

شعبــة الــتــرجــهــة الرســـهيــة Official Translation Department

Law of Real Estate Registration

Royal Decree No. M/6 April 24, 2002

Translation of Saudi Laws



NOTE:

The translation of Saudi laws takes the following into consideration:

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

Law of Real Estate Registration

Definitions

Article 1

The following terms and phrases —used herein— shall have the meanings assigned thereto unless the context requires otherwise:

Real Estate Register: A register which includes documents pertaining to the description, location and legal status of a real estate as well as its rights and obligations and any modifications thereto.

Real Estate Area: A group of real estate units marked by principal roads or fixed and clear landmarks.

Map: A cadastral architectural drawing based on a national coordinates system indicating the location, boundaries, landmarks, numbers, dimensions, and size of a real estate area and unit(s).

Topographic Base Maps: A representation of a certain area of land surface with its different landmarks, according to a precise scale that represents a fixed ratio between the linear dimensions of the map and the original corresponding dimensions on the ground.

First Entry: Entering real estate units in the real estate register for the first time on an as-is basis and assigning a particular cadaster for each unit, in accordance with the provisions of this Law.

Boundary Marking and Recording: Inspecting the real estate unit; drawing a map thereof by an architect or surveyor, indicating number and details thereof; and recording statements made by the owner along with supporting documents as well as statements of any person claiming a right thereto and statements of neighbors and others, if necessary, using the form designated for this purpose. This shall be carried out under the supervision of a judge of the competent court.

Subsequent Entries: Entry of any disposition relating to the real estate unit following the completion of the first entry in the real estate register.

Competent Court: The court under whose jurisdiction the property falls.

Real Estate Right: A right recognized by law for one person or more over a particular property, allowing disposition thereof and benefit therefrom.

Original Right *in Rem*: An independent right, not based on another right, relating to the use, exploitation, or disposition of the property subject of such right.

Subordinate Right *in Rem*: A right established for the property to guarantee a right *in personam*.

Right of Easement: A real estate right *in rem* limiting the utilization of a property for the benefit of another property owned by another person.

General Provisions

Article 2

A real estate register shall be established in accordance with the provisions of this Law to record real estate rights and amendments thereto.

Article 3

The real estate register shall be dispositive, and its data may not be contested upon expiration of the periods specified for objection under this Law, unless it violates the requirements of Sharia or upon forgery.

Article 4

For the purposes of implementing the provisions of this Law, a real estate unit shall be defined as:

- any plot of land, including any buildings, plants, etc. existing thereon, that is located in one real estate area and owned by one or more persons, without any part thereof separated from the other parts by any public or private property, and without any part thereof subject to a right or an obligation that the other parts are not subject to;
- 2. any plot of land allocated for public benefit, in accordance with rules set forth in the implementing regulations; and
- 3. mines and quarries.

Article 5

Pursuant to a decision by the Minister of Justice and upon agreement with the Minister of Municipal and Rural Affairs, a residential area or any other area may be deemed a real estate unit in its entirety, with a single public cadaster, in cases where it is difficult to apply thereto the rules of the real estate unit. A special record shall be created where all transactions and rights pertaining to such areas are entered. Said record shall include names of persons indexed alphabetically and shall be attached to the related cadaster.

Article 6

Each area shall be assigned a real state register, with a single cadaster for each real estate unit, wherein its rights and obligations are recorded. The implementing regulations shall specify the manner of creating such a register and determine data and documents related thereto.

Article 7

Each real estate register shall be supplemented by an alphabetical, personal index from which its data is retrieved. In such index, each owner is assigned one or more cadasters indicating the real estate unit(s) he owns and any changes that may occur thereto.

Real estate rights shall be recorded in the real estate register if they have arisen or been established by reasons of acquisition of rights *in rem* under Sharia. The implementing regulations shall set the conditions and procedures for the entry of such rights.

