

## Law No. 47 of 1993 Concerning Housing Welfare and Amending Laws Thereto

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**Chapter One**  
**Law No. 47 of 1993 Concerning Housing Welfare <sup>(1)</sup>**

Having perused The Constitution;

- Law No. 15 of 1960 Promulgating Commercial Companies Law;
- Law No. 30 of 1964 Establishing State Audit Bureau;
- Law No. 33 of 1964 Concerning Expropriation and Temporary Seizure for Public Benefit;
- Law No. 37 of 1964 Concerning Public Tenders, and amending laws thereof;
- Law No. 30 of 1965 Establishing Credit and Saving Bank;
- Law No. 15 of 1972 Concerning Kuwait Municipality, and amending laws thereof;
- Law No. 15 of 1974 Establishing National Housing Authority, and amending laws thereof;
- 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, and amending laws thereof;
- Law No. 37 of 1983 Concerning Establishing the Public Authority of

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1. Published in the Official Gazette (Kuwait Al-Youm), No (121), issued on 19/09/1993

Minors' Affairs;

- Law Decree No. 20 of 1992 Concerning Exemption from Loans of Credit and Saving Bank Loans and Government Houses Installments; and
- The Council of Ministers' Resolution No. 1116 of 1989 Concerning Housing Welfare Scheme;

The National Assembly has approved, and we have endorsed and promulgated the following law:

## Chapter One

### Public Authority for Housing Welfare

#### Article (1)

A public authority with an independent budget shall be established under the name "Public Authority for Housing Welfare". It shall be a body corporate subject to the supervision of the minister concerned with housing affairs, hereinafter referred to both as the Minister and PAHW.

#### Article (2) <sup>(2)</sup>

PAHW capital shall consist of two shares; cash and in kind:

**First: Cash Share:**

It amounts to KD 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 financing may be provided through assistance from governmental bodies, public authorities and public institutions.

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2. The First Item was replaced under Law No. (12) of 1995. Its original wording prior to amendment read: "First, Cash Share: The amount of Two Thousand Million Kuwaiti Dinars, which the Minister of Finance is authorized to make in one payment or over installments. Any payments made earlier to the Credit and Savings Bank as per Law no. (30) of 1965 for the purposes of real estate credit and as a result of the liquidation of the financial position of the Bank in respect of such purposes shall be considered as paid. The necessary funding may be provided through seeking assistance from government authorities, public institutions and organizations". Later on, the current wording of Law No (45) of 2007 was replaced and it read prior to amendment: "First: Cash Share: The amount of KD 500 Million Kuwaiti Dinars which the Minister of Finance is authorized to make in one payment or over installments. The necessary funding may be provided through assistance from government authorities, public institutions and organizations and others".

### **Second: In Kind Share:**

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

### **Article (3) <sup>(3)</sup>**

PAHW resources shall include the following funds and revenues:

1. Proceeds of selling plots and ownership installments of houses and apartments offered to housing welfare beneficiaries;
2. National Housing Authority entitlements with third parties and monies resulting from liquidating up NHA;
3. Monies borrowed by PAHW from or secured by government funds and also monies appropriated by the State in PAHW budget for supporting building materials and requirements thereof;
4. Donations, gifts and bequests which PAHW Board of Directors decides to accept;
5. Monies appropriated by the State to meet the deficit in PAHW budget;
6. The percentage to be set aside from the profits earned by Kuwait Fund for Arab Economic Development as determined under Law No. 31 of 2003;
7. Consideration 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 by the minister after the Board of Directors so approves;
8. Proceeds of selling real estates for purposes other than housing welfare in public auction as per the provisions requirements set under the executive bylaws of this Law; <sup>(4)</sup>
9. Proceeds and consideration of the rights of exploitation, utilization, rent and investment for sectors not designated for private housing or residential care projects, in accordance with the laws in force in this regard. <sup>(5)</sup>

### **Article (4)**

PAHW shall undertake the application of the Housing Welfare Scheme stated hereunder. To do so, PAHW shall:

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3. Item (1) is amended by Law No. (12) of 1995, which read before the amendment: "The proceeds from the sale of plots and installments of ownership of houses and apartments and loans provided to the beneficiaries of residential care".
  4. This paragraph was amended by Law No (113) of 2014. It read before amendment: "The proceeds from the sale of real estate in public auction in accordance with the provisions of Law No (27) of 1995 referred to".
  5. The paragraph was amended by Law No (113) of 2014. The text before the amendment read: "The return of the investment of PAHW of its funds".

