legislator ignored his right in the referred law, and failed to be covered with the housing welfare like the other categories.

So this proposal has been prepared to amend article (32) of law (47) year 1993 so as to refer to that in case of death of a Kuwaiti spouse without children behind him, before the issuing of the ownership deed , then this deed shall be issued in the name of the other spouse. This deed has to be attached with a mortgage report as long as the ownership installment or the loan is still standing at the date of issue, according to regulations issued by a decision of the minister after the approval of the board of directors of the authority.

If the Kuwaiti mother who married to a non- Kuwaiti and covered with housing welfare died, then her children have the right to stay in the house after her death, till the girls got married or the boys reach the age of (26).

Law no. (12) Year 1995

For amending some of the provisional law no. (47) Year 1993

Regarding housing welfare and its explanatory note

(Separation of credit Bank from the Establishment)

Law no. (12) Year 1995

Amending Some of the Provisions of the Law No. (47) Year 1993.

Regarding housing welfare

Having perused:

- The constitution.
- Law no. (30) Year 1965 to establish saving and credit Bank, and its amending law.
- Law no. (47) Year 1993 regarding housing welfare amended by law no. (16) Year 1994.

The National Assembly has approved the below mentioned law, so it has been approved and issued by us (the Emir of Kuwait):

Article (1)

The text of article (2) clause first, (28), (29) of law no. (47) year 1993, shall be substitute with the following texts:

Article (2)

First cash share:

An amount of (KD 500 million) will be paid by the minister of finance who has the authority to pay it in an installment, the necessary finance may be provided through the support of the governmental agencies, public authorities and establishments.

Article (28)

Credit and saving Bank shall provide loans to the citizens covered by the housing welfare to build or purchase houses, or to get such loans to expand, raise, repair or restore the house.

The loans without interest is granted to the citizens who are covered with the benefits of housing welfare, in the amount of (KD 70,000) granted to build or purchase a house, the amount

of the loan may be increased upon a decree after the approval of the board of directors of the bank.

The board of directors of the Bank shall determine cases, conditions, regulations, and procedures to grant the loans and the categories of the rest of the objectives stipulated in this article as well as cases to postpone some installments or reduce their amounts.

Article (29)

The board of directors of the Bank shall issue a resolution with the regulations and conditions to grant the loans in the following cases:

- 1- Purchase plots, houses, and apartments even if the ownership and loans have been dropped, including the real estate covered with the decree no. (20) year 1992 whatever the area of such real estate is.
- 2- Build, raise, and expand of the existing houses, provided that the foundation, designs and heights are within the limit allowed in the area, according to the regulations determined in this concern.
- 3- Demolish and re-build the existing unit to have more space to provide better housing welfare for the family.
- 4- Deserving the loan, any owner in general who is entitled to the housing welfare, even though some owners are not entitled to the housing welfare.
- 5- Other cases that is determined by the board of directors of the Bank.

In all cases set forth in the aforesaid articles, the approval of the owner of the real estate to mortgage the eye is a must to grant the loan, if it is not owned by the loan applicant.

Article (2)

The following words and phrases shall be omitted from the law no. (47) year 1993:

- (a) "Loan" in article (3).**
- (b) Clause (5) of article (4).**
- (c) "Loans" in the article (14).**

(d) Phrase "cases of postpone some installments that fall due, reduce their amounts, or to exempt the citizen to pay them" article (31).

Article (3)

The provisions of law no. (30) Year 1965 shall put into action again, and any provision contradicting this law shall be null and void.

Article (4)

All jurisdictions which have been taken from saving and credit Bank to other entities by virtue of law no. (47) year 1993, shall be obligations from the date of putting this law into force.

Article (5)

All high executive – employee who were transferred from the Bank to the PAHW by virtue of law no. (47) year 1993, shall return to the bank effective from the date of this law with their same statue before being transferred to the public Authority for Housing welfare.

Article (6)

All the provisions contradicting the provisions of this law shall be null and void.

Article (7)

All ministers each according to his jurisdictions have to execute the provisions of this law.

Amir of the state of Kuwait

Jaber Al Ahmed Al-Sabah

Issued in Bayan palace

In 11 of Zu Alqaeda 1415 H

Corresponding to 11/4/1995

Explanatory Note

Proposing a law amending

Some provisions of law No. (47) Year 1993

Regarding housing welfare

(Law No. 12 year 1995)

Law No. 47 year 1993 regarding house welfare has been issued and entrusted housing welfare to a public authority with an independent budget. The state has allocated a cash share with an amount of K.D 200.000.000, so as to enable it to carry out the housing projects and fulfill the applications of the eligible citizens within a fixed period that the Authority abide with, in addition the law has introduced many advantages regarding types of housing welfare.

The law has entrusted to the new authority with all powers and jurisdiction assigned at present to National Housing Authority. The law has entrusted to the Authority with new powers, and add to it the authority of granting loans to the eligible citizens which is carried now by credit and Saving Bank.

The law provided the repeal of the said law when a decision of the council of the ministers issue will be the articles of association of the Authority which shall determine the powers that entrusted to the other agencies form the Bank other than the real estate credit.

Not to postpone the application of its provisions regarding the advantage in the field of housing welfare, the law provided the continuation of the Authority and the Bank to apply all the new provisions of this housing welfare articles since January 1994 and up till the establishment of the Authority.

The practice has proved that the liquidation of credit and saving Bank and merging it with the Authority in one entity, moving of all of the Bank staff to work in the Authority, even if they were not of real estate credit staff, and to structures new regulations, in spite of the difference of the status of the Authority and the Bank will result in difficulties in fulfillment to the housing welfare.

To enable the Public Authority for Housing Welfare to engage wholly in the housing projects and all what related to such projects according to the new status which the law provided and to concentrate its efforts only on the projects and not on lending the loans, it was seen that some provisions of the referred law No. (47) Year 1993 must be amend in a way that may restore the credit and saving Bank as it was been handling real estate loans.

First: Amend articles (2) (first), (3), (4), (31), (14) of law No. (47) year 1993 by deleting all what provided regarding to real estate credit.

Second: Reduce the cash share referred to in article (2) first, after separating the funds of credit and saving Bank away of the funds of public Authority for Housing welfare.

Third: Substitute the two amended text with the text of articles (28) and (29) of the same law.

The authority of granting loans to the eligible citizens of housing welfare shall remain the authority of credit and saving Bank, and shall be extended according the provisions of the new law.

Fourth: Article (3,4,5) of this law shall provided credit and saving Bank to restore all its rights from the date of applying this law, as well as all the staff who moved to the public Authority for Housing Welfare according to law No. (47) Year 1993.

Law No. (27) Year 1996

Amending some provisions of law no. (27) year 1995.

**Regarding the participation of the private sector in the construction of undeveloped land
owned by the state for housing welfare objectives and its explanatory note.**

**Law No. (27) Year 1996 Amending Some Provisions of Law No. (27) Year 1995 Regarding the
Participation of the private sector in the construction of undeveloped land owned by the state
for housing welfare objectives.**

Having perused:

- The constitution.
- Law No. (47) Year 1993 regarding the housing welfare and amending laws thereof.
- Law No. (27) Year 1995 regarding the participation in the construction of undeveloped land owned by the state for housing welfare objectives.

The National Assembly has approved the below mentioned law, so it has been approved and issued by us (the Emir of Kuwait).

Article (one)

The text of the paragraph (6) of article (1) and article (5), the second paragraph of article (8), and article (9) of law No. (27) year 1995, shall be substituted with the following texts:-

Article (1)

- 6- call: indicate the nature of the contract which will be concluded with the contractor, its basic conditions, banking guaranty required, areas desired to be constructed and its location, No. of plots and the area of each plot.

Article (5)

Public Authority for housing welfare shall from the date this law into force invite the local/ international companies and establishments to submit their offers to developed the lands referred to in article (2) within (9) months from the date of invitation.

If the completion of the procedures becomes difficult within the period set forth in the aforesaid paragraph, the Council of Ministers may extend the period for a final three months.

The invitation announcement shall be published in two daily Journals at least in the same time, and to broad cast in the T.V and Radio.

Conditions of contract shall be prepared according to what the public Authority of Housing welfare determines in this concern.

Kuwait Municipality shall be obligated to issued its resolution of the plans within two months of date of the receiving such plans.

Article (8, Second Paragraph)

Assessment of the plot value due to the public Authority of housing welfare will be according to the regulations set forth by the public Authority of Housing welfare in this concern.

Article (9)

PAHW will announce selling the plots only to those eligible to housing welfare.

Article (two)

All Ministers – each according to his jurisdiction – have to execute the provisions of this law, and put into force from the date of its issue.

Amir of the state of Kuwait

Jabber Al Ahmed Al-Sabah

Issued in Bayan palace

In 4th of Rabie the second 1417 H

Corresponding to 19/8/1996

Explanatory Note to
Draft Law No. 27 of 1996 Concerning
Amendment to Certain Provisions of Law No. 27 of 1995 Concerning
Private Sector's Contribution in the development of State-Owned
Lands for Housing Welfare Purposes

Law No. 27 of 1995 referred to has been issued due to the efforts extended to make plots available to several families who have been waiting for long on the list of housing welfare beneficiaries.

Whereas, the essential problem, which has been facing the authorities in charge, is represented in the scarcity of land, due to owners speculation in the real estate. The budgets designated for procurement of lands and plots necessary for Public Authority for Housing Welfare is insufficient due to the difficult circumstances resulted from the growing deficit in state budget. It is therefore necessary to treat this problem by opening the door to private sector to invest in housing participate in solving the housing problem and helping PAHW achieve its objectives.