Jurisdiction

Article 9

The Ministry of Municipal and Rural Affairs and the Ministry of Justice shall be in charge of real estate registration and documentation, in accordance with the following:

- The Department of Land and Survey at the Ministry of Municipal and Rural Affairs shall make a list of real estate units, conduct survey works, draw and update the necessary maps, and set up land information systems. The Minister of Municipal and Rural Affairs shall issue necessary decisions and instructions.
- 2. The Department of Real Estate Registration and Authentication at the Ministry of Justice shall register and authenticate rights relating to real estate units falling within its jurisdiction. If the real estate unit falls within the jurisdiction of several departments, it shall be registered with each department. Registration with any of such departments shall have effect only with respect to the part falling within its jurisdiction.

Article 10

The Department of Real Estate Registration shall maintain original title deeds and rulings based on which entries are made as well as entry-related records and documents. Said deeds, records, and documents may not be removed from the Department nor accessed by other than judicial authorities or their designees from among experts and review panels. This shall not apply to documents relating to the entries of military installations and national economic projects. Such documents shall be maintained at their respective government agencies and shall be subject to applicable confidentiality provisions as provided in relevant laws.

Maps

Article 11

The recording of real estate units in the real estate register shall be based on the following maps:

1. Topographic base maps;

- 2. Maps of real estate units;
- 3. Maps of real estate areas.

Each real estate unit shall have an independent map showing its location, boundaries, dimensions, area, landmarks, any buildings thereon, and numbers of adjacent units.

Article 13

Each real estate area shall have one or more cadastral maps showing the real estate units located therein and their numbers. Such maps shall be drawn on the basis of topographic base maps and maps of the real estate units and shall not be deemed final except upon completion of boundary marking and recording.

Article 14

The concerned parties shall, upon their request, be given copies of the maps of real estate units after paying the required fees.

First Entry

Article 15

This Law shall be implemented in phases. The Minister of Justice shall, upon agreement with the Minister of Municipal and Rural Affairs, issue a decision designating the real estate area(s) to which this Law will be applied. Said decision shall be published in the Official Gazette and announced in the manner specified by the implementing regulations.

Article 16

The judge overseeing the first entry shall, immediately upon publication of the decision of the Minister of Justice referred to in Article 15 herein, issue a decision specifying the date of commencement of boundary marking and recording. This decision shall be published in the Official Gazette at least 60 days prior to the commencement of such works and shall be announced in the manner specified by the implementing regulations. Said announcement shall include an invitation to the concerned parties or their legal representatives to provide information about their property, indicate their rights, and provide supporting documents at the specified dates and places.

Article 17

The Department of Land and Survey shall prepare maps necessary for boundary marking and recording as well as an inventory of the real estate units and shall mark each unit with fixed state-owned markers.

Each entity shall submit data and documents in its possession which relate to real estate registration to the departments of real estate registration and shall have them attested within 30 days from the date they are requested.

Article 19

A person taking possession of a real estate unit, regardless of the reason therefor, shall allow the employees in charge of survey works to carry out boundary marking and set up necessary markers.

Article 20

The real estate unit cadaster shall contain the unit's number, boundaries, dimensions, area, buildings thereon, names of owners and their shares, adjacent real estate units as well as rights and obligations, including date of their establishment and names of concerned parties, as specified in the implementing regulations.

Article 21

In case of conflicting title deeds in respect of a single real estate unit, the rights shall be entered in the name of the person whom the judge supervising the first entry finds as the rightful owner, and a report to this effect shall be attached to the real estate cadaster.

Article 22

The first entry in the real estate register shall be conducted under the supervision of a judge from the court within whose jurisdiction the property is located, assisted by a number of engineers and surveyors in carrying out boundary marking and recording. Such engineers and surveyors shall be assigned pursuant to a decision by the Ministry of Municipal and Rural Affairs and shall report thereto with respect to technical and administrative activities.

Article 23

The Minister of Justice may postpone for a period not exceeding three years the boundary marking and recording of any real estate unit upon a reasoned recommendation of the judge supervising the first entry, if public interest so requires.