1. Prepare designs of housing neighborhoods and units for purposes of housing welfare offered to 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 neighborhoods referred to and cooperate with the authorities specialized in building, reconstruction and housing fields;
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) <sup>(6)</sup>
6. Seek assistance of other countries experience in housing fields, and experienced international companies;
7. Prepare studies and researches relating to housing and 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. Establish a specialized technical committee to work on providing alternatives to attract local and foreign investment and develop its mechanisms and work methods to implement the projects based on the best experiences and the means required to support and provide various facilities to the private sector or in partnership with it and develop and invest in the facilities and services of such projects.

The composition of this committee, the conditions of its membership, its working rules, the rules and procedures of its meetings, and the subcommittees thereof shall be determined by a decision of the competent minister upon the approval of PAHW Board of Directors. <sup>(7)</sup>

#### **Article (5) <sup>(8)</sup>**

To achieve its objectives, PAHW shall carry out all actions and acts that would deliver the programs and priorities connected with the completion of its works, including the determination of the pattern of utilization of the

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6. The fifth paragraph is cancelled by Law No (12) of 1995, which wording prior to cancellation read: "Facilitating real estate credit for housing care purposes".

7. The tenth paragraph of Article 4 is amended by Law No. (113) of 2014, which read before the amendment: "To invest its funds except for residential care projects to help it meet its obligations to achieve residential care purposes."

8. The last paragraph was amended by Law No. (7) of 2005, which read before the amendment: "The purposes of residential care are considered to be of public benefit in the application of the provisions of Law No. 33 of 1964 referred to". Article (5) was amended by Law No. (113) of 2014 which read before the amendment: "In order to achieve its objectives, PAHW has the right to own and dispose of real estate properties and movables. Residential care purposes are considered to be a public benefit for upon the application of the provisions of Law No. (33) of 1964 referred to in the matter of expropriation and temporary appropriation for public benefit. And the funds allocated for housing care shall be deemed as public funds".

areas allocated to its projects and the determination of utilization ratios and type of non-residential housing plots.

It may sell, rent or decide the right to use the same, and for this purpose, it may enter into execution contracts under BOT system and similar systems. Moreover PAHW may contract with local or international consultancy offices specialized in contracts that do not exceed a total value of Ten Million Kuwaiti Dinars per contract, in accordance with the rules and regulations specified under the contract document for the implementation of projects which shall be issued by a decision of the competent minister upon the approval of the Board of Directors and PAHW.

PAHW has the right to choose the necessary procedures for the execution of public facilities and infrastructure for each project in order to stimulate and encourage investors and private sector participation in accordance with the best international experiences, including the completion of infrastructure, public buildings, main power plants, water towers and sewage treatment plants, and address any obstacle that may rise in this regard.

The executive regulations shall specify the terms and conditions for executing the same.

In all cases, PAHW funds shall be considered as public funds.

PAHW works shall not be subject to the provisions of the Public Tenders Law or to the prior control of the State Audit Bureau for a period of five years ending on 31/03/2021. <sup>(9)</sup>

PAHW shall submit to the National Assembly an annual report on the financial status of PAHW's projects at the end of each fiscal year.

### **Article (6) <sup>(10)</sup>**

PAHW may establish by itself or participate in the establishment of companies related to its purposes or help to achieve or contribute to its capital.

PAHW share in the companies it establishes or participates in may be limited to an in-kind share of the lands allocated to it. <sup>(11)</sup>

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9. The paragraph was added under Law No. (14) of 2016 published in the Official Gazette on 27/03/2016.

10. Article (6) was cancelled under Law No. (26) of 2006, which read before cancellation: "PAHW may establish alone or participate in PAHW of companies related to its purposes or assist in achieving them or contribute to its capital. It may establish or participate in PAHW or contribute to the capital by any in kind share. Any conduct contrary to the provision of this paragraph shall be deemed absolutely null and void and all the consequences that result therefrom shall be nullified."The paragraph was restored with the amendment under Law 113 of 2014.

11. The second paragraph of Article (6) was replaced under Law No. (36) of 2016, which read before replacement: "The share of PAHW in the companies it establishes, participates in its establishment or contributes to its capital shall not include any in kind interest. Any conduct contrary to the provision of this paragraph shall be deemed absolutely null and void and all the consequences that

### **Article (7)** <sup>(12)</sup>

PAHW may finance the wholly owned companies owned by it or the State or a public authority and institution, as well as the joint stock companies that real estate activity is among its purposes, through cash or in kind share or both, in accordance with the conditions and controls determined by the Board of Directors in this regard.<sup>(13)</sup>

### **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 their obligations under such program.

### **Article (9)**

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 buildings.

A resolution shall be passed by 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.

PAHW shall approve the land use plans for its housing projects, according to the laws and procedures defined by the executive bylaws.<sup>(14)</sup>

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result therefrom shall be nullified."

