

# **General Housing Commission Act\***

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\* Issued by the Resolution of the Council of Ministers No. 275 dated 28.8.1428 AH and Ministry of Justice circular No. 13/T/3232 dated 8.10.1428 AH.

**Article 1:**

The following words and expressions, wherever they occur in this act, shall have the meanings given opposite to them unless the context requires otherwise:

**Commission:** General Housing Commission

**Act:** Commission's Act.

**Board:** Commission's Board of Directors.

**Chairman:** Chairman of the Board.

**Member:** Member of the Board of Directors.

**Governor:** Governor of the Commission.

**Article 2:**

The Commission has a general corporate personality and financial and administrative independence. Its head office shall be in the city of Riyadh and has the right to establish branches inside and outside the Kingdom.

**Article 3:**

The Commission aims at providing suitable housing in accordance with the options catering for the needs of citizens and in accordance with programmes laid down by the commission, especially to:

1. Facilitate the citizen's acquisition of a easily paid for house that meets the standards of quality within the scope of his income at the suitable time of his life;
2. Increase the percentage of ownership of houses;
3. Encourage involvement of the private sector in supporting various housing activities and programmes; and
4. Raise the percentage of offered houses of different types.

**Article 4:**

To attain the objectives of the commission, the commission undertakes the following duties:

1. Prepare, update, develop and submit for approval comprehensive housing strategies for the kingdom as per the applicable official procedures.
2. Propose the laws, rules, policies and regulations related to the housing activity and propose amendments thereto as commensurate with the national strategies approved in this respect. These policies and regulations cover, real estate mortgage, rights of lessees, owners of housing units, popular housing, general housing and development of lands for the construction of housing projects on them.
3. Lay down various and sufficient programmes to provide a suitable housing for citizens of medium income and below in accordance with the relevant objective standards and considerations as determined by the commission.
4. Encourage the private sector to effectively and actively participate in realizing the housing objectives and strategies in the Kingdom.
5. Determine the categories of citizens who are entitled to popular and charity housing programmes.
6. Develop guiding models of houses suitable for all citizens with specifications and standards that cater for quality and cost and that meet the approved building code and lay down guidelines and forms of contracts that include the rights and obligations of all parties.
7. Encourage the establishment of cooperative housing societies, coordinate their activities and review their motions of regulations.
8. Build suitable houses for the needy who are unable to benefit from the governmental and private lending and financing programmes.
9. Encourage charity societies, individuals and companies to contribute in building charity housing units suitable for the needy and provide advice and help when needed.

10. Prepare housing related studies and researches.
11. Create a housing database.
12. Represent the Kingdom in various functions related to housing.

**Article 5:**

The Commission alone has the right to dispose with the lands that the government allocates for it for popular housing projects.

**Article 6:**

1. The Commission shall have a board of directors comprising the following:

- a. Minister of Economy and Planning, chairman,
- b. Minister of Finance (Chairman of the Real Estate Development Fund), member,
- c. Minister of Social Affairs, member,
- d. A Deputy Minister of Municipal and Rural Affairs (selected by the Minister), member,
- e. Governor, member, and
- f. Four members among specialists and experts in the field of the Commission's activities to be appointed upon a resolution by the Council of Ministers upon the nomination of the Chairman.

2. The period of post for the members under 1.d and 1.f hereof shall be three years renewable for one time.

3. The remuneration for attending the meetings of the Commission by the chairman and members shall be determined upon a resolution by the Council of Ministers.

**Article 7:**

The Board of Directors is the authority that controls administration of the affairs of the Commission and takes all decisions necessary for realizing its purposes within the limits of this act. It shall specifically have the following rights:

1. Approve the organizational structure and internal bylaws of the Commission;
2. Approve the financial and administrative laws of the Commission after agreement with the Ministry of Civil Service and Ministry of Finance;
3. Approve the executive regulations of the act;
4. Prepare a law motion for granting lands prepared for housing in the light of the regulating arrangements approved for the housing sector and submit the same in due course;
5. Approve the technical laws, environmental, operational and procedural procedures, rules and standards related to the housing activity;
6. Approval the action plan and operational plans of the Commission within the framework of the general state plan;
7. Approve the Commission's budget project, final accounts, auditor's report and annual report to be submitted in fulfillment of official requirements;
8. Establish rules related to licences, permits, services and works within the specialization of the Commission and determine their financial compensation;
9. Approve purchase, sale, lease and rental of real estates in a manner that realizes the objectives of the Commission.
10. Accept donations, gifts, wills and subsidies offered for the Commission; and
11. Form committees and entrust them with the necessary powers to undertake the duties assigned to them.

The Board of Directors may delegate some of these authorities to any official of the Commission it may deem suitable in accordance with the requirements of work in the Commission.

**Article 8:**

1. The meetings of the Board shall be held at the head office of the Commission. When necessary, such meetings may be held at any other place inside the Kingdom.

2. The Board shall hold its meetings at least four times annually upon an invitation from the Chairman and whenever necessary for its interests. The invitation to the meeting shall be accompanied by the agenda. The Chairman shall invite the Board to meet when at least four members request the same. For the meeting to be valid, the majority of members should be present including the Chairman or his assignee. The resolutions of the Board shall be issued by majority of votes but votes are equal, the chairman shall have a casting vote. The objecting member may register his objection and the reasons of objection in the Board's minutes of meeting.

3. The deliberations and decisions of the Board shall be entered in minutes signed by the Chairman and present members. The Commission shall immediately report these decisions to concerned agencies in due course.

4. No member may abstain from voting or authorize another member to vote on his behalf in case of his absence.

5. No member may divulge any secrets of the Commission which have come to his knowledge.

6. The Board may invite to its meetings any one that it deems necessary to use their information and expertise without having the right of voting.

**Article 9:**

The Commission shall be presided over by a Governor on the excellent rank who shall act as the chief executive office of the Commission. His duties and powers shall be within the limits of this act. He shall have the following authorities:

**Article 10:**

The Commission shall have an independent annual budget issued by a Royal Decree in accordance with the arrangements of issuing the general state budget.

**Article 11:**

1. The financial resources of the Commission shall consist of the following sources:

- a. The funds allocated for it from the state budget,
- b. The financial compensations that the Commission receives for the services and activities it undertakes in accordance with the provisions of this act, and
- c. Donations, gifts, wills and subsidies offered for it.

2. The lands received by the Ministry of Social Affairs in various regions for the construction of popular housing on them as well as the lands allocated for grants shall pass to the Commission.

**Article 12:**

The financial year of the Commission is the same as that of the state. As an exception, the first financial year of the Commission shall start as of the effective date of this act.

**Article 13:**

Without prejudice to the right of the General Auditing Bureau to control the accounts of the Commission, the Board of Directors shall appoint one external auditor (or more) from among persons of natural or corporate capacity authorized to operate in the Kingdom and determine their remuneration. If the auditors are more than one, they are jointly responsible for their activities before the Commission. The auditor's report shall be submitted to the Board and a copy of it shall be forwarded to the General Auditing Bureau.

**Article 14:**

This act shall be published in the official gazette and comes into effective ninety days after publication. It shall supersede all contradicting provisions.