Despite the above and notwithstanding the concentrated attempts and efforts exerted by the government to put the provisions of this law into force, the government is precluded from achieving this goal due to certain conditions and constraints contained in Law No. 27 of 1995 by emphasizing two things namely:

1. Private Sector must execute infrastructure projects on the lands Kuwait Municipality is under obligation to allocate obstacle-free for these plots and collect the entitlements thereof from the sale proceeds. These plots to be sold only after completion of the infrastructure. Shortage of the time (three months) for PAHW to implement planning and design for the obstacle free parcels received from the Municipality.
2. The term PAHW is under obligation within, to wit: three months from the date PAHW takes delivery of the lands required for obstacle-free plots from Kuwait Municipality shall be restricted to the completion of all planning and design procedures, and the commencing of implementation.
3. International companies shall be invited side by side with the local companies to perform big size plans by the companies whose bid has been accepted.

The investor must execute infrastructure on obstacle free projects handed over by Kuwait Municipality and only after completion of the infrastructure then the investor can collect his due from the sale of the plots, solving the problems encountered by the executive authority in implementing this law it is needed to make certain amendments to some articles in the law.

Therefore, the accompanying draft law, which basically give more authority for PAHW board of directors to issue resolutions necessary for implementing the provisions of this law, whether in respect of the mechanism for inviting local and international companies to submit their bids, contractual conditions, required banking guarantees, rules for designation of plot prices, payments, and the time at which PAHW may announce for those eligible to housing welfare the terms of sale for these plots.

So, the draft aimed at achieving these goals through amending certain provisions of the law referred to in article one, paragraph (6), article five, article eight, paragraph two, and article nine.

Paragraph six of article one "*definition of invitation and related procedures*" states the nature and terms of contract and the banking guarantees, which the contractors are bound to attach with their bids, and also the areas required to be developed and their respective locations, and the number of plots required to be prepared, and it further leaves other details of terms and rules of finance and the payment of due amounts to the contractors will be implemented by PAHW board of directors, as per the provisions of article (16) of the same law.

In the scope of inviting private sector to perform these projects, article five stated the obligation on PAHW to commence the procedures for inviting local and international companies, or any of them independently for achieving the purpose behind the law by assigning contracts at medium size parcels to local companies only, together with, the possibility of infrastructure and its associated requirements, including planning, designing and awarding for commencing works. For this purpose the said article fixed nine months from the date of entry-into-force of this law as to the land sites already handed over to PAHW by Municipality and nine months calculated from the PAHW receipt of other sites, according to the number of plots required to be performed in article two of the law.

Furthermore, a paragraph has been added. It imports that the Council of Ministers may extend the nine months work time by three months in case the procedures cannot be implemented during the said time frame.

To achieve cooperation of all Authorities and related agencies on implementing the provisions of the law at the times specified therein, a final paragraph was added that Kuwait Municipality will be obliged to give a decision respect to the plot planning submitted to it by the companies applying for bidding in not later than two months from the date those companies submit them.

Further, the text of paragraph two of article eight which states that the full price of the plot is due at the completion of all procedure was replaced by another text leaving the method and times for payment to be defined by a resolution passed from PAHW according to circumstances and conditions of performance.

To complete this procedure, the words "***after completion of infrastructure***" shall be deleted, so that PAHW would be able to commence announcing selling and allocating plots, and hence, receive advance payments for reservation from those eligible and pay them as a part of payments due to contractors.

Further, article two of the draft law stated that it shall become operative with effect from the issue date requiring all agencies concerned to comply with the new dates stated by the law for implementing its provisions.

Law No. (7) Year 2005 Amending Some Provisions of

Law No. (47) Year 1993 Regarding housing welfare, and law No. (27) Year 1995 Regarding the participation of the private sector in the construction of undeveloped land owned by the state for housing welfare objectives.

Law No. (7) Year 2005

Amending some provisions of the law No. (47) Year 1993 regarding housing welfare, and law No. (27) Year 1995 regarding the participation of the private sector in the construction of undeveloped lands by the state of housing welfare objectives.

Having perused:

- The constitution.
- The Emiri decree No. (15) Year 1959 of Kuwaiti citizenship and amending laws thereof.
- Law No. (30) Year 1964 to constitute the Audit Bureau.
- Law No. (33) Year 1964 regarding the temporarily expropriation for the public interest.
- Law No. (37) Year 1964 regarding open bids and he amending laws thereof.
- Law No. (30) Year 1965 regarding establish Save and Credit Bank.
- Law No. (18) Year 1969 regarding determine the state property outside the public planning and amending laws thereof.
- Law No. (25) Year 1974 regarding reorganize Kuwait Fund for Arabic Economic Development and amending laws thereof.
- Law No. (150) year 1980 regarding state property system and amending laws thereof.
- Law No. (1) Year 1993 regarding public fund protection and amending thereof.
- Law No. (47) Year 1993 regarding housing welfare amending law thereof.
- Law No. (27) Year 1995 regarding the contribution of undeveloped lands owned by the state to housing welfare objectives and amending laws thereof.
- Law No. (49) Year 1996 regarding disabled care.
- Law No. (66) Year 1998 regarding repealing the preventive texts some entities and public authority to be under the control of Auditing Bureau and open bids laws.
- Laws No. (5) Year 1004 regarding Kuwait municipality.

The National assembly has approved the following law, so it has been approved and issued by us (the Amir of Kuwait).

Section (1)

Article (1)

The texts of article (5) paragraph (2), (6) paragraph (2), (7), (27), (30) and (31) last paragraph of law (47) year 1993, shall be substituted with the following texts:

Article (5) paragraph (2):

Housing welfare objectives shall be considered as public benefits work in applying the law regarding the temporary seizing of property for the public interest.

The fund designated for the housing welfare shall be considered as a public fund.

Article (6) paragraph (2):

The share of the public Authority for housing welfare in the companies which the Authority participate in their establishment and/ or share in their capital, may not included any share in kind.

Any act contradicting to the provisions of this paragraph shall be null and void, moreover any result arising of such acts shall be considered as null and void.

Article (7) paragraph (2):

Public Authority for Housing Welfare may finance its own companies, owned by the state, or completely owned by any other public authorities or establishments, as well as public shareholding companies with real estate activities. Such companies execute the projects of housing welfare according to the provisions of this law.

Article (7) paragraph (2)

The area of the plot or the governmental house shall not be less than four hundred square meters.

Article (30)

If a head of household owned a house which is evaluated or sold with an amount that is less than K.D 200.000, he shall have the right to obtain the loan referred to in article (28) of this law, provided that the amount of such loan and the amount of ownership, evaluation, or sale shall not exceed K.D 200.000.

When applying this provision, the house shall be considered as the ownership of the head of the household (family) even if that house passed through him by direct or indirect means to his wife or any of his dependent children, without prejudice of the right of the children to obtain the housing welfare according to the procedures set up by the board of directors of saving and credit Bank, when conditions of saving and credit Bank are applied on the dependent children.

Article (31) final paragraph

In case a breach of the conditions of the allotment, by the beneficiary, notice from the public Authority of Housing Welfare shall be sent to him at his address to remove the breach to the conditions within (60) days. Such notice shall be published in the official gazette, and a daily Kuwaiti paper, and affixing a sticker on the house indicating type of the violation and the period of the notice.

Public Authority for Housing Welfare has the right to expropriate the house if the period of the notice elapsed without the remedy of the violation. If the ownership of that house did not pass to the person who was entitled to the allotment after passing (30) day at least from the date of sending another notice to him following the same procedures, then after the expropriation then would be paid will be considered as rent to the unit.

Article (2)

Four new clauses (6, 7, 8, 9) shall be added to article No. (3), a new paragraph shall be added to article (9), (14), (15), (17) and (28) of law No. (47) year 1993 .

The text of each paragraph shall be as follows:

Article (3) new clauses (6, 7, 8, 9):-

6- The percentage of the net profit of the Kuwaiti fund for the Arab Economic Development which determined by virtue of the law No. (31) year 2003.

7- The return of the use or rent collected from the residents of the low-cost houses which have been allotted to the deserved beneficiaries according to the regulations and conditions issued by a resolution of the minister after the approval of the board of directors.

8- Returns of the sale of real estate by public auction according to the provisions of law No. (27) year 1995.

9- Returns of investment of funds by the Authority.

Article (9) a new paragraph:

The Authority shall approve the land use plans of its housing projects according standards and general criteria set by the Kuwait Municipality.

Article (14) a new paragraph:

With the exemption of the provisions of article (1), the Authority shall provide a reasonable house for the disabled Kuwaiti woman married to a non- Kuwaiti, and has got children from him. This shall be on a usufruct basis according to the conditions and regulation issued by the board of directors.

Article (15) a new paragraph:

The priority of getting housing welfare for native Kuwaiti citizen shall be as from the date he the fulfilled the requirements of housing welfare, before the acquiring the Kuwait citizenship.

Article (17) a new paragraph:

Ministries and public authorities made a commitment to provide the main services to these lands, and they shall remove any abstracts related to this work according to PAHW execution schedule of its projects.

Article (28) a new paragraph:

In all cases, the loan granted to a deserved citizen for housing welfare, shall be increased with amount of (K.D 5000) for disabled or a natural guardian of a disabled, so as to enable him to build what he needed with a special specifications. In the case there are more than one disabled in a family, that loan shall be increased with an amount of (K. D 10,000).

Article (3)

The texts of the two clauses No. (1), (2) of article (1), paragraph (1) of article (5), articles (7), (8) of the law No. (27) year 1995 with the following texts:-

Article (1) clause (1):

The contractor: the private sector individuals referred to in article (5) of this law.

Article (1) clause (7):

The bid: the documents submitted by the contractor including its quotation, accepting Authority conditions his willing to execute the required works set forth in tender documents within fixed time, schedule and his acceptance to the penal conditions and the other contractual conditions.

Article (5) paragraph (1):-

The Authority shall Tender the projects of the land development site referred to article (2) of this law from the date of enforceable of that law as clauses (4,5) of article (1) of this law in a public tender among the local/ international companies and establishments within (9) monthes of the date of the tender notice.