Article 24

Upon completion of boundary marking and recording, a report to this effect shall be prepared and signed by the judge supervising the first entry, and the details of the marked real estate units shall be announced. The announcement shall include an invitation to the concerned parties to view details of their units and deadline for objection thereto. A notice shall be sent to each unit owner indicating the real estate units entered in his name in the boundary marking and

recording schedules as well as rights and obligations pertaining thereto. Said announcement and notice shall be in accordance with the implementing regulations.

Article 25

The concerned parties may object to the outcome of boundary marking and recording within 60 days from the date of announcing its completion. Registration shall be suspended until such objections are decided.

Article 26

The judge supervising the first entry shall issue a decision to form a committee to consider the objections referred to in Article 25, consisting of a member assigned by the judge and a specialist nominated by the Ministry of Municipal and Rural Affairs. Said committee shall conduct necessary investigation and inspection and submit a report thereon to the judge within 30 days from the date of receipt of such objection. The judge shall issue a decision either to maintain the status quo or to conduct necessary rectification. Such decision shall be communicated to the concerned parties.

Article 27

Boundary marking and recording reports against which no objections are made shall be submitted to the judge supervising the first entry according to the serial numbers of the real estate units. Upon verification of their validity, the judge shall certify them and order their entry into the real estate register; otherwise, he shall order completion of the records and the conduct of necessary investigations, before deciding to certify or deny certification, providing grounds for such denial.

Article 28

Any party with interest may object to the data included in the real estate unit cadaster and petition the judge supervising the first entry to change it within a period of one year from the date of entry in the real estate register. Such period may, pursuant to a decision by the Minister of Justice, be extended for an additional period(s) not exceeding one year. The objection shall be considered and decided on in accordance with the implementing regulations.

Article 29

The judge supervising the first entry shall prepare a list of real estate units arranged according to their serial numbers and against which objections are filed, and shall consider the same according to the date of submission of the suit or claim. The judge may seek the assistance of the Ministry of Municipal and Rural Affairs in the preparation of the data memorandum and remarks related thereto prior to considering the objection.

The effect of the first entry in respect of the real estate units, subject of the objection, shall be suspended pending a judgment or decision by the judge supervising the first entry. The judge shall promptly decide on such objection, even in the absence of the concerned parties, after verifying that they have been notified of the date set for consideration of the objection, as specified by the implementing regulations.

Article 31

Claims and petitions filed in objection to the first entry in the real estate register shall not be heard before any judicial authority after the expiration of the deadlines referred to in Articles 28 and 34, except in accordance with Article 3.

Article 32

Rulings and decisions made by the judge supervising the first entry in respect of claims and petitions filed in objection to the first entry shall be announced and communicated to litigants and petitioners. Such rulings and decisions shall be final in the following cases:

- 1. The requested change in the register data is agreed upon by the concerned parties listed on the cadasters of the real estate units.
- 2. The requested change does not affect the right of any person listed in the real estate register.

Article 33

With the exception of the two cases provided for in Article 32, the concerned parties may appeal the rulings made by the judge supervising the first entry within 30 days from the date of pronouncement thereof.

Article 34

An objection to the data contained in the real estate register may be filed before the competent court within two years from the date of entry into the register in case of the emergence of new evidence or documents that were not previously accessible.

Article 35

A minor or legally incompetent person at the time of entry into the cadasters of the real estate register may appeal such entry before the competent court within five years from the date of attaining majority or within two years from the date of regaining competency.

Entries Subsequent to the First Entry

Article 36

All dispositions that create, transfer, change, or dispose of an original or subordinate right *in rem* as well as any final rulings establishing any of the above shall be entered in the real estate register. Such dispositions shall include real estate division, bequest, endowment, inheritance, and pledge, and they shall not have any effect on a third party except from the date of entry into the register.

