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*Saudi Organization for Industrial
Estates & Technology Zones*

دليل الإجراءات
للمدن الصناعية المحددة الخاصة

PROCEDURES MANUAL

For

PRIVATE *SPECIFIED INDUSTRIAL ESTATES*

PROCEDURES MANUAL INDEX

For

PRIVATE SPECIFIED INDUSTRIAL ESTATES

SUBJECT	PAGE
Chapter	
(1) Requirements for obtaining development license of Private Specified Industrial Estate.	
(2) Requirements for obtaining operation license of Private Specified Industrial Estate.	
(3) Requirements for obtaining development or operation of facilities or/ providing services in Specified Industrial Estate.	
(4) Procedures to be followed in case the Developer or Operator efforts are failed to make the Specified Industrial Estate as productive Estate.	
(5) Cancellation of the license granted to develop or operate a Specified Industrial Estate.	
(6) Developer or Operator's assign procedures of his rights.	
(7) Classification of works in the Specified Industrial Estates.	
(8) Terms of allocating lands to beneficiaries in the Specified Industrial Estates.	
(9) Procedures and requirements of the construction within the Specified Industrial Estates.	

Chapter (1)

Requirements for obtaining development license of Private Specified Industrial Estate.

First: General

The requirements for obtaining development license of Private Specified Industrial Estate shall include and comply with the following:

1. The terms, controls and conditions included in the Council of Ministers' Resolution No. (235), dated 27/8/1422H and its Executive bylaw which it is approved by SOIETZ' Board of Directors Resolution No. (5/2003), dated 3/12/1423H.
2. The land or site shall be within the organizational drawings approved as industrial zones and in conformity with the constructional strategy of the Kingdom.

Second: Data and documents required from the applicant for obtaining development license of private industrial estate:

a. Application Form:

Each applicant shall submit his application to SOIETZ in two signed copies and one of them should be original. When the application form is received by SOIETZ, the officer concerned shall review it to make sure it fulfilled all its requirements.

If the application form is incomplete, SOIETZ will return it to the applicant the (developer) within (15) working days from the completion date of the review.

b. A proposed development study indicates the following:

- b-1. Engineering and constructional drawings include in addition to use of land, volume and type of the required services such as (electricity, drainage water and communication), facilities and fundamentals of general design (Street wideness, central facilities buildings, entrances...etc.) in addition to the geographical site and nature of soil.
- b-2. Analytical Engineering study indicates suitability of soil, ground water, infrastructure and topographic relief, compatibility of land with the proposed industrial development land.
- b-3. Study the distribution of the expected industries. The needed services such as, (Electricity, Water, Communication), central facilities

buildings (Police, Civil defense, Mosque, Dispensary, Banking and postal services ...etc.).

- b-4. Description of services that shall be provided and the way in which, these services shall be provided.
- b-5. The way in which, the occupants of lands are provided with each service and their obligations for such service.

C. Proposed implementation plan identifying the following:

- c-1 Phases of execution shall be effective from the expected date to start the first phase of the Industrial Estate development and the timetable to implement the following phases for the Specified Industrial Estate.
- c-2 A timetable identifying conduction dates of services and operation of the proposed development project.
- c-3 A list of other facilities, services and infrastructures associated with the accomplishment of the proposed development plan.
- c-4 The expected accomplishments after the development and construction phase as well as during the management and operation phase.

D. Environment and safety considerations include:

A report identify that the work in the Private Specified Industrial Estate is in compliance with the requirements of environment, safety and infrastructures as required by related rules and regulations in the Kingdom of Saudi Arabia.

E. Economic Feasibility Study:

The developer shall provide SOIETZ with an economic feasibility study for the project that proves his technical and financial capability for the implementation and operation of the Specified Industrial Estate project.