12. Article (7) was cancelled under Law No. (26) of 2006, which read before cancellation: "PAHW may finance the fully owned companies by it or the State or a public authority and institution, as well as joint-stock companies that real estate activity is among its purposes, to carryout residential care projects for citizens in accordance with the provisions of this law."It was restored with the amendment under Law No. 113 of 2014.
13. Article (7) was amended in accordance with Law No. 36 of 2016. Its wording before amendment read: "The establishment may finance the companies fully owned to PAHW or to the State or one of those public organizations and authorities, and the joint-stock companies of public offering whose business include real estate business to undertake the housing welfare projects for citizens in accordance with the provisions of this law."
14. The last paragraph of Article (9) was amended in accordance with Law No. 113 of 2014. It provided before amendment that "PAHW shall assume approval of the organizational plans of its housing projects in accordance the general laws and standards applicable in the Municipality of Kuwait."



## **Article (10)**

PAHW shall have a Board of Directors formed by a resolution from the Council of Ministers, chaired over by the minister and comprised of each of the following members:

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

PAHW Board of Directors may invite any specialist it deems fit 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.

The duration of the Board's membership, the renewal or cancellation events thereof, the rules of procedure, the dates of its meetings, the majority required for the issuance of its resolutions, the attendance of its meetings and the meetings of the subcommittees thereof shall be determined by a decision to be issued by the Council of Ministers.

## **Article (10) Bis <sup>(15)</sup>**

Without prejudice to the preceding article, the Board of Directors shall create a specialized committee to undertake the study and review of all matters related to the tenders for the execution of the housing projects, the documents, deeds, and information submitted thereto and to assure that they are complete and fulfilled.

The committee shall coordinate with the State Audit Bureau and the other regulatory authorities to assist reaching a resolution on the tender.

The competent minister in accordance with the endorsement of the Board of Directors shall issue a decision to form such committee, provided that the committee includes among its members a representative of the Central Tenders Committee and Department of the Legal Opinion and Legislation. The decision shall define the competency, rules and work procedures of the Committee and the process to issue its decisions.

## **Article (11) <sup>(16)</sup>**

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15. Article (10) bis was added in accordance with Law 113 of 2014.

16. Paragraphs (7), (8) and (9) were added in accordance with Law No (113) of 2014.

The Board of Directors shall be responsible for outlining 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 a manner 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 activities.
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, biddings and consulting agreements.  
The Board may adopt regulations and rules relevant to their employment affairs and exercise powers established for Civil Service Commission and Civil Service Bureau. <sup>(17)</sup> <sup>(18)</sup>
7. Approve the executive policies, systems, and formats of all structural plans.
8. Establish cooperation conditions and controls for all investment patterns that shall ascertain removal any obstacles against the participation of the private sector in executing its projects.
9. Establish rules and standards of the technical specifications pertaining to buildings, suburbs, areas and districts for all its investment, trade, industrial, service and commercial projects and the like.

## **Article (12) <sup>(19)</sup>**

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17. Paragraph (6) was amended in accordance with Law (113) of 2014. Its wording before amendment read: "To issue the decisions required for regulation of the financial and administrative affairs, including the regulations required for the works of investment, supply and contracting, including the works of tenders and auctions, issuance of the regulations related to personnel laws and fixing of their salaries and all rules related to their employment affairs after approval of the Civil Service Commission".
  18. Paragraph (6) of Article (11) was replaced in accordance with Law No (36) of 2016. Its text before replacement read "The Board shall put in the affairs of PAHW the necessary decisions for regulation of the financial and administrative affairs, including the regulations required for the works of investment, contracting, supply and contracting of the projects and all works of tenders and auctions. The Board may put in the employment affairs of PAHW the regulating terms and conditions and may exercise the capacities prescribed by the Civil Service Commission and Civil Service Bureau".
  19. The last paragraph of Article (12) was repealed in accordance with Law No 66 of 1998. Its wording read: "PAHW'S works shall not be governed by the provisions of Public Tenders Law and prior

PAHW shall be run by a General Director who shall have a deputy or more, and they shall be appointed by a decree for four renewable years.

The General Director shall represent PAHW in its relationship with third parties and before the courts of law. PAHW lawyers or others authorized by the General Director shall have the right to attend on behalf of PAHW before all judicial authorities, and the right to appeal against judgments before all degrees of litigation. The General Director shall be responsible for implementing the policy designed by the Board of Directors, empowered to manage PAHW, and also to carry out all powers stated by a law or bylaw as within his jurisdiction. Further, he may delegate Deputy General Directors to carry out some of his powers.