Article 37

Lease contracts and bonds relating to property usufruct that are valid for a period in excess of five years as well as settlements and remittances paid in advance of a value exceeding three years' rent, and any final rulings establishing any of the above, shall be entered into the register. Failure to enter the same shall render such rights not effective against third parties for any period exceeding the above-mentioned periods.

Article 38

Rights derived from inheritance shall be recorded if they include real estate rights *in rem*. Until such entry is made, no disposition by the heir concerning any of these rights may be entered into the register.

The entry of said rights may be limited to part of the inherited real estate, in which case no disposition by the heir may be entered into the register except within the limits of his share.

Article 39

Notations of documents establishing a testator's ordinary debt shall be made in the real estate register. A creditor of the estate shall inform the concerned parties of such debt prior to its notation, and said notation shall only be invoked from the date of its implementation. However, if the notation is made within one year from the date of entry referred to in Article 38, the creditor may invoke his right against any person who has received from the heir a real estate right *in rem* and entered it prior to such notation.

Article 40

Notations of claims relating to a real estate right *in rem* or a disposition required to be entered shall be made in the real estate register at the request of the competent courts after their entry into their records, if such claims involve a request for change in the register's data. The claim may not be heard except upon submission of proof of such notation.

A notation of a claim in the real estate register shall entail the claimant's right, if established pursuant to a final ruling, and shall serve as evidence against persons who have acquired rights or for whose benefit the data entered in the real estate register is established after making such notation, provided the ruling is entered within five years from the date it becomes final. The five-year period for final rulings issued prior to the entry into force of this Law shall commence from its effective date with regard to the real estate area.

Article 42

A notation of an expression of interest in acquisition by pre-emption shall be made in the cadasters of real estate units subject to pre-emption. If the pre-emption right is established pursuant to a final ruling entered into the register, it shall serve as evidence, from the date of the notation, against those who have acquired rights *in rem*, provided the ruling is entered within five years from the date it becomes final. The five-year period for final rulings issued prior to the entry into force of this Law shall commence from its effective date with regard to the real estate area.

Procedures for Entries Subsequent to the First Entry

Article 43

An application for entry shall be submitted to the Department of Real Estate Registration and Authentication under whose jurisdiction the property is located by the concerned parties or their legal representative and shall be accompanied with the title deed and supporting documents. The Department shall maintain a journal for recording the applications of the concerned parties according to the time and date of submission, as specified in the implementing regulations. The entry may not be made in case the cadaster of the real estate unit contains encumbrances that prevent disposition thereof.

Article 44

An application for entry shall be deemed null and void if the applicant does not provide the required data and supporting documents within one year from the date of submission. Such period may be extended for another year if the application for extension is submitted 15 days prior to the end of the first year.

Article 45

If multiple applications for entry are submitted to the Department of Real Estate Registration and Authentication concerning a single real estate unit, such applications shall be considered according to their precedence of entry in the journal, as specified by the implementing regulations.

If an earlier application cannot be completed due to incomplete or insufficient data or documents, the concerned party shall be notified to rectify the same within 15 days from the date of notification. If he fails to do so, the head of the Department of Real Estate Registration and Authentication may issue a reasoned decision to reject the application, forfeit its precedence, or suspend the procedures for the following applications, as applicable, and notify the concerned parties thereof. If the application is rejected or the precedence is forfeited, he shall consider the procedures for subsequent applications upon the lapse of 15 days from the date of such notification.

Article 47

A person notified of the rejection of the application, forfeiture of its precedence, or suspension of procedures may appeal to the head of the Department of Real Estate Registration and Authentication within 15 days from the date of notification. If the head of the Department accepts his appeal, he shall order such entry to be made. If he rejects the appeal, he shall forward it to the competent court for a non-appealable summary ruling. Consideration of subsequent applications shall be suspended pending decision on said appeal.

Article 48

Documents shall be entered in the real estate register according to their order in the journal and the date of entry therein.

Article 49

A fee of an amount not less than 100 riyals and not exceeding 5,000 riyals shall be charged for entries subsequent to the first entry and for issuance of replacement deeds, certificates, and maps. The implementing regulations shall specify the categories and manner of collection of such fee. The Council of Ministers may amend such fee.

