

Non-Qatari Individuals: Investment in Real Estate and Succession Planning

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Ownership of Real Estate in Qatar by Foreigners

Pursuant to the Law on Non-Qatari Ownership and Use of Real Estate (Law No.16 of 2018) ('Foreign Real Estate Ownership Law'), non-Qataris (natural persons and legal entities) can have freehold ownership as well as usufruct rights (leasehold rights for 99 years) in real estate in certain designated areas in Qatar. This article focuses on ownership and leasehold rights of Non-Qatari natural persons.

Real Estate is defined under Article 1 of the Foreign Real Estate Ownership Law as land space, buildings, structures, residential units and detached units in residential complexes.

Article 4 of the Foreign Real Estate Ownership Law allows the Committee for the Regulation and Use of Non-Qatari Property Ownership at the Ministry of Justice to propose areas where non-Qataris are allowed to own and use real estate and the terms and conditions of such non-Qatari ownership and use of real estate. The Committee sends its proposals to the Council of Ministers who then issue decisions to implement the provisions of the Foreign Real Estate Ownership Law.

According to recent media reports, the Council of Ministers has designated the following freehold ownership areas for non-Qataris – West Bay Lagoon (Area 66), The Pearl-Qatar (66), Al Khor Resort (74), Rawdat Al Jahaniyah (investment area), Al Qassar (administrative area 60), Al Dafna (administrative area 61), Onaiza (administrative area 63), Al Wasail (69), Al Khraij (69) and Jabal Theyleeb (69).

The areas where non-Qataris can lease real estate for 99 years are: Msheireb (Area 13), Fereej Abdelaziz (14), Doha Al Jadeed (15), New Al Ghanim (16), Al Refaa and Old Al Hitmi (17), Aslata (18), Fereej Bin Mahmoud (22), Fereej Bin Mahmoud (23), Rawdat Al Khail (24), Mansoura and Fereej Bin Dirham (25), Najma (26), Umm Ghuwailina (27), Al Khulaifat (28), Al Sadd (38), Al Mirqab Al Jadeed and Fereej Al Nasr (39) and the Doha International Airport area (48).

The addition of Al Dafna and Onaiza as freehold ownership areas significantly covers most of the towers in the lucrative West Bay area.

Under Article 4 of the Law on Real Estate Registration (Law No. 14 of 1964) ('Real Estate Registration Law'), ownership and leasehold rights and any actions that would transfer, change or demise a property, are to be registered with the competent authority which is the Real Estate Registration Department at the Ministry of Justice. If the registration is not concluded, then the rights and obligations of the parties are governed only by the contract between them.

Under Article 6 of the Real Estate Registration Law, the matters that are to be recorded with the relevant Ministries include the particulars of the individual owner – name, surname, age, nationality, place of residence, father's name as well as details of the property and any special rights or arrangements in relation thereto.

As regards registration, the title deed and proof of payment and any mortgage documents are recorded with the relevant Department at the Ministry of Municipality and Urban Planning. Thereafter, a registration is done with the Real Estate Registration Department at the Ministry of Justice. In certain areas, the registration process is handled through the administrators of those areas so for example, in Lusail, the registration process is handled through Qatari Diar Real Estate Investment Company, while for The Pearl, the registration is handled through United Development Company.

Death of Non-Qatari Owner of Real Estate in Qatar

Article 2 of the Foreign Real Estate Ownership Law provides that the right granted to a non-Qatari in long term leasehold real estate shall not expire upon death but shall be transferred to the deceased's heirs unless there is an agreement to the contrary between the parties.

Articles 23 and 24 of the Qatari Civil Code (Law No. 22 of 2004) ('Civil Code'), provide that the laws of the deceased's home country (the country of nationality of the deceased) at the time of death will apply in relation to inheritance laws, even if the deceased was Muslim. Qatari law will apply only if the deceased is a Qatari national, or if an estate exists in Qatar which is left without any beneficiaries or heirs.

Process of Transfer of Real Estate to Heirs of Deceased Non-Qatari Individual

In the absence of a will, the heirs of the non-Qatari deceased would be required to obtain an official inheritance certificate issued by a competent authority in the home country of the deceased along with the death certificate issued by the competent authority from the country in which the individual died. The inheritance certificate is required to contain the names of the heirs and their allocated share in the estate of the deceased (to be determined in accordance with the applicable law in the home country of the deceased).

The inheritance certificate is required to be authenticated by the issuing competent authority in the home country of the deceased, then by the Ministry of Foreign Affairs in the home country, the Qatari Embassy in the home country, and finally upon its receipt in Qatar, by the Ministry of Foreign Affairs in Qatar. Where documents are not in Arabic, Arabic translations may be required. If the translations are done in the deceased's home country, then the translation will have to be attested. If the translations are done in Qatar, these would be through Qatar approved translators and would not require any attestations.

The heirs will then submit the duly authenticated and attested inheritance certificate to the Real Estate Registration Department of the Ministry of Justice.

After receiving the duly authenticated inheritance certificate, the Real Estate Registration Department of the Ministry of Justice shall proceed with the recordal of the real estate in the names of the heirs of the deceased.

If the deceased has left a will, then depending on the law of that country, a notarised will or a formal document, such as a court order, issued by the competent jurisdiction permitting the execution of the will or appointing the executor of the will shall be required to be produced. The authentication procedures described above would have to be followed for the purposes of the will as well as the court order (if any). After receiving the duly authenticated documents, the Real Estate Registration Department of the Ministry of Justice shall proceed with the recordal of the real estate in the names of the heirs of the deceased.

Bearing in mind that in certain areas such as Lusail or The Pearl, the heirs will also have to record the documents with the administrators of those areas.

There are fees applicable regarding the recordal of ownership (whether freehold or leasehold) payable by the owner and in the event of the death of the owner, by the heirs of the deceased to the relevant authorities/administrators.

Conclusion

As part of Qatar's National Vision 2030 and in the shorter term, as Qatar gears up for the 2022 World Cup, major infrastructure developments have been taking place. The increase in the number of areas where foreigners can own or long-term lease properties complements Qatar's vision for economic development. This coupled with the fact that the ownership continues to be vested in the heirs of a non-Qatari individual even after the death of such an individual (subject to the fulfilment of certain criteria), may well further encourage non-Qatari investment in real estate in Qatar.

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