Article (7)

The area of the plot shall be 400 m2 at least.

Article (8):

The sale price of the plot will be a nominal price decided by the council of ministers added to it the cost of the related infrastructure cost.

The price of sale of the plot shall be determined on the base of a petty price fixed ministers of council, the cost of the infrastructure shall be added to the price of the plot.

The cost of the infrastructure of each plot shall be determined as follows.

The cost of the infrastructure ÷ the total area of developed land = the cost of each 1m2 × the area of the plot. The amount to be paid by the plot deserved shall be according to the amount of the cost of the infrastructure, corresponding with the period the citizen wait to get the plot starting from the date the citizen apply for the housing welfare, according to the following percentage:-

- a) Total cost of the infrastructure for each plot, if the waiting period did not exceed to one year.
- b) 80 percent of the cost of the infrastructure of each plot if the waiting period exceeded to one year and not exceeded two years.
- c) 60 percent of the cost of the infrastructure of each plot if the waiting period exceeded two years and did not exceed three years.
- d) 40 percent of the infrastructure of each plot if the waiting period three years and did not exceed to four years.
- e) 20 percent of the infrastructure of the cost of each plot, if the waiting period exceeded to four years and did not exceed to five years.
- f) Zero percent of the cost of the infrastructure of each plot, if the waiting period exceeded to five.

The public Authority of Housing welfare shall reimburse half of the amount paid by the citizen for projects executed before of this law.

The price of the plot is due according to rules set forth by the Authority in this concern.

Article (4)

A second paragraph shall be added to article (3) of law No. (27) year 1995, and three new paragraphs to be added to article (17) thereof. Article (17 bis) shall be added with the following text:-

Article (3) second paragraph:

Related ministries and establishment will make a commitment to provide the main services including the associated public buildings to these projects on times corresponding to PAHW schedule and execution according to this law, and they are obligated to designate the necessary funds in their budgets.

Article (17) second paragraph:

With the exception of plots designated to the private housing objectives and according to this law or the provisions of law No. (47) Year 1993, if the executed housing welfare projects included plots designated for commercial, investment, industrial, handicraft, or services uses, then they should be sold in a public auction after the complete execution of the infrastructure.

Third paragraph:

If the projects included other plots designated for objectives neither for the private housing nor for commercial, investment, industrial, handicraft, services uses, then the council of the ministers shall be issue the necessary resolutions regarding the handling of these plots according to the suggestions of the concerned ministers and the minister of finance. The ownership of these plots may not assigned to others.

- If the council of the ministers decided to sell these plots then the sale must be done in a public auction according to the provisions of the last paragraph.

Clause (4):

In all cases, real estates designated for private housing objectives, whether plots, houses or apartments of the projects referred to in the second paragraph of this article, shall not be dealt with, unless these are excess surplus, after fulfilling all the applications for housing welfare according to this law and the provisions of the law No. (47) Year 1993. These are dealt with through a public auction according to the conditions set forth in article (17 bis) of this law.

Article (17 bis):

Without prejudice of the provisions of the applicable law, and by virtue of paragraph (4) of the said article only natural persons shall be allowed to participate in the public auction for the real estates designated for the private housing. The adjudication of the public auction may not exceeds one real estate for a person at any time. The area of such real estate may not exceeds 1000 m², unless the area of the real estate designated parcel area is in excess due to the nature of the project and its design and has been approved by Kuwait municipality or the public Authority for Housing Welfare, depending upon each case. Such increase may not exceed in all cases of these real estate's 250 m², and separation or inclusion of areas is not allowed.

The council of ministers shall determine the time schedule of the real estates to sold in a public auction according to the provisions of this article and the foregoing article. The total revenues of the sales of the real estates shall be transferred to the public Authority of Housing Welfare through a transferring system. The council of ministers shall also determine the nature of the use and conditions of building for such real estate. No change to uses or changes to the conditions of building and other conditions on which bases the public auction has been conducted, unless that was according to a new master plan project. Any auction or results contradicting the provisions of this article and foregoing article shall be null and void.

Article (5)

Exemption of the provisions of the law No. (66) year 1998, the public Authority for Housing Welfare shall be exempted from the laws and provisions of the Central Tendering Committee (C.T.C) and the pre- control of Auditing Bureau till 31/3/2010.

Article (6)

Any provision contradicting with the provisions of this law shall be null and void.

Article (7)

The ministers – each according to his authority have to execute the provisions of this law.

Amir of the state of Kuwait

Jaber Al Ahmed Al-Sabah

Issued in Bayan palace

In 24 th of Rabie Awal 1426 H

Corresponding to 3/5/2005

Explanatory Note of Law No. (7) Year 2005 Amending some provisions of law No. (47) Year 1993 regarding housing welfare and law No. (27) Year 1995 regarding participation of the private sector in the construction of undeveloped lands owned by the state for housing welfare objectives

The housing welfare is governed by two laws namely: law No. (47) year 1993 regarding housing welfare and its amendments, and reduce the period of waiting to get such welfare in article (17) thereof. Then law No. (27) year 1996 has issued to introduce new areas to participations to solve the housing issue through the participation of the private sector in the construction of lands owned by the state with an objective to reduce periods of waiting according to the dates determined in article (2) thereof.

In order to amend and clarify some texts laws No. (47) year 1993 and law No. (27) Year 1995, so this law has include the following amendments:

The first section include- law No. (47) year 1993- the following:

Article (5) second paragraph:

The second paragraph of article (5) been amended to deal with funds designated to housing welfare as public fund.

Article (6) second paragraph:

The second paragraph of article (6) has been substituted to prevent public Authority for Housing Welfare from housing shares in any company it establishes or participate in its establishment to participate in its capital with any land as shares in Kind.

Article (7):

This article has been amended to read as follows "Public Authority may provide to these companies lands necessary to carry out housing welfare projects".

Article (27):

The text of this article has been substituted with the text set forth in the proposal of law include the determination of the maximum areas of plots and the governmental houses with 400 m2.

Article (30):

The text of article (30) has amended, as the amount of the ownership, assessment or sale has been increased to be K.D 200.000 instead of K.D 140.000 .

If the house which head of the family owned is be evaluated or sold less than K.D 200.000, then he shall have the right to receive the loan provided in article (28) of law No. (47) year 1993, provided that the amount of the loan, and the house sale value shall not exceeded to K.D 200,000.

If the amount of he ownership, assessment or sale K.D 190,000, then the loan will be K.D 10,000. The total of the two amount shall be K.D 200.000. and so the less amount of the house sale value, the more the amount of the loan is, till value is reached as the full loan provided in article (28) of law No. (47) year 1993, whether the amount of the loan K.D 70.000 or more than that. If this increase is done according a decree in any time by virtue of the provisions of the same article.

And whereas article (30) contained fraud prevention on its provisions as it provided "the house considered to be owned by the head of the house, even if it passes through him to his wife or any of his depended children. A provision has been added to this article ruling that this act shall not prejudice the right of the children to receive the full range of housing welfare in the future

according to the procedures of the board of directors of credit and saving Bank, if they fulfill the conditions required.

Article (31) last paragraph:

The amendment includes the paragraph refer to "in case of contradicting to assigning requirements, the defaulter shall be notified on his address to rectify the violation within (60) days determined in notice. This notice shall be published in a daily Arabic Kuwait Journal and in the official gazette".

A label containing the type of the violation and the period of the notice shall be shown clearly on the house The public Authority for Housing Welfare shall have the right to expropriate the house back through administrative ways- if the ownership of the house did not assigned to the citizen designated for – if the period of the notice has been elapsed and the defaulter failed to remedy the violation within (30) days of his service for the second time according to the same procedures. The amount which the defaulter paid shall be considered as rent for the use of the house.

Article (3) clauses (6,7,8,9) new.

The amendment includes adding clauses (6,7,8,9) to article (3), as clause (6) has been added to increase the resources of the Authority by the percentage of the net profits of Kuwaiti fund for the Arabic economic Development by virtue of law No. (31) year 2003, clause (7) and the rent which is to be collected from the occupants of the low- cost houses which designated to the deserved occupants according to the regulations and conditions issued by the minister decision and upon and the approval of the board of directors.

Clause (8) add to these resources the revenues of the sale of plots in a public auction by virtue of the provisions of law (27) year 1995.

Article (9) new paragraph:

A new paragraph has been added to article (9) provided "public Authority shall approve the land use plans of its housing projects according to systems and standers of Kuwait municipality.

Article (14)

Whereas article (14) stipulated that providing housing welfare shall be for a Kuwaiti family with a Kuwaiti as head of the family.

And as there were cases where the Kuwaiti wife is married to a non- Kuwaiti husband but will deserves a suitable house provided to her. Such cases are if the Kuwaiti wife is disabled and has children from her non- Kuwaiti husband.

The new paragraph which added to this article provided with the exception of the provisions of article (1), public Authority shall provide a suitable house for the disabled Kuwaiti wife who is married to a non- Kuwaiti husband and has got children from her husband. She shall be granted the house only on usage, not ownership basic it according to conditions and regulations issued by the board of directors.

Article (15) new paragraph:

The new paragraph which added to article (15) has provided that when considering the priority of granting the Kuwaiti citizenship after applying this law effecting from the date the fulfillment the requirements of the application of housing welfare on them before granting the Kuwaiti citizenship.

Article (17) a new paragraph:

A new paragraph has been added to article (17) by which the ministries and public institutions obligated to carry out on their expense to remove obstacles corresponding with housing projects according to the provisions of this law.

Article (28) a new paragraph:

Observing the disabled citizen or his natural guardian, as he need a special building specifications including the project, then a new paragraph has been added to article (28) by which the amount of the loan to them has been increased with an amount of K.D 5000 of the current loan. If there were more than one disabled then the amount of the loan shall be increased with an amount of K.D 10.000.