Change and Correction of Data in the Real Estate Register

Article 50

No change in the data contained in the real estate register may be made except upon the request of persons entitled to dispose of the rights related thereto or pursuant to final rulings, as specified in the implementing regulations.

Article 51

Applications and related documents that may change cadastral data shall be forwarded to the Department of Land and Survey for review. The Department shall return the same to the Department of Real Estate Registration and

Authentication, together with the findings.

Article 52

The head of the Department of Real Estate Registration and Authentication may, on his own motion or at the request of the concerned parties, correct material errors in the record cadasters prior to the entry. If the entry has already been made, this correction may not be carried out except after notification of the concerned parties, as specified by the implementing regulations. The head of the Department shall prepare a report stating the error, reason therefor, manner of detection, and action taken thereon.

Article 53

The relevant department at the municipality shall inform the Department of Real Estate Registration and Authentication of construction and demolition permits issued to the persons concerned parties regarding real estate units listed in the real estate register, in order to make a notation for each real estate unit, as specified by the implementing regulations.

Article 54

Owners of real estate units must notify the Department of Real Estate Registration and Authentication of any change therein due to the construction, addition, modification, or demolition of buildings within 90 days from the date of such change, accompanied by a certificate attested by the relevant authority. The data of the real estate register shall be updated accordingly.

Article 55

The head of the Department of Real Estate Registration and Authentication may issue a decision to add any licensed change made to the real estate but not entered in the real estate register.

Article 56

A concerned party may file an urgent petition with the court seeking removal of the notation referred to in Articles 39 and 40. The court shall order such removal if the deed of debt is not legally established or if it finds that the claim of which the notation is made was filed for a malicious purpose.

Article 57

The Department of Real Estate Registration and Authentication shall notify each person whose rights have undergone change or removal by way of an entry, erasure, notation, or correction, and shall notify the Department of Land and Survey of all changes made to the real estate register data. This shall be included in detail in the title deed and the certified documents generated from the register, as specified by the implementing regulations.

If the erasure is cancelled, the entry of the right shall regain its original ranking in the real estate register. Such cancellation shall not have a retroactive effect on entries made in the period between the erasure and cancellation.

Article 59

Persons aggrieved by an entry in the real estate register may apply for compensation to be awarded by the initiator and beneficiary of such entry once it is proven that it has been made without justification.

The Effect of Division and Merger on the Rights and Obligations of Real Estate Units

Article 60

If a dominant real estate unit is subdivided, the easement shall remain applicable to each part thereof, provided this does not encumber the servient real estate unit. If the easement actually applies to only one of these parts, the owner of the servient unit may petition the competent court to remove the easement from the other parts.

Article 61

If a servient real estate unit is subdivided, the easement shall remain applicable to each part thereof, but if the easement is not actually applicable to some of these parts or cannot be applied thereto, the owner of each part thereof may petition the competent court to remove the easement from the part he owns.

Article 62

The Department of Real Estate Registration and Authentication shall notify the owners of dominant and servient real estate units of the two cases provided for in Articles 60 and 61. In case of disagreement between the concerned parties, the matter shall be referred to the competent court.

Article 63

Easement rights shall expire if the servient and dominant real estate units become in the hand of one owner. The Department of Real Estate Registration and Authentication shall automatically strike off such rights without the owner's request.

Article 64

If the real estate unit encumbered with a subordinate right *in rem* is subdivided into two or more real estate units, each new real estate unit shall be encumbered with the entire right *in rem*. The new owners may agree with the owner of the subordinate right to subdivide the same so that each new real

estate unit be encumbered with only one part thereof, as specified by the agreement.

Article 65

If two real estate units are merged and one of which is encumbered with a subordinate right *in rem* while the other is unencumbered, the subordinate right shall extend to include the entire new real estate unit without the consent of the right holder. If both units are encumbered with an independent right *in rem*, the holders of such rights must agree to the merger.