The General Director of PAHW may ask ministries, public institutions and the other governmental authorities to provide him with the required studies or data pertaining to PAHW's work, and such parties shall cooperate with PAHW in this respect. <sup>(20)</sup>

### **Article (13)**

PAHW General Director shall furnish the Board of Directors within three months following the expiry of fiscal 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 activities and financial position.

## **Chapter Two General Provisions**

### **Article (14)** <sup>(21)</sup>

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

In implementing the provisions of this law, the priority registration of applications to PAHW shall be considered before this law becomes

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control of the State Audit Bureau."

20. The last paragraph was added in accordance with Law (113) of 2014.

21. Paragraph one of Article (14) was amended in accordance with Law No (12) of 1995. Its wording before amendment read: "Housing welfare shall be provided to the Kuwait families in accordance with the priority of registration of applications in PAHW in accordance with the housing welfare of plots, houses, apartments and loans."

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 the first paragraph, PAHW shall provide the appropriate housing to the handicapped Kuwaiti female married to a non-Kuwaiti citizen and has begotten children therewith by way of benefiting from housing welfare according to the conditions and controls issued by a resolution from the Board of Directors. <sup>(22)</sup>

### Article (15)

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

1. Martyrs' families.
2. Prisoners of War families and so deemed civilian detainees.
3. Minor orphans' families.
4. Families of the handicapped.

Following PAHW Board of Directors so agrees, a resolution shall be passed by the minister on the terms, conditions, rules and procedures required to be available to avail of the priorities stated in this article, and the definition of the concept of handicapped and the concept of families who shall avail themselves of such priorities.

The priority of those who have obtained Kuwaiti nationality by originality after this law comes into force shall be calculated from the date they satisfy the requirements for applying for housing welfare before they obtain such nationality. <sup>(23)</sup>

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, to obtain housing welfare shall be calculated with effect from the date on which the male spouse has obtained Kuwaiti

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22. New paragraph titled (Last) was added to Article (14) in the Law No (7) of 2005.

23. A new paragraph was added to Article (15) of Law No (7) of 2005.

nationality.<sup>(24)</sup>

### **Article (16)**

To obtain the housing welfare stated under this law, the head of a 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 a family, if it inures 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 by the minister after PAHW Board of Directors so agrees.

### **Article (17)**

PAHW shall provide housing welfare to eligible persons within no 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 period, or subject to the period stated in the preceding paragraph, whichever is greater.

Ministries and concerned public authorities shall provide key services to such lands and remove, at their own expense, obstacles that might appear at times concurrent 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 PAHW Board of Directors so agrees.

### **Article (19)<sup>(25)</sup>**

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24. The last paragraph was added in accordance with Law No (2) of 2011.

25. Article (19) is amended by Law No (26) of 2006. Its wording before amendment read: "Paterfamilias shall be entitled to monthly rent in accordance with the conditions and categories to be determined

The head of a 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.

Such allowance shall not be given to the head of a 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, PAHW shall pay him the difference between both allowances, according to the provision of the preceding paragraph.

In all events, the head of a 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 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.

### **Chapter 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 district, 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 a family shall have not had a real estate evaluated at a price

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by decision of the Minister after approval of the Board."

exceeding Kuwaiti Dinars two hundred thousand. The real estate shall be deemed as owned by the head of a family, even if it has inured through him by any means either directly or indirectly unto his wife or unto either one of his dependent children.

2. A head of a family should be able to build the plot. To be considered as such one who is eligible to a housing welfare loan as stated in this law, or if a real estate been evaluated for him at a price not less than the value of the loan referred to at the time of evaluation.

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 PAHW Board of Directors so agrees.

### **Article (23)**

A person 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 such 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 to 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 loan amount stated in this law.

A person eligible to an apartment may incur, only to the extent of his share in the price of land, foundations and common utilities, commensurate to the size of apartment and the total area 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 a family shall not have owned a real estate, which had been appropriated and evaluated 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 a family, if it has inured 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 over monthly installments according to the conditions and rules to be specified under a resolution passed by the minister after 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 bylaw 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 (858) of Civil Law.<sup>(26)</sup>

### **Article (27)** <sup>(28)</sup> <sup>(27)</sup>

The plot size or land size of a government house must not fall below 400 m<sup>2</sup> (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 attachment to any of such houses, apartments or plots for whatever reason or 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.

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26. This paragraph has been added by virtue of Law No. 36 of 2016.

27. Article (27) is amended by Law No. (7) of 2005. Its wording before amendment read: "The companies mentioned in Chapter One of this Law shall offer their projects to the citizens, and priority of housing units shall be in accordance with their applications with PAHW and priority of registration. Agreement may be reached between PAHW and such companies to hand over all housing units of the projects to PAHW to distribute them in accordance with the provisions of this chapter".