The second section has include law No. (27) year 1995 which provided the following:-

Article (1) clause (1):

Paragraph to correct the wrong definition of contractor to be: an individual of the private sector referred to in article (5) of this law instead of article (4).

Article (1) clause (7):

The term "offer" has determined as documents submitted by the contractor including a quotation and acceptance, of all the conditions of the public Authority and a declaration that he shall execute the required works provided in tender documents.

Article (5) first paragraph:

This clause has been paraphrased to clarify the responsibility of public Authority for Housing Welfare to abide to the dates provided in article (1) of this law by executing the text of clauses (4,5) of article (1) of this law in a public Tender among local/ International companies and establishments.

Article (7):

This article provided the determination of the area of the plot will not be less than 400 m2.

Article (8):

The first paragraph of this article provided that the price of the plot shall be very cheap and that price shall be determined by the council of the minister, and that the final price shall be the price of the plot plus the cost of the infrastructure for each unit.

And as this article which include how to calculate the infrastructure of each plot has been a subject of many interpretations so this point has to be reconsidered many times. And desiring to end these interpretations, this article has been amended to determine the cost of the infrastructure of each plot without bearing any other costs. It is worth to mention that the infrastructure is defined in clause (4) of article (1) of the law. And to prevent any disagreement regarding how to calculate the infrastructure of each plot, so it was worded in a very accurate way that may not assume any misinterpretations.

The calculation of the infrastructure of each plot shall be as follow:

The cost of the infrastructure

= the cost of 1 m²

The total of the structured area

Then, the cost of 1 m² × area of the plot.

If the cost of the infrastructure is K.D 100000, and the area of the constructed land is 200000 m², the cost of 1 m² is (K.D 100000/ 200000 m² = K.D 5).

In order to regulate the amount paid by a deserved citizen for the infrastructure of his plot shall be proportionate with the period of waiting to get the plot starting from the date he submit his application. So this article has determined the amount the citizen deserved to the plot paid for the cost of the infrastructure starting from the date he applied for housing welfare according the following percentage:

- a) Total cost of the infrastructure of each plot if the waiting period did not exceed one year.
- b) 80 percent of the infrastructure of the plot if the waiting period exceeds one year and did not exceed 2 years.
- c) 60 percent of the infrastructure of the plot if the waiting period exceed (2) years and did not exceed (3) years.
- d) 40 percent of the infrastructure of the plot if the waiting period exceeds (3) years and did not exceed (4) years.
- e) 20 percent of the infrastructure of the plot if the waiting period did not exceed (5) years.

f) Zero of the cost of the infrastructure of the plot if the waiting period exceeds (5) years. On observing the citizens subject to the provisions of law No. (27) year 1995 who already paid the costs of the reconstruction, paragraph (3) of the this article stipulated that public Authority for housing welfare shall reimburse half of the paid amounts by the citizens for the infrastructure in the projects carried out before this law.

The draft contained the addition of a new paragraph to article (3) of the law No. (27) year 1995, and three new paragraphs have been added to article (17) thereof, moreover, a new article number (17 bis) has added as follows:

Article (3) second has been added to this article by which the concerning ministries and establishments have been obligated to provide the necessary services for the reconstructed lands according to this law. They shall remove on their any obstacles that may appear belong to them on dates corresponding with the placed housing projects according to this law. Like what has been added to article (17) of law No. (47) year 1993.

Article (17) paragraph 2,3,4 which have been added to the article:

In order to organize the way of disposal of what the executed housing welfare projects have from plots designated for purposes other than private housing, the second paragraph of this article made it necessary to place the plots designated for commercial, investment, industrial, or services uses of these projects in a public sale after the completion of the infrastructure.

But if these projects have plots designated for purposes other than private housing or for uses other than commercial, investment, industrial, or services, thereof the third paragraph of this article has entrusted to the council of ministers to issue the necessary resolutions regarding disposal of these plots upon proposals of the concerning ministers with the participation of the minister of finance. But if the council of the minister in a view to move the ownership of these plots to the others, the text of this paragraph prohibited moving the ownership of the plots in this case unless they placed in a public sale by virtue of the provisions of the second paragraph.

Paragraph (4) of this article prohibited the disposal of the real estates designated for private housing by any way- plots, houses or apartments- of the projects refered to in the second paragraph of this article, unless there were surplus of the real estates after the fulfillment of the

applications of all the citizens who deserved housing welfare by virtue of the provisions of laws No. (47) year 1993 and No. (27) year 1995. when fulfilling that and there were no more waiting list, then the disposal of the surplus shall be through place the surplus in a public sale according to the conditions stipulated in article (17 bis) of this law.

Article (17 bis):

In order to regulate how to deal with the surplus of the real estate designated for the private housing executed according laws No. (47) year 1993 and (27) year 1995, without prejudice the provisions of the applicable laws, this article prohibited in its first paragraph the participation of individuals other than, natural individual in the public auction of the real estates designated for purposes other than private housing according to the provisions of paragraph (4) of article (17) of this law.

The second paragraph of this law provided that the council of ministers shall determine the date of placing these real estate in the public auction according to the provisions of this article and the aforesaid article, and entrusted the council of ministers to set up a complete system to transfer the revenues of the sale of the real estate to public Authority for Housing Welfare to support its ability to continue the fulfillment of the requirements laws No. (47) Year 1993 and (27) year 1995 to provide housing welfare for the deserved citizens without waiting according to article (2) of law No. (27) Year 1995 regarding the completion dates so as all citizens know the nature of the use of these real estate and construction conditions.

And whereas the former housing authorities and public Authority for Housing Welfare are exempted from the provisions of Central Tendering Committee (CTC) and the pre control of Auditing Bureau, and that practice continued till issuing law No. (66) year 1998 regarding that all the public establishments shall not be subject to the provisions of CTC and advice- control of the Audit Bureau so as to enable the Authority speedy execution of what laws No. (47) year 1993 and law No. (27) year 1995 provided. And to enable the Authority to the speed execution of the required projects.

Article (6) of this law provided the abolishment any provision contradicting with this law.

Law No. (25) Year 2006

Amending paragraph (3) of article (8) of the law No. (27) Year 1995 regarding participating private sector in the construction of the undeveloped lands owned by the state for housing welfare objectives

Law No (7) year to amend some provisions of law No. (47) year 1993 regarding participating of the private sector in construction of undeveloped lands owned by the state for housing welfare objective and amending laws thereof.

Having perused:

- The constitution.
- Law No. (27) year 1995 regarding participating private sector in the construction of the undeveloped lands owned by the state for housing welfare objectives and the amending laws thereof.
- Law No. 7 of --- Amending Certain Provisions of Law No. 47 of 1993 Concerning Housing Welfare and Law No. 27 of 1995 Concerning Private Sector's Contribution into Reconstruction of State-owned space lands for Housing Welfare Purposes , as amended;

And being the National assembly has approved the below mentioned law, so it has been approved by us.

Article (1)

The text of paragraph (3) of article (8) of law No. (27) year 1995 shall be substituted with the following text:

Article (8) paragraph (3)

Public Authority for Housing Welfare shall reimburse to the citizens the complete amount paid by them for related value of infrastructure carried out prior to this law.

Article (2)

The prime minister and the minister- each according to his jurisdiction have to execute the provisions of this law. This law shall be effective from the date of enforcing the law No. (7) Year 2005.

Amir of the state of Kuwait

Jaber Al Ahmed Al-Sabah

Issued in Bayan palace

In 1st of Rabie Awal 1427 H

Corresponding to 12/4/2006

Explanatory Note to
Law No. 25 of 2006
Amending Paragraph Three of Article (8) of
**Law No. 27 of 1995 Concerning Private Sector's Contribution into Reconstruction of State-
Owned Space Lands for Housing Welfare Purposes**

The amendment to article (8) of Law No. 27 of 1995 as stated in Law No. 7 of 2005 contained a new regulation specifying how to access the amount to be paid by the beneficiary of plot out of the related cost of infrastructure without any additional costs in proportion to his waiting period for obtaining the plot, effective from the submission date of application.

Subject to those governed by the provisions of Law No. 27 of 1995 who have already paid the reclamation costs, paragraph three of the said article stated PAHW shall return one half of the amounts paid by citizens against infrastructure in the projects proceeding this law.

In view of the unity of legal stands of all those governed by the provisions of Law No. 27 of 1995, this law contained in article one thereof an amendment to paragraph three of article 8 of Law No. 27 of 1995, to read as follows: "PAHW shall return to citizens the entire amounts paid by them against infrastructure in the projects preceded this law", instead of returning one half only of the amounts paid by citizens against infrastructure in the projects preceded this law.

Article three of the law stated that it shall become operative, effective from the operative date of Law No. 7 of 2005.

Law No. (26) Year 2006

Amending some provisions of the law No. (47) Year 1993

Regarding housing welfare

Law No. (26) Year 2006

Amending some provisions of the law No. (47) year 1993.

Regarding housing welfare.

Having perused:

- The constitution.
- Law No. (47) Year 1993 regarding housing welfare and amending laws thereof.
- Law No. (27) Year 1995 regarding participating of private sector in the construction of undeveloped lands owned by the state for housing welfare purposes and the amending laws thereof.

And being the National assembly has approved the below mentioned law, so it has been approved and issued by us.

Article (1)

The texts of article (4) clause (10), and article (19) of law No. (47) year 1993, shall be substitute with the following texts:-

Article (4) clause (10):

Invest its funds- except for housing welfare projects- to support it to fulfill its obligations towards achieving the objectives of housing welfare.

Article (19):

The head of the family shall be entitled to a monthly rent allowance of (K.D 150) paid by the Authority starting from the first following month of elapsed of one month from the date of applying for housing welfare. This amount shall be paid on a monthly basis till he receiving housing welfare.

The head of the family who has a housing or cash rent allowance by virtue of his office, shall not be entitled to this allowance. If such allowance is less than the rent allowance determined in the abovementioned paragraph, the Authority shall pay the balance according to the provision of the said paragraph.

