
The English translations of the RERA legislation contained herein are currently in draft form and are provided for reference only.

Resolution No. (6) of 2018 Regarding Regulation of the Duties, Responsibilities and Obligations of Developers

Chairman of the Board of Directors of the Real Estate Regulatory Authority ("RERA"):

Having perused Law No. (27) of 2017 With Respect to Promulgating the Real Estate Sector Regulation Law, particularly Article (15) thereof;

Decree No. (69) of 2017 with respect to the organization of the Real Estate Regulatory Authority;

Resolution No. (1) of 2018 Regarding Developers, Brokers, Sales Agents in Real Estate Sector;

Resolution No. (2) of 2018 Regarding Licensing of Projects;

Resolution No. (5) of 2018 Regarding Fees of Services, Applications and Licenses issued according to the Real Estate Sector Regulation Law; and

Resolution No. (5) of 2018 Regarding Creation of Developers; Register;

According to the proposal put forward by the Chief Executive Officer of the Real Estate Regulatory Authority and after the approval of the Real Estate Regulatory Authority's Board of Directors;

Resolved:

Article (1)

In application of the provision of this Resolution, the terms and expressions contained therein shall have the same meanings ascribed thereto in Law No. (27) of 2017 With Respect to Promulgating the Real Estate Sector Regulation Law as well as the Resolution No. (1) of 2018 Regarding Developers, Brokers, Sales Agents in Real Estate Sector and Resolution No. (2) of 2018 Regarding Licensing of Projects.

Scope of Application

Article (2)

The provisions stated herein shall apply to all such real estate activities of the developer licensed by the RERA unless the latter decides to exempt any real estate activity as it may deem appropriate from the application of this Resolution according to the conditions and requirements of each real estate activity.

Developer's Obligations and Duties towards RERA

Article (3)

The developer shall:

- 1- Carry out real estate activities in accordance with fairness and good faith.
- 2- Keep and maintain, for seven years, records of licenses issued for the real estate projects including the project name, location, services, ancillary facilities, unit numbers and sizes and the proportion of sales in the project.
- 3- Keep the RERA informed of the completed stages of the real estate development project and report any cause that may delay the completion in such a way as may be determined by the RERA.
- 4- Provide thee RERA with monthly sales schedule at the end of each month in such manner as it may determine.
- 5- Submit a comprehensive report to the RERA on sales at the end of each financial year.
- 6- Submit a comprehensive report to the RERA upon the completion of the project including all real estate unit sale transactions and names of buyers, provided that the names of buyers shall be changed if more than one sale is made in the early stages of the project until the delivery of these units.

Conditions for Disposal of Development Project

Article (4)

The developer may not dispose of the real estate development unless after obtaining a written authorization from the RERA and only after fulfilling the following conditions:

- 1- The project license is transferred to be in the name of the new licensed owner;
- 2- All buyers are notified in writing of the disposal of the project;
- 3- Obligations of the new owner towards the buyers are stated;
- 4- No visible structural defects are found in the already completed part; and
- 5- This disposal does not affect the buyers' rights.

Developer's Obligations towards Buyers and Third Parties

Article (5)

The developer shall provide the buyers and third parties with correct and accurate information and it shall not offer any false or misleading promises especially in the marketing or advertising campaigns for development projects.

Article (6)

Without an excuse acceptable to the RERA, the developer may not, refuse to deliver the final contract of the unit to the buyer and it shall comply with all the provisions prescribed in Resolution No. 2 of 2018 on licenses the real estate projects.

Article (7)

The developer shall provide the buyer with disclosure statement before concluding the off-plan sale contract

Article (8)

The developer shall not modify the specifications agreed upon with the buyer in the sale contract. If any necessary modifications are made for technical reasons or as a result of the nature of works, it shall replace any material or make the finishing with material and substances of the same value and quality and shall notify the buyer of any such modifications as soon as possible.

Article (9)

The developer shall keep the buyer of the unit informed of the completed stages of the project and shall notify it of any cause that might delay the completion and define a new deadline for delivery.

Unit Delivery and Registration

Article (10)

Upon completion of the project, the developer may not refrain from delivering or registering the unit in the buyer's name with the real estate register if the buyer pays the full price according to the items of the sales contract, even if the buyer has any other financial liabilities towards the developer.

If the developer fails to register the unit in the buyer's name for any reason after the buyer has paid the price in full, the RERA may, at the request of the buyer, register the unit in the buyer's name.

Article (11)

The developer shall deliver the unit to the buyer with the floor area agreed upon in the contract, in a usable condition and free of visible defects.

Compensation for Unit Floor Area Adjustment

Article (12)

The developer may claim compensation for the adjustment of the unit floor area by increasing the price agreed upon in the contract at a percentage equivalent to the increase in the floor area or by decreasing the price at a percentage equivalent to the decrease in the area if the increase or the decrease exceeds (5-10%) and shall not claim compensation if the increase or decrease is less than (5%).

Article (13)

The buyer may take any of the following steps in case of increase or decrease in the unit floor area exceeding 10%:

- 1- Terminate the contract,
- 2- Pay the price for the increased floor area at the price agreed in the contract, and/or
- 3- Deduct the price for the decreased floor area at the price agreed in the contract.

Conflict of Interests

Article (14)

Upon practicing the real estate activities, the developer shall disclose to the buyer and the RERA in writing any conflict of interest related to its activity.

Article (15)

The developer shall not conclude any contracts for more than three years with any subsidiary or contract any company at non-competitive price according to market prices if this may affect the percentage of the annual contributions of the owners.

Closing Provisions

Article (16)

The RERA may take all the legal procedures needed to ensure that the developer's compliance with its duties and obligations according to the provisions of law and the implementing resolutions.

Article (17)

The developers shall bring their situations in compliance with this Resolution within six months of the law effective date.

Article (18)

The RERA's Chief Executive Officer may issue the instructions needed to execute the provisions of this Resolution.

Article (19)

This Resolution shall be executed by the Chief Executive Officer and shall be effective as of the day following the date of publication in the Official Gazette.

Chairman of the Real Estate Regulatory Authority
Salman bin Abdullah bin Hamad Al Khalifa

Issued on: 20 Dhul Qaedah 1439 AH
Corresponding to: 2 August 2018 G