Article 66

A multi-story apartment building shall be deemed as one real estate unit and shall be assigned a real estate cadaster in the real estate register to be supplemented by complementary cadasters carrying the names of the owners of its apartments and stories.

Title Deeds and Certificates

Article 67

Each owner shall receive a copy of his own real estate unit cadaster named "the title deed". If the real estate unit is jointly owned, each owner shall be given a title deed with all the names of the co-owners.

Article 68

The concerned parties shall, upon their request, receive a certificate of the data recorded in the real estate register upon payment of the prescribed fee.

Article 69

A replacement title deed may not be issued except after the first deed is proved to be damaged or lost. The issuance shall be made upon the approval of the head of the Department of Real Estate Registration and Authentication and the payment of the prescribed fee.

Article 70

The concerned parties shall, upon their request, receive a certificate affirming that the title deed conforms to the real estate register data upon paying the prescribed fee.

Transitional Provisions

Article 71

Claims referred to in Article 40, which are being considered by the courts at the time of the entry into force of this Law and the notations of which are not yet made, may not be continued until a notation thereof is made in the real estate register.

For making such notation, the claimants shall be granted a grace period of 60 days from the date of commencement of boundary marking and recording in the real estate area. If evidence of such notation is not produced at the first hearing after the expiration of the grace period, the case shall be dismissed.

Article 72

Real estate transactions conducted during the first entry procedures shall be subject to the following:

- 1. Transactions relating to real estate units, for which boundary marking and recording has been made and against which no appeals have been filed, shall be considered by the judge supervising the first entry in accordance with Article 27, without adhering to the serial numbers of the real estate units.
- 2. Transactions conducted during the consideration of appeals relating to boundary marking and recording filed before the judge supervising the first entry shall be suspended pending a decision on such appeals.
- 3. Transactions taking place subsequent to the adjudication of the abovementioned appeals shall be submitted to the Department of Real Estate Registration and Authentication for consideration of its entry in accordance with the provisions of this Law.

Penalties

Article 73

Without prejudice to any severer penalty prescribed by another law, any person who commits any of the following acts shall be subject to a fine of not less than 5,000 riyals and not more than 100,000 riyals:

- a) Acting in bad faith by having an entry of a real estate made in the name of a person other than its owner, or unlawfully establishing a right *in rem* upon such real estate.
- b) Filing a malicious claim.
- c) Changing or damaging the boundary markers of real estate units. Said person shall be compelled to pay the expenses of restoring them to their former state.
- d) Reporting or attesting to a right *in rem* that does not exist, or refraining from

reporting a right in rem he is aware of.

Article 74

Without prejudice to any severer penalty prescribed by another law, any person who commits any of the following acts shall be subject to a fine of not more than 10,000 riyals:

- a) Failure to make the notification provided for in Article 54.
- b) Refusal to appear before the judge supervising the first entry to initiate the boundary marking and recording procedures, despite being duly notified.
- c) Obstruction of the boundary marking and recording procedures.
- d) Refusal to submit ownership documents.

Article 75

Review of violations of the provisions of this Law and completion of any investigations shall be undertaken by committees formed pursuant to a decision by the Minister of Justice in areas where such committees are required. Each committee shall consist of a representative of the Ministry of Justice, the Ministry of Municipal and Rural Affairs, and the Ministry of Interior. An aggrieved person may appeal any decision issued against him before the Board of Grievances within 60 days from the date of notification thereof.

Article 76

Existing real estate registration provisions shall remain in force for real estate not covered by this Law until the issuance of a decision indicating its inclusion in accordance with Article 15.

Article 77

The Minister of Justice shall, upon agreement with the Minister of Municipal and Rural Affairs, issue the implementing regulations of this Law, which shall be published in the Official Gazette and shall enter into force on the date this Law enters into force.

Article 78

This Law shall be published in the Official Gazette, and shall enter into force one year following its date of publication, and shall repeal all provisions conflicting therewith.