In all cases the head of the family is not entitled to any compensation prior to the date of this article coming into force.

Article (2)

Article (6), (7) of law No. (47) Year 1993 shall be null and void.

Article (3)

Any provision that may contradict with the provisions of this law shall be null and void.

Article (4)

The prime minister and ministers – each according to his jurisdiction have to execute the provisions of this law. This law shall come into force from the date of publishing in the official gazette.

Amir of the state of Kuwait

Jaber Al Ahmed Al-Sabah

Issued in Bayan palace

In 15th of Rabie Althani 1427 AH

Corresponding to 12/4/2006

Explanatory Note to Law No. 26 of 2006

Certain Provisions of Law No. 47 of 1993

Concerning Housing Welfare

Family is the basis of society built on religion, ethics and patriotism. The Constitution has stressed that the family is the basic constituent feature of Kuwaiti society. The Constitution lay confidence in the lawmaker to safeguard the entity of family and strengthen its ties, and protect motherhood and childhood thereunder. So, this imposes full responsibility upon the lawmaker in adopting family issues and requirements, most importantly, housing welfare, and in timely providing such welfare through elimination of significant material obstacles, which is hindering it.

The state has provided rental allowance given to citizen entitled to housing welfare until they obtain their houses. However, it is no longer acceptable that the status quo remains in respect of the cases where rental allowance shall be paid to entitled to housing welfare, because the amount of this allowance is not in conformity with continuing hike in rents on the one hand, and on the other hand it lacks equality, in particular, between those who were laid down conditions for obtaining this allowance and those who are given houses or cash rental allowance by the agencies engaging them without compliance to a higher scale of salary in order that justice be done. This law was prepared inclusive of amendment to article (19) of Law No. 47 of 1993 stating that any applicant to housing welfare shall be eligible to a monthly rental allowance as increased to meet hike in rents and this allowance shall be paid to all applicants without exception, provided it is paid by PAHW to each of them, with effect from the first day of the month following the expiry of one month from the date everyone of them submitted his application, notwithstanding the amount of his salary or his place of residence, provided this allowance shall remain paid until the date he gets housing welfare. While the head of family, who ex-officio enjoys a house or a cash rental allowance from his employer, shall not be entitled to the allowance prescribed in this article. Unless the cash allowance he receives from his employer is less than the allowance prescribed in this article, PAHW shall in this case pay the difference between the two allowances.

Notwithstanding all amendments made to Laws No. 47 of 1993 and No. 27 of 1995, there are still attempts to interpret the law in the sense that it is possible to offer projects on building, operations and transfer basis. In order to put an end to all this, the law contained abrogation of two articles (6) and (7) of Law No. 47 of 1993. Furthermore, the text of clause (10) of article (4) of the said law was amended by stating that PAHW shall have no right to invest its funds in housing welfare projects in assurance of restricting its responsibilities to work on providing housing welfare and not to achieve profit by investing them.

The law stated in article that any provision in conflict with the provisions of this law shall be cancelled.

Law No. (45) Year 2007

Amending some provisions of the law No. (47) Year 1993

Regarding housing welfare

And law No. (27) Year 1995

**Regarding Participation the private sector in the construction of undeveloped lands owned by
the state for housing welfare objectives.**

(Construction of law- cost houses and its explanatory note)

Law No. (45) Year 2007

Amending some provisions of the law No. (47) year 1993

Regarding housing welfare

And law No. (27) Year 1995

Regarding participation of the private sector in the construction of undeveloped lands owned by the state for housing welfare objectives.

Having perused:-

- The constitution.
- Law No. (15) Year 1960 to issue commercial companies law and amending laws thereof.
- The decree- law No. (105) year 1980 regarding rule of the state properties and amending laws thereof.
- Law No. (47) Year 1993 regarding housing welfare and amending laws thereof.
- Law No. (27) Year 1995 regarding the participation of the private sector in the construction of lands owned by the state for housing welfare and amending laws thereof.
- Law No. (5) Year 2005 regarding Kuwait municipality.

Article (1)

The text of clause (first) of article (2) of law (47) year 1993 shall be substituted with the following text:

First: Cash share:

The cash share is in the amount of 1.600.000.000 and the Minister of finance has the authority to increase such amount in one installment or on installments. The necessary finance through the support of governmental entities and public authority and establishments.

Article (2)

A new chapter titled "chapter (4) bis" law- cost houses- shall be added to law No. (47) year 1993 after article (30), this chapter shall include (11) article No. 30 bis, 30 bis A 30 bis B, 30 bis C, 30 bis D, 30 bis E, 30 bis F, 30 bis G, 30 bis H, 30 bis I, 30 bis J, with the following text:-

Chapter (4 bis)

Law – cost houses

(Article 30 bis):

Public Authority of Hosing Welfare shall be obligated within one year from the date this provisions be applicable, to establish a Kuwaiti Share holding company to undertake according to BOT to design, execute, operate, and maintain law- cost houses with a number that may not exceed to the number of the rural housing in Al jahra and Sulaibia, as a substitute to the rural housing. The project site shall be as designated by Kuwait municipality, and will include apartments, community facilities with investment revenue, non-profit building to provide services to the project, investment commercial area, places designated for public building, in addition to roads, and infrastructure. The shares of that company shall be distributed as follows:-

- A) 50 present of shares shall be placed in a public auction for the public shareholding companies enrolled in Kuwait Exchange Market and the other companies that the board of directors may agree upon their participation in the public auction, provided that the capital of a company may not be less than the minimum of the amount of the capital allowed for registration in Kuwait Exchange Market. The public auction shall be awarded to the applicant who offer the highest price of the share over its nominal value plus the organization expenses, (if any).

- B) 50 percent placed in a public shares for Kuwait citizens, with a number of shares each. If the number of subscribed shares exceeded the number placed, then all shares shall be distributed equally among the number of all subscribers. But if the full subscription did not cover the placed shared, then the balance shall be placed in a public auction according to the provisions of clause (1) of this article.

The surplus resulted from the sale of the shares in the public auction shall be transferred according to the provisions of the clause No. (1) of this article to the general reserves of the state. The term of the contract of this project shall be (40) years starting from the First State Financial year after the expire of (3) years from the date of concluding this contract.

Article 30 bis (a)

Public Authority for Housing Welfare will include in the documents of the project all the requirements and elements of the project, in particular number, area of the apartments, percentage of the commercial, and investment units, other conditions and obligation of the company to build, operate the project then handed it over to the state on completion of the contract.

Article 30 bis (b)

With the exception of all what regarded as organizational aspects, no amendment to the elements of the project will be carried out after placing the share in a public auction according to the provisions of clause (a) of article (30 bis) of this law whether through increase/ decrease of the area designated for commercial, investment use or housing units or other uses, or in the field of utilities or services by any form that may affect the grounds on which the shares of the company have been placed in the public auction according to the provisions of clause (a) or article (30 bis) of this law.

Article 30 bis (C)

Public Authority for Housing Welfare or any public authority may not undertake to pay amounts of the rents of this housing units, or to pay any cash or in kind payments to the company in any time before the time of contract or through the period of contract.

Article 30 bis (D)

The rent of the housing units shall be an amount of (K.D 50) to be collected by the company from occupants of the housing units and the relationship will be as between an occupant and the landlord.

Article 30 bis (E)

Te housing units may not be leased to any persons other than the ones whose names are listed in the resolutions issued by the concerning minister. Any act contradicting to the provisions of this article shall be null and void.

Article 30 bis (F)

The housing units may not be sublet in any way which will change the objectives they designated for. In case of any violation the Authority shall send a notice to the defaulter to amend the violation within a period of time. The Authority shall have the right to evacuate the housing unit through the administrative ways without the need to take any other legal or administrative actions.

During the term of the contract, neither the company nor the occupier has the right to add any additional buildings inside or outside the housing units, or increase the building area. The investor shall notify PAHW and the Municipality each month for any violation by the tenants.

Article 30 bis (G)

Upon receiving any notes of violations referred to paragraph (2) of afore said article, Kuwait municipality shall immediately remove such violation through administrative ways, and collect the amount of charges of removing such violations from the violation without the need to any court ruling.

Article 30 bis (H)

The public Authority for housing welfare shall be obligated according to the applicable procedures move the occupiers to the apartments within (2) years of providing the apartments with electricity, and to demolish the rural housing in Al jahra and Al salebia, and to rehabilitate.

Article 30 bis (I)

The contract project may not be amended, extended or renewed. Upon the completion of the contract, the ownership of the project shall be passed to the state, and shall be considered as the ownership of the state without any compensation or consideration according to article (30 bis) of this law, and any agreement or action carried out contradicting the provisions of this article shall be null and void.

Article 30 bis (J)

After passing the ownership of the project to the state, the ministry of Finance shall place the management of the project in a public tender, publicized in the mass media and in two Kuwait Arabic newspaper and the period determined to receive the documents of the project shall be at least (90) days from the date of publication. This shall not prejudice the right of the state to manage the project in a directly.

The document of the project tender shall include an audit budget of the project for the last three fiscal years. The term contract for the management shall not exceed ten years.

The minister of finance shall issue a resolution regarding the details of the public tender and adjudication. The priority of the adjudication shall be to the investor who submit the highest revenue to the state, provided that he shall be obligated with adhere to all the requirements of the resolution of the minister of finance.

The investor after his contract is finished shall have the priority in the award, if he entered the tender sale and his bid was equal to the highest bid.

Article (3)

A fifth paragraph shall be added to article (17) law No. (27) 1995 with the following text:

Article 7 (fifth paragraph)

If any time determined to alter the use of any place designated for housing welfare upon a request of the public Authority of public Authority or any other authority to a commercial or investment use, and Kuwait municipality approved on such alteration and to organize the project, then the elements of this project designated to commercial and investment purposes

shall be placed for sale in a public sale according to the provisions of the paragraph (2) of this article. All the revenues of that sale shall be transferred to the public Authority for Housing Welfare according to the provisions of article No. (17 bis) of his law. The public Authority for Housing Welfare shall execute the infrastructure of the project .