28. The last two paragraphs were added in accordance with Article (27) of Law No (50) of 2010.



## Chapter Three *bis*<sup>(29)</sup><sup>(30)</sup>

### Article (27) Bis (g)<sup>(31)</sup>

PAHW may hand over lands in suitable areas free of obstacles in the lands to be allocated thereto to the private sector companies engaged in real estate and investment activities in accordance with the terms, conditions and procedures to be set by PAHW's Board of Directors for execution of residential units in various areas, provided that the land area is no less than (400 m<sup>2</sup>), and to sell the same with the knowledge of the company to the persons eligible to housing welfare whose applications are filed with PAHW, at prices that include the actual cost of housing unit and the price of land and costs of construction of infrastructure relevant thereto, in addition to a profit margin to be defined by PAHW. The executive bylaw shall define the rules, regulations and conditions required for same.

## Chapter Four

### Provision of Loans

#### Article (28)<sup>(35)</sup><sup>(34)</sup><sup>(33)</sup><sup>(32)</sup>

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29. Articles 27 bis, 27 bis (A); 27 bis (B); 27 bis (C); 27 bis (D); 27 bis (E); 27 bis (A) in accordance with Law (50) of 2010.
  30. Articles 27 bis; 27 bis (A) were amended, and Article 27 bis (F); Article 27 bis (G) were amended in accordance with Law Decree (27) of 2012.
  31. Chapter Three bis was deleted from Law No (47) of 1993 in accordance with Law No (113) of 2014 except for Article (27) bis (G) which was amended. Its wording before amendment read: "PAHW may, in coordination with the Municipality of Kuwait, hand over lands in suitable areas free of obstacles in the lands to be allocated thereto to the private sector companies engaged in real estate and investment business in accordance with the terms, conditions and procedures to be set by PAHW's Board of Directors for construction of residential units in various areas, provided that the land area is not less than (400 m<sup>2</sup>), and to sell them with the knowledge of the company to persons eligible to housing welfare whose applications are filed with PAHW, at prices to include the actual cost of housing unit and the price of land and costs of construction of infrastructure relevant thereto, in addition to a profit margin for PAHW.  
The applicable design standards and specifications in the PAHW projects shall be the minimum to be met by companies upon designing the project and defining the standards of its execution".
  32. This article was replaced under Law No (12) of 1995. Its text before replacement read: "PAHW shall provide loans to the persons eligible to housing welfare to build or purchase houses or to use them for expansion of increase of their use, elevation, repair or restoration.  
The housing welfare loans shall be released to the eligible persons without any interest. The value of loan granted for building or purchase of accommodation shall be fixed to seventy thousand Kuwaiti Dinars. This amount may be increased by decree after consulting PAHW'S Board. Cases, conditions, rules and procedures of granting loans and loan categories for the other purposes set forth under this article shall be determined under a resolution by the minister after approval of PAHW's Board".
  33. New paragraph was added to Article (28) of Law No (7) of 2005.
  34. The last paragraph was added in accordance with Law No (50) of 2010.
  35. Articles 28 bis; 28 bis (A); 28 bis (B) and 28 bis (C) were added to Article 28 in accordance with Law No (2) of 2011.

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 loan amount 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 if such citizen is a handicapped or a natural guardian of a handicapped person shall be KD 5000 (Kuwaiti Dinars five thousand) higher than the loan allocated to his non-handicapped peers in order to build his special needs specifications as a handicapped. However, if a family includes more than one handicapped person, the loan shall be KD 10,000 (Kuwaiti Dinars ten thousand) higher.

Subject to other loan terms of payment, the paid loan amount 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 loan amount 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 categories:

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 kinship 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 date of effectiveness 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 -28- Bis (d)** <sup>(37)</sup> <sup>(36)</sup>

1. A person who obtained a construction loan shall be granted subsidized construction materials which include all the building supplies for an amount that does not exceed KD 30,000 (Thirty thousand Kuwaiti Dinars), in addition to the loan. A decree by the Minister of Trade shall be issued to define the materials that are subsidized and their quantities.
2. A joint committee shall be created that comprises the Ministry of Commerce and Industry and the Credit and Saving Bank to inspect the applications submitted by those who obtained construction loans, and who have already started building prior to the enactment of the law, but still are in its diverse stages, and electricity has not been connected yet to decide their requirements of subsidized materials that shall not exceed the amount of thirty thousand Kuwaiti Dinars.
3. A person who obtained a loan to purchase a residence - in case he needs renovation - shall receive a balance of the subsidized materials for an amount not exceeding KD 30,000 (Thirty thousand Kuwaiti Dinars) to be in exception to the conditions of the Credit and Saving Bank.
4. Without prejudice to the terms of agreements issued in this respect, when defining the subsidized materials, the Kuwait products or the products of national origin shall be prioritized for no more than 10% of the prices of their similar foreign products.