F. Statement of providing services:

The applicants who intend to provide basic services such as, electricity, water, garbage treatment, natural gas and communication to be operated by them within the Private Specified Industrial Estate, shall present a proof identifying their capability in providing these services. In addition, the applicants are required to identify how their contracting are signed with the related Agencies to provide such services with capacity, volume or quality as well as with those who benefit from these services.

Third:General Stipulations:

1. The engineering, constructional drawings, the analytical engineering study, the expected industries distribution study and the needs of central facilities buildings and public services shall be prepared by a specialized consultant qualified for such works and must be approved by SOIETZ.
2. Lands for public services such as (Police, Civil Defense, Mosque, Electric Substations, Telephone Central Facilities Building, Water Treatment Plant, Water Containers shall be designated and handed over free to the concerned Agencies which shall handle the management and operation process of such services.
3. Laying Electricity, Water, Drainage water and Telephone Networks. Implementation of Roads Network to include raining drainage water network, streets lightening network shall be in accordance with the technical standard specifications approved by the concerned Agencies provided to be subject to SOIETZ audit and approval after being coordinated with the related Agencies.
4. The Private Specified Industrial Estates shall be provided with the utilities and services after the internal networks of these utilities are completed. These utilities and services must be in accordance with the special standards and specifications applied by the concerned Agencies when SOIETZ approval is obtained and these agencies are directly addressed or when the owner of the Private Specified Industrial Estate is given the final license as "Private Specified Industrial Estate".

Chapter (2)
Requirements for obtaining operation license of Private Specified Industrial Estate.

First: General.

The Requirements for obtaining operation license of Private Specified Industrial Estate shall include and comply with the following:

The terms, controls and conditions included in the Council of Ministers' Resolution No. (235), dated 27/8/1422H and its Executive bylaw approved by SOIETZ Board of Directors Decision No. (5/2003), dated 3/12/1423H.

Second: Data and documents required to be submitted by operation applicant:

1. The operator is required to submit a work plan which at least , includes the following:
 - a. Description for nature and volume of services performed by the applicant.
 - b. The expected number of beneficiaries and the volume of services required in the Specified Industrial Estate.
 - c. The rehabilitation plan and work implementation schedule to provide services.
2. The Operator (Applicant) shall submit the financial and technical information, which proves his financial and technical capability to implement the operation functions in the Specified Industrial Estate.
3. The applicant shall submit a proof identifying his capability in providing, operating and distributing services such as, electricity, water, garbage treatment, natural gas, and communication to beneficiaries in the Specified Industrial Estate as well as, identify beneficiaries' commitments towards the suppliers of these services.
4. The applicant shall submit to SOIETZ two signed copies of his application, of which, one is original. Upon receipt of the two copies by SOIETZ, the concerned officer will review the application to make sure that it fulfills all the needed requirements. In case the application is found to be incomplete, it

will be returned to the applicant (operator) within (15) working days from the completion date of the review.

Chapter (3)
**Requirements for obtaining an operation or development
license of Facilities or / and providing services at a
Specified Industrial Estate.**

First: General.

1. The requirements for obtaining operation & development license of a Specified Industrial Estate shall include and comply with the following:
 1. The terms, controls and conditions stipulated in the organization issued under Council of Ministers' Resolution No. (235), dated 27/8/1422H and its Executive Bylaw approved by SOIETZ Board of Directors' Decision No. (5/2003), dated 3/12/1423H.
 2. The facility or site of service shall be included in the Industrial Estates, which, are approved as Specified Industrial Estates.

Second: Data and documents required from applicant of development, operation or service provider.

Note: The applicant shall submit his application attached with studies prepared by specialized consultative Office approved by SOIETZ in addition to the required data as follows:

a. Application form:

Each developer, operator or service provider shall submit to SOIETZ two signed copies of his application, of which, one is original. Upon receipt of the application by SOIETZ, the concerned officer will review the application to make sure that it fulfills all requirements.