Article (4)

The prime minister and the ministers- each according to his jurisdiction - has to abide by this law and put it into force starting from the date of publication in the official gazette.

Amir of the state of Kuwait

Jaber Al Ahmed Al-Sabah

In 16th of Jamada Alakhara 1428

Corresponding to 1/7/2007

Explanatory Note to
Law No. 45 of 2007 Amending Certain Provisions of Law
No. 47 of 1993 Concerning Housing Welfare, and Law No. 27 of 1995
Concerning Private Sector's Business Contribution into Reconstruction of State-Owned unbuilt
Lands for Housing Welfare Purposes

Whereas, the responsibility shouldered by PAHW is big, and in view of the fact that there is a large number of applications submitted by citizens to obtain housing welfare; and that this welfare shall be timely provided to those applicants as being considered an obligation to be shouldered by PAHW, pursuant to article (17) of Law No. 47 of 1993 referred to;

Therefore, PAHW prepared an ambitious housing program for the seventh five-year plan (2006/2007-2010/2011). This plan includes several huge projects in different parts of the country, most importantly, "Jaber Alahmad City", "Saad Alabdallah City" and likewise. Consequently, PAHW required additional resources to cover future expenses on these projects.

Whereas, PAHW cash capital has been fixed at KD 500,000,000 under clause one of article (2) of the said Law No. 47 of 1993, as amended by Law No. 12 of 1995 and nothing thereof was left except KD 178,000,000, which does not satisfy the requirements of PAHW plans.

Therefore, the accompanying law was prepared and contained in article one thereof an amendment to clause one of article (2) of Law No. 47 of 1993 referred to. This amendment

increased the cash amount of PAHW capital by KD 1,100,000,000 (Kuwaiti Dinars one billion one hundred million) to become KD 1,600,000,000 (one billion six hundred million) to enable PAHW to offer housing projects related tenders.

Whereas, PAHW is responsible for the administration of the rural housing in Jahra and Sulaibiya under no explicit provisions in PAHW law to reflect the limitation and liability; and whereas, PAHW has recently tendered a project to design, built and manage low-cost houses to replace the rural houses referred to, it was necessary to add new provisions to the existing law to the Define limitation of responsibility. For this purpose, the law in article two thereof stated for a proposal to add a new Part to Law No. 47 of 1993 Concerning Housing Welfare under the caption PART FOUR BIS "Low-Cost Houses", which comes in sequence after article (30) of the law itself, inclusive of eleven articles under nos. 30 *bis*, 30 *bis* (A), 30 *bis* (B), 30 *bis* (C), 30 *bis* (D), 30 *bis* (E), 30 *bis* (F), 30 *bis* (G), 30 *bis* (H), 30 *bis* (I), 30 *bis* (J).

Article (30) *bis* obligated PAHW to establish a Kuwaiti public shareholding company, which shall, according to the method of "Build, Operate, and Transfer to the State", design, implement, operate and maintain low-cost houses with the same number of the rural houses built in Jahra and Sulaibiya altogether, and to replace them at the sites designated by Kuwait Municipality. PAHW pointed out by way of inclusion, but not limitation, the components of the project, which must be put in detail by PAHW. This article further showed how the company shares are distributed as specified in clauses (A) and (B) of the said article.

Moreover, this article stated that the excess resulting from selling stocks in public auction as per the provisions of clause (A) shall be transferred to State General Reserve; and that the term of contract the project shall be fixed at forty calendar years, with effect from the beginning of state fiscal year following the end of three years from the date of contract award. It means that the period preceding the beginning of contract shall be a grace period for the company, starting from its date of award. It fixed the term of contract at forty years in view of the fact that the company is under the obligation not to increase the rent allowance of housing units throughout the term of contract and is also committed to collect rents from tenants directly without any liability on the state in this concern.

Article (30) *bis* (A) provided that PAHW shall specify in project documentation all requirements therein and components thereof, in particular, the number of housing units and the size of each, as well as all other conditions and obligations required from the company to build and operate the project and transfer it to the state after end the each contract. This means that these documents shall contain, including the form of contract, all obligations consequential upon the

company throughout the term of contract, so that all persons making offers at the auction on stocks of the company shall become familiarized with these obligations.

To insure justice and transparency for all participants in auction for shares of the company, article (30) *bis* (B) prohibited making any amendment to components of the project after selling the stocks, either by increase or decrease of areas allocated for commercial or investment uses, housing units or other uses, or to any of the utilities or other services in a way that would adversely affect the grounds on which offers were submitted in public auction stocks, excluding from the above, planning matters, such as route courses, entries and exits to the project or other planning issues and clearing them from obstacles to prepare for execution of housing welfare projects thereon, according to this law and to Law No. 27 of 1995.

Article (30) *bis* (I) prohibited any amendment to be made to the contract of this project. Further, it prohibited the contract to be extended or renewed. It also stated that after the end of the contract, there shall return to and become owned by the state without any compensation or consideration the entire project which was built according to the provisions of article 30 *bis* of this law; and that any agreement or action to the contrary of this article shall be totally void and null.

Article (30) *bis* (J) stated that after the project is returned to the state, as per the provisions of article (30) *bis* (I), the Ministry of Finance tender it one year prior to the reversion thereof to the state in a public auction. The public auction shall be announced in mass media, video and audio, in the official gazette and in two daily Kuwaiti Arab newspapers at least, provided the period fixed for collection of the project documentation and submission of bids shall not be less than ninety days from the date of publication in the official gazette and the same shall not be prejudicial to the right of state to directly manage the project

It also provided that the project documentation must include an audited budget for the last three fiscal years. It further stated that the term of the new contract to manage the project may not exceed ten years. It entrusted the Minister of Finance to pass a resolution on the details of procedures for bidding and award, and stated that priority of award shall be given to the investor who produces the highest income to the state, provided such investor shall abide by all requirements stated in the resolution of the Minister of Finance. The investor whose contract has expired shall have precedence to get the award, if he participates in the bidding and his bid becomes equal to the best bid.

Article three of this law also included addition of a fifth paragraph to article (17) of Law No. 27 of 1995, stating clearly that no interpretation shall be accepted, except for the interpretation PAHW has the right to do in the sense that if at any time it is decided to change the use of any site allocated for housing welfare, either at the request of PAHW, such as Mirqab Housing site, or at the request of any other public agency, into commercial or investment use and Kuwait Municipality so agreed, and consented to regulatory projects, the site components allocated for commercial and investment use must be offered for sale in public auction, as per the provisions stated in paragraph three of article (17) of Law No. 27 of 1995. It also necessitated the transfer of all proceeds of this sale to PAHW, as per the provisions of article (17) *bis* of the said law, and obligated PAHW to carry out the infrastructure of site.

Article four stated to cancel any provision in conflict with the provisions of this law.

Law No. (50) Year 2010

Amending some provisions of law No. (47) year 1993

Regarding housing welfare

(Construction of housing cities)

(And its explanation note)

Law No. (50) Year 2010

Amending some provisions of law No. (47) Year 1993

Regarding housing welfare

Having pursued:-

- The constitution.
- Law No. (15) Year 1960 regarding the issue of commercial companies law.
- Law No. (30) Year 1964 regarding the establishment of Auditor Bureau and amending laws thereof.
- Law No. (30) Year 1965 regarding the establishment of credit and saving Bank and amending laws thereof.
- Social Insurance law issued by virtue of Emiri decree No. (61) year 1976 and amending laws thereof.
- Decree law No. (15) Year 1979 regarding the civil service law and amending laws thereof.
- Law No. (47) Year 1982 regarding the establishment of the public Authority of Investment.
- Law No. (32) Year 1982 regarding civil information system and amending laws thereof.
- Law No. (47) Year 1993 regarding housing welfare and amending laws thereof.
- Law No. (27) Year 1995 and amending laws thereof.
- Law No. (19) Year 2000 regarding supporting and encouraging national labor to work in non- governmental bodies and amending laws thereof.
- Law No. (5) Year 2005 regarding Kuwait municipality.
- Law No. (7) Year 2008 regarding the organization of building, operating, and alteration. And amending some provisions of decree- law No. (105) year 1980 regarding state prosperity system.
- Law No. (8) Year 2008 regarding the amendment the title and some provisions of law No. (50) Year 1994 regarding organizing the use of undeveloped lands owned by the state.
- Law No. (6) Year 2010 regarding working in the private sector.

- Law No. (7) Year 2010 regarding stock market authority and organizing the activities of the trade bills.

And being the peoples assembly has approved the below mentioned law, so it has been approved and issued by us.

Article (1)

The text of article (30) of law No. (47) year 1993 shall be substituted with the following text:

If the head of the family owned a house which can be evaluated or sold with an amount less than (K.D 300000) then he is entitled to receive the loan referred to in article (28) of this law, provided that the amount of the loan and the amount of the ownership, evaluation or sale shall not exceeded to (K.D 300000). In applying this provision, the house shall be considered owned by the family man if that house passed by any director indirect way to his wife or anyone of his dependent children, without the prejudice of the right of the children to benefit from housing welfare according to the procedures set forth by the board of directors of credit and saving Bank, whenever they satisfy the conditions required.

Article (2)

Tow new paragraph shall be added to article No. (27) of law No. (47) year 1993, and a new chapter titled "chapter 3 bis" shall be added to article (27), this chapter shall include (6) new article: 27 bis, 27 bis (a), 27 bis (b), 27 bis (c), 27 bis (d), 27 bis (e). a final paragraph shall be added to article (28). A new article with the number 36 bis shall be added after article (26) with the following text:

Article (27) second and third paragraph:

All houses, apartments and plots (including the constructed plots) have to be designated according to the provisions of law No. (27) year 1995 to housing welfare deserved citizens according to the provisions of this law and No. (27) year 1995 with the conditions included in the said provisions.