The Minister of Commerce and Industry shall have the right within the above limits to alter the aforementioned percentages in the preceding paragraph regarding the Kuwaiti products or products of national origin.

#### **Article (29)** <sup>(38)</sup>

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36. The article was added in accordance with Law No (19) of 2014.

37. Replacement of paragraph four was amended in accordance with Law (40) of 2014. Its wording before amendment read: "Priority shall be given to the national product on determination of the subsidized materials with no more than 5% of the prices of similar materials of the foreign products."

38. It is replaced by the Law no. (12) of 1995, the wording of the article read: "A resolution by the Minister after approval of PAHW's Board of Directors with the rules and conditions in accordance with which the loans shall be due in the following cases:

1. Purchase of plots, houses and apartments, even if ownership or loans were waived, including the properties covered by Law Decree No (20) of 1992 referred to regardless of their areas.

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 started 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's Board of Directors.

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

#### **Article -29-Bis <sup>(39)</sup>**

If a family provider obtained from the Kuwait's Credit Bank a loan for building or purchase of housing and disposed of the property by sale for one time then repaid the loan amount in full to the Bank, and did not obtain another loan, and his family and himself had no residence, he shall have the right to apply to PAHW for appropriate housing, provided that it shall be under right of utilization or lease to him and his family.

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2. Building, elevation and expansion of the existing houses, provided the building foundations, designs and allowed heights so allow in the area in accordance with the respective rules.
  3. Demolition of the building for rebuilding it widely to allow provision of better housing welfare to the family and other members who formed new families.
  4. Entitlement to the loan is to every common owner who is eligible to housing welfare, even if some joint owners are not eligible to this welfare.
  5. The other cases to be defined by resolution to be issued by the Minister after approval of the board. In all cases set forth in the above paragraph shall require the approval of the owner to mortgage the property to guarantee the loan value even if not owned to the applicant for loan".

<sup>(39)</sup> This article was added in accordance with Law No (2) of 2015.

A resolution shall be issued by the competent minister upon the approval of the Board of Directors of PAHW in accordance with the conditions, terms and rules with which he shall be provided a suitable residence, provided that the resolution specifically includes:-

- Prioritization of those who are addressed with the terms of this article to be in accordance with the requirements of every family, the kind of appropriate residence and its location within three (3) years from the date of enforcement of this law without prejudice to the rights or the priority of those addressed with the rules of the aforementioned Law No.47 of 1993.
- The rules of this law shall not apply to those addressed with the rules of the aforementioned Decree Law No. 20 of 1992.
- -The rules of this law shall apply to those addressed with its rules namely the person who sold his residence after the enforcement of the aforementioned Decree by Law till the date of publishing this law.

#### **Article (30)** <sup>(41)</sup> <sup>(40)</sup>

If the head of a family owns a real estate appropriated, appraised or sold at less than KD 300,000 (Kuwaiti Dinars three hundred thousand), he shall be granted the loan stated in Article (28) of this law, provided that the loan amount and the amount 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 a family, if it has inured 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.

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40. Article (30) was amended by Law (7) of 2005 and its wording before amendment read: "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."

41. It was then amended in accordance with Law No (50) of 2010. Its wording before amendment read: "If the family provider is the owner of a property that was appropriated, appraised or sold for an amount less than Two Hundred Thousand Kuwaiti Dinars (KD 200,000), he shall be granted the loan which is set forth in Article 28 of this law, provided that the amount of loan and the amount of the appropriation, the appraisal or sale shall not exceed Two Hundred Thousand Kuwaiti Dinars (KD 200,000). In the application of this rule the property shall be deemed owned by the family provider if it inured to him by any means whatsoever, directly or indirectly, to his wife or one of his dependent children. This shall be without prejudice to the children's right to obtain housing care, according to the procedures set by the board of directors of the Credit and Saving Bank whenever they fulfill the condition for its entitlement."