In case the application is found to be incomplete, it will be returned to the applicant within (15) working days from the completion date of the review.

b. A proposed study identifying the following:

b-1. Comprehensive engineering and constructional drawings for the facilities or nature of services concerned at the Specified Industrial Estate.

b-2. An analytical engineering study identifying nature of development or operation proposed for the facility or the service at the Industrial Estate, its technical inputs and outputs.

- b-3. A description of functions that shall be performed by provider of the development, operation or service presentation application.
- b-4. Identify the financial capability and volume of financial transactions with banks or with the financing funds for the developer, operator or service provider.
- b-5. The manner or methodology for recovering development costs together with its profits from the industrial beneficiaries from the facility or the service during the usufruct period.
- b-6. Details of providing beneficiaries at the Industrial Estates relating with the service and the beneficiaries' commitments in exchange of this service.

C. A proposed implementation plan identifying the following:

- c-1. Phases of implementation effective from the expected date for the start of the development or operation of facility or effective providing service in the first phase and the implementation dates of the next phases of the facility or service, if any.
- c-2. A time table identifying the operation of the proposed project.
- c-3. The expected accomplishments after the development and construction phase as well as management and operation phase during usufruct period.

D. Human Resources Plan includes:

The Organizational Structure of the developer, operator or service provider with a summary of work men qualifications and experiences needed for the project to accomplish the development, implementation or operation plan.

E. Environment and safety considerations include:

A report identify that the work required to be implemented shall be in compliance with the requirements of environment, safety and infrastructures at the Specified Industrial Estates in which, the work will be implemented as required by the related rules and regulations applied in the Kingdom of Saudi Arabia.

F. Economic Feasibility Study:

Proves the financial and economical feasibility study for the implementation and operation of the facility or service project at the Specified Industrial Estate during the usufruct period and applicant's capability of accomplishing the project to including the following:

- f-1 Documents prove that the applicant has previously accomplished or participated in the accomplishment of similar functions concerning volume and nature of the project.
- f-2 A statement of the financing Agencies including lenders or persistent financiers (if any), who will cooperate with him in the accomplishment of the proposed project and the banks he deals with.
- f-3 A statement identifying the financial status of the group participating in the development, operation project or the facility or the service and the commitments of each Party thereof.
- f--4 A statement identifying details of the paid up capital and the capital funds proposed to be borrowed for the implementation of the project.
- f--5 An estimated cash flow list about costs and revenues of facility or service development or operation project (at least for 5 years period).

Chapter (4)

Procedures followed in case the Developer or Operator efforts are failed to make the Specified Industrial Estate productive.

Without prejudice to the content of Article (27) of the Executive Bylaw which is approved by SOIETZ Boards of Directors' Resolution No. (5/2003) dated 3/12/1423H concerning make the Specified Industrial Estate productive within two years effective from the date the Developer or Operator receives the license. The following shall be considered:

1. Failure in developing a Specified Industrial Estate.

- a. In case the developer failed in making the Specified Industrial Estate productive within two years, he may request from SOIETZ an extension of the development period for another year. The developer shall submit a written request in this regard including sufficient explanation of the reasons that made the Specified Industrial Estate non-productive within two years period. **An extension may be granted if the development failure is attributed to the following:**
 1. Force majored conditions including war or natural disasters through which the continuation of work become impossible.
 2. Slow of commercial movement or unexpected changes in the investment environment.
 3. Any other accepted reasons related to the delay considered the Board of Directors as unexpected and beyond developer's capability
- b. The Board of Directors issues its resolution relating to the extension within the first session held after the completion of the study if the reasons included in the extension request are considered acceptable. The extension will permit the possibility of making the Specified Industrial Estate productive within one year.
- c. The extension is granted for one year only and no other request for similar extension will be accepted after the elapse of one year.
- d. If the Specified Industrial Estate does not become productive within the two years period and the developer delayed in providing SOIETZ with a written report in which, he requests an extension for convincing reasons, the Board of Directors shall have the right to cancel the license granted to the concerned Specified Industrial Estate. In this case SOIETZ will notify the developer in writing with the cancellation of the license and all his right relating to the development of the Specified Industrial Estate shall refer back to SOIETZ.