Any reserve of these houses apartments or plots for whatever reasons, designated then to any authority, or disposal of the units on a way that may contradicting the provisions of the afore said paragraph shall be null and void.

Chapter 3 bis

Housing cities

(Article 27 bis):

Public Authority for Housing Welfare shall be obligated within (3) years from the date of this article come into force, to provide sufficient lands to construct a number of housing cities at least with 200000 plots, not taking into regard the lands which have been previously designated for the public Authority for Housing Welfare, and without of projects of housing projects which the Authority currently undertaking.

The State minister of housing affairs shall submit to national assembly and council of the ministers a report in January and July every year regarding the areas of lands made available to the Authority and within one year of receiving the lands to establish a Kuwait shareholding company of each housing city for the execution.

The Authority shall be conduct a public auction to establish a joint shareholding company to execute Al khairan Housing city within (9) months from the date this article come into force. And place a public auction to establish a shareholding company to execute Al Mutla Housing

city within one year from the date of this chapter come into force, according the provisions thereof.

Article 27 bis (a):

The shares of the companies referred to in the aforesaid article shall be as follows:

- a- 40 percent the Authority shall place in a public auction among the companies enrolled in Kuwait stock- market and other companies on which the council of ministers approve to engage in that public sale, provided that the capital of the company may not less than the stated capital of the company so as to enrolled in Kuwait stock market. The public auction shall be awarded to the highest bidder over the nominal value plus organization expenses if any- the company on which the public auction was won shall shall have the priority to purchase the shares which passed to the state by virtue of the provisions of article 27 bis (c) of this law with the same price which the public sale has adjudicated. In case that company is not desirous, the shares shall be placed in a public auction according to the provisions of this clause.
- b- (10) percent to the government and its affiliated authorities.
- c- (50) percent as a public shares to the Kuwaiti citizens.
- d- The surplus resulted from the sale of shares shall be transferred to the state public reserve, according to clause (a) of this article.
- e- The term of contract of each company of the companies referred to article (27 bis) of this law shall be (45) calendar year from the date of concluding the contract.

Article 27 bis (b):

Public Authority for Housing Welfare shall determine the capital of each company referred to in article (27 bis) of this law, and shall distribute all shares designated to the public among all the Kuwait citizen which as the names are enrolled in public Authority for civil information in the day of issue, without designated for the fractions of the shares. The amount of the subscription shall be paid by the citizens to the state according to the procedures and way determined by the public Authority for Housing Welfare without any interests, fees or increase over the price of the share in the subscription in one year time starting from the following month of which the Authority call the citizens to pay the amount of subscription through the Kuwaiti media.

Article 27 bis (c) :

The fractions of undesignated shares for the citizens shall pass to the state and moreover, all shares that the citizens did not pay their dues from the following day of the fixed time to settle such dues for whatever reasons. The state shall purchase such shares to the company on which the public auction was won if it desired, with the same price on which the public auction has been adjudicated. If the company is not desirous, the shares shall be placed in a public auction according to the provisions of clause (a) of article 27 bis (a) of this law.

Article 27 bis (D):

The Authority shall determine in the documents of each project the requirements and elements needed such as No. of the apartments, area of each apartment, percentage of the commercial, investment and other uses, all what is related to the commitments of the company in designing, executing, operating, maintenance and transferring the right of use from the citizen to the state upon the end of the contract. With the exception of all what is related to the planning any amendments on the elements of the project after place the shares in a public sale according to the provisions of clause (a) of article 27 bis (a) of this law may not be carried out regarding to increase/ decrease the areas designated for the commercial, investment, apartments, utilities or services in whatever way that may affect the shares of the company placed in a public auction according to the provisions of clause (a) of article No. (27) bis (a) of this law.

The infrastructure and the community facilities have to be executed as specified by the Authority in the tender documents moreover, all the housing units whether they are apartments, houses, or plots have to be handed over to the Authority suitable for housing or building – according to the case- in a date not later than (6) years from the date of concluding the contract.

Article 27 bis (E):

The executive decree- law of this chapter shall be issued within (3) months of the date of which it come into force, according to what the minister of finance and the minister of state for housing affairs exhibit and before the placement of the percentage determined in clause (a) of article 27 bis (a) of this law in a public auction. This decree- law shall include the procedures of registering all elements of each city referred to in article (27 bis) in the name of the state, and the content of the agreement the Authority conclude with each company, determining the percentage of the employment of Kuwaiti personnel, provided that the percentage shall not be less than (70) percent of the total of the employees of the company, the conditions of their training. In addition to all technical, conditions of contract such as environmental, financial, economical, as well as the conditions of safety and the elements that the company has the right to use during the term of the contract, and any other conditions that may govern the relationship between the two parties and determine their obligations.

The company shall submit to the minister of state for housing affairs, within (3) months of the end of every financial year a list of the names and numbers of the Kuwaiti personnel working in the company and their jobs, as well as numbers and names of who have received training during the last financial year and their percentage to the total numbers of the Kuwaiti in the last three years.

The minister shall send a copy of this list to the national assembly and the council of ministers with an attachment of the observations of the Authority on what is mentioned thereof.

Article 28 last paragraph:

Taking into consideration the availability of granting loans conditions it is not permitted to decrease, the amount of the paid loan or the increase of the amount of the monthly installment in case the borrower sold his house for the first time.

Article (36 bis):

The provisions of law No. (15) year 1960, and law No. (7) year 2008-prevails as the case may be- apply to chapter (3 bis) and chapter (4 bis) of this law when there is no specific stipulations and no contraction with the provisions of the said law.

The first board of director of the found company shall be exempted regarding the percentage of the shares that a member of the board of directors has to own the provisions of articles (27 bis) and (30 bis) of this law.

Article (3)

Any provision that may contradict with the provisions of this law, shall be null and void.

Article (4)

The prime minister and the minister- each according to his jurisdiction- has to execute this law, this law shall apply from the date of its publication in the official gazette.

Amir of the State of Kuwait

Jaber Al Ahmed Al -Sabah

Issued in Saif palace

In 16th of Rajab 1431 H

Corresponding to 28/6/2010

Explanatory Note of law No. (50) Year 2010

Amending some provisions of law No. (47) Year 1993 regarding housing welfare

In spite of efforts done by the state to provide housing welfare for the Kuwaiti family especially after issuing law No. (47) Year 1993 regarding housing welfare and law No. (27) year 1995 regarding participation of the private sector in developing unbuilt lands owned by the state for housing welfare purposes aiming to end the waiting period and provide housing welfare for the citizens eligible for housing welfare according to their choice wither houses, apartments or plots upon submission of the applications.

Therefore it become necessary to reconsider the systems applied in the execution and introduce new ways by which the private sector can play an important rule to end of waiting and save money of the state paid as rent by the government.

As it become necessary to reconsider the utmost objectives of article (30) of law No. (47) year 1993, and aiming to facilitate the procedures to the citizens who deserved housing welfare and to the borrower who sell his house for the first time, and in order to emphasis that houses, apartments or plots may not be reserved to citizens other than who deserve housing welfare, and deal with that units in any way according to law No. (47) year 1993 and law No. (27) year 1995. this law prepared a text in article (1) thereof to be substituted with the text of article (30) of law (47) year 1993 which provided that "If the head of the family owned a house which can be evaluated or sold with an amount less than (K.D 300000) then he is entitled to receive the loan referred to in article (28) of this law, provided that the amount of the loan and the amount

of the ownership, evaluation or sale shall not exceeded to (K.D 300000). In applying this provision, the house shall be considered owned by the head of the family if that house passed by director, direct or indirect way to his wife or anyone of his dependent children even without prejudice to the right of the children enjoy housing welfare according to the procedures set forth by the board of directors of credit and saving Bank, whenever they satisfy the required conditions ".

"Article (2) states that two new paragraph shall be added to article No. (27) of law No. (47) year 1993, and a new chapter titled "chapter 3 bis" shall be added to article (27), (new towns) this chapter shall include (6) new articles: 27 bis, 27 bis (a), 27 bis (b), 27 bis (c), 27 bis (d), 27 bis (e). a final paragraph shall be added to article (28). A new article with the number 36 bis shall be added after article (26) with the following text:"

Article (27) second and third paragraph was amended as follows:-

All houses, apartments and plots (including the constructed plots) have to be designated according to the provisions of law No. (27) year 1995 to housing welfare eligible citizens according to the provisions of this law and according to law No. (27) year 1995 with the conditions included in the said provisions.

Any reservation of these houses apartments or plots for whatever reasons, or allotted to any authority, or dealt within any way that may contradict with the provisions of the afore said paragraph shall be null and void".

A new paragraph has been added to the law under number 27 bis which provided:

Public Authority for Housing Welfare is obligated within (3) years from the date that this article comes into force, to provide sufficient lands to construct a number of new towns at least with 200000 plots, away from the lands which have been previously designated for the public Authority for Housing Welfare, and projects of housing which the Authority is currently undertaking.

The minister of state for housing affairs shall submit to the national assembly and council of ministers a report in January and July every year regarding the areas of lands made available and the Authority is obligated within one year of receiving the lands necessary to establish the housing towns, to form a Kuwaiti shareholding company for each towns.

The Authority is obligated to place a public auction to establish a share holding company to execute Al-Khairan Housing city within (9) months from the date this article come into force. And place a public auction to establish a joint share holding company to execute Al-Mutla Housing city within one year from the date of this article come into force, according the provisions thereof".