## Chapter Four *bis* <sup>(42)</sup>

### Low-Cost Houses

#### Article -30-Bis <sup>(44)</sup> <sup>(43)</sup>

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42. Chapter Four (Low Cost Houses) bis was added in accordance with Law No (45) of 2007.
43. Article (30) bis was added in accordance with Law No (45) of 2007 then it was amended in accordance with Law No (27) of 2012. Its wording before amendment read: "PAHW shall, within a year from the operative date of the provisions of this article, establish a Kuwaiti company that undertakes, according to the law building, operation and transfer to the State, the design, execution, operation and maintenance of low cost houses whose number shall not exceed the number of the existing popular houses in each of Jahraa and Sulaybiyah and shall be in their substitution in the locations to be allocated thereto by the Municipality of Kuwait for this purpose including all components of the housing units, service buildings of investment return, non-profit buildings for service of the project, retail investment area and locations to be allocated for public benefit in addition to roads, infrastructure and others which PAHW shall decide in detail provided that the company's shares shall be allocated as follows:-
- a. Fifty percent (50%) of stocks 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 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 calendar years, commencing from the first day of state financial year following the expiry of three years from the date of making the contract."
44. Article (30) bis was added in accordance with Law No (45) of 2007 then it was amended in accordance with Law No (27) of 2012. Its wording before amendment read: "PAHW shall, within a year from the operative date of the provisions of this article, establish a Kuwaiti company that undertakes, according to the law building, operation and transfer to the State, the design, execution, operation and maintenance of low cost houses whose number shall not exceed the number of the existing popular houses in each of Jahraa and Sulaybiyah and shall be in their substitution in the locations to be allocated thereto by the Municipality of Kuwait for this purpose including all components of the housing units, service buildings of investment return, non-profit buildings for service of the project, retail investment area and locations to be allocated for public benefit in addition to roads, infrastructure and others which PAHW shall decide in detail provided that the company's shares shall be allocated as follows:-
- a. Fifty percent (50%) of stocks 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 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

PAHW shall provide governmental alternatives financed by the State in the projects it executes for those allocated popular housing existing in both Jahra and Sulaybiyah as a substitute for the same and identify the names of the beneficiaries and the allocation regulations and sites of projects within which it includes such homes and allocated to them who are addressed by the provisions of this article and the conditions and controls and provisions governing such allocation according to the conditions and controls set by the Board of Directors.

PAHW may increase the number of units according to this article to satisfy the needs of eligible persons. <sup>(45)</sup>

### Cancelled Articles <sup>(46)</sup>

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the provisions of clause (a) of this article.

- c. 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 calendar years, commencing from the first day of state financial year following the expiry of three years from the date of making the contract."

45. This article was amended in accordance with Law (36) of 2016. Its text before amendment read: "PAHW shall, within a year from the operative date of the provisions of this article, establish a Kuwaiti company that undertakes, according to the law building, operation and transfer to the State, the design, execution, operation and maintenance of low cost houses whose number shall not exceed the number of the existing popular houses in each of Jahraa and Sulaybiyah and shall be in their substitution in the locations to be allocated thereto by the Municipality of Kuwait for this purpose including all components of the housing units, service buildings of investment return, non-profit buildings for service of the project, retail investment area and locations to be allocated for public benefit in addition to roads, infrastructure and others which PAHW shall decide in detail provided that the company's shares shall be allocated as follows:-

a) No less than twenty-six (26%) of stocks They shall be offered by PAHW in a public auction among 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. A public session shall be scheduled for opening the envelopes and announcing the prices.

b) No more than twenty-four percent (24%) of shares to government and its affiliated authorities.

c) Fifty percent (50%) of stocks 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 calendar years from the date of making the contract provided that the contracting term shall be determined in the tender documents"

46. Article (30)) bis (A); (Article (30)) bis (B); (Article (30)) bis (C); (Article (30)) bis (D); (Article (30)) bis (E); (Article (30)) bis (F); (Article (30)) bis (G); (Article (30)) bis (H); (Article (30)) bis (I); (Article (30)) bis (J) were cancelled. Their texts before cancellation were as follows:

#### **Article (30) bis/a**

PAHW shall specify in the 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

#### **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



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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.

PAHW shall endorse all as-built drawings for low cost houses in accordance with the schemes and standards applicable with the Municipality of Kuwait.

**Article (30) bis/c**

In accordance with an economic feasibility study, the State may bear in whole or in part the cost of constructing and executing the infrastructure, the public buildings, the main electricity stations, water towers, wastewater purification plants in the project provided the execution shall be by the stock companies. The financial values which shall be disbursed to the stock company shall be fixed in the tender documents, provided it shall be disbursed after completion and delivery to the competent governmental parties.

Any amendment on the financial value whether by increase or decrease after awarding the tender shall be void and null.

**Article (30) bis/d**

The rent allowance of the housing units shall be fixed during the first five years from the date of delivery of the housing units to their lessees for fifty Kuwaiti Dinars per month, provided the rent for the housing units shall increase every five calendar years by percentage of 20%, and PAHW shall collect the rent directly from the occupants of those units and deliver what is collected to the stock company during the month following the due month. This shall not result in any liability on the part of PAHW in case of failure of payment by any of the lessees of the units. The relationship between the company and the occupants of the housing units shall be the relationship between the lessor and the lessee. Neither PAHW nor any public party shall assume the payment of any rents for these units.