1. Failure in operating Specified Industrial Estate.

- a. If the Specified Industrial Estate the new operator will be considered as:
 - 1. A licensed developer or;
 - 2. A sub-contractor for the licensed developer.

- b. In these cases, failure in operating the Specified Industrial Estate during the period shown in Article (27) of the Executive Bylaw, shall give SOIETZ the right to cancel the license of the developer unless the development is extended to another year in accordance with the procedures approved by SOIETZ.

- c. In case the new operator obtained a license to operate an existing and developed Specified Industrial Estate, the requirements for the initiation of the work and practicing the services and maintenance of facilities and financial exchanges will be the same requirements that are stated in the:
 - 1. Usufruct Contract signed between SOIETZ and the Operator previously licensed.
 - 2. Operation license issued by SOIETZ.

Chapter (5)
**Cancellation of the license granted to develop or operate a
Specified Industrial Estate**

- 1. The SOIETZ' Board of Directors shall have the right to cancel the license granted to the Developer or Operator pursuant to article (20) of the Executive Bylaw in the following cases:**
 - a. Expiry and non-renewal of the license.
 - b. Expiry of the usufruct period validity pertaining to activity under which, the license is issued unless renewed.
 - c. Insolvency of the Developer or Operator, dissolution or liquidation of the assets referred to the Developer or Operator.
 - d. Conducting works that are contradicting with the common welfare.
 - e. On-commitment with the timetable submitted by the Developer or Operator, and approved by SOIETZ during the implementation period, unless amended under an approval from SOIETZ.
 - f. Non-compliance with all terms and liabilities stipulated in the Executive By law, Rules and Regulation applied in the Kingdom of Saudi Arabia, especially the regulations relating to environment.
 - g. Non-fulfillment with provisions and terms of the usufruct contract entered into between the developer and/ or operator and SOIETZ, which grants the right to use the Specified Industrial Estate.
 - h. Practicing other works not stated in the usufruct contract and not related to services presented at the Specified Industrial Estate.
 - i. Assign of the license without obtaining SOIETZ approval.
2. In case any of the violations stated in the previous Para. (1) is present; SOIETZ shall notify the concerned holder of the license. He therefore, shall inform SOIETZ with the reasons of the violation and the corrective steps taken by him to treat such violation during thirty- (30) working days from the date in which, the notification is received.
3. When the clarification submitted by the holder of the license is studied by SOIETZ in light of the circumstances that lead to that violation and the corrective steps taken or shall be taken and how far these steps are compatible and accomplished. In case SOIETZ is persuaded of these justifications presented by the holder of the license it

may give the concerned holder a period to treat this violation and postpones the cancellation of the license for a period not exceeding sixty- (60) working days.

4. After lapse the thirty- (30) working days effective from the delivery of the notification of the violation to the holder of the license or when the postponing period of the cancellation mentioned in the previous Para. (3) is ended without correcting the violation, SOIETZ shall have the right to cancel the license and in this case, all rights related to the license will be returned to SIOETZ.
5. In case the license is cancelled under the Article (20) of the Executive Bylaw, SOIETZ will, within (30) working days from the cancellation date of the license take the following arrangements:
 - a. Publish an announcement in the local newspaper declaring the cancellation of the concerned license.
 - b. The usufruct contract entered into between SOIETZ and the Developer or Operator is cancelled (in accordance to its terms).
 - c. A new Developer or Operator is selected in accordance with the terms and provisions of the Executive Bylaw and the procedures stated in this Manual.
 - d. A proper contract shall be signed between the owner and the new Developer or Operator during the (30) working days from the cancellation date of the license. He shall apply again to obtain the required license in accordance with chapter (5) of SOIETZ Executive Bylaw.
6. In case the procedures shown in the previous Paragraphs. (b) and (c) during the ninety (90) working days period from the cancellation date of the Developer or Operator's License, the project's classification as " Specified Industrial Estate" shall be withdrawn.