Article 27 bis (a) provided that:

" The shares of the companies referred to in the aforesaid article shall be as follows:

- a- 40 percent the Authority shall place in a public auction among the companies enrolled in Kuwait stock- market and other companies approved by the council of ministers participation in the public auction, provided that the capital of the company may not be less than the capital needed for the company enroll in Kuwait stock market. The public auction shall be awarded to the highest bidder over the nominal value plus organization expenses if any- the company on which the public auction been awarded has adjudicated shall have the priority to purchase the shares which passed to the state by virtue of the provisions of article 27 bis (c) of this law with the same price which the public auction was awarded. In case that company is not desirous, the shares shall be placed in a public auction according to the provisions of this clause.
- b- (10) percent to the government and its affiliated authorities.
- c- (50) percent for the public shares to Kuwaiti citizens.
- d- The surplus resulted from the sale of shares shall be transferred to the state public reserve, according to clause (a) of this article.

- e- The term of contract of each company of the companies referred to article (27 bis) of this law shall be (45) calendar years from the date of signing of the contract".

Article (27) bis (b) provided that:

"Public Authority for Housing Welfare shall determine the capital of each company of the companies referred to in article (27 bis) of this law, and shall distribute all shares designated to the public equity among all the Kuwaiti citizen names as registered in public Authority for civil information in the day of issue, without designation for the fractions of the shares. The amount of the subscription shall be paid by the citizens to the state according to the procedures and way determined by the public Authority for Housing Welfare without any interests, fees or increase over the price of the share in the subscription maximum in one year time starting from the following month of which the Authority call the citizens to pay the amount of subscription through the Kuwaiti media".

Article 27 bis (c) provided that:

"The fractions of undesignated shares for the citizens shall pass to the state, moreover, all shares that the citizens did not pay their dues for the following day of the fixed time to settle such dues for whatever reasons. The state shall sell such shares to the company on which the public auction was awarded if it desired, with the same price on which the public auction has been awarded. If the company is not desirous, the shares shall be place in a public auction according to the provisions of clause (a) of article 27 bis (a) of this law".

Article 27 bis (d) provided that:

"The Authority shall determine in the documents of each project the requirements and elements needed such as the No. of the apartments, area of each apartment, percentage of the commercial, investment and other uses, all what is related to the obligations of the company in designing, executing, operating, maintenance and transferring the right of use from the citizen

to the state upon the end of the term of the contract. With the exception of all what is related planning to organization of plots, any amendments to the elements of the project after the place of the shares in a public auction according to the provisions of clause (a) of article 27 bis (a) of this law may not be carried out regarding increase or decrease of the areas designated for the commercial, investment, apartments, utilities or services in whatever way that may affect the basis on which the shares of the company placed in a public auction according to the provisions of clause (a) of article No. (27) bis (a) of this law.

The infrastructure and the community facilities have to be executed according to what the Authority has shown in the conditions of the contract, moreover, all the housing units whether they are apartments, houses, or plots have to be handed over to the Authority suitable for housing or building – according to the case- in a date not later than (6) years from the date of concluding the contract".

Article (27) bis (e) provided that:

"The executive decree- law of this chapter shall be issued within (3) months of the date of which it come into force, according to what the minister of finance and the minister of state for housing affairs exhibit and before the placement of the percentage determined in clause (a) of article 27 bis (a) of this law in a public auction . This decree- law shall include the procedures of registering all elements of each city referred to in article (27 bis) in the name of the state, and the content of the agreement the Authority concluded with each company, determining the percentage of employment of the Kuwaiti employees, provided that the percentage shall not be less than (70) percent of the total of the employees of the company. The conditions for their training, in addition to technical, environmental, financial, economical conditions, as well as the conditions of safety and the elements that the company has the right to use during the term of the contract, in addition to the other conditions that may govern the relationship between the two parties and determine their obligations.

The company shall submit to the minister of state for housing affairs, within (3) months of the end of every fiscal year a list of the names and numbers of the Kuwaiti working in the company and their jobs, as well as numbers and names of those who have received training during the last fiscal year and their percentage to the total numbers of the Kuwaiti in the last three years.

The minister shall send a copy of this list to the national assembly and the council of ministers attaching with it observations of the Authority on what mentioned thereof".

Article 28 last paragraph provided that:

" Taking into consideration the availability the other conditions of granting loans, the amount of the paid loan or increase the amount of the monthly installment in case the borrower sold his house of the first time".

Article 36 bis provided that:

"The provisions of law No. (15) year 1960, and law No. (7) year 2008- as the case may be- shall apply to chapter (3 bis) and chapter (4 bis) of this law when failing specific stipulations provided that it may not contradict with the provisions of the said law.

The first board of directors of the company shall be exempted from the condition of the determined percentage of the shares that a member of the board of directors has to own according to the provisions of articles (27 bis) and (30 bis) of this law".

Article (3) provided that:

"Any provision that may contradict with the provisions of this law will be null and void".

Law No. (2) Year 2011

Adding a new paragraph to article (15) of law No. (47) Year 1993 regarding housing welfare and adding articles No. (28, 28 bis (a), 28 bis (b), 28 bis (c), and 33 bis) and its explanatory note

Law No. (2) Year 2011

Amending some provisions of law No. (47) Year 1993

Regarding housing welfare

Having perused:

- The constitution.
- The Emiri decree- law No. (15) Year 1959 regarding the Kuwaiti nationality and amending laws thereof.
- Law No. (12) Year 1960 regarding organizing of legal opinion and legislation department of the Kuwaiti government.
- Law No. (30) Year 1965 regarding establishing credit and saving Bank and amending laws thereof.
- Decree – law No. (38) year 1980 regarding civil and commercial law and amending laws thereof.
- Law No. (40) Year 1980 regarding issuing a law organizing the expertness and amending laws thereof.
- Decree – law No. (23) Year 1990 regarding the organization of the judicature and amending laws thereof.
- Law No. (47) Year 1993 regarding housing welfare and amending law thereof.
- Law No. (5) Year 2005 regarding Kuwait municipality.

And being the national assembly has approved the below mentioned law, so it has been approved and issue by us.

Article (1)

A final paragraph shall be added to article (15) of law (47) year 1993, in addition to (5) new articles with numbers 28 bis (a), 28 bis (b), 28 bis (c), and 33 bis with the following texts:-

Article 15 (last paragraph):

Observing the provisions of the aforesaid mentioned paragraph, and without the prejudice to the conditions which should be fulfilled to accept an application, who got married with a non-Kuwaiti who has been granted the Kuwaiti citizenship, such wife which her application has been accepted and registered in 1989 or before that date shall have the priority as from the date her husband was granted the Kuwaiti citizenship.

Article (28 bis)

With the exception of the aforesaid provisions, and without the prejudice of the conditions to be fulfilled of the citizen who deserved the housing loan, the Credit and Savings Bank shall grant loans without interest not exceeding to the amount stipulated in the aforesaid article for the purpose of providing a suitable housing to the irrevocable divorced Kuwait- woman, and to the widowed Kuwaiti-woman if they have children, if the requirements of the housing welfare is not applicable to them according to the provisions of this law, provided that any of them has the right of housing, unless waiving this right.

Credit and Savings Bank, upon fulfilling the requirements of lending loans according the said article, grant any of the said woman a suitable housing with a low rent instead of a loan.

Article 28 bis (a):

Credit and saving Bank according to the conditions determined by the decree referred to in article 28 bis (b) of this law, shall provide a suitable housing to the following categories with a low paid rent:-

- 1- A Kuwait woman married to a non- Kuwaiti and has children.
- 2- A Kuwaiti woman married to a non- Kuwaiti who residing in Kuwait and has no children, provided that (5) years of her marriage have elapsed.

- 3- (a) Kuwaiti woman who is irrevocably divorced and has no children.
(b) Kuwaiti woman widowed who has no children.
(c) Unmarried Kuwaiti woman of (40) years of age, provided that the number of women who will provided a house according to this clause must be two relative women up to the third degree.

Article 28 bis (b):

The conditions, regulations and the procedures of granting the loans shall be determined according a decree to be issued upon the proposal of the minister within (3) month from the date of applying the aforesaid two articles and this article, as well as the conditions of granting the suitable housing with a low- rent amount, and the date and documents required to be submitted to apply for the applications.

Credit and Savings Bank has to provide the loan application, or law- rent amount applicant with its decision in writing acceptance/refusing of the application and reason of refusal within three months after fulfillment of all the requirements by the applicant.

Article 28 bis (c):

In all cases housing designated for low- rent according to the provisions of articles 28 bis and 28 bis (a) of this law may not be subletted, used in a purpose other than it designated for, assigned or be exchanged.

In case of any violation, credit and saving Bank shall notify the defaulter to remedy the violations within (3) month from the date of the notification. If the defaulter failed to remedy the reasons of the violation within the determined period, the Bank shall have the right to evacuate the house through administrative ways without the need to take any judicial action.

The minister shall submit to the national assembly and the council of the ministers during month of October of every year a report regarding the violations referred to the in the aforesaid paragraph and the actions that have be taken regarding such violations.

Article 33 bis:

Deputes resolving committee regarding housing welfare affairs shall be formed. A decision of the council of Ministers shall assign Justice from the supreme judicial council to reside the committee and the membership of:-

- 1- Two judges from the court of the first instance.
- 2- A representative with a degree not less than assistant justice from legal opinion and legislation department.
- 3- A representative of experts department.
- 4- A representative of Kuwait municipality.
- 5- A representative of public Authority for Housing Welfare.

The dispute shall be forwarded first to the committee to settle the dispute before filing the case to courts. If the committee failed to settle the dispute within (3) month from the date of submission the case, then concerned defended may resort to the courts and the decision of the committee shall be forcible unless the court issued a counter ruling. The minister shall issue a decision regulating the work of the committee.

Article (2)

The prime minister and the minister – each according to his jurisdiction- shall execute this law.

Amir of the State of Kuwait

Jaber Al-Ahmed Al-Sabah

Issued in Saif palace

**In 30th of Safer 1432 H
to 24/1/2011**

Corresponding