**Article (30) bis/e**

Housing units may not be leased 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 thirty days 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, 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**

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 Sulaybiyah, 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 inurnment 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.

The project documentation must include an audited budget for the last three fiscal 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,

(Article 30) bis (A); (Article 30) bis (B); (Article 30) bis (C); (Article 30) bis (D); (Article 30) bis (E); (Article 30) bis (F); (Article 30) bis (G); (Article 30) bis (H); (Article 30) bis (I); (Article 30) bis (J)

## Chapter Five Closing Provisions

### Article (31)<sup>(48)</sup> (47)

The housing welfare stipulated under this law may be used only for the purpose allocated for.

After 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, 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)<sup>(49)</sup>

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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 receive the award, if he participates in the bidding and his bid becomes equal to the best bid.

47. Amended by Law No (12) of 1995. Its wording before amendment read: "The housing welfare set forth in this law may not be used other than in what is appropriated for. A decree shall be issued by the Minister after the approval of the PAHW Board of Directors, to determine the various obligations which the housing welfare law imposes on its beneficiaries and the penalty for violation of the obligations set forth herein, and the cases of adjournment of entitlement to some installments or reduction of their value or exemption thereof, and the rules of allocation of new housing for the citizen whose residence the project of the State is located and the conditions of leasing the governmental housing.

In case of violation of the allocation conditions, the violator shall be notified by registered letter to remove the violation within timeframe to be determined by notice in accordance with the type and nature of violation. PAHW shall have the right, after elapse of the period of notice, to recover the housing administratively."

48. Article (31), last paragraph of Law No (7) of 2005

49. Replaced under Law No (9) of 1995. Its text before replacement read: "Children of Kuwaiti wife married to

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 controls 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)** <sup>(50)</sup>

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 Amiri 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.

In all cases, the mortgage that guarantees PAHW's debt or its dues does not abate if it is not renewed within the period or following the procedures stipulated in Articles 995-996 of the Civil Law.

PAHW debts and any of its installments shall be entertained similar to the debts of the Government as to privileges over the funds of its debtors, and

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non-Kuwaiti shall be entitled, after wife's death, to remain in the housing till daughters marry or sons reach the age of twenty-six."

50. Paragraph one is replaced under Law No (16) of 1994 AD. Its text before replacement read: "The ownership documents shall be issued to the citizens to whom the plots or housings are appropriated in accordance with the provisions of this law, after satisfaction of the periods and rules, and in accordance with the procedures to be decided by the Minister, after approval of PAHW's Board of Directors."

shall be collected in the same manner prescribed for the collection of State funds. The deduction and the execution against the employees pay and remuneration and pensions shall be permissible to satisfy PAHW debts and entitlements.

However, in case of contention, the debt of maintenance shall precede, then the debt of the debtor's employer, the social insurance institution or the like, then PAHW debt followed by the debt of the Credit Bank.<sup>(51)</sup>

### **Article (33) *bis***

Cancelled Article<sup>(52)</sup>

### **Article (34)<sup>(53)</sup>**

The Government shall submit a report on a yearly basis to the National Assembly on implementing housing plans and policies.

### **Article (35)<sup>(54)</sup>**

A resolution on PAHW's 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.

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51. Three paragraphs were added to Article (33) were added in accordance with Article (36) of 2016.

52. The Article was added under Law (2) of 2011 and was canceled by Law No. (36) of 2016, which read before cancellation: "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.

53. This article was amended in accordance with Law No (113) of 2014. Its wording before amendment read: "The government shall submit semi-annual reports to the National Assembly on the implementation of housing plans and policies. These reports shall be biannual during the next five years to the date of enforcement of this law."

54. The Council of Ministers' Resolution No (45) of 1995 on the statute of PAHW was issued.

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. 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 General Director of the National Housing Authority shall be committed during this period to prepare the statute, regulations, rules and resolutions required for 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*<sup>(55)</sup>**

The provisions of Law No. 15 of 1960 and Law No. 7 of 2008 referred to together, shall, according to circumstances, apply to both Chapter Three *bis* and Chapter 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 excused of 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)<sup>(56)</sup>**

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55. article was added in accordance with Law Decree No (27) of 2012

56. Article (37) was amended in accordance with Law No 12 of 1995, enacted on 11/04/1995, which stated in article three thereof that "The provisions of Law 30 of 1965 shall be re-applied and every provision to the contrary shall be repealed."

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, 10, 11, 12, 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 25<sup>th</sup>, 1414 Ah  
Corresponding to September 11<sup>th</sup>, 1993 AD**