Chapter (6)

Developer or Operator's assign procedures of his rights.

1. In case the assignee intends to develop and operate the Specified Industrial Estate in accordance with the development or operation plan and the related information received from the Developer or Operator the (assigner) who obtained the development or operation license. When the assignee is applying to obtain such license or when presents his proposal to obtain the usufruct contract in accordance with the terms of the original license granted to the first Developer or Operator. In this case, the assignee shall present an original copy of the indicated application together with authenticated acknowledgement in this regard. However, if the assignee desires to change the development or operation plans of the Specified Industrial Estate, he shall include these changes in the block assigned for that in the development or operation application form. These changes will be subject to SOIETZ' study and approval.
2. SOIETZ approval on the application shall be subject to the assignee's fulfillment to the required terms to be approved as a Developer or Operator especially concerning proving his financial and technical capability and the results of these changes he stated in accordance to the previous Para (1).

Chapter (7)

Classification of works in the Specified Industrial Estates

Works in the specified industrial estates are divided into permitted and non-permitted works as follows:

1. The permitted works:

Every service work may be practiced inside the Specified Industrial Estates long as it conforms to the economic goals set forth to the development plan of the Specified Industrial Estates that are approved by SOIETZ.

2. The non-permitted works:

The works that are unauthorized to be practiced in the Specified Industrial Estate are identified as follows:

- a. Works threaten environment in accordance with the considered regulations and laws.
- b. Works considered in its nature as service work but prohibited from being practiced under the regulations applied in the Kingdom of Saudi Arabia.
- c. Works that form a random load on the structure of the Specified Industrial Estates and are located beyond the scope of the designed plan which it is agreed to between SOIETZ and the a licensed Developer or Operator.
- d. Other works prohibited to be practiced and included in the terms of the development and /or operation license of a Specified Industrial Estates.

Chapter (8)

Terms for allocating lands to Beneficiaries in the Specified Industrial Estates

First: General

Lands allocating within the Specified Industrial Estates whether Governmental or related to Private sector are allocated as follows:

1. Factories obtaining industrial license from the concerned authorities.
2. Services and activities that serve the specified industrial estate, are associated to industrial development, and assigned by a resolution issued by SOIETZ pursuant to article (36-37) of the Executive bylaw of the organization issued under Council of Ministers' Resolution No. (235), dated 27/8/1422H.
3. Works that are non-permitted to be practiced in the Specified Industrial Estate in accordance with the license issued to the Developer or Operator or mentioned in the usufruct contract.
4. Lands of the specified industrial estate are not allowed to be leased to any activities that cause pollution to environment or damage to factories and other related services centers.

Second: Procedures for obtaining land in the Specified Industrial Estate:

1. The owner of the project who is willing to obtain a piece of land, shall apply to SOIETZ or to the agency delegated by SOIETZ either it has a branch or a developer obtained a license and usufruct contract. The following documents shall be attached to the application:
 - a. A copy of the application form for requesting a piece of land at the Specified Industrial Estate.
 - b. An initial industrial drawing indicates how the areas located inside the required land are exploited using a proper scale.
 - c. A copy of the license of the Industrial Establishment or the document of the associated service from the related Agency.
2. **Notify the investor with allocation of land:**

SOIETZ, the developer, or the delegated Agency shall notify the Investor with SOIETZ approval on the allocation of a land after studying the application together with the previously mentioned documents. The investor shall be requested to take over the land within ten working days.

3. Preparation of Design drawings:

The investor shall prepare design the factory drawings in accordance with the construction requirements inside the industrial estates as stated in chapter (9) of this manual. The design drawings shall be submitted to SOIETZ or to any agency delegated by SOITZ within four months from the date of land notification letter to be studied and approved.

4. Sign the contract:

After the design drawings are approved, the following is requested from the investor:

1. A copy of the contract signed with a contractor to implement the project.
2. A copy of the supervision contract with consultant to supervise the implantation in accordance with the approved drawings.

After submitting the previous documents, the lease contract of the land is signed. The initiation of implementation will be within two months from the approval dates on the drawings or in accordance with the contract's terms.

Chapter (9)

Procedures and requirements of construction within the Specified Industrial Estates.

The requirements for the construction of factories in the specified industrial estates shall be, in addition to what has been stated in item (3) of Article (29) of SOIETZ' executive bylaw as approved by SOIETZ' board of director's resolution No.(5/2003) dated 3/12/ 1423H. These requirements, which relate to full supervision of SOIETZ over the applicability of Owners of factories to stipulations of construction inside the specified industrial estates as follows:

First: General requirements:

1. The investor is required to submit a copy of the initial design attached with the following:
 - a. Land allocation letter either from SOIETZ or Developer.
 - b. Industrial license or the associated service document from the related agency.
 - c. Sketch Site Drawing approved by SOIETZ, developer or the agency delegated by SOIETZ identifying the general site of the project and the streets surrounding the site, width of these streets and other services.
2. The submitted Drawings must be prepared by a licensed consultative Office and must be signed and stamped by the Office stamp.
3. After obtaining the initial approval of the initial design, it is required to submit a complete copy of the factory's design drawings under these requirements for the initial complete review of the project. Upon approval, four complete copies shall be submitted for the final approval.
4. Each copy shall be filed in a special file. Drawings shall be numbered and an index shall be set forth to indicate number and content of the drawing.

Second: Initial submission:

1. The investor shall submit a copy from the general site drawing with the scale 1/200 or 1/300 in which the following is indicated:
 - a. The legend to drawing indicates its site from the north direction, surrounding streets and Makkah Al- Mukarrama direction, Piece of land number, Dimensions of the land assigned to the project with linear meter, site and dimensions of the building.

- b. The free spaces between the factory buildings and its additions and between boundaries of land as required by safety regulations. The following shall be considered:
 - b-1. No entrances shall be opened to the factory opposite to streets of 40 meters wide or more, only in case no other streets are facing the factory.
 - b-2. The main entrance and sub- entrance width of the factory (The Gates) shall not be less than 6 meters and they must be kept apart as much as possible.
 - b-3. The height of production buildings shall not exceed (12) meters high. In cases when it is needed to increase the height, SOIETZ approval is required, SOIETZ approval must be obtained.
- 2. The investor shall submit a copy of the industrial drawing for the equipment with proper scale in which, the following is identified:
 - a. Type and location of the used equipments.
 - b. Spaces required around the equipments.
 - c. Areas of temporary storage.
 - d. Raw material warehouse.
 - e. Produced material warehouse.
 - f. Maintenance workshop and spare parts warehouse.
 - g. A chart (sketch) indicates the sequence of productive operations of the project in accordance with the industrial production lines.

Third: Full submission of the design drawings:

When the design drawings are submitted, the following shall be considered:

- 1. The design drawings shall include:
 - 1-1 Industrial works drawings.
 - 1-2. Architectural works drawings.
 - 1-3 Constructional works drawings.
 - 1-4 Sanitary works drawings.
 - 1-5. Electrical works drawings.
 - 1-6 Industrial safety works drawings.
- SOIETZ, developer or any agency delegated by SOIETZ shall attach a copy of the detailed requirements that need to be provided in the drawings and designs with land allocation letter.
- 2. The potable water use should be restricted to the purposes to which the water is designated and should not be used for cooling or laundry purposes. Accordingly, the economy way for using potable water should be clarified in lines of production, if any.
 - 3. The industrial drainage water should not include any materials or chemical remains that may affect the industrial drainage network of the Industrial Estate. Therefore, factories

must use equipment for separation of chemical substances, greases. The drainage water must be within the limits of the special standards identified in the detailed designs, handed over with land